

1999

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

APPROPRIATION (SUPPLEMENTARY MEASURES) BILL (No. 2) 1999

EXPLANATORY MEMORANDUM

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

APPROPRIATION (SUPPLEMENTARY MEASURES) BILL (No. 2)1999

GENERAL OUTLINE

The purpose of the Bill is to appropriate money from the Consolidated Revenue Fund for seven environment initiatives.

They are:

- supporting conversions to compressed natural gas or liquid petroleum gas for commercial vehicles and buses that have a gross vehicle mass equal to or greater than 3.5 tonnes, trains and ferries
- developing a product stewardship system for the reuse and recycling of waste oil
- supporting the utilisation of photovoltaic systems on residential buildings and community-use buildings
- supporting the development and commercialisation of renewable energy
- supporting the use of renewable energy for remote power generation
- 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
- greenhouse gas abatement program

FINANCIAL IMPLICATIONS

Impact on Operating Result, Net Assets, Net Cash Flows and Fiscal Balance				
	Financial years			
	2000/01	2001/02	2002/03	2003/04
	(\$ million)	(\$ million)	(\$ million)	(\$ million)
1. Supporting conversions to CNG or LPG for commercial vehicles that have a GVM greater than 3.5 tonnes, trains and ferries	15	20	20	20
2. Developing a product stewardship system for the reuse and recycling of waste oil	15	15	15	15
3. Supporting the utilisation of photovoltaic systems on residential buildings and community-use buildings	4	6	9	12
4. Supporting the development and commercialisation of renewable energy	4	5	7	10
5. Supporting the use of renewable energy for remote power generation	66	66	66	66
6. 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	10	10	10	10
7. Greenhouse gas abatement program	100	100	100	100
Total	214	222	227	233

Impact on Capital Expenditure

	Financial years			
	2000/01	2001/02	2002/03	2003/04
	(\$ million)	(\$ million)	(\$ million)	(\$ million)
1. Supporting conversions to CNG or LPG for commercial vehicles that have a GVM greater than 3.5 tonnes, trains and ferries	Nil	Nil	Nil	Nil
2. Developing a product stewardship system for the reuse and recycling of waste oil	Nil	Nil	Nil	Nil
3. Supporting the utilisation of photovoltaic systems on residential buildings and community-use buildings	Nil	Nil	Nil	Nil
4. Supporting the development and commercialisation of renewable energy	Nil	Nil	Nil	Nil
5. Supporting the use of renewable energy for remote power generation	Nil	Nil	Nil	Nil
6. 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	Nil	Nil	Nil	Nil
7. Greenhouse gas abatement program	Nil	Nil	Nil	Nil

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. 2) 1999*.

Clause 2—Commencement

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

Clause 3—Appropriation

3. Clause 3 appropriates \$896 million for seven environment initiatives over four years.

Clause 4—Primary objective of the greenhouse gas abatement program

4. The primary objective of the program is to reduce Australia's net greenhouse gas emissions by supporting activities that are likely to result in substantial emission reductions or substantial sink enhancement. Amongst other matters, the following factors must be taken into account in determining the activities to be supported under the programme: (a) the potential for employment growth; (b) new technologies; (c) innovative processes; (d) export potential; and (e) the capacity for the program to act as a catalyst for further non-government investment.

Clause 5—Grants

5. Subclause 5(1): Amounts appropriated by clause 3 for these environment initiatives may be used to make grants to a State, the Australian Capital Territory, the Northern Territory, to a person or to another body.
6. Subclauses 6(2) and 6(3) provide that grants under any of the environment initiatives may be either conditional or unconditional. Conditional grants must have terms and conditions set out in a written agreement with the grantee.
7. Subclause 6(4) provides that 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 6—Delegation

9. A Minister may delegate his power to enter into agreements about conditional financial assistance under any of these environment initiatives to certain officials. Officials must comply with any directions issued by the Minister.

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.

Clause 7—Appropriations made by this Act are in addition to other appropriations

10. Clause 7 clarifies that the appropriations made by clause 3 of this Bill are over and above any appropriations made under any other law.

Clause 8—Schedule(s)

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

Schedule 1—Amendment of the Diesel and Alternative Fuels Grants Scheme Act 1999

12. Subsection 2(5) of the *Diesel and Alternative Fuels Grants Scheme Act 1999* is repealed. The conditions in that subsection of the Act for commencement of that Act will, in substance, be satisfied upon passage of this Bill.
13. There are minor differences² between the wording of the appropriations in this Bill and the wording of the appropriations foreshadowed in subsection 2(5) of the *Diesel and Alternative Fuels Grants Scheme Act 1999*. It is arguable that these minor differences mean that this Bill does not meet the precise technical requirements of subsection 2(5). The subsection is being repealed to avoid this doubt.
14. Subsections 2(6) and (7) are also repealed. These repeals are consequential upon the repeal of subsection 2(5). Both subsections 2(6) and (7) would be redundant provisions if not repealed.
15. Subsection 2(1) is amended by omitting the reference to subsection 2(5). This is consequential upon the repeal of subsection 2(5).
16. Subsection 2(2) is amended by omitting the reference to subsection 2(5). This is consequential upon the repeal of subsection 2(5).

² These differences are detailed in the Attachment.

Subsection 2(5) of the <i>Diesel and Alternative Fuels Grants Scheme Act 1999</i>	Provisions of this Bill
<p><u>Item 1:</u> The foreshadowed appropriation is for the purpose of CNG and LPG vehicle conversions initiative, unrestricted by vehicle type.</p>	<p>Clause 3 limits the initiative to commercial vehicles and buses with a GVM of 3.5 tonnes or more, trains and ferries.</p>
<p><u>Item 2:</u> The foreshadowed appropriation is for the purpose of oil recycling infrastructure</p>	<p>The purpose of the appropriation is developing a product stewardship system for the reuse and recycling of waste oil.</p>
<p><u>Item 3:</u> The foreshadowed appropriation is for the purpose of household voltaic system grants</p>	<p>The purpose of the appropriation is supporting the utilisation of photovoltaic systems on residential buildings and community-use buildings.</p>
<p><u>Item 4:</u> The foreshadowed appropriation is for the purpose of a greenpower investment program</p>	<p>The purpose of the appropriation is supporting the development and commercialisation of renewable energy.</p>
<p><u>Item 5:</u> The foreshadowed appropriation is for the purpose of remote power renewable energy.</p>	<p>The purpose of the appropriation is supporting the use of renewable energy for remote power generation.</p>
<p><u>Item 6:</u> The foreshadowed appropriation is for the purpose of Diesel National Environment Protection Measure emissions testing.</p>	<p>The purpose of the appropriation is 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.</p>
<p><u>Item 7:</u> The foreshadowed appropriation is for the purpose of a greenhouse gas abatement program.</p>	<p>The purpose of the appropriation is the greenhouse gas abatement program, which has its primary objective specified in clause 4.</p>