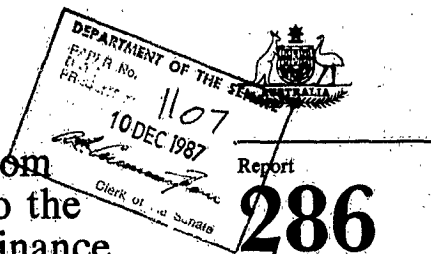


**Expenditure from  
the Advance to the  
Minister for Finance  
(Appropriation Acts  
1986-87)**



Joint Committee of  
Public Accounts



THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA  
JOINT COMMITTEE OF PUBLIC ACCOUNTS

**REPORT 286**

**EXPENDITURE FROM THE ADVANCE TO  
THE MINISTER FOR FINANCE  
(APPROPRIATION ACTS 1986-87)**

JOINT COMMITTEE OF PUBLIC ACCOUNTS

SIXTEENTH COMMITTEE

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THE HON G SCHOLES, MP

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## DUTIES OF THE COMMITTEE

Section 8.(1) of the Public Accounts Committee Act 1951 reads as follows:

Subject to sub-section (2), the duties of the Committee are:

- (a) to examine the accounts of the receipts and expenditure of the Commonwealth including the financial statements transmitted to the Auditor-General under sub-section (4) of section 50 of the Audit Act 1901;
- (aa) to examine the financial affairs of authorities of the Commonwealth to which this Act applies and of intergovernmental bodies to which this Act applies;
- (ab) to examine all reports of the Auditor-General (including reports of the results of efficiency audits) copies of which have been laid before the Houses of the Parliament;
- (b) to report to both House of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
- (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
- (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

## PREFACE

The Advance to the Minister for Finance (AMF) is a provision authorised by the annual Appropriation Acts and made available to the Minister for issue in accordance with the terms of the appropriations and Section 36A of the Audit Act 1901. In 1986-87 amounts of \$160 million and \$130 million were provided for this purpose in Appropriation Acts Nos. 1 and 2, respectively.

The only amounts which should remain a charge to the appropriations for the AMF at the end of the financial year are urgent and unforeseen expenditures which arise between the time of preparation of the additional Appropriation Bills and the close of the financial year. The Minister for Finance is required under the terms of the appropriations to submit a statement of this expenditure to the Parliament after the end of the financial year. This statement is referred to the Joint Committee of Public Accounts for examination.

In its examination of expenditure from the AMF the Committee seeks to ascertain whether or not expenditure from the AMF has been confined to urgent and unforeseen requirements for which provision could not have been made in the original or Additional Estimates. The final day for the submission of Additional Estimates in 1986-87 was 17 March 1987. The Committee also seeks to ascertain whether or not the departments concerned have maintained efficient administration in the expenditure of funds under the items examined.

While the Committee is satisfied that in most cases expenditure from the AMF in 1986-87 was confined to urgent and unforeseen requirements, it continues to be concerned by the many instances of insufficient documentary information being provided by departments in support of their applications for funds from the AMF. The Committee has raised this shortcoming in previous reports. While the Committee recognises that the Department of Finance has attempted to ensure that departments comply with existing procedures to satisfy the Committee's requirements, it recommends that the Department of Finance should now adopt a more prescriptive approach to administering the AMF process.

R E Tickner, MP  
Chairman

M J Talberg  
Secretary  
Joint Committee of Public Accounts  
Parliament House  
CANBERRA  
19 November 1987

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CHAPTER 1

EXPENDITURE FROM THE AMF - 1986-87

- . Background to the AMF Facility
- . The Committee's Role
- . Examination of Expenditure - 1986-87
- . Conclusion

Background to the Advance to the Minister for Finance Facility

1.1 The Advance to the Minister for Finance (AMF) is a provision authorised by the annual Appropriation Acts and made available to the Minister for Finance for issue in accordance with the terms of the appropriations and Section 36A of the Audit Act 1901. In aggregate, expenditure from the AMF under Appropriation Acts (Nos. 1 and 2) 1986-87 totalled \$35 636 581 and \$43 866 172, respectively.

1.2 Guidelines for expenditure from the AMF permit use of the facility only if the Minister for Finance is satisfied that expenditure is urgently required and was unforeseen at the time of preparation of an Appropriation or Supply Bill, as appropriate, that is:

- . 'urgent' is taken to mean that circumstances exist under which funds are required immediately from the Advance, for example accounts are on hand or are expected but there are insufficient funds to meet them; and
- . 'unforeseen' refers to either amount or timing, for example arising from a price increase subsequent to the settlement of amounts to be included in an Appropriation Bill, or where the price increase is foreseen but the magnitude is unknown at the time of preparation of an Appropriation Bill.

1.3 The primary purpose of the AMF is to provide money which will be recovered during the financial year. Recoveries may be made from any source including the Additional Estimates later in the year. It is not unusual for departments to require additional funds in any year to meet unforeseen changes in circumstances prior to the Additional Estimates and in such cases the Department of Finance may meet the requirement from the appropriate Advance (that is either from Appropriation Act (No. 1) or from Appropriation Act (No. 2), or from the corresponding Supply Act) 'pending Additional Estimates'. The department concerned is then required to seek the amount involved in the Additional Estimates and when the additional Appropriation Acts are passed the amount is credited back to the AMF. The same principle of reimbursing the AMF applies to amounts provided to Departments 'pending the issue of Governor-General's Warrant'. In this way the Advances are used as sources of temporary finance.

1.4 The only amounts which should remain a charge to the appropriations for the Advance at the end of the financial year are urgent and unforeseen expenditures which arise between the time of preparation of the additional Appropriation Bills (usually Nos. 3 and 4) and the close of the financial year.

1.5 The following table shows use of the AMF for unforeseen expenditure not recovered through Additional Estimates and therefore remaining a charge to the AMF at the end of the financial year.

FINAL EXPENDITURE REMAINING AS A CHARGE TO THE AMF AT 30 JUNE

Year	Appropriation Act (No. 1) Appropriation Act (No. 2)	
	\$	\$
1975-76	56 700 475	12 376 749
1976-77	18 372 410	722 802
1977-78	21 477 733	28 612 004
1978-79	35 161 334	430 258
1979-80	26 249 449	7 516 461
1980-81	38 336 817	19 080 385
1981-82	41 705 404	6 624 278
1982-83	53 881 967 (a)	3 338 409
1983-84	141 785 221	118 952 494
1984-85	116 502 639	67 218 422
1985-86	39 079 276	101 131 265
1986-87	35 636 581	43 866 172

(a) Appropriation Acts (Nos. 1 and 3)

The Committee's Role

1.6 The expenditure of funds from the AMF is a departure from the more usual procedure of money being spent for specific purposes only after it has been appropriated by Parliament for those purposes, as implied by Section 83 of the Constitution. The availability of the AMF affords the Government the opportunity to expend funds on items of expenditure in excess of their specific appropriation (as provided, for example, in the main Appropriation Acts) or on items for which there has been no appropriation at all. It falls to the Public Accounts Committee, on behalf of the Parliament, to examine this expenditure ex post facto.

1.7 In its annual examination of expenditure from the AMF, the Committee seeks to ascertain whether or not expenditure from the AMF has been confined to urgent and unforeseen requirements for which provision could not have been made in the original or Additional Estimates. The Committee also seeks to ascertain whether or not the departments concerned have maintained efficient administration in the expenditure of funds under the items examined.

1.8 In 1982-83 new procedures governing the Advance to the Minister for Finance were introduced. Under these arrangements, all departmental applications for funds must be accompanied by adequate supporting detail. The Department of Finance provides the Committee with copies of all approved applications for funds from the AMF where they would remain a final charge to the AMF at the close of the financial year. To assist the timely examination of expenditure from the AMF, copies are forwarded progressively, as soon as possible after applications are approved. The Committee does not receive copies of unapproved applications.

1.9 The Government's reporting of expenditure from the AMF culminates with the Minister for Finance presenting a statement of heads of expenditure, and the amounts charged thereto, to Parliament early in the Budget period of sittings following the end of the relevant financial year. The statement in respect of the year ended 30 June 1987 was presented to Parliament on 24 September 1987.

Examination of Expenditure - 1986-87

1.10 In accordance with the procedures referred to above, the Department of Finance, between 15 June and 7 July 1987, progressively forwarded to the Committee Secretariat (at this time Parliament had been dissolved and the Committee was in abeyance pending the appointment of new members) copies of 96 successful applications for funds to remain as a final charge against the AMF. A list of the successful applications appears at Appendix 2 and a summary at Appendix 3.

1.11 Of the 96 applications, 28 were found not to have been accompanied by sufficient supporting information for the Committee's purposes. The Department of Finance was asked to coordinate the provision of additional information in respect of these applications and this was forwarded to the Secretariat on 31 August. The additional information appears at Appendix 6.

1.12 A significant number of applications, approximately a third, pertain to characteristically urgent and unforeseen cases: that is, on salaries and compensation and legal expenses. A relative handful of cases comprises the bulk of the funds issued from the AMF. For example, the 7 issues in excess of \$1 000 000 from the Advance provided in Appropriation Act (No. 1) 1986-87, total \$23 997 271 or 65% of the amount issued. The corresponding figures for Appropriation Act (No. 2) 1986-87 are 8 issues totalling \$40 566 780 or 92%. The largest single issue was \$17 000 000, being for a capital grant to South Australia for water treatment projects. A pair of issues under the same item in Division 932 (Primary Industry - Payments to or for the States and the Northern Territory), providing assistance to users of fertilisers, totalled \$14 600 000.

1.13 Usually the Committee selects a number of issues for particular scrutiny, sometimes leading to formal public inquiries. However this year the Committee has chosen to focus its attention at the general, rather than the specific: the administration of the AMF.

#### Conclusion

1.14 It is essential that adequate information accompany each application. Towards fulfilling its charter to maintain public accountability, the Committee attempts to conclude its examination of this special area of Government expenditure - where funds are spent without prior Parliamentary sanction - and to report to Parliament, as soon as possible. The need to coax sufficient information from Government departments prolongs the process and inconveniences all concerned.

1.15 The Committee has commented previously upon the lack of sufficient supporting information. For example, in Report 247, relating to expenditure from the AMF for 1984-85, the Committee remarked:

The procedures introduced in 1982-83 require Departments whose applications, if accepted, would remain a charge on the Advance at the end of the financial year, to provide sufficient supporting material to satisfy the Committee's requirements. Despite these clear instructions some Departments did not offer sufficient explanation with their

applications. The Committee would have expected the Department of Finance to have insisted upon sufficient documentary material for it to be satisfied that an urgent and unforeseeable requirement for funds from the Advance was warranted, prior to approval being finalised.

Apart from this aspect, to which the Committee drew attention in its examination of the Advance in 1982-83 and 1983-84 ...<sup>1</sup>

1.16 Noting that its previous exhortations on this matter have not had the desired results, the Committee feels it is now time that the Department of Finance insisted on tighter procedures in the approval process. The Committee recognises that the urgency of individual requirements for funds from the AMF may militate against the provision to the Department of Finance, in the first instance, of an application which exhaustively meets the information requirements. In some cases applications may need to be augmented by information provided orally or through several means, such as telex, electronic mail or facsimile.

1.17 However, bearing in mind that they are no less accountable for funds expended through the AMF process than through any other, it is the responsibility of all applicants to ensure ultimately that adequate supporting information is provided, even if this entails a document, consolidating all the information requested, being submitted to the Department of Finance after approval of funds. Copies of such documents would be forwarded to the Committee in accordance with current practice.

1.18 When the Committee sought additional information from departments in respect of the 28 applications referred to above, the use of a pro forma was recommended (see Attachment B of Appendix 4). The Committee concludes that:

a pro forma prescribed by the Department of Finance for all applications submitted to it would be the best means of ensuring in future that this requirement was met.

1. Joint Parliamentary Committee of Public Accounts, Report 247 - Expenditure from the Advance to the Minister for Finance (Appropriation Acts 1984-85), pp. 4-5.

1.19 At a more fundamental level, the Committee doubts whether the current procedure enables the most timely and effective means of ensuring accountability. Given the delays which now occur between the incidence of expenditure from the AMF and its examination by the Committee, the Committee feels that perhaps there is a case for introducing a procedure which enables more immediate Parliamentary scrutiny. Further, the Committee questions whether the results it has achieved in the past in its involvement with the AMF warrant the continued investment of its diminishing resources. The Committee intends to consider this matter in further detail.

## APPENDIX 1

Department of Finance  
Estimates Memorandum 1987/15





**DEPARTMENT OF FINANCE**

Newlands Street, Parkes, A.C.T. 2600  
Telephone: Canberra 63 2222  
Telex: 62639

Reference: 77/876  
Contact Officer: Julia van der Heide  
Telephone: 632263

Estimates Memorandum 1987/15  
To Departments

**APPLICATION FOR FUNDS FROM THE ADVANCE TO THE MINISTER FOR  
FINANCE (AMF) THAT WILL REMAIN AS A FINAL CHARGE**

In addition to the statutory requirement for the Minister for Finance to submit details of final charges against AMF to the Parliament, copies of all approved departmental applications for funds from AMF remaining as a final charge to AMF are furnished to the Joint Committee of Public Accounts (JCPA) in accordance with established practice. Accordingly, an unedited copy of all 'approved' applications will be forwarded by this Department to the JCPA; 'non-approved' applications will not.

2. To assist both this Department and the JCPA in assessing the need for recourse to the AMF as a final charge, departments should ensure that applications submitted to this Department contain or are supported by sufficient documentary evidence to satisfy the criteria that the expenditure is urgently required and was unforeseen. Finance Circular 1981/8 (re-issued as an Appendix to Estimates Memorandum 1986-23) outlines guidelines which are applied in assessing whether proposed expenditure meets these criteria. Estimates Explanatory Notes relating to the appropriation item concerned that were submitted to the Parliament in the Budget and/or Additional Estimates contexts are suggested as possible supporting documents; where a new expenditure item is concerned, similar background information must be provided.

