

1985

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

NATIONAL WELFARE FUND REPEAL BILL 1985

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Finance)

OUTLINE

The purpose of this Bill is to provide for the repeal of the National Welfare Fund Act. Welfare and social service payments presently met from a ledger head called the National Welfare Fund would in future be met directly from standing appropriations of the Consolidated Revenue Fund under the specific Acts authorising the particular payments.

The proposal has no bearing on policy issues relating to welfare payments, ie the way in which recipients are paid or the quantum of funds allocated by the Government to social welfare. It affects only internal accounting arrangements.

The Auditor-General, in his Report on the Financial Statements of the Minister for Finance for the year ended 30 June 1981, expressed the view that the National Welfare Fund no longer served any useful function either as a control mechanism or as a holding account for future expenditure, and that its continuation as the hub of the accounting process for welfare payments entails significant and unnecessary accounting work. The Government agrees with this view and the National Welfare Fund Repeal Bill 1985 provides for a more effective accounting mechanism for the payment of the welfare and social service payments concerned.

NOTES ON CLAUSES

Clauses 1 and 2

1. The first two clauses of the Bill provide for the short title and commencement of the legislation.

Clause 3

2. Clause three sets out the Acts to be repealed by the Bill.

Clause 4

3. This clause sets out, with reference to the Schedule to the Bill, the Acts which are to be amended consequent upon the repeal of the National Welfare Fund Acts 1943, 1945, 1950 and 1952. The effect of these amendments is to:

- (i) delete all references to the National Welfare Fund (where applicable); and
- (ii) provide that relevant payments, grants, loans and advances shall be made from the Consolidated Revenue Fund (where applicable) and to appropriate the Consolidated Revenue Fund accordingly.

Clause 5

4. Clause five provides the mechanism for continuous payment of social security and welfare benefits on repeal of the National Welfare Fund Act. The Clause enables Governor General's warrant to be obtained under the various Acts appearing in the Schedule between the date of Royal Assent and the date to be fixed by Proclamation so that the warrants to meet payments are available for use immediately the Proclamation date occurs, which is expected to be 1 July 1985 to co-incide with the commencement of the financial year.

