

# TREASURER'S ADVANCE AUTHORISATION BILL 2010

## Explanatory Memorandum

### Clause 1

Short Title.

### Clause 2

Provides for sections 1 and 2 of the Act to come into operation on the day on which this Act receives the Royal Assent, with the rest of the Act coming into operation the following day.

### **Clause 3 – Authorisation of expenditure to make payments in respect of extraordinary or unforeseen matters or to make advances for certain purposes.**

The objective is to increase the Treasurer's Advance Account limit for the current financial year (2009-10) from the amount authorised by section 29(1) of the *Financial Management Act 2006* (FMA).

The amount authorised by section 29(1) of the FMA is equal to 3% of the total amount appropriated for the previous financial year by the Appropriation Acts. This is determined as follows:

*Appropriation (Consolidated Account) Act (No. 1) 2008* and *Appropriation (Consolidated Account) Act (No. 2) 2008* appropriated \$13 292 021 000 for recurrent purposes and \$2 349 219 000 for capital purposes respectively – a total of \$15 641 240 000. Multiplying this amount by the 3% limit provided for in the FMA results in an 'automatic' Treasurer's Advance limit for 2009-10 of \$469 237 200.

The increase sought by the Treasurer's Advance Authorisation Bill 2010 of \$680 762 800 brings the total amount sought for the Treasurer's Advance limit for the 2009-10 financial year to \$1,150 million.