

Appropriation (Parliament) Bill (No.2) 2015

Report No. 13, 55th Parliament
Finance and Administration Committee
October 2015

Finance and Administration Committee

Chair	Ms Di Farmer MP, Member for Bulimba
Deputy Chair	Mr Michael Crandon MP, Member for Coomera
Members	Miss Verity Barton MP, Member for Broadwater Mr Craig Crawford MP, Member for Barron River Mr Duncan Pegg MP, Member for Stretton Mr Pat Weir MP, Member for Condamine
Staff	Ms Deborah Jeffrey, Research Director Dr Maggie Lilith, Principal Research Officer (to 21 September 2015) Ms Megan Johns, Principal Research Officer (from 22 September 2015) Ms Louise Johnson, Executive Assistant (to 1 October 2015) Ms Julie Fidler, Executive Assistant Ms Cordelia Andrews, Executive Assistant (from 8 October 2015)
Technical Scrutiny Secretariat	Ms Renée Easten, Research Director Mr Michael Gorringer, Principal Research Officer Ms Kellie Moule, Principal Research Officer Ms Tamara Vitale, Executive Assistant
Contact details	Finance and Administration Committee Parliament House George Street Brisbane Qld 4000
Telephone	+61 7 3553 6637
Fax	+61 7 3553 6699
Email	fac@parliament.qld.gov.au
Web	www.parliament.qld.gov.au/fac

Acknowledgements

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

Contents	
Abbreviations	v
Glossary	v
Chair’s Foreword	vi
Recommendations	vii
1 Introduction	1
1.1 Role of the Committee	1
1.2 Referral	1
1.3 Committee Process	2
1.4 Submissions	2
1.5 Public departmental briefing	2
1.6 Policy objectives	2
1.8 Outcome of Committee deliberations	2
2 Examination of the <i>Appropriation Bill (No.2) 2015</i>	2
2.1 Reasons for the Bill	2
2.2 Stakeholder consultation	3
2.3 Estimated cost for government implementation	3
2.4 Consistency with legislation of other jurisdictions	3
2.6 Alternative ways of achieving policy objectives	3
2.7 Analysis of Consolidated Fund Financial Report 2014-15	3
3 Examination of the <i>Appropriation (Parliament) Bill (No.2) 2015 – Supplementary appropriation for 2014-15 (Clause 2 and Schedule 1)</i>	4
3.1 Clause 3 – Supplementary appropriation for 2014-15 based on unforeseen expenditure included in the consolidated fund financial report	4
3.2 Committee comments	5
4 Compliance with <i>Legislative Standards Act 1992 – Fundamental Legislative Principles</i>	5
5.1 Issues identified	6
5.2 Explanatory Notes	6
Appendices	7
Appendix A – Officers appearing on behalf of the department at public departmental briefing – Monday 12 October 2015	8

Abbreviations

CFFR	Consolidated Fund Financial Report 2013-14
DEWS	Department of Energy and Water Supply
DSITIA	Department of Science, Information Technology, Innovation and the Arts
FA Act	<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
QTC	Queensland Treasury Corporation

Glossary

Acts	All Acts referred to in this report refer to Queensland Acts unless otherwise specified.
the Act	<i>Financial Accountability Act 2009</i>
the Bill	<i>Appropriation (Parliament) Bill (No.2) 2015</i>
the department	Queensland Treasury

Chair's Foreword

This report presents a summary of the Committee's examination of the *Appropriation (Parliament) Bill (No.2) 2015*.

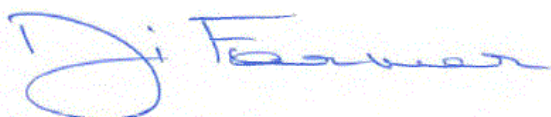
The Committee's task was to consider the policy outcomes to be achieved by the legislation, as well as the application of fundamental legislative principles – that is, whether it has sufficient regard to the rights and liberties of individuals and to the institution of Parliament.

The public examination process allows the Parliament to hear views from the public and stakeholders, which should make for better policy and legislation in Queensland.

The Bill provides for supplementary appropriation for unforeseen expenditure that occurred in the 2014-15 financial year. The supplementary appropriation sought is based on the Consolidated Fund Financial Report 2014-15.

On behalf of the Committee, I would like to thank the departmental officers 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 both their active involvement and their determination to critically address the issues examined in the Bill.



Di Farmer MP
Chair

October 2015

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) 2015* 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 27 March 2015.¹ The Committee's primary areas of responsibility are:

- Premier, Cabinet and the Arts; and
- Treasury, Employment, Industrial Relations, Aboriginal and Torres Strait Islander Partnerships.

