



# A matter of protocol:

Maintaining the independence of the budget process for  
the Office of the A.C.T. Legislative Assembly

**45<sup>th</sup> Presiding Officers and Clerks Conference 2014**

**Samoa, 30 June – 4 July, 2014**

Tom Duncan, Clerk of the Legislative Assembly for the Australian Capital Territory

‘An all-party committee of members of parliament should review and administer parliament’s budget which should not be subject to amendment by the executive’.

***Latimer House Guidelines for the Commonwealth 19 June 1998***

‘Only the legislature shall be empowered to determine and approve the budget of the legislature’

***Recommended Benchmarks for Democratic Legislatures, CPA***

## Introduction<sup>1</sup>

Seven years ago at the 38<sup>th</sup> Presiding Officers and Clerks Conference the then Speaker of the ACT Legislative Assembly, Wayne Berry MLA, presented a paper entitled: *The application of the Latimer House Principles in developing a legislature’s budget: parliamentary autonomy versus executive prerogative*<sup>2</sup>. In that paper Speaker Berry outlined the budget process that then applied to the development of the Assembly’s annual budget. Speaker Berry described a number of the deficiencies in those arrangements so far as the application of the separation of powers doctrine and the Latimer House Principles was concerned.

Since that time, the Office supported by two subsequent Speakers<sup>3</sup> has undertaken a concerted effort to strengthen the independent status of the legislative branch, particularly with respect to how its budget is developed and framed. With the passage of standalone legislation in 2012<sup>4</sup>, a 2013 organisational restructure (which focused, amongst other things, on consolidating the Office’s financial management arrangements), and the development of a set of budget protocols in 2014, the Office and the legislature it supports are now well

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<sup>1</sup> I’d like to gratefully acknowledge the assistance of David Skinner, Director of Governance and Communications, Office of the Legislative Assembly, in preparing this paper.

<sup>2</sup> Since they were first adopted by the Commonwealth Heads of Government in 2003, the ACT Legislative Assembly has, more than any other parliament of which I am aware, demonstrated a real commitment to the *Commonwealth (Latimer House) Principles on the Three Branches of Government*.

The Assembly’s commitment to these principles has extended across party lines and the principles have featured prominently in numerous debates about the overall governance of the ACT and particularly in relation to the relationship between the executive and legislative branches of government. For instance, six years ago, the Assembly unanimously passed a continuing resolution, which remains embodied in the Assembly’s Standing Orders, endorsing the principles. The preamble to that resolution, passed on 11 December 2008, stated that, ‘... the principles express the fundamental values they believe should govern the relationship between the three branches of government in the Australian Capital Territory’. A performance review against the principles, performed by an independent expert, is also required one each Assembly term.

<sup>3</sup> Since Speaker Berry’s Speakership, Speaker Shane Rattenbury MLA and Speaker Vicki Dunne MLA have both also been strong advocates for the legislative branch and the Office.

<sup>4</sup> *The Legislative Assembly (Office of the Legislative Assembly) Act 2012*

positioned to assert their independence and participate more effectively in the budget development process.

Speaker Berry's 2007 paper addressed a number of areas where the funding arrangements for the legislature did not meet either the spirit or the letter of the Latimer House Principles or the Recommended Benchmarks for Democratic Legislatures<sup>5</sup>.

I will turn my attention, briefly, to several of the areas touched on by Speaker Berry.

## No guarantees, no explanations

Speaker Berry noted that although the relevant legislative framework provided a mechanism for the Speaker to recommend the amount that the Assembly should receive in a given year, there was no guarantee that the executive would accede to such requests. Nor was there a process in place requiring the executive to explain the basis of its decision where a funding request was denied.

## 'Executive-flavoured' budget templates and guidelines

Speaker Berry observed that it was problematic that, under the arrangements that operated at the time, Assembly budget proposals had to be prepared using templates and in accordance with guidelines issued by the ACT Treasury, both of which were very much 'executive-flavoured'. This material established requirements of all agencies, including the then Assembly Secretariat (now the Office), to align budget proposals with government policy. There was little to recommend the documents for use by an agency with a remit to provide administrative and procedural advice and support to the legislature.

