Legislative Assembly Budget Protocols Agreement

11th Assembly

Contents

Glossary

Term	Meaning
Appropriation	The appropriation of public money by an Act.
Base funding	Funding appropriated to the Office/Officers in the preceding financial year, less any non-ongoing items.
Budget proposals	Proposals to provide additional appropriation/funding in order to achieve a business or policy objective.
Controlled recurrent payment	The amount appropriated to the Office/Officers to enable the delivery of their functions and services.
Draft budget	A budget for the financial year containing information mentioned in s 12 of the *Financial Management Act 1996*.
Expenditure Review Committee (ERC)	Subcommittee of Cabinet, chaired by the Chief Minister, responsible for (among other matters) considering expenditure proposals and budget appropriations.
Office of the Legislative Assembly (Office)	The agency established under s 5 of the *Legislative Assembly (Office of the Legislative Assembly) Act 2012* to provide impartial advice and support to the Legislative Assembly, its committees and its members.
Officers of the Assembly (Officers)	The Auditor-General, members of the Electoral Commission, Ombudsman, Integrity Commissioner, and Inspector of the Integrity Commission.
Own source revenue	Revenue generated by a Territory entity through its own activities.
Payments on Behalf of the Territory	Appropriation for expenses administered by the Office/Officers on behalf of the Territory.
Recommended appropriation	The amount that the Speaker considers should be appropriated to the Office/Officers (see ss 20(b), 20AB(c) of the Financial Management Act).
Recommended funding level	The amount that the Speaker considers should be provided by the Government to the Ombudsman/Inspector of the Integrity Commission in relation to the provision of relevant functions and services.
Relevant Assembly Committee	The relevant Assembly committee for the purposes of ss 20 and 20AB of the Financial Management Act is the Standing Committee on the Integrity Commission and Statutory Office Holders.
Savings proposal	A proposal to reduce one or more components of funding/ appropriation to the Office/Officers.
Supplementary appropriation	An appropriation that is provided by an appropriation Act other than the ‘first Appropriation Act’ (see s 5 of the Financial Management Act).
Technical adjustments	Changes to appropriation arising from indexation such as CPI or changes to Australian accounting standards.

1. Purpose

1.1. Building on relevant provisions of the *Financial Management Act 1996* and the Assembly's commitment to the *Commonwealth (Latimer House) Principles on the Three Branches of Government*,[1] this Assembly Budget Protocols Agreement (the Agreement) sets out a distinct process to develop and consider budget appropriations/funding for:

- the Office of the Legislative Assembly (the Office); and
- Officers of the Legislative Assembly (Officers).[2]

2. Parties

2.1. The following parties endorse and commit to this Agreement:

- Jeremy Hanson CSC MLA, Speaker of the Legislative Assembly, on behalf of the legislative arm of government in the ACT; and
- Andrew Barr MLA, Chief Minister for the ACT, on behalf of the ACT Executive.

3. Term of effect

3.1. The Agreement will apply from the 2026-2027 budget round. It will be tabled by the Speaker in the Legislative Assembly and will remain in effect in the form tabled unless otherwise discontinued or amended by the mutual written agreement of the parties.

3.2. If the Agreement is discontinued, the Legislative Assembly will be notified on the first sitting day following its discontinuation. If it is amended, the amended version will be tabled in the Legislative Assembly at the first opportunity.

3.3. The Agreement will be reviewed in the 12th Assembly.

4. Principles

4.1. The Parties acknowledge and agree that:

- The Assembly has, by continuing resolution, endorsed the *Latimer House Principles on the Threes Branches of Government* which envisage an independent process for the development of parliamentary budgets in recognition of the importance of the separation of powers doctrine.
- The financial initiative of the Executive, by which only a minister may propose legislation seeking to appropriate the public money of the Territory, is an important aspect of the Territory's constitutional arrangements.[3]

[1] Assembly Continuing Resolution 8A
[2] The Auditor-General, the Electoral Commission, the Integrity Commission, and the Ombudsman (who is also the Inspector of the Integrity Commission).
[3] Self-Government Act, s 65 and standing orders 200, 201 and 201A.

