

1996

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

**APPROPRIATION BILL 1996-97
EXPLANATORY MEMORANDUM**

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**KATE CARNELL, MLA
TREASURER**

APPROPRIATION BILL 1996-97

The *Appropriation Bill 1996-97* is the mechanism for the appropriation of moneys for the financial year 1996-97.

Under Section 58 of the *Australian Capital Territory (Self-Government) Act 1988* and Section 6 of the *Financial Management Act 1996*, public money may not be issued or spent except as authorised by law. 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 dated 1 July 1996, and guidelines of 12 August 1996 issued under the *Financial Management Act 1996*. Output classes which make up each appropriation unit are specified in Schedule 2 of the Bill.

The Bill includes provision of \$13.6 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 advances to be made 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 1996-97* as it relates to the 1996-97 financial year

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

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 \$1,374,451,000 for the net cost of outputs, capital injection, and payments on behalf of the Territory, in the financial year 1996-97

Clause 5(1) provides for appropriations to the departments specified in schedule 1.

Clause 5(2) provides for appropriations to the appropriation units specified in schedule 1.

Clause 5(3) provides for the appropriation of the Treasurer's Advance

Clause 5(4) provides that funds are appropriated to departments in the form of appropriations to appropriation units. This ensures funds are not appropriated to both the department and the appropriation units within the department, where a department consists of more than one appropriation unit.

Clause 6 identifies, in accordance with the *Financial Management Act 1996*, output classes 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 appropriations 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 1995.

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