*A. Lyndon*  
/s/ D.A. Shand  
First Assistant Secretary  
Financial Management and  
Accounting Policy Division  
1 May 1987



Reference: 77/876  
Contact Officer: H. Campbell  
Telephone: 633723

## DEPARTMENT OF FINANCE

Newlands Street, Parkes, A.C.T. 2600  
Telephone: Canberra-63 2222  
Telex: 62639

Estimates Memorandum 1986/23  
To Departments

### APPLICATIONS FOR FUNDS FROM THE ADVANCE TO THE MINISTER FOR FINANCE THAT WILL REMAIN AS A FINAL CHARGE

In accordance with agreed practice, copies of all departmental applications for funds from the Advance to the Minister for Finance (AMF) which will remain as a final charge to the AMF at 30 June are required to be furnished to the Joint Committee of Public Accounts (JCPA) as soon as possible after approval is granted to the use of such funds.

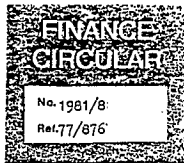
2. Accordingly, an unedited copy of all 'approved' applications will be forwarded by this Department to the JCPA; 'non-approved' applications will not.
3. To assist the JCPA in its assessment of the need for recourse to the AMF as a final charge, it will be necessary for departments to ensure that applications submitted to this Department contain or are supported by sufficient detail. Estimates Explanatory Notes relating to the appropriation item concerned that were submitted to the Parliament in the Budget and/or Additional Estimates contexts are suggested as possible supporting documents; where a new expenditure item is concerned, similar background information should be provided.
4. Recent JCPA Reports have drawn attention to a number of instances where departments' applications have failed to include sufficient documentary evidence that an 'urgent' and 'unforeseeable' requirement for funds from the Advance was warranted, resulting in the Committee needing to seek additional information from departments. In this regard departments' attention is drawn to Finance Circular 1981/8 which outlines criteria/guidelines which are to be applied in assessing whether a proposed expenditure meets the urgent and unforeseen criteria applying to the issue of funds from the AMF. A copy of that circular has been reissued as an Appendix to this memorandum.

2

5. All applications from departments for AMF must demonstrate that the requests comply with the 'urgent and unforeseen' criteria required by the AMF appropriations contained in the Appropriation Acts (Nos 1 and 2) 1985-86 and as advised in the attached copy of Finance Circular 1981/8. Applications which do not address the criteria will not be approved.

*J. Wallace*

D.K. Wallace  
A/g First Assistant Secretary  
Financial Management and  
Accounting Policy Division  
19 May 1986



DEPARTMENT OF FINANCE  
CANBERRA, A.C.T. 2600

CIRCULAR MEMORANDUM  
TO DEPARTMENTS

ADVANCES TO THE MINISTER FOR FINANCE  
CRITERIA GUIDELINES

The Minister for Finance, on 26 May 1981, announced the Government's response to the recommendations of the Senate Standing Committee on Finance and Government Operations concerning the use of the Advances to the Minister for Finance. Inter alia, the Government has decided that expenditure from the advance should be permitted only if the Minister for Finance is satisfied that the expenditure is urgently required and was unforeseen at a specified date; this criteria is now specifically included in the wording of appropriations for the Advances in the Appropriation and Supply Acts.

2. The purpose of this circular is to indicate the guidelines which are to be applied in assessing whether a proposed expenditure relating to:

- a new service for which no specific appropriation has been made in an Appropriation or Supply Act; or
- an existing service for which insufficient appropriation has been included in an Appropriation or Supply Act,

meets the "urgent and unforeseen" criteria. The test is to be applied in relation to the date specified in the wording of the appropriation for the Advance included in the Schedule to an Appropriation or Supply Bill as appropriate. The significance of that date is that it is the cut-off beyond which alterations could not be made to the Bills to include additional provisions for requirements not previously foreseen.

"Urgency"

3. "Urgency" in this sense means that circumstances exist under which funds are required immediately from the Advance. Typical of situations meeting the test of "urgency" include:


- (i) accounts are on hand or expected to be received but insufficient funds remain to meet them.
- (ii) insufficient funds are available to enable the payment of salaries/wages.
- (iii) where competent authority has approved that a payment be made, the presumption should be that the payment be made as soon as practicable unless the contrary intention applies.

"Unforeseen"

4. Expenditures may be unforeseen both as to amount and to timing and include instances —
  - (i) arising from an unforeseen price/cost increase subsequent to the settlement of amounts to be included in an Appropriation Bill,
  - (ii) where a price increase is foreseen but is unknown as to quantum at the time when amounts are settled for inclusion in an Appropriation Bill, or
  - (iii) where, due to clerical error, or inadvertance, no amount or an insufficient amount has been provided in an Appropriation Bill, for particular expenditure, and funds are required to pay accounts from creditors.
  - (iv) where, at the time of settlement of the amounts to be included in an Appropriation Bill, it is not known that expenditure on a specific service or grant will be required.
  - (v) where, at the time of settlement of the amounts to be included in an Appropriation Bill, it is known that a payment will be required to be made, but there is considerable doubt as to the timing of payment.
5. Departments should still prepare their estimates in accordance with the principles set out in Finance Directions.
6. In seeking funds from the Advances to the Minister for Finance for expenditures for which the existing appropriation is insufficient or where payment is required under a new head of expenditure, for which there is no existing appropriation, Departments should bear in mind that the above criteria will have to be met. It is, of course, necessary for the Minister or her delegate to satisfy themselves in this regard and therefore it is still essential that Departments in making applications for funds should give full details of the reasons for the additional requirement.
7. Funds will generally be issued to cover requirements up to the date that it is expected that the appropriations will become legally available. Where a requirement for expenditure arises after the cut-off for inclusion of amounts in the Appropriation Bills (Nos 3 and 4), sufficient funds will be issued from the Advance to meet expenditure for the balance of the financial year.
8. An exception to this general rule applies in the case of grants or subvention to various organisations, payments to the States or other payments outside the administrative and operational mainstream of departmental expenditures. Under the main Appropriation Acts (Nos 1 and 2) grants to organisations and payments to the States can be made monthly, quarterly or annually in advance or arrears depending on the nature of and conditions attaching to the particular grant or payment. In the context of providing funds from the Advances the normal practice would be to treat as urgent the need to issue

funds on the same basis as the original grant or payment.

9. The criteria applying to issues from the Advances to the Minister for Finance do not apply to issues from the Advances for funds required pending a Governor-General's Warrant or for advances to be recovered during the financial year.
10. The contents of this circular will be incorporated as guidelines in the Finance Directions.

  
M. H. Seville,  
First Assistant Secretary,  
Accounting and Supply Division  
27 May 1981

## APPENDIX 2

Chronological List  
of Approvals for Funds to remain as a Final  
Charge to the AMF 1986-87

ADVANCE TO THE MINISTER FOR FINANCE (AMF) 1986-87Approvals for funds to remain as a final charge to the AMF

## CHRONOLOGICAL LIST

No.	Department(1986-87)	Division	Amount Sought	Amount Approv	Approv Date
1	Veterans' Affairs	692-0-06	800 000	578 000	4 May
2	DOLGAS	921-7-00	352 000	352 000	6 May
3	Attorney-General's	175-1-00	325 000	325 000	7 May
4	Resources & Energy	520-3-10	25 000	25 000	19 May
5	Education	271-4-01	11 600	11 600	21 May
		278-1-00	96 800	96 800	21 May
		282-1-00	14 100	14 100	21 May
6	Community Services	220-3-01	143 000	143 000	25 May
7	Primary Industry	932-0-03	11 000 000	11 000 000	22 May
8	Aviation	193-3-08	526 000	526 000	27 May
9	DEIR	287-5-04	300 000	300 000	28 May
10	Foreign Affairs	315-3-07	34 200	34 200	28 May
11	Trade	642-2-00	155 000	155 000	29 May
12	Resources & Energy	521-4-02	12 000	12 000	29 May
13	Trade	640-3-03	35 583	35 583	2 Jun
14	Treasury	976-2-03	18 000	18 000	4 Jun
15	Treasury	976-2-02	15 000	15 000	14 Jun
16	Treasury	977-0-08	17 000 000	17 000 000	5 Jun
17	DITAC	380-3-10	700 000	700 000	5 Jun
18	Community Services	841-0-06	1 946 000	1 299 780	9 Jun
19	DIEA	360-3-15	31 582	31 582	9 Jun
20	DEIR	287-3-07	1 088 049	1 088 049	9 Jun
21	Education	271-1-00	522 000	522 000	9 Jun
22	Education	848-2-01	60 900	60 900	9 Jun
23	Community Services	220-7-07	350 000	350 000	9 Jun
24	Social Security	560-3-05	200 000	200 000	9 Jun
25	Science	542-3-02	4 000	4 000	10 Jun
26	Aviation	193-3-08	157 000	157 000	10 Jun
27	Science	945-1-07	750 000	750 000	10 Jun
28	DEIR	288-3-01	5 800	5 744	10 Jun
29	Aviation	193-3-09	310 000	310 000	10 Jun
30	Primary Industry	325-3-12	313 000	233 000	10 Jun
31	Primary Industry	932-0-01	2 000 000	800 000	12 Jun
32	Aboriginal Affairs	120-3-08	68 000	68 000	12 Jun
33	Community Services	841-0-06	819 023	819 026	12 Jun
34	Community Services	841-0-06	288 212	288 212	12 Jun
35	Community Services	841-0-06	215 666	215 666	12 Jun

No.	Department(1986-87)	Division	Amount Sought	Amount Approv	Approv Date
36	Veterans' Affairs	692-0-06	170 000	170 000	15 Jun
37	Arts, Heritage & Env	130-4-03	20 000	20 000	15 Jun
38	DOLGAS	921-1-06	4 600	4 600	16 Jun
39	DOLGAS	921-1-08	82 600	82 600	16 Jun
40	PM & C	516-3-01	10 000	10 000	16 Jun
41	Primary Industry	932-0-03	3 600 000	3 600 000	16 Jun
42	Defence	233-2-11	143 000	143 000	17 Jun
43	Defence	241-1-02	3 400 000	3 400 000	17 Jun
44	Housing & Construct	896-1-32	1 724 000	1 724 000	17 Jun
45	Defence	244-0-15	592 000	592 000	17 Jun
46	DEIR	861-0-01	1 000	1 000	18 Jun
47	Finance	304-3-02	627 940	627 940	18 Jun
48	Education	270-4-09	70 000	70 000	18 Jun
49	Community Services	220-3-01	16 800	16 800	19 Jun
50	Aviation	193-3-09	354 000	354 000	19 Jun
51	Community Services	220-1-00	400 000	400 000	19 Jun
52	Trade	640-2-00	242 317	242 317	22 Jun
53	PM & C	516-1-00	23 000	23 000	22 Jun
54	Community Services	220-3-01	12 000	12 000	22 Jun
55	Defence	232-0-00	1 148 000	1 148 000	23 Jun
56	Attorney-General's	175-3-02	85 000	85 000	23 Jun
57	Finance	304-3-08	2 206	2 300	23 Jun
58	Trade	966-0-04	2 400 000	2 400 000	23 Jun
59	Finance	307-1-00	440 000	440 000	23 Jun
60	Defence	246-0-00	2 500 000	2 500 000	23 Jun
61	Aviation	193-3-10	516	516	23 Jun
62	Defence	245-0-00	7 500 000	7 500 000	23 Jun
63	Treasury	676-3-02	5 000	5 000	24 Jun
64	Foreign Affairs	317-3-02	32	32	24 Jun
65	Foreign Affairs	315-3-07	3 270	3 270	24 Jun
66	Aboriginal Affairs	120-1-00	433 470	433 500	24 Jun
67	DOSPRAT	590-1-00	280 000	280 000	24 Jun
68	Arts, Heritage & Env	132-1-00	202 000	202 000	24 Jun
69	Arts, Heritage & Env	134-1-00	7 200	10 800	24 Jun
70	Arts, Heritage & Env	134-2-00	67 800	57 000	24 Jun
71	Health	325-1-00	618 000	667 000	24 Jun
72	Attorney-General's	175-1-00	20 000	20 000	24 Jun
73	DITAC	385-1-00	385 500	385 500	24 Jun
74	Resources & Energy	522-1-00	150 000	150 000	24 Jun
75	SMOS	577-3-02	284 000	181 000	24 Jun
76	DITAC	380-3-16	7 906 000	7 332 000	24 Jun
77	Treasury	977-0-06	14 693	14 693	25 Jun
78	Attorney-General's	165-1-00	632 000	632 000	25 Jun
79	Aboriginal Affairs	120-3-08	2 200	2 200	25 Jun
80	Defence	237-0-00	400 000	400 000	25 Jun
81	Social Security	560-1-00	134 000	134 000	25 Jun
82	Foreign Affairs	315-4-16	15 365	15 400	25 Jun
83	DITAC	380-3-10	1 046 000	346 000	26 Jun
84	DIEA	360-3-16	4 220	4 220	26 Jun
85	SMOS	580-3-02	250 000	250 000	26 Jun
86	DITAC	380-3-08	228 000	228 000	26 Jun

No.	Department(1986-87)	Division	Amount Sought	Amount Approv	Approv Date
87	Resources & Energy	943-1-02	1 007 000	1 007 000	26 Jun
88	Health	325-1-00	110 000	110 000	26 Jun
89	Communications	201-3-00	524 524	524 524	29 Jun
90	Community Services	840-0-01	2 536 000	2 536 000	29 Jun
91	Health	325-3-15	36 000	36 000	29 Jun
92	Trade	642-3-01	1 875	1 875	29 Jun
93	Arts, Heritage & Env	142-1-00	1 029 222	1 029 222	29 Jun
94	Trade	642-2-00	7 034	7 034	29 Jun
95	Aboriginal Affairs	120-1-00	350	310	30 Jun
96	Arts, Heritage & Env	142-1-00	34 656	34 656	30 Jun

DEIR Department of Employment and Industrial Relations  
DIEA Department of Immigration and Ethnic Affairs  
DITAC Department of Industry, Technology and Commerce  
DOSPRAT Department of Sport, Recreation and Tourism  
PM & C Prime Minister and Cabinet  
SMOS Special Minister of State

APPENDIX 3

Summary of Approvals  
for Funds to remain as a Final Charge to the  
AMF 1986-87

ADVANCE TO THE MINISTER FOR FINANCE (AMF) 1986-87Approvals for funds to remain as a final charge to the AMF

## SUMMARY

- NOTES: 1 The Committee sought fuller explanations for some applications; these are set out at Appendix 6.  
 2 Expenditure under the item "Compensation and legal expenses" is typically on a number of unforeseeable cases.

