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APPROPRIATION BILL (NO. 3) 1979-80

Date Introduced: 1 April 1980
House: House of Representatives

Short Digest of Bill

Purpose

To appropriate moneys from the Consolidated Revenue Fund to commitments for the ordinary annual services of Government in 1979-80, additional to those originally provided in Appropriation Bill (No. 1) 1979-80.

Background

The main "money Bills" which appropriate funds from the Consolidated Revenue Fund (C.R.F.) for Government expenditure throughout the year are:

1. Appropriation Bills No.'s 1 and 2

Appropriation Bills No.'s 1 and 2 are introduced at the time of the main Budget, normally August. (The Second Reading Speech for these Bills is the vehicle for the Treasurer's Budget speech). They provide authority for expenditure on specified purposes up to specified amounts and, through the Advance to the Minister for Finance, for expenditure of up to an additional amount not limited to specified purposes. The authority lapses at 30 June.

2. Appropriation Bills No.'s 3 and 4

When the amount provided in Appropriation Acts No.'s 1 and 2 is insufficient in a financial year, additional appropriation may be sought in further Appropriation Bills (No.'s 3 and 4). These are commonly known as the Additional Estimates and also lapse at 30 June.

Appropriation Bills No.'s 1 and 3 cover expenditure for the ordinary annual services of the Government. Appropriation Bills No.'s 2 and 4 cover expenditure on capital works and services, payments to or for the States and other services not authorised by special legislation.
The Additional Estimates are required for such reasons as:

- cost increases since the original Budget preparation (except for certain increases in salary award rates provided for in the special section 5 of Appropriation Act No. 1);
- misjudgement in original estimates of outlays;
- new or expanded expenditure programs.

Some of the money formally appropriated under these Bills may have been already spent under the interim provision of the advance to the Minister for Finance contained in Appropriation Bill No. 1 or No. 2.

In some cases, actual expenditure covered by Appropriation Acts No.'s 1 or 2 turns out to be less than appropriated for a particular item, but such savings cannot be applied to an item where extra funds are needed unless in the same appropriation sub-division. The existence of such savings (a separate list of which is published by the Minister for Finance) means that the actual excess of expenditure over that budgeted is smaller than the requirements in Appropriation Bills No.'s 3 and 4.

3. Supply Bills No.'s 1 and 2

In the period between 30 June and the time of the Budget when Appropriation Acts No.'s 1 and 2 are passed, authority to spend is obtained from Supply Acts No.'s 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 Act No.'s 1 and 2 of the financial year to which the expenditure relates.

4. Special Appropriations

There are numerous other Acts that appropriate 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", Table 7. Special Appropriations in 1979-80 are estimated to amount to 68 per cent of total Commonwealth outlays.
Budget expenditure may also be made from the Loan Fund to which all borrowed moneys are credited. The Acts authorising expenditure from the Loan Fund are listed in Budget Paper No. 4, Table 9.

Main Provisions

Appropriation Bill (No. 3) permits the appropriations from CRF of $323,914,000 for 1979-80 (clause 3) for the purposes specified in the Schedule to the Bill.

The Minister for Finance in the Second Reading Speech to this Bill has listed a number of the more significant areas and purposes for which additional appropriations are being sought.

The Departments seeking the highest amounts of additional funds are the Departments of Defence ($161m.), Foreign Affairs ($24m), Veterans' Affairs ($23m.), Administrative Services ($14m.) and Transport ($12m.).

Finance, Industries, Trade & Development Group

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LEGISLATIVE RESEARCH SERVICE