APPROPRIATION BILL (NO. 1) 1980-81

Date Introduced: 19 August 1980
House: House of Representatives
Presented by: Hon. J. Howard, M.P., Treasurer

Short Digest of Bill

Purpose

To appropriate money from the Consolidated Revenue Fund for the ordinary annual services of government as provided in the 1980-81 Budget.

Main Provisions

Clause 3 provides for the Minister for Finance to issue $6,202,188,000 out of C.R.F. and apply it for the services specified for each department and item in Schedule 2 for 1980-81.

This sum is the remainder of what is required for the ordinary annual services of government in the 1980-81 Budget following the interim appropriation of $4,246,899,000 in Supply Act (No. 1) 1980-81 in May 1980.

Clause 4 provides for the total sum of $10,449,087,000 to be appropriated for the services specified in Schedule 2 in 1980-81.

Clause 5 provides for the Minister to issue from C.R.F., in addition, amounts necessary for the payment of such increases in salaries and wages for which provision is made in Schedule 2 as become payable during 1980-81 under any law or award etc.

Clause 6 provides that the amounts issued under Supply Act (No. 1) 1980-81 to cover increases in salaries and wages are to be deemed to have been issued and applied under this Bill.

Clause 7 empowers the Minister for Finance to issue and apply further sums from C.R.F. in 1980-81 for the purposes of the Loan Consolidation and Investment Reserve. (This provision was used in the past when surpluses arose in the C.R.F.).
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) deal with the totality of expenditures for the Commonwealth Government in the year under all forms of appropriations, and the sources of revenue. Expenditure under Appropriation Bills Nos. 1 and 2 will represent about 34% of total Budget outlays in 1980-81.

In accordance with section 81 of the Constitution all revenues or moneys raised or received are paid to the credit of the Consolidated Revenue Fund (C.R.F.) 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 specified amounts and, through the Advance to the Treasurer, for expenditure of up to an additional amount not limited to specified purposes. The authority lapses at 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 at 30 June.

In the period between 30 June and the time of the Budget when Appropriation Acts Nos. 1 and 2 are passed, 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 the C.R.F. 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", 1980-81, Table 7.

Receipts of the C.R.F. 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 3.

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 C.R.F. or Loan Fund.

Finance, Industries, Trade & Development Group

2 September 1980

LEGISLATIVE RESEARCH SERVICE