

# TREASURER'S ADVANCE AUTHORISATION BILL 2024

## 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 2023-24 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 2022-23) Act 2022* and *Appropriation (Capital 2022-23) Act 2022* appropriated \$25,158,781,000 (twenty five billion, one hundred and fifty eight million, and seven hundred and eighty one thousand dollars) for recurrent purposes and \$5,170,419,000 (five billion, one hundred and seventy million, four hundred and nineteen thousand dollars) for capital purposes respectively – a total of \$30,329,200,000 (thirty billion, three hundred and twenty nine million, and two hundred thousand dollars). Multiplying this total by the 3% limit provided for in the FMA results in an 'automatic' Treasurer's Advance limit for 2023-24 of \$909,876,000 (nine hundred and nine million, and eight hundred and seventy-six thousand dollars).

- (2) The \$2,300,000,000 (two billion and three hundred million dollars) increase sought by the Treasurer's Advance Authorisation Bill 2024 brings the total amount sought for the Treasurer's Advance limit for the 2023-24 financial year to \$3,209,876,000 (three billion, two hundred and nine million, and eight hundred and seventy-six thousand dollars).