- The Office independently supports and advises the Legislative Assembly, its committees and its members, including in relation to the representative, legislative and accountability roles that they perform.
- Officers independently exercise a range of vital integrity, transparency and accountability functions on behalf of the Territory.
- It is in the public interest to provide sufficient budget appropriation to the Office and Officers in order that each is able to independently perform their statutory functions to a high standard.
- Deliberate, fair and good-faith consideration shall be given by the ACT Executive through its Expenditure Review Committee (ERC) to include the 'recommended appropriation' for the Office and for each Officer in an appropriation bill (whether the first appropriation for the financial year or a supplementary appropriation).
- Timely and accurate communication between the Speaker, the Treasurer, the Office/Officers, and Treasury officials shall be maintained at all stages of the budget process.
- The Speaker and the Clerk/Officers shall receive much the same information and opportunity for engagement about the Office's/Offices' budget proposals from the ACT Executive as would be provided to a portfolio minister and head of an agency.

5. Legislative requirements

5.1. Pursuant to the Financial Management Act, the Speaker must, before the beginning of a financial year, do the followings things:

- Consult the Office/Officers and the Standing Committee on the relevant committee (the Standing Committee on the Integrity Commission and Statutory Office Holders / the Standing Committee) about the 'recommended appropriation' (see below at paragraphs 6.1-6.4).[4]
- Advise the Treasurer of the recommended appropriation for the Office/Officers.
- Present the recommended appropriation for each Officer to the Assembly (not required for the Office).
- Give the Treasurer a draft budget for the Office/Officers (see below at paragraphs 6.5-6.8).

5.2. If the amount in the appropriation bill for the Office or an Officer departs from the Speaker's recommended appropriation, the Treasurer must present a statement of reasons to the Assembly as to the variation.[5]

[4] Since 1989, the functions of the ACT Ombudsman have been carried out by the Commonwealth Ombudsman. As a Commonwealth Officer, the Ombudsman does not receive direct appropriation from the Legislative Assembly. Instead, the Ombudsman receives funding on the basis of the functions that are performed under relevant legislation and in accordance with a service level agreement between the Territory and the Commonwealth. The Ombudsman funding process is outlined at section 7.

[5] Financial Management Act, ss 20AA, 20AC.

6. Protocols—Office of the Legislative Assembly, Auditor-General, Electoral Commission, Integrity Commission

What is the recommended appropriation?

6.1. The recommended appropriation is the amount that 'the Speaker considers should be appropriated' as per ss 20(a) and 20AB(a) of the Financial Management Act.

6.2. In any given financial year, the recommended appropriation for the first appropriation bill for the Office/Officers comprises:

Base funding

+

Technical adjustments

+

Budget proposals

- **Base funding** is the funding appropriated to the Office and to each Officer in the preceding financial year, less any non-ongoing items.
- **Technical adjustments** relate to changes to appropriation arising from indexation such as CPI or changes to Australian accounting standards.
- **Budget proposals** are proposals to provide additional funding in order to achieve a business or policy objective.

6.3. As base funding and technical adjustments are typically incorporated into appropriations without controversy, consideration of the Office's/Officers' budget proposals are generally the component of the recommended appropriation that is most likely to result in a difference of opinion between the ACT Executive, the Speaker and the Officer.

Supplementary appropriation

6.4. In the case of a supplementary appropriation, a recommended appropriation for the Office/Officer consists of **technical adjustments + budget proposals.**

What is a draft budget?

6.5. Under ss 20(b) and 20AB(c) of the Financial Management Act, a 'draft budget' contains the information mentioned in s 12 of that Act. A draft budget must:

- Include the financial statements required under the financial management guidelines, including budget estimates for the next 3 financial years.
- Be in a form that facilitates comparison between:
  - the proposed budget for the Office/Officer;
  - the budget for the Office/Officer for the previous financial year; and
  - the estimated result for the Office/Officer for the previous financial year.
- Where a capital injection is made that must be repaid by the Office/Officer, include a statement that the capital injection is a capital injection and that sets out the conditions under which the injection is to be given, including the requirements about the time within which it must be repaid.

Communication

6.6. To ensure that the protocols are read and understood by relevant personnel, the Parties shall provide a copy to applicable staff in:

- The Speaker's office
- The Chief Minister's office
- The Treasurer's office
- The Office / agencies headed by Officers
- The Treasury and the Cabinet Office

6.7. The Standing Committee on the Integrity Commission and Statutory Office Holders and its Secretary shall also receive a copy.

