

1991
THE LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

APPROPRIATION BILL 1991-92

EXPLANATORY MEMORANDUM

Circulated by authority of the Chief Minister and Treasurer
Rosemary Follett

APPROPRIATION BILL 1991-92

The Appropriation Bill 1991-92 is the mechanism for the appropriation of moneys from the Consolidated Revenue Fund for expenditure on programs in the financial year 1991-92. It will override the effect of the Supply Act 1991-92 under which interim appropriation was made for five months.

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 programs specified in the Schedule.

Moneys are appropriated to divisions which equate to programs within the various administrative units and statutory bodies of the Territory. Divisions are further dissected to clearly distinguish expenditures of a recurrent and of a capital nature. The subdivisions are then dissected into appropriation items which define the purposes of the expenditure - Attachment B describes the purpose of each item.

The program structure for appropriation of public money has been restructured since the passage of the Supply Act 1991-92. This has occurred because of the Administrative Arrangements (AA) gazetted on 18 June 1991. The Bill provides for the adjustment of appropriations included in the Supply Act 1991-92 so that they are in accordance with the revised program structure.

The Bill will enable the Treasurer to issue additional funds for salary increases occurring during 1991-92.

The Bill also includes provision of \$8.0m for the Treasurer's Advance. This will enable additional money to be issued to a program in accordance with Section 47 of the Audit Act 1989, provides for advances to be made that will be recovered during the financial year, to meet other expenditures currently not allocated to programs and to provide for unforeseen expenditures necessary for the efficient administration of the Territory. The Advance is also the mechanism to pass on increased payments from the Commonwealth for specific programs until such time as the Audit Act amendments have been enacted.

Details of the Bill are set out at Attachment A.

ATTACHMENT A

APPROPRIATION BILL 1991-92

Clause 1 cites the short title of the Bill, when enacted, as the Appropriation Act 1991-92.

Clause 2 deals with interpretation for the purposes of the Bill.

Clause 3 provides for the issue and application of moneys from the Consolidated Revenue Fund over and above that provided by the Supply Act 1991-92 for the services to be provided in the financial year 1991-92 under the programs specified in the schedule.

Clause 4 provides that moneys issued in accordance with section 3 of the Supply Act 1991-92 and clause 3 of this Bill are to be taken to have been appropriated on 1 July 1991 for services to be provided in the financial year 1991-92 under the programs specified in the Schedule.

Subclause 5(1) defines the type of salary increases to which clause 5 applies.

Subclause 5(2) provides for the Treasurer to issue and apply additional funds out of the Consolidated Revenue Fund for salary increases defined in subclause 5(1).

Subclause 5(3) provides that amounts issued under subclause 5(2) are in addition to amounts appropriated by clause 4 in respect of salaries.

Subclause 5(4) provides that the Consolidated Revenue Fund is appropriated for the amounts issued under clause 5.

Clause 6 provides that amounts issued and applied for salary increases in accordance with section 5 of the Supply Act 1991-92 are to be taken to have been issued and applied under clause 5 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 7 outlines the purposes for which moneys appropriated under the Bill are to be taken to be appropriated under a particular program.

Clause 8 provides for items annotated in the Schedule as "(net appropriation - see section 8)" to be credited with revenue received in connection with the provision of services. The use of these items is subject to terms and conditions agreed between the Minister responsible for the item and the Treasurer.

Subclause 9(1) provides that the Supply Act 1991-92 is to be taken to have had effect as if the Schedule to this Bill (other than the 3rd column) were substituted for the Schedule to that Act. This gives effect to the revised program structure.

The Schedule details the programs within the various administrative units and statutory bodies (as defined in the Administrative Arrangements Order of 11 June 1991) and the amounts which can be issued and expended for recurrent and capital purposes of those programs. Amounts specified in the 3rd column are based on providing twelve months expenditure from 1 July 1991. Column 2 details the amounts required in accordance with clause 9, to give effect to the revised program structure.

ATTACHMENT B

Detailed below are the purposes of the individual appropriation items included in the Appropriation Bill 1991-92.

RECURRENT EXPENDITURES

"Running Costs" represents the expected recurrent expenditure required to administer a program eg salaries, accommodation.

"Grants to the Public Sector" represents payments of a recurrent nature to be made under a program to statutory authorities or trust account operations. It sets out the level of annual budget support.

"Legal Expenses" represents the payment of legal costs, including compensation, damages and settlements.

"Debt Servicing" represents payments required to service the borrowings of the Australian Capital Territory.

"Payments pursuant to section 43 of the Audit Act 1989" represents act of grace payments approved under the Audit Act 1989 by an authorised person.

"Payment to the Commonwealth" represents amounts required to be paid to the Commonwealth.

"Agency Services" is a net annotated appropriation which enables the crediting to the item of amounts received for recurrent expenditure incurred in the provision of a service or works by a program on behalf of other programs, or Commonwealth bodies and others.

CAPITAL EXPENDITURES

"Major Capital Works represents the expected payments to be made for the design and construction associated with the Territory's Construction Program.

"Major Plant and Equipment" represents expected expenditure under a program on individual items or re-equipment projects costing \$50,000 or more.

"Advances, Loans and Grants" represents payments of a capital nature to be made under a program, to statutory authorities, trust account operations and to private individuals or organisations. It sets out the level of budget support.

"Other Capital Acquisitions" represents expenditure under a program on capital purchases other than plant and equipment. This includes the purchase of dwellings, other buildings, improvements, etc.

"Agency Services" is a net annotated appropriation which enables the crediting to the item of amounts received for capital expenditure incurred in the provision of a service or works by a program on behalf of other programs, Commonwealth bodies and others.