Speaker Berry observed that:

It is clear that the importance placed on election commitments, government outcomes and government objectives within the 'initiative concept brief' [budget submission pro forma] guidelines reflects the fact that the 'initiative concept brief' process is predominately a mechanism for developing and implementing the policy imperatives and political interests of the government and is, therefore, an unsuitable means of developing and considering the resourcing requirements of the legislature creating obvious tensions for the application of the Latimer House Principles.

Indeed, it is not too difficult to imagine the potential for budget initiatives proposed by the Assembly through this process to come into direct conflict with the political interests and policy positions of the government of the day. For instance, it could be that the Assembly,

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<sup>5</sup> Available at: <http://thecommonwealth.org/sites/default/files/history-items/documents/LatimerHousePrinciples.pdf> and [http://www.cpahq.org/cpahq/Mem/Annual\\_Conference/United\\_Kingdom\\_2011/57th\\_CPC\\_Plenary\\_Papers/Recommended\\_Benchmarks\\_for\\_Democratic\\_Legislatures.aspx](http://www.cpahq.org/cpahq/Mem/Annual_Conference/United_Kingdom_2011/57th_CPC_Plenary_Papers/Recommended_Benchmarks_for_Democratic_Legislatures.aspx)

arising from specific initiatives developed via the Administration and Procedure committee, proposes a greater expenditure on resourcing for non-executive MLAs in the area of information technology infrastructure and support. Whilst this initiative might deliver dividends in terms of improved communications capacity between members and ACT electors as well as more efficient administration of members' offices, it is almost certainly not an initiative that would be at home with 'government objectives' and 'election commitments'. Similarly, a call from the Assembly to increase resources for the Assembly committee system leading to enhanced scrutiny of the executive is unlikely to be at the top of a government's list of priorities.<sup>6</sup>

## Cabinet representation

Unlike other parts of the ACT administration, the Assembly did not have a representative in cabinet to argue on behalf of the legislature's budgetary requirements. Although Speaker Berry had appeared before cabinet on an ad hoc basis over the years, a formalised process for this to happen as a matter of course had not yet been developed.

## Independent budgetary process

Berry concluded his paper by noting that, 'In order to sustain and nourish the... [Legislature's] accountability, legislative and representational functions, an independent budgetary process is required; separate from [the arrangements] that apply to executive government departments and agencies'.

# Developments

## OLA Act

A consequential amendment to the *Financial Management Act 1996* (arising from the OLA Act) introduced the following provisions:

### **20AA Appropriation for Office of the Legislative Assembly**

- (1) This section applies if—
- a) the Treasurer presents a bill for an Appropriation Act for the appropriation for the Office of the Legislative Assembly relating to a financial year in the Legislative Assembly; and
  - b) the appropriation is less than the recommended appropriation [i.e. the amount recommended by the Speaker following consultation with the Standing Committee on Administration and Procedure] for the financial year.

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<sup>6</sup> Berry, Wayne (2007) 'The application of the Latimer House Principles in developing a legislature's budget: parliamentary autonomy versus executive prerogative' presented at the 38<sup>th</sup> Presiding Officers and Clerks Conference

- (2) Immediately after presenting the bill, the Treasurer must present to the Legislative Assembly a statement of reasons for departing from the recommended appropriation.

The effect of these provisions is that where previously the Budget Cabinet Committee could simply dismiss a request for funding by the legislature out-of-hand, the executive is now required to present specific reasons to the Assembly for appropriating less than that which was sought by the Speaker. While the new arrangements do not *mandate* that the executive appropriates the amount sought by the Speaker, they do provide a greater degree of transparency about the basis of any decision to provide less funding than sought.

