

1986

THE SENATE

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STANDING APPROPRIATIONS ABOLITION BILL 1986

(Senator Vigor)

EXPLANATORY MEMORANDUM

**Purpose of the Bill**

Section 83 of the Constitution provides that no money shall be drawn from the Treasury of the Commonwealth except under appropriation made by law.

There are a number of Acts in force which contain continuing provisions which appropriate the money necessary for the purposes of the Acts without specifying any limitation of the amount appropriated. These continuing and unspecified appropriations are known as standing or special appropriations. Because they have continuing effect, the provision of the money to be expended under them is not subject to annual scrutiny and renewal by Parliament.

The Minister for Finance recently stated in debate in the Senate (Hansard, 17 October 1985, p.1384) that 70 per cent of all government expenditure is provided for in standing or special appropriations. This means that 70 per cent of all government expenditure escapes annual scrutiny and renewal by the Parliament. Only 30 per cent of government expenditure is

subjected to the annual process of scrutiny and questioning in the Estimates Committees and to a deliberate parliamentary decision that authority for the expenditure be granted.

Standing or special appropriations are unnecessary. Some Acts which require the expenditure of money for their operation provide that the necessary funds are to be appropriated by the Parliament in a separate Act, and the money required is included in the annual appropriation Bills. There is no reason for not providing for all government expenditure in this way.

The Bill would have the effect of abolishing all existing standing or special appropriations and requiring that the money required for the operation of all Acts be appropriated annually by the Parliament.

#### **Explanation of clauses**

##### **Clause 1: Short title**

##### **Clause 2: Commencement**

The Bill would come into operation on 1 July 1987. This would mean that the funds required for the operation of the various Acts affected by the Bill would need to be included in the annual supply and appropriation Bills for the 1987-88 and subsequent financial years.

##### **Clause 3: Abolition of standing appropriations**

Sub-clause (1) provides that all provisions in Acts appropriating unspecified amounts of money would cease to have effect at the commencement of the Bill.

Sub-clause (2) makes it clear that the money required for the operation of the various Acts so affected would need to be appropriated by the Parliament, and also provides that the appropriation is to be made annually.