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APPROPRIATION BILL (NO. 1) 1981-82

Date Introduced: 18 August 1981
House: House of Representatives
Presented by: Hon. J.W. Howard, Treasurer

Short Digest of Bill

Purpose

To appropriate money from the Consolidated Revenue Fund (CRF) for the ordinary services of Government provided for in the 1981-82 Budget.

Background

The Second Reading Speech on Appropriation Bill No. 1 is the vehicle used by the Treasurer to introduce the Budget for the current financial year. The Speech and attached statements (Budget Paper No. 1) cover all expenditures of the Commonwealth Government in the year under all forms of appropriations and sources of revenue. It is expected that expenditure under Appropriation Bills Nos. 1 and 2 will represent about 30% of total Budget outlays in 1981-82.

In accordance with section 81 of the Constitution, all revenues or moneys raised or received are paid to the credit of the CRF and, in accordance with section 83, no money shall be drawn from the Treasury except under appropriation made by law.

Appropriation Bills Nos. 1 and 2 are introduced at the time of the main Budget, normally August. They provide authority for expenditure on specified purposes up to the specified amounts and, through the Advance to the Minister for Finance (see Division 310 of Schedule 2), for expenditure on items in excess of their specific appropriation or where no appropriation has been provided for them. Authority lapses on 30 June.

Appropriation Bill No. 1 covers expenditure for the ordinary annual services of the Government, which the Senate does not have the power to amend. Appropriation Bill No. 2 covers expenditure on capital works and services, payments to or for the States and other services not authorised by special legislation. The amounts that can be spent on
individual departments and items are set out in schedules to these Bills in Budget Papers Nos. 2 and 3.

Where the amount provided in Appropriation Acts Nos. 1 and 2 is insufficient in a financial year, additional appropriation may be sought in further Appropriation Bills (Nos. 3 and 4). These are commonly known as the Additional Estimates and also lapse on 30 June.

In the period between 30 June and the time of the Budget when Appropriation Bills Nos. 1 and 2 are presented, authority to spend is obtained from Supply Acts (Nos. 1 and 2). These are normally passed a month or two before the beginning of the new financial year, and usually allow for not more than five months expenditure. The amounts authorised in Supply Acts are later included in the Appropriation Acts Nos. 1 and 2 of the financial year to which the expenditure relates.

In addition to the Appropriation Acts Nos. 1 and 2, there are numerous other Acts that appropriate funds from the CRF for the purposes specified in the Acts. These are known as special (or standing) appropriations and do not necessarily lapse at 30 June. They are listed in Budget Paper No. 4 "Estimates of Receipts and Summary of Estimated Expenditure", 1981-82, Table 7.

Receipts of the CRF are raised under such Acts as the Income Tax (Rates) Act, Sales Tax Act, Customs Tariff Act and Excise Tariff. The amounts raised under different items are listed in Budget Paper No. 4, Table 5.

Budget expenditure may also be made from the Loan Fund to which all borrowed moneys are credited. Expenditures from the Loan Fund authorised under various Acts are listed in Budget Paper No. 4, Table 8.

Budget expenditures are also made from the Trust Fund not requiring annual appropriations. The moneys must first have passed through the CRF or the Loan Fund.

Main Provisions

Clause 3 empowers the Minister for Finance to spend $6,388,523,000 in the year ending 30 June 1982. This is in addition to expenditure of $4,362,523,000 authorised by the Supply Act (No. 1) 1981-82 bringing the total for the year to $10,751,046,000 to be expended on the items set out in Schedule 2.

Clause 5 empowers the Minister for Finance to pay from the CRF additional amounts necessary for increases in
salaries, for which provision is made in Schedule 2, which become payable during 1981-82 under any law, award, etc.

Clause 6 provides that the amounts paid under Supply Act (No. 1) 1981-82 for increases in salaries, are to be deemed to have been issued and applied under this Bill.

Clause 7 empowers the Minister for Finance to pay further sums from the CRF in 1981-82 into the Loan Consolidation and Investment Reserve. (This provision has been used in the past when surpluses arose in the CRF).

For further information, if required, contact:

Finance, Industries, Trade & Development Group

20 August 1981

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References

1. Digest of Supply Bill (No. 1) 1981-82.
2. Digest of Appropriation Bill (No. 2) 1981-82.