NATIONAL WELFARE FUND REPEAL BILL 1985

Date Introduced: 27 March 1985
House: House of Representatives
Presented by: The Hon. C. Hurford, M.P., Minister Assisting the Treasurer

Short Digest of Bill

Purpose

To abolish the National Welfare Fund as the account through which Federal social security payments are made and to make these payments come directly from the Consolidated Revenue Fund.

Background

In 1943 the National Welfare Fund was established as a fund from which to pay Federal income support payments. The Fund was financed each year by a grant at least as large as one quarter of income tax receipts. From 1 January 1946 the Fund was financed by a specific and separate levy on incomes. The special levy was merged with general income tax in 1950. The Fund was then financed from grants and payroll tax contributions. In 1952 finance of the Fund became directly linked to Consolidated Revenue. As payments into the Fund were set at payments owed by the Fund it became merely an accounting mechanism. In 1976 the Treasurer, Mr Lynch, using Audit Act powers, had the accumulated balance of the Fund paid into Consolidated Revenue.

Main Provisions

Clause 3 repeals the Fund. Clause 4 consequentially amends a series of Acts so that the Consolidated Revenue Fund becomes their funding source.

For further information, if required, a background paper is available from:

17 April 1985

Education and Welfare Group
LEGISLATIVE RESEARCH SERVICE