

1995

**THE LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY**

**APPROPRIATION BILL 1995-96
EXPLANATORY MEMORANDUM**

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APPROPRIATION BILL 1995-96

The *Appropriation Bill 1995-96* is the mechanism for the appropriation of moneys from the Consolidated Revenue Fund for expenditure on Appropriation Units in the financial year 1995-96.

Under Section 58 of the *Australian Capital Territory (Self-Government) Act 1988* public money may not be issued or spent except as authorised by law. Section 37 of the *Audit Act 1989* authorises the Treasurer to make payments from the Territory Public Account in accordance with an appropriation of the Consolidated Revenue Fund. The Bill satisfies the provisions of each of these Acts.

The Bill provides for the issue and expenditure of public moneys of the Australian Capital Territory for services provided in the financial year under the Appropriation Units specified in the Schedule.

Moneys are appropriated to Divisions which reflect the Appropriation Units established by the Administrative Arrangements Order dated 29 June 1995, and subsequent adjustments. Divisions are further dissected to clearly distinguish expenditures of a recurrent and of a capital nature.

The Bill will enable the Treasurer to issue additional funds for salary increases occurring during 1995-96. Consistent with the drafting of previous Appropriation Bills, there is an enabling section for wage and salary increases. Through the process of enterprise bargaining agreements and the inclusion of wage and salary increases in program budgets, this section is not expected to be utilised.

The Bill includes provision of \$12.0 million for the Treasurer's Advance. This will enable additional money to be issued to an Appropriation Unit in accordance with Section 47 of the *Audit Act 1989*. This section provides for advances to be made that will be recovered during the financial year, and to provide for unforeseen expenditures necessary for the efficient administration of the Territory. The Advance is also the mechanism by which new payments from the Commonwealth for specific purposes not included in Appropriations are onpassed.

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Clause 1 cites the short title of the Act as being the *Appropriation Act 1995-96* as it relates to the 1995-96 financial year.

Clause 2 provides that the Act commences on the day on which it is notified in the Gazette.

Clause 3 deals with interpretation for the purposes of the Bill.

Clause 4 provides for the issue and application of \$1,343,690,900 from the Consolidated Revenue Fund over and above that provided in the *Supply Act 1995-96* for the services to be provided in the financial year 1995-96 under the Appropriation Units specified in the Schedule.

Clause 5 provides that the *Supply Act 1995-96* is to be taken to have effect as if the Schedule to this Bill (other than the third column) were substituted for the Schedule to that Act.

Clause 6 provides that moneys issued in accordance with Section 3 of the *Supply Act 1995-96* and Clause 4 of this Bill are to be taken to have been appropriated on 1 July 1995 for services to be provided in the financial year 1995-96 under the Appropriation Units specified in the Schedule.

Clause 7 is now an enabling clause which, whilst dealing with funding for salary increases throughout the year, is not expected to be utilised.

Subclause 7 (1) defines the type of salary increases to which Clause 7 applies.

Subclause 7 (2) enables the Treasurer to issue and apply additional funds out of the Consolidated Revenue Fund for salary increases defined in Subclause 7 (1).

Subclause 7 (3) provides that amounts issued under Subclause 7 (2) are in addition to amounts appropriated by Clause 6 in respect of salaries.

Subclause 7 (4) provides that the Consolidated Revenue Fund is appropriated for the amounts issued under Clause 7.

Clause 8 provides that amounts issued and applied for salary increases in accordance with Section 5 of the *Supply Act 1995-96* are to be taken to have been issued under Clause 7 of this Bill. This will enable the issue, under the Supply Act, of additional funds in respect of salary increases which may occur after the finalisation of the drafting of this Bill.

Clause 9 outlines the purposes for which moneys appropriated under the Bill are to be taken to be appropriated under a particular Appropriation Unit.

Clause 10 deals with net appropriations.

Clause 10 (1) provides for items annotated in the Schedule as ("net appropriation-see Section 10") to be credited with revenue received in connection with the provision of services to an Appropriation Unit.

Clause 10 (2) provides that the use of such items under Subclause 10 (2) are subject to terms and conditions agreed between the Minister responsible for the item and the Treasurer.

Subclause 10 (3) defines the Appropriation Units to which Subclause 10 (1) applies.

Clause 11 makes allowance for payments to the Auditor General's Trust Account once it has been created. This clause effectively substitutes the schedule with a replacement subdivision including the Auditor General's Trust Account upon creation.

The Schedule details the Appropriation Units and the amounts which can be issued and expended for recurrent and capital purposes for those Appropriation Units. Amounts specified in the third column are based on providing twelve months expenditure from 1 July 1995. In the absence of such a schedule there would be no limit on the individual Appropriation Units as to the amounts which could be expended except for the total authorised in clause 3.

The Appropriation Units differ from the Programs existing in the 1994-95 Budget as a result of the Administrative Arrangements Order dated 29 June 1995. Funds are to be appropriated to the Appropriation Unit level. Programs retain importance in that they remain the mandatory reporting level.

Detailed below are the definitions of the appropriation items included in the Schedule of the *Appropriation Bill 1995-96*.

RECURRENT EXPENDITURE

Represents expenditure of the following kind:

Salaries and Wages

Administrative Expenses

Subventions to Statutory Authorities and Trust Accounts

Grants of a recurrent nature made to individuals or organisations for general assistance or for a particular purpose

Legal Expenses

Accommodation Costs

Debt Servicing- Interest

Redundancy payments

Agency Services Items-Recurrent

CAPITAL EXPENDITURE

Represents expenditure of the following kind:

Capital Works (both New and Continuing)

Major Plant and Equipment

Grants of a capital nature to Statutory Authorities, Trust Accounts and private individuals and organisations.

Other Capital Acquisitions, such as purchase of dwellings, other buildings, improvements, etc.

Agency Services Items- Capital