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, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships introduced the *Appropriation (Parliament) Bill (No.2) 2015* (the Bill) to the Legislative Assembly on 16 September 2015. The Bill was referred to the Committee. The Legislative Assembly agreed to a motion requiring the Committee to report to the Legislative Assembly by Tuesday 20 October 2015.

¹ *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 sought additional written advice from the department.

The Committee considered expert advice on the Bill's 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) 2015*. Refer report no. 12 for further details regarding that Bill.

1.4 Submissions

The Committee advertised its inquiry into the Bill on its webpage on 18 September 2015. The Committee also wrote to stakeholder groups inviting written submissions on the Bill.

The closing date for submissions was Tuesday 6 October 2015. The Committee did not receive any written submissions.

1.5 Public departmental briefing

The Committee held a public departmental briefing on the Bill with officers from Queensland Treasury on Monday 12 October 2015. A list of officers who gave evidence at the public departmental briefing is contained in Appendix A. The transcript of the briefing has been published on the Committee's website and is available from the committee secretariat. The Committee also sought additional written information from the department subsequent to the briefing.

1.6 Policy objectives

The objective of the Bill is to provide for supplementary appropriation for unforeseen expenditure that occurred in the 2014-15 financial year. The supplementary appropriation sought is based on the Consolidated Fund Financial Report 2014-15 (CFFR).

1.8 Outcome of Committee deliberations

Standing Order 132(1)(a), requires that the Committee examine the Bill and determine whether to recommend that the Bill be passed.

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

Recommendation 1

The Committee recommends that the *Appropriation (Parliament) Bill (No.2) 2015* be passed.

2 Examination of the *Appropriation Bill (No.2) 2015*

2.1 Reasons for the Bill

The Bill provides for supplementary appropriation of \$2,934,000 for unforeseen expenditure that occurred in the 2014-15 financial year to be authorised. The CFFR outlines, by department, total appropriation from the Consolidated Fund for the financial year and includes any unforeseen expenditure and provides explanations on a department-by-department basis for variations from the approved annual appropriation amount.²

² Queensland Legislative Assembly, Hon CW Pitt MP, Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships, *Parliamentary Debates (Hansard)*, 16 September 2015: 1873

Payments from the Consolidated Fund, including unforeseen expenditure, must be formally authorised under an Act of Parliament in accordance with section 66 of the *Constitution of Queensland 2001*. The explanatory notes state that timely consideration of unforeseen expenditure enhances transparency and accountability of government expenditure; and that supplementary appropriation is 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 next year at Budget time.³

The Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships stated, when introducing the Bill:

*The Appropriation (Parliament) Bill (No. 2) 2015 seeks parliamentary approval of supplementary appropriation for unforeseen expenditure incurred by the Legislative Assembly and the Parliamentary Service in the 2014-15 financial year of \$2.934 million. The unforeseen expenditure incurred by the Legislative Assembly and the Parliamentary Service was primarily in relation to one-off expenses for the 2015 state general election, the fire protection system at Parliament House and upgrades to the finance system.*⁴

2.2 Stakeholder consultation

The explanatory notes state consultation has been undertaken with the Legislative Assembly and parliamentary service in establishing the appropriation payable to them pursuant to the Bill.⁵

2.3 Estimated cost for government implementation

The explanatory notes detail that there are no additional administrative costs in implementing the Bill as it seeks Parliamentary approval for expenditure incurred in the 2014-15 financial year.⁶

2.4 Consistency with legislation of other jurisdictions

The explanatory notes state:

- The Bill, in relation to the supplementary appropriation, is specific to the State of Queensland, and is not complementary to legislation of the Commonwealth or another state.⁷

2.6 Alternative ways of achieving policy objectives

The policy objectives can only be achieved by legislation.⁸

2.7 Analysis of Consolidated Fund Financial Report 2014-15

Refer to separate report on Appropriation Bill (No.2) 2015 for further detail on the CFFR.

³ Explanatory Notes, *Appropriation Bill (No.2) 2015*: 1

⁴ Queensland Legislative Assembly, Hon CW Pitt MP, Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships, *Parliamentary Debates (Hansard)*, 16 September 2015: 1872

⁵ Explanatory Notes, *Appropriation (Parliament) Bill (No.2) 2015*: 2

⁶ Explanatory Notes, *Appropriation (Parliament) Bill (No.2) 2015*: 2

⁷ Explanatory Notes, *Appropriation Bill (Parliament) (No.2) 2015*: 2

⁸ Explanatory Notes, *Appropriation Bill (Parliament) (No.2) 2015*: 1

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

	Year ended 30 June 2015	Year ended 30 June 2014	Appropriation Acts 2014	Transfers s79	Appropriation adjusted for s79 transfers	Treasurers Transfers s33	Lapsed Appropriation s29	Unforeseen expenditure s35	2015 Actual	2014 Actual
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Legislative Assembly & Parliamentary Service										
Controlled Items										
Departmental Services	86,741	83,630	84,089	0	84,089	0	0	2,652	86,741	83,630
Equity Adjustments	(1,757)	(2,595)	(2,039)	0	(2,039)	0	0	282	(1,757)	(2,595)
Administered Items	0	0	0	0	0	0	0	0	0	0
Total for Department	84,984	81,035								
Vote			82,050	0	82,050	0	0	2,934	84,984	81,035

