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Mr Russell Chafer  
Committee Secretary  
Joint Committee on Public Accounts and Audit  
Department of the House of Representatives  
Parliament House  
Canberra ACT 2600

Dear Mr Chafer

**Response to Committee Questions during the Private Hearing on Audit Report No.15 2004-2005, the *Financial Management of Special Appropriations***

During the hearing, the Chair asked ANAO to provide the Committee with the number of Special Appropriations that are limited by amount. We have examined our audit data and have concluded that, at the time of the audit there were 131 Special Appropriations of limited amount out of a total of 414 Special Appropriations. Our analysis shows that, based on agencies' advice to the ANAO during the audit, 27 of the 131 limited Special Appropriations were available to be legally drawn. The remainder had expired or had been exhausted.

- Special Appropriations expire because of a time limit or sunset clause in the legislation, after which time they can no longer be legally drawn. For instance, 2003-04 was the last of the Category A years year in which the Special Appropriation at section 193(5) of the *Aboriginal and Torres Strait Islander Commission Act 1989* could be drawn to fund the Land Fund Special Account and the Indigenous Land Corporation.
- Special Appropriations are exhausted when they have been drawn to their full extent, after which no further drawings can legally occur. For instance, AusAID advised ANAO that it had fully drawn the limited Special Appropriation at section 4(1) of the *Appropriation (East Timor) Act 1999-2000* to the amount of \$60 million. As the appropriation was now exhausted,

AusAID advised ANAO that it was seeking the agreement of its portfolio agency, Foreign Affairs and Trade, to repeal the appropriating clause.

During 2002-03, agencies reported a total of \$8,061 million drawn against limited Special Appropriations, itemised in the table at Attachment A. Of that total, \$7,236 million was assistance to State governments and hospitals under section 4(4) of the *Health Care (Appropriation Act) 1998*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'B. Boyd', written in a cursive style.

Mr Brian Boyd  
Executive Director  
Performance Services Audit Group

**Attachment A**

**Current Special Appropriations of limited amount at September 2004**

	<b>Appropriation</b>	<b>Purpose</b>	<b>Drawings in 2002-03 (\$)</b>
1	Air Passenger Ticket Levy (Collection) Act 2001, section 22 (5)	Payments for operational, administration and borrowings in connection with the scheme	104,864,798
2	Appropriation (East Timor) Act 1999-2000, section 3	For meeting expenditure (for expenses, acquisition of assets or payment of liabilities) incurred before 1 July 2000 in relation to the deployment of the Defence Forces in East Timor and the generation of additional forces to sustain the deployment	0
3	Appropriation (HIH Assistance) Act 2001, section 4	Financial assistance to HIH eligible persons, and to meet administrative costs, up to \$640 million	172,000,000
4	Appropriation (Supplementary Measures) Act (No. 1) 1999, section 3	Grants of financial assistance to States and Territories for supported accommodation and other services for homeless people	0
5	Appropriation (Supplementary Measures) Act (No. 1) 1999, section 3	For payment of book industry assistance	69,498,314
6	Appropriation (Supplementary Measures) Act (No. 2) 1999, section 3	Supporting conversions to CNG or LPG for commercial vehicles that have a GVM equal to or greater than 3.5 tonnes, buses that have a GVM equal to or greater than 3.5 tonnes, trains and ferries	0
7	Appropriation (Supplementary Measures) Act (No. 2) 1999, section 3	Supporting the utilisation of photovoltaic systems on residential buildings and community-use buildings	0
8	Appropriation (Supplementary Measures) Act (No. 2) 1999, section 3	Supporting the development and commercialisation of renewable energy	0
9	Appropriation (Supplementary Measures) Act (No. 2) 1999, section 3	Supporting the use of renewable energy for remote power generation	0
10	Appropriation (Supplementary Measures) Act (No. 2) 1999, section 3	Greenhouse gas abatement program	56,603,907
11	Appropriation (Supplementary Measures) Act (No. 2) 1999, section 3	Developing a product stewardship system for the reuse and recycling of waste oil	8,835,498
12	Appropriation (Supplementary Measures) Act (No. 2) 1999, section 3	Supporting the development and implementation of in-service emissions testing capabilities for diesel and petrol vehicles, where the diesel emissions testing is in connection with the making and/or implementation of a Diesel National Environment Protection Measure	5,104,546

13	Asian Development Fund Act 1992, section 6	For the purpose of making any payment that is to be made in pursuance of issuing to the Asian Development Bank a notification of the intention of Australia to contribute to the Asian Development Fund amounts not exceeding \$350,000,000	0
14	Auditor-General Act 1997, section 3(4)	Salary of Auditor-General	343,000
15	Auditor-General Act 1997, schedule 1, 7(3)	Salary of acting Auditor-General	0
16	Compensation (Japanese Internment) Act 2001, section 13	Compensation to civilians interned by Japanese military forces during World War Two, and partners of interned veterans and civilians	25,000
17	Constitution, section 3	Salary of the Governor General	281,667
18	Constitution, section 66	Ministers' salaries	2,401,000
19	Health Care (Appropriation Act) 1998, section 4(4)	For the purpose of making payments of financial assistance under section 4 of the Act, relating to payments to a State, hospital or other person	7,236,381,824
20	Indigenous Education (Targeted Assistance) Act 2000, section 14(1)	Cash limited appropriations until 2004-05 for payments other than ABSTUDY payments to institutions etc to achieve equitable and appropriate educational outcomes for Indigenous people	170,604,068
21	Indigenous Education (Targeted Assistance) Act 2000, section 14(1)	Cash limited appropriations until 2004-05 for payments other than ABSTUDY payments to institutions etc to achieve equitable and appropriate educational outcomes for Indigenous people	0
22	Indigenous Education (Targeted Assistance) Act 2000, section 14(3)	Cash limited appropriations until 2004-05 for payments other than ABSTUDY payments to institutions etc to achieve equitable and appropriate educational outcomes for Indigenous people	0
23	Moomba-Sydney Pipeline System Sale Act 1994, section 51(2)	For payments to the Pipeline Authority in relation to the Authority's debt to the Commonwealth	0
24	Papua New Guinea Loans Guarantee Act 1975, section 4	Continuation of guarantees under the Papua-New Guinea Act 1949-75	0
25	Roads to Recovery Act 2000, section 6(3)	Funding to local government authorities to supplement expenditure on roads	200,000,000
26	Space Activities Act 1998, section 69(5)	For payment of compensation to Australian nationals for damaged caused by the launch or return of a space object	0
27	Stevedoring Levy (Collection) Act 1998, section 18(3)	Payments of levies collected to fund the reform of the stevedoring industry	34,425,892