

APPROPRIATION BILL 2000

EXPLANATORY NOTES

GENERAL OUTLINE

Policy Objectives of the Bill

Section 21 of the *Financial Administration and Audit Act 1977* provides that for each financial year, the Treasurer is to present to the Legislative Assembly a Bill for an Annual Appropriation Act.

In accordance with accepted practice, the policy objectives of the Bill, the reasons for those objectives and the ways in which the policy objectives will be achieved by the Bill are detailed in the Budget Speech and the accompanying Budget Papers. The usual community and departmental consultation has been undertaken in preparing the Budget proposals to be effected by the Bill.

This Bill provides for:

- Appropriation for 2000-01 to fund the State's contribution to the cost of providing government services in that year and some services delivered in the previous year; and
- Initial supply for 2001-02 to allow the normal operations of government to continue until the Appropriation Bill to be presented to Parliament in 2001 receives assent.

The funds appropriated by Parliament represent the contribution from State receipts towards the total cost of government services to be provided rather than the total cost itself. State receipts which are defined as "administered" under the *Financial Administration and Audit Act 1977* are forwarded to the Consolidated Fund by departments and it is these which fund payments by the Treasurer from the Fund under appropriation. Administered receipts include taxes, fees, fines, rents, royalties and the Commonwealth general purpose financial assistance and specific purpose capital grants. However, departments also have other sources of revenue

which are defined as “controlled” receipts under the Act. These are mainly departmental own source fees and charges and specific tied recurrent purpose Commonwealth grants. They are retained by them for spending as part of the total funding available to a department.

Consistency with Fundamental Legislative Principles

Under the *Financial Administration and Audit Act 1977*, section 22, words used in this Bill that are defined in the *Financial Administration and Audit Act 1977* have the same meaning the words have in that Act, subject to a contrary intention in this Bill. Words which are defined in the *Financial Administration and Audit Act 1977* which have the same meaning in this Bill are “administered items”, “Annual Appropriation Act”, “appropriation”, “consolidated fund”, “department”, “departmental outputs”, “equity adjustment”, “financial year” and “vote”.

NOTES ON PROVISIONS

Clause 1 provides for the short title of the Act.

Clause 2 (1) authorises the Treasurer to pay a total of \$16,861,227,000 from the Consolidated Fund to departments for the financial year 2000-01 as itemised in Schedule 1.

Clause 2 (2) provides that for each department, the vote amount mentioned for the department in Schedule 2 is appropriated for the financial year for the department for application to its departmental outputs, equity adjustment and administered items as stated in Schedule 2. It is the total amount that is appropriated. The amounts for departmental outputs, equity adjustments and administered items are not appropriated individually. Section 3 of the *Financial Administration and Audit Act 1977* provides that an amount is not appropriated merely because it is stated in an Annual Appropriation Act as an amount for departmental outputs, equity adjustment or administered items.

It also provides that part of the vote amount may be applied for some payments necessary in respect of departmental outputs, equity adjustments and administered items delivered in 1999-2000 for which departments were not paid by the end of that financial year because the quantum of the payments could not be finalised by then.

Clause 2 (3) provides that the total amount of \$16,861,227,000 includes the amount already authorised by the *Appropriation Act 1999*, section 4, to be issued for the financial year 2000-01.

Clause 3 provides initial supply for 2001-02 and authorises the Treasurer to pay \$9,791,300,000 from the Consolidated Fund to departments for the financial year starting 1 July 2001 to allow the normal operations of government to continue until the *Appropriation Bill* to be presented to Parliament in 2001 receives assent.

Clause 4 provides that the Act is an Annual Appropriation Act for the purposes of the *Financial Administration and Audit Act 1977*. This will facilitate the format of the Bill which provides for the presentation of departmental outputs, equity adjustments and administered items at an aggregate level rather than detailing their composition, which is included separately in the Budget Papers.

Clause 5 repeals the *Appropriation Act 1997* and the *Appropriation Act (No.2) 1997* which have had their effect.

Schedule 1 sets out how the total which the Treasurer is authorised to pay from the Consolidated Fund for the year starting on 1 July 2000 is to be distributed amongst individual departments.

Schedule 2 details the total amount appropriated, or Vote, for each department for application to its departmental outputs, equity adjustments and administered items for the financial year and the amounts for the departmental outputs, equity adjustments and administered items. The details are grouped in accordance with the scope of each Estimates Committee.

Accountable Officers have discretion to apply the total of funds received from the Treasurer for departmental outputs across the individual outputs of the department as they see fit.

Pursuant to section 24 of the *Financial Administration and Audit Act 1977*, the Treasurer may pay a department's appropriation to it in amounts for the headings departmental outputs, equity adjustments or administered items different to those set out in the Annual Appropriation Act, provided that the Vote is not exceeded under that section. If the Treasurer considers there is a surplus in one or more of the headings of a department for a financial year and a deficiency in another heading or headings of a department, the Treasurer may allocate an amount to one or more of the headings that are deficient from the heading or headings in surplus.

Further, pursuant to section 24A of the Act, where an amount for Treasurer's Advance is included in the Vote for the Treasury Department for purposes that may be delivered by any department, the Treasurer may pay to a department achieving those purposes by delivering a departmental output, equity adjustment or administered item, the amount involved. When this occurs, the Treasury Department's Vote is decreased and the delivering department's Vote is increased by the amount involved.

LEGISLATIVE STANDARDS

The other matters outlined in section 23 (1) of the *Legislative Standards Act 1992* are not applicable to Appropriation Bills.