



Appropriation (Parliament) Bill (No. 2) 2021 and Appropriation Bill (No. 2) 2021

**Report No. 18, 57th Parliament
Economics and Governance Committee
November 2021**

Economics and Governance Committee

Chair	Mr Linus Power MP, Member for Logan
Deputy Chair	Mr Ray Stevens MP, Member for Mermaid Beach
Members	Mr Michael Crandon MP, Member for Coomera Mrs Melissa McMahon MP, Member for Macalister Mr Daniel Purdie MP, Member for Ninderry Mr Adrian Tantari MP, Member for Hervey Bay

Committee Secretariat

Telephone	+61 7 3553 6637
Fax	+61 7 3553 6699
Email	egc@parliament.qld.gov.au
Technical Scrutiny Secretariat	+61 7 3553 6601
Committee webpage	www.parliament.qld.gov.au/EGC

Acknowledgements

The committee acknowledges the assistance provided by Queensland Treasury.

All web address references were current at the time of publishing.

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Abbreviations

Appropriation Acts 2021	<i>Appropriation (Parliament) Act 2021 and Appropriation Act 2021</i>
Bills	Appropriation (Parliament) Bill (No. 2) 2021 and Appropriation Bill (No. 2) 2021
CFFR	Consolidated Fund Financial Report
committee	Economics and Governance Committee
FA Act	<i>Financial Accountability Act 2009</i>
FLPs	fundamental legislative principles
HRA	<i>Human Rights Act 2019</i>
ICT	information and communication technology
LSA	<i>Legislative Standards Act 1992</i>
POQA	<i>Parliament of Queensland Act 2001</i>
Standing Orders	Standing Rules and Orders of the Legislative Assembly
Treasurer	Hon Cameron Dick MP, Treasurer and Minister for Trade and Investment
Treasury	Queensland Treasury

Chair's foreword

This report presents a summary of the Economics and Governance Committee's examination of the Appropriation (Parliament) Bill (No. 2) 2021 and Appropriation Bill (No. 2) 2021.

The committee's task was to examine the proposals set out in the Bills and determine whether to recommend the Bills be passed, including by welcoming input from stakeholders and the broader public, holding briefings to receive advice and technical assistance from departmental officials, and considering other available information to support the committee in its deliberations.

In discharging these responsibilities, the committee also examined the Bills for compatibility with human rights, in accordance with the *Human Rights Act 2019*, and considered the application of fundamental legislative principles – that is, whether the Bills have sufficient regard to the rights and liberties of individuals and to the institution of Parliament.

On behalf of the committee, I thank Queensland Treasury and our Parliamentary Service staff for their assistance with the committee's inquiry.

I commend this report to the House.



Linus Power MP

Chair

Recommendations

Recommendation 1 **2**

The committee recommends the Appropriation (Parliament) Bill (No. 2) 2021 be passed.

Recommendation 2 **2**

The committee recommends the Appropriation Bill (No. 2) 2021 be passed.

1 Introduction

1.1 Role of the committee

The Economics and Governance Committee (committee) is a portfolio committee of the Legislative Assembly which commenced on 26 November 2020 under the *Parliament of Queensland Act 2001* (POQA) and Standing Rules and Orders of the Legislative Assembly (Standing Orders).¹

The committee's primary areas of responsibility are:

- Premier and Cabinet and Olympic and Paralympic Games
- Treasury, Trade and Investment
- Tourism, Innovation and Sport.²

The committee is responsible for examining each bill in its portfolio areas to consider the policy to be given effect by the legislation, the application of fundamental legislative principles (FLPs), and the compatibility of the legislation with the *Human Rights Act 2019* (HRA).³

1.2 Inquiry process

On 15 September 2021, the Treasurer and Minister for Trade and Investment,⁴ the Hon Cameron Dick MP (Treasurer), introduced the Appropriation (Parliament) Bill (No. 2) 2021 and the Appropriation Bill (No. 2) 2021 (Bills) into the Queensland Parliament.⁵ The Bills were referred to the committee for its detailed consideration and report to the Parliament by 1 November 2021.