<u>ITEM/ DESCRIPTION</u>	<u>REASON</u>	<u>AMOUNT</u>	<u>OFFSETS</u>
<u>Department of Aboriginal Affairs</u>			
120-1-00	See Appendix 6	433 500	112 810
Salaries		310	40 000
		-----	25 070
		433 810	9 390
			-----
			187 270
			(from
			120-3-05,
			120-3-07,
			120-3-03
			and
			120-3-09)
120-3-08	See Appendix 6	68 000	
Compensation		2 200	
and legal		-----	
expenses		70 200	
Total		504 010	
<u>Department of Arts, Heritage and Environment</u>			
130-4-03	Financial assistance	20 000	20 000
Grants and	to Wilderness Society		
contributions -	and Australian Cons-		(from
Conservation	ervation Foundation		130-2-00)
organisations	for preparation of		
	joint case to Lemon-		
	thyme and Southern		
	Forests Commission		
	of Inquiry		



<u>ITEM/ DESCRIPTION</u>	<u>REASON</u>	<u>AMOUNT</u>	<u>OFFSETS</u>
132-1-00 Australian Archives - Salaries	See Appendix 6	202 000	202 000  (from 132-2-00)
134-1-00 134-2-00 <u>Lemonthyme and Southern Forests (Commission of Inquiry) Act (new items)</u>	Interim funding of Commission of Inquiry - enabling legislation not passed before AEs	10 800 57 000 ----- 67 800	
142-1-00 Australian Film Commission	See Appendix 6	1 029 222 34 656 ----- 1 063 878	
<b>Total</b>		<b>1 353 678</b>	
<u>Attorney-General's Department</u>			
165-1-00 Salaries	Additional furlough and separation pay- ments	632 000	250 000 200 000 80 000 102 000 ----- 632 000  (from 165-2-00, 181-1-00, 175-2-00 and 170-3-02)
175-1-00 Australian Legal Aid Office - Salaries	Merger of ALAO NSW with NSW Legal Aid Commission - . higher than anticipated payments in lieu of long service leave . uncertainty over merger date at AEs	325 000 20 000 ----- 345 000	556 000 20 000 ----- 776 000  (from 819-0-02 covering also 231 000 advanced pending AEs)

<u>ITEM/ DESCRIPTION</u>	<u>REASON</u>	<u>AMOUNT</u>	<u>OFFSETS</u>
175-3-02 Australian Legal Aid Office - Private legal practitioners	Higher than anticip- ated legal costs and receipt of accounts	85 000	85 000  (from 819-0-02)
<b>Total</b>		<b>1 062 000</b>	
<u>Department of Aviation</u>			
193-3-08 Compensation and legal expenses	Unforeseen legal expenses	526 000 157 000 ----- 683 000	526 000 157 000 ----- 683 000  (from 193-1-00 and 193-3-06)
193-3-09 Search and rescue	Search and rescue action for aircraft VH-MWS in Northern NSW	310 000 354 000 ----- 664 000	310 000 354 000 ----- 664 000  (from 193-1-00)
193-3-10 Payments pursuant to <u>Audit Act</u>	Act of grace payment	516	516  (from 193-1-00)
<b>Total</b>		<b>1 347 516</b>	
<u>Department of Communications</u>			
201-3-00 Payments for technical services	Additional funds for NBS operations and maintenance	524 524	
<b>Total</b>		<b>524 524</b>	
<u>Department of Community Services</u>			
220-1-00 Salaries	Retrenchments, separations and nurses' backpay	400 000	400 000  (from 220-8-01)

<u>ITEM/ DESCRIPTION</u>	<u>REASON</u>	<u>AMOUNT</u>	<u>OFFSETS</u>
220-3-01 Compensation and legal expenses	Unforeseen legal expenses	143 000 16 800 12 000 ----- 171 800	143 000 16 800 12 000 ----- 171 800  (from 841-0-01, 220-8-01 and 841-0-01)
220-7-07 Rehabilit- ation services under <u>Disabil- ity Services Act</u> (new item)	Payments following proclamation of Act in June	350 000	350 000  (from funds appropriated under <u>Social Security Act</u> )
840-0-01 States and Northern Terr- itory - Rehabilit- ation services	Payment for agree- ments reached with States after AEs	2 536 000	2 536 000  (from 220-8-01)
841-0-06 Rehabilit- ation Service	See Appendix 6	1 299 780 819 026 288 212 215 666 ----- 2 622 684	
<b>Total</b>		<b>6 080 484</b>	
<u>Department of Defence</u>			
232-0-00 Salaries	Various unforeseen increases	1 148 000	1 148 000  (from 240-0-00)
233-2-11 Contribution to US Navy Memorial Foundation (new item)	Ministerial decis- ion in June	143 000	143 000  (from 234-0-00)

<u>ITEM/ DESCRIPTION</u>	<u>REASON</u>	<u>AMOUNT</u>	<u>OFFSETS</u>
237-0-00 Buildings and works	Earlier than anti- cipated billing for completed works and required construct- ion arising after AEs	400 000	400 000  (from 250-0-00)
241-1-02 Defence Production - Other expenses	Redundancy pay- ments at ODP Establishments - negotiations - with unions not completed before AEs	3 400 000	3 400 000  (from 241-2-00)
244-0-15 Aerospace Technologies - Payment of interest-bearing advance	Further establish- ment costs	592 000	592 000  (from 241-2-00)
245-0-00 Buildings and works	See Appendix 6	7 500 000	2 600 000 1 100 000 1 500 000 1 000 000 1 300 000 ----- 7 500 000  (from 252-0-00, 247-0-00, 230-0-01, 230-0-02 and 230-0-03)
246-0-00 Repairs and maintenance	See Appendix 6	2 500 000	2 500 000  (from 230-0-01)
<b>Total</b>		<b>15 683 000</b>	
<u>Department of Education</u>			
270-4-09 Student ass- istance pro- grams - Living allowance for ESL at TAFE	See Appendix 6	70 000	70 000  (from 270-4-08)

<u>ITEM/ DESCRIPTION</u>	<u>REASON</u>	<u>AMOUNT</u>	<u>OFFSETS</u>
271-1-00 ACT - TAFE - Salaries	Various unant- icipated incr- eases	522 000	215 700 149 100 157 200 ----- 522 000  (from 271-2-00, 848-2-01 and funds from other sources)
271-4-01 Signadou College	See Appendix 6	11 600	
278-1-00 Canberra College of Advanced Education	See Appendix 6	96 800	
282-1-00 Australian Maritime College	See Appendix 6	14 100	
848-2-01 Plant and Equipment - TAFE - ACT	Equipment used in delivery of Austral- ian Traineeship System courses	60 900	210 000  (from States Grants (Tertiary Ed- ucation Ass- istance) Act also to cover use of 149 100 of unspent funds from 848-2-01)
<b>Total</b>		<b>775 400</b>	

Department of Employment and Industrial Relations

287-3-07 Payment to Coal Mining Industry Long Service Leave Fund of inter- est moneys (new item)	See Appendix 6	1 088 049	
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<u>ITEM/ DESCRIPTION</u>	<u>REASON</u>	<u>AMOUNT</u>	<u>OFFSETS</u>
287-5-04 Job creation and employ- ment assistance - mobility assis- tance	Unanticipated increase in rate of claims	300 000	300 000  (from 287-4-01)
288-3-01 Compensation and legal expenses	Unforeseen pension payments and lump sum compensation payment	5 744	
861-0-01 Payments to States and NT - CEP	Shortfall	1 000	1 000  (from 287-5-01)
<b>Total</b>		<b>1 394 793</b>	
<u>Department of Finance</u>			
304-3-02 SA and TAS - Pensions for former State railways' employees	Overrun in expend- iture in SA; insuff- icient provision based on information from SA Actuary Office	627 940	
304-3-08 Aborigines and Torres Strait Island- ers - War gratuities	Unanticipated increase in rate of claims	2 300	2 300  (from 233-2-06)
307-1-00 Australian Audit Office - Salaries	Temporary imbal- ances occurring during adjustment of staffing levels	440 000	440 000  (from 307-2-00)
<b>Total</b>		<b>1 070 240</b>	

<u>ITEM/ DESCRIPTION</u>	<u>REASON</u>	<u>AMOUNT</u>	<u>OFFSETS</u>
<u>Department of Foreign Affairs</u>			
315-3-07 Compensation and legal expenses	Unforeseen expenses	34 200 3 270 ----- 37 470	17 000 17 200 3 270 ----- 37 470
			(from 315-3-01, 315-3-05 and 315-3-01)
315-4-16 Grants and contribut- ions - Commonwealth Secretariat	Expenses incur- red by the Eminent Persons Group	15 400	15 400
			(from 315-3-01)
317-3-02 Australia-Japan Foundation - Compensation - and legal expenses	Backdated increase in compensation payment	32	32  (from 315-3-01)
<b>Total</b>		<b>52 902</b>	
<u>Department of Health</u>			
325-1-00 Salaries	See Appendix 6	667 000 110 000 ----- 777 000	500 000 500 000 600 000 59 000 ----- 1 659 000
			(from 325-3-03, 325-3-11, 882-0-01 and 325-3-11 also to cover re- lease of savings of 882 000 under 325-1-00)

<u>ITEM/ DESCRIPTION</u>	<u>REASON</u>	<u>AMOUNT</u>	<u>OFFSETS</u>
325-3-15 Compensation and legal expenses	Unforeseen expenses	36 000	
<b>Total</b>		<b>813 000</b>	
<u>Department of Housing and Construction</u>			
896-1-32 Buildings and works - Veterans' Affairs	Payment of contr- actors for compl- etion of works ahead of schedule at RGHs Concord and Greenslopes	1 724 000	
<b>Total</b>		<b>1 724 000</b>	
<u>Department of Immigration and Ethnic Affairs</u>			
360-3-15 Payments pursuant to <u>Audit Act</u>	Act of grace pay- ment following abolition of Aust- ralian Institute of Multicultural Affairs	31 582	
360-3-16 Compensation and legal expenses	Unforeseen expenses	4 220	
<b>Total</b>		<b>35 802</b>	
<u>Department of Industry, Technology and Commerce</u>			
380-3-08 Bounty under <u>Bounty Agric- ultural Trac- tors and Eq- uipment Act</u>	Claims exceeding industry project- ions	228 000	
380-3-10 Subsidy under <u>Subsidy (Grain Harv- esters and Equipment) Act</u>	Large number of claims held over from previous FY by industry	700 000 346 000 ----- 1 046 000	

<u>ITEM/ DESCRIPTION</u>	<u>REASON</u>	<u>AMOUNT</u>	<u>OFFSETS</u>
380-3-16 Subsidy under Fertilisers Subsidy Act	See Appendix 6	7 332 000	
385-1-00 Australian Customs Service - Salaries	Lower than ex- pected staff wastage	385 500	385 000 (from 385-2-00)
<b>Total</b>		<b>8 991 500</b>	
<u>Department of Local Government and Administrative Services</u>			
921-1-06 Acquisition of sites and buildings - DEIR	See Appendix 6	4 600	4 600 (from 400-4-01)
921-1-08 Acquisition of sites and buildings - Australian Customs Service	See Appendix 6	82 600	
921-7-00 Acquisition of sites and buildings - Second Sydney Airport	See Appendix 6	352 000	250 000 100 000 2 000 ----- 352 000 (from 193-3-06, 193-3-07 and 193-1-00 and reduction in forward obligation under 921-7-00 for discharge in 1987-88)
<b>Total</b>		<b>439 200</b>	

<u>ITEM/ DESCRIPTION</u>	<u>REASON</u>	<u>AMOUNT</u>	<u>OFFSETS</u>
<u>Department of Primary Industry</u>			
325-3-12 Authorities and medical practitioners - Payments for quarantine services	See Appendix 6	233 000	80 000 (from 495-2-00)
932-0-01 Payments to States and NT - Sugar industry assistance	Earlier than expected action by Queensland Government to rationalise mills - Commonwealth comm- itted to assist	800 000	
932-0-03 Payments to States and NT - Assistance to users of fertilisers	See Appendix 6	11 000 000 3 600 000 ----- 14 600 000	
<b>Total</b>		<b>15 633 000</b>	
<u>Department of Prime Minister and Cabinet</u>			
516-1-00 Public Service Board - Salaries	Additional lump sum separation payments	23 000	
516-3-01 Public Service Board - Compensation and legal expenses	Unforeseen expenses	10 000	
<b>Total</b>		<b>33 000</b>	
<u>Department of Resources and Energy</u>			
520-3-10 Compensation and legal expenses	Unforeseen expenses	25 000	

<u>ITEM/ DESCRIPTION</u>	<u>REASON</u>	<u>AMOUNT</u>	<u>OFFSETS</u>
521-4-02 Division of National Mapping - Compensation and legal expenses	Unforeseen expenses	12 000	12 000 (from 521-4-01)
522-1-00 Bureau of Mineral Resources, Geology and Geophysics - Salaries	Payments to former officers and employees on separation	150 000	130 000 (from: 520-3-14)
943-1-02 Payments to States and NT - Grant to Queensland for Burdekin Dam	Requirement for additional pay- ments to con- tractor	1 007 000	1 007 000 (from 943-1-01)
<b>Total</b>		<b>1 194 000</b>	
<u>Department of Science</u>			
542-3-02 Analytical Services - Compensation and legal expenses	Unforeseen expenses	4 000	4 000 (from 542-3-01)
945-1-07 Buildings, works, plant and equip- ment - Payment to NCDC for Australian Science and Technology Centre	Shortfall in meet- ing construction costs; contribution from Japan to be received later than anticipated	750 000	
<b>Total</b>		<b>754 000</b>	

<u>ITEM/ DESCRIPTION</u>	<u>REASON</u>	<u>AMOUNT</u>	<u>OFFSETS</u>
<u>Department of Social Security</u>			
560-1-00 Salaries	Additional commitments (advances, resignations, commencements and allowances)	134 000	
560-3-05 Compensation and legal expenses	Unforeseen expenses	200 000	
<b>Total</b>		<b>334 000</b>	
<u>Department of the Special Minister of State</u>			
577-3-02 Australian Federal Police - Central Finger- print Bureau	Commonwealth contribution greater than forecast by NSW Police	181 000	284 000 (from 577-2-00 covering also re- issue of 103 000 from 577-3-02)
580-3-02 Australian Electoral Comm- ission - Conduct of elections	Payments to election casual staff	250 000	
<b>Total</b>		<b>431 000</b>	
<u>Department of Sport, Recreation and Tourism</u>			
590-1-00 Salaries	See Appendix 6	280 000	130 000 80 000 12 000 30 000 ----- 252 000 (from 590-6-03, 590-5-02, 590-2-00 and 590-6-02)
<b>Total</b>		<b>280 000</b>	

