



# **Appropriation (Parliament) Bill (No. 2) 2014**

**Report No. 50**  
**Finance and Administration Committee**  
**October 2014**

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## Finance and Administration Committee

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<b>Deputy Chair</b>	Mr Curtis Pitt MP, Member for Mulgrave
<b>Members</b>	Mrs Liz Cunningham MP, Member for Gladstone Dr Bruce Flegg MP, Member for Moggill Mr Reg Gulley MP, Member for Murrumba Mrs Freya Ostapovitch MP, Member for Stretton Mr Mark Stewart MP, Member for Sunnybank

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### Acknowledgements

The Committee thanks those who briefed the Committee, gave evidence and participated in its inquiry. In particular the Committee acknowledges the assistance provided by Queensland Treasury and Trade.

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## Abbreviations

CFRR	Consolidated Fund Financial Report 2013-14
FAA	<i>Financial Accountability Act 2009</i>
FAC	Finance and Administration Committee
FLP	Fundamental Legislative Principles under the <i>Legislative Standards Act 1992</i>
LSA	<i>Legislative Standards Act 1992</i>
QAO	Queensland Audit Office
QTT	Queensland Treasury and Trade

## Glossary

Acts	All Acts referred to in this report refer to Queensland Acts unless otherwise specified
the Bill	<i>Appropriation (Parliament) Bill (No.2) 2014</i>
the Committee	Finance and Administration Committee
the department	Queensland Treasury and Trade

## Chair's Foreword

This report presents a summary of the Committee's examination of *Appropriation (Parliament) Bill (No.2) 2014*. The Committee considered this Bill in conjunction with the *Appropriation Bill (No.2) 2014*, however has reported separately on both Bills.

The Committee's task was to consider the policy outcomes to be achieved by the legislation, as well as the application of fundamental legislative principles – that is, whether it has sufficient regard to rights and liberties of individuals and to the institution of Parliament.

The public examination process allows the Parliament to hear views from the public and stakeholders they may not have otherwise heard from, which should make for better policy and legislation in Queensland.

The Bill provides for supplementary appropriation for unforeseen expenditure that occurred in the 2013-14 financial year. The supplementary appropriation sought is based on the Consolidated Fund Financial Report 2013-14.

I wish to thank the departmental officers for meeting with the Committee and for their cooperation in providing information to the Committee on a timely basis.

Finally, I would like to thank the other Members of the Committee for their hard work and support.



Steve Davies MP  
Chair

October 2014

## Recommendations

Standing Order 132 states that a portfolio committee report on a bill is to indicate the Committee's determinations on:

- whether to recommend that the Bill be passed
- any recommended amendments
- the application of fundamental legislative principles and compliance with the requirements for explanatory notes.

The Committee has made the following recommendations:

### **Recommendation 1**

**2**

The Committee recommends that the *Appropriation (Parliament) Bill (No.2) 2014* be passed.





## 1 Introduction

### 1.1 Role of the Committee

The Finance and Administration Committee (the Committee) is a portfolio committee established by the *Parliament of Queensland Act 2001* and the Standing Orders of the Legislative Assembly on 18 May 2012.<sup>1</sup> The Committee's primary areas of responsibility are:

- Premier and Cabinet; and
- Treasury and Trade.

Section 93(1) of the *Parliament of Queensland Act 2001* provides that a portfolio committee is responsible for examining each bill and item of subordinate legislation in its portfolio area to consider –

- a) the policy to be given effect by the legislation;
- b) the application of fundamental legislative principles to the legislation; and
- c) for subordinate legislation – its lawfulness.

Standing Order 132(1) provides that the Committee shall:

- a) determine whether to recommend that the Bill be passed;
- b) may recommend amendments to the Bill; and
- c) consider the application of fundamental legislative principles contained in Part 2 of the *Legislative Standards Act 1992* to the Bill and compliance with Part 4 of the *Legislative Standards Act 1992* regarding explanatory notes.

Standing Order 132(2) provides that a report by a portfolio committee on a bill is to indicate the Committee's determinations on the matters set out in Standing Order 132(1).

Standing Order 133 provides that a portfolio committee to which a bill is referred may examine the Bill by any of the following methods:

- a) calling for and receiving submissions about a bill;
- b) holding hearings and taking evidence from witnesses;
- c) engaging expert or technical assistance and advice; and
- d) seeking the opinion of other committees in accordance with Standing Order 135.