The committee agreed to consider and report on the Bills jointly, and on 20 September 2021 issued a public call for written submissions on one or both of the Bills.⁶ Submissions were required to be provided to the committee by 6 October 2021. No submissions were received.

The committee also sought and received written advice on the Bills from Queensland Treasury (Treasury) and held a public departmental briefing on 5 October 2021, at which it questioned Treasury officials on the provisions of the Bills and associated funding requirements (see Appendix A for a list of participating officials).

The written advice from Treasury and the transcript of the public briefing are available on the committee's inquiry webpage.⁷

¹ *Parliament of Queensland Act 2001* (POQA), s 88; Standing Rules and Orders of the Legislative Assembly (Standing Orders), SO 194.

² The committee's portfolio areas, which are set out in Schedule 6 of the Standing Orders, were updated in amendments agreed to by the Legislative Assembly on 12 October 2021 to reflect changes to ministerial portfolio responsibilities effected by the *Administrative Arrangements Order (No. 2) 2021*.

³ POQA, s 93; *Human Rights Act 2019* (HRA), s 39.

⁴ At the time of the Bills' introduction, the Hon Cameron Dick MP was Treasurer and Minister for Investment. On 7 October 2021, the Treasurer and Minister for Investment was also assigned responsibility for the Trade portfolio.

⁵ Hon Cameron Dick MP, Treasurer and Minister for Trade and Investment (Treasurer), Queensland Parliament, Record of Proceedings, 15 September 2021, pp 2670-2672.

⁶ To publicise the inquiry and call for submissions the committee contacted over 1,200 email subscribers, issued a media release and social media posts, and published inquiry information on its inquiry webpage.

⁷ <https://www.parliament.qld.gov.au/Work-of-Committees/Committees/Committee-Details?cid=167&id=4120>

1.3 Policy objectives of the Bills

The objective of the Bills is to seek formal authorisation for the specified amounts in each Bill that the Treasurer paid from the Consolidated Fund⁸ for unforeseen expenditure respectively incurred by the Legislative Assembly and by 6 government departments in the 2020-21 financial year.⁹

1.4 Government Consultation on the Bills

In relation to the Appropriation (Parliament) Bill (No. 2) 2021, the explanatory notes advise that the government consulted with the Legislative Assembly and Parliamentary Service in establishing the appropriation payable to them pursuant to that Bill.¹⁰

Consultation was also undertaken with the relevant government departments in establishing the appropriation payable to those departments pursuant to the Appropriation Bill (No. 2) 2021.¹¹

1.5 Should the Bills be passed?

Standing Order 132(1) requires the committee to determine, for each bill referred to it for examination, whether or not to recommend that the bill be passed.

After examination of the Bills, the committee recommends that the Bills be passed.

Recommendation 1

The committee recommends the Appropriation (Parliament) Bill (No. 2) 2021 be passed.

Recommendation 2

The committee recommends the Appropriation Bill (No. 2) 2021 be passed.

⁸ The Consolidated Fund is the Queensland Government's central bank account, which comprises all taxes, imposts, rates, duties, and other revenues and income streams of the state.

⁹ Appropriation (Parliament) Bill (No. 2) 2021, explanatory notes, p 1; Appropriation Bill (No. 2) 2021, explanatory notes, p 1.

¹⁰ Appropriation (Parliament) Bill (No. 2) 2021, explanatory notes, p 2.

¹¹ Appropriation Bill (No. 2) 2021, explanatory notes, p 2.

2 Background to the Bills

2.1 Unforeseen expenditure

During the course of the year, the government may provide in-principle approval for the release from the Consolidated Fund of additional moneys for ‘unforeseen expenditure’ – that is, expenditure in excess of the amount approved via the annual appropriation bills which are introduced with the budget.¹²

Where this additional or ‘supplementary’ appropriation is required (eg to meet post-budget emergent cost pressures or because the existing appropriation is otherwise insufficient), the *Financial Accountability Act 2009* (FA Act) provides that the Governor in Council, acting on the recommendation of the Treasurer, may authorise the issue of the moneys for the unforeseen expenditure.¹³

However:

... as the Constitution of Queensland provides that amounts can only be paid from the Consolidated Fund under an act, unforeseen expenditure must also be formally approved by Parliament via appropriation bills.¹⁴

According to the explanatory notes to the Bills, timely consideration of unforeseen expenditure ‘enhances transparency and accountability of Government expenditure’.¹⁵ Therefore, since 2013, supplementary appropriation has been sought via a separate appropriation bill as soon as possible after the end of the financial year, rather than combined with the annual appropriation bills introduced the following year at budget time.¹⁶

The supplementary appropriations that are to be approved are reported (with explanations) in the Consolidated Fund Financial Report (CFFR), which is required to be prepared by the Treasurer at the end of every financial year and reported on by the Auditor-General pursuant to the FA Act.¹⁷

2.2 The Consolidated Fund Financial Report

The CFFR details the total appropriation paid from and collections received to the Consolidated Fund from each department for the financial year. The CFFR also provides explanations for each department of any variations from the annual appropriation amount originally approved as part of the annual budget, including explanations for any unforeseen expenditure required across the financial year.¹⁸

Treasury provided the committee with a summary of the CFFR process as follows:

- While the budget documentation, including departmental Service Delivery Statements, are prepared on an accrual basis, appropriation to departments is a cash item. Accordingly, the CFFR is prepared on a cash basis. The CFFR includes a Statement of Appropriation for each department and a summary of cash movements of the Consolidated Fund Operating Account and Investment Accounts.

¹² Queensland Treasury (Treasury), *Overview of Queensland’s Financial Accountability Framework*, January 2020, p 6; Dennis Molloy, Acting Deputy Under Treasurer, Economics and Fiscal, Treasury, public briefing transcript, Brisbane, 5 October 2021, p 1.

¹³ *Financial Accountability Act 2009* (FA Act), s 35. Note – under s 35(1) of the FA Act, the Governor in Council may authorise unforeseen expenditure that is required from the Consolidated Fund for the financial year for which: a) there is no appropriation, or b) there is an appropriation but making or charging the expenditure to a department’s vote would mean the amount allocated to the vote would be exceeded.

¹⁴ Dennis Molloy, Acting Deputy Under Treasurer, Economics and Fiscal, Treasury, public briefing transcript, Brisbane, 5 October 2021, p 2.

¹⁵ Appropriation (Parliament) Bill (No. 2) 2021, explanatory notes, p 1; Appropriation Bill (No. 2) 2021, explanatory notes, p 1.

¹⁶ Appropriation (Parliament) Bill (No. 2) 2021, explanatory notes, p 1; Appropriation Bill (No. 2) 2021, explanatory notes, p 1.

¹⁷ FA Act, s 23.

¹⁸ Queensland Government, *Consolidated Fund Financial Report 2020-21* (2020-21 CFFR), August 2021.

- The appropriation limit for each department is set by the annual appropriation bills as part of the budget process. For example, the appropriation bills for 2019-20 set the amount that was expected to be appropriated from the Consolidated Fund to each department for the 2019-20 financial year, as at the time of the 2019-20 budget process.
- After the end of the financial year, Treasury identifies the actual amount of cash appropriated to each department. The actual amount is then compared against the appropriation limit as per the original appropriation bills (adjusted for machinery-of-government changes where relevant) to identify differences in appropriation for each department. These differences, which reflect either higher or lower levels of appropriation from the Consolidated Fund, are calculated for each 'heading'¹⁹ as well as the total Vote (approved appropriation) for each department.
- Where the actual total Vote amount is less than the appropriation limit, the difference is considered to be a 'lapsed' appropriation. Where the actual Vote amount is more than the appropriation limit (or adjusted appropriation limit), the difference is considered to be unforeseen expenditure.
- In accordance with the Queensland Constitution, payments from the Consolidated Fund, including unforeseen expenditure, must be formally authorised under an Act of Parliament. Therefore, parliamentary approval is required for the unforeseen expenditure approved by the Governor in Council under the FA Act.²⁰
- As appropriation from the Consolidated Fund is calculated individually for each department, parliamentary approval is required for departments that incur unforeseen expenditure even though the whole-of-Government actual appropriation may be less than the total approved appropriation limit.²¹

