

REPORT ON ADVANCES PROVIDED UNDER THE ANNUAL APPROPRIATION ACTS FOR THE YEAR ENDED 30 JUNE 2022

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**Table of Abbreviations and Acronyms**

|  |  |
| --- | --- |
| ***Abbreviation/Acronym*** | ***Definition*** |
| AFM | Advance to the Finance Minister |
| ANAO | Australian National Audit Office |
| DITRDC | Department of Infrastructure, Transport, Regional Development and Communications |
| Finance | Department of Finance |
| NRRA | National Recovery and Resilience Agency |

Contents

[Introduction 1](#_Toc120188002)

[**Overview for 2021-22** 1](#_Toc120188003)

[Authority and AFM available in 2021-22 2](#_Toc120188004)

[Eligibility requirements and transparency 3](#_Toc120188005)

[Advances made in 2021-22 4](#_Toc120188006)

[**Department of Finance** 4](#_Toc120188007)

[AFM No. 1 – Construction of Centres for National Resilience 4](#_Toc120188008)

[Explanation of Requirement 4](#_Toc120188009)

[AFM No. 3 – Construction of Centres for National Resilience 5](#_Toc120188010)

[Explanation of Requirement 5](#_Toc120188011)

[AFM No. 5 – Construction of Centres for National Resilience 5](#_Toc120188012)

[Explanation of Requirement 5](#_Toc120188013)

[**National Recovery and Resilience Agency** 6](#_Toc120188014)

[AFM No. 2 – Pandemic Leave Disaster Payment 6](#_Toc120188015)

[Explanation of Requirement 6](#_Toc120188016)

[AFM No. 4 – Pandemic Leave Disaster Payment 7](#_Toc120188017)

[Explanation of Requirement 7](#_Toc120188018)

[**Department of Infrastructure, Transport, Regional Development and Communications** 8](#_Toc120188019)

[AFM No. 6 – Upgrade of NBN Co Limited’s fixed wireless and satellite networks 8](#_Toc120188020)

[Explanation of Requirement 8](#_Toc120188021)

[ATTACHMENT A: Independent Limited Assurance Report – ANAO 1](#_Toc120188022)

# Introduction

Advances to the Finance Minister (AFM) under the annual Appropriation Acts enable urgently required allocations to be issued to entities during the financial year. They are issued by a Determination made by the Minister for Finance (Finance Minister) up to a statutory limit set out in the annual Appropriation Acts.

Given the unique and evolving nature of the COVID-19 pandemic and the associated uncertainty around the Government’s necessary response, Parliament continued to support extraordinary AFM provisions in 2021-22.

This Report discloses details of the six AFMs provided during the 2021-22 financial year.

The Australian National Audit Office (ANAO) has issued the Finance Minister an Independent Review Report regarding this Annual Report and the Department of Finance’s controls supporting AFM administration in 2021-22. A copy of the ANAO’s Report is provided at Attachment A to this Report.

**Overview for 2021-22**

For 2021-22, $10,000 million in total AFM provisions were made available across the *Appropriation Acts (Nos. 1 to 4)* *2021-2022* and the *Appropriation (Coronavirus Response) Acts (Nos. 1 and 2) 2021-2022*.

There were six AFMs provided to entities in 2021-22. The AFMs, which were all fully spent, are summarised as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **AFM**  **No.** |  | **Entity** | **Advance Provided**  **($’000)** | **Expenditure**  **($’000)** | **Underspend**  **($’000)** |
| 1 |  | Department of Finance | 218,000 | 218,000 | 0 |
| 2 |  | National Recovery and Resilience Agency | 66,000 | 66,000 | 0 |
| 3 |  | Department of Finance | 403,000 | 403,000 | 0 |
| 4 |  | National Recovery and Resilience Agency | 920,000 | 920,000 | 0 |
| 5 |  | Department of Finance | 200,000 | 200,000 | 0 |
| 6 |  | Department of Infrastructure, Transport, Regional Development and Communications | 235,000 | 235,000 | 0 |
| **Total** |  |  | **2,042,000** | **2,042,000** | **0** |

The AFM is limited to the financial year of the Appropriation Act under which it is provided. There were no underspends reported which would have otherwise lapsed on 30 June 2022.