### Financial initiative of the executive

One of the constraints for the Assembly and other Australian parliaments in giving full expression to the relevant guidelines<sup>7</sup> mentioned at the outset of this paper is the doctrine of the financial prerogative of the crown (also known as the financial initiative of the executive). This doctrine is embodied in s65 of the ACT's effective constitution – the *Australian Capital Territory (Self Government) Act 1988* Cwlth – which provides that:

- (1) An enactment, vote or resolution (**proposal**) for the appropriation of the public money of the Territory must not be proposed in the Assembly except by a Minister.
- (2) Subsection (1) does not prevent a member other than a Minister from moving an amendment to a proposal made by a Minister unless the amendment is to increase the amount of public money of the Territory to be appropriated.

To move any closer to the practical realisation of the relevant guidelines and benchmarks would require Commonwealth legislative change and would run counter to the generally accepted principle in Australian governance that formulating budgets is ultimately a matter for the executive.

However, in a small unicameral legislature such as the ACT Legislative Assembly in which minority governments have been the norm<sup>8</sup>, there are also political imperatives which ensure that governments are not too cavalier in the approach they take to funding the legislative arm of government. After all, a judicious executive attuned to the *realpolitik* involved in operating within a minority government situation would perhaps be unwise to

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<sup>7</sup> Namely that: 1. 'An all-party committee of members of parliament should review and administer parliament's budget which should not be subject to amendment by the executive'; and 2. 'Only the legislature shall be empowered to determine and approve the budget of the legislature'

<sup>8</sup> There has been only one majority government in the Assembly's history.

bring about unreasonable cuts to the legislature's funding given that it is the legislature itself which will be called upon to pass the executive's appropriation bills<sup>9</sup>.

## Budget protocols

In 2013, following a review of the organisational structure of the Office, I implemented a number of changes in the way that the Office performed its work. One of the changes was the introduction of a new area within the Office – Governance and Communications – which assumed control over the financial management of the Office. Headed by a director, and supported by a new Chief Finance Officer position, the Governance and Communications area was tasked with reforming a number of the Office's financial management functions.

With the support and leadership of the current Speaker, Vicki Dunne MLA, the Governance and Communications has driven a project to develop budget protocols to more clearly articulate the manner in which officials and office holders in the legislative and executive arms of government might be guided in developing the Assembly's budget. Over the last six months the Director of Governance and Communications and I have negotiated with Treasury officials to produce the protocols, which were only this week signed by Speaker Dunne and the Chief Minister of the ACT, Katy Gallagher (see Attachment A).

The protocols establish: broad principles supported by the parties (the executive, represented by the Chief Minister and the legislature, represented by the Speaker); the responsibilities of the participants in the budget process (the Office and the Treasury); and the process that participants will adopt in developing the budget for the Office.

The protocols:

- Introduce a requirement that, where the Speaker wishes to advance a budget proposal on behalf of the Office, in addition to providing a written argument for the funding, he or she will be given the opportunity to make an oral submission directly to the Budget Cabinet Committee;
- Establish that the recommended appropriation (the amount that the Speaker *seeks* to be appropriated for the Office in any given year pursuant to the Financial Management Act) consists of:

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<sup>9</sup> A consequential amendment in the OLA Act also introduced provisions in the Financial Management Act requiring that a separate appropriation bill be presented for the Office of the Legislative Assembly (since this time funding for the Auditor-General and the Electoral Commissioner are also included in this appropriation bill)

a) Base funding (from the previous year)

+

b) Technical adjustments (e.g. CPI or other indexation)

+

c) Funding for Assembly budget proposals that are advanced;

- Establish that the funding proposals for the Office will relate to the functions of the Office as set out in s6 of the OLA Act<sup>10</sup> and that proposals will proceed through a two-stage process of evaluation by the Budget Cabinet Committee (1. The concept stage which summarises the high level aspects of the proposal and indicative costings; and 2. The business case stage with more detailed information and financial information);
- Establish that the Office is entitled to retain any revenue it generates during the course of the financial year (rather than returning the amount to consolidated revenue);
- Reaffirm the longstanding practice that the Office is entitled to retain any unspent appropriation (i.e. surplus) from one year to another;
- Establish that the Office is not required to align its budget proposals with government policy and that the Office and the Treasury will develop dedicated budget documentation appropriate for the Office/Legislature;
- Acknowledge that the Treasury will give due consideration, as part of the budget process, to the potential for abnormally high liabilities to be incurred by the Office in an election year (associated with termination payments for members and staff).
- Provide that the Office is entitled to due consideration by the executive to provide additional appropriation during a financial year where employee entitlements exceed the amount initially appropriated.
- Require that, prior to any across-the-board savings proposals (e.g. efficiency dividend) being applied to the Office, the executive must consult with the Speaker who will consult with the Standing Committee on Administration and Procedure.