6.8. To facilitate timely exchange of information, email is the preferred channel of communication:

- Speaker's office—speaker@parliament.act.gov.au
- Standing Committee—LACommitteeIntegrity@parliament.act.gov.au
- Treasurer's general email (e.g. steel@act.gov.au)

Considering budget proposals

6.9. The order and timing of the following steps will vary according to whether the consideration relates to the first appropriation or a supplementary appropriation and to the timeframes and sequencing established by ERC.

6.10. The parties acknowledge that, while having regard to the timetable issued by Treasury, the Office/Officers are not strictly bound by the budget timetable and guidance material issued by Treasury in relation to the annual budget process. However, should a late budget submission be provided outside the budget timetable set by Treasury, it may be necessary to defer consideration to a future Budget process.

Step in the process	Actions
1. Timeframes communicated	**The Treasurer writes to the Speaker and Treasury officials write to the Office/Officers** outlining the applicable timeline for the consideration of appropriations for the Office/Officers. This includes a request for any budget proposals to be advanced.
2. Speaker seeks to consult	The **Speaker writes to the Office/Officers and the Standing Committee** seeking to consult on the recommended appropriation, including a request that the Office/Officer forward any budget proposals to both the Speaker and to the Standing Committee for consideration.
3. Provision of overview of any budget proposals	The **Office/Officers write to the Speaker and the Standing Committee** with an overview of any budget proposal for which additional funding is sought. An overview should include: • a brief description of the proposal; • the objective/s that the proposal seeks to achieve; and • estimated recurrent and one-off costs. If no budget proposal is to be advanced, the Office/Officer advises the Speaker and the Standing Committee accordingly.
4. Committee provides comment to the Speaker	The **Standing Committee writes to the Speaker with any comments** that it wishes to make about the recommended appropriation, including any budget proposal overviews submitted by the Office/Officers.
5. Speaker advises of supported budget proposals	Following consideration of any budget proposal overviews provided by the Office/Officers and any Standing Committee comment, **the Speaker's office advises the Office/Officers and the Treasurer's office** whether the Speaker: a) supports a proposal/s; b) supports a proposal/s in a modified form; or c) does not support a proposal.
6. Office/Officer provides budget proposal overview to Treasury	Where the Speaker supports a budget proposal (including in a modified form), the Office/Officer provides the proposal to Treasury officials to facilitate initial consideration by ERC.
7. Preliminary ERC consideration	ERC considers budget proposal overview and decides whether: a) further information is required (for example, in the form of a full business case); or b) the proposal will not proceed for further. Treasurer's Office advises Speaker's Office and Treasury officials advise Office/Officers of decision as soon as practicable after an ERC meeting.

Step in the process	Actions
8. **Office/Officer prepares and submits business case**	Office/Officer to prepare and submit requested business cases to: • the Speaker • the Standing Committee • Treasury Business case templates issued by Treasury are used to the extent that they are applicable. Business cases need not explain themselves in terms of government policy objectives, administrative frameworks, or election commitments. Where possible, Treasury feedback and analysis will be endeavoured to be provided to the Office/Officers a minimum of 5 working days prior to being considered by ERC.
9. **ERC consideration and decision**	Treasurer/Treasury formally invite Speaker and the Clerk/Officers to appear at ERC to speak to budget proposals and answer any questions. ERC may then decide to: a) Include in the appropriation the amount indicated in a proposal; b) Include a lesser amount than is indicated in a proposal; or c) Not include any additional appropriation for the proposal. Treasurer's Office advises Speaker's Office and Treasury officials advise Office/Officers of ERC decision as soon as practicable after an ERC meeting.
10. **Speaker transmits 'recommended appropriation'**	The Office/Officer prepares correspondence from the Speaker to the Treasurer outlining the recommended appropriation. The recommended appropriation includes the total cost of any proposals, or modified proposals (i.e. the total value agreed by the Speaker irrespective of ERC decision).
11. **Office/Officers to prepare and submit draft budget**	a) Reflecting the ERC outcome, Office/Officer prepares a draft budget containing information mentioned in s 12 of the Financial Management Act and submits to the Speaker and to Treasury via GBMS system. b) Speaker provides the draft budget to the Treasurer. c) The **Speaker tables draft budgets for Officers in the Assembly.** In practice, this is done by tabling the letters and draft budgets prepared by Officers to the Treasurer on behalf of the Speaker.