## Authority and AFM available in 2021-22

The sections of the Appropriation Acts which enable the use of AFMs are specific to the relevant Act, for the relevant year. In 2021-22, the relevant sections and the amounts available under them, were:

* **$4,000 million** was provided for the ordinary annual services of government, across the following annual Appropriation Acts:
* Section 10 of *Appropriation Act (No. 1) 2021-2022* – $2,000 million
  + Following the commencement of *Appropriation Act (No. 3) 2021-2022* on   
    1 April 2022, any allocation from *Appropriation Act (No. 1) 2021-2022* was disregarded with the effect of resetting the AFM provision to $2,000 million.
* Section 10 of *Appropriation (Coronavirus Response) Act (No. 1) 2021-2022* – $2,000 million
  + This contingency was statutorily limited to Coronavirus-related matters only, consistent with a commitment previously provided for the *Appropriation (Coronavirus Economic Response Package) Acts (Nos. 1 and 2) 2019-2020*.
* **$6,000 million** was provided for the non-ordinary annual services of government across the following annual Appropriation Acts:
* Section 12 of *Appropriation Act (No. 2) 2021-2022* – $3,000 million
  + Following the commencement of *Appropriation Act (No. 4) 2021-2022* on   
    1 April 2022, any allocation from *Appropriation Act (No. 2) 2021-2022* was disregarded with the effect of resetting the AFM provision to $3,000 million.
* Section 12 of *Appropriation (Coronavirus Response) Act (No. 2) 2021-2022* – $3,000 million
  + This contingency was statutorily limited to Coronavirus-related matters only, consistent with a commitment previously provided for the *Appropriation (Coronavirus Economic Response Package) Acts (Nos. 1 and 2) 2019-2020*.

## Eligibility requirements and transparency

An Advance may only be issued if the Finance Minister is satisfied that:

1. there is an urgent need for expenditure in the current year that is not, or is insufficiently, provided for in the relevant Appropriation Act; and
2. the additional expenditure is required due to:
   1. an erroneous omission or understatement in that Act; or
   2. being unforeseen until after the last day on which it was practicable to provide for it in the relevant Bill for that Act (before the relevant Bill was introduced into the House of Representatives).

An Advance made by the Finance Minister, has effect on the Appropriation Act concerned as if the Schedule to the Act was amended in accordance with the Determination. Accordingly, these Determinations are legislative instruments under the *Legislation Act 2003*, registered on the Federal Register of Legislation and tabled in the Parliament. They are each accessible at <https://www.legislation.gov.au> under the heading “Legislative Instruments”.

A copy of this report is available through the Department of Finance website at:

<http://www.finance.gov.au/publications/advance-to-the-finance-minister>

Guidelines on Advances are available under Part 7 – Provisions for appropriation advances, in the *Guide to Appropriations (RMG 100)*, through the Department of Finance website, at: <https://www.finance.gov.au/publications/resource-management-guides/guide-appropriations-rmg-100>

**Advances made in 2021-22**

**Department of Finance**

|  |  |
| --- | --- |
| **Portfolio** | Finance |
| **Entity** | Department of Finance (Finance) |
| **Outcome** | Outcome 2 – Support an efficient and high performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service |
| **Program** | Property and Construction |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sequence** | **Enabled by** | **Legislative instrument** | **Appropriation item** | **Amount**  **($m)** | **Underspend ($m)** |
| **AFM No. 1** of 2021-2022  19 November 2021 | Section 12 of *Appropriation Act (No. 2)*  *2021-2022* | [F2021L01581](https://www.legislation.gov.au/Details/F2021L01581) | Departmental (Equity injection) | 218.00 | 0.00 |
| **AFM No. 3** of 2021-2022  16 December 2021 | Section 12 of *Appropriation Act (No. 2)*  *2021-2022* | [F2021L01795](https://www.legislation.gov.au/Details/F2021L01795) | Departmental (Equity injection) | 403.00 | 0.00 |
| **AFM No. 5** of 2021-2022  10 February 2022 | Section 12 of *Appropriation Act (No. 2)*  *2021-2022* | [F2022L00129](https://www.legislation.gov.au/Details/F2022L00129) | Departmental (Equity injection) | 200.00 | 0.00 |
| **Total of AFMs** |  |  |  | **821.00** | **0.00** |

## AFM No. 1 – Construction of Centres for National Resilience

## Explanation of Requirement

Additional funding was provided on 19 November 2021, through AFM Determination No. 1, to enable Finance to construct Centres for National Resilience (CNRs) at Mickleham in Victoria, Pinkenba in Queensland and Bullsbrook in Western Australia. The CNRs were urgently required to provide dedicated additional quarantine capacity to manage higher-risk cohorts of international travellers arriving during the COVID-19 pandemic, as Australia reopened to international travel. The CNRs are also intended to provide future contingency, including for natural disasters, health crises, or humanitarian situations.

The additional expenditure was unforeseen until after the last day on which it was practicable to provide for it in Appropriation Bill (No. 2) 2021‑2022(Appropriation Bill (No. 2)), before it was introduced into the House of Representatives on 11 May 2021.

## AFM No. 3 – Construction of Centres for National Resilience

## Explanation of Requirement

Additional funding was provided on 16 December 2021, through AFM Determination No. 3, to support construction works at the CNR Melbourne and early-stage costs for the CNR Perth and the CNR Brisbane.

The additional expenditure was unforeseen until after the last day on which it was practicable to provide for it in Appropriation Bill (No. 2), before it was introduced into the House of Representatives on 11 May 2021.