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<sup>10</sup> See Attachment B

## Conclusion

Following the somewhat brief excursion from 2007 to the present time set out in this paper, it's quite clear that the Office and the Assembly itself, supported by a number of consecutive speakers, have been able to further bolster the legislature's independence and to bring about greater expression of the Latimer House principles within the constraints thrown up by the financial initiative of the Crown. I am hopeful that we can continue to maintain this degree of autonomy and independence and that a slated review of the budget protocols document in 2016 demonstrates value to both parties.

# ATTACHMENT A



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

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OFFICE OF THE LEGISLATIVE ASSEMBLY

## BUDGET PROTOCOLS FOR THE OFFICE OF THE LEGISLATIVE ASSEMBLY

## 1. PREAMBLE

- 1.1 This document establishes: the principles to which the parties commit; the responsibilities of the participants in the budgetary process; and the protocols to be observed in developing and considering budget appropriations for the Office of the Legislative Assembly (the Office).
- 1.2 It gives further effect to the separation of powers doctrine while at the same time acknowledging and supporting the financial initiative of the Executive (the right of the Executive to develop and frame appropriations for consideration by the Legislature).

## 2. PARTIES

2.1 The following parties endorse and commit to this agreement:

- **The ACT Legislature**  
Represented by Vicki Dunne MLA, Speaker of the Legislative Assembly for the Australian Capital Territory
- **The ACT Executive**  
Represented by Katy Gallagher MLA, Chief Minister for the ACT

### 3. TERM OF EFFECT

- 3.1 The protocols, in the form of an agreement, will have effect upon signing by each party and will be tabled in the Assembly by the Speaker.
- 3.2 The agreement will remain in effect in the form tabled unless otherwise discontinued or amended by mutual agreement of the parties.
- 3.3 The agreement may be discontinued by written agreement of the parties. Where the agreement is discontinued, the Assembly will be notified on the first sitting day following its discontinuation.
- 3.4 The agreement may be amended with the written agreement of the parties. Where the agreement is amended, a copy of the agreement, as amended, will be tabled in the Assembly on the first sitting day following the amended agreement having been agreed and signed by the parties.
- 3.5 The parties agree that a review will be conducted in 2016 to assess whether the agreement is working effectively, with details of the reviewer, the scope and the timing to be agreed between the parties at the beginning of the 2016 calendar year.

#### 4. SCOPE OF EFFECT

4.1 Nothing in the agreement purports to take precedence over, or to limit any rights or obligations arising from: the standing orders; legislation; or resolutions of the Assembly.

4.2 Where a conflict with the agreement arises, it will be resolved in favour of the relevant standing order, legislation, or resolution of the Assembly.

4.3 The agreement should be read in conjunction with the following:

- *Legislative Assembly (Office of the Legislative Assembly) Act 2012*
- *Financial Management Act 1996*
- *Public Sector Management Act 1994*
- *Standing Orders and Continuing Resolutions of the Assembly*

