

1998

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

**APPROPRIATION BILL 1998-99
EXPLANATORY MEMORANDUM**

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APPROPRIATION BILL 1998-99

The *Appropriation Bill 1998-99* is the mechanism for the appropriation of moneys for the financial year 1998-99.

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*, no payment of public money may be made unless it is in accordance with an appropriation. Section 8 of the *Financial Management Act 1996* provides for separate appropriations to be made under an Appropriation Act in respect of each department. The *Financial Management Act 1996* 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 departments;
- (b) any capital injection to be provided to departments; and
- (c) any payments to be made by the department on behalf of the Territory.

Moneys are appropriated to departments and appropriation units within departments, established by the Administrative Arrangements Order of 31 March 1998, and guidelines of 4 June 1998, issued under the *Financial Management Act 1996* (FMA). Output classes which make up each appropriation unit are specified in Schedule 2 of the Bill

The Bill includes provision of \$15.1 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 *Financial Management Act 1996*. This section provides for unforeseen expenditures necessary for the efficient administration of the Territory

The Bill also allows automatic onpassing of increases in Commonwealth specific purpose payments.

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Clause 1 cites the short title of the Act as being the *Appropriation Act 1998-99* as it relates to the 1998-99 financial year.

Clause 2 provides that the Act commences on 1 July 1998.

Clause 3 refers to the legislative basis for making appropriations.

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

Clause 5 provides for the appropriation of \$1,529,530,000 for the net cost of outputs, capital injection, and payments on behalf of the Territory, in the financial year 1998-99.

Clause 5(1) provides for appropriations to the departments for the corresponding appropriation unit specified in Schedule 1.

Clause 5(2) provides for the appropriation of the Treasurer's Advance.

Clause 6 identifies, in accordance with the *Financial Management Act 1996*, classes of outputs for the purposes of the Bill.

Clause 6(1) identifies classes of outputs as specified in Schedule 2.

Clause 6(2) identifies the classes of outputs, including groups of such output classes, corresponding to the appropriation units specified in Schedule 2.

Clause 7 gives effect to section 17 of the *Financial Management Act 1996* which allows for onpassing increases to Commonwealth specific purpose payments identified in the Budget Papers. This clause applies section 17 of the *Financial Management Act 1996* to all departments and appropriation units identified in Schedule 1, except those listed in the clause.

Schedule 1 details the departments and appropriation units and the amounts which are appropriated for:

- (a) the net cost of outputs;
 - (b) capital injections; and
 - (c) payments on behalf of the Territory
- for each department and appropriation unit in the financial year

Amounts specified in column 6 of Schedule 1 provide twelve months expenditure from 1 July 1998.

Schedule 2 identifies the classes of outputs making up each appropriation unit and department listed in Schedule 1.