



Legislative Assembly for the Australian Capital Territory

Select Committee on Financial
Management and Government
Procurement Legislative Compliance

Inquiry into Financial Management and Government Procurement Legislative Compliance

Legislative Assembly for the Australian Capital Territory
Select Committee on Financial Management and Government Procurement Legislative Compliance

Approved for publication

Report 1
11th Assembly
June 2026

About the committee

Establishing resolution

At its meeting on Thursday, 26 February 2026 the Assembly passed the following resolution:

‘That this Assembly:

- (1) notes the importance of the *Financial Management Act 1996* to honest budget processes, and trust and confidence in the Budget and the Government;
- (2) notes the importance of the *Government Procurement Act 2001* for honest and transparent procurement processes;
- (3) further notes that significant issues and potential breaches of the *Financial Management Act 1996* and *Government Procurement Act 2001* have come to light; and
- (4) establishes a Select Committee to:
 - (a) inquire into:
 - (i) the ACT Government’s compliance with and potential breaches of the *Financial Management Act 1996*;
 - (ii) the ACT Government’s compliance with and potential breaches of the *Government Procurement Act 2001*; and
 - (iii) any other related matters;
 - (b) be composed of:
 - (i) Fiona Carrick MLA, who will chair the committee;
 - (ii) one member of the Canberra Liberals;
 - (iii) one member of the ACT Greens; and
 - (iv) one member of ACT Labor; and
 - (c) report back to the Assembly on 10 June 2026.’¹

¹ ACT Legislative Assembly, *Minutes of Proceedings, No 49*, 26 February 2026, pp 867–868.

Committee members

Ms Fiona Carrick MLA, Chair

Mr Andrew Braddock MLA, Deputy Chair

Mrs Deborah Morris MLA

Mr Taimus Werner-Gibbings MLA

Secretariat

Ms Katie Langham, Committee Secretary

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Acronyms & Abbreviations

Acronym or Abbreviation	Long form
Assembly	Legislative Assembly of the Australian Capital Territory
Cth	Commonwealth
FMA	<i>Financial Management Act 1996</i>
MLA	Member of the Legislative Assembly
Procurement Act	<i>Government Procurement Act 2001</i>
QON	Question on notice
QTON	Question taken on notice
Self-Government Act	Australian Capital Territory (Self-Government) Act 1988
SLJC	Secure Local Jobs Code

Recommendations

Recommendation 1

The Committee recommends that the ACT Government review current disclosure settings under the Financial Management Act 1996 to ensure they continue to provide sufficient transparency, flexibility, and scrutiny. This should include considering whether more timely disclosure of changes to appropriations is needed, while maintaining the efficiency introduced by the 2015 reforms and aligning with the enhanced reporting requirements introduced in 2015.

Recommendation 2

The Committee recommends that the Standing Committee on Public Accounts and Administration consider undertaking periodic scrutiny of quarterly consolidated financial reports, including the timing and completeness of section 16B rollover disclosures.

Finding 1

The Committee finds that normalising retrospective authorisation of expenditure raises serious compliance concerns under the *Financial Management Act 1996*.

Finding 2

The Committee finds that current audit arrangements do not require systematic assessment of the timing of expenditure relative to authorisation, limiting the ability to identify potential non-compliance with the *Financial Management Act 1996*.

Finding 3

The Committee finds that parliamentary control over expenditure under the *Financial Management Act 1996* has been weakened in practice through the increasing reliance on appropriation adjustment mechanisms in place of direct parliamentary approval.

Recommendation 3

The Committee recommends that the ACT Government reaffirm appropriation acts as the primary mechanisms for authorising expenditure and reduce reliance on adjustment mechanisms as substitutes for parliamentary approval.

Finding 4

The Committee finds that section 16B rollovers are routinely authorised and disclosed too late to be included in the February Budget Review, resulting in material funding decisions not being visible to the Legislative Assembly at a critical point in the fiscal cycle.

Finding 5

The Committee finds that the repeated pattern of large rollovers, exceeding \$100 million annually, not being disclosed prior to the February Budget Review demonstrates a systemic failure in the timing of financial reporting.

Finding 6

The Committee finds that the current reporting of section 16B rollovers does not provide full, accurate and timely disclosure of the Territory's appropriation position, as required under section 11(7)(f) of the *Financial Management Act 1996*.

Recommendation 4

The Committee recommends that section 16B rollovers be limited to genuinely exceptional circumstances, and that agencies be required to demonstrate that rollover represents the most appropriate mechanism for managing the expenditure.

Recommendation 5

The Committee recommends that Treasury maintain a centralised, whole-of-government estimate of expected rollovers from the previous financial year to support complete and contemporaneous reporting at the time of the Budget Review.

Recommendation 6

The Committee recommends that the ACT Government :

- update its practice of reporting section 16B rollovers to ensure that the February Budget Review has more complete information on possible rollovers that is more timely, full and accurate, in line with section 11(7)(f) of the *Financial Management Act 1996*; and
- implement required legislative amendments to this effect.

Recommendation 7

The Committee recommends that all section 16B rollover requests be accompanied by:

- a clear explanation of why the rollover is necessary;
 - why the expenditure could not be absorbed within the agency's existing appropriation;
- and
- confirmation that alternative cash management options have been considered.

This information should be disclosed to the Legislative Assembly alongside each authorisation.

Recommendation 8

The Committee recommends that the ACT Government consider tabling the Budget Review and the December Quarterly Financial Statements at the same time.

Finding 7

The Committee finds that current reporting does not adequately explain why section 16B rollovers are necessary or demonstrate why those costs could not be managed within existing appropriations, limiting the Assembly's ability to assess their necessity.

Recommendation 9

The Committee recommends that the ACT Government improve the clarity of financial reporting for capital works projects by including a consolidated, project-level view of financial performance across the full lifecycle of each project.

Recommendation 10

The Committee recommends that the ACT Government ensure all instrument templates are reviewed in conjunction with the review of the *Financial Management Act 1996* to ensure correct statutory referencing.

Recommendation 11

The Committee recommends that the ACT Government improve procurement reporting to provide whole-of-project transparency.

Recommendation 12

The Committee recommends that the ACT Government commission an independent review of the Secure Local Jobs Code to assess whether the Code is effectively achieving its stated outcomes.

1. Introduction

- 1.1. The *Financial Management Act 1996* (the FMA) and the *Government Procurement Act 2001* (the Procurement Act) are two key pieces of legislation which govern how public money can be spent in the territory. The Treasurer is responsible for the FMA, and the Minister for Finance is responsible for the Procurement Act.²
- 1.2. This Committee was formed in response to concerns raised in the Assembly about potential breaches of these Acts.³ This report is focused on concerns raised by Mr Ed Cocks MLA about the use of, and reporting on, appropriation adjustment mechanisms under the FMA, as well as evidence received from witnesses regarding procurement reporting and the application of the Secure Local Jobs Code.

Conduct of the inquiry

- 1.3. The Select Committee on Financial Management and Government Procurement Legislative Compliance (the Committee) issued a media release on 5 March 2026 calling for public submissions by 13 April 2026. Invitations to make submissions to the inquiry were also emailed directly to stakeholders.
- 1.4. The Committee received 10 submissions. These are listed at **Appendix A**.
- 1.5. The Committee held public hearings on 22 and 23 April 2026. Witnesses who appeared at the hearings are listed at **Appendix B**.
- 1.6. Committees began collecting information on the gender of witnesses in April 2023, in response to an audit by the Commonwealth Parliamentary Association. The aim is to determine whether committee inquiries are meeting the needs of, and allowing the participation of, a range of genders in the community. Participation is voluntary and there are no set responses. A table showing the distribution of witness gender is at **Appendix C**.
- 1.7. A total of 18 questions were lodged during the inquiry: eight questions were taken on notice (QTONs) during the public hearings and 10 questions on notice (QONs) were submitted by Committee members and visiting Members of the Legislative Assembly (MLAs) following the hearings. One QON was withdrawn and one QTON was unanswered at the time of report consideration. These are listed in **Appendix D**.
- 1.8. The Committee notes that several QON and QTON responses were received after the due date and did not directly address the substance of the questions asked or provided only general descriptions of existing administrative practice.⁴ This limited the extent to which the Committee was able to conclusively assess compliance in some areas and has informed the Committee's view that several matters require legislative clarification.

² ACT Government, *Submission 5*, p 3.

³ ACT Legislative Assembly, *Proof Debates*, 26 February 2026, pp 692–706.

⁴ See, for example, Mr Chris Steel MLA, Treasurer, *answer to QTON 2*, 29 April 2026 (received 27 May 2026); Mr Chris Steel MLA, Treasurer, *answer to QTON 3*, 29 April 2026 (received 14 May 2026); Mr Chris Steel MLA, Treasurer, *answer to QON 10*, 28 April 2026 (received 20 May 2026).

Acknowledgement

- 1.9. The Committee thanks everyone who participated in, or otherwise assisted, this inquiry. This includes the ACT Government ministers, directorate officials, and witnesses who appeared at public hearings. The Committee extends particular thanks to the Hansard and Broadcasting staff of the Office of the Legislative Assembly.

2. Financial Management Act 1996

- 2.1. The *Financial Management Act 1996* (FMA) legislates the financial management of the government of the territory, provides for the scrutiny of that management by the Legislative Assembly, and specifies financial reporting requirements for the government of the territory.⁵ It establishes a financial management framework that promotes transparency in budget decision-making and the expenditure of public funds, while outlining the roles and responsibilities of key decision-makers.⁶
- 2.2. The FMA also sets out principles of responsible fiscal management that are intended to guide the formulation and evaluation of territory budgets over time. These principles require, amongst others, that the government:
- maintain prudent levels of liabilities sufficient to provide a buffer against future risk;
 - ensure that, over time, operating expenses do not exceed operating income;
 - actively identify, disclose, and manage fiscal risks;
 - pursue spending and taxing policies that are consistent with a reasonable degree of stability and predictability; and
 - provide full, accurate, and timely disclosure of financial information about the activities of the government to the Legislative Assembly and the public.⁷
- 2.3. This final requirement, contained in section 11(7)(f), is central to the operation of the FMA. It reflects the fundamental objective that the Legislative Assembly must be placed in a position to scrutinise government financial decisions at the time they are made, not retrospectively.⁸
- 2.4. This framework recognises that governments may depart from a strict financial balance in individual years, particularly in response to economic shocks or extraordinary circumstances, but expects that such departures are temporary, transparent, and accompanied by a credible pathway back to fiscal balance and sustainability. In this respect, the FMA embeds both a discipline constraint and an accountability obligation: discipline in fiscal settings, and accountability in explaining deviations from those settings.⁹

⁵ *Financial Management Act 1996*.

