



New South Wales

Appropriation Bill 2020

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

The following Bills are cognate with this Bill—

Appropriation (Parliament) Bill 2020

Payroll Tax Amendment Bill 2020

Overview of Bill

The object of this Bill is to appropriate from the Consolidated Fund various sums of money required during the 2020–21 financial year for the services of the Government, including—

- (a) Departments of the Public Service, and
- (b) various special offices.

The Consolidated Fund largely comprises receipts from, and payments out of, taxes, fines, some regulatory fees, Commonwealth grants and income from Crown assets.

This Bill—

- (a) appropriates a single sum for the services of each agency, including recurrent services, capital works and services, and debt repayment, and
- (b) contains an additional appropriation which allocates revenue raised in connection with gaming machine taxes to the Minister for Health and Medical Research for spending on health related services, and
- (c) contains provision for transfer payments from the Commonwealth to non-government schools and local government, and
- (d) provides for appropriation for the whole of the 2020–21 financial year.

Outline of provisions

Part 1 Preliminary

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act.

Clause 3 defines terms used in the proposed Act.

Part 2 Appropriations—Departments

Part 2 (**clauses 4–19**) provides for appropriations to specified Ministers for the services of the departments and other matters within the administration of the Ministers for the financial year of 2020–21.

Part 3 Additional appropriation for health related services

Part 3 (**clause 20**) makes an additional appropriation to the Minister for Health and Medical Research, being part of the revenue raised from gaming machine taxes.

Part 4 Appropriation—Special Offices

Part 4 (**clauses 21–29**) provides for the appropriations for the services of the specified offices for the financial year of 2020–21.

Part 5 Commonwealth transfer payments

Part 5 (**clause 30**) provides for transfer payments from the Commonwealth to non-government schools and local government.

Part 6 Variations to authorised payments

Part 6 (**clauses 31–37**) provides for variations to authorised payments to be made in certain circumstances.

Clause 31 provides that payment of an amount that is more than the sum appropriated under the proposed Act or the *Appropriation (Parliament) Act 2020* is not authorised except in accordance with the proposed Part or Part 4 of the *Government Sector Finance Act 2018*.

Clause 32 enables the Treasurer to authorise payment for a purpose, that is more than the sum appropriated for the purpose, if the Treasurer is of the opinion that the exigencies of government require the payment or the sum appropriated for the purpose is insufficient to enable the purpose to be effectively and efficiently carried out. However, an equivalent sum must not be paid out for another purpose.

Clause 33 enables the Treasurer to authorise payment for a purpose, in excess of the sum appropriated for the purpose, if the Treasurer is of the opinion that the additional sum is reasonably necessary because of a State contingency. However, an equivalent sum must not be paid out from the sum appropriated to the Treasurer by the proposed Act for the purpose of State contingencies.

Clause 34 enables the Treasurer to authorise payment for a purpose, in excess of the sum appropriated for the purpose, if the Treasurer is of the opinion that the additional sum is reasonably necessary because of an expense related to the COVID-19 pandemic or inflation. However, an equivalent sum must not be paid out from the sum appropriated to the Treasurer by the proposed Act for the purposes of expenditure related to the COVID-19 pandemic or inflation.

Clause 35 requires the Treasurer to not authorise the payment of a sum under the proposed Part to increase the amount of any salary or wage fixed by law.

Clause 36 provides the proposed Part does not apply to sums appropriated by another Act.

Clause 37 requires the Treasurer to inform the Auditor-General of every authorisation given under the proposed Part.

Part 7 General

Part 7 (**clauses 38–41**) provides for general matters related to the appropriations set out in the proposed Act.

Clause 38 allows the Treasurer to appoint a person to exercise the Treasurer's functions under proposed Part 6.

Clause 39 allows a Minister to appoint an accountable authority to identify any surplus to enable the Treasurer to authorise it to be paid for another purpose under proposed Part 6 if the sum appropriated for that other purpose is insufficient.

Clause 40 makes it clear that budget related information in the notes included in the proposed Appropriation Acts and in Budget Papers does not form part of those Acts and does not affect the application of any amount appropriated by those Acts.

Clause 41 deems certain payments made from the Consolidated Fund on or after 1 July 2020 pending the enactment of the proposed Act to be made out of the sums appropriated by the proposed Act.

Part 8 Budget variations for the year 2019–20

Part 8 (**clauses 42 and 43**) provides for budget variations for the 2019–20 financial year.

Clause 42 appropriates amounts for the exigencies of Government in accordance with section 4.13 of the *Government Sector Finance Act 2018*, as set out in **Schedule 1** to the proposed Act.

Clause 43 provides that the appropriation made by the proposed Part is to be construed as part of the annual Appropriation Act for the 2019–20 financial year. It also validates the following occurring before the date of assent to the proposed Act—

- (a) payment out of the Consolidated Fund of the sum appropriated,
- (b) approval of expenditure of the sum appropriated,
- (c) expenditure of the sum appropriated.