



2011

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**FINANCIAL MANAGEMENT (ONE ACT PUBLIC SERVICE)
AMENDMENT BILL 2011**

EXPLANATORY STATEMENT

**Presented by
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Treasurer**

FINANCIAL MANAGEMENT (ONE ACT PUBLIC SERVICE) AMENDMENT BILL 2011

Overview

The ACT Government has chosen to establish a single agency, of nine directorates, as the administrative basis of the ACT Public Service to commence on 1 July 2011. The single agency model will report to a single Chief Executive through nine directorates, each headed by a Director-General. To allow the introduction of a single agency, all existing administrative units will be abolished from 30 June 2011.

As a result, the *Financial Management Act 1996* (the Act) has been amended to reflect the single agency structure by:

- substituting all references to ‘department’ with ‘directorate’;
- substituting all references to ‘chief executives’ of departments with ‘directors-general’; and
- amending Part 8 of the Act to remove the list specifying the ACT’s territory authorities to which the territory authority financial provisions of the Act apply, and instead specify this list in a Financial Management Guideline.

Notes on Clauses

Clauses 1 Name of Act

This is a formal provision setting out the name of the Act.

Clause 2 Commencement

The Act commences on 1 July 2011.

Clause 3 Legislation amended

This clause specifies the Act being amended by this Bill.

Clause 4 Section 3B

Section 3B has been modified as the section referred to section 54(1) which has been deleted from the Act.

Clause 5 Section 54

1) Section 54 has been amended to remove the list of Territory authorities to which Part 8 of the Act applies. The list of territory authorities is instead provided in a Financial Management Guideline. This allows the list to be easily updated and is a more efficient process to facilitate necessary changes without diluting transparency. As Financial Management Guidelines are disallowable instruments, the Legislative Assembly continues to have the ability to debate proposed changes to the list of Territory authorities to which Part 8 applies.

Clause 6 Responsibilities of chief executive officers of territory authorities Section 55(1), note

This note clarifies that territory authorities will only have a governing board if their establishing Act makes that provision. The amendment to the note was required as the note previously referred to section 76(2) which has been deleted.

Clause 7 Responsibilities of governing boards of territory authorities Section 56(1), note

This note clarifies that territory authorities will only have a governing board if their establishing Act makes that provision. The amendment to the note was required as the note previously referred to section 76(2) which has been deleted.

Clause 8 Governing board of territory authority Section 76(2)

The list of Territory authorities with governing boards which was contained in section 76(2) has been removed. The list is not legally required as section 76(1) specifies that a Territory authority has a governing board if the establishing Act for the authority establishes a governing board for the authority. The list was merely for information purposes when Part 9 ‘Governance of Territory Authorities’ was introduced. The removal of the list means that it does not need to be updated when Territory authorities change.

Clause 9 Dictionary, note 2

The amendment updates the Dictionary in the Act by substituting ‘chief executive’ with ‘director-general’.

Clause 10 Dictionary, definitions of *department* and *departmental banking account*

The clause substitutes ‘department’ with ‘directorate’ and ‘departmental banking account’ with ‘directorate banking account’.

Clause 11 Dictionary, definition of *governing board*

Due to the removal of section 76(2) from the Act, the clause substitutes the reference to ‘territory authorities mentioned in section 76’, with ‘governing board established under the Act that establishes the authority’.

Clause 12 Dictionary, definition of *responsible chief executive*

The clause substitutes ‘responsible chief executive’ with ‘responsible director-general’, ‘department’ with ‘directorate’, and ‘chief executive’ with ‘director-general’.

Clause 13 to Clause 19 Further Amendments

The clauses substitute references to ‘chief executive’ with ‘director-general’, ‘chief executives’ with ‘directors-general’, ‘chief executive’s’ with ‘director-general’s’, ‘department’ with ‘directorate’, ‘departmental’ with ‘directorate’, ‘departments’ with ‘directorates’, and ‘department’s’ with ‘directorate’s’ throughout various sections of the Act.