

2011

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

APPROPRIATION BILL 2011-2012

EXPLANATORY STATEMENT

**Presented by
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Treasurer**

APPROPRIATION BILL 2011-2012

The Appropriation Bill 2011-2012 is the mechanism for the appropriation of monies for the 2011-12 financial year.

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. Under Section 6 of the *Financial Management Act 1996* (FMA), no payment of public money may be made unless it is in accordance with an appropriation. Section 8 of the FMA provides for separate appropriations to be made under an Appropriation Act in respect of each directorate. The FMA also provides for appropriation units, being a class of outputs, or a group of output classes, for which an appropriation is made by an Appropriation Act. The Bill satisfies the provisions of each of these Acts.

The Bill provides for appropriations for:

- (a) the provision of outputs by agencies;
- (b) any capital injection to be provided to agencies; and
- (c) any payments to be made by agencies on behalf of the Territory.

Monies are appropriated to directorates and appropriation units within directorates, which will be established by the Administrative Arrangements and guidelines issued under Section 133 of the FMA. Appropriations are also made to Territory authorities and Territory-owned Corporations. Output classes that make up each appropriation unit are specified in Schedule 2 of the Bill.

The Bill includes a provision of \$31.4 million for the Treasurer's Advance. This will enable the Treasurer to authorise expenditure in excess of that appropriated, or not provided for by an appropriation, in accordance with Section 18 of the FMA. This section provides for unforeseen expenditures necessary for the efficient administration of the Territory, and limits the Treasurer's Advance to no more than 1 per cent of the total amount appropriated under Appropriation Acts for the year. The amount appropriated in 2011-12 for the Treasurer's Advance represents 0.75 per cent of the total amount to be appropriated under this Appropriation Bill.

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Clause 1 cites the short title of the Act as being the *Appropriation Act 2011-2012* as it relates to the 2011-12 financial year.

Clause 2 provides that the Act commences on 1 July 2011.

Clause 3 refers to the legislative basis for making appropriations.

Clause 4 deals with definitions for the purposes of the Bill.

Clause 5 deals with interpretation for the purposes of the Bill.

Clause 6 provides for the appropriation of \$4 230 462 000 for the net cost of outputs, capital injection, Treasurer's Advance and payments on behalf of the Territory, in the 2011-12 financial year.

Clause 6(1) provides for appropriations to the agencies for the corresponding appropriation unit specified in Schedule 1.

Clause 6(2) provides for the appropriation of the Treasurer's Advance.

Clause 7 identifies, in accordance with the FMA, classes of outputs for the purposes of the Bill.

Clause 7(1) identifies classes of outputs as specified in Schedule 2.

Clause 7(2) identifies the classes of outputs, including groups of such output classes, corresponding to the appropriation units specified in Schedule 2.

Clause 8 declares that all capital injection appropriations listed in Schedule 1, except those made to the Territory Banking Account and the Superannuation Provision Account are for, or partly for, the net cost of purchasing or developing assets.

Clause 9 gives effect to Section 17 of the FMA, which allows for on-passing increases to Commonwealth grants identified in the Budget Papers. This clause applies Section 17 of the FMA to all Territory authorities and Territory-owned Corporations and appropriation units identified in Schedule 1, except those listed in the clause, which includes the appropriation to the Treasurer's Advance.

Clause 10 gives effect to Section 17A of the FMA, which allows for an increase in a specified appropriation to make payments to the Commonwealth for the provision of a service.

Clause 11 declares that appropriations made to the Superannuation Provision Account are superannuation appropriations for the purposes of the *Territory Superannuation Provision Protection Act 2000*.

Schedule 1 details the directorates, Territory authorities, Territory-owned Corporations and appropriation units and the amounts that are appropriated in the 2011-12 financial year for:

- (a) the net cost of outputs;
 - (b) capital injections; and
 - (c) payments on behalf of the Territory
- for each directorate, Territory authority, Territory-owned Corporation.

Schedule 2 identifies the classes of outputs making up each appropriation unit and directorate, Territory authority, and Territory-owned Corporation listed in Schedule 1.