## AFM No. 5 – Construction of Centres for National Resilience

Explanation of Requirement

Additional funding was provided on 10 February 2022, through AFM Determination No. 5, to support the completion of construction at the CNR Melbourne and construction works at the CNR Perth and the CNR Brisbane.

The additional expenditure was unforeseen until after the last day on which it was practicable to provide for it in Appropriation Bill (No. 2), before it was introduced into the House of Representatives on 11 May 2021.

**National Recovery and Resilience Agency**

|  |  |
| --- | --- |
| **Portfolio** | Prime Minister and Cabinet |
| **Entity** | National Recovery and Resilience Agency (NRRA) |
| **Outcome** | Outcome 1 – To lead Commonwealth action and national efforts to improve preparedness for, reduce risks associated with, and support all‑hazards relief and recovery from, disasters and emergencies of all kinds, including by providing strategic leadership, policy advice and program delivery, community outreach and stakeholder engagement |
| **Program** | COVID-19 Support |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sequence** | **Enabled by** | **Legislative instrument** | **Appropriation item** | **Amount**  **($m)** | **Underspend ($m)** |
| **AFM No. 2** of 2021-2022  11 December 2021 | Section 12 of *Appropriation Act (No. 2)*  *2021-2022* | [F2022L01771](https://www.legislation.gov.au/Details/F2021L01771) | Administered | 66.00 | 0.00 |
| **AFM No. 4** of 2021-2022  14 January 2022 | Section 10 of *AppropriationAct (No. 1)*  *2021-2022* | [F2022L000](https://www.legislation.gov.au/Details/F2022L00028)28 | Administered | 920.00 | 0.00 |
| **Total of AFMs** |  |  |  | **986.00** | **0.00** |

## AFM No. 2 – Pandemic Leave Disaster Payment

## Explanation of Requirement

Additional funding was provided on 11 December 2021, through AFM Determination No. 2, to the NRRA to support a decision by the Australian Government to extend the availability of the Pandemic Leave Disaster Payment (PLDP) from 1 November 2021 to 30 June 2022. The PLDP is a lump sum payment made to individuals who cannot earn an income because they must self‑isolate, quarantine or care for someone who has to self-isolate or quarantine.

The additional expenditure was unforeseen until after the last day on which it was practicable to provide for it in Appropriation Bill (No. 2), before it was introduced into the House of Representatives on 11 May 2021.

## AFM No. 4 – Pandemic Leave Disaster Payment

## Explanation of Requirement

Additional funding was provided on 14 January 2022, through AFM Determination No. 4, to the NRRA to meet increased demand for the PLDP due to the emergence of the highly transmissible Omicron COVID-19 variant, leading to cases within the community growing significantly. Eligibility for the PLDP was refined to reflect nationally agreed definitions of ‘close contacts’ with revised conditions being applied to the payment.

The additional expenditure was unforeseen until after the last day on which it was practicable to provide for it in Appropriation Bill (No. 1) 2021‑2022(Appropriation Bill (No. 1)), before it was introduced into the House of Representatives on 11 May 2021.

**Department of Infrastructure, Transport, Regional Development and Communications**

|  |  |
| --- | --- |
| **Portfolio** | Infrastructure, Transport, Regional Development and Communications |
| **Entity** | Department of Infrastructure, Transport, Regional Development and Communications (DITRDC) |
| **Outcome** | Outcome 5 – Promote an innovative and competitive communications sector, through policy development, advice and program delivery, so all Australians can realise the full potential of digital technologies and communications services |
| **Program** | Digital Technologies and Communications Services |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sequence** | **Enabled by** | **Legislative instrument** | **Appropriation item** | **Amount**  **($m)** | **Underspend ($m)** |
| **AFM No. 6** of 2021-2022  20 June 2022 | Section 10 of *Appropriation Act (No. 1)*  *2021-2022* | [F2022L00814](https://www.legislation.gov.au/Details/F2022L00814) | Administered | 235.00 | 0.00 |
| **Total of AFM** |  |  |  | **235.00** | **0.00** |

## AFM No. 6 – Upgrade of NBN Co Limited’s fixed wireless and satellite networks

Explanation of Requirement

As part of the *Better Connectivity for Rural and Regional Australia Plan*, the Australian Government made an election commitment to provide $480 million in grant funding towards an upgrade of NBN Co Limited’s (NBN Co’s) fixed wireless and satellite networks in 2021-22. This upgrade will significantly improve broadband services for premises in regional, rural and remote Australia and in peri-urban areas. Additional funding was provided to DITRDC on 20 June 2022, through AFM Determination No. 6, to enable payment of the full grant of $480 million by DITRDC to NBN Co.

The additional expenditure was unforeseen until after the last day on which it was practicable to provide for it in Appropriation Bill (No. 1), before it was introduced into the House of Representatives on 11 May 2021.

# ATTACHMENT A: Independent Limited Assurance Report – ANAO





