

**2003**

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

**APPROPRIATION BILL 2003-2004**

**EXPLANATORY MEMORANDUM**

**Circulated by authority of**

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TREASURER**

## APPROPRIATION BILL 2003-2004

The *Appropriation Bill 2003-2004* is the mechanism for the appropriation of moneys for the financial year 2003-2004.

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 14 November 2001, and guidelines issued under Section 67 of the *Financial Management Act 1996* (FMA). Output classes that make up each appropriation unit are specified in Schedule 2 of the Bill.

The Bill includes provision of \$20.8 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, and limits the Treasurer's Advance to no more than 1% of the total amount appropriated under the Appropriation Act.

## **APPROPRIATION BILL 2003-2004**

Clause 1 cites the short title of the Act as being the *Appropriation Act 2003-2004* as it relates to the 2003-2004 financial year.

Clause 2 provides that the Act commences on 30 June 2003.

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 \$2,086,032,000 for the net cost of outputs, capital injection, and payments on behalf of the Territory, in the financial year 2003-2004.

Clause 6(1) provides for appropriations to the departments 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 *Financial Management Act 1996*, 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 are for, or partly for, the net cost of purchasing or developing assets, with the exception of the capital injection appropriations to the Central Financing Unit and the Superannuation Unit.

Clause 9 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.

Clause 10 gives effect to Section 17A of the *Financial Management Act 1996* which allows for an increase in a specified appropriation to make payment to the Commonwealth for the provision of a service.

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

Clause 12 omits 30 June 2003 from section 17A (4) of the *Financial Management Act 1996* and replaces this with 30 June 2004

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Schedule 1 details the departments and appropriation units and the amounts that 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.

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