2.3 Supplementary appropriation for unforeseen expenditure in 2020-21

On 15 July 2021, on the recommendation of the Treasurer, the Governor in Council authorised the unforeseen expenditure that occurred in the 2020-21 financial year, as outlined in the 2020-21 CFFR.²²

The Statement of Appropriation in the 2020-21 CFFR, which reconciles the appropriations approved in the Appropriation Acts 2021²³ and moneys withdrawn from the Consolidated Fund to pay each department, identifies unforeseen expenditure amounts incurred by the Legislative Assembly and Parliamentary Service and by 6 of the 21 government departments for 2020-21.²⁴ Table 1 (over page) sets out the combined total of the appropriation amounts, including the overall unforeseen expenditure total for all departments (\$449.251 million, comprised of \$1.975 million for the Legislative Assembly and Parliamentary Service and \$447.456 million for government departments), as reported in that Statement of Appropriation.

¹⁹ Headings are individual line items within the total Vote, being 'departmental services', 'equity adjustments' and 'administered items'. See Treasury, correspondence, 30 September 2021, p 3.

²⁰ Section 35 of the FA Act allows the Governor-in-Council, on the recommendation of the Treasurer to authorise expenditure from the Consolidated Fund for the financial year for which (a) there is no appropriation, or (b) there is an appropriation but the making or charging of the expenditure to a department's Vote would mean the amount allocated to the Vote would be exceeded.

²¹ Treasury, correspondence, 30 September 2021, pp 3-4.

²² Treasury, correspondence, 30 September 2021, p 1.

²³ *Appropriation (Parliament) Act 2021 and Appropriation Act 2021*.

²⁴ Queensland Government, 2020-21 CFFR, August 2021, pp 9-13.

Table 1: Total departmental appropriation 2020-21

Departmental totals	Appropriation Acts 2021	Transfers s 79¹	Appropriation adjusted for s 79 transfers	Treasurer's transfers s 33²	Lapsed Appropriation s 29³	Unforeseen Expenditures s 35⁴	2021 Actual	2020 Actual
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<i>Controlled items:</i>								
Departmental services	39,608,790	-	39,608,790	(166,612)	(277,529)	201,227	39,363,876	37,821,355
Equity adjustments	3,573,270	-	3,573,270	411,485	(803,556)	44,737	3,225,936	2,353,652
<i>Administered Items</i>	17,777,415	-	17,777,415	(242,873)	(351,717)	203,287	17,386,112	17,524,865
Vote	60,959,475	-	60,959,475	-	(1,432,802)	449,251	59,975,924	57,699,872

Notes:

1. Section 79 of the FA Act allows the Treasurer to redistribute funding after a machinery of government change.
2. Section 33 of the FA Act permits the Treasurer to allocate an amount to the heading or headings that are deficient from the heading or headings in surplus.
3. Under section 29, the total amount appropriated for a department for a financial year under an annual appropriation act is available for the Treasurer to pay to the department in the financial year or within the further 2 weeks. If all the available amount is not paid to the department within this time frame, the unpaid amount of the appropriation lapses.
4. Unforeseen Expenditure refers to expenditure, authorised by the Governor in Council under s 35 of the FA Act, to be made in advance of appropriation.²⁵

Source: Queensland Government, *Consolidated Fund Financial Report 2020-21*, August 2021, p 13.

The Bills propose to provide the required formal authorisation of the payment for the unforeseen expenditure amounts, in accordance with section 66 of the *Constitution of Queensland 2001*.²⁶

²⁵ Appropriation (Parliament) Bill (No. 2) 2021, explanatory notes, p 1; Appropriation Bill (No. 2) 2021, explanatory notes, p 1; Treasury, correspondence, 30 September 2021, p 2.

²⁶ Appropriation (Parliament) Bill (No. 2) 2021, explanatory notes, p 1; Appropriation Bill (No. 2) 2021, explanatory notes, p 1.