⁶ ACT Government, *Submission 5*, p 3.

⁷ *Financial Management Act 1996*, s 11(7).

⁸ *Financial Management Act 1996*, s 11(7)(f).

⁹ *Financial Management Act 1996*, s 11(7).

Legislative history

- 2.5. The Financial Management Bill 1996 was presented by the then Chief Minister and Treasurer, Ms Kate Carnell MLA, on 18 April 1996 and was passed on 23 May 1996.¹⁰ The FMA came into effect on 1 July 1996.¹¹
- 2.6. Since that time, the FMA has undergone several amendments, the most significant occurring in 2015 with the passage of the *Financial Management Amendment Act 2015*.¹² These amendments sought to modernise and improve the FMA. The ACT Government explained:
- These amendments represented the first significant review of the FMA to ensure the ongoing efficiency, effectiveness and robustness of the financial management of the Territory, rather than amendments that responded to specific issues. They also provided greater flexibility to the Government to respond to emerging priorities and community expectations, reduced ambiguity, increased transparency and accountability and reduced red tape by streamlining administrative requirements.¹³
- 2.7. Further amendments have been made during the Eleventh Assembly on 2 June 2025 and 16 November 2026:
- *Financial Management Amendment Act 2025*: introduced requirements for the Treasurer to provide copies of Treasurer’s Advance authorisations (sections 18C(1A) and (1B)) and Capital Works Reserve authorisations (sections 18G(1A) and 1(B)) to the Speaker within five business days of them having been authorised. The Speaker then circulates them to all MLAs.¹⁴
 - *Statute Law Amendment Act 2025*: introduced a range of minor technical and terminology amendments.¹⁵

Committee comment

- 2.8. The Committee notes that the 2015 amendments, including changes to section 16B(6) and related reporting provisions, formed part of a broader reform to improve the timeliness, accessibility and coherence of financial reporting under the FMA. In particular, the replacement of immediate tabling requirements with attachment of instruments to the ‘next financial statement’ was intended to align disclosure with regular reporting cycles,

¹⁰ ACT Legislative Assembly, *Minutes of Proceedings No. 46*, 18 April 1996, p 311; ACT Legislative Assembly, *Minutes of Proceedings, No. 52*, 23 May 1996, pp 353–356.

¹¹ ACT Government, ‘Financial Management Act 1996: Law History’, *ACT Legislation Register*, <https://www.legislation.act.gov.au/a/1996-22> (accessed 20 April 2026).

¹² ACT Government, ‘Financial Management Act 1996: Law History’, *ACT Legislation Register*, <https://www.legislation.act.gov.au/a/1996-22> (accessed 20 April 2026).

¹³ ACT Government, *Submission 5*, p 3.

¹⁴ *Financial Management Amendment Act 2025*, ss 4 and 6.

¹⁵ *Statute Law Amendment Act 2025*, Pt 3.39.

while maintaining prompt and meaningful visibility of financial decisions to the Legislative Assembly.¹⁶

Review of the FMA

- 2.9. The ACT Government has made clear its intention to the Assembly, the community, and this Committee that it will be reviewing the effectiveness and operation of the FMA, with a mind to the findings and recommendations of this Committee.¹⁷ During his evidence, the Treasurer said:

Any recommendations from the Committee will, of course, be welcome in terms of us considering those as part of a review.¹⁸

- 2.10. The ACT Auditor-General supported a comprehensive review of the FMA to ensure it remains contemporary and fit for purpose:

I think, if you have a look at any policy, that needs to be reviewed every three to five years. Legislation, I think needs to be reviewed regularly as well. It has been decades since this legislation was put in place. I think there are aspects in terms of modernising the legislation as well. There has been a piecemeal approach taken in terms of adding certain provisions. I think there is opportunity for us to sit back and have a look at the whole legislation in a comprehensive way.¹⁹

Committee comment

- 2.11. The Committee considers that a review of the operations of the FMA, including the need for clearer consistency and understanding of its operation and function, is an important objective that should be undertaken as soon as possible.
- 2.12. The Committee notes the inquiry by the Select Committee on Fiscal Sustainability of the ACT and the related reports by Mr Saul Eslake, which speak to the application of the financial management framework under the FMA.²⁰ The Committee considers that any review of the FMA should also consider any concerns raised in those reports to ensure the FMA meets its original intentions of transparency and accountability.
- 2.13. The evidence received during this inquiry demonstrates there has been a gradual drift toward administrative convenience in how the FMA has been interpreted and applied over the past decade.
- 2.14. The Committee also notes that evidence provided by the ACT Government, including QON responses, did not fully resolve key questions regarding the interpretation and application of several provisions of the FMA. In a number of instances, responses outlined

¹⁶ *Financial Management Amendment Act 2015*, ss 6, 14(3), 14B(2), 30(3), 34(3) 38(3), 44(6), 45(7), 46(3).

¹⁷ ACT Government, *Submission 5*, p 8.

¹⁸ Mr Chris Steel MLA, Treasurer, *Committee Hansard*, 22 April 2026, p 37.

¹⁹ Mr Ajay Sharma PSM, ACT Auditor-General, ACT Auditor Office, *Committee Hansard*, 23 April 2026, p 57.

²⁰ See, Select Committee on Fiscal Sustainability in the ACT, *Report 1: Interim Report – Inquiry into Fiscal Sustainability in the ACT*; Mr Saul Eslake, *Final Report to the ACT Legislative Assembly Select Committee on the Fiscal Sustainability of the ACT*, 4 May 2026.

administrative practice without directly addressing the underlying statutory requirements.²¹

- 2.15. The Committee therefore considers that the matters identified in this report are most appropriately addressed through legislative clarification and amendment, rather than reliance on administrative interpretation. These issues should form a central focus of the forthcoming review of the FMA.

Priority issues for legislative review

- 2.16. The Committee considers that the forthcoming review of the FMA should explicitly address areas where ambiguity or inconsistent practice have been identified during this inquiry.
- 2.17. These issues were not fully resolved through the evidence received, including QON and QTON responses, and therefore require consideration at a legislative level.
- 2.18. In particular, the review should examine:
- clarity of statutory provisions, including whether section 16B(6) clearly specifies the timing requirements for reporting to the Assembly;
 - the sequencing of authorisation and expenditure, including whether the FMA sufficiently enforces the requirement that appropriation authority precede expenditure;
 - the role and limits of appropriation adjustment mechanisms, including whether provisions such as sections 14, 16B and 18 continue to operate as intended;
 - timeliness and completeness of reporting, including whether current reporting obligations provide the Assembly with a contemporaneous understanding of the Territory's financial position; and
 - alignment between legislative intent and administrative practice, including whether current practices are consistent with the purpose of the FMA in enabling effective parliamentary scrutiny.
- 2.19. The Committee considers that resolving these issues through legislative amendment would provide greater certainty, improve transparency, and strengthen the Assembly's capacity to oversee public expenditure.

Recommendation 1

The Committee recommends that the ACT Government review current disclosure settings under the Financial Management Act 1996 to ensure they continue to provide sufficient transparency, flexibility, and scrutiny. This should include considering whether more timely disclosure of changes to appropriations is needed, while maintaining the efficiency introduced by the 2015 reforms and aligning with the enhanced reporting requirements introduced in 2015.

²¹ See, for example, responses to QONs 4–7.

ACT budget and financial reporting framework

- 2.20. The ACT Government's budget and financial reporting framework operates through a structured cycle of appropriation, revision, and reporting. This framework comprises:
- the annual Budget, which establishes appropriations and fiscal strategy;
 - the February Budget Review, which provides the principal mid-year update of the Government's financial position; and
 - quarterly consolidated financial reports, which disclose financial outcomes and appropriation adjustments.²²
- 2.21. The February Budget Review occupies a central position within this cycle, being approximately eight months after the introduction of the annual appropriation bills. Under section 20B of the FMA, it is intended to allow assessment of the government's financial performance against its stated objectives and strategies.²³
- 2.22. As the government's principal mid-year fiscal update, the Budget Review should provide a complete and contemporaneous account of the Territory's financial position, including all material developments known or reasonably foreseeable at the time of its preparation.²⁴
- 2.23. While quarterly financial reports contribute to transparency, they are inherently retrospective and do not substitute for the Budget Review as the primary mechanism through which the Assembly scrutinises the government's fiscal position during the financial year.²⁵

Committee comment

- 2.24. The effectiveness of the Budget framework therefore depends on whether material financial decisions are reflected in the Budget Review. Where such decisions are deferred to later reporting periods, the Assembly is not provided with a complete and contemporaneous understanding of the Territory's financial position at the point at which key fiscal decisions are made for the next Budget.
- 2.25. The Committee therefore considers that the February Budget Review must present a complete and contemporaneous view of the Territory's financial position.

Parliamentary approval of appropriations

- 2.26. The *Australian Capital Territory (Self-Government) Act 1998* (Cth) (the Self-Government Act), which serves as the ACT's constitution, provides the Assembly with ultimate control over government finances through the passage of legislation:

(1) The public money of the Territory shall be available for the expenditure of the Territory.

²² *Financial Management Act 1996*, ss 5, 20A, 26.

²³ *Financial Management Act 1996*, s 20B.

²⁴ *Financial Management Act 1996*, s 20B(3).

²⁵ *Financial Management Act 1996*, s 26.

(2) The receipt, spending and control of public money of the Territory shall be regulated as provided by enactment.²⁶

2.27. This constitutional principle is central to the operation of the FMA, and was articulated clearly by Mr Ed Cocks MLA:

The idea behind the Financial Management Act is embedded across just about every jurisdiction in the country and pretty much every Western democracy in the world—that is, the government cannot spend money without the parliament’s authority to do so.²⁷

2.28. This principle is reflected in section 6 of the FMA, which requires all expenditure to be supported by an appropriation.²⁸ Appropriations are made to government agencies in accordance with section 8 of the FMA through the Appropriation Acts for:

- capital injections;
- controlled recurrent payments; and
- payments to be made by the agency on behalf of the Territory.²⁹

2.29. An appropriation act does not prescribe the appropriation for specific projects or initiatives delivered by directorates.³⁰ The detail of what initiatives and projects form part of a directorate’s overall annual appropriation is provided in the relevant budget papers presented by the Treasurer.³¹

2.30. Despite the requirement under section 6, there are several provisions in the FMA which provide for the Treasurer to adjust appropriations where needed.³²

Use of appropriation adjustment mechanisms

2.31. Appropriation adjustment mechanisms within the FMA provide the government with flexibility to manage appropriations and respond to changing circumstances, including delayed projects and invoicing.³³ These include, but are not limited to:

- sections 14, 14A and 14B: enable the transfer of funds between appropriations and appropriation types;
- section 15A: enables the reclassification of certain appropriations;
- section 16B: enables undisbursed appropriations to be carried over to the following financial year;
- section 18: enables the Treasurer to authorise an appropriation (Treasurer’s Advance) in exceptional circumstances where an immediate payment is required

²⁶ *Australian Capital Territory (Self-Government) Act 1998* (Cth), s57.

