

# TREASURER'S ADVANCE AUTHORISATION BILL 2005

## Explanatory Memorandum

### Clause 1

Short Title.

### Clause 2

Provides for the Act to come into operation on the day on which it receives the Royal Assent.

### Clause 3 - Interpretation

Contains the definitions required for the purposes of the Act.

### Clause 4

- (1) Authorises the Treasurer to make payments or advances under the Act to a limit of \$300 million.
- (2) Provides for recoups and recoveries during the year to be deducted in arriving at the amount of the \$300 million which has been applied. In other words, in determining the amount of payments and advances, account is only taken of payments charged to new items or supplementary funding for the Consolidated Fund within the year and the unrecouped (net) balance of advances outstanding under clauses 5(1) (b) and (c).

### Clause 5 - Purposes for which money can be paid or advanced

- (1)(a) This clause provides authorisation for the funding of new items and for supplementary funding chargeable to the Consolidated Fund.

Section 28 of the Financial Administration and Audit Act allows new items to be approved by the Governor and supplementary funding by the Treasurer.

- (1)(b) Continues the authorisation provided in past Acts for the Treasurer to make recoupable advances, on such terms as the Treasurer thinks fit, for the temporary financing of works or services including advances to

accounts forming part of the Trust Fund, or to officers of public authorities.

These advances are used to fund a number of departmental activities, such as recoupable works and services and rental of Government offices.

- (1)(c) This clause continues the authorisation for the Treasurer to make recoupable advances, on such terms as the Treasurer thinks fit, for the temporary financing of works and services undertaken in conjunction with, or on behalf of, other Commonwealth, State or Territory Governments, local government authorities or persons.
- (2) Empowers the Treasurer to set terms as to the payment of interest on advances made under clause 5(1)(b) or (c) and requires the crediting of any such interest to the Consolidated Fund.

**Clause 6 - Crediting of amounts recouped or recovered**

- (a) Requires recoups and recoveries of advances made under clauses 5(1)(b) or (c) during the year to be credited to the Treasurer's Advance Account.
- (b) Sub-clause (b) similarly requires that recoups and recoveries of advances made in previous years under previous Treasurer's Advance Authorisation Acts be also credited to the Treasurer's Advance Account.

**Clause 7 - Section 4(1) of Treasurer's Advance Authorisation Act 2004 amended.**

Provides for an increase of the approved limit in the 2004/05 Treasurer's Advance Authorisation Act to a new limit of \$750 million.