



# Inquiry into Financial Management and Government Procurement Legislative Compliance

## Answer to question on notice

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Asked by: Ms Fiona Carrick MLA

Addressed to: Treasurer

Reference: Treasury

Hearing: 22 April 2026

In relation to: Financial Management Act 1996 and Section 11(7) definitions

Question received: 28 April 2026

Answer Due: 8 May 2026

### Minister

The following questions are about the definitions set out in section 11(7) of the Financial Management Act 1996 and whether they operate as an effective compliance framework for contemporary fiscal decision-making, consistent with Parliament's intent that the ACT promote honest budget processes and sustain trust and confidence in the Budget and the Government.

- Do the definitions in section 11(7) of the Financial Management Act 1996 adequately reflect Parliament's intent that fiscal management support long-term economic and social wellbeing, or does their narrow framing limit the Act's effectiveness as a compliance framework for contemporary budget decisions?
- Does the Act's current definition of inter-generational equity sufficiently guide compliant fiscal decision-making, or does its exclusive focus on environmental factors risk overlooking fiscal and service decisions that impose long-term burdens on future Territorians without breaching the Act?

Thank you

**Mr Chris Steel MLA:** The answer to the Member's question is as follows:

Section 11 of the *Financial Management Act 1996* (FMA) sets out rigorous requirements for what must be reported in the Budget papers. The Government has complied with all these requirements in all its budget documents.

In providing the economic and financial forecasts that underpin the budget documents, ACT Treasury employs robust processes including providing information that is consistent with Australian Accounting Standards and with the Government Financial Statistics Framework administered by the Australian Bureau of Statistics. By ensuring rigorous forecasts and transparent reporting against established frameworks in the is way, the Government promotes trust and confidence in its budget processes.

Section 11(7) of the *Financial Management Act 1996* (FMA) defines the concept of ecologically sustainable development which includes the inter-generational equity principle which is required to be considered when preparing the budget in accordance with section 11(5)(c).

The Government does not consider the definitions provided in section 11(7) limit its capacity to make fiscal decisions that advance the wellbeing of the Canberra community. These definitions support the interpretation of a broader range of factors that must be considered in developing the Territory's Budget. In particular, section 11(5) specifies that the Territory's budget must be prepared taking into account:

*(a) the principles of responsible fiscal management;*

*(b) the object of providing a basis for sustainable social and economic services and infrastructure fairly to all ACT residents; and*

*(c) the object of ecologically sustainable development.*

The Government remains committed to all the principles of responsible fiscal management, as set out in its fiscal strategy in the 2025-26 Budget.

Through its policy decisions, the Government has also met the other requirements of section 11(5), including by navigating the Territory through the unprecedented circumstances of the COVID-19 pandemic. Through our Wellbeing Framework, the first for an Australian jurisdiction, our Budget process is focused on delivering improved outcomes for our community including through social and economic services that deliver improved outcomes and foster ecologically sustainable development.

Approved for circulation to the Select Committee on Financial Management and Government Procurement Legislative Compliance

Signature:



By the Treasurer, Mr Chris Steel MLA

Date:

20/5/26