²⁷ Mr Ed Cocks MLA, *Committee Hansard*, 22 April 2026, p 4.

²⁸ *Financial Management Act 1996*, s 6.

²⁹ *Financial Management Act 1996*, s 7. See, for example, *Appropriation Act 2025–2026*, sch 1.

³⁰ Mr Chris Steel MLA, Treasurer, *answer to QTON 3*, 22 April 2026 (received 14 May 2026), p 2.

³¹ Mr Chris Steel MLA, Treasurer, *answer to QON 5*, 22 April 2026 (received 21 May 2026), p 2.

³² *Financial Management Act 1996*, ss 14, 15A, 16B,

³³ Mr Ed Cocks MLA, *Submission 9*, p [7].

and the payment was not (or was insufficiently) provided for by an appropriation;
and

- section 18E: enables the Treasurer, in exceptional circumstances, to authorise payment for an approved capital works project to be made from the Capital Works Reserve (an appropriation approved by the Assembly).³⁴

2.32. The FMA establishes thresholds for adjustment mechanisms, as well as the processes, timings and format in which the Treasurer must inform the Assembly of authorisations.³⁵

2.33. The Committee heard that appropriation adjustment mechanisms had evolved from exceptional tools into more routine substitutes for parliamentary approval.³⁶ The Committee notes that appropriation mechanisms are reported on in the annual consolidated financial statements as additional approved appropriations.³⁷ While these amounts also include supplementary appropriations that have been approved by the Assembly,³⁸ a significant amount is also rolled over using mechanisms such as section 16B.³⁹ Much of the evidence received by the Committee focused on the use and transparency of these rollovers.

Section 16B rollovers

2.34. Section 16B of the FMA provides for undispersed funds appropriated in one financial year to be rolled over and spent in the following financial year.⁴⁰

2.35. Section 16B was introduced to support cash management reforms which sought to ensure that agencies' cash balances were used more effectively. These reforms saw agencies' cash holdings reduced to a 'buffer' level and removed the ability for agencies draw down all remaining appropriations at the end of a financial year. Section 16B was introduced to enable agencies to rollover an appropriation on an exception basis to prevent funds from lapsing.⁴¹

2.36. The Treasurer explained the circumstances in which a section 16B rollover would generally be authorised:

We are talking about projects and programs that have had an appropriation approved and authorised by the Legislative Assembly, where there might have been changes in delivery timelines for those projects and programs that mean there are undisbursed funds that need to be rolled over. That might be contractual; there might be some contractual requirements to make milestone payments for that project. These are already projects that are in flight, often, so to not have the flexibility of that rollover being provided would mean that

³⁴ *Financial Management Act 1996*.

³⁵ See, for example, *Financial Management Act 1996*, ss 16B(4), 16B(6) and 18C(2)–(4).

³⁶ See, for example, Mr Ed Cocks MLA, *Committee Hansard*, 23 April 2026, pp 1–2.

³⁷ See, for example, ACT Government, *2024–25 Financial Year Consolidated Annual Financial Statements*, p 22.

³⁸ See, for example, ACT Government, *2024–25 Financial Year Consolidated Annual Financial Statements*, p 22. The total additional approved appropriations related to the *Appropriation Bill 2024–25 (No 2)*, s 16, s 16A, s16 B and s 18E.

³⁹ See, for example, Mr Peter Bradbury, *Submission 8*, p 4.

⁴⁰ *Financial Management Act 1996*, s 16B.

⁴¹ Mr Chris Steel MLA, Treasurer, *answer to QON 6*, 22 April 2026 (received 21 May 2026), p 2.

effectively you would have to stop the project or not make a contractual milestone payment, and all those sorts of things. It exposes the territory to legal risks. There is a range of consequences that might come from that.⁴²

- 2.37. The Treasurer advised that not all section 16B rollover requests are supported, with clear criteria applied by Treasury during the assessment process.⁴³ The ACT Government outlined this process in its submission:

A rigorous assessment process takes place prior to any authorisation to ensure the request is compliant with the FMA and consistent with all elements of the financial management framework and with government decisions. This process is necessarily time consuming and typically involves Treasury requesting further information from the relevant Directorate to ensure the request is compliant with all requirements...⁴⁴

- 2.38. This assessment process supports the responsibilities of Directors-General under the FMA to be accountable to the responsible Minister of the directorate for the efficient and effective financial management of public resources.⁴⁵
- 2.39. The Committee received evidence suggesting that section 16B rollovers were increasingly being relied on by directorates and that the timing of rollovers and associated reporting reduced parliamentary transparency of government expenditure.⁴⁶
- 2.40. Analysis of the section 16B instruments attached to the consolidated quarterly reports for the 2023–24 and 2024–25 financial years shows annual rollover amounts over \$100 million. See Table 1.

Financial Year	Gross s 16B rollover amount	Net s16B rollover amount (minus any offsets)
2023–24 ⁴⁷	\$171.125 million	\$132.998 million
2024–25 ⁴⁸	\$218.007 million	\$110.696 million

Table 1: Gross and Net section 16B rollover amounts for the 2023–24 and 2024–25 financial years [Source: All quarterly consolidated reports are available at ACT Treasury, *Publications*, <https://www.treasury.act.gov.au/publications> (accessed 18 May 2026)].

- 2.41. The use of appropriation adjustment mechanisms was raised with the Committee in the context of several section 16B rollovers authorised in April 2025 and attached to the June 2025 quarterly financial statements.

⁴² Mr Chris Steel MLA, Treasurer, *Committee Hansard*, 22 April 2026, p 40.

⁴³ Mr Chris Steel MLA, Treasurer, *answer to QON 6*, 22 April 2026 (received 21 May 2026), p 2.

⁴⁴ ACT Government, *Submission 5*, p 5.

⁴⁵ ACT Government, *Submission 5*, p 5.

⁴⁶ Mr Ed Cocks MLA, *Committee Hansard*, 22 April 2026, p 1.

⁴⁷ ACT Government, *September Quarter 2023 Consolidated Financial Report*, p 8; *December Quarter 2023 Consolidated Financial Report*, pp 46–47; *March Quarter 2024 Consolidated Financial Report*, pp 41–82; *June Quarter 2024 Consolidated Financial Report*, pp 53–54.

⁴⁸ ACT Government, *September Quarter 2024 Consolidated Financial Report*, p 28; *December Quarter 2024 Consolidated Financial Report*, p 40; *March Quarter 2025 Consolidated Financial Report*, pp 46–60; *June Quarter 2025 Consolidated Financial Report*, pp 58–92.

Case study – April 2025 Section 16B rollovers

- 2.42. On 10 April 2025, the Treasurer authorised 10 section 16B rollovers from the 2023–24 financial year, amounting to \$99 million.⁴⁹ Copies of these instruments were attached to the June 2025 quarterly consolidated financial statements which were presented to the Legislative Assembly on 2 September 2025.⁵⁰ This presentation occurred:
- five months after the date of authorisation;
 - well after the March 2025 quarterly financial statements, which were presented in May 2025;⁵¹ and
 - 14 months after the end of the 2023–24 financial year to which the appropriations relate.
- 2.43. The Committee received conflicting evidence on whether section 16B(6) of the FMA required that these instruments be attached to the March 2025 quarterly financial statements, which were the next set of statements presented to the Assembly on 13 May 2025.⁵²

Committee comment

- 2.44. Regardless of interpretation, the Committee considers that the practical effect of the current approach is that material rollover decisions are not disclosed at the earliest reporting opportunity.
- 2.45. In this case, the Assembly was not made aware of \$99 million in rollovers until months after their authorisation, limiting its ability to exercise effective scrutiny at the time of the February Budget Review and the subsequent March quarter reporting cycle.
- 2.46. This case is consistent with a broader pattern identified by the Committee in the timing of section 16B rollover disclosures.

Interpretations of section 16B(6)

- 2.47. Prior to 1 October 2015, section 16B(6) of the FMA required the Treasurer to present a copy of section 16B authorisations to the Legislative Assembly within three sitting days after the day the appropriation was authorised.⁵³ This requirement was amended by the *Financial Management Amendment Act 2015*,⁵⁴ which sought to ‘improve efficiency, transparency and accountability.’⁵⁵

⁴⁹ ACT Government, *June Quarter 2025 Consolidated Financial Report*, Attachment D.

⁵⁰ ACT Legislative Assembly, *Minutes of Proceedings No. 26*, 2 September 2025, p 350.

⁵¹ ACT Legislative Assembly, *Minutes of Proceedings No. 20*, 13 May 2025, p 263.

⁵² ACT Legislative Assembly, *Minutes of Proceedings No. 20*, 13 May 2025, p 263.

⁵³ *Financial Management Act 1996*, s 16B(6) as in effect until 30 September 2015.

⁵⁴ *Financial Management Amendment Act 2015*, s 44.

⁵⁵ ACT Government, *Submission 5*, p 4.

