Appropriation Bill (No. 1) 1988–89

Date Introduced: 23 August 1988
House: House of Representatives
Presented by: The Hon. Paul Keating, M.P., Treasurer

Digest of Bill

Purpose
To appropriate $11,989,152,000 from the Consolidated Revenue Fund (CRF) for the ordinary annual services of the government during the 1988–89 financial year.

Background
The second reading speech for this Bill is the vehicle used to introduce the Budget.

This Bill forms part of a package relating to government expenditure. The Appropriation Bill (No. 1) covers expenditure for the annual services of government, while Appropriation Bill (No. 2) covers expenditure on capital works and services, payments to the States and for other purposes not authorised by special legislation. Appropriation for expenditure by the Parliamentary Departments is contained in the Appropriation (Parliamentary Departments) Bill. Authority to spend under these Bills lapses on 30 June.

Additional appropriation may be sought in further Appropriation Bills, commonly known as the Additional Estimates, when the appropriation sought in the Appropriation Bills is insufficient for the financial year. The Additional Estimates also lapse on 30 June.

In the period between 30 June and the Budget, authority to spend is obtained under the Supply Acts. These are normally passed a month or so before the beginning of the financial year and generally do not allow for more than five months expenditure. The amounts authorised in the Supply Acts are later incorporated in the Appropriation Acts for the year to which the expenditure relates.
Outline

The major features of the Budget are:

- Outlays are estimated to increase by 4.1% over 1987–88 (a fall in real terms of 1.8% based on a non-farm GDP price deflator of 6%). As a percentage of GDP, outlays are expected to fall from 27% in 1987–88 to an estimated 25.6% in 1988–89.

- Revenue is estimated to increase by 8.3% over the previous financial year, with PAYE collections increasing by an estimated 13.8%. As a percentage of GDP, total receipts are estimated to decrease by 0.4% to 27.3%.

- There will be an estimated Budget surplus of $5.468 billion in 1988–89.

The Budget estimates are based on a number of assumptions about economic conditions in the 1988–89 financial year. Amongst these, it is assumed in the Budget papers that: private final consumption expenditure will increase by 2.75%; business investment will increase by 12%; exports will increase by 6%; imports will increase by 9.5%; average earnings will increase by 6.5% on a national accounts basis; the CPI will increase by 5.5%; non-farm real unit labour costs will fall by 0.25%; and that real household disposable income will increase by 3%.1

Main Provisions

Clause 3 will authorise the Minister for Finance to issue $11 152 000 from the CRF for the year ending 30 June 1989.

Clause 4 will deem the sum of $20 666 581 000 (the sum of the amounts appropriated by this Bill and the Supply Act (No. 1) 1988–89) to have been appropriated from 1 July 1988.

Schedule 3 to the Bill details the Departments and programs to which the funds are allocated.

References

1. 1988–89 Budget Paper No. 1, p. 60

For further information, if required, contact the Economics and Commerce Group.

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