

APPROPRIATION BILL 1992

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

The following Bills are cognate with this Bill:

Business Franchise Licences Petroleum products) Amendment Bill 1992;

Motor Vehicles Taxation (Amendment) Bill 1992;

Road Improvement (Special Funding) Amendment Bill 1992.

The object of this Bill is to appropriate various sums of money required for the ordinary annual services of the Government (in the Bill referred to as recurrent services) and capital works and services of the Government during the current financial year and also to appropriate certain expenditures of an unforeseen nature which were made during the financial year 1991–92 without Parliamentary appropriation.

The Bill relates to appropriations from the Consolidated Fund—the principal account of the Government for Budget Sector transactions. The Consolidated Fund could be considered as the “public purse” and largely comprises receipts from, and payments out of taxes, fines some regulatory fees, Commonwealth grants and income from Crown assets.

In addition to allocations from the Consolidated Fund, most Budget Sector agencies would have other sources of moneys available to them. These moneys could arise from user charges, part retention of asset sale proceeds, industry contributions, etc. These are not appropriated by Parliament as they are not in the nature of taxes or other mandatory levies for which a service is not provided in return for payment.

The Budget Papers refer to a number of aggregates, each of which has its own purpose in explaining the financial operations of the Budget Sector. The main Budget Sector aggregates are:

Total Payments:	Total cash outflows from all sources of funds (with adjustments to minimise double-counting where one agency partly funds another’s operations). Useful in measuring the total cash resources applied directly to a function of government (e.g. health, education).
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Appropriation 1992 [Act 1992 No. 72]

Outlays:	Total payments less: <ul style="list-style-type: none"> • user charges (in the case of current outlays); and • asset sales and receipt of advances repaid (in the case of capital outlays). Measures the net cost (on a cash basis) of a service to be met by parties other than by the service recipients.
Consolidated Fund Appropriation:	Outlays less the use of other funds available to agencies (e.g. donations, cash balances). Represents the amount to be met from the “public purse”.

Once all Budget Sector agencies have adopted accrual accounting, equivalent aggregates will also be available to measure the full cost (as opposed to only the cash cost) of the Budget Sector as a whole, not just individual agencies and services.

The relationship between the main Budget Sector aggregates for 1992–93 (in comparison with 1991–92) are:

	1991–92		1992–93	
	Capital \$m	Current \$m	Capital \$m	Current \$m
Total Payments (including Treasurer’s Advance)	3,455	16,759	4,008	16,993
<i>plus</i> Advances made	98	...	101	...
<i>less</i> Agency User Charges	...	976	...	997
<i>less</i> Asset Sale Proceeds Retained by Agencies	98	...	72	...
<i>less</i> Advances Repaid to Agencies	60	...	104	...
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<i>equals</i> Outlays	3,395	15,783	3,933	15,996
<i>less</i> Other Agency Receipts	12	265	12	268
<i>less</i> Agencies’ Use of Cash and Investments (net)	(36)	37	40	27
<i>less</i> Advances Received	189	...	50	...
<i>plus</i> Advances Repaid by Agencies	1,009	...	1,119	...
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<i>equals</i> Consolidated Fund Appropriation	4,239	15,481	4,950	15,701
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