

1999

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

APPROPRIATION (SUPPLEMENTARY MEASURES) BILL (No. 1) 1999

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Minister for Finance and Administration,
the Hon John J Fahey, MP)

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APPROPRIATION (SUPPLEMENTARY MEASURES) BILL (No. 1) 1999

GENERAL OUTLINE

The purpose of the Bill is to appropriate money from the Consolidated Revenue Fund for the book industry assistance plan and the Supported Accommodation Assistance Program.

Book industry assistance plan: The book industry assistance plan has three main objectives:

- (1) to provide financial assistance to those producing books in Australia;
- (2) to provide financial assistance to Australian creators of books; and
- (3) to provide financial assistance to retail sellers of textbooks in Australia in connection with reducing the retail price of textbooks for use in studies at an Australian education institution.

It may also have any or all of the following additional objectives relating to

- the provision of financial assistance to libraries of Australian primary schools to acquire Australian books,
- the collection, compilation and dissemination of statistical information about book production and book sales in Australia,
- the promotion of the intrinsic value of books and reading,
- the promotion of literacy,
- the promotion of the books of Australian authors,
- the training of book producers,
- support for innovation and infrastructure development in book production, and
- support for other ancillary or incidental objectives.

Further objectives may be specified in regulations made under this Act.

Supported Accommodation Assistance Program (SAAP): SAAP aims to assist people who are homeless, or at imminent risk of homelessness, and in crisis, to achieve the maximum possible degree of self reliance and independence. This includes women and children fleeing domestic violence.

Serving as the primary service delivery response to homelessness by governments, SAAP is cost-shared between the Commonwealth and the States and Territories, with the Commonwealth providing a policy leadership role and the States and Territories taking responsibility for program administration.

Currently, some 1200 community welfare organisations are funded through SAAP, with 36% located in regional or rural areas. During 1997-98, some 110,000 people were assisted by the program.

FINANCIAL IMPLICATIONS

The expense to the Commonwealth in each year is outlined below:

Impact on Operating Result				
	Financial years			
	2000/01	2001/02	2002/03	2003/04
	(\$ million)	(\$ million)	(\$ million)	(\$ million)
1. Book industry assistance plan	60	60	60	60
2. Supported Accommodation Assistance Program	15	15	15	15
Total	75	75	75	75

Impact on Net Assets				
	Financial years			
	2000/01	2001/02	2002/03	2003/04
	(\$ million)	(\$ million)	(\$ million)	(\$ million)
1. Book industry assistance plan	60	60	60	60
2. Supported Accommodation Assistance Program	15	15	15	15
Total	75	75	75	75

Impact on Net Cash Flows				
	Financial years			
	2000/01	2001/02	2002/03	2003/04
	(\$ million)	(\$ million)	(\$ million)	(\$ million)
1. Book industry assistance plan	60	60	60	60
2. Supported Accommodation Assistance Program	15	15	15	15
Total	75	75	75	75

Impact on Capital Expenditure

	Financial years			
	2000/01	2001/02	2002/03	2003/04
	(\$ million)	(\$ million)	(\$ million)	(\$ million)
1. Book industry assistance plan	nil	nil	nil	nil
2. Supported Accommodation Assistance Program	nil	nil	nil	nil
Total	nil	nil	nil	nil

Impact on Fiscal Balance

	Financial years			
	2000/01	2001/02	2002/03	2003/04
	(\$ million)	(\$ million)	(\$ million)	(\$ million)
1. Book industry assistance plan	60	60	60	60
2. Supported Accommodation Assistance Program	15	15	15	15
Total	75	75	75	75

NOTES ON CLAUSES

Clause 1—Short title

1. Clause 1 provides for the short title of the proposed Act to be the *Appropriation (Supplementary Measures) Act (No. 1) 1999*.

Clause 2—Commencement

2. The Act commences on the day on which it receives Royal Assent.

Clause 3—Appropriation

3. Clause 3 appropriates \$60 million per financial year for the book industry assistance plan during the four years 2000-01 to 2003-04. An additional \$15 million per year for the Supported Accommodation Assistance Program is appropriated for each of those same years as a once only four year supplementation.

Clause 4—Book industry assistance plan

4. This sets out the objectives of the book industry assistance plan. The main objectives of the plan are: (1) to provide financial assistance to book printers and publishers to help revitalise the industry; (2) to provide assistance to Australian creators of books (who may be authors, illustrators, editors, compilers or translators); and (3) to provide a subsidy to retail sellers of textbooks in connection with reducing the retail price paid for textbooks for use in studying at an Australian education institution.

The plan may have additional objectives, specified in this clause or by regulations.

Clause 5—Supported Accommodation Assistance Program

5. SAAP is administered under the *Supported Accommodation Assistance Act 1994* (the 'SAAP Act'). This clause makes it clear that the appropriation for SAAP made by clause 3 is also an appropriation for the purposes of the SAAP Act.

Clause 6—Grants

6. Subclause 6(1): Amounts appropriated by clause 3 for the book industry assistance plan may be used to make grants to a State, the Australian Capital Territory, the Northern Territory, to a person or to another body.
7. Subclauses 6(2), 6(3) and 6(4) provide that grants under the book industry assistance plan may be either conditional or unconditional. Conditional grants must have terms and conditions set out in a written agreement with the grantee. Any Minister may enter into such agreements on behalf of the Commonwealth.

8. Subclauses 6(5), 6(6) and 6(7): Grants may be bounties to which paragraph 51(iii)¹ of the Constitution applies. Confirming the Constitutional requirement of paragraph 51(iii), any bounty must be uniform throughout the Commonwealth.
'State' used in this clause includes the ACT and the Northern Territory.

Clause 7—Delegation

9. A minister may delegate his power to enter into agreements about conditional financial assistance under the book industry assistance plan to certain officials. Officials must comply with any directions issued by the Minister.

Clause 8— Appropriations made by this Act are in addition to other appropriations

10. Clause 8 clarifies that the appropriations made by clause 3 of this Bill are over and above any other appropriations.

Clause 9—Schedule(s)

11. Legislation specified in Schedule 1 is amended as provided for in that Schedule.

Schedule 1—Amendment of the A New Tax System (Good and Services Tax) Act 1999

12. Subsection 1-2(2) of the *A New tax System (Goods and Services Tax) 1999* (ANTS (GST) Act) is repealed. The conditions in that subsection for commencement of the ANTS (GST) Act will, in substance, be satisfied upon passage of this Bill.
13. There are a number of minor differences² between the wording of the appropriations in this Bill and the wording of the appropriations foreshadowed in subsection 1-2(2) of the ANTS (GST) Act. It is arguable that these minor differences mean that this Bill does not meet the precise technical requirements of subsection 1-2(2) of the ANTS (GST) Act. Subsection 1-2(2) of that Act is being repealed to avoid this doubt.

¹ 51. The Parliament shall ... have power to make laws for the peace, order and good government of the Commonwealth with respect to:- ...

(iii) Bounties on the production or export of goods, but so that such bounties shall be uniform throughout the Commonwealth.

² These differences are detailed in the Attachment.

Attachment

Subsection 1-2(2) of the A New Tax System (Goods and Services Tax) Act 1999	Provisions of this Bill
The book industry assistance plan is undefined.	Clause 4 defines the book industry assistance plan.
An appropriation for the purposes of the Supported Accommodation Assistance Program (SAAP) is foreshadowed.	The actual appropriation for the purposes of SAAP in clause 5 is taken to be appropriated for the purposes of the SAAP Act 1994.