

2014

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

***Appropriation (Loose-fill Asbestos Insulation Eradication) Bill
2014-2015***

EXPLANATORY STATEMENT

**Presented by
Mr Andrew Barr MLA
Treasurer**

Appropriation (Loose-fill Asbestos Insulation Eradication) Bill 2014-2015

The *Appropriation (Loose-fill Asbestos Insulation Eradication) Bill 2014-2015* is the mechanism for the appropriation of additional monies for the Loose-fill Insulation Eradication Scheme and related purposes for the financial year that began on 1 July 2014.

On 28 October 2014, the ACT Government announced the Loose-fill Asbestos Insulation Eradication Scheme, under which it has offered to buy all homes in the ACT affected by Loose-fill asbestos (Mr Fluffy) insulation. Under the Scheme, the ACT Government will acquire, demolish and safely dispose of all affected homes, remediate affected blocks and then resell them to defray overall scheme costs. The Scheme also includes the emergency financial assistance, asbestos assessment and hazard reduction program undertaken by the Asbestos Response Taskforce since it was formed in July 2014, as well as the ongoing relocation assistance grants payable as affected homes are vacated.

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 directorate. The FMA 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 net cost of outputs by agencies;
- (b) any capital injection to be provided to agencies; and
- (c) any payments to be made by agencies on behalf of the Territory.

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Clause 1 cites the short title of the Act as being the *Appropriation (Loose-fill Asbestos Insulation Eradication) Act 2014-2015* as it relates to the 2014-15 financial year.

Clause 2 provides that the Act commences on the day after its notification day.

Clause 3 deals with the purposes of the Bill.

Clause 4 deals with definitions for the purposes of the Bill.

Clause 5 outlines that a term used in the *Financial Management Act 1996* has the same meaning in this Act.

Clause 6 provides for total additional appropriation of \$762 031 000 to Chief Minister, Treasury and Economic Development Directorate and the Territory Banking Account, in the 2014-15 financial year in accordance with the corresponding appropriation unit specified in Schedule 1.

Clause 7 identifies, in accordance with the FMA, classes of outputs for the purposes of the Bill.

Schedule 1 Part 1.1 provides for additional net cost of outputs appropriation of \$337 777 000 and a capital injection appropriation of \$412 223 000 to the Chief Minister, Treasury and Economic Development Directorate in the 2014-15 financial year.

Schedule 1 Part 1.2 provides for additional expenses on behalf of the territory appropriation of \$12 031 000 to the Territory Banking Account in the 2014-15 financial year.