### 1.2 Referral

The Treasurer and Minister for Trade, the Hon Tim Nicholls MP, introduced the *Appropriation (Parliament) Bill (No.2) 2014* to the Legislative Assembly on 10 September 2014. The Bill was referred to the Committee. The Legislative Assembly agreed to a motion requiring the Committee to report to the Legislative Assembly by 9 October 2014.

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<sup>1</sup> *Parliament of Queensland Act 2001*, s88 and Standing Order 194

### 1.3 Committee Process

The Committee's consideration of the Bill included calling for public submissions and a public departmental briefing.

The Committee also considered expert advice on the Bills' conformance with fundamental legislative principles (FLP) listed in Section 4 of the *Legislative Standards Act 1992*.

The Committee considered this Bill in conjunction with the *Appropriation Bill (No.2) 2014*, however has reported separately on both Bills.

### 1.4 Submissions

The Committee advertised its inquiry into the Bill on its webpage on 12 September 2014. The Committee also wrote to stakeholder groups inviting written submissions on the Bill.

The closing date for submissions was Wednesday 24 September 2014. The Committee did not receive any written submissions.

### 1.5 Public briefing

The Committee held a public briefing on the Bill with officers from Queensland Treasury and Trade (QTT) on Tuesday 30 September 2014. A list of officers who gave evidence at the public departmental briefing is contained in Appendix A. A transcript of the briefing has been published on the Committee's website and is available from the committee secretariat.

### 1.6 Policy objectives of the Appropriation (Parliament) Bill (No.2) 2014

The objective of the Bill is to provide for supplementary appropriation for unforeseen expenditure that occurred in the 2013-14 financial year. The supplementary appropriation sought is based on the Consolidated Fund Financial Report 2013-14 (CFFR).

Pursuant to Standing Order 132(1)(a), the Committee recommends that the Bill be passed.

<p><b>Recommendation 1</b></p>
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<p>The Committee recommends that the <i>Appropriation (Parliament) Bill (No.2) 2014</i> be passed.</p>
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## 2 Examination of the *Appropriation (Parliament) Bill (No.2) 2014*

### 2.1 Reasons for the Bill

The Bill provides for a supplementary appropriation of \$5,614,000 for unforeseen expenditure that occurred in the 2013-14 financial year to be authorised.

The Treasurer and Minister for Trade, Hon Tim Nicholls MP, advised, when introducing the Bill, that the Bill seeks parliamentary approval of supplementary appropriation for unforeseen expenditure incurred by the Legislative Assembly and Parliamentary Service in the 2013-14 financial year of \$5.6million.<sup>2</sup>

The Treasurer stated that:

*This partly relates to determinations by the Queensland Independent Remuneration Tribunal, and members will recall that that determination was made predominantly in the second half of 2013 with effect from the beginning of 2014.*<sup>3</sup>

The Treasurer also confirmed that:

*Reflecting the practice for annual appropriation bills, supplementary appropriation for the Legislative Assembly and Parliamentary Service is sought via a separate bill, hence there are two bills for supplementary appropriation this year.*<sup>4</sup>

The department confirmed that the unforeseen expenditure incurred by the Legislative Assembly and Parliamentary Service for the 2013-14 financial year is \$5.6 million and partly relates to determinations by the Queensland Independent Remuneration Tribunal. They also confirmed that together the *Appropriation (Parliament) Bill (No.2) 2014* and the *Appropriation Bill (No.2) 2014* seek supplementary appropriation totalling \$447.6 million for 2013-14.<sup>5</sup>

### 2.2 Stakeholder consultation

The explanatory notes state consultation has been undertaken with the Legislative Assembly and parliamentary service in establishing the appropriations payable to them pursuant to the Bill. The explanatory notes do not detail the results of this consultation.

### 2.3 Analysis of Consolidated Fund Financial Report 2013-14

Refer to separate report on *Appropriation Bill (No.2) 2014* for further detail on the CFFR.