## 5. STATEMENT OF PRINCIPLES

- 5.1 The parties commit to advance the separation of powers doctrine as it relates to the mutually independent status of the legislative and executive branches of government in the ACT's form of parliamentary democracy. The parties recognise that each branch has distinct roles and responsibilities that will not be encroached by one another.
- 5.2 The parties agree that the doctrine will be given due recognition at all stages of the development and consideration of the annual budget and appropriation bill for the Office of the Legislative Assembly and any additional appropriation.
- 5.3 The parties acknowledge and support the principle of the financial initiative of the Executive – the exclusive right of executive arm of government to develop and frame appropriation bills for consideration by the legislative arm of government.
- 5.4 The parties acknowledge that, while the executive government is entitled to frame a budget appropriation bill as it sees fit, the recommended appropriation for the Office of the Legislative Assembly will, as a matter of fundamental principle, be regarded as a statement of the Legislature's resource requirements and priorities.
- 5.5 The parties acknowledge that there will be occasions in which the demands of government policy have the potential to conflict with the roles and functions of an effective legislature. Where these conflicts – potential or otherwise – arise, the parties agree to ensure that the Legislature can perform its accountability, representative and legislative roles effectively.
- 5.6 The parties recognise and support the independent status of the Legislative Assembly and the Office of the Legislative Assembly in its capacity as the Legislature's primary source of administrative and procedural advice and support.
- 5.7 The parties acknowledge that the Office of the Assembly is not subject to the direction of the Executive and is not, therefore, bound by policies, procedures and other governance arrangements promulgated by the Executive or its officers in the ACT public service, unless otherwise provided for by law.

## 6. BUDGET RESPONSIBILITIES

### THE SPEAKER

6.1 Pursuant to s20 of the *Financial Management Act 1996*, the parties acknowledge that the Speaker is responsible for:

- consulting with the Standing Committee on Administration and Procedure on the *recommended appropriation* (s20(a)) for the Office;
- approving the *recommended appropriation* and *draft budget* (s20(b)) for the Office of the Legislative Assembly; and
- transmitting the *recommended appropriation* and the *draft budget* to the Treasurer according to the timetable agreed with Treasury as part of the budget process.

6.2 Where the Speaker seeks to advance an Assembly Budget Proposal on behalf of the Office, the parties agree that the Speaker shall be given the opportunity to make an oral submission to the Budget Cabinet Committee on the *recommended appropriation*.

### THE CLERK

6.3 The parties agree that the Clerk, supported by the Office, is responsible for:

- providing advice to the Speaker and the Standing Committee on Administration and Procedure on the funding requirements of the Office;
- preparing information and analysis for the Speaker to assist in quantifying the *recommended appropriation* and *draft budget* for the Office;
- preparing any Assembly Budget Proposals forming part of the *recommended appropriation* and *draft budget* for the consideration of the Speaker;
- providing sufficient and timely information to the Executive to allow technical and other adjustments to the Office's annual budget to be made and to allow year to year comparisons to be made in relation to the Office's financial statements; and
- appearing before the Budget Cabinet Committee to assist in the Speaker's oral submission on the *recommended appropriation*.

### THE STANDING COMMITTEE ON ADMINISTRATION AND PROCEDURE

6.4 Pursuant to s20 of the *Financial Management Act 1996*, the parties acknowledge that the Standing Committee on Administration and Procedure will be consulted in relation to the *recommended appropriation* that is to be transmitted to the Treasurer by the Speaker.

6.5 The parties acknowledge that the Standing Committee on Administration has a consultative, although not determinative, role in the development of the *recommended appropriation* transmitted by the Speaker to the Treasurer.

