

2021

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

APPROPRIATION BILL 2020-2021

**EXPLANATORY STATEMENT
and
HUMAN RIGHTS COMPATIBILITY STATEMENT
(*Human Rights Act 2004*, s 37)**

**Presented by
Mr Andrew Barr MLA
Treasurer**

APPROPRIATION BILL 2020-2021

The Bill **is not** a Significant Bill. Significant Bills are bills that have been assessed as likely to have significant engagement of human rights and require more detailed reasoning in relation to compatibility with the *Human Rights Act 2004*.

OVERVIEW OF THE BILL

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 territory entity. The Bill satisfies the provisions of each of these Acts.

The Bill provides for appropriations for:

- (a) net controlled recurrent payments;
- (b) capital injections; and
- (c) payments to be made on behalf of the Territory.

Monies are appropriated to directorates, which have been 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.

The Bill includes an appropriation of \$299,959,000 for the Treasurer's Advance. This amount will enable me, as Treasurer, to authorise expenditure in excess of that appropriated, or not provided for by an appropriation, if there is an urgent and unforeseen need for the expenditure (as per section 18 of the FMA). Consistent with that section, the amount proposed to be appropriated in 2020-21 represents five per cent of the total amount to be appropriated under this Appropriation Bill 2020-2021 and the Appropriation (Office of the Legislative Assembly) Bill 2020-2021.

The Bill also includes an appropriation of \$150,000,000 for the capital works reserve. This amount will enable me, as Treasurer, to authorise capital works advances to allow an entity to access its future capital works funding, if there is an immediate need for the capital works advance in addition to the entity's capital works budget for the financial year (as per sections 18D and 18E of the FMA, 1996). Consistent with those sections, the amount proposed to be appropriated in 2020-21 represents twelve per cent of the total amount to be appropriated for the capital works program in 2020-21 as published in the budget papers.

CONSULTATION ON THE PROPOSED APPROACH

Nil.

CONSISTENCY WITH HUMAN RIGHTS

There are no rights engaged under the Appropriation Bill 2020-2021.

Appropriation Bill 2020-2021

Human Rights Act 2004 - Compatibility Statement

In accordance with section 37 of the *Human Rights Act 2004* I have examined the **Appropriation Bill 2020-2021**. In my opinion, having regard to the Bill and the outline of the policy considerations and justification of any limitations on rights outlined in this explanatory statement, the Bill as presented to the Legislative Assembly is consistent with the *Human Rights Act 2004*.

.....

Shane Rattenbury MLA
Attorney-General

CLAUSE NOTES

Clause 1 cites the short title of the Act as being the *Appropriation Act 2020-2021* as it relates to the 2020-21 financial year.

Clause 2 provides that the Act is taken to have commenced on 1 July 2020.

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 \$6,404,720,000 for net controlled recurrent payments, capital injections and payments on behalf of the Territory, in the 2020-21 financial year.

Clause 6 (1) provides for appropriations to territory entities.

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

Clause 6 (3) provides for the appropriation of the Capital Works Reserve.

Clause 7 declares that all capital injection appropriations listed in Schedule 1, except those made to the Superannuation Provision Account are for, or partly for, the net cost of purchasing or developing assets and reducing liabilities.

Clause 8 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 entities identified in Schedule 1, except those listed in the clause, which includes the appropriation to the Treasurer's Advance.

Clause 9 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 10 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 territory entities and the amounts that are appropriated in the 2020-21 financial year for:

- (a) net controlled recurrent payments;
- (b) capital injections; and
- (c) payments on behalf of the Territory.

for each territory entity.