

NORTHERN TERRITORY OF AUSTRALIA
FINANCIAL MANAGEMENT AMENDMENT ACT 1999

No. 75 of 1999

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NORTHERN TERRITORY OF AUSTRALIA

No. 75 of 1999

AN ACT

to amend the *Financial Management Act*

[Assented to 23 December 1999]

[Second reading 19 August 1999]

The Legislative Assembly of the Northern Territory enacts as follows:

1. Short title

This Act may be cited as the *Financial Management Amendment Act 1999*.

2. Commencement

This Act comes into operation on the date fixed by the Administrator by notice in the *Gazette*.

3. Principal Act

The *Financial Management Act* is in this Act referred to as the Principal Act.

4. Interpretation

Section 3 of the Principal Act is amended—

- (a) by inserting after the definition of "employee" in subsection (1) the following:

Financial Management Amendment Act 1999

" 'Estimated Receipts' means the statement of estimates of receipts for a financial year that is tabled in the Legislative Assembly with the Bill for the annual Appropriation Act and includes any variations in that statement that are approved by the Treasurer and subsequently tabled in the Legislative Assembly;"

- (b) by omitting from the definition of "forward estimates of expenditure" in subsection (1) "published" and substituting "approved";
- (c) by inserting in the definition of "money" in subsection (1) "and includes funds transferred electronically or by any other means" after "account"; and
- (d) by inserting after the definition of "Operating Account" in subsection (1) the following:

" 'receipts' means money received into the Public Account and includes a transfer, advance or other remittance within the Public Account;"

5. Operating Accounts

Section 6 of the Principal Act is amended by omitting subsection (5) and substituting the following:

"(5) Each Accountable Officer must keep in relation to his or her Operating Account the accounts that are specified in the Treasurer's Directions."

6. Accountable Officers' Trust Accounts

Section 7 of the Principal Act is amended –

- (a) by omitting from subsection (2) "the relevant" (twice occurring) and substituting "an";
- (b) by omitting from subsection (3) "purpose for which the Account is established" and substituting "purposes of the trust to which the money relates"; and
- (c) by omitting subsection (4) and substituting the following:

"(4) Each Accountable Officer must keep in relation to his or her Accountable Officer's Trust Account the accounts that are specified in the Treasurer's Directions."

7. Treasurer's annual financial statement

Section 9 of the Principal Act is amended by omitting subsection (1)(d) and substituting the following:

"(d) material liabilities of the Territory and Agencies and material contingent liabilities of the Territory and Agencies, except if the event upon which the liability is contingent is unlikely to occur;"

8. Other financial statements

Section 11 of the Principal Act is amended by omitting subsections (1) and (2) and substituting the following:

"(1) Subject to any other law of the Territory, if the Treasurer so directs, an Accountable Officer must prepare a financial statement in respect of the operations of, or specified functions of, his or her Agency or one of its Activities, for a financial year or another financial reporting period determined by the Treasurer.

"(2) A financial statement under subsection (1) is to be in the form the Treasurer directs and is to be prepared within —

- (a) 3 months; or
- (b) if the Treasurer determines another period in a particular case — that other period,

immediately after the end of the financial reporting period."

9. Duties of Accountable Officers

Section 13 of the Principal Act is amended by adding at the end the following:

"(3) The Treasurer may, after consultation with the relevant Minister, issue a direction to an Accountable Officer in relation to the financial administration of the Accountable Officer's Agency.

"(4) An Accountable Officer, and an employee of the Agency, to whom a direction under subsection (3) applies must comply with the direction."

10. Repeal and substitution

Section 16 of the Principal Act is repealed and the following substituted:

"16. Accounting and property manuals

"Each Accountable Officer must issue and maintain an accounting and property manual for use by the employees of his or her Agency."

11. Varied allocation for certain receipts

Section 23 of the Principal Act is amended by omitting subsection (1) and substituting the following:

"(1) If an amount estimated to be received under section 6(2)(b) or (c) into an Operating Account in a financial year differs from the Estimated Receipts, the Allocation to the appropriate Activity may be varied by part or all of, or a percentage of, the difference, as determined by the Treasurer after consultation with the Minister."

12. Repeal and substitution

Section 25 of the Principal Act is repealed and the following substituted:

"25. Expenditure recouped and receipts refunded

"If—

- (a) expenditure in a financial year is recouped in that financial year; or
- (b) part or all of the amount of a receipt is refunded in the financial year in which it was received,

the amount recouped or refunded is to be taken in reduction of that expenditure or receipt."

13. Withdrawal of money

Section 28 of the Principal Act is amended by omitting "as prescribed," and substituting "in accordance with the Treasurer's Directions".

14. Lending

Section 31 of the Principal Act is amended by inserting after subsection (1) the following:

"(1A) Money may be loaned under subsection (1) on the basis that if—

- (a) certain conditions of the loan are satisfied; and
- (b) the approval of the Treasurer is obtained,

the money loaned is not required to be repaid to the Territory."

15. Guarantees and indemnities

Section 34 of the Principal Act is amended by omitting subsection (1) and substituting the following:

"(1) If in the opinion of a Minister, including the Treasurer, the Territory would benefit, that Minister may with the agreement of the Treasurer make arrangements for the Territory –

- (a) to give a guarantee, on the terms the Treasurer thinks fit, that a person's specified financial obligations will be fulfilled; or
- (b) to indemnify a person, on the terms the Treasurer thinks fit, for actual or potential liability in relation to the person's financial obligations."

16. Repeal and substitution

Section 36 of the Principal Act is repealed and the following substituted:

"36. Capital structure and dividends of Government Business Divisions

"(1) The Treasurer may determine or alter the capital structure of a Government Business Division, including by converting debt to equity, converting equity to debt, repaying equity, transferring assets and altering the equity base.

"(2) The Treasurer may determine that a Government Business Division is to pay a dividend to the Territory, if he or she is satisfied that the Government Business Division has sufficient resources to do so.

"(3) A determination under subsection (1) or (2) may be made subject to the terms and conditions the Treasurer thinks fit."