

Law

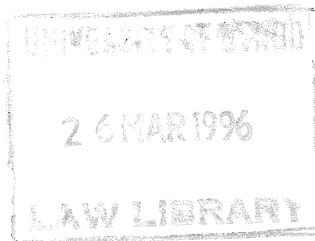
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RES

No. 163

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HOUSE OF REPRESENTATIVES

Supplementary Order Paper

Tuesday, 19 March 1996

APPROPRIATION (1994/95 FINANCIAL REVIEW) BILL

Proposed Amendments

Right Hon. W. F. BIRCH, in Committee, to move the following amendments:

New clause 6: To insert, after *clause 5*, the following clause:

6. Validation of unappropriated pension expenses—

Whereas for the year ended with the 30th day of June 1995, the Crown incurred pension expenses totalling \$649,136,000 under the authority of sections 74M(2), 81W(2), 88(2), and 95(1) of the Government Superannuation Fund Act 1956: And whereas the total pension expenses the Crown incurred during that financial year on superannuation schemes under the Government Superannuation Fund Act 1956 exceeded that amount by \$156,000,000: Be it therefore enacted that the incurring of those expenses of \$156,000,000 is hereby validated.

EXPLANATORY NOTE

The new *clause 6* seeks to validate pension expenses incurred during the 1994/95 financial year in excess of the amounts paid to the Government Superannuation Fund to meet payments to superannuitants under the various GSF schemes. The payment of these amounts is authorised by permanent legislative authority. Until 1 July 1994 these cash payments were the only part of the total pension expense requiring appropriation. The Public Finance Amendment Act 1994 changed the basis of appropriation for such non-departmental transactions to an accrual basis from 1 July 1994. This means that the total pension liability the Crown incurs in any financial year in respect of Government employees who are members of the Government Superannuation Fund now needs to be appropriated in that financial year. Until an amendment can be made to the Government Superannuation Fund Act 1956 to change the permanent legislative authority to this accrual basis, an annual appropriation will be sought each year for this element of the total pension expenses.