Appropriation Bill (No. 1) 1992-3

Date Introduced: 18 August 1992
House: House of Representatives
Portfolio: Treasury

Purpose
To appropriate $14,721,400,000 from the Consolidated Revenue Fund (CRF) for the ordinary annual services of the government.

Background
The second reading speech for this Bill is the vehicle used to introduce the Budget.

This Bill forms part of a package relating to government finance. The Bill covers expenditure for the ordinary annual services of government, while Appropriation Bill (No. 2) deals with expenditure on capital works and services, payments to the States and other purposes not authorised by special legislation. Appropriation for the 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 appropriation sought in the Appropriation Bills is insufficient for the financial year. The additional appropriations are usually made in the March/April period. The additional estimates also lapse on 30 June.

In the period between 1 July and the Budget, authority to spend is obtained under the Supply Acts. These are normally passed a month or so before the end of the financial year and generally do not allow for more than five months spending. The amounts authorised under the Supply Acts are later incorporated in the Appropriation Acts for the year to which the expenditure relates.

Outline

Revenue:
Revenue is estimated to increase by 3.4%, or $3207 million, over 1991-2. As a share of GDP, Commonwealth revenue is expected to fall from 24.2% in 1991-2 to 23.7% in 1992-3. The largest share of revenue will come from individual income tax, followed by indirect tax and then by other income tax. Major changes in revenue in 1992-3 will come from provisional tax concessions, reduction of sales tax on passenger vehicles and increased depreciation allowances. The main positive change in receipts will be from the increase of excise on tobacco products announced in the Budget.

Outlays
For 1992-3, outlays are estimated to increase by 4.1% in real terms over the previous year which will equate to 27% of GDP. Major increases in outlays will occur in transport and communications (77%), housing and community amenities (24.7%), labour and employment (48.5%) and education (10.1%). Social security and welfare continued to be the biggest area of expenditure, followed by health.

The Budget estimates and forecasts are based on a number of assumptions, including:
* GDP will increase by 3%;
* average earnings will increase by 3.5%;
* the CPI will increase by 2%;
* non-farm real unit labour costs will fall by 2.75%;
* the unemployment rate will be 10.5%;
* the terms of trade will remain the same; and
* the current account deficit will be $15 billion.

Main Provisions
Clause 3 will authorise the Minister for Finance to issue $14,721,400,000 from the CRF for the purposes specified in Schedule 3 of the Bill (this gives a portfolio and program breakdown of the expenditure).

Clause 4 deals with the amalgamation of this Bill with the Supply Act (No. 1) 1992-93 to authorise total expenditure of $27,089,687,000 during 1992-93.

Clauses 5 and 6 allow for additional appropriations under the Appropriation and Supply Acts for increases in salaries that become payable during 1992-93.

Other provisions relate to increases and decreases under the Supply Act (No. 1) 1992-93 for a number of government Departments and provide for item changes that may arise from the creation of various proposed agencies.

Bills Digest Service
Parliamentary Research Service
31 August 1992

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

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