- 2.48. The current section 16B(6) provides that, where a section 16B rollover is authorised, ‘the Treasurer must attach a copy of the authorisation to the next financial statement presented to the Legislative Assembly’ (*emphasis added*).⁵⁶
- 2.49. The Committee questioned whether the ACT Government’s practice of only attaching financial instruments to the quarterly financial report for the quarter in which they were signed complies with the section 16B(6) requirement, noting these may not be the next set of statements presented to the Assembly.⁵⁷
- 2.50. The ACT Government advised that its practice is consistent with the amendments introduced by the *Financial Management Amendment Act 2015*,⁵⁸ and is informed by the Financial Management Amendment Bill 2015 Explanatory Statement. The Treasurer explained:
- It is interpreted with the explanatory statement under the Legislation Act, and it is saying that it is attached to the quarterly financial statements for the quarter that the decision is made.⁵⁹
- 2.51. The *Legislation Act 2001* provides guidance on the interpretation of Acts (statutory interpretation).⁶⁰ The Act provides that materials, such as an explanatory statement to a bill,⁶¹ may be used when working out the meaning of an Act where there is ambiguity or the apparent meaning of a provision would have a result that is manifestly absurd or unreasonable.⁶² When interpreting an Act, the interpretation that would best achieve the purpose of the Act is to be preferred.⁶³
- 2.52. The relevant clauses of the explanatory statement provided by the ACT Government for the purposes of determining the meaning of section 16B(6) are outlined at Table 2:

Explanatory statement clause	Description of amended reporting requirement
Clause 26: Transfer of funds between appropriations – Section 14	Replaced the previous presentation requirement from ‘within 3 sitting days after the direction is given’ to ‘on the next financial statement presentation day’. The amendment was associated with streamlining and efficiency changes to section 26, discussed under clause 68.
Clause 44: Rollover of undisbursed appropriation – Section 16B(6) and (7)	Replaced the previous presentation requirements in section 16B(6) from ‘within 3 sitting days after the day the appropriation is authorised’ to ‘on the next financial statement presentation day’. The amendment is associated with changes to section 26, discussed under clause 68.
Clause 68: Periodic financial statements – Section 26(2)	Replace the existing presentation requirement (within 3 sitting days) for non-disallowable appropriation instruments. The amendment required territory periodic financial statements to

⁵⁶ *Financial Management Act 1996*, s 16B(6).

⁵⁷ Ms Fiona Carrick MLA, Chair, *Committee Hansard*, 22 April 2026, p 23.

⁵⁸ ACT Government, *Submission 5*, p 7.

⁵⁹ Mr Chris Steel MLA, Treasurer, *Committee Hansard*, 22 April 2026, p 32.

⁶⁰ *Legislation Act 2001*, Ch 14.

⁶¹ *Legislation Act 2001*, s 142.

⁶² *Legislation Act 2001*, s 138.

⁶³ *Legislation Act 2001*, s 139.

Explanatory statement clause	Description of amended reporting requirement
	include a summary of all the appropriation instruments authorised during the quarter, along with individual instruments.

Table 2: Relevant clauses of the Explanatory Statement to the Financial Management Amendment Bill 2015. [Source: Financial Management Amendment Bill 2015, *Explanatory Statement*, pp 8, 13 and 22.]

- 2.53. Contrary to the position of the ACT Government, Mr Ed Cocks MLA advised that reference to the 2015 explanatory statement was not required. He argued that the text in section 16B(6) is clear and as such the explanatory statement ‘cannot legally override the clear and specific text of the legislation enacted by the Assembly.’⁶⁴ This position was supported by Mr Peter Bradbury who advised:

It is well accepted in legal interpretation that the pre-cursors to legislation, such as explanatory statements, are valid inputs to resolve ambiguity in legislation. The problem with the Government’s position on this matter is that there is no ambiguity in the legislation (the FMA) that it is pointing to.⁶⁵

- 2.54. Both Mr Cocks and Mr Bradbury raised concerns about the compliance of the current ACT Government practices with reporting requirements under section 16B(6).⁶⁶

- 2.55. The ACT Auditor-General advised that legislation was the first point of reference, with other references considered where there was uncertainty about the meaning of a provision within an Act:

From a performance audit perspective, we would go to the legislation in the first instance, of course. So, we would go to the legislation in the first instance and if there is that difference of opinion, then we would start working back. We would also potentially seek legal advice ourselves, on our particular interpretation or understanding of the legislation, and then we would go back. But I guess we would go back to the explanatory statements. We would go back to the first and second reading speeches and the like, to see if that can assist us in understanding it. But at some point we might actually, if it is important, seek that legal advice ourselves.⁶⁷

Committee comment

- 2.56. The Committee considers there is evidence of a potential inconsistency with the requirements of section 16B(6) of the FMA in relation to the timing of the presentation of section 16B rollover authorisations to the Legislative Assembly.
- 2.57. Within the timeframe provided for this inquiry and based on the evidence before it, the Committee was unable to determine whether the timing of the presentation of section 16B instruments signed on 10 April 2025 constituted a breach of the FMA.

⁶⁴ Mr Ed Cocks MLA, *Supplementary submission 9.1*, p 1.

⁶⁵ Mr Peter Bradbury, *Supplementary submission 8.1*, p 1.

⁶⁶ Mr Ed Cocks MLA, *Supplementary submission 9.1*, p 1; Mr Peter Bradbury, *Supplementary submission 8.1*, p 1.

⁶⁷ Mr Ajay Sharma PSM, ACT Auditor-General, ACT Audit Office, *Committee Hansard*, 23 April 2026, p 61.

- 2.58. However, the Committee considers that, regardless of any alternative statutory interpretation, the practical effect of the current practice is delayed disclosure of material spending authority. In this instance, the Assembly and public were not made aware of \$99 million in rollovers for more than 140 days after they had been authorised by the Treasurer, limiting the ability of the Legislative Assembly to exercise effective, timely scrutiny of significant financial decisions.
- 2.59. The Committee considers that this outcome is inconsistent with the intent of the 2015 amendments, which were designed to replace fragmented reporting with a system that improves:
- the timeliness of disclosure;
 - the accessibility of financial information; and
 - the capacity for parliamentary scrutiny.⁶⁸
- 2.60. The Committee notes the existing role of the Standing Committee on Public Accounts and Administration in monitoring financial statements and audited financial statements and recommends that this (?) Committee consider scrutinising any further matters about quarterly financial statements. The Committee considers that the absence of a definitive position on this issue highlights the need for legislative clarification as part of the forthcoming review of the FMA.

Recommendation 2

The Committee recommends that the Standing Committee on Public Accounts and Administration consider undertaking periodic scrutiny of quarterly consolidated financial reports, including the timing and completeness of section 16B rollover disclosures.

Normalisation of retrospective spending

- 2.61. As discussed at paragraph 2.37, the ACT Government advised that it undertakes a rigorous assessment process for all section 16B rollover requests. However, the Committee received evidence that, in at least some cases, expenditure or contractual payments were made against projects before a section 16B rollover had been authorised, with approval later used to regularise directorates' annual financial position.⁶⁹
- 2.62. On 10 April 2025, the Treasurer authorised a section 16B rollover of \$1.400 million for the Climate action – Electrification of government gas assets program. The reasons for the rollover, which cite complexity and delays associated with asset data, note the rollover of funds was required as they related to 2023–24 commitments and had already been spent.⁷⁰

⁶⁸ Financial Management Amendment Bill 2015, *Explanatory Statement*,

⁶⁹ Mr Ed Cocks MLA, *Submission 9*, p 8; Mr Peter Bradbury, *Submission 8*, p 4.

⁷⁰ ACT Government, *June Quarter 2025 Consolidated Financial Report*, p 78.

- 2.63. Treasury officials advised that the Capital Works Guidelines provide for agencies to meet costs from within their existing appropriation:

Agencies can cash manage within the existing appropriations that they have. If there are underspends in existing projects, that could be applied to another project, and that is allowed under our capital works guidelines. With the scope, it goes back to the point that I was making at the start, in that section 16B is a within-year cash management device for agencies. If there is funding available elsewhere, they will pay that invoice or make that payment on the basis of an expectation that 16B would be approved later.⁷¹

- 2.64. Mr Peter Bradbury characterised this practice as retrospective spending, which he described as ‘the absolute red-card offence, if this was a sporting event.’⁷²

- 2.65. Under the Australian Auditing Standards, the ACT Audit Office is not required to check the timing of drawdowns against authorised section 16B rollovers.⁷³ During the hearing, the Auditor-General noted concerns regarding payments being made prior to rollovers being authorised:

From an auditor’s perspective, we do not have complete information in terms of evidence to make that assessment. However, from the information and the way you have described it, it is difficult for a reasonable person to see why you would spend the money and then form the conclusion of getting the instruments in place, because it is putting the cart before the horse. You would expect the instruments to be approved and then the funding to be released, in terms of how these things are to be done, based on the intent of the FMA—to say “No money can be spent without appropriation.” And then there is the other side in terms of the types of appropriation and that assessment before monies are to be spent...

It is not a better practice. I think there are two aspects to it: one is the practicality of releasing the funding so that the projects can go on; however, then there is this framework within which the FMA requires all approval processes to be done properly in a transparent way as well, and all of those instruments to be signed by the Treasurer and, where required, to be tabled in the Assembly for transparency purposes. I think the intention of the legislation will always be to have the process in place, get the approval and then use the money: that would be a better practice.⁷⁴

- 2.66. When asked whether there had been a breach of the FMA, the ACT Auditor-General advised further scrutiny was warranted, noting ‘I think without further evidence and us having a look at those, we will not be able to rule in or out.’⁷⁵

⁷¹ Mr Scott Austin, *Committee Hansard*, p 39.

⁷² Mr Peter Bradbury, *Committee Hansard*, 23 April 2026, p 65.

⁷³ Mr Ajay Sharma PSM, ACT Auditor-General, ACT Audit Office, *Committee Hansard*, 23 April 2026, p 48.

⁷⁴ Mr Ajay Sharma PSM, ACT Auditor-General, ACT Audit Office, *Committee Hansard*, 23 April 2026, p 51.

⁷⁵ Mr Ajay Sharma PSM, ACT Auditor-General, ACT Audit Office, *Committee Hansard*, 23 April 2026, p 52.

Committee comment

- 2.67. Retrospective authorisation of expenditure lacks transparency and accountability. While it is open to directorates to manage payments within their total annual appropriation, the Committee considers that relying on section 16B rollovers to cover costs that have already been paid appears to be inconsistent with the intent of the FMA and suggests authorisation of rollovers is treated as an after-the-fact administrative formality, rather than a precondition to expenditure.
- 2.68. This practice has the potential to undermine parliamentary oversight, particularly when completed late in the financial year, even where total annual appropriations are not exceeded.
- 2.69. The Committee notes that evidence provided to the inquiry did not clearly establish how this practice aligns with the requirements and intent of the FMA. This reinforces the need for the legislative review to consider whether further clarification or strengthening of the Act is required in relation to the timing of expenditure and appropriation authority.

Finding 1

The Committee finds that normalising retrospective authorisation of expenditure raises serious compliance concerns under the *Financial Management Act 1996*.

