

Explanatory Statement

Section 13 *Appropriation Act (No. 1) 2011-2012*

Advance to the Finance Minister

The instrument to which this explanatory statement relates

This explanatory statement relates to an instrument (the instrument) entitled “*Advance to the Finance Minister – Section 13 of Appropriation Act (No. 1) 2011-2012*”, dated 10 May 2012 and numbered 4 of 2011-2012.

The legislative authority under which the instrument is made

The Advance to the Finance Minister (AFM) is a provision contained in the annual Appropriation Acts. It enables the Finance Minister to facilitate urgent and unforeseen expenditure that was not within the contemplation of Parliament when the Appropriation Act was passed and is therefore not provided for in Schedule 1 of the Appropriation Act.

The Advance to the Finance Minister is provided under section 13 of *Appropriation Act (No. 1) 2011-2012*. The discretionary power is exercisable upon the Finance Minister’s satisfaction of the matters specified in section 13. This section provides that amounts can be issued from the Advance to the Finance Minister, up to a limit of \$295 million, if the Finance Minister is satisfied that there is an urgent need for expenditure, in the current year, that is not provided for, or is insufficiently provided for, in Schedule 1 of that Act. The qualifying circumstances on the discretion of the Finance Minister to issue additional amounts under this provision are contained in subsections 13(1) of that Act. The application from the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) has satisfied the Finance Minister that the additional expenditure was not provided for due to unforeseen circumstances.

Exercise of the power via the issue of a determination has effect as if Schedule 1 of *Appropriation Act (No. 1) 2011-2012* were amended to make provision for the additional expenditure specified in the determination.

Purpose of the instrument

The instrument determines that the Administered Item for Outcome 4 for FaHCSIA in *Appropriation Act (No. 1) 2011-2012* be increased by \$5,561,983.00. The additional amount is provided to enable FaHCSIA to meet commitments for the Household Assistance Package that fall due before the Appropriation passage of the next annual Acts.

Human Rights Impact Statement

This Instrument is exempt from disallowance under subsection 44(2) of the *Legislative Instruments Act 2003*. As such, a statement of compatibility prepared under subsection 9(1) of the *Human Rights (Parliamentary Scrutiny) Act 2011* is not required in this Explanatory Statement.

Background

The background to the instrument is provided in the application made by FaHCSIA for funding from the Advance to the Finance Minister, reproduced below.

APPLICATION FOR ADVANCE TO THE FINANCE MINISTER 2011-2012

Agency: Department of Families, Housing, Community Services and Indigenous Affairs

Appropriation: *Appropriation Act (No. 1) 2011-2012*

Description: Administered item

Outcome: Outcome 4 – An adequate standard of living and improved capacity to productively manage resources and life-transitions for senior Australians through the delivery of payments, concessions and information services.

Source of Available Appropriations	2011-2012	2010-2011	All other years
	\$	\$	\$
Appropriation Act (No. 1)			
Allowances, Concessions and Services for Seniors	2,600,000	4,995,000	
Appropriation Act (No. 3)		5,000	
Other Administered – FaHCSIA			
Retained Prior Year Appropriations			0
TOTAL APPROPRIATIONS AVAILABLE	2,600,000	5,000,000	
TOTAL AMOUNT SPENT (as at cob 30 April 2012 – will change regularly)	2,178,375	5,000,000	
TOTAL UNSPENT APPROPRIATIONS	421,625	0	0
Appropriation Required:	\$5,983,608		
Appropriations Available:	\$ 421,625		
Amount required from AFM:	\$5,561,983		

AFM Category:

unforeseen – “Appropriation Act (No. 1) 2011-2012, Part 3, section 13 (1)(b)”

Explanation of requirements from AFM:

The government approved expenditure to undertake activities to inform the Australian public of the payments, tax cuts and entitlements available under the Household Assistance Package Communication Campaign which will begin from mid-May 2012. This AFM will provide for expenditure which will address initial payments for Allowances, Concessions and Services for Seniors – Outcome 4 in the Department of Families, Housing, Communities and Indigenous Affairs (FaHCSIA).

Urgent:

There is an urgent need for funds as FaHCSIA has nearly exhausted all available funding under Outcome 4. Funds are required to meet payment obligations which will arise from the delivery of information about the Household Assistance Package. It is important that this information is provided to ensure that individuals understand the entitlements with the Package.

Unforeseen:

The unforeseen criterion applies as the Government decision to expend money occurred after the Additional Estimates Appropriation Bills were introduced in Parliament on 9 February 2012. It is possible that the Government may introduce another Appropriation Bill in 2011-12 however the funds are required prior to the expected timing of Royal Assent for these Appropriation Bills.

Payments for these activities will be \$6.678 million through to 30 June 2012.

An AFM of \$5.562 million is sought to cover the initial expenditure for the Household Assistance Package Communication Campaign in relation to Allowances, Concessions and Services for Seniors.

Signed By Chief Finance Officer

NAME:	STEVE JENNAWAY
SIGNATURE:	
DATE:	30 April 2012