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<sup>2</sup> Queensland Legislative Assembly, Hon TJ Nicholls MP, Treasurer and Minister for Trade, *Parliamentary Debates (Hansard)*, 10 September 2014: 3134

<sup>3</sup> Queensland Legislative Assembly, Hon TJ Nicholls MP, Treasurer and Minister for Trade, *Parliamentary Debates (Hansard)*, 10 September 2014: 3134

<sup>4</sup> Queensland Legislative Assembly, Hon TJ Nicholls MP, Treasurer and Minister for Trade, *Parliamentary Debates (Hansard)*, 10 September 2014: 3134

<sup>5</sup> Mr Molloy, Transcript 30 September 2014: 2

The following table summarises the total for the Legislative Assembly and Parliamentary Service:

	Year ended 30 June 2014	Year ended 30 June 2013	Appropriation Acts 2013	Transfers s79	Appropriation adjusted for s79 transfers	Treasurers Transfers s33	Lapsed Appropriation s29	Unforeseen expenditure s35	2014 Actual	2013 Actual
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Legislative Assembly &amp; Parliamentary Service</b>										
Controlled Items										
Departmental Services	83,630	83,136	79,830	0	79,830	0	0	3,800	83,630	83,136
Equity Adjustments	(2,595)	(3,882)	(4,409)	0	(4,409)	0	0	1,814	(2,595)	(3,882)
Administered Items	0	0	0	0	0	0	0	0	0	0
Total for Department	81,035	79,254								
Vote			75,421	0	75,421	0	0	5,614	81,035	79,254

The Legislative Assembly and Parliamentary Service had no transfers under sections 33 and 79 and no lapsed appropriation.

### 2.3.1 Unforeseen Expenditure

The total unforeseen expenditure for the 2013-14 financial year was \$447.6 million. This is made up of \$442 million for departments and \$5.6 million for the Legislative Assembly and the Parliamentary Service.

The explanatory notes included in the CFFR for the Legislative Assembly and Parliamentary Service state that:

*Additional departmental services primarily relate to increases in Members' salaries and allowances following determinations by the Queensland Independent Remuneration Tribunal and increase in electorate office leasing costs. These increases were partially offset by a decrease in depreciation funding following the revaluation of parliamentary buildings.*

*Additional equity adjustments related to reduced equity withdrawals associated with lower depreciation funding, partially offset by timing adjustments to match expenditure patterns for the ongoing Parliament House restoration program and planned upgrade of data cabling in the parliamentary precinct.<sup>6</sup>*

### 2.4 Supplementary appropriation for 2013-14 based on unforeseen expenditure included in the consolidated fund financial report – Clause 2

Clause 2(1) authorises the Treasurer to pay \$5,614,000 from the consolidated fund for the Legislative Assembly and Parliamentary Service for the financial year starting 1 July 2013.

Clause 2(2) allows for the amount appropriated to be applied to the Legislative Assembly and Parliamentary Service's departmental services, equity adjustment and administered items as stated in schedule 1.

Schedule 1 sets out the supplementary appropriation for 2013-2014 as follows<sup>7</sup>:

	Amount \$'000
<i>Controlled items</i>	
Departmental services	3,800
Equity adjustment	1,814
<i>Administered items</i>	0
<b>Total amount</b>	<b>5,614</b>

<sup>6</sup> Queensland Government, *Consolidated Fund Financial Report 2013-14*, September 2014: 15

<sup>7</sup> *Appropriation (Parliament) Bill (No.2) 2014*, schedule 1

### **3 Fundamental legislative principles**

Section 4 of the *Legislative Standards Act 1992* states that FLPs are the 'principles relating to legislation that underlie a parliamentary democracy based on the rule of law'. The principles include that legislation has sufficient regard to:

- the rights and liberties of individuals, and
- the institution of parliament.

The Committee examined the Bill's consistency with FLPs. This section of the report discusses potential breaches of the FLPs identified during the Committee's examination of the Bill and includes any reasons or justifications contained in the explanatory notes and provided by the department.

The explanatory notes identify that legislation should not adversely affect rights or liberties or impose obligations retrospectively.

#### **3.1 Issues identified**

The Committee found that the Bill has sufficient regard to fundamental legislative principles.

#### **3.2 Explanatory notes**

Part 4 of the *Legislative Standards Act 1992* (LSA) relates to explanatory notes. It requires that an explanatory note be circulated when a bill is introduced into the Legislative Assembly, and sets out the information an explanatory note should contain.

Explanatory notes were tabled with the introduction of the Bill. The notes are very fairly detailed and contain the information required by Part 4 and a reasonable level of background information and commentary to facilitate understanding of the bill's aims and origins.

## **Appendices**

**Appendix A – Officers appearing on behalf of the department at the public departmental briefing –  
Tuesday 30 September 2014**

Mr Alex Beavers, Deputy Under Treasurer, Queensland Treasury and Trade
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Mr Dennis Molloy, Assistant Under Treasurer, Fiscal Strategy Division, Queensland Treasury and Trade
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