12. Statement of reasons	**Should the appropriation for the Office/Officer be less than the recommended appropriation, the Treasurer presents a statement of reasons for the departure in the Assembly as per Financial Management Act requirements.**

7. Budget protocols—ACT Ombudsman

7.1. The ACT Ombudsman (who also performs the role of Inspector of the ACT Integrity Commission) does not receive direct appropriation of the Territory's public finances. Instead, the Ombudsman receives the funding from the relevant ACT Government directorate, on behalf of the Territory, in accordance with a services agreement setting out the services and functions that are to be performed by the Ombudsman for a given price.

7.2. The parties recognise the Office of the Commonwealth Ombudsman, which currently performs the role of the Ombudsman, is a Commonwealth Government entity that is required to comply with the Commonwealth resource management framework, which governs how officials in the Commonwealth public sector use and manage public resources. It is not the intention of this arrangement to duplicate financial management arrangements including reporting obligations or auditing activities.

7.3. The parties to this Agreement agree to adopt the following arrangement for the Ombudsman, which operates in parallel with the budget protocols set out for other officers (see above) and accord with the spirit of relevant provisions of the FMA concerning budget appropriations for Officers of the Assembly.

Funding proposal

7.4. The Ombudsman will develop a funding proposal in consultation with relevant ACT directorates that have policy ownership for programs managed by the Ombudsman. The funding proposal will set out the funding that the Ombudsman considers ought to be paid by the Territory (including a breakdown of staffing and administrative costs) to perform agreed statutory and other functions. A funding proposal is a detailed breakdown of the funding that the Ombudsman considers ought to be paid by the Territory (including a breakdown of staffing and administrative costs) to perform agreed statutory and other functions.

Recommended funding level

7.5. Instead of a 'recommended appropriation', there will be a 'recommended funding level' for the Ombudsman, which is the amount of funding that the Speaker considers should be provided to the Ombudsman in a given financial year.

7.6. The recommended funding level is taken to mean the total amount that the Speaker considers should be payable to the Ombudsman by the relevant ACT Government directorate(s) in a given year in exchange for the performance of the applicable statutory and other functions by the Ombudsman in accordance with relevant laws and any service agreement that is in place with the relevant ACT Government directorate.

Approved funding level

7.7. Instead of a 'draft budget', there will be an 'approved funding level' for the Ombudsman.

7.8. The approved funding level is the **total amount that the ERC has agreed** will be paid to the Ombudsman by the relevant ACT Government directorate(s) in a given year in exchange for the performance of applicable functions by the Ombudsman in accordance with relevant laws and any service agreement that is in place with the relevant ACT Government directorate(s).

Step in the process	Actions
1. Speaker requests a funding proposal	The **Speaker writes to Ombudsman** requesting that the Ombudsman develop a funding proposal for the following financial year and to forward it to both the Speaker and to the Standing Committee.
2. Ombudsman develops funding proposal with relevant directorates	The **Ombudsman** develops a funding proposal to facilitate consideration of the recommended funding level and consults **with relevant ACT Government directorates** on the funding and service levels for the given financial year.
3. Ombudsman provides funding proposal to the Speaker and the Standing Committee	The **Ombudsman writes to the Speaker** and to the Standing Committee providing the funding proposal and advising the funding level the Ombudsman considers necessary to effectively perform the functions and services for which the Ombudsman is responsible, including a breakdown of staffing and administrative costs.
4. Committee provides comment to the Speaker	The **Standing Committee writes to the Speaker with any comments** it wishes to make about the recommended funding level for the Ombudsman.
5. Speaker considers funding proposal and advises of whether it is supported as 'recommended funding level'	Following consideration of the Ombudsman's funding proposal and any Standing Committee comments, the Speaker may request clarification or additional information from the Ombudsman. The **Speaker advises the Treasurer** as to whether the funding proposal is supported as being the 'recommended funding level'.
6. ERC consideration and decision	If required**, Treasurer/Treasury may formally invite the Ombudsman to appear at ERC with the Speaker** to speak to the recommended funding level and answer any questions.