3 Examination of the Bills

As previously noted:

- the Appropriation (Parliament) Bill (No. 2) 2021 proposes to authorise the Treasurer's payment of \$1.795 million for unforeseen expenditure for the Legislative Assembly and Parliamentary Service in the 2020-21 financial year²⁷
- the Appropriation Bill (No. 2) 2021 proposes to authorise the Treasurer's payment of \$447.456 million for unforeseen expenditure incurred by 6 departments for 2020-21.²⁸

The Treasurer announced on introducing the Bills that the unforeseen expenditure amount for 2020-21 is 'less than half the amount of unforeseen expenditure incurred in the 2019-20 financial year', and at 'just 0.74 percent of total appropriations', is also 'less than half the average of the past decade'.²⁹ Treasury advised that this historically 'relatively low amount of unforeseen expenditure' occurred in the context of 'a number of agencies that have spent less than was approved in the original appropriation bills'.³⁰ Further, Treasury noted that 'after allowing for unforeseen expenditure and lapses, total appropriation in 2020-21 was actually \$983.551 million less than previously appropriated'.³¹

The committee's consideration of the Bills' authorisation of supplementary appropriation for unforeseen expenditure, including the stated reasons for the additional payments from the Consolidated Fund, is set out below.

3.1 Appropriation (Parliament) Bill (No. 2) 2021

The unforeseen expenditure amount of \$1.795 million for the Legislative Assembly and Parliamentary Service, the payment of which is to be authorised by the Appropriation (Parliament) Bill (No. 2) 2021, is set out in schedule 1 of the Bill.³²

The Treasurer advised on introducing the Bill that this expenditure 'related in part to the costs of running the 2020 state election during the pandemic'.³³ The 2020-21 CFFR also points to 'additional funding to support service delivery pressures and reclassification of operating funding from equity for the replacement of the library management system'.³⁴

Further, transfers from equity adjustments were applied to partly offset the additional departmental services expenditure.³⁵

3.2 Appropriation Bill (No. 2) 2021

The \$447.456 million in payments for unforeseen expenditure which are to be authorised by the Appropriation Bill (No. 2) 2021 comprises 6 individual payment amounts for departments as set out in schedule 1 of the Bill.³⁶

²⁷ Treasurer, Queensland Parliament, Record of Proceedings, 15 September 2021, p 2670. See also Queensland Government, *Consolidated Fund Financial Report 2020-21* (2020-21 CFFR), August 2021, p 16.

²⁸ Treasurer, Queensland Parliament, Record of Proceedings, 15 September 2021, p 2672.

²⁹ Treasurer, Queensland Parliament, Record of Proceedings, 15 September 2021, p 2672.

³⁰ Dennis Molloy, Acting Deputy Under Treasurer, Economics and Fiscal, Treasury, public briefing transcript, Brisbane, 5 October 2021, p 2.

³¹ Dennis Molloy, Acting Deputy Under Treasurer, Economics and Fiscal, Treasury, public briefing transcript, Brisbane, 5 October 2021, p 2.

³² Appropriation (Parliament) Bill (No. 2) 2021, schedule 1.

³³ Treasurer, Queensland Parliament, Record of Proceedings, 15 September 2021, p 2670.

³⁴ Queensland Government, 2020-21 CFFR, August 2021, p 16.

³⁵ Queensland Government, 2020-21 CFFR, August 2021, p 16.

³⁶ Appropriation Bill (No. 2) 2021, explanatory notes, p 3

The majority of the total unforeseen expenditure (87.8%) arose from 3 departments: the Department of Children, Youth Justice and Multicultural Affairs; the Department of Justice and Attorney-General; and Queensland Fire and Emergency Services.³⁷

The remaining amounts were incurred by the Queensland Police Service; the Department of Regional Development, Manufacturing and Water; and the Department of State Development, Infrastructure, Local Government and Planning.

A breakdown of the unforeseen expenditure amounts for these departments is set out at 3.2.2 below.

