

APPROPRIATION BILL (No.2) 1993

EXPLANATORY NOTES

Section 21 of the *Financial Administration and Audit Act 1977* provides that the Treasurer is to present to the Legislative Assembly for each financial year a Bill for an Annual Appropriation Act. It also provides that at the time of presenting this Bill, estimates of receipts relating to the proposed expenditure must be tabled by the Treasurer.

These provisions are the result of amendments to the *Financial Administration and Audit Act* during 1992-93, and represent a streamlining of the process by which the State Budget passes through the Legislative Assembly.

Previously, the Annual Appropriation Bill would have been introduced to the Legislative Assembly after the approval of the Estimates of Receipts and Expenditure on which the Bill was to be based. For the 1993-94 State Budget, the Annual Appropriation Bill no longer has to be based on approved Estimates of Expenditure. The Bill will now contain those schedules previously included in the Estimates of Expenditure, and will be introduced to Parliament on Budget day with the Budget Speech taking the form of the Second Reading Speech of the Appropriation Bill.

Clause 1 provides for the short title of the Act

Clause 2 authorises the Treasurer to issue from the public accounts and apply towards the supply granted for services, as specified in Schedule 1, in the financial year that started on 1 July 1993, the sum of \$19 442 634 000.

Clause 3 authorises the Treasurer to issue from the public accounts and apply towards supplementing supply granted for services, as specified in Schedule 2, in the financial year that started on 1 July 1992, the sum of \$1 991 008 000.

Clause 4 authorises the Treasurer to issue from the public accounts and apply towards the supply granted for services in the financial year starting 1 July 1994, the sum of \$4 300 000 000.

Schedule 1 details supply for 1993-94 and also presents this information in Ministerial Portfolio format (Part 1).

Schedule 1 details allocations for specific Program Areas within Policy Areas (Parts 3 and 5). A Policy Area is a broad aggregation of Program Areas representing the main areas of Government endeavour whilst Program Areas are groupings of Programs representing a particular direction of Government within a Policy Area. A full explanation of the structure is contained in Budget Paper No. 3 - Program Statements.

In terms of the *Financial Administration and Audit Act 1977*, the following structure applies for the Consolidated Fund:

- each Policy Area constitutes a single Vote;
- each Program Area within a Policy Area is a Subdivision; and
- departmental allocations within each Program Area are Subdivisional Items.

Within Trust and Special Funds each fund comprises the basic unit of appropriation.

Allocation and reallocation of resources is possible under section 24 of the *Financial Administration and Audit Act 1977* as follows:

- allocation and reallocation of resources within a Program is a matter for determination by the accountable officer irrespective of the nature of the expenditure (e.g. salaries or administration costs);
- allocation and reallocation of resources between a department's Programs within the same Program Area is also a matter for the accountable officer, except that transfers are not permitted between Trust and Special Funds;
- reallocation of resources within the same fund and between Programs in different Program Areas but the same Policy Area requires the approval of the Treasurer.

Additional reallocations are also available under section 24A of the Act which provides for certain appropriations of Treasury to be transferred to other departments.

Schedule 2 details supplementary supply for services in 1992-93.