Step in the process	Actions
	ERC will decide the amount of funding to be included in the budget for the relevant ACT Government directorate that is responsible for administering the services agreement and disbursing funds to the Ombudsman. The Treasurer will advise the Speaker of ERC's decision as soon as practicable after an ERC meeting.
7. Speaker advises outcome	**The Speaker** will advise the Ombudsman of ERC's decision.
8. Statement of reasons	During the week in which the appropriation bills for the Territory are presented in the Assembly, **the Treasurer will advise the Assembly of the approved funding level to be allocated to the Ombudsman**. Where the amount departs from the recommended funding level, **the Treasurer** will present a statement of reasons to the Assembly.
9. Distribution of funding	**Distribution of approved funding to the Ombudsman is made by the relevant directorate** consistent with the approved funding level and services agreement.

Additional requirements

Retention of appropriation for Controlled Recurrent Payments

Office of the Legislative Assembly

7.9. Any funds appropriated as Controlled Recurrent Payments that are not expended by the Office of the Legislative Assembly during the financial year, subject to requirements of the Financial Management Act being met, will be retained by the Office of the Legislative Assembly in the Office's bank account.

Officers of the Assembly

7.10. Ten per cent of funds appropriated as Controlled Recurrent Payments that are not expended by the Auditor-General, the Electoral Commissioner or the Integrity Commissioner during the financial year, subject to requirements of the Financial Management Act being met, will be retained by the respective officer.

Own source revenue

7.11. The parties agree that any own source revenue generated by the Office of the Legislative Assembly or Officers of the Assembly in the course of the exercise of their statutory functions may be spent by the agency.

7.12. This arrangement is not applicable to the Ombudsman/Inspector of the Integrity Commission.

Territorial entity funding in an election year—Office of the Legislative Assembly

7.13. In determining the amount appropriated with respect to Payments on Behalf of the Territory in a financial year in which a Territory election occurs, the Executive will give due consideration to the potential for abnormally high liabilities to be incurred by the Office of the Legislative Assembly in meeting the costs associated with termination payments and paying out employee entitlements.

Funding employee liabilities

7.14. Where the total amount of employee entitlements paid, or required to be paid, by the Office/Officers in a given financial year exceeds the amount appropriated for the Office/Officers in relation to employee entitlements for the financial year, the parties agree that the Office/Officer will be given the same consideration by the Executive as that given to other Territory entities with respect to appropriation for accrued employee entitlements pursuant to s 16A of the *Financial Management Act 1996.*

7.15. This arrangement does not apply to the Ombudsman/Inspector of the Integrity Commission.

Savings proposals

7.16. The parties agree that, although the Executive has historically not applied any across-the-board savings proposals to the Assembly, it may decide to do so in the future, noting that mid-cycle whole of service savings that may occur from time to time do not automatically apply to officers of the Assembly.

7.17. Should there be a proposal to apply across-the-board savings or other budget cuts in relation to the Office/Officers, the parties agree that the Executive will consult with the Speaker, the Standing Committee, and officers.

Only the Speaker may make certain requests

7.18. The parties agree that the following requests to the Treasurer on behalf of the Office or an Officer will only be made by the Speaker where the Speaker is satisfied that the request is a reasonable request:

- transfer of funds between appropriations (see s 14 of the Financial Management Act);
- transfer of funds from capital injection appropriation to other appropriations (see s 14A of the Financial Management Act);
- transfer of funds from other appropriations to capital injection appropriation (see s 14B of the Financial Management Act Act);
- reclassification of certain appropriations (see s 15A of the Financial Management Act);

- appropriation for accrued employee entitlements (see s 16A of the Financial Management Act);
- rollover of undisbursed appropriation (see s 16B of the Financial Management Act);
- treasurer's advance (see s 18A of the Financial Management Act); and
- amendment of capital injection conditions (see s 19C of the Financial Management Act).

7.19. Where the Speaker agrees, the Office or Officer will prepare relevant correspondence and financial information to the Treasurer on behalf of the Speaker. These arrangements do not apply to the funding for the Ombudsman/Inspector of the Integrity Commission.

8. Execution

[Signature]

Jeremy Hanson CSC MLA
Speaker
On behalf of the Legislative Assembly for the ACT
6 March 2026

[Signature]

Andrew Barr MLA
Chief Minister
On behalf of the ACT Executive
5 March 2026