Finding 2

The Committee finds that current audit arrangements do not require systematic assessment of the timing of expenditure relative to authorisation, limiting the ability to identify potential non-compliance with the *Financial Management Act 1996*.

Financial reporting and parliamentary scrutiny

- 2.70. The case study above highlights risks to transparency and parliamentary scrutiny associated with the current use of, and reporting on, appropriation adjustment mechanisms such as section 16B rollovers.
- 2.71. The FMA establishes a framework intended to support parliamentary scrutiny through timely and transparent reporting of financial information.⁷⁶ However, the Committee considers that the effectiveness of this framework depends not only on compliance with reporting obligations, but on whether those obligations provide the Assembly with a meaningful and contemporaneous understanding of government expenditure.
- 2.72. Evidence received during the inquiry indicates that current arrangements for section 16B rollovers do not consistently achieve this.

⁷⁶ *Financial Management Act 1996*, Pt 3.

Risk to transparency

- 2.73. The Committee heard that most appropriation adjustment mechanisms under the FMA present relatively low risk to transparency, as they either move appropriation within the current financial year,⁷⁷ or have good controls and reporting practices in place.⁷⁸ However, section 16B rollovers were consistently identified as a higher-risk form of adjustment, particularly when authorised late in the financial year.⁷⁹ Mr Peter Bradbury explained that where rollovers are approved after the Budget Review, the financial position presented in that document is incomplete:

Approval of these rollovers after the Budget Review for the year means that the operating statement spending in that document and the corresponding Budget Outlook is understated. The true picture only emerges when the estimated outcome for the year appears in the next year's Budget Outlook. This would explain a pattern of late in the year deteriorations in the key fiscal aggregates like the operating balance and net borrowing.⁸⁰

- 2.74. This results in the understatement of expenditure at key reporting points, with the full fiscal impact only emerging in subsequent reporting periods. This outcome is inconsistent with the purpose of the FMA, which requires the provision of timely and accurate financial information to support scrutiny.⁸¹
- 2.75. Section 20B of the FMA outlines the purpose of the Budget Review as providing updated information to allow the assessment of the government's financial performance against the financial policy objectives and strategies set out in the budget for the financial year.⁸²
- 2.76. Speaking to the section 16B rollovers authorised by the Treasurer on 10 April 2025, Mr Cocks MLA emphasised the impact on parliamentary scrutiny, including through the Budget Review process:

Now, between those times, the government could have amended the original budget appropriation for the year. They could have actually brought it forward in the budget review process and the second appropriation, or they could have brought another supplementary appropriation bill. They had a lot of opportunities... But to essentially not find out as an Assembly until the June quarter financial statements were tabled in September of that year is just astounding.⁸³

- 2.77. The ACT Auditor-General advised that a review of the FMA would provide an opportunity for the Assembly to revisit the timing and thresholds for rollovers, noting it would be better

⁷⁷ For example, sections 14A and 14B which enable funds to be transferred between appropriation types within an entity.

⁷⁸ Mr Peter Bradbury, *Submission 8*, p

⁷⁹ Mr Peter Bradbury, *Submission 8*, p [4].

⁸⁰ Mr Peter Bradbury, *Submission 8*, p [4].

⁸¹ Mr Ed Cocks MLA, *Submission 8*, pp 7–8.

⁸² *Financial Management Act 1996*, s 20B(1).

⁸³ Mr Ed Cocks MLA, *Committee Hansard*, 22 April 2026, p 2.

practice for significant amounts to be brought back to the Assembly through the Appropriation Act process.⁸⁴

Committee comment

- 2.78. The Committee has also considered this issue against the requirements of section 11(7)(f) of the FMA, which requires the provision of full, accurate and timely disclosure of financial information.⁸⁵
- 2.79. The Committee considers that a reporting framework in which:
- material rollover decisions are not disclosed until months after authorisation; and
 - rollover amounts of \$99 million are not reflected in the February Budget Review despite being reasonably foreseeable;
- does not meet any reasonable interpretation of ‘timely’ disclosure within the meaning of the FMA.
- 2.80. Further, the absence of materially complete rollover information at the time of the Budget Review means that the financial information presented cannot be regarded as ‘full’, and risks being misleading in its representation of the Territory’s true appropriation position.
- 2.81. The Committee considers that this timing effect results in a systematic understatement of expenditure at key reporting points, with material funding decisions effectively deferred to future reporting periods. This undermines the integrity of the Budget Review and obscures the true trajectory of fiscal aggregates, including the operating balance and borrowing requirements.
- 2.82. The Committee also notes that section 16B rollovers can be used in a way that bypasses timely parliamentary visibility, limiting the Assembly’s ability to scrutinise significant financial decisions when they are most relevant.

Timing of authorisations and disclosures

- 2.83. While directorates and agencies can request various adjustment mechanisms throughout the year,⁸⁶ examination of the consolidated quarterly reports indicates that most authorisations occur six to 10 months into the financial year.⁸⁷ This is exemplified in the case of section 16B rollovers approved in the 2023–24 and 2024–25 financial years as outlined at Table 3.
- 2.84. Each authorised instrument may consist of batches of smaller rollover amounts listed against different projects or initiatives within the three appropriation types.⁸⁸ Where this has occurred, the total number of listed initiatives or projects for which additional funding is being rolled over is listed in brackets in the below table.

⁸⁴ Mr Ajay Sharma PSM, ACT Auditor-General, *Committee Hansard*, 23 April 2026, pp 54–55.

⁸⁵ *Financial Management Act 1996*, s 11(7)(f),

⁸⁶ ACT Government, *Submission 5*, p 5.

⁸⁷ See, for example, ACT Government, *March Quarter 2024 Consolidated Financial Reports*.

⁸⁸ The three appropriation types within the Appropriation Act are Controlled Recurrent Payments, Payments on Behalf of the Territory and Capital Injection.

Financial quarter	Number of s16B authorisations 2023–24 ⁸⁹	Number of s 16B authorisations 2024–25 ⁹⁰
Quarter 1 (1 July to 30 September)	0	0
Quarter 2 (1 October to 31 December)	1 (2)	0
Quarter 3 (1 January to 31 March)	12 (252)	5 (85)
Quarter 4 (1 April to 30 June)	2 (2)	12 (176)

Table 3: Section 16B rollover authorisations attached to quarterly financial reports for the 2023–24 and 2024–25 financial years [Source: All quarterly consolidated reports are available at ACT Treasury, *Publications*, <https://www.treasury.act.gov.au/publications> (accessed 18 May 2026)].

- 2.85. Examination of the timing of section 16B rollovers demonstrates a clear and consistent pattern. Across the 2023–24 and 2024–25 financial years:
- rollovers exceeding \$100 million were ultimately identified;
 - however, rollover amounts disclosed prior to the February Budget Reviews were negligible;
 - the majority of rollovers were only reported in subsequent quarterly financial statements.⁹¹
- 2.86. For 2024–25 rollovers into the 2025–26 financial year, only \$0.150 million has been disclosed at the time of this report.⁹²
- 2.87. The Committee does not consider this figure to reflect the true level of rollover activity. Rather, in the context of the established pattern, it indicates that material rollover decisions have not yet been disclosed and will be reported in later quarterly financial statements.
- 2.88. The ACT Government advised that its ability to include section 16B rollover requests in the Budget Review was impacted by the timing of other budgetary processes, including end of financial year reporting and Expenditure Review Committee processes.⁹³ Treasury officials

⁸⁹ ACT Government, *September Quarter 2023 Consolidated Financial Report*, p 8; *December Quarter 2023 Consolidated Financial Report*, pp 46–47; *March Quarter 2024 Consolidated Financial Report*, pp 41–82; *June Quarter 2024 Consolidated Financial Report*, pp 53–54.

⁹⁰ ACT Government, *September Quarter 2024 Consolidated Financial Report*, p 28; *December Quarter 2024 Consolidated Financial Report*, p 40; *March Quarter 2025 Consolidated Financial Report*, pp 46–60; *June Quarter 2025 Consolidated Financial Report*, pp 58–92.

⁹¹ September 2023 Quarterly Consolidated Report; December 2023 Quarterly Consolidated Report; March 2024 Quarterly Consolidated Report; and June 2024 Quarterly Consolidated Report; September 2024 Quarterly Consolidated Report; December 2024 Quarterly Consolidated Report; March 2025 Quarterly Consolidated Report; and June 2025 Quarterly Consolidated Report available at ACT Treasury, *Publications*, <https://www.treasury.act.gov.au/publications> (accessed 2 June 2026).

⁹² ACT Government, March 2026 Quarterly Consolidated Report available at ACT Treasury, *Publications*, <https://www.treasury.act.gov.au/publications> (accessed 2 June 2026).

⁹³ Mr Scott Austin, Executive Group Manager, Finance and Budget, Treasury, Chief Minister, Treasury and Economic Development Directorate, *Committee Hansard*, 22 April 2026, pp 25–26.

acknowledged that this meant they do not receive section 16B rollover requests from agencies until December:

It is part of our process that we probably do not learn about rollovers until halfway through the financial year from agencies. It takes a fair bit of work for them to put that together. For the first quarter of the financial year, we are working on end-of-financial-year issues, financial statements and that sort of thing. The practice has been that it takes at least six months for us to get the information. We get it at the end of December, basically, or mid-December. It takes us a while to work through those as well. I am currently completing a brief to deal with them. We are working through the budget process at the same time.⁹⁴

- 2.89. The Treasury does not maintain a central list of program and project underspends from the previous financial year, instead relying on agencies to advise when they require access to undisbursed funds under section 16B.⁹⁵ In practice this contributes to delays and fragmentation in the process, increasing the likelihood that rollovers will not be finalised until well after the Budget Review.
- 2.90. In response to a QON, the Treasurer cautioned against bringing section 16B rollovers earlier, noting the potential impact on due diligence and ensuring rollovers are appropriate:

Section 16B authorisations earlier in the financial year, before the full range of cash management options can be assessed, may result in the unintended consequence of agencies relying more heavily on Section 16B rollovers in case they are needed.⁹⁶

- 2.91. The ACT Auditor-General noted that earlier provision of information on project spending would be beneficial:

I think it would be prudent financial management for the contract managers to share that information, as to what is available at the time of the end of the year and when the [appropriations] are being done; what information is available, and what is the projection in terms of what funding would be needed. You would expect most of that information to be available, and you would want to explore the reasons as to why other information is not available so that the rollovers can be done at that time.⁹⁷

- 2.92. The ACT Government advised that budget estimates are updated following a rollover being authorised:

⁹⁴ Mr Scott Austin, Executive Group Manager, Finance and Budget, Treasury, Chief Minister, Treasury and Economic Development Directorate, *Committee Hansard*, 22 April 2026, pp 24–25.

