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Appropriation Bill (No. 2) 2001-2002

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No. 138 2000-01

Appropriation Bill (No. 2) 2001-2002

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Appropriation Bill (No. 2) 2001-2002

Date Introduced: 22 May 2001

House: House of Representatives

Portfolio: Finance and Administration

Commencement: Royal Assent

Purpose

To appropriate \$4,524,716,000 million for payments for purposes other than the ordinary services of government, including capital expenditure, administered expenses for new outcomes and grants to the States and Territories.

Background

A concise assessment of the 2001-2002 Budget can be found in the Parliamentary Library e-brief *Budget 2000*.

This Bill, together with the Appropriation Bill (No. 1) 2001-2002 (which deals with ordinary annual services of government) and the Appropriation (Parliamentary Departments) Bill 2001-2002, are introduced in May each year.

Details on the major new expenditure initiatives announced in the Budget are contained in the Bills Digest for Appropriation Bill (No. 1) 2001-2002. The \$4,524,716,000 million appropriated by this Bill compares to \$5,128,526,000 million for the equivalent 2000-2001 Act.¹

Main Provisions

Clause 6 lists the total amount appropriated by the Bill - that is \$4,524,716,000 million.

In regard to allocation to the States and Territories for the outcomes specified in **Schedule 1** of the Bill, **clause 7** provides that the Finance Minister may issue the lesser of the amount specified in the relevant departmental allocation and the amount determined by the

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Finance Minister to be the actual expenditure incurred for that purpose. The clause also contains the requirement that the funds may only be allocated to achieve the specified outcome.

Clause 8 contains similar provisions as **clause 6** but relates to administered items.

Where an appropriation is made for an administered capital purpose, the outcome that may be achieved must be a purpose listed in **Schedule 2** of the Bill or in the Schedule to the Appropriation Bill (No. 1) 2001-2002 (this reflects the allocation of all capital expenditure in this Bill) (**clause 9**).

In relation to appropriations for capital expenditure for a Department, where an Act provides that an amount is to be allocated to a Department and this Bill contains a capital item for the Department, the Finance Minister must issue the full amount of the item (**clause 10**). This is similar to clause 7 in Appropriation Bill (No. 1) 2001-2002 and reflects the difference in the Minister's role in relation to Departmental and administered capital items [ie. the Minister has no discretion in relation to Department items].

The Finance Minister will be given power to issue a maximum additional \$215 million over the year to take account of urgent unforeseen expenditure or where there has been an 'erroneous omission or understatement' in relation to extra expenses (**clause 11**). The Minister may also increase the amount in a Departmental capital item/s by a maximum of \$20 million per Department (**clause 12**). Parliament must be notified of increased spending under **clauses 11** and **12**.

The relevant Minister listed in column 3 of **Schedule 1** of the Bill will be able to determine conditions under which payments to the States and Territories may be made (**clause 14**).

Clause 15 will formally appropriate the funds from the Consolidated Revenue Bill for the purposes of the Bill.

Endnotes

1 *Appropriation Act (No. 2) 2000-2001.*

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