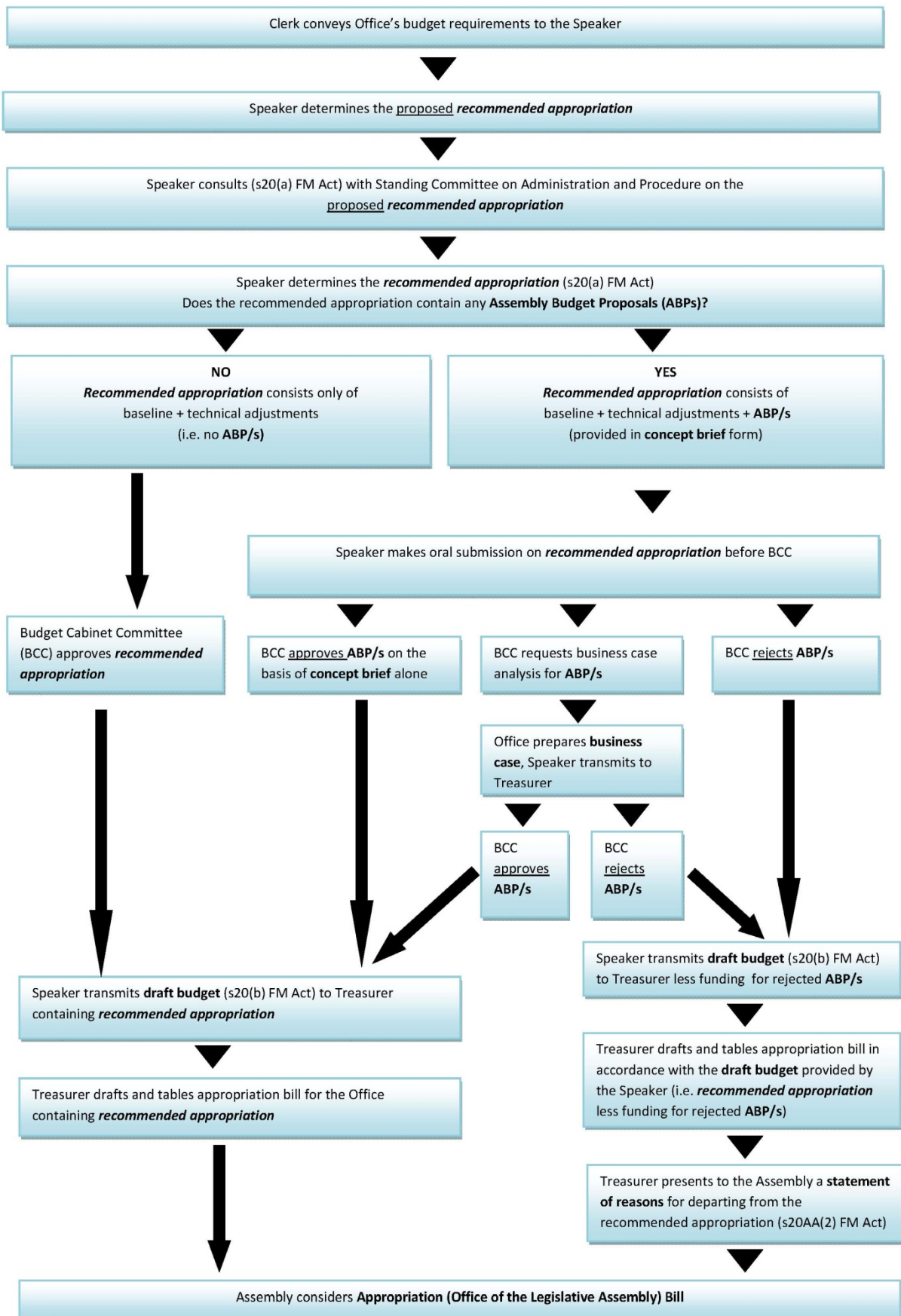
## THE TREASURER

- 6.6 The parties agree that the Treasurer is responsible for receiving the *recommended appropriation* from the Speaker and transmitting the *recommended appropriation* to all members of the Cabinet for the consideration of the Budget Cabinet Committee.
- 6.7 The Treasurer is also required to present a statement of reasons to the Assembly where the appropriation for the Office of the Legislative Assembly is less than the *recommended appropriation* sought by the Speaker.

## BUDGET CABINET COMMITTEE

- 6.8 The parties agree that the Budget Cabinet Committee is responsible for deciding the amount of funding to be included in the appropriation bill for the Office, including whether or not Assembly Budget Proposals will be funded via appropriation.

## 7. BUDGET PROCESS OVERVIEW



## 8. BUDGET PROTOCOLS

8.1 The parties commit to and will abide by the following protocols in relation to the development and consideration of the budget for the Office of the Legislative Assembly.

### RECOMMENDED APPROPRIATION

8.2 Prior to the end of a given financial year (typically prior to the end of the second quarter), the Speaker will transmit the *recommended appropriation* to the Treasurer for the subsequent financial year.

