Appropriation Bill (No. 1) 1987 – 88

Date Introduced: 15 September 1987  
House: House of Representatives  
Presented by: The Hon. Paul Keating, M.P., Treasurer

Digest of Bill

Purpose
To appropriate $11 701 170 900 from the Consolidated Revenue Fund (CRF) for the ordinary annual services of the Government during the 1987 – 88 financial year.

Background
The second reading speech for the Appropriation Bill (No. 1) is the vehicle used to introduce the Budget.

This Bill forms part of a package relating to government appropriation. The Appropriation Bill (No. 1) covers expenditure for the ordinary annual services of the Government, while the Appropriation Bill (No. 2) covers expenditure on capital works and services, payments to or for the States and other purposes not authorised by special legislation. Appropriation for both recurrent and capital expenditure of 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 amount provided in the Appropriation Acts 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 usually allow for no 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 4.3 % over 1986 – 87 (a fall in real terms of 2.4%). As a percentage of GDP outlays are estimated to fall from 28.3% in 1986 – 87 to 26.8% in 1987 – 88;
Revenue is estimated to increase by 8.2% over 1986–87, though as a percentage of GDP revenue is estimated to fall from 27.3% to 26.8%.

The deficit is estimated to be $27 million for 1987–88 (0.0% of GDP), a fall of $2689 million on the 1986–87 deficit of $2716 (which represented 1.0% of GDP).

Major initiatives in the Budget include the reduction of outlays by $1000 million through asset sales and an increase in outlays of $249 million to finance the family assistance package announced during the 1987 election campaign.

**Main Provisions**

Clause 3 will authorise the Minister for Finance to issue $11 701 170 900 from the CRF for the year ending 30 June 1988.

Clause 4 will deem the sum of $20 348 571 000 (the sum of the amounts appropriated by this Bill and the Supply Act (No. 1) 1987–88) to have been appropriated from 30 June 1987.

Clause 5 will authorise the Minister for Finance to direct the transfer of appropriations made under the Supply Act (No. 1) 1987–88, and expended between 1 July 1987 and 23 July 1987, between Departments where the service concerned has been transferred.

The Minister for Finance will be authorised to pay, from the CRF, additional amounts for increases in salaries, for which provision is made in Schedule 3, which become payable during 1987–88 under a law, award etc (clause 6).

Clause 8 will allow the Minister for Finance to pay amounts from the CRF to the Loan Consolidation and Investment Reserve. This provision has been used in the past to handle surpluses arising in the CRF.

Clauses 13 to 21 will amend the Supply Act (No. 1) 1986–87 to substitute a number of new items into that Act.

The Bill will be subject to the Loans Act 1987 (clause 22).

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

22 September 1987

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This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.