

**2019**

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

**APPROPRIATION BILL 2019-2020**

**EXPLANATORY STATEMENT**

**Presented by  
Mr Andrew Barr MLA  
Treasurer**

## APPROPRIATION BILL 2019-2020

The *Appropriation Bill 2019-2020* is the mechanism for the appropriation of monies to ACT government agencies for the 2019-20 financial year.

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 \$53,400,000 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 2019-20 represents one per cent of the total amount to be appropriated under this *Appropriation Bill 2019-2020* and the *Appropriation (Office of the Legislative Assembly) Bill 2019-2020*.

The Bill also includes an appropriation of \$140,000,000 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 2019-20 represents eighteen per cent of the total amount to be appropriated for the capital works program in 2019-20 as published in the budget papers.

### **APPROPRIATION BILL 2019-2020**

Clause 1 cites the short title of the Act as being the *Appropriation Act 2019-2020* as it relates to the 2019-20 financial year.

Clause 2 provides that the Act commences on 1 July 2019.

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 \$5,503,924,000 for net controlled recurrent payments, capital injections and payments on behalf of the Territory, in the 2019-20 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 2019-20 financial year for:

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