

## TREASURER'S ADVANCE AUTHORISATION BILL 2023

### EXPLANATORY MEMORANDUM

Clause 1: Short Title

Clause 2: This clause provides for the commencement of the Act.

- (1) The Short Title and Commencement provisions of the Act come into operation on the day on which the Act receives the Royal Assent.
- (2) The remaining provisions of the Act come into operation on the day following that on which the Act receives the Royal Assent.

Clause 3: Authorisation of expenditure to make certain payments or to make advances for certain purposes.

- (1) The objective is to increase the Treasurer's Advance Account limit for 2022-23 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 by the Appropriation Acts for the previous financial year. This is determined as follows:

*Appropriation (Recurrent 2021-22) Act 2021* and *Appropriation (Capital 2021-22) Act 2021* appropriated \$23,808,778,000 (twenty three billion, eight hundred and eight million, and seven hundred and seventy eight thousand dollars) for recurrent purposes and \$8,774,527,000 (eight billion, seven hundred and seventy four million, five hundred and twenty seven thousand dollars) for capital purposes respectively – a total of \$32,583,305,000 (thirty two billion, five hundred and eighty three million, and three hundred and five thousand dollars). Multiplying this total by the 3% limit provided for in the FMA results in an 'automatic' Treasurer's Advance limit for 2022-23 of \$977,499,150 (nine hundred and seventy-seven million, four hundred and ninety-nine thousand, and one hundred and fifty dollars).

- (2) The \$2,100,000,000 (two billion and one hundred million dollars) increase sought by the Treasurer's Advance Authorisation Bill 2023 brings the total amount sought for the Treasurer's Advance limit for the 2022-23 financial year to \$3,077,499,150 (three billion, seventy-seven million, four hundred and ninety-nine thousand, and one hundred and fifty dollars).