<u>ITEM/ DESCRIPTION</u>	<u>REASON</u>	<u>AMOUNT</u>	<u>OFFSETS</u>
<u>Department of Trade</u>			
640-2-00 Administrative Services	Inclusion of over- seas living allow- ances and related cash advances in FBT liabilities	242 317	
640-3-03 Argyle Project - Commonwealth contribution	Earlier than anticipated receipt of account for costs of engaging Govern- ment Diamond Buyer	35 583	
642-2-00 Trade Repres- entatives - Administrative Expenses	Increased activity and decline in ex- change rate of Australian dollar	155 000 7 034 ----- 162 034	155 000 7 034 ----- 162 034
642-3-01 Trade Repres- entatives - Locally engaged staff - Pension scheme	Unforeseen expenses	1 875	(from 642-1-00)
966-0-04 Commonwealth assistance to Leighton/MTA Consortium (new item)	See Appendix 6	2 400 000	183 000 57 000 160 000 ----- 400 000
			(from 640-3-01, 642-1-00 and 966-0-01)
<b>Total</b>		<b>2 841 809</b>	
<u>Department of the Treasury</u>			
676-3-02 Australian Bureau of Statistics - Compensation and legal expenses	Unforeseen expenses	5 000	

<u>ITEM/ DESCRIPTION</u>	<u>REASON</u>	<u>AMOUNT</u>	<u>OFFSETS</u>
976-2-02 Capital Works and Services (new item)	Grant-in-aid to Australian Federat- ion of Consumer Organisations to participate in Price Watch activities	15 000	
976-2-03 Capital Works and Services (new item)	Grant-in-aid to Australian Pensioners Federation to participate in Price Watch activities	18 000	
977-0-06 Payments to States and NT - Payment of interest on NT Debt Sinking Fund	See Appendix 6	14 693	
977-0-08 Payments to States and NT - SA - Water quality impr- ovement (new item)	Government approval of urgent payment of capital grant	17 000 000	
<b>Total</b>		<b>17 052 693</b>	
<u>Department of Veterans' Affairs</u>			
692-0-06 Veterans' children education	Increases in claims for allowances	578 000 170 000 ----- 748 000	
<b>Total</b>		<b>748 000</b>	

APPENDIX 4

Public Accounts Committee Letter  
of 31 July 1987 to Department of Finance  
Request for Additional Information





COMMONWEALTH OF AUSTRALIA  
JOINT PARLIAMENTARY COMMITTEE OF PUBLIC ACCOUNTS

PARLIAMENT HOUSE  
CANBERRA, A.C.T.  
TEL. 727455  
TELEX AA61689  
FAX 727689

The Secretary  
Department of Finance  
Newlands Street  
PARKES ACT 2600

APPLICATIONS FOR FUNDS FROM THE AMF REMAINING AS A FINAL CHARGE -  
1986-87

The Sixteenth Joint Committee of Public Accounts will be appointed soon after the opening of Parliament in early September and the Committee Secretariat is preparing for the Committee's examination of expenditure from the Advance to the Minister for Finance for the financial year ended 30 June 1987.

In accordance with existing arrangements, your Department has provided copies of all applications for funds from the Advance to the Minister for Finance which will remain as a final charge to the AMF for 1986-87. It is requested that you provide the following additional information:

- . the date to which amendments to the additional estimates for 1986-87 could be made, and
- . any instances where expenditure recorded against a Head of Expenditure exceeded the total Warrant Authority available for that Head of Expenditure.

As in the past, a considerable number of the applications can be judged not to have met the requirements, both of your Department and of the Committee, in terms of the amount of supporting information provided. Your Department reminded all departments of these requirements in Estimates Circular 1987/15, dated 1 May 1987.

In the past, the Committee Secretariat has sought more detailed information from individual departments where required. However, in the light of the recent reorganisation of Executive functions there is some uncertainty about which departments should be approached in certain cases. Therefore it is requested that your Department coordinate the provision of detailed explanations by the relevant departments in respect of the applications set out at Attachment A. The pro forma at Attachment B sets out the form the explanations should take. They should be forwarded to the Committee Secretariat by no later than 31 August 1987.

Further, in respect of a number of applications it is not clear from the information provided why there is a discrepancy between the amount requested and the amount approved. A list of such applications appears at Attachment C and your comments are requested.

Your cooperation in the collection of this information would greatly assist preparation for the Committee's early examination of expenditure from the Advance to the Minister for Finance 1986-87.

The Secretariat contact officer is John Craig (72 6118).

M J Talberg  
Secretary  
31 July 1987

ATTACHMENT A

EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE 1986-87  
APPLICATIONS REQUIRING EXPLANATIONS FROM RELEVANT DEPARTMENTS TO JCPA

<u>Nos.</u>	<u>Item</u>	<u>Department (1986-87)</u>
2	921-7-00	Local Government and Administrative Services
5	271-4-01 278-1-00 282-1-00	Education Education Education
7, 41	932-0-03	Primary Industry
18, 33-5	841-0-06	Community Services
20	287-3-07	Employment and Industrial Relations
30	325-3-12	Primary Industry
32, 79	120-3-08	Aboriginal Affairs
38	921-1-06	Local Government and Administrative Services
39	921-1-08	Local Government and Administrative Services
48	270-4-09	Education
58	966-0-04	Trade
60	246-0-00	Defence/Local Government and Administrative Services
62	245-0-00	Defence/Local Government and Administrative Services
66, 95	120-1-00	Aboriginal Affairs
67	590-1-00	Sports, Recreation and Tourism
68	132-1-00	Arts, Heritage and Environment
71, 88	325-1-00	Health
76	380-3-16	Industry, Technology and Commerce
77	977-0-06	Treasury
93, 96	142-1-00	Arts, Heritage and Environment

ATTACHMENT B

EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE 1986-87  
EXAMPLE OF AN EXPLANATION

Department:<sup>1</sup>  
Division: (Insert title of Division)  
Sub-Division: (Insert title of Sub-Division)  
Item: (Insert title of Item)

Purpose of item:

This item provides for ....

Funds available:

Source	1984-85	1985-86	1986-87
	\$	\$	\$
Appropriation Act No. {1/2} <sup>2</sup>			
Appropriation Act No. {3/4} <sup>3</sup>			
Advance to the Minister for Finance <sup>3</sup>			
TOTAL FUNDS AVAILABLE			
TOTAL EXPENDITURE			
UNSPENT FUNDS <sup>4</sup>			

/2

Explanation of requirements from AMF:<sup>5</sup>

- 1 During financial year 1986-87.
- 2 Act No. to be amended as necessary.
- 3 This figure must be the value of Warrant Authority issued and remaining as a charge against the AMF. In need not necessarily be the amount expended.
- 4 The funds not expended from the AMF or from any other source must be shown as 'Unspent funds' as provided for above; where expenditure has occurred without Warrant Authority the amount concerned should be shown below the 'Unspent funds' line.
- 5 Should provide full details especially addressing the urgent and unforeseen criteria.

ATTACHMENT C

EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE 1986-87  
APPLICATIONS REQUIRING COMMENTS FROM DEPARTMENT OF FINANCE

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<u>Nos.</u>	<u>Item</u>	<u>Department (1986-87)</u>
1, 36	692-0-06	Veterans' Affairs
18	841-0-06	Community Services
31	932-0-01	Primary Industry
69	134-1-00	Arts, Heritage and Environment
70	134-2-00	Arts, Heritage and Environment
71, 88	325-1-00	Health
95	120-1-00	Aboriginal Affairs

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APPENDIX 5

Department of Finance Letter of 31 August 1987  
to  
Public Accounts Committee



Reference: 87/1370  
Contact Officer: S. Mayes  
Telephone: 632413

**DEPARTMENT OF FINANCE**

Newlands Street, Parkes, A.C.T. 2600  
Telephone: Canberra 632280  
Telex: 62639

The Secretary  
Joint Parliamentary Committee  
of Public Accounts  
Parliament House  
CANBERRA ACT 2600



ATTENTION Mr John Craig

APPLICATIONS FOR FUNDS FROM THE AMF REMAINING AS A FINAL CHARGE - 1986-87

I refer to your memorandum of 31 July 1987 requesting additional information concerning applications for funds from the Advance to the Minister for Finance which will remain as a final charge to the AMF for 1986-87.

The date to which amendments could be made to the additional estimates for 1986-87 was 17 March 1987. We are not aware of any instances where expenditure recorded against a Head of Expenditure exceeded the total Warrant Authority available for that Head of Expenditure at 30 June 1987.

Detailed explanations in respect of the applications set out in Attachment A to your memorandum are attached to this memorandum. The Department of Community Services and Health has not as yet responded to our request for more detailed information in respect of application numbers 18, 33-5, 71 and 88. Their response will be forwarded to you when it is to hand.

Our comments on the discrepancies between the amounts requested and approved for the applications listed at Attachment C to your memorandum are also attached.

*S. Shand*

*for*  
D.A. Shand  
First Assistant Secretary  
Financial Management and  
Accounting Policy Division  
31 August 1987

EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE 1986-87  
 APPLICATIONS REQUIRING COMMENTS FROM DEPARTMENT OF FINANCE

NOS	ITEM	DEPARTMENT (1986-87)	AMOUNT SOUGHT \$	AMOUNT ISSUED \$	COMMENT
1,36	692-0-06	Veterans' Affairs	800,000	748,000	Finance initially issued final charge AMF of \$578,000. This was in accordance with funds released as advised by Veterans' Affairs for pay to be included in the August 1987. Veterans' Affairs subsequently advised that due to funds on hand additional requirement was only \$170,000.
18	841-0-06	Community Services	1,946,000	1,299,780	Final charge AMF was issued to cover urgent payments on hand. Finance was not satisfied that all the bills relating to the fitout contracts were on hand. Accordingly, Community Services agreed to revise its request.
31	932-0-01	Primary Industry	2,000,000	800,000	Request was reduced to cover claims on hand only.
69	134-1-00	Arts, Heritage and Environment	67,800	{ 10,800	Amount approved by Finance equalled amount requested.
70	134-2-00	Arts, Heritage and Environment	{	{ 57,000	
71	325-1-00	Health	618,000	667,000	The initial AMF issue of \$667,000 was based on actual requirements for Pay 26 rather than the amount thought to be required at the time the original request was made. The subsequent request was met in full.
88	325-1-00	Health	110,000	110,000	
95	120-1-00	Aboriginal Affairs	350	310	The amount sought was rounded up to \$350 by Aboriginal Affairs. The Department's request stated that AMF required was \$310.

APPENDIX 6

Additional Information in respect of  
 Certain Approvals for Funds to remain as a  
 Final Charge to the AMF - 1986-87

Responding Departments - (post administrative reorganisation 1987)		Page
Application Nos., Items,		
<b>Aboriginal Affairs</b>		53
66, 95	120-1-00	54
32, 79	120-3-08	56
<b>Administrative Services</b>		59
2	921-7-00	60
38	921-0-06	62
69	921-1-08	64
38	132-1-00	66
<b>Arts, Sport, the Environment, Tourism and Territories</b>		69
67	590-1-00	70
93, 96	142-1-00	72
<b>Community Services and Health</b>		75
18, 33-5	841-0-06	76
71, 88	325-1-00	78
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60	246-0-00	82
62	245-0-00	84
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<b>Industrial Relations</b>		97
20	287-3-07	98
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77	977-0-06	114



# DEPARTMENT OF ABORIGINAL AFFAIRS

M.L.C. Tower Building, Phillip, A.C.T. 2606  
P.O. Box 17, Woden, A.C.T. 2606  
Telephone: 89 1222      Telex: 62471  
*In reply please quote:*

PP 86/8270

The Secretary  
Department of Finance  
Newlands Street  
PARKES ACT 2600

AMP FINAL CHARGE 1986-87 - JCPA EXAMINATION

I refer to Department of Finance memorandum 87/2025 of 12 August 1987 concerning the above matter.

2. Completed pro-formas containing the information requested are at Attachments A and B.
3. The contact officer on this matter is Mr George Cypros, Ph 893313.

*G. Cypros*  
(G. Cypros)  
for Secretary

26 August 1987

## ATTACHMENT A

## EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE 1986-87

Department: Aboriginal Affairs  
 Division: 120 - Administrative  
 Sub-Division: 1 - Salaries and payments in the nature of salary  
 Item: 00

Purpose of item:

This item provides for the payment of salaries and payments in the nature of salary to permanent and temporary officers employed by the Department.

Funds available:

Source	1986-87
	\$
Appropriation Act No. 1	20,827,000
Appropriation Act No. 3	236,000
Advance to the Minister for Finance	433,810
TOTAL FUNDS AVAILABLE	21,496,810
TOTAL EXPENDITURE	21,494,910
UNSPENT FUNDS	1,900

Explanation of Requirement from AMF:

Insufficient funds were available to meet the Department's final salaries payment.

2. Details of the main overruns in the salaries vote are as follows:

- a slight overrun on Average Staffing Level (ASL) of 1.83 staff years attributable to a higher than expected level of paid inoperatives;
- the average actual expenditure within each Salaries band slightly exceeded the estimated average salary (calculated by the Department of Finance) for those bands;
- a number of separation payments that fell due after the cut-off date (25 March 1987) beyond which alterations could be made to Appropriation Bill No. 3 to include the additional provision as follows:
  - two retirements;
  - one resignation;
  - one death;
- expenditure exceeding the estimate in the Central Training Program caused by miscoding which resulted in the Department erroneously charging to ASL approximately seven staff years to the Public Service Board while retaining the salary costs.

3. A summary of budget variances in accordance with the staff monitor report at Pay 26 is given hereunder:

ASL	- Overrun	-	\$179,400
SES Expenses of Office Allowance	- Overrun	-	\$ 6,200
Overtime	- Saving	-	\$ 35,800
Separation Payments	- Overrun	-	\$ 70,800
Leave Loadings	- Overrun	-	\$ 6,100
Central Training Program	- Overrun	-	\$191,700
Other	- Overrun	-	\$ 15,400

Total \$433,800

4. Underexpenditure of \$1,900 against AMF received is attributable to the recovery of a salary overpayment that occurred after Pay 26 cut-off.