⁹⁵ Mr Scott Austin, Group Manager, Finance and Budget, Treasury, Chief Minister, Treasury and Economic Development Directorate, *Committee Hansard*, 22 April 2026, p 24.

⁹⁶ Mr Chris Steel MLA, Treasurer, *answer to QON 6*, 22 April 2026 (received 21 May 2026), pp 2–3.

⁹⁷ Mr Ajay Sharma PSM, ACT Auditor-General, *Committee Hansard*, 23 April 2026, p 55.

For example, section 16B rollovers authorised in 2024-25 were disclosed in agency changes to appropriation tables in the 2025-26 Budget. Agency financial statements (Statement of appropriation note disclosure) also disclose section 16B rollovers. This is in addition to authorised section 16B instrument being provided to the Legislative Assembly alongside the quarterly consolidated financial statements.⁹⁸

Committee comment

- 2.93. While these arrangements provide administrative flexibility, the Committee considers that their practical effect is to defer notification of the rollover instrument to the Assembly to beyond the February Budget Review. This results in a lagged and fragmented reporting framework, where material funding decisions are not reflected in the government's principal mid-year update.
- 2.94. The Committee notes the intent of adjustment mechanisms to provide flexibility for directorates to manage their overall appropriation and respond to changing needs during the financial year. However, the Committee is concerned that these mechanisms are increasingly being relied on in place of appropriation act processes.
- 2.95. While the foundational principle of the FMA remains explicit in section 6 of the Act, the Committee considers that the use of adjustment mechanisms has weakened the Assembly's timely oversight of expenditure in practice. In particular, the Committee considers that section 16B rollovers represent a high-risk form of adjustment, due to their ability to materially affect fiscal aggregates outside the annual Appropriation Act processes such as the Budget Review.
- 2.96. Across two consecutive years, material rollover decisions exceeding \$100 million have not been disclosed prior to the February Budget Review, and the Committee considers that rollovers from 2024–25 to 2025–26 will not be fully disclosed until 2026–27.
- 2.97. The Committee considers that this demonstrates a systemic failure in the timing of financial disclosure, whereby material funding decisions are not visible to the Legislative Assembly at the point at which key fiscal decisions are made.
- 2.98. The Committee considers the review of the FMA should address directorates' use of adjustment mechanisms like section 16B, with a view to ensuring they are used only in exceptional circumstances, with effort made to bring significant rollover requests back to the Assembly.
- 2.99. In assessing this issue, the Committee has applied the requirements of section 11(7)(f) of the Act. The Committee considers that financial information cannot be regarded as:
- timely, where disclosure occurs months after authorisation and after key budget decisions;
 - full, where material rollover amounts are not disclosed at the time of the Budget Review; or

⁹⁸ Mr Chris Steel MLA, Treasurer, *answer to QON 6*, 22 April 2026 (received 21 May 2026), p 3.

- accurate, where reported figures materially understate the Territory's true appropriation position at critical reporting points.

2.100. On this basis, the Committee considers that the current operation of section 16B rollovers is inconsistent with the requirements of section 11(7)(f).

Finding 3

The Committee finds that parliamentary control over expenditure under the *Financial Management Act 1996* has been weakened in practice through the increasing reliance on appropriation adjustment mechanisms in place of direct parliamentary approval.

Recommendation 3

The Committee recommends that the ACT Government reaffirm appropriation acts as the primary mechanisms for authorising expenditure and reduce reliance on adjustment mechanisms as substitutes for parliamentary approval.

Finding 4

The Committee finds that section 16B rollovers are routinely authorised and disclosed too late to be included in the February Budget Review, resulting in material funding decisions not being visible to the Legislative Assembly at a critical point in the fiscal cycle.

Finding 5

The Committee finds that the repeated pattern of large rollovers, exceeding \$100 million annually, not being disclosed prior to the February Budget Review demonstrates a systemic failure in the timing of financial reporting.

Finding 6

The Committee finds that the current reporting of section 16B rollovers does not provide full, accurate and timely disclosure of the Territory's appropriation position, as required under section 11(7)(f) of the *Financial Management Act 1996*.

Recommendation 4

The Committee recommends that section 16B rollovers be limited to genuinely exceptional circumstances, and that agencies be required to demonstrate that rollover represents the most appropriate mechanism for managing the expenditure.

Recommendation 5

The Committee recommends that Treasury maintain a centralised, whole-of-government estimate of expected rollovers from the previous financial year to support complete and contemporaneous reporting at the time of the Budget Review.

Recommendation 6

The Committee recommends that the ACT Government :

- update its practice of reporting section 16B rollovers to ensure that the February Budget Review has more complete information on possible rollovers that is more timely, full and accurate, in line with section 11(7)(f) of the Financial Management Act 1996; and
- implement required legislative amendments to this effect.

Recommendation 7

The Committee recommends that all section 16B rollover requests be accompanied by:

- a clear explanation of why the rollover is necessary;
- why the expenditure could not be absorbed within the agency's existing appropriation; and
- confirmation that alternative cash management options have been considered.

This information should be disclosed to the Legislative Assembly alongside each authorisation.

Recommendation 8

The Committee recommends that the ACT Government consider tabling the Budget Review and the December Quarterly Financial Statements at the same time.

Reporting on capital works project costs

2.101. Section 30F of the FMA requires the Treasurer to report every six months on capital works for the Territory.⁹⁹ The Committee notes that, in practice, the ACT Government publishes Capital Works Program Progress Reports on a quarterly basis.¹⁰⁰ These reports must include:

- a progress report on the delivery of the capital works program for the Territory during the period since the previous capital works report;

⁹⁹ *Financial Management Act 1996*, s 30F(1).

¹⁰⁰ Treasury, *Publications Capital Works Program*, <https://www.treasury.act.gov.au/publications> (accessed 2 June 2026).

- a statement of the expenditure on capital works for each directorate and territory authority for the financial year; and
- for each major capital works project:
 - a statement of the expenditure on the project to date;
 - a statement of the expenditure on the project for the financial year to date;
 - a total budget for the project; and
 - an annual budget for the project.¹⁰¹

2.102. The appendix to the Capital Works Progress Report includes details on expenditure to date for projects with a budgeted value of \$10 million or more against a revised project value.¹⁰²

Fragmentation and limitations in current reporting

2.103. Notwithstanding the level of detail contained in these reports, the Committee considers that current reporting arrangements remain fragmented and difficult to interpret as a whole-of-project financial picture, particularly over multiple years.

2.104. The ACT Auditor-General's Financial Audit Report for the 2024–25 Financial Audit Program noted that the capital works progress reports do not include initial project budgets or expected completion dates. The report also identified that information on own-source revenue contributions from some agencies towards capital works was not separately identified or disclosed, impacting visibility of the funding sources for capital works projects and agency contributions relative to the capital appropriations.¹⁰³

2.105. Speaking at the public hearings, the Auditor-General noted that while the funding allocation for a project would be available in budget papers, the cumulative spending over more than one year was not easily discoverable:

I think to get the total cost, looking at the budget papers, you will be able to see what funding was allocated, so that is the first information on the cost that is available for that project. The information that is not available is the cumulative information to say at a particular point in time, over say two years, how much money was spent. There is the money aspect, and there are also the administration and contract management and other costs that could be attributed to that project, and that information is not available at all.

...

So if you wanted to know to-date how much we have spent, you would actually have to go through the two budget processes and look at the actual cost from the financial statements and capital injection drawdown to draw the picture in terms of being able to answer that question.¹⁰⁴

¹⁰¹ *Financial Management Act 1996*, s 30F.

¹⁰² ACT Government, *Capital Works Program – Assembly Progress Report – YTD December 2025*, 'Appendix 1', p 1.

¹⁰³ ACT Audit Office, *Report No. 7/2025: 2024–25 Financial Audit Program – Overall Results*, December 2025, p 28.

¹⁰⁴ Mr Ajay Sharma, ACT Auditor-General, ACT Audit Office, *Committee Hansard*, 23 April 2026, pp 46-47.

2.106. The Auditor-General advised this process could be complex:

I think with the technical expertise we have as auditors, we find it difficult, but we can pull that information together. For the readers out there, I do not think they will be able to do that exercise easily because it is quite nuanced in terms of where that information would be contained to be able to pull that together.¹⁰⁵

2.107. Evidence to the Committee highlighted several key limitations:

- absence of original project budgets in capital works reports, requiring users to refer back to historical budget papers to identify baseline cost expectations;
- limited visibility of lifecycle project costs, including administrative, contract management and related indirect costs not captured within reported expenditure totals;
- lack of clear reconciliation between:
 - original appropriations;
 - subsequent adjustments (including section 16B rollovers and transfers); and
 - revised project values and total expenditure to date; and
- fragmentation of information across multiple sources, including budget papers, quarterly financial statements, capital works reports, and procurement disclosures, requiring technical expertise to consolidate.¹⁰⁶

2.108. While capital works progress reports include cumulative expenditure figures, these are not presented in a way that clearly links back to the original appropriation or shows how project costs have evolved over time through successive decisions.¹⁰⁷

Committee comment

2.109. The Committee considers that, while the ACT Government's capital works reporting framework is comparatively detailed, it does not yet provide a clear and consolidated view of project-level financial performance across the life of a project.

2.110. Improving the structure and integration of this reporting would significantly enhance transparency, support parliamentary scrutiny, and enable more effective assessment of value for money in major infrastructure investments.

2.111. These matters should be considered as part of the forthcoming review of the FMA, including whether minimum whole-of-project reporting requirements should be specified in legislation.

¹⁰⁵ Mr Ajay Sharma PSM, ACT Auditor-General, ACT Audit Office, *Committee Hansard*, 23 April 2026, p 48.

¹⁰⁶ See, for example, Mr Ajay Sharma PSM, ACT Auditor-General, ACT Audit Office, *Committee Hansard*, 23 April 2026, pp 47–48; Mr Robert Herrick, *Committee Hansard*, 23 April 2026, pp 77–79.

¹⁰⁷ Mr Ajay Sharma PSM, ACT Auditor-General, ACT Audit Office, *Committee Hansard*, 23 April 2026, p 46.

Finding 7

The Committee finds that current reporting does not adequately explain why section 16B rollovers are necessary or demonstrate why those costs could not be managed within existing appropriations, limiting the Assembly's ability to assess their necessity.

