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No. 86 2002–03

## Appropriation Bill (No. 4) 2002–2003

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No. 86 2002–03

Appropriation Bill (No. 4) 2002–2003

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# Appropriation Bill (No. 4) 2002–2003

**Date Introduced:** 11 December 2002

**House:** House of Representatives

**Portfolio:** Finance and Administration

**Commencement:** Royal Assent

## Purpose

To authorise the Minister for Finance to issue \$263 750 000 from the Consolidated Revenue Fund (CRF) in addition to the funds appropriated by the *Appropriation Act (No. 2) 2002-2003* for proposed expenditure on capital works and services, payments to the States and Territories and other purposes.

## Background

For general information on the Appropriation process refer to Bills Digest for the Appropriation Bill (No. 3) 2002-03.

As noted in the Second Reading Speech to the Appropriation Bill (No. 3) 2002-2003, there have also been savings in various items from the Budget appropriations and this must be considered when determining the total effect on government outlays from the additional amounts appropriated. Savings from the initial amount appropriated by Appropriation Acts Nos. 1 and 2 are contained in the Department of Finance and Administration Information Paper titled *Statement of Savings in Annual Appropriations*.

Funding for expenditure other than for 'the ordinary annual services of government', principally capital expenditure and grants to the States and Territories, is contained in *Appropriation Act No. 2 2002-2003* and this Bill. *Appropriation Act (No. 2)* appropriated \$6 120 821 000 while this Bill appropriates an additional \$263 750 000.

### Outline of Major Additional Appropriations

Major additional appropriations listed in this Bill by portfolio include:

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- **Defence:** the Bill appropriates an additional \$124 786 000 for the Defence Portfolio. Schedule 2 to the Bill notes that this additional amount is for equity injections.

The reader is referred to the Portfolio Additional Estimates Statements for the [Department of Defence](#)<sup>1</sup> for details as to the monies sought under this portfolio.

- **Treasury:** the Bill appropriates an additional \$29 998 000 for the Treasury Portfolio. Schedule 2 to the Bill notes that this additional amount is for ‘effective government spending and taxation arrangements’.

The reader is referred to the Portfolio Additional Estimates Statements for the [Department of the Treasury](#)<sup>2</sup> for details as to the monies sought under this portfolio.

- **Health and Ageing:** the Bill appropriates an additional \$22 708 000 for the Health and Ageing portfolio. Schedule 2 to the Bill notes that \$10 731 000 of this additional amount is for ‘administered assets and liabilities’ and \$6 284 000 is for ‘improved quality, integration and effectiveness of health care’.

The reader is referred to the Portfolio Additional Estimates Statements for the [Department of Health and Ageing](#)<sup>3</sup> for details as to the monies sought under this portfolio.

- **Family and Community Services:** the Bill appropriates an additional \$22 514 000 for the Family and Community Services portfolio. Schedule 2 to the Bill notes that \$16 387 000 of this additional amount is for ‘income support measures and services that encourage independence and contribution to the community’ and so facilitate ‘participation in the labour force and community life’. A further \$5 453 000 is for equity injections for Centrelink.

The reader is referred to the Portfolio Additional Estimates Statements for the [Department of Family and Community Services](#)<sup>4</sup> for details as to the monies sought under this portfolio.

According to the Second Reading Speech, major appropriations for individual items in this Bill are:

- \$69.4 million in additional payments to the States and Territories, including:
  - \$15 million as a result of the supplementation offer made to the States and Territories as part of the third Commonwealth State Territory Disability Agreement;
  - \$5.5 million in support of the National Aerial Firefighting Strategy; and
  - \$30 million for the First Home Owners Scheme.

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- \$12.7 million for staff entitlement and other obligations in the wind-up of Employment National;
- \$10.2 million to enhance physical security at Australia's overseas posts;
- \$7 million to enhance the travel documents screening system; and
- \$5.1 million to enhance the budget information systems.

## Main Provisions

In regard to allocation to the States for the outcomes specified in Schedule 2, **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 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 7** but relates to administered items.

Where an appropriation is made for an administered capital purpose, the outcome that may be achieved must be for a purpose listed in Schedule 2 of the Bill or in a Schedule to a 2002-2003 Appropriation Act (**clause 9**).

In relation to appropriations for 'other departmental items' (equity injections, loans or previous years' outputs), where an Act provides that an amount is to be allocated to a Department and this Bill contains such an item, the Finance Minister must issue the full amount of the item (**clause 10**). The Minister may determine that an appropriation in this Bill or in the *Appropriation Act (No.2) 2002-2003* for any of the 'other departmental items' be increased, but the total of any such increases cannot be more than \$20 million (**clause 11**).

The Minister will be given power to issue up to an additional of \$215 million over the year to take account of unforeseen expenditure or where there has been an 'erroneous omission or understatement' in relation to extra expenses (**clause 12**).

The Minister must give Parliament details of any increases determined under clauses 11 or 12.

The relevant Minister listed in 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 for the purposes of the Bill.

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## Endnotes

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- 1 <http://www.defence.gov.au/budget/02-03/index.html>
- 2 [http://www.budget.gov.au/2002-03/paes/html/tsy\\_index.html](http://www.budget.gov.au/2002-03/paes/html/tsy_index.html)
- 3 <http://www.health.gov.au/pubs/budget2002/additional.htm>
- 4 <http://www.facs.gov.au/internet/facsinternet.nsf/aboutfacs/budget/budget2002-budget2002.htm>

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