

1987

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

Presented and read a first time, 15 September 1987

(Minister representing the Minister for Finance)

A BILL

FOR

An Act to authorise the borrowing and expending of money for certain purposes

BE IT ENACTED by the Queen, and the Senate and the House of Representatives of the Commonwealth of Australia, as follows:

PART I—PRELIMINARY

Short title

- 5 1. This Act may be cited as the *Loans Act 1987*.

Commencement

2. This Act shall come into operation on the day on which it receives the Royal Assent.

Interpretation

- 10 3. In this Act, unless the contrary intention appears:
“current financial year” means the year ending on 30 June 1988;
“defence service”, in relation to a financial year, means a service specified under the heading “DEPARTMENT OF DEFENCE” in a relevant appropriation Act for the financial year;

"next financial year" means the year ending on 30 June 1989;

"relevant appropriation Act" means:

(a) in relation to the current financial year:

(i) the *Supply Act (No. 1) 1987-88*; or

(ii) an Act, whether passed before or after the commencement of this Act, appropriating the Consolidated Revenue Fund for the service of that financial year, being an Act that is expressed to have effect subject to this Act; and 5

(b) in relation to the next financial year—the Act passed before 1 July 1988 that makes interim provision for the appropriation of money out of the Consolidated Revenue Fund for the service of that financial year, being an Act that is expressed to have effect subject to this Act; 10

"supply period", in relation to the next financial year, means the period commencing on 1 July 1988 and ending immediately before the commencement of an Act passed after that date that appropriates money out of the Consolidated Revenue Fund for the service of that financial year. 15

PART II—BORROWING AND EXPENDING OF MONEY FOR DEFENCE PURPOSES 20

Authority to borrow

4. (1) The Treasurer may, from time to time during the current financial year, borrow money that, together with any money previously borrowed under this subsection during that financial year, does not exceed the sum of: 25

(a) the total of the amounts authorised to be expended after the commencement of this Act and before the end of that financial year for defence services for that financial year; and

(b) the expenses of borrowing. 30

(2) The Treasurer may, from time to time during the supply period in the next financial year, borrow money that, together with any money previously borrowed under this subsection during that period, does not exceed the sum of:

(a) the total of the amounts authorised by the relevant appropriation Act for that financial year to be expended for defence services for that financial year; and 35

(b) the expenses of borrowing.

(3) Money may be borrowed under subsection (1) or (2) in accordance with: 40

(a) the *Commonwealth Inscribed Stock Act 1911*; or

(b) an Act authorising the issue of Treasury Bills; and not otherwise.

Application of money borrowed under section 4

5. (1) Money borrowed under subsection 4 (1) in the current financial year may be issued and expended for:

(a) defence services for that financial year; and

(b) the expenses of borrowing;

and not otherwise.

(2) Money borrowed under subsection 4 (2) in the next financial year may be issued and expended for:

(a) defence services for that financial year; and

(b) the expenses of borrowing;

and not otherwise.

**PART III—SUPPLEMENTATION OF THE CONSOLIDATED
REVENUE FUND****Authority to borrow**

6 (1) The Treasurer may, from time to time during the current financial year, borrow money that, together with any money previously borrowed under this subsection during that financial year, does not exceed the sum of:

(a) the amount that, at the time of the borrowing, the Treasurer considers to be the greatest amount by which the money lawfully available, apart from this Part, for expenditure from the Consolidated Revenue Fund in that financial year is likely to be less than the amount of the expenditure made, and to be made, from the Consolidated Revenue Fund in that financial year; and

(b) the amount that, at that time, the Treasurer considers will be the expenses of the borrowing.

(2) Money may be borrowed under subsection (1) in accordance with:

(a) the *Commonwealth Inscribed Stock Act 1911*; or

(b) an Act authorising the issue of Treasury Bills;

and not otherwise.

Application of money borrowed under subsection 6 (1)

7. Money borrowed under subsection 6 (1) may be issued and expended:

(a) in making payments to the credit of the Consolidated Revenue Fund; and

(b) for the expenses of borrowing;

and not otherwise.

PART IV—MISCELLANEOUS**Appropriation**

8 The Loan Fund is appropriated to the extent necessary for the purposes of this Act.

Limitation of expenditure

9. (1) Nothing in this Act, or in a relevant appropriation Act for the current financial year, shall be taken to authorise the expenditure for a defence service for that financial year of an amount the expenditure of which would result in the total expenditure for that service under this Act and the relevant appropriation Acts for that financial year exceeding the total of the amounts authorised by the relevant appropriation Acts for that financial year to be expended in respect of that service. 5

(2) Nothing in this Act, or in the relevant appropriation Act for the next financial year, shall be taken to authorise the expenditure for a defence service for that financial year of an amount the expenditure of which would result in the total expenditure for that service under this Act and the relevant appropriation Act for that financial year exceeding the total of the amounts authorised by the relevant appropriation Act for that financial year to be expended in respect of that service. 10 15

(3) Subsections (1) and (2) do not affect respectively:

- (a) the expenditure of money appropriated under the heading "ADVANCE TO THE MINISTER FOR FINANCE" in a relevant appropriation Act for the current financial year; and
- (b) the expenditure of money appropriated under that heading in the relevant appropriation Act for the next financial year. 20