

Extract from Hansard

[LEGISLATIVE ASSEMBLY COMMITTEES A AND B SUPPLEMENTARY INFORMATION — Thursday,
23 May 2019]

p590b-590b

Mr Shane Love; Dr David Honey

Division 16: Primary Industries and Regional Development — Services 6 and 7, Agriculture and Food —

[Supplementary Information No B16.]

Question: Mr R.S. Love asked for an explanation of the discrepancy, or the drop in the figure, in the 2019–20 budget compared with the projected 2020–21 budget in relation to the second line item “Biosecurity and Agriculture Management Act 2007”.

Answer: The Biosecurity and Agriculture Management Act 2007 (BAM) appropriation was incorrectly overstated in November 2016 when an amount for the Royalties for Regions Wild Dog Action Plan was incorrectly reflected in the BAM appropriation line. An amount of \$1.717 has been incorrectly reflected in both the 2018–19 Budget and the 2019–20 Budget. DPIRD will need to reduce the BAM appropriation for 2019–20 at mid-year review by this \$1.715. There will also be a similar adjustment to the 2018–19 Estimated Actual. This correction will amend the budget amounts as follows:

- 2018–19 – \$3.682 million
- 2019–20 – \$3.660 million

The increase in the BAM appropriation in 2021–22 and 2022–23 of \$1.487 million over 2020–21 relates to the addition of five new Recognised Biosecurity Groups.

[Supplementary Information No B17.]

Question: Dr D.J. Honey asked for further detail on the figures in the budget papers relating to cash flow in the accommodation area on page 219 of budget paper No 2.

Answer: With effect from 1 July 2019, all government agencies are required to adopt the new lease accounting standard AASB16 to continue to comply with the Financial Management Act which requires compliance with Australian Accounting Standards. This broadly requires that all operating leases are now recognised on the balance sheet as an asset and a liability. The asset is depreciated over the lease term, with interest paid being recognised on the liability over the lease term. Therefore, previous operating lease charges for accommodation are now reflected in increased depreciation charge and interest payable charge in the income statement. This is reflected in the cashflow statement as a repayment of borrowings and leases under Cash Flows from Financing Activities.