8.3 In any given year, the *recommended appropriation*, in relation to both the Territorial and Controlled entities administered by the Office, is taken to mean:

**a) Base funding**

**+**

**b) Technical adjustments**

**+**

**c) Funding for any Assembly Budget Proposals**

8.4 Given precise quanta are not available at the time that the recommended appropriation is provided to the Treasurer, the *recommended appropriation* will not generally contain a specific amount in relation to: a) Base funding + b) Technical adjustments.

### BASE FUNDING

8.5 The Office's base funding refers to the funding appropriated to the Office in the current financial year in which a *recommended appropriation* is transmitted for the subsequent year and includes:

- 'Government Payment for Outputs' (Controlled Entity)
- 'Payments on Behalf of the Territory' (Territorial Entity)
- 'Capital Upgrades Funding' (Territorial)
- 'Capital Injection Funding' (Controlled)<sup>1</sup>

### TECHNICAL ADJUSTMENTS TO THE BUDGET

8.6 Technical adjustments refer to accounting and other technical adjustments such as consumer price indexation or adjustments arising from changes to applicable Australian Accounting Standards.

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<sup>1</sup> Where the name of these revenue sources changes in the future ACT Treasury nomenclature, equivalence should be drawn between these terms (as they were applied in the 2012-13 budget papers) and any new terms.

## ASSEMBLY BUDGET PROPOSALS

8.7 An Assembly Budget Proposal is any proposal advanced by the Speaker in relation to the Territorial or Controlled entities administered by the Office seeking additional appropriation, above and beyond the Office's base budget.

8.8 All Assembly Budget Proposals will relate to:

- the effective performance of the roles and functions outlined in s6 of the *Legislative Assembly (Office of the Legislative Assembly) Act 2012*; and/or
- the effective performance of the legislative, representative and accountability related functions of the Legislature and its members.

8.9 Assembly Budget Proposals will typically be developed in two stages: 1. the **concept stage**; and 2. the **business case stage** (where required).

### Concept brief stage

8.10 Prior to the end of a financial year (generally prior to the conclusion of the second quarter of a given financial year), the Speaker will transmit to the Treasurer any Assembly Budget Proposals for the subsequent year in the form of a concept brief.

8.11 Concept briefs will provide sufficient financial information and relevant supporting evidence such that would allow due and proper consideration by Budget Cabinet Committee, including relevant information in relation to:

- the underlying policy rationale for a proposal and a proposal's capacity to support the effective performance of the roles and functions of the Legislature, MLAs, and the Office;
- the estimated financial impacts of a proposal, including any out-year effects; and
- any risk management or cost-benefit analyses undertaken in relation to a proposal.

8.12 Upon receipt of an Assembly Budget Proposal from the Speaker, the Treasurer will circulate the proposal to members of the Cabinet and list the proposal on the agenda of the Budget Cabinet Committee.

8.13 Where the Speaker has one or more Assembly Budget Proposals to advance, the parties agree that the Speaker is entitled to be heard by the Budget Cabinet Committee in relation to the *recommended appropriation* of the Office.

8.14 The parties agree that the Executive, through Cabinet, will give due and proper consideration to the *recommended appropriation* including any Assembly Budget Proposals advanced by the Speaker.

8.15 The Budget Cabinet Committee will consider any Assembly Budget Proposals and determine whether proposal/s:

- a) are agreed to on the basis of the concept brief alone; or

b) require further analysis in the form of a business case for further consideration by the Budget Cabinet Committee; or

c) are not agreed to.

8.16 Following the Cabinet having made its decision in relation to paragraph 8.15 the Treasurer will write to the Speaker advising of the Cabinet's decision.

#### Business case stage

8.17 Where the Cabinet agrees that an Assembly Budget Proposal will be further considered in the form of a business case, the Speaker will transmit to the Treasurer a more detailed analysis of any proposal.

8.18 The Budget Cabinet Committee will give due and proper consideration to the additional analysis and determine whether:

a) the proposal is agreed to; or

b) the proposal is not agreed to.

