

**1993
THE LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY**

**APPROPRIATION BILL 1993-94
EXPLANATORY MEMORANDUM**

**Circulated by authority of the Chief Minister and Treasurer
Rosemary Follett**

APPROPRIATION BILL 1993-94

The Appropriation Bill 1993-94 is the mechanism for the appropriation of moneys from the Consolidated Revenue Fund for expenditure on programs in the financial year 1993-94. It will have the effect of overriding the Supply Act 1993-94 under which interim appropriation was made pending passage of this 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. 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 Bill will enable the Treasurer to issue additional funds for salary increases occurring during 1993-94.

The Bill also includes provision of \$12.0m 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 by which new payments from the Commonwealth for specific purposes not included in Appropriations are onpassed.

Details of the Bill are set out at Attachment A.

ATTACHMENT A

APPROPRIATION BILL 1993-94

Clause 1 cites the short title of the Bill, when enacted, as the Appropriation Act 1993-94.

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

Clause 3 deals with interpretation for the purposes of the Bill.

Clause 4 provides for the issue and application of moneys from the Consolidated Revenue Fund over and above that provided by the Supply Act 1993-94 for the services to be provided in the financial year 1993-94 under the programs specified in the schedule.

Clause 5 provides that the Supply Act 1993-94 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.

Clause 6 provides that moneys issued in accordance with Section 3 of the Supply Act 1993-94 and Clause 4 of this Bill are to be taken to have been appropriated on 1 July 1993 for services to be provided in the financial year 1993-94 under the programs specified in the Schedule.

Subclause 7(1) defines the type of salary increases to which Clause 7 applies.

Subclause 7(2) provides for the Treasurer to issue and apply additional funds out of the Consolidated Revenue Fund for salary increases defined in Subclause 7(1).

Subclause 7(3) provides that amounts issued under Subclause 7(2) are in addition to amounts appropriated by Clause 6 in respect of salaries.

Subclause 7(4) provides that the Consolidated Revenue Fund is appropriated for the amounts issued under Clause 7.

Clause 8 provides that amounts issued and applied for salary increases in accordance with Section 5 of the Supply Act 1993-94 are to be taken to have been issued and applied under Clause 7 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 9 outlines the purposes for which moneys appropriated under the Bill are to be taken to be appropriated under a particular program.

Subclause 10(1) provides for items annotated in the Schedule as "(net appropriation - see Section 10)" to be credited with revenue received in connection with the provision of services to an administrative unit.

Subclause 10(2) provides that the use of such items under Subclause 10(1) are subject to terms and conditions agreed between the Minister responsible for the item and the Treasurer.

Subclause 10(3) defines the administrative unit to which Subclause 10(1) applies.

The Schedule details the programs within the various administrative units and statutory bodies 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 1993.

ATTACHMENT B

Detailed below are the purposes of the individual appropriation items included in the Appropriation Bill 1993-94.

RECURRENT EXPENDITURES

"Running Costs" represents the recurrent expenditure required to administer a program e.g. salaries, administrative expenses and subventions to statutory authority and trust accounts operations.

"Other Services Costs" includes the following:

- "Grants (Non-ACT Government) - payments of a recurrent nature to be made under a program to individuals or organisations for general assistance or for a particular purpose.
- "Legal Expenses" - payments of legal costs, including compensation, damages and settlements.
- "Accommodation Costs" - accommodation expenses of the ACT Government.
- "Debt Servicing - Interest" - payments required to service the interest costs for borrowings of the Australian Capital Territory.
- "Redundancy Payments" - payments relating to staff redundancy programs, including severance pay.

"Agency Services Items" - net annotated appropriations which enable the crediting to the item of amounts received to cover the cost of recurrent expenditure incurred in the provision of a service or works by a program on behalf of other programs (defined as administrative units in Appropriation Bill 1993-94).

CAPITAL EXPENDITURES

"Capital Costs" are represented by the following:

- "Capital Works" - payments to be made for design and construction associated with the Territory's Construction Program.
- "Major Plant and Equipment" - expenditure on individual items of plant and equipment where the cost of the items is \$50,000 or more.
- "Grants to ACT Government Agencies and non-Government Agencies" - payments of a capital nature made to statutory authorities, trust accounts and private individuals or organisations.
- "Other Capital Acquisitions" - expenditure on capital purchases other than plant and equipment. This includes the purchase of dwellings, other buildings, improvements, etc.

"Agency Services Items" - net annotated appropriations which enable the crediting to the item of amounts received to cover the cost of capital expenditure incurred in the provision of a service or works by a program on behalf of other programs.