Recommendation 9

The Committee recommends that the ACT Government improve the clarity of financial reporting for capital works projects by including a consolidated, project-level view of financial performance across the full lifecycle of each project.

Errors and quality assurance

- 2.112. Mr Peter Bradbury raised concerns regarding multiple errors in quarterly consolidated financial statements. Speaking about the *September Quarter 2024 Consolidated Financial Report*, Mr Bradbury advised:

Attachment C – Signed Financial Instruments contains (as do all the reports I viewed) the text “Section 26(2)(b) of the Financial Management Act 1996 (FMA) requires a summary of instruments signed for the quarter to which these statements relate”. This is incorrect as COVID specific clauses were added to s26 at the time resulting in the correct reference now being Section 26(3)(b).¹⁰⁸

Committee comment

- 2.113. It appears that statutory references in instrument templates may not have kept pace with amendments to the FMA over the years. Given the time elapsed since relevant amendments were passed, the Committee considers these errors are indicative of systemic weaknesses in review and Treasurer-level sign-off processes, rather than isolated administrative mistakes.

Recommendation 10

The Committee recommends that the ACT Government ensure all instrument templates are reviewed in conjunction with the review of the *Financial Management Act 1996* to ensure correct statutory referencing.

¹⁰⁸ Mr Peter Bradbury, *Submission 8*, p 1.

3. Government Procurement Act 2001

- 3.1. The *Government Procurement Act 2001* (the Procurement Act) establishes the requirement for government entities to maintain governance and transparency in procurement activities. The Procurement Act is underpinned by the *Government Procurement Framework* (Procurement Framework).¹⁰⁹ The Procurement Framework brings together whole of government procurement-related legislation, policies, and procedures to support territory entities to comply with their requirements under the Procurement Act.¹¹⁰
- 3.2. Responsibility for individual procurements rests with the chief executive officer or delegate of the relevant territory entity. Ministers generally do not have legislated oversight or responsibility for entities' compliance with procurement legislation, except in relation to some Government Procurement Board recommendations:

The exception being that where the Government Procurement Board makes a recommendation to a Territory entity under section 29(2)(b) of the GPA [the Procurement Act] in relation to a procurement, and that recommendation has not been addressed, or has not been adequately addressed, following completion of the escalation process, the Board must refer the matter to the responsible Minister for the Territory entity.¹¹¹

Legislative history

- 3.3. The Government Procurement Bill 2001 was presented by the then Chief Minister, Mr Gary Humphries MLA, on 1 March 2001 and was passed on 3 May 2001.¹¹² The Procurement Act came into effect on 24 May 2001.¹¹³
- 3.4. Since that time, the Procurement Act has been amended several times, with the most significant amendments following the passage of the *Government Procurement Amendment Act 2024*.¹¹⁴

Procurement Reform Program

- 3.5. In 2022, the ACT Government commenced the Procurement Reform Program (Reform Program) following recommendations from the ACT Auditor-General's performance report into the Campbell Primary School Modernisation Project Procurement and a 2021 Review of Procurement ACT.¹¹⁵ The ACT Government explained:

The Reform Program strengthened legislation and arrangements for transparent, evidence-based procurement decisions, including support and services to further

¹⁰⁹ ACT Government, *Submission 5*, p 8.

¹¹⁰ ACT Government, *Submission 5*, p 8.

¹¹¹ ACT Government, *Submission 5*, p 8.

¹¹² ACT Government, *ACT Legislation Register*, 'Government Procurement Bill 2001 Bill History', https://www.legislation.act.gov.au/b/db_10976/ (accessed 25 May 2026).

¹¹³ ACT Government, *ACT Legislation Register*, 'Government Procurement Act 2001 Law History', <https://www.legislation.act.gov.au/a/2001-28/> (accessed 25 May 2026).

¹¹⁴ ACT Government, *Submission 5*, p 9.

¹¹⁵ ACT Government, *Submission 5*, p 9.

enhance probity. The changes supported modernisation of the legislative framework for efficient and effective financial management in accordance with the FMA.¹¹⁶

- 3.6. The Government Procurement Rules 2024 commenced in September of that year and provide guidance on process requirements across all stages of procurement activities.¹¹⁷
- 3.7. The ACT Government advised that all key deliverables under the Reform Program had been delivered and Procurement ACT would continue to progress longer-term actions through business-as-usual activities.¹¹⁸

Procurement processes

- 3.8. Evidence from community witnesses highlighted that fragmented procurement processes obscured whole-of-project cost, scope changes and variations.
- 3.9. The Yarralumla Residents Association (YRA) told the Committee that information on major infrastructure programs was ‘often available but fragmented’ and rarely formed a single, coherent picture. While individual contracts, budget allocations and project announcements might be published, YRA argued that ‘fragmentation’ of these elements caused a disconnect between incremental approvals and the Territory’s full financial commitment. It cited the Southern Gateway Corridor project as a case study, saying that procurement for the project was disjointed and fragmented, precluding transparency and an understanding of the costs and risks of the project as a whole.¹¹⁹
- 3.10. Likewise, Mr Robert Herrick highlighted project fragmentation as a risk to transparency. While acknowledging that ‘salami-slicing’ of major projects into smaller packages such as utilities relocation, environmental works, design contracts and principal construction works could be a legitimate approach, he observed that such procurement structures could also obscure the total cost of a major project, and that decisions taken across multiple project fragments and financial years could make it difficult to identify the full project cost at any given time.¹²⁰
- 3.11. During the hearing, Mr Herrick elaborated that fragmented procurement could make it difficult to demonstrate that a project was achieving value for money:

It really comes down to how that data is aggregated and presented as a whole-of-cost project analysis, and often it is not. Individual slices can be treated as a project in their own right; but, at some point, that whole project costing has to be analysed and worked out against budget, and what that represents in terms of changes to project scope, cost variations—a whole multitude of things.¹²¹

¹¹⁶ ACT Government, *Submission 5*, p 9.

¹¹⁷ ACT Government, *Submission 5*, p 90.

¹¹⁸ ACT Government, *Submission 5*, p 10.

¹¹⁹ Yarralumla Residents Association, *Submission 4*, pp 2–3.

¹²⁰ Mr Robert Herrick, *Submission 2*, p 8.

¹²¹ Mr Robert Herrick, *Committee Hansard*, 23 April 2026, p 77.

- 3.12. Citing the *Government Procurement Act 2001*, the Procurement Reform Program and July 2024 legislative amendments in response to recommendations by the Auditor-General, the ACT Government asserted that these actions ensured that government spending was transparent and aligned with community expectations:

Continuous improvement and review of the Territory's procurement framework ensures government expenditure is conducted with transparency, fairness and rigour, and achieves value for money in alignment with community values and expectations.¹²²

- 3.13. Asked during the hearing whether multiple procurements for one project were reported in one place so that total expenditure could be seen, the ACT Government advised that locating such information would depend on the project:

It would depend on the type of project. Where they are capital projects, there is other capital reporting that would report at the project-as-a-whole level. But I do not think we have a system at the moment that aligns procurement processes with project value. It would be a combination of those types of reporting.¹²³

- 3.14. Where contracts were varied in scope, time or budget, the ACT Government indicated that the best way to identify such variations would be to search the contract register using the procurement identifying number.¹²⁴

Committee comment

- 3.15. The Committee considers that existing procurement reporting practices limit transparency and undermine assessment of value for money.

Recommendation 11

The Committee recommends that the ACT Government improve procurement reporting to provide whole-of-project transparency.

Secure Local Jobs Code

- 3.16. The Committee received conflicting evidence as to whether the Secure Local Jobs Code (SLJC), which was established under the Procurement Act and commenced in January 2019,¹²⁵ was meeting its intended purpose.
- 3.17. In its submission, the Master Builders Association of the ACT (Master Builders ACT) noted that despite its name, there was no requirement within the SLJC to preference local

¹²² ACT Government, *Submission 5*, pp 8–10.

¹²³ Ms Michelle Dowdell, Deputy Under Treasurer, Chief Minister, Treasury and Economic Development Directorate, *Committee Hansard*, 22 April 2026, p 20.

¹²⁴ Mr Russ Cambell, Under Treasurer, Chief Minister, Treasury and Economic Development Directorate, *Committee Hansard*, 22 April 2026, pp 20–21.

¹²⁵ Mr Michael Pettersson MLA, Minister for Skills, Training and Industrial Relations, *answer to QON 3*, 22 April 2026 (received 11 May 2026),

employers or employees, meaning procurement can go to companies outside the ACT, ‘attracting higher overhead costs for bringing crews in, additional loading and travel allowances, et cetera’. The practical result of this was that ‘You can be code compliant and not employ a single local’.¹²⁶

- 3.18. The Committee heard this practice appeared to be at odds with information on the SLJC website, which stated: ‘We understand that creating jobs for the local community is important and we want to make sure that the money we spend on goods and services goes back into the local economy.’¹²⁷
- 3.19. The ACT Government advised that the SLJC intended ‘to ensure there is a level playing field among the businesses seeking to tender for ACT Government work’.¹²⁸ The Minister for Skills, Training and Industrial Relations advised the SLJC was designed to ‘ensure businesses wishing to tender for ACT Government work meet a minimum standard in regard to industrial relations and work health and safety.’¹²⁹
- 3.20. Master Builders ACT advised that the requirements of the SLJC are administratively onerous, particularly the industrial relations and workplace safety requirements of the SLJC, which they consider as going beyond the ordinary legislative requirements.¹³⁰ They argued that these requirements and administrative burdens restrict local Small to Medium Enterprises accessing ACT Government work and favour larger companies with more mature administrative systems.¹³¹ It was put to the Committee that this favoured interstate businesses:

Systems requiring substantial administrative effort tend to favour larger organisations, which disproportionately rewards interstate contractors at the expense of local businesses, directly at odds with the stated purpose of the SLJC and in contrast to the ACT Government’s own Canberra Regional Local Industry Participation Plan (LIPP).¹³²

- 3.21. The Minister for Finance questioned this position, pointing to anecdotal evidence received by the government since the introduction of the SLJC:

What we have heard anecdotally from the original introduction of the code is that a number of businesses that thought it was going to be an onerous thing actually appreciated the work that was done with them to support their compliance with the code but also recognised that having this baseline requirement around fair work ensures there are not businesses tendering that are undercutting the legitimate businesses that do everything right by their workers by under tendering effectively. As well as protecting the rights of workers the intention is to

¹²⁶ Ms Anna Neelagama, Chief Executive Officer, Master Builders ACT, *Committee Hansard*, 23 April 2026, p 71.