3.2.1 Lapsed expenditure

As noted previously, where the actual total Vote amount is less than the appropriation limit, the difference is considered to be a 'lapsed' appropriation.³⁸

In response to questions from the committee regarding appropriation funding that had lapsed in 2020-21, Treasury representatives advised:

Lapses are actually relatively small in historic terms in 2020-21. If we have a look at the lapse as a proportion of appropriation, it amounts to about 2.35 per cent of appropriation for 2020-21. In proportionate terms, that is actually the second-lowest lapse as a proportion of appropriation in the past decade.³⁹

Further, in relation to the approach of writing off lapsed appropriation against the appropriation required for the current year, Treasury representatives advised:

... that is the standard approach. One thing to be recognised with a lapse is that it is not as though—in most cases—that money has somehow sort of vanished. Often there is a deferral in a program so that has been carried over to the following year. As we know, from time to time situations do change and we do see that money is deferred from one year to the next.

...

Lapsed means in technical terms for the appropriation of 2020-21 that money was not used in that year.⁴⁰

3.2.2 Expenditure by department

3.2.2.1 Department of Children, Youth Justice and Multicultural Affairs (formerly the Department of Child Safety, Youth and Women) (\$114.247 million)

The Explanatory Notes to the Statement of Appropriation in the 2020-21 CFFR reported that the unforeseen expenditure for the Department of Children, Youth Justice and Multicultural Affairs resulted from a combination of additional spending on departmental services and an increase in equity adjustments.⁴¹

The additional departmental services expenses (\$92.247 million)⁴² were primarily due to additional funding to address increased demand for out-of-home care services in the child protection system. This was partially offset by the reallocation of funding to the Department of Justice and Attorney-General for women and violence prevention functions. Transfers from administered items,

³⁷ Treasury, correspondence, 30 September 2021, p 2.

³⁸ Treasury, correspondence, 30 September 2021, p 3.

³⁹ Dennis Molloy, Acting Deputy Under Treasurer, Economics and Fiscal, Treasury, public briefing transcript, Brisbane, 5 October 2021, p 2.

⁴⁰ Dennis Molloy, Acting Deputy Under Treasurer, Economics and Fiscal, Treasury, public briefing transcript, Brisbane, 5 October 2021, p 3.

⁴¹ Queensland Government, 2020-21 CFFR, Explanatory Notes to the Statement of Appropriation, August 2021, p 14.

⁴² Appropriation Bill (No. 2) 2021, schedule 1, p 5.

which were lower mainly due to timing adjustments related to the National Redress Scheme, also partially offset the additional departmental services expenses.⁴³

The increase in equity adjustments (\$22 million)⁴⁴ was due primarily to timing adjustments to the proceeds of sale from the Children's Court building, which Treasury advised were 'in line with the Build to Rent scheme'.⁴⁵

3.2.2.2 Department of Justice and Attorney-General (\$188.940 million)

Additional administered items expenditure (\$188.940 million)⁴⁶ incurred by the Department of Justice and Attorney-General in 2020-21 was identified by Treasury as being 'primarily due to funding to meet the state's share of the Queensland floods class action settlement in 2020-21'.⁴⁷ Lower expenditure on departmental services served to partly offset the additional administered items expenses.⁴⁸

Additional equity adjustments, related largely to the reclassification of funding from operating funding to capital funding for Blue Card projects and the Office of the Director of Public Prosecutions' office fit-out project, were also offset by transfers from departmental services.⁴⁹

3.2.2.3 Department of Regional Development, Manufacturing and Water (formerly the Department of Local Government, Racing and Multicultural Affairs) (\$28.910 million)

Additional departmental services expenditure incurred by the Department of Regional Development, Manufacturing and Water (\$6.352 million)⁵⁰ was chiefly due to the reallocation of funding from the Department of Resources for water functions, 'partly offset by timing adjustments for programs including the Made in Queensland program'.⁵¹

Additional equity adjustments (\$22.558 million)⁵² also resulted from the reallocation of funding from the Department of Resources for water functions.⁵³

3.2.2.4 Department of State Development, Infrastructure, Local Government and Planning (formerly the Department of Local Government, Racing and Multicultural Affairs) (\$14.347 million)

Additional administered items expenses (\$14.347 million) related primarily to the on-forwarding of the Australian Government's partial prepayment of 2021-22 funding for Financial Assistance Grants to local governments.⁵⁴

Treasury representatives provided the committee with further information about the funding process for Commonwealth Financial Assistance Grants during the public hearing on the Bills:

Normally, you would be expecting the Commonwealth to give us one payment of about \$250 million and we would just pass that on to local government. There are times when the Commonwealth will prepay

⁴³ Queensland Government, 2020-21 CFFR, Explanatory Notes to the Statement of Appropriation, August 2021, p 14.