ATTACHMENT B

EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE 1986-87

Department: Aboriginal Affairs  
Division: 120 - Administrative  
Sub-Division: 3 - Other Services  
Item: 08 - Compensation and Legal Expenses

Purpose of item:

This item provides for payments of workers' compensation to former officers of the Department and the payment of Departmental legal expenses.

Funds available:

<u>Source</u>	<u>1986-87</u>
	\$
Appropriation Act No. 1	297,000
Appropriation Act No. 3	139,000
Advance to the Minister for Finance	70,200
<b>TOTAL FUNDS AVAILABLE</b>	<b>506,200</b>
<b>TOTAL EXPENDITURE</b>	<b>506,136</b>
<b>UNSPENT FUNDS</b>	<b>64</b>

Explanation of Requirements from AMF:

Urgent accounts were on hand but insufficient funds remained to meet them.

2. Advice from the Australian Government Solicitor's Office relating to settlement of a number of legal cases was received after the cut-off date (25 March 1987) beyond which alterations could be made to Appropriation Bill No. 3 to include the additional provision.

3. Details are as follows:

<u>Account/Legal Case</u>	<u>Amount</u> \$	<u>Date Advice</u> <u>Received From</u> <u>Australian</u> <u>Government</u> <u>Solicitor</u>
Perkins, Geise and Commonwealth of Australia Ats. Namanarky	50,000	22 May 1987
Peko Wallsend Vs The Minister for Aboriginal Affairs	43,000	3 June 1987
Bruce Ats. Billy - Payment into Court	4,750	24 June 1987

4. At the time of preparing the estimates for inclusion in Appropriation Bill No. 3, in respect of the above legal cases, it was not known whether expenditure would be incurred or what the amount of the expenditure, if any, would be.



DEPARTMENT OF ADMINISTRATIVE SERVICES

P.O. Box 1920  
Canberra City 2601

Finance Branch

The Secretary  
Department of Finance  
PARKES A.C.T. 2600

Attention: Ms Judith Skelly

AMF FINAL CHARGES 1986-87 -JCPA EXAMINATION

I refer to your minute of 12 August 1987 seeking more detailed information with respect to applications for funds from the Advance to the Minister for Finance as a final charge in 1986-87.

Explanations with respect to those applications are attached. If you require further information please contact Mr Mike Riley on 716081.

[G. Hockett]  
for Secretary

21/8/87

**Expenditure from the Advance to the Minister for Finance 1986-87**

Department            Administrative Services  
 Division              Capital Works and Services  
 Sub-Division         Acquisition of Sites and Buildings  
                           Site for Second Sydney Airport

**Purpose of Item**

This item provides for the acquisition of sites and buildings at Badgerys Creek, NSW, for the site for the second Sydney airport.

**Funds Available**

Source	1984-85 \$	1985-86 \$	1986-87 \$
Appropriation Act No. 2	-	750,000	9,500,000
Appropriation Act No. 4	-	-	-
Advance to the Minister for Finance	-	-	352,000
<b>Total Funds Available</b>	-	<b>750,000</b>	<b>9,852,000</b>
<b>Total Expenditure</b>		<b>513,600</b>	<b>9,816,171</b>
<b>Unspent Funds</b>		<b>236,400</b>	<b>35,829</b>

**Explanation of Requirement from AMF**

\$9.5m was appropriated in 1986-87 for the purchase of sites of Badgerys Creek, NSW for the site for a second Sydney airport. The money was to be used specifically on the acquisition of properties where the Commonwealth had made an offer to purchase prior to 25 July 1987 and to acquire properties of owners who had, on or before 25 July 1987, committed themselves to purchase an alternative property away from Badgerys Creek in the expectation of acquisition by the Commonwealth of their Badgerys Creek property. The owners were classified as category A or B, respectively.

It became clear by January 1987 that \$9.5m was insufficient for settlement with all of the owners in the two categories. It was estimated that an additional \$750,000 would be required; efforts were initiated by the Department of Local Government and Administrative Services to obtain an additional \$750,000 in Additional Estimates. The question of provision of offsetting savings was addressed at Ministerial level, and it was not until 24 April 1987 that the Minister for Finance agreed to the provision of an additional \$750,000.

By this time, however, it had become clear that agreement on price with two of the owners in category A was unlikely. Because all of the owners in category B were suffering financial hardship, immediately that it became known that an additional \$750,000 was available, offers were made to the remaining category B owners.

On 1 May 1987 an approach was made to the Department of Finance for AMF of \$352,000, being the maximum amount the Department could be assured of spending on category B owners and the remaining category A owners yet to be settled. At that time it was not possible to defer payments to category A owners, nor would it have been reasonable to defer payments to category B owners until 1 July 1987. Finalisation of these acquisitions was consistent with the basis on which the Government agreed to the original provision of \$9.5m.

The unexpended funds of \$35,829 can be explained by the fact that in all acquisitions at Badgerys Creek, the Commonwealth has agreed to pay reasonable legal valuation and removal costs (where applicable) incurred by the owners. Payments are made after the owners have submitted claims and these claims have been certified as reasonable. All acquisitions were completed by 30 June 1987, however, not all claims had been submitted by owners in time to make payments in 1986-87.

**Expenditure from the Advance to the Minister for Finance 1986-87**

Department           Administrative Services  
 Division             Capital Works and Services  
 Sub-Division         Acquisition of Sites and Properties  
                       Departmental  
 Item                  Department of Employment and Industrial  
                       Relations

**Purpose of Item**

This item provides for the acquisition of sites and buildings for the Department of Employment and Industrial Relations.

**Funds Available**

Source	1984-85 \$	1985-86 \$	1986-87 \$
Appropriation Act No. 2	553,500	884,600	640,300
Appropriation Act No. 4	-	-	-
Advance from the Minister for Finance	-	-	4,600
<b>Total Funds Available</b>	<b>553,500</b>	<b>884,600</b>	<b>644,900</b>
<b>Total Expenditure</b>	<b>546,346</b>	<b>872,061</b>	<b>644,357</b>
<b>Unspent Funds</b>	<b>7,154</b>	<b>12,539</b>	<b>543</b>

The requirement for \$4,600 from the Advance to the Minister for Finance as a final charge in 1986-87 arose from the inclusion of a supplementary item on the DEIR Acquisition Program at Nhulunbuy, NT.

DEIR advised this Department on 14 April 1987 that funds of \$313,500 had been included in Division 400-4-01 (new lease and fitout) in 1986-87 to provide accommodation requirements arising from the implementation of the Miller Report. DEIR sought to transfer these funds to the Acquisition Program.

After investigation of the DEIR proposals, DOLGAS advised DEIR that only a house at Nhulunbuy, NT could be acquired in 1986-87 at an estimated cost of \$120,000; a house at Nhulunbuy was already known to be available for purchase. At the other locations proposed by DEIR it was judged that there was insufficient time to locate a house, negotiate agreement on purchase price and settle in 1986-87.

The Department of Finance approved the inclusion of the Nhulunbuy house on the Acquisition Program on 22 May 1987. Agreement was reached at \$118,000 and payment made early in June 1987. Had

DOLGAS not proceeded quickly to settle this acquisition, the house would have been lost to the Commonwealth. Very few houses become available for purchase in Nhulunbuy.

At the time of approval, DOLGAS had advised the Department of Finance that there may be a requirement for AMF as a final charge if a house at Cannonvale was completed to Commonwealth requirements in 1986-87. This house was completed and settlement required by the vendor. As \$100,000 was available from underexpenditure against another item (Innisfail, Qld one house) and savings of \$13,400 had been achieved against other items, an amount of \$4,600 was required from the Advance to the Minister for Finance as a final charge.

The \$4,600 was required to meet a Commonwealth contractual obligation and could not reasonably be deferred until 1987-88.

Obligation of \$120,000 and cash of \$4,600 was fully offset from Division 400-4-01.

Expenditure from the Advance to the Minister for Finance 1986-87

Department	Administrative Services
Division	Capital Works and Services
Sub-Division	Acquisition of Sites and Buildings
	Departmental
Item	Australian Customs Service

Purpose of Item

This item provides for the acquisition of sites and buildings for the Australian Customs Service.

Funds Available

Source	1984-85 \$	1985-86 \$	1986-87 \$
Appropriation Act No. 2	53,500	427,000	436,000
Appropriation Act No. 4	-	-	-
Advance to the Minister for Finance	-	-	82,600
Total Funds Available	53,500	427,000	518,600
Total Expenditure	25,000	410,287	516,569
Unspent Funds	28,500	16,713	2,031

The requirement for \$82,600 from the Advance to the Minister for Finance as a final charge in 1986-87 arose from the inclusion of a supplementary item on the ACS Civil Acquisition Program at Wallaroo, SA.

Arising from an approach by ACS, Department of Finance approved on 11 February 1987 the inclusion of a supplementary item at Wallaroo, SA, one house. Acquisition of the house at Wallaroo was completed shortly thereafter, using cash previously allocated to the purchase of a second house at Wodonga, Vic.

Although DOLGAS had identified a probable requirement for \$90,000 in Additional Estimates for the purchase of the Wallaroo house to the Department of Finance, at the time of submitting Additional Estimates it appeared unlikely that a suitable house at Wodonga would be located in time to permit completion in 1986-87. Shortly afterwards, however, a suitable house was located. Negotiations were completed resulting in agreement to purchase the house at \$91,000.

As savings of \$8,400 were available an amount of \$82,600 was required from the Advance to the Minister for Finance as a final charge.

The \$82,600 was required to meet a Commonwealth contractual obligation and could not reasonably be deferred until 1987-88.

Program and cash was fully offset from Division 921-1-12, Department of Social Security.

DEPARTMENT OF ARTS, HERITAGE AND ENVIRONMENT  
DIVISION: 132 - AUSTRALIAN ARCHIVES

SUB-DIVISION: 1 - Salaries and Payments in nature of Salary

PURPOSE OF SUB-DIVISION

This Sub-Division provides for the payment of salaries and allowances, including overtime, to staff of Australian Archives.

Funds available:

<u>Source</u>	<u>1984 - 85</u>	<u>1985 - 86</u>	<u>1986 - 87</u>
	\$	\$	\$
Appropriation Act No. 1	9,220,000	9,740,000	10,490,000
Appropriation Act No. 3	-	-	35,000
Advance to the Minister for Finance	-	-	202,000
<b>TOTAL FUNDS AVAILABLE</b>	<b>9,220,000</b>	<b>10,105,000</b>	<b>10,727,000</b>
<b>TOTAL EXPENDITURE</b>	<b>9,013,964</b>	<b>10,062,510</b>	<b>10,726,951</b>
<b>UNSPENT FUNDS</b>	<b>206,036</b>	<b>42,490</b>	<b>49</b>

Explanation of Requirement from AMF

The Australian Archives procedures for monitoring ASL usage and salary expenditure, which had been effective in the previous years, were not as it turned out effective during 1986/87. As a result the information on which additional estimates calculations were based led to an underassessment of the total salary requirements. By the time the error was uncovered it was too late to use the usual channels (Appropriation Bill No 3) to seek the required additional funds.

In addition, a further error occurred in the monitoring of ASL usage late in the financial year, resulting in the Archives exceeding its ASL allocation and as such exacerbating the salaries shortfall.

It was for the above reasons that an AMF was sought. Procedures have been revised in the light of the experience of 86/87 and the problems encountered are not likely to occur in the future. The Archives was able however to offset the total AMF that was sought through an underspend in its administrative votes.



Department of  
THE ARTS, SPORT, THE ENVIRONMENT, TOURISM and TERRITORIES

Office of the Secretary

File 86/179

Mr D A Shand  
First Assistant Secretary  
Financial Management and  
Accounting Policy Division  
Department of Finance  
Newlands Street  
PARKES ACT 2600

AMF FINAL CHARGES 1986/87 - JCPA EXAMINATION

Ref. A. DOF Minute 76/2025 of 12 August 1987

Attached as requested in the Reference are details of the AMF Final Charges for 1986/87 for the Departments of Sport, Recreation and Tourism and Arts, Heritage and Environment.

  
A S BLUNN

28 AUG 1987

EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE 1986-87

DEPARTMENT: SPORT, RECREATION AND TOURISM  
 DIVISION: 590 - ADMINISTRATIVE  
 SUB-DIVISION: 1 - Salaries and Payments in the Nature of Salary  
 PURPOSE OF ITEM: This item provides for the payment of salaries and allowances to officers and employees of the Department.

FUNDS AVAILABLE:

SOURCE	1984/85	1985/86	1986/87
Appropriation Act No 1	4,158,000	16,497,000	11,560,000
Appropriation Act No 3	-	465,000	42,000
Section 35A	11,876,183	-	-
Advance to the Minister for Finance	-	-	280,000
<b>TOTAL FUNDS AVAILABLE</b>	<b>16,034,183</b>	<b>16,962,000</b>	<b>11,882,000</b>
<b>TOTAL EXPENDITURE</b>	<b>15,751,069</b>	<b>16,914,998</b>	<b>11,871,242</b>
<b>UNSPENT FUNDS</b>	<b>283,114</b>	<b>47,002</b>	<b>10,758</b>

EXPLANATION OF REQUIREMENTS FROM AMF

AMF was sought for this Item to cover salary and allowance increases in respect of the Australian Journalists' Association (AJA) Work Value Case and a shortfall of funds caused by the achievement of higher average salaries than used in the preparation of the estimates.

The AJA award was handed down in June 1987 with effect from 5 February 1987 and amounted to \$108,000 for 1986/87. Offsets of \$80,000 were available from other Items within the portfolio.

An amount of \$172,000 was also requested from AMF when it became obvious in the latter half of 1986/87 that there were insufficient funds available to meet the salary costs within the approved ASL allocation. Investigations revealed that the average salaries usage was greater than that estimated at the time the budget was compiled. This additional requirement was fully offset from underspends in other appropriations.



EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE 1986-87

<u>Department:</u>	ARTS HERITAGE & ENVIRONMENT		
<u>Division:</u> 142	Australian Film Commission		
<u>Sub-Division:</u> 1	For expenditure under the Australian Film Commission Act 1975		
 <u>Purpose of item:</u>	 This item provides for activities of the Australian Film Commission		
	The Commission is established for the purpose of:		
	<p><b>General Activities</b> - Providing assistance to the making, promotion, distribution, exhibition and broadcasting of Australian programs and is concerned with the development of the Australian Film Industry, support of film culture in Australia and maintaining industry statistics; and</p> <p><b>Special Activities (Film Australia)</b> - Making, promoting and distributing programs dealing with matters of national interest and programs designed to illustrate or interpret aspects of Australia or of the life and activities of the Australian people. Film Australia also produces commissioned films, videos and audio visuals for Commonwealth Departments and Authorities.</p>		
 <u>Funds available:</u>			
 <u>Source</u>	 1984-85	 1985-86	 1986-87
	\$	\$	\$
Appropriation Act (No 1)	19 170 000	19 120 000	19 662 000
Appropriation Act (No 3)	-	504 000	-
Advance to the Minister for Finance	-	-	1 063 878
<b>TOTAL FUNDS AVAILABLE</b>	<b>19 170 000</b>	<b>19 624 000</b>	<b>20 725 878</b>
<b>TOTAL EXPENDITURE</b>	<b>19 170 000</b>	<b>19 624 000</b>	<b>20 725 878</b>
 <u>UNSPENT FUNDS</u>	 Nil	 Nil	 Nil

Explanation of requirements from AMF:

The Government decided in May 1987 that Film Australia would be restructured as a wholly Government owned company. A part of that decision was that staff levels were to be reduced by at least 27 through voluntary redundancies with conditions no more generous than those applicable to public service staff. In the event a reduction of 28 was achieved, reducing ASL for 1987/88 to 106.

The Australian Film Commission, with the assistance of the then Department of Arts, Heritage and Environment and the Public Service Board, consequently negotiated a redundancy package with the trade unions concerned. The negotiations were completed on 28 June and services of the redundant staff were terminated as of the close of business on 30 June 1987. The redundancy payments were made on the day of termination.

The total cost involved was \$1 090 876.43. Separate applications were made for funds from the Advance to the Minister for Finance to cover:

- (i) 27 terminations flowing from initial negotiations with the trade unions, at a cost of \$1 056 221.38; and
- (ii) one additional voluntary redundancy as a result of subsequent representations from the unions, at a cost of \$34 655.05.

\$27 000 of the total cost was met from cash on hand at the Commission. Approval was therefore sought for the issue of Warrant Authority for the balance of \$1 063 878 from the Advance to the Minister for Finance under Division 142-1 Australian Film Commission.

Eligibility for voluntary retrenchment was expressed to employees in the following terms:

"This voluntary retrenchment benefit scheme is available to all employees/officers in Film Australia, however, the AFC retains the right to reject or refuse any application but only to the extent to which such a rejection or refusal is necessary to ensure that the AFC's operation and administrative efficiency are not detrimentally affected by, for example, the retirement of all personnel in a particular area."

The \$1 090 876.43 total cost to the Commission is made up as follows:

- . Final Salary Moneys - \$14 737.84
- . Severance Payments - \$632 899.50
- two weeks' pay for each completed year of continuous service
  - .. minimum of four weeks' pay
  - .. maximum of forty eight weeks' pay
- in addition to payment for years of service, four weeks' pay in lieu of notice

- officers and employees aged 55 to 59 inclusive, to have the option of a sum equivalent to two months' pay for each year of service foregone before age 60, the benefit to be calculated pro rata
- officers and employees aged 64, to receive no more than they would have earned through working to age 65
- Long Service Leave - \$337 586.46
- where service is more than ten years, payment in lieu of untaken long service leave, payment on a pro rata basis where service is less than ten years
- Recreation Leave - \$105 652.63
- Payment of balance of untaken leave plus any leave bonus.

In addition to the above, superannuation payouts were made by the Australian Government Retirement Benefits Office in accordance with guidelines issued by that Office.



COMMONWEALTH OF AUSTRALIA



P.O. Box 646 Woden  
A.C.T. 2606  
Telephone: (062) 83 6111  
Telex: 61209

87/4699

The Secretary  
Department of Finance  
Newlands Street  
PARKES 2600

Attention: Ms J Skelly

AMF FINAL CHARGES 1986/87 - JCPA EXAMINATION

I refer to your 87/2025 of 12 August 1987 requesting details of applications for advances to the Minister for Finance remaining as a final charge in 1986/87.

The information, in the format required, is attached.

*R J Egan*

for R J EGAN  
First Assistant Secretary  
Corporate Services Division  
31 August 1987

## ATTACHMENT 1

## EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE 1986-87

Department: Community Services  
Division: 841  
Sub-Division: 06  
Item: Rehabilitation Service - for payment to the Rehabilitation Service Trust Account  
Purpose of Item: This item provides for working capital for the Rehabilitation Service Trust Account. The objective of the item is to consolidate the funding of regionalisation of existing Rehabilitation Units.

Funds available:

Source	1984-85	1985-86	1986-87
	\$	\$	\$
Appropriation Act No. 2	-	-	5,152,000
Advance to the Minister for Finance			2,622,684
<b>TOTAL FUNDS AVAILABLE</b>	-	-	<b>7,774,684</b>
<b>TOTAL EXPENDITURE</b>	-	-	<b>7,774,684</b>
<b>UNSPENT FUNDS</b>			-

Explanation of requirements from AMF:Item 841-0-06

AMF remaining as a final charge which was issued to this department in 1986/87 totalled \$2.622 million. The need for the funds was urgent as funds available were not sufficient to meet claims on hand.

The requirement for AMF was also unforeseen because contrary to this department's expectation, the revenue from sale of centres could not be paid into the trust account and drawn upon, and as a consequence working capital of \$5.152 had to be appropriated to the trust account. This level of working capital was insufficient to fund the degree of regionalisation expenditure that was actually incurred in 1986/87.

ATTACHMENT 2

Department: Health  
 Division: 325 Administrative  
 Sub-Division: 1 Salaries and Payments in the  
 nature of Salary.

Purpose of Sub-Division:

This Sub-Division provides for salaries and related payments, including overtime, in respect of the staff of the Central Office and State Regional Offices of the Department of Health and excludes officers employed in the Australian Institute of Health.

Funds available:

Source	1984-85	1985-86	1986-87
	\$	\$	\$
Appropriation Act No. 1	99,765,500	98,052,000	102,627,504
Appropriation Act No. 3	0	4,490,000	0
Advance to the Minister for Finance	0	2,045,000	777,000
<b>Total Funds Available</b>	<b>99,765,500</b>	<b>104,587,000</b>	<b>103,404,504</b>
<b>Total Expenditure</b>	<b>98,893,815</b>	<b>104,443,421</b>	<b>103,378,598</b>
<b>Unspent Funds.</b>	<b>871,685</b>	<b>143,579</b>	<b>25,906</b>

Explanation of requirement from AHF:

The additional funds of \$777,000 from AHF as a final charge was a net result of the following:

. Incorrect reduction in the Additional estimates	1,000,000
. Effect of transfers on classification profiles	400,000
. Other net variations	259,000
. Release of identified savings in Additional Estimates	(882,000)
	<u>777,000</u>

Reduction of allocation in Additional Estimates

In 1986/87 expenditure for paid inoperatives was counted 'above the line' rather than 'below the line' as in 1985/86. The salary estimate for 1986/87 was based upon actual expenditure in 1985/86, while the ASL allocation of 260, agreed to in negotiations with DOF, erroneously included unpaid inoperatives as well as paid inoperatives. In the Additional Estimates the ASL allocation was reduced to reflect actual usage (180), however, the salary allocation was adjusted by mistake. This represented a considerable shortfall in the salary allocation for paid inoperatives.

Effect of Transfers and Wastage on Classifications

Since 1984/85 the Department has shed functions each year resulting in a significant reduction to the ASL allocation. The reduction to staff numbers was to be achieved by natural attrition, however, this has not occurred as rapidly as anticipated.

These changes to the Department's responsibilities have also impacted upon the Department's staff profile. Consequently, the additional salary funds were required to fund these unforeseen expenses.

Other Net Variations

The Department has paid out lump sums to those staff being transferred to the States as well as those staff who have been given redundancy packages. This was partially offset by the Department being below its ASL for 1986/87.



DEPARTMENT OF DEFENCE

RUSSELL OFFICES  
CANBERRA, A.C.T. 2600

IN REPLY QUOTE.

RFP 86/38077

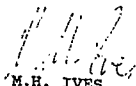
27 August 1987

First Assistant Secretary  
Financial Management and  
Accounting Policy Division  
Department of Finance  
CANBERRA ACT 2600

Attention: Judith Skelly

AMF FINAL CHARGES 1986/87 - JCPA EXAMINATION

In response to your 87/2025 of 12 August 1987, herewith are detailed explanations of the use in 1986/87 of AMF funds for Divisions 245 and 246. The Housing and Construction Group of the Department of Administrative Services has assisted in the preparation of the explanations.

  
M.H. IVES  
First Assistant Secretary  
Programs & Budgets Division

DBC820

EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE  
1986-87

Department: DEFENCE  
Division: 246  
Sub-Division: -  
Item: -

Purpose of item:

This item provides for the cost of maintenance of airfields, wharves, roads, services and buildings on Defence establishments carried out by or under the control of the then Department of Housing and Construction.

Funds Available:

Source	1984-85	1985-86	1986-87
	\$	\$	\$
Appropriation Act No. 1	93,902,000	125,083,000	146,383,000
Appropriation Act No. 3	-	-	-
Advance to the Minister for Finance	-	-	2,500,000
<b>TOTAL FUNDS AVAILABLE</b>	<b>93,902,000</b>	<b>125,083,000</b>	<b>148,883,000</b>
<b>TOTAL EXPENDITURE</b>	<b>92,227,100</b>	<b>124,139,818</b>	<b>148,879,188</b>
<b>UNSPENT FUNDS</b>	<b>1,674,900</b>	<b>943,182</b>	<b>3,812</b>

Explanation of requirements from AMF

1. The orderly progress of a repairs and maintenance project can be materially affected by weather conditions, contractor capability, industrial issues and contractual disputes. Recognising these factors when assessments of forward expenditure are made, some allowance is made for delays in performance.
2. Situations can arise with little or no warning which will give rise to the need to make greater, or lesser, payments within a given period than originally budgeted. These can include an increase in cost due to factors such as unforeseen work found to be necessary during the progress of the project, or the need to amend the planned sequence or timing of portions of the project. Cost increases of this nature often arise without warning, but are usually minor in impact.
3. More significantly, where larger projects make better progress than originally estimated, payments substantially beyond those budgeted for are required to be made as they become due and payable under the terms of contract.
4. In 1986-87, the overall incidence of adverse weather conditions, industrial issues and contractual disputes was less than had been anticipated at the time of preparation of Appropriation Bill No 1. The expectations underlying the Budget estimate were based on past experience and the co-incident improvement in basic environmental conditions was unforeseen at that time and at the time of preparation of Additional Estimates. As contracts normally link payment entitlements with the physical progress of repairs and maintenance projects, claims received were valid and their due payment urgent, in some cases so as to avoid late payment penalties.
5. It has not been feasible to isolate the particular repairs and maintenance projects which caused the requirement for AMF funds, as many hundreds were involved, Australia-wide. Overall, however, the requirement was the result of the general and unforeseen improvement in the working environment, referred to above.

EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE  
1986-87

Department: DEFENCE  
Division: 245  
Sub-Division: -  
Item: -

Purpose of item: -

This item provided for payments of a capital nature on new works such as barracks, workshops, offices, stores, training facilities, housing and airfields on Defence establishments, constructed by or under the control of the then Department of Housing and Construction.

Funds Available:

Source	1984-85	1985-86	1986-87
	\$	\$	\$
Appropriation Act No. 1	170,800,000	229,498,000	296,509,000
Appropriation Act No. 3	-	-	18,000,000
Advance to the Minister for Finance	-	-	7,500,000
<b>TOTAL FUNDS AVAILABLE</b>	<b>170,800,000</b>	<b>229,498,000</b>	<b>322,009,000</b>
<b>TOTAL EXPENDITURE</b>	<b>160,998,656</b>	<b>229,424,568</b>	<b>322,003,105</b>
<b>UNSPENT FUNDS</b>	<b>9,801,344</b>	<b>73,432</b>	<b>5,895</b>

Explanation of requirements from AMF

1. The following general information provides some background to the need for funds from AMF in 1986-87.

2. The orderly progress of any construction project can be materially affected by weather conditions, contractor capability, industrial issues and/or contractual disputes. Recognising these factors, it is usual to discount assessments of likely forward expenditure so as to allow for some delays in the performance of contracts.

3. Situations can arise with little or no warning which will result in the need to make greater, or lesser, payments within a given period than originally budgeted. These can include an increase in cost due to factors such as unforeseen work found to be necessary during the progress of the project, or the unforeseeable need to amend the planned sequence or timing of portions of the project. Cost increases of this nature often arise without warning, but are usually minor in impact.

4. More significantly, where large projects make better progress than originally estimated, payments substantially beyond those budgeted for are required to be made as they become due and payable under the terms of contract.

5. Taking the Defence capital works program for 1986/87 as a whole, there were some projects which required additional outlays, whilst other projects did not reach the expected progress which had been assessed during preparation of the Appropriation Bills. The net result of these unforeseen departures from assessed levels of performance gave rise to the requirement for funds from AMF in 1986.87 of \$7.5m.

6. The projects which contributed significantly to this increased requirement were:

- HMAS Cerberus - conversion to natural gas \$ 570,000
- a contractual dispute was in negotiation for much of the year, and it was expected that settlement would not be reached until 1987/88. However, the dispute proceeded to arbitration and the Commonwealth was required in May to pay moneys into Court and to meet costs of Counsel.
- Williamstown - Shipbuilding facilities \$1,200,000
- East Sale - RAAF Base development \$ 600,000
- Garden Island Dockyard - Woolloomooloo Wharf \$ 700,000

The above three projects encountered no significant delays as the result of weather, industrial, contractual or other adverse conditions. Consequently, the progress achieved on each of them exceeded expectations and additional funds were required to the extents shown.