¹²⁷ Master Builders Association of the ACT, *Submission 7*, p 4.

¹²⁸ Ms Rachel Stephen-Smith MLA, Minister for Finance, *Committee Hansard*, 22 April 2026, p 12.

¹²⁹ Mr Michael Pettersson MLA, Minister for Skills, Training and Industrial Relations, *answer to QON 1*, 22 April 2026 (received 11 May 2026), p 2.

¹³⁰ Master Builders ACT, *Submission 7*, pp 2, 3.

¹³¹ Master Builders ACT, *Submission 7*, pp 2, 4.

¹³² Master Builders ACT, *Submission 7*, pp 4–5.

create a level playing field, so to that extent it is hard to see why that would disadvantage local businesses.¹³³

- 3.22. Government officials acknowledged the difficulties faced by some Small and Medium Enterprises not having the administrative capacity to complete the necessary documentation and requirements of the scheme, and that this had been discussed with the registrar exemptions to SLJC requirements for some panels to have smaller work order values.¹³⁴ The Minister for Finance advised that the reasons that small and medium local companies may not seek certification may include because they do not believe they could comply with the SLJC requirements and achieve certification.¹³⁵
- 3.23. The SLJC Advisory Council reviewed the code prior to the completion of its second year of operation in January 2021. The Minister for Skills, Training and Industrial Relations advised in response to a QTON that there were no other formal reviews of the SLJC required under the legislation or planned by the ACT Government.¹³⁶

Committee comment

- 3.24. The Committee considers that the interaction between procurement policy settings and statutory value-for-money obligations under the *Government Procurement Act 2001* warrants further review.
- 3.25. In particular, the Committee is concerned that the SLJC may not be achieving the aims of helping to 'grow the local economy and create jobs for people in the ACT'.¹³⁷
- 3.26. The Committee notes that it has been over five years since the first and only review of the SLJC. The Committee considers a further review of the SLJC should be undertaken, with particular focus on the potential unintended impacts for local Small and Medium Enterprises, including:
- disadvantages to participation in ACT Government tendering processes;
 - increased administrative overhead costs; and
 - procurement of interstate goods and services resulting in money not being returned to the local economy.

Recommendation 12

The Committee recommends that the ACT Government commission an independent review of the Secure Local Jobs Code to assess whether the Code is effectively achieving its stated outcomes.

¹³³ Ms Rachel Stephen-Smith MLA, Minister for Finance, *Committee Hansard*, 22 April 2026, p 12.

¹³⁴ Ms Chantel Potter, Acting Executive Group Manager, Procurement ACT, Chief Minister, Treasury and Economic Development Directorate, *Committee Hansard*, 22 April 2026, p 13.

¹³⁵ Ms Rachel Stephen-Smith MLA, Minister for Finance, *Committee Hansard*, 22 April 2026, p 16.

¹³⁶ Mr Michael Petterson MLA, Minister for Skills, Training and Industrial Relations, *answer to QTON 5: Procurement and Secure Local Jobs Code Review*, 22 April 2026 (received 11 May 2026), p 2.

¹³⁷ ACT Government, *Secure Local Jobs*, <https://www.procurement.act.gov.au/secure-local-jobs>, (accessed 21 May 2026).

4. Conclusion

- 4.1. The Committee has made seven findings and 12 recommendations.
- 4.2. The Committee's inquiry identified a consistent pattern in which material section 16B rollover decisions, exceeding \$100 million annually, were not disclosed prior to the February Budget Review, but were instead reported months later in subsequent financial statements. For 2024–25, the reported rollover amount of \$0.150 million is not consistent with this pattern and does not represent a credible reflection of underlying rollover activity. The Committee considers that material rollover decisions will again be disclosed only in later reporting periods.
- 4.3. This reflects a structural deficiency in the financial reporting framework. The February Budget Review is the primary mid-year fiscal update and should present as complete and contemporaneous a view of the Territory's financial position as possible. Where material appropriation decisions are not reflected at that point, the Legislative Assembly is not provided with the information necessary to effectively scrutinise government expenditure.
- 4.4. Assessing these findings against section 11(7)(f) of the *Financial Management Act 1996*, the Committee concludes that disclosure is not timely, full or accurate, and therefore does not meet the requirements of the Act. Reform is required to ensure that rollover decisions are identified earlier, disclosed at the point of budget revision, and supported by clear justification, in order to restore transparency and strengthen parliamentary scrutiny.
- 4.5. In relation to the *Government Procurement Act 2001*, the Committee considers that existing procurement reporting practices limit transparency and undermine assessment of value for money across the lifecycle of projects. The Committee received conflicting evidence about the intent of the Secure Local Jobs Code and considers that it is timely to conduct an independent review to ensure the code continues to meet its intention.
- 4.6. While the Committee emphasises that it has not identified any deliberate wrongdoing, its findings reflect a sustained divergence from the intents of these acts.

Ms Fiona Carrick MLA
Chair

5 June 2026

Appendix A: Submissions

No.	Submission by	Received	Published
1	Confidential	17/03/26	21/04/26
2	Robert Herrick	19/03/26	16/04/26
3	North Canberra Community Council	30/03/26	16/04/26
4	Yarralumla Residents Association	13/04/26	16/04/26
5	ACT Government	13/04/26	16/04/26
6	ACT Auditor-General	13/04/26	16/04/26
7	Master Builders Association of the ACT	13/04/26	16/04/26
8	Peter Bradbury	13/04/26	16/04/26
8.1	Peter Bradbury – Supplementary	04/05/26	21/05/26
9	Mr Ed Cocks MLA	16/04/26	16/04/26
9.1	Mr Ed Cocks MLA – Supplementary	05/05/26	21/05/26
10	Melanie Wilde	21/04/26	22/04/26
10.1	Melanie Wilde – Supplementary	22/04/26	29/04/26

Appendix B: Witnesses

Wednesday, 22 April 2026

Mr Ed Cocks MLA

ACT Government

Ms Rachel Stephen-Smith MLA, Minister for Finance

Mr Chris Steel MLA, Treasurer

Chief Minister, Treasury and Economic Development Directorate:

- Mr Russ Campbell, Under Treasurer
- Ms Michelle Dowdell, Deputy Under Treasurer
- Mr Scott Austin, Executive Group Manager, Finance and Budget, Treasury
- Ms Chantel Potter, Acting Executive Group Manager, Procurement ACT
- Ms Natasha Bourke, Executive Branch Manager, Financial Reporting and Frameworks Branch, Finance and Budget, Treasury

Thursday, 23 April 2026

Private capacity

- Mr Peter Bradbury
- Mr Robert Herrick

ACT Audit Office

- Mr Ajay Sharma PSM, ACT Auditor-General
- Mr Brett Standon, Assistant Auditor-General, Performance Audits
- Mr Tim Lanarch, Assistant Auditor-General, Financial Audits

Master Builders Association of the ACT

- Ms Anna Neelagama, Chief Executive Officer
- Mr Scott Harris, Director, Workplace Relations and Policy

Yarralumla Residents Association

- Mr Robert Herrick, Committee Member

Appendix C: Gender distribution of witnesses

Beginning in April 2023, in response to an audit by the Commonwealth Parliamentary Association, Committees are collecting information on the gender of witnesses. The aim is to determine whether committee inquiries are meeting the needs, and allowing the participation of, a range of genders in the community. Participation is voluntary and there are no set responses.

Gender indication	Total
Female	5
Male	10
Non-binary	0
Gender neutral	0
No data	0

Appendix D: Questions on Notice and Questions Taken on Notice

Questions on Notice

No.	Date	Asked of	Subject	Response received
1	23/04/26	Minister for Skills, Training and Industrial Relations	Secure Local Jobs Code – Procurement framework	11/05/26
2	23/04/26	Minister for Skills, Training and Industrial Relations	Secure Local Jobs Code – Union influence	11/05/26
3	23/04/26	Minister for Skills, Training and Industrial Relations	Secure Local Jobs Code – Competition	11/05/26
4	28/04/26	Treasurer	<i>Financial Management Act 1996</i> – Fiscal sustainability	21/05/26
5	28/04/26	Treasurer	<i>Financial Management Act 1996</i> – Expenditure and Outputs	21/05/26
6	28/04/26	Treasurer	<i>Financial Management Act 1996</i> – Rollovers	21/05/26
7	28/04/26	Treasurer	<i>Financial Management Act 1996</i> – Section 11(7) definitions	21/05/26
8	30/04/26	Minister for Finance	<i>Government Procurement Act 2001</i> – Compliance	14/05/26
9	Withdrawn			
10	30/04/26	Treasurer	<i>Financial Management Act 1996</i>	21/05/26

Questions Taken on Notice

No.	Date	Asked of	Subject	Response received
1	22/04/26	Treasurer	<i>Financial Management Act 1996</i> – Section 8 appropriation for the ACT Executive	14/05/26
2	22/04/26	Treasurer	<i>Financial Management Act 1996</i> – Timing of payments and s16B rollover authorisation for Fitzroy Pavilion	27/05/26
3	22/04/26	Treasurer	<i>Financial Management Act 1996</i> – Timing of Fitzroy Pavilion payments and rollovers and best practice	14/05/26
4	22/04/26	Treasurer	Budget reserves	14/05/26
5	22/04/26	Minister for Skills, Training and Industrial Relations	Secure Local Jobs Code	12/05/26
6	22/04/26	Minister for Finance	Quarterly Capital Works Program Report	28/05/26
7	22/04/26	Chief Minister	Fitzroy Pavilion procurement	06/05/26
8	22/04/26	Minister for Finance	Fitzroy Pavilion project expenditure	04/06/26

Appendix E: Additional comments by Mr Taimus Werner-Gibbings MLA

This inquiry was a job for the Public Accounts Committee. The issue was never so unique or urgent that it needed the spending of scarce Assembly resources on a select committee. That being said, the Treasurer told the Committee about the ACT Government's plans to review the *Financial Management Act 1996* and its openness to the Committee's thoughts. As such, this report does make some sensible recommendations to improve and/or clarify the operational intent of the ACT, as well as assist citizens to understand or analyse ACT Government budget and financial reporting.

On the other hand, there is a risk that the sensationalised language in some of the report's findings leaves them less persuasive. Findings should be offered as statements of fact, not expressions of prejudiced opinions.

Mr Taimus Werner-Gibbings MLA

9 June 2026