⁴⁴ Appropriation Bill (No. 2) 2021, schedule 1, p 5.

⁴⁵ Treasury, correspondence, 30 September 2021, p 2.

⁴⁶ Appropriation Bill (No. 2) 2021, schedule 1, p 5.

⁴⁷ Treasury, correspondence, 30 September 2021, p 2.

⁴⁸ Treasury, correspondence, 30 September 2021, p 2.

⁴⁹ Queensland Government, 2020-21 CFFR, Explanatory Notes to the Statement of Appropriation, August 2021, p 15.

⁵⁰ Appropriation Bill (No. 2) 2021, schedule 1, p 6.

⁵¹ Queensland Government, 2020-21 CFFR, Explanatory Notes to the Statement of Appropriation, August 2021, p 17.

⁵² Appropriation Bill (No. 2) 2021, schedule 1, p 6.

⁵³ Queensland Government, 2020-21 CFFR, Explanatory Notes to the Statement of Appropriation, August 2021, p 17.

⁵⁴ Queensland Government, 2020-21 CFFR, Explanatory Notes to the Statement of Appropriation, August 2021, p 18.

that amount. We only hear about that very late in the process. We have only budgeted obviously for one payment, the Commonwealth gives us another payment, and we then pass that through to the local governments. It is neutral in a budget sense in that the money just comes in to us and we pass it out again. Obviously, in the budget sense, we have only anticipated one payment and then the Commonwealth makes a double payment.

...

Remember that the nature of unexplained expenditures is relating to the money which the state is paying out. If we get money from the Commonwealth ... we then have to pay that money out. Because we are paying that extra amount out, that is where the UE [unforeseen expenditure] is identified and that is why it is identified here. It is not the receipt of the money from the Commonwealth, per se, that is relevant in this context; it is the fact that we then pass that money, which we did not expect to get, on to local government that is relevant in this context.⁵⁵

The additional administered items expenses were partially offset by funding adjustments for the Queensland Reconstruction Authority 'to cover the recovery and reconstruction costs arising from natural disaster events from 2017 onwards',⁵⁶ together with the reallocation of funds between the Department of State Development, Infrastructure, Local Government and Planning and Treasury relating to infrastructure and planning functions.⁵⁷ Lower spending on departmental services and reduced equity adjustments also served to offset the additional administered items.⁵⁸

3.2.2.5 Queensland Fire and Emergency Services (\$91.179 million)

Additional departmental services expenses (\$91.179 million)⁵⁹ incurred by Queensland Fire and Emergency Services for 2020-21 were 'primarily due to funding for the COVID-19 response for quarantine accommodation costs (\$80.248 million) and logistics and border control activities, and additional funding to fulfil the election commitment of recruiting additional firefighters and for aerial firefighting'.⁶⁰

In response to questions from the committee regarding the timing of the funding to fulfil the election commitment, Treasury advised:

The budget actually did allow for funding for additional firefighters. I think in this instance ... the aerial firefighting was probably in relation to the responses on Fraser Island which were unanticipated at the time as to the level of the severity.

...

Obviously, for the additional firefighters, which was an election commitment, there would not have been the ability to build that in at the time of the budget, given the election came subsequent to that.⁶¹

3.2.2.6 Queensland Police Service (\$9.833 million)

Additional departmental services expenses (\$9.654 million)⁶² for the Queensland Police Service in 2020-21 were principally related to funding to ensure the sustainability of compliance activities for COVID-19 public health measures. This additional funding was partly offset by savings and timing

⁵⁵ Dennis Molloy, Acting Deputy Under Treasurer, Economics and Fiscal, Treasury, public briefing transcript, Brisbane, 5 October 2021, p 3.

⁵⁶ Treasury, correspondence, 30 September 2021, p 2.

⁵⁷ Treasury, correspondence, 30 September 2021, p 2.

