

APPROPRIATION (CONSOLIDATED FUND) BILL  
(NO.4) 1997  
EXPLANATION OF CLAUSES



CLAUSE 1 : Short Title

This Act may be cited as the Appropriation (Consolidated Fund) Act (No.4) 1997.

The purpose of this Bill is to seek supply and appropriation for Consolidated Fund recurrent expenditures for the period 5 August 1997 to 30 June 1998 to provide funding for activities associated with the State's response to the High Court decision in the Ha and Hammond case which invalidated State business franchise fees on tobacco and also led to the cessation of collection of franchise fees on fuel and liquor.

CLAUSE 2 : Commencement

This Act comes into operation on the day on which it receives Royal Assent.

CLAUSE 3 : Issue and Application of Moneys

This clause seeks supply for recurrent expenditures financed from the Consolidated Fund.

- (1) Supply of \$355,966,000 (three hundred and fifty five million, nine hundred and sixty six thousand dollars) is sought for recurrent purposes for the period 5 August 1997 to 30 June 1998 and is equal to the appropriation sought by Clause 4 of this Bill.
- (2) Supply of \$355,966,000 (three hundred and fifty five million, nine hundred and sixty six thousand dollars) sought by Clause 3(1) is additional to supply of \$5,520,916,000 (five billion, five hundred and twenty million, nine hundred and sixteen thousand dollars) granted by Appropriation (Consolidated Fund) Act (No.1) 1997 and \$411,400,000 (four hundred and eleven million, four hundred thousand dollars) granted by Appropriation (Consolidated Fund) Act (No.2) 1997.

CLAUSE 4 : This clause seeks Consolidated Fund recurrent expenditure appropriation of \$355,966,000 (three hundred and fifty five million, nine hundred and sixty six thousand dollars) for the period 5 August 1997 to 30 June 1998, for the purposes and services set out in Schedule 1 of this Bill.

The sum of \$355,966,000 (three hundred and fifty five million, nine hundred and sixty six thousand dollars) is comprised as follows:

- Item 1 – Treasury–Subsidies to Fuel Companies on Diesel Fuel (\$106,000,000)

This Item will provide for subsidies to fuel companies with respect to the off-road use of diesel fuel, and the differential rate of 0.65 cents per litre for on-road diesel fuel. In accordance with the Crown Solicitor's advice, all payments made under this Item will be covered by a formal agreement between the fuel companies and the State. The appropriation is an interim arrangement (provides for 6 months expenditure) pending the submission of legislative amendments to the Transport Co-ordination Act which will incorporate a standing appropriation to fund the subsidies to the extent necessary.

- Item 2 – Treasury – Subsidies to Liquor Merchants and/or Producers on Cellar Door Wine Sales and Low Alcohol Liquor Sales (\$6,000,000).

This Item provides for subsidies for an interim period (6 months) pending amendments to the relevant legislation which will also provide for a standing appropriation to the extent necessary. In accordance with the Crown Solicitor's advice, all payments made under this Item will be covered by a formal agreement between the State and the recipient.

The subsidy for low alcohol products (keeping the effective sales tax increase to the same level as the previous concessional licence fee) will apply primarily to low alcohol beer.

- Item 3 – Treasury – Refunds of Pre-paid Liquor Franchise Fees (\$13,000,000)

This Item will fund refunds of franchise fees in cases where former State franchise fees and the Commonwealth sales tax increase cover the same period.

- Item 4 – Main Roads (\$209,936,000)

This Item provides for the roads funding component of the Commonwealth safety net revenue to be on-passed to the Main Roads Department. After taking into account funds already paid to the Main Roads Trust Fund of \$21.064 million, this Item maintains the 1997–98 budgeted contribution of \$231.0 million.

- Item 5 – Transport (\$5,830,000)

This Item is required to on-pass the Department of Transport component of the safety net revenue. After taking into account funds already paid to the Department of \$2.27 million, this Item maintains the 1997–98 budgeted contribution of \$8.1 million.

- Item 6 – State Revenue–Safety Net Administration Costs (\$3,000,000)

This Item is required to meet the administrative costs of the diesel fuel subsidy scheme.

- Item 7 – Office of Racing, Gaming and Liquor – Safety Net Administration Costs (\$1,000,000)

This Item provides for the administration costs of the Commonwealth safety net arrangements.

- Item 8 – Health – Contribution to Health Promotion Foundation (\$11,200,000)

Under the previous arrangements a percentage of State tobacco franchise fees was permanently appropriated (up to a maximum of \$12.9 million per annum) to the Health Promotion Foundation. After taking into account funds already paid to the Foundation of \$1.7 million, this Item maintains the 1997–98 budgeted contribution at \$12.9 million.