Tindal-RAAF Base development \$5,465,000

- the project is some 350 km remote from Darwin and is subject to the Top End wet season weather patterns. The last wet season was extensive and gave rise to the expectation that contractors working on site would be unable to continue to perform at their previous high rate. Estimates of expenditure prepared for the purpose of Additional Estimates were therefore discounted by \$5m. The expected weather-caused delays did not, however, eventuate, and the amounts which were actually due for payment before the end of June under the terms of the contracts exceeded the estimated outlay, before discounting, by \$465,000.

Total of above over-expenditures	\$8,535,000
Net under-expenditures on some 2000 other projects	\$1,040,895
<b>Total Net over-expenditure</b>	<b>\$7,494,105</b>
Unexpended funds	5,895
<b>Total AMF</b>	<b>\$7,500,000</b>



Department of Employment, Education and Training  
Central Office

Our Reference : 86/3751  
Your Reference :

The Secretary  
Department of Finance  
Newlands Street  
PARKES ACT 2600

Attention: Judith Skelly

AMF FINAL CHARGES 1986-87 - JCPA EXAMINATION

Your minute 87/2025 of 12 August 1987 requested more detailed information with respect to applications for funds from the Advance to the Minister for Finance and remaining as a final charge in 1986/87.

Attached is the additional information pertaining to items which were administered by the former Department of Education.

KEVIN POWER  
First Assistant Secretary  
Management and Policy Coordination

25 August 1987



## ATTACHMENT B

## EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE 1986-87

Department: Education

Division: 271 Educational Services -  
Australian Capital Territory

Sub-Division: 4 Other Services

Item: 01 Signadou College of Education

Purpose of item:  
To provide financial assistance toward the running expenses  
of the College

Funds available:

Source	1984-85	1985-86	1986-87
	\$	\$	\$
Appropriation Act No.1	1,072,500	1,212,600	1,242,000
Appropriation Act No.3	47,700	51,000	54,800
Advance to the Minister for Finance	10,500	6,000	11,600
<b>TOTAL FUNDS AVAILABLE</b>	<b>1,130,700</b>	<b>1,269,600</b>	<b>1,308,400</b>
<b>TOTAL EXPENDITURE</b>	<b>1,130,655</b>	<b>1,269,424</b>	<b>1,308,386</b>
<b>UNSPENT FUNDS</b>	<b>45</b>	<b>176</b>	<b>14</b>

.../2

2.

Explanation of requirements from AMF: Commonwealth funds for higher education are based on the programs of the Commonwealth Tertiary Education Commission. For institutions in the States and the Northern Territory funds are appropriated on a calendar year basis under the States Grants (Tertiary Education Assistance) Act 1984, with amendments during each year to supplement for cost increases.

The funds for this institution are provided through Appropriation Acts Nos 1 and 3 on a financial year basis. The timing of the Budget and Additional Estimates is such that supplementation in line with that to State and N.T. institutions cannot be fully provided under the Estimates. This necessitates use of the Advance to the Minister for Finance. Precise price movements are not foreseeable and payments as a final charge are unavoidable and urgent having resulted from accepted wage-fixing and other cost adjustment processes.

ATTACHMENT B

EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE 1986-87

**Department:** Education  
**Division:** 278 Canberra College of Advanced Education  
**Sub-Division:** 1 For expenditure under the Canberra College of Advanced Education Act 1967 - Running expenses  
**Item:** 00 Canberra College of Advanced Education  
**Purpose of item:**  
 To provide funds for the running expenses of the College

Funds available:

Source	1984-85	1985-86	1986-87
	\$	\$	\$
Appropriation Act No.1	23,788,900	25,445,300	25,685,000
Appropriation Act No.3	551,800	1,163,800	1,105,000
Advance to the Minister for Finance	210,700	156,200	96,800
<b>TOTAL FUNDS AVAILABLE</b>	<b>24,551,400</b>	<b>26,765,300</b>	<b>26,886,800</b>
<b>TOTAL EXPENDITURE</b>	<b>24,550,514</b>	<b>26,765,193</b>	<b>26,886,713</b>
<b>UNSPENT FUNDS</b>	<b>886</b>	<b>107</b>	<b>87</b>

.../2

2.

Explanation of requirements from AMF: Commonwealth funds for higher education are based on the programs of the Commonwealth Tertiary Education Commission. For institutions in the States and the Northern Territory funds are appropriated on a calendar year basis under the States Grants (Tertiary Education Assistance) Act 1984, with amendments during each year to supplement for cost increases.

The funds for this institution are provided through Appropriation Acts Nos 1 and 3 on a financial year basis. The timing of the Budget and Additional Estimates is such that supplementation in line with that to State and N.T. institutions cannot be fully provided under the Estimates. This necessitates use of the Advance to the Minister for Finance. Precise price movements are not foreseeable and payments as a final charge are unavoidable and urgent having resulted from accepted wage-fixing and other cost adjustment processes.

ATTACHMENT B

EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE 1986-87

Department: Education  
 Division: 282 Australian Maritime College  
 Sub-Division: 1 For expenditure under the Maritime College Act 1978 - Running expenses  
 Item: 00 Australian Maritime College  
 Purpose of item:  
 To provide funds for the running expenses of the College

Funds available:

Source	1984-85	1985-86	1986-87
	\$	\$	\$
Appropriation Act No.1	5,829,700	6,271,100	6,688,000
Appropriation Act No.3	101,900	273,600	258,800
Advance to the Minister for Finance	51,100	37,100	14,100
<b>TOTAL FUNDS AVAILABLE</b>	<b>5,982,700</b>	<b>6,581,800</b>	<b>6,960,900</b>
<b>TOTAL EXPENDITURE</b>	<b>5,982,468</b>	<b>6,581,769</b>	<b>6,960,825</b>
<b>UNSPENT FUNDS</b>	<b>232</b>	<b>31</b>	<b>75</b>

.../2

2.

Explanation of requirements from AMF: Commonwealth funds for higher education are based on the programs of the Commonwealth Tertiary Education Commission. For institutions in the States and the Northern Territory funds are appropriated on a calendar year basis under the States Grants (Tertiary Education Assistance) Act 1984, with amendments during each year to supplement for cost increases.

The funds for this institution are provided through Appropriation Acts Nos 1 and 3 on a financial year basis. The timing of the Budget and Additional Estimates is such that supplementation in line with that to State and N.T. institutions cannot be fully provided under the Estimates. This necessitates use of the Advance to the Minister for Finance. Precise price movements are not foreseeable and payments as a final charge are unavoidable and urgent having resulted from accepted wage-fixing and other cost adjustment processes.

EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE 1985-87

Department: EDUCATION  
Division: 270 ADMINISTRATIVE  
Sub-Division: 4 Student Assistance Programs  
Item: 09 Living allowances for English as a Second Language courses at Technical and Further Education institutions

Purpose of item:

This item provides for financial assistance to migrants to undertake full time English language courses designed to improve English language proficiency to enable them to enter tertiary education or the workforce.

Funds available:

Source	1984-85	1985-86	1986-87
	\$	\$	\$
Appropriation Act No 1	1,239,000	930,000	1,626,000
Appropriation Act No 3	-	250,000	415,000
Advance to the Minister for Finance	-	229,725	70,000
<b>TOTAL FUNDS AVAILABLE</b>	<b>1,239,000</b>	<b>1,409,725</b>	<b>2,111,000</b>
<b>TOTAL EXPENDITURE</b>	<b>889,566</b>	<b>1,405,624</b>	<b>2,107,957</b>
<b>UNSPENT FUNDS</b>	<b>349,434</b>	<b>4,101</b>	<b>3,143</b>

Explanation of requirements from AMF:

Estimates for this scheme are based on an expected number of "student weeks" and an average expected weekly benefit. The number of "student weeks" is the number of students by the average number of weeks for which benefits are received. The need to use this as a measure of the level of activity arises from the variety in course lengths. In January-June 1987, the length of courses in progress varied from 4 weeks to 39 weeks.

Other variables also affect expenditure under the scheme. These are the number and timing of courses, the number of students enrolled in them, the number of these students who actually qualify for an allowance, and the average entitlement (affected by age and family circumstances) of this qualifying group. With this range of variables it has always been difficult to estimate accurately the requirement for funds.

The original estimate of \$1,626,000 assumed that there would be a similar level of activity to that in 1985/86 (11,750 student weeks). Allowance was made for increases in living allowances, which are the same as those applicable for unemployment benefits.

At the time of preparation of the Additional Estimates (December 1986) it was clear that there had been increased activity. The estimate of the number of "student weeks" was revised to 14,746 and an Additional Estimate of \$415,000 was sought.

Throughout the final months of the financial year expenditure under the scheme was closely monitored. It became increasingly apparent that some extra funding over and above that sought in the Additional Estimate was likely to be needed. As long as there were still funds remaining in the appropriation, however, the request was withheld to permit the most accurate estimate possible of the additional amount required. The request for \$70,000 from the AMF was submitted to the Department of Finance on 16 June 1987. Only a little over \$3,000 of that amount remained unspent.

This scheme is client driven. The courses which students attend are organised and run by State/Territory Colleges of TAFE. The Department is obliged to make the appropriate payments to students who qualify for assistance. Once a student has made a commitment to a course the living allowance is the only source of income. In these circumstances it is essential to make payments on time. Accordingly the need for funds from the AMF was urgent.

The original estimate and the Additional Estimate were based on the best information available at the time. The additional demand over these estimates could not have been foreseen.

Attached is a schedule which reflects the data used at various stages of the estimates process together with actual figures.



# Department of Industrial Relations

Our Reference: M86/167  
 Your Reference:

The Secretary  
 Department of Finance  
 Newlands Street  
 PARKES ACT 2600

## AMF FINAL CHARGES 1986-87 - JCPA EXAMINATION

Your memorandum 87/2025 of 12 August 1987, in which a detailed explanation of the application for funds from the AMF remaining as a final charge in 1986-87 against Appropriation Item 287-3-07, refers.

A detailed explanation of the application is attached.

*T Munday*  
 T Munday  
 Assistant Secretary  
 Management Branch

25 August 1987

### COMPONENTS OF ESTIMATES FOR ESL

Period	Original Estimate			Additional Estimate			AMF			Actual		
	Student Weeks	Avg. Cost	Total	Student Weeks	Avg. Cost	Total	Student Weeks	Avg. Cost	Total	Student Weeks	Avg. Cost	Total
July-Oct	4,896	\$137.46	\$673,004	6,172	\$137.46	\$848,432	6,172	\$137.46	\$848,432	6,172	\$137.46	\$848,132
Nov-April	4,781	\$138.51	\$662,216	5,765	\$138.51	\$798,310	6,101	\$138.51	\$845,042	6,101	\$138.51	\$845,042
May-June	2,073	\$100.28	\$208,800	2,409	\$140.30	\$338,103	2,953	\$140.30	\$414,261	3,007	\$137.81	\$414,383
<b>Full Year</b>	<b>11,750</b>		<b>\$1,544,021</b>	<b>14,746</b>		<b>\$2,041,845</b>	<b>15,226</b>		<b>\$2,107,733</b>	<b>15,200</b>		<b>\$2,107,837</b>
			<b>(\$1,626,000)</b>			<b>(2,041,000)</b>			<b>(2,111,000)</b>			
<b>Variation</b>						<b>+\$415,000</b>			<b>+\$70,000</b>			<b>\$1,143</b>

EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE 1986-87

Department: Employment and Industrial Relations  
Division: Administrative Expenses  
Sub-Division: Other Services  
Item: Payment to Coal Mining Industry Long Service Leave Fund in respect of interest forgone.

Purpose of item:

This item provides for a once only compensation payment to the Coal Mining Industry Long Service Leave Fund (CMILSLF) for interest forgone as a result of incorrect coal excise revenue figures appearing in the Finance Ledger System (FLS) in the period 1 July 1978 to 30 June 1985.

Funds available:

Source	1984-85	1985-86	1986-87
Appropriation Act No. 1	\$ -	\$ -	\$ -
Appropriation Act No. 3	-	-	-
Advance to the Minister for Finance	-	-	1,088,049
<b>TOTAL FUNDS AVAILABLE</b>	-	-	1,088,049
<b>TOTAL EXPENDITURE</b>	-	-	1,088,049
UNSPENT FUNDS	-	-	NIL

Explanation of requirements from AMF:

In accordance with a Department of Finance (DOF) direction, coal excise revenue figures appearing in the FLS have been the basis of transfers of funds from the Coal Mining Industry Special Appropriation to the CMILSLF since 1 July 1978.

FLS figures were subsequently demonstrated to be incorrect due to incorrect coding of coal excise receipts by Collectors in the Australian Customs Service (ACS).

DOF agreement was obtained in November 1984 to the proposal that transfers to the Fund since 1 July 1978 should be adjusted to agree with coal excise revenue figures published by the Australian Bureau of Statistics (ABS), pending procedural problems at ACS being overcome. It should be noted that it is inappropriate to use ABS figures as the basis of initial transfers to the Fund due to timing problems in the release of the ABS figures.

- 2 -

A reconciliation of FLS and ABS figures for coal excise receipts in the period 1 July 1978 to 30 June 1985 revealed a shortfall in transfers to the Fund of \$1,712,381. The shortfall was transferred to the Fund in April 1986.

DOF advice was then sought as to whether it would be appropriate for compensation to be paid to the Fund for interest forgone as a result of the errors in the FLS.

DOF advised the Department of Employment and Industrial Relations in May 1987, after obtaining a legal opinion from the Attorney-General's Department, that a compensation payment to the Fund would be appropriate.

The amount of \$1,088,049 sought from AMF comprised:

- \$950,000 for interest forgone in the period 1 July 1978 to 2 April 1986; and
- interest on \$950,000 at 13.0% p.a from 2 April 1986 to 15 May 1987 ie \$138,049.

The requirement for funds from the AMF in the 1986-87 financial year was considered warranted because:

- it was not known until May 1987 that funds would be required; and
- payment needed to be made as early as possible to ensure further interest payments on the amount owing at April 1987 were avoided.



Department of  
**Industry, Technology and Commerce**

CANBERRA, A.C.T. 2600 TELEGRAMS: INDYCOM TELEX: 62654 TELEPHONE: 723944

Ref: Contact:

The Secretary  
Department of Finance  
Canberra, A.C.T. 2600


Attention: J.Skelly  
Financial Management  
and Accounting Policy

AMF Final Charges 1986/87 - JPCPA Examination

I refer to your memorandum of 12 August 1987 requesting further information for the JPCPA Secretariat in respect of applications from this Department for funds from the Advance to the Minister for Finance.