⁵⁸ Queensland Government, 2020-21 CFFR, Explanatory Notes to the Statement of Appropriation, August 2021, p 18.

⁵⁹ Appropriation Bill (No. 2) 2021, schedule 1, p 7.

⁶⁰ Treasury, correspondence, 30 September 2021, p 2.

⁶¹ Dennis Molloy, Acting Deputy Under Treasurer, Economics and Fiscal, Treasury, public briefing transcript, Brisbane, 5 October 2021, p 4.

⁶² Appropriation Bill (No. 2) 2021, schedule 1, p 7.

adjustments for the Camera Detected Offence Program and the reallocation of funding for information and communication technology (ICT) projects to the Public Safety Business Agency.⁶³

Additional equity adjustments (\$179,000)⁶⁴ resulted from the reallocation of funding for ICT projects from the Public Safety Business Agency.⁶⁵

⁶³ Queensland Government, 2020-21 CFFR, Explanatory Notes to the Statement of Appropriation, p 17.

⁶⁴ Appropriation Bill (No. 2) 2021, p 7.

⁶⁵ Queensland Government, 2020-21 CFFR, Explanatory Notes to the Statement of Appropriation, p 17.

4 Compliance with the *Legislative Standards Act 1992*

4.1 Fundamental legislative principles

Section 4 of the *Legislative Standards Act 1992* (LSA) 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
- the institution of Parliament.

The committee has examined the application of FLPs to the Bill. No issues of FLP were identified.

4.2 Explanatory notes

Part 4 of the LSA 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 on the introduction of the Appropriation (Parliament) Bill (No. 2) 2021 and Appropriation Bill (No. 2) 2021. The notes contain the information required by Part 4 of the LSA and a sufficient level of background information and commentary to facilitate understanding of the aims and origins of the Bills.

5 Compatibility with the *Human Rights Act 2019*

The portfolio committee responsible for examining a bill must consider and report to the Legislative Assembly about whether the bill is not compatible with human rights, and consider and report to the Legislative Assembly about the statement of compatibility tabled for the bill.⁶⁶

A bill is compatible with human rights if the bill:

- (a) does not limit a human right, or
- (b) limits a human right only to the extent that is reasonable and demonstrably justifiable in accordance with section 13 of the HRA.⁶⁷

The HRA protects fundamental human rights drawn from international human rights law.⁶⁸ Section 13 of the HRA provides that a human right may be subject under law only to reasonable limits that can be demonstrably justified in a free and democratic society based on human dignity, equality and freedom.

Committee comment

The committee has examined the Bills for human rights compatibility. The committee considers that the Bills are compatible with the human rights protected in the HRA.

The committee notes, as highlighted in statements of compatibility for the 2 Bills, that the proposed funding authorisations apply only to internal government and parliament bodies, and therefore in no way limit the rights of an individual.⁶⁹

5.1 Statement of compatibility

Section 38 of the HRA requires that a member who introduces a bill in the Legislative Assembly must prepare and table a statement of the bill's compatibility with human rights.

Committee comment

A statement of compatibility was tabled on the introduction of each Bill, as required by section 38 of the HRA. The statements contain a sufficient level of information to facilitate understanding of the Bills in relation to their compatibility with human rights.

⁶⁶ HRA, s 39.

⁶⁷ HRA, s 8.

⁶⁸ The human rights protected by the HRA are set out in sections 15 to 37 of the Act. A right or freedom not included in the Act that arises or is recognised under another law must not be taken to be abrogated or limited only because the right or freedom is not included in this Act or is only partly included: HRA, s 12.

⁶⁹ Appropriation (Parliament) Bill (No. 2) 2021, statement of compatibility, p 1; Appropriation Bill (No. 2) 2021, statement of compatibility, p 1.

Appendix A – Officials at public departmental briefing

Queensland Treasury

- Mr Dennis Molloy, Acting Deputy Under Treasurer, Economics and Fiscal
- Mr David Newby, Director – Financial Reporting, Budget Strategy and Financial Reporting, Economics and Fiscal
- Ms Helen Tompkins, Principal Financial Accountant, Budget Strategy and Financial Reporting, Economics and Fiscal