8.19 Following the Cabinet having made its decision in relation to paragraph 8.18 the Treasurer will write to the Speaker advising of the Cabinet's decision.

#### DRAFT BUDGET

8.20 Following the receipt of the Budget Cabinet Committee's consideration of the *recommended appropriation* for the Office, the Office will prepare a *draft budget* (pursuant to s20(b)) of the FM Act) for the Speaker's approval.

8.21 Where the *recommended appropriation* is agreed to by the Budget Cabinet Committee, the *draft budget* will be drafted consistent with that decision.

8.22 Where the *recommended appropriation* is not agreed to by the Budget Cabinet Committee, the Speaker will transmit a *draft budget* which does not contain any funding that has been not approved by the Budget Cabinet Committee.

8.23 Pursuant to s20AA of the FM Act, where the amount contained in Appropriation (Office of the Legislative Assembly) Bill is less than that sought in the *recommended appropriation*, the Treasurer is required to 'present to the Legislative Assembly a statement of reasons for departing from the recommended appropriation'.

**9. OWN SOURCE REVENUE**

9.1 The parties agree that any own source revenue generated by the Office will be retained by the Office.

**10. OFFICE TO RETAIN UNSPENT GPO APPROPRIATION**

- 10.1 Any funds appropriated as Government Payment for Outputs not expended during the course of a financial year (except in relation to payments for superannuation), will be retained by the Office the following year.
- 10.2 The Office will invest any surplus and may draw down on any investment balance to meet expenditure requirements or current and future liabilities.

## 11. BUDGET PROCESS REQUIREMENTS

- 11.1 The parties recognise that the administrative arrangements that apply to the development and consideration of budgets for executive government agencies are not always well-suited for application to the Legislature.
- 11.2 The Office and the Treasury will develop dedicated budget process arrangements, including timetabling requirements, and associated pro forma so that the Office is not required to explain how its budget proposals align with government policy.

## 12. TERRITORIAL ENTITY FUNDING IN AN ELECTION YEAR

- 12.1 In determining the amount appropriated with respect to Payment for Expenses on behalf of Territory in a financial year in which a Territory election occurs, the Executive will give due consideration to the potential for abnormally high liabilities being incurred by the Office in meeting the costs associated with termination payments and paying out employee entitlements.

### 13. FUNDING EMPLOYEE LIABILITIES

- 13.1 Where the total amount of employee entitlements paid, or required to be paid, by the Office in a given financial year exceeds the amount appropriated for the Office in relation to employee entitlements for the financial year, the parties agree that the Office will be given the same consideration by the Executive as that given to other Territory entities with respect to appropriation for accrued employee entitlements pursuant to s16A of the *Financial Management Act 1996*.

14. SAVINGS PROPOSALS

- 14.1 The parties agree that, although the Executive has historically not applied any across-the-board savings proposals to the Assembly, it may decide to do so in the future. Should there be such a proposal, the parties agree that the Executive will consult with the Speaker who, in turn, will consult with the Standing Committee on Administration and Procedure.

<hr/> Vicki Dunne MLA Speaker On behalf of the Legislative Assembly for the ACT  June 2014	<hr/> Katy Gallagher MLA Chief Minister On behalf of the ACT Executive  June 2014
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## Attachment B – Section 6 of the OLA Act

### **6 Functions of office**

- (1) The office's function is to provide impartial advice and support to the Legislative Assembly and committees and members of the Assembly, including by—
  - a) providing advice on parliamentary practice and procedure and the functions of the Assembly and committees; and
  - b) reporting proceedings of the Assembly and meetings of committees; and
  - c) maintaining an official record of proceedings of the Assembly; and
  - d) providing library and information facilities and services for members; and
  - e) providing staff to enable the Assembly and committees to operate efficiently; and
  - f) providing business support functions, including administering the entitlements of members who are not part of the executive; and
  - g) maintaining the Assembly precincts.
  
- (2) The office also has the function of providing public education about the functions of the Assembly and committees.
  
- (3) The office may exercise any other function given to it under this Act or another territory law.