Attached is the information required for item 380-3-16 for the Department of Industry Technology and Commerce. Item 966-0-04 for the then Department of Trade has been forwarded to the Department of Foreign Affairs and Trade, who will reply under separate cover.

Should you have any queries on this matter please direct them to L. Marsden on 723257.

  
(J.N. Grant)  
Director  
Resource Planning

25 August 1987

Department: Industry Technology and Commerce  
 Division: 380 Administrative  
 Sub-Division: 3 Other Services  
 Item: 16 Subsidy, and advances on accounting of  
 subsidy, under the Fertilisers Subsidy Act  
 1986.



I.T.C.  
 DEPARTMENT OF TRADE

Purpose of this item:

This item provides for the payment of subsidy on the production in Australia of subsidised goods. The Fertiliser Subsidy Act 1986 relates to both nitrogenous and phosphatic fertilisers. The benefit of the subsidy is to be passed on to the purchaser.

Funds available:

Source	1984-85 \$	1985-86 \$	1986-87 \$
Appropriation Act No.1	Nil	Nil	Nil
Appropriation Act No.2	Nil	Nil	Nil
Appropriation Act No.3	Nil	Nil	29,500,000
Appropriation Act No.4	Nil	Nil	Nil
Advance to the Minister for Finance	Nil	Nil	7,332,000
Total Funds Available	Nil	Nil	36,832,000
Total Expenditure	Nil	Nil	36,492,353
Unspent Funds	Nil	Nil	339,647

Explanation of requirements from AMF

Delays in finalising the legislation for the subsidy created a situation where it was difficult to estimate the final outcome with any accuracy as bounty recipients delayed lodging claims under the new legislation. The Additional Estimate provided by the Department, resulting in the provision of funds under Appropriation Act No.3, reflected the best estimate of the requirement to meet claims expected to be submitted during the 1986-87 financial year.

The Fertilisers Subsidy Act 1986 replaces the Phosphate Fertilisers Subsidy Act 1963 and Nitrogenous Fertilizers Subsidy Act 1966. The 1986-87 Budget estimates were as follows:

	Budget Estimate \$	Expenditure as at 30 June \$
Fertiliser Subsidy Act 1986	Nil	36,492,353
Nitrogenous Fertilisers 1966	6,000,000	2,926,450
Phosphate Fertilisers 1963	49,000,000	9,684,486
Total	55,000,000	49,103,289

The additional requirement is offset by savings offered in the May Revised estimate totalling \$5,970,000 and by savings offered in our consolidated AMF request of 19 June 1987.

With the Compliments  
 of the  
 Secretary

*The attached relates to your enquiry for a more detailed explanation of an item against AMF Final Change for JCPA. I trust this meets your needs - if not please contact me on 722641*

Canberra ACT 2600

*Charles Stoffel 22/8/86*



Department: Trade  
Division: 966 - OTHER SERVICES  
Sub-Division: 0  
Item: 04 - Commonwealth Assistance to Leighton/MTA Consortium

Purpose of item:

This item provides for financial assistance by the Commonwealth to a consortium comprising Leighton Contractors (Asia) Limited and Metropolitan Transit Authority of Victoria (Leighton/MTA) as a contribution towards costs involved for the consortium in settlement of a claim for damages by an overseas firm in respect of a decision by the consortium to source equipment from Australia.

Funds Available:

SOURCE	1984-85	1985-86	1986-87
Appropriation Act No (1/2)	-	-	-
Appropriation Act No (3/4)	-	-	-
Advance to the Minister for finance	-	-	\$2.4m
<b>Total Funds Available</b>	-	-	<b>\$2.4m</b>
<b>Total Expenditure</b>	-	-	<b>\$2.4m</b>
Unspent Funds	-	-	-

Explanation of requirements from AMF:

An Australian consortium Leighton/MTA which consists of Leighton Contractors (Asia) Limited, a subsidiary of Leighton Holdings, and the Victorian Metropolitan Transit Authority, in 1985 was awarded a contract valued at some \$200 million to construct a tramway system in Hong Kong.

In addition to substantial Australian design, training and management, the successful bid called for the supply of tram vehicles, valued at some \$70 million, from Comeng (Victoria).

The project was considered important by the Government not only for its considerable employment benefits in the depressed heavy engineering sector but also as an opportunity for the Australian railway industry and rolling stock to establish a quality and performance record in the Asian region. The Government's

2.

support for the consortium's bid throughout the negotiating stage, including the facilitation of a financing package, also reflected a commitment to rejuvenating the heavy engineering sector based on a greater export orientation.

Late in 1985, differences which apparently had their origins in the tight performance requirements and related penalties in the contract emerged between the consortium and Comeng. Although these differences were resolved, the consortium, in the interim, had entered into an arrangement with an alternative foreign supplier and was left with conflicting obligations.

Subsequently, the consortium chose to continue with Comeng as rolling stock supplier. The alternative supplier commenced legal proceedings against the consortium in Hong Kong which were later settled commercially. The costs of the settlement were onerous given the tight profit margins applying and were seen as threatening the viability of the project.

In these circumstances the Government decided to provide financial assistance. Based on an estimate of the magnitude of costs likely to be faced by the consortium, assistance of \$2 million was initially proposed. Following further representations from the consortium, the Government decided in June 1987 to provide assistance of \$2.4 million.

As regards the provision of these funds through the Advance to the Minister for Finance, it was not possible to include the Item in the 1986/87 Appropriation Bills. Furthermore, the amount and conditions of assistance from the Government were not determined until after the 1986/87 Additional Estimates procedures were finalised. Once the level of assistance had been finally determined by the Government, early payment was considered desirable so as to help minimise the financial impact of the settlement on the consortium.



Department of Primary Industries and Energy

Reference:

S87/463  
8290k

25 August 1987

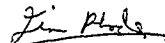
First Assistant Secretary  
Financial Management and  
Accounting Policy Division  
Department of Finance  
CANBERRA ACT 2600

Attention: Judith Skelly

AMF Final Charges - JCPA Examination

Your letter of 12 August 1987 (Reference 87/2025) sought more detailed information be provided with respect to applications for funds from the Advance to the Minister for Finance remaining as a final charge in 1986-87.

The relevant information is provided as attached. Should you have any further queries the contact officer is Jim Rhodes on 725558.

  
Alan Gillingham  
Acting Assistant Secretary  
Corporate Resources Branch

Department: Primary Industry

2

Division 932: Payments to or for the States and the Northern Territory

Item 03: Assistance to users of fertilisers - being fertilisers subject to dumping duties, agras and double superphosphate

Purpose of Item:

To provide funds to the States under Section 96 of the Constitution for payments by them to importers and local manufacturers of fertilisers to offset the impact of dumping duties on various fertilisers. Payments are currently made in respect of monoammonium phosphate, diammonium phosphate, double - and triple superphosphate and Agras.

Funds available

Source	1984/85	1985/86	1986/87
Appropriation Act No 2	\$ -	\$ -	\$ 28,000,000
Appropriation Act No 4	-	19,500,00	-
Advance to the Minister for Finance	-	-	14,600,000
Total Funds Available	-	19,500,000	42,600,000
Total Expenditure	-	17,299,809	42,599,983
Unspent Funds	-	2,200,191	17

Explanation of requirements from AMF

Total payments for 1986/87 totalled \$42.6 million which represents approximately \$22.5 million for refunds of dumping duties collected and \$20.1 million for rebates on sales of locally manufactured fertilisers.

Administrative changes agreed in 1986/87 included the extension of payments to local manufacturers for a period of up to two months after the last month in which a fertiliser subject to dumping duty was imported.

The 1986/87 appropriation for the Scheme was calculated on the basis of payments made during the period January - June 1986, allowing for the traditionally lower seasonal demand in the first six months of the financial year.

Expenditure was in accordance with the estimate until March 1987, when the first indication of increased activity was received from industry - after figures for additional estimates had been negotiated. Industry was consulted when additional estimates were being derived however at that stage industry was unable to forecast the increased volumes of imports and sales of local production.

As the arrangements require payments as soon as firms request, payments could not be delayed until 1987/88.

Department: Primary Industry  
 Division 325: - General Quarantine  
 Sub-Division 03: - Other Services  
 Item 12: - Payments to Authorities and Medical Practitioners

Purpose of Item:

This item mainly provides for payments to the States for the administration of general quarantine services performed on behalf of the Commonwealth Government. It also includes payments for services rendered by medical practitioners at quarantine centres and payment to the Department of Aviation or other contracting authorities for the disposal of quarantinable waste at seaports and airports. Costs recovered in respect of quarantine activities are paid directly into Consolidated Revenue.

Funds available:

Source	1984/85	1985/86	1986/87
	\$	\$	\$
Appropriation Act No 1/2	4,700,000	4,541,000	4,750,000
Appropriation Act No 3/4	-	99,000	-
Advance to the Minister	-	-	233,000
Total Funds Available	4,700,000	4,640,000	4,983,000
Total Expenditure	4,129,269	4,637,299	4,980,389
Unspent Funds	570,731	2,701	2,611

\* Following revised administrative arrangements between Department of Health and Department of Primary Industry this Department was appropriated \$4,106,261 for the remainder of the 1986/87 financial year. Expenditure for the part year was \$4,336,650. Figures in the table represent full year effect.

Explanation of requirements from AMF:

In the 1984/85 financial year, the Fremantle Port Authority was required to spend \$213,759 more than funds allocated to it by the Department of Health for activities related to quarantine waste. Health called for a detailed explanation of this over-run of expenditure and was supplied with relevant details on 22 January 1986. The matter was still under negotiation between the Authority and the Health Department in June 1986, by which time the Fremantle Port Authority had incurred further expenditure of \$98,818, in excess of the funds provided to it.

The details supplied to the Department of Health showed an unexpected increase in the volume of both commercial shipping and US Naval shipping, resulting in cost increases in salaries and related on-costs, fuel and power for incineration and repairs and maintenance to incineration. Estimated revenues from the use of the incinerator by other agencies was also down by \$30,000 in the same period.

The Department of Primary Industry assumed responsibility for payments for quarantinable waste on 15 September 1986 when the general quarantine function transferred from Department of Health. Advice that the above two amounts were outstanding, was received by this Department in late January 1987. This allowed insufficient time for assessment and inclusion in the Additional/Revised Estimates process.

From an examination of the Port Authority's expenditure statements, this Department accepted that the Commonwealth had an obligation to pay these outstanding debts. Having accepted liability, the Department wished to settle with the Fremantle Port Authority as soon as possible.

Although the total amount owing to the Fremantle Port Authority was \$313,000, AMF of \$233,000 was sought and \$80,000 was absorbed within the AQIS Administration Expenses item.



REFERENCE NO.

The Treasury,  
Canberra, A.C.T. 2600  
TELEPHONE 63 9111

First Assistant Secretary  
Financial Management and  
Accounting Policy Division  
Newlands Street  
PARKES ACT 2600

ATTENTION: Ms J. Skelly

AMF FINAL CHARGES 1986-87 - JCPA EXAMINATION

I refer to your Memorandum of 12 August 1987 requesting that more detailed information be provided for the JCPA with respect to an application for funds from the Advance to the Minister for Finance for the Northern Territory Debt Sinking Fund (NTDSF) remaining as a final charge in 1986-87.

Attached is further information explaining our request for funds from the Advance to the Minister for Finance.

Any enquiries in relation to this matter should be directed to Mr David Brien on ext 2735.

A handwritten signature in dark ink, appearing to read 'J.B. Pierson'.

J.B. Pierson  
Acting Assistant Secretary  
Coordination and Management Branch  
26 August 1987

## ATTACHMENT

2

EXPENDITURE FROM THE ADVANCE TO THE MINISTER FOR FINANCE  
1986-87

Department: Treasury  
 Division: 977  
 Sub-Division: -  
 Item: 06

Purpose of item:

This item provides for the payment by the Commonwealth of interest on the balance in the Northern Territory Debt Sinking Fund (NTDSF) on a basis consistent with the payment by the Reserve Bank of interest on State balances in the National Debt Sinking Fund (NDSF).

Funds available: \$129,693

Source	1984-85	1985-86	1986-87
	\$	\$	\$
Appropriation Act No. 2	Nil	Nil	63,000
Appropriation Act No. 4	Nil	Nil	52,000
Advance to the Minister for Finance	Nil	65,000	14,693
TOTAL FUNDS AVAILABLE	Nil	65,000	129,693
TOTAL EXPENDITURE	Nil	63,019	129,693
UNSPENT FUNDS	Nil	1,981	..

EXPLANATION OF REQUIREMENTS FROM AMF

The revised estimate for interest payable on Northern Territory Debt Sinking Fund (NTDSF) balances for 1986-87 was \$115,000. The Department of Finance is responsible for calculating the actual interest payment due on the NTDSF balances on behalf of the Treasury and these calculations (and payments) are made twice a year (December and June). When the final calculation was made it was evident that the interest payment to the Northern Territory would exceed the warrant available by some \$14,692.53.

The original estimate was based on the premise that maturing debt would be taken to account on the date of redemption ie the 15th of the month and, with monthly contributions to the NTDSF occurring on the first day of the month, that interest would therefore be paid on these balances up to the 15th - the date of the redemption - and thereafter that interest would be paid on the lower balances until the end of the month.

However, in calculating interest on NTDSF balances, expenditure on redemption of maturing bonds is recorded at the end of the month with the result that interest is paid on contribution-inflated balances for the full month.

While detailed information is not available on the actual dates on which maturing bonds are presented for redemption, the experience is that most bonds are presented within 2 weeks of maturity. In this context the practice of recording expenditure on the last day of the month ensures that the Northern Territory is not disadvantaged in terms of interest received.

The application for additional warrant authority of \$14,693 from the Advance to the Minister for Finance as a final charge was considered to meet the 'urgent and unforeseen' criteria laid down by Section 6 of the Finance Directions. As any payments to the Northern Territory are made as a result of a binding agreement between the Commonwealth and the Northern Territory Government, the payment of interest on NTDSF balances had to be made. The increase in the interest payment to the Northern Territory was unforeseen at the time of settlement of the amounts to be included in Appropriation Bills 3 and 4.