Table 1: Appropriations provided and statement of appropriations for Legislative Assembly and Parliamentary Service for year ended 30 June 2015

Source: Queensland Treasury, *Consolidated Fund Financial Report 2014-15*, September 2015: 9

The notes contained in the CFFR detail:

Additional departmental services primarily relate to one-off expenses related to the 2015 State general election including transition allowances for departing Members and electorate officer severance payments. These expenses were partially offset by savings from the reduction in the number of Ministers and Assistant Ministers.

Additional equity adjustments primarily relate to timing adjustments to match expenditure patterns for the design of the fire protection system at Parliament House and upgrades to the financial system, partly offset by a timing adjustment to 2015-16 for expenditure relating to the upgrade of data cabling in the parliamentary precinct.⁹

The department advised:

This primarily relates to one-off expenses as a result of the 2015 state general election, including transitional allowances for departing members and electorate officer severance payments. These expenses were partly offset by savings from the reduction in the number of ministers and assistant ministers.

There was also additional expenditure related to timing adjustments to match expenditure patterns for the design of the fire protection system at Parliament House and upgrades to the financial system partly offset by a timing adjustment for expenditure relating to an upgrade of data cabling in the parliamentary precinct.¹⁰

3 Examination of the Appropriation (Parliament) Bill (No.2) 2015 – Supplementary appropriation for 2014-15 (Clause 2 and Schedule 1)

3.1 Clause 3 – Supplementary appropriation for 2014-15 based on unforeseen expenditure included in the consolidated fund financial report

Clause 3 authorises the Treasurer to pay \$2,934,000 from the consolidated fund for the Legislative Assembly and Parliamentary Service as stated in schedule 1 of the Bill for the financial year starting 1 July 2014.

Schedule 1 is consistent with details contained in the CFFR as discussed and itemised in Table 1 above.

⁹ Queensland Treasury, *Consolidated Fund Financial Report 2014-15*, September 2015: 15

¹⁰ Mr Molloy, Queensland Treasury, Public Departmental Briefing Transcript 12 October 2015: 2

The following table summarises the unforeseen expenditure

Legislative Assembly and Parliamentary Service	Departmental Services	Equity Adjustments	Administered items	Total
	\$'000	\$'000	\$'000	\$'000
2014-15	2,652	282	0	2,934
2013-14	3,800	1,814	0	5,614
2012-13	0	0	0	0
2011-12	2,479	771	0	3,250
2010-11	530	0	0	530
2009-10	2,090	1,420	0	3,510

Table 2: Unforeseen expenditure for the Legislative Assembly and Parliamentary Service for financial years ended 2009-10 to 2014-15

Source: Queensland Treasury, *Consolidated Fund Financial Reports 2009-10; 2010-11; 2011-12; 2012-13; 2013-14 and 2014-15*.

Reasons cited for previous unforeseen expenditure included:

- Implementation of electorate office security review, relocation of electorate offices following redistribution and funding for the Parliamentary Committee System Review Committee (2009-10);
- Increases in Members' salaries and allowances pursuant to Members' Entitlements Handbook (2010-11, 2011-12 and 2013-14), including following determinations by the Queensland Independent Remuneration Tribunal; and
- Implementation of new parliamentary committee system and repairs to Parliamentary Annexe (2011-12).

3.2 Committee comments

The Committee acknowledges the reasons for the unforeseen expenditure incurred by the Legislative Assembly and Parliamentary Service.

4 Compliance with *Legislative Standards Act 1992* – Fundamental Legislative Principles

Section 4 of the *Legislative Standards Act 1992* states that fundamental legislative principles (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 state:

The Bill is consistent with fundamental legislative principles.¹¹

¹¹ Explanatory Notes, *Appropriation Bill (No.2) 2015*: 2

5.1 Issues identified

It is considered that this Bill raises no FLP issues.

5.2 Explanatory Notes

Part 4 of the *Legislative Standards Act 1992* 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 contain the information required by Part 4 and a reasonable level of background information and commentary to facilitate understanding of the Bill's aims.

Appendices

**Appendix A – Officers appearing on behalf of the department at public departmental briefing –
Monday 12 October 2015**

Witnesses
Mr Dennis Molloy, A/Deputy Under Treasurer
Mr Glenn Miller, A/Assistant Under Treasurer