

Agreement in Principle

Mr DAVID CAMPBELL (Keira—Minister for Transport, and Minister for the Illawarra) [4.40 p.m.]: I move:

That this bill be now agreed to in principle.

The Appropriation (Budget Variations) Bill 2009 is a key part of the annual budget process. It is not always possible to seek Parliament's authority in advance for unforeseen and urgent expenditure, and provisions have been established for such situations. These include the Treasurer's Advance and section 22 of the Public Finance and Audit Act 1983. In the annual Appropriation Act an advance is appropriated to the Treasurer to cater for unforeseen and urgent expenditures that could not be forecast at budget time. This bill includes details of expenditure from the Treasurer's Advance, ensuring that there is a transparent accountability process to Parliament.

Under section 22 of the Public Finance and Audit Act 1983, the Treasurer, with the approval of the Governor, determined that amounts were paid from the Consolidated Fund for exigencies of government, in anticipation of appropriation by Parliament. This bill provides details of those payments. The bill also seeks approval by the Parliament for the payment of additional appropriations in 2008-09 for which no provision was made in the annual Appropriation Act. These include the bringing forward of payments to the rail and housing sectors, as reported in the 2008-09 half-yearly review released in December 2008. The practice of seeking approval for supplementary funding to cover expenditure not provided for in the annual Appropriation Act has now become an important part of the annual budget process. This is a process that has been endorsed by the Auditor-General as well as by the Legislative Council's General Purpose Standing Committee No. 1 in its report on appropriation processes.

The bill has three key features. First, it provides an account to Parliament on how the 2008-09 Treasurer's Advance has been applied towards recurrent and capital expenditure, and details of the allocation of the 2007-08 Treasurer's Advance not previously reported to Parliament. Secondly, it seeks appropriations to cover expenditure approved by the Governor under section 22 of the Public Finance and Audit Act 1983. Finally, it seeks appropriation for payments that are intended to be made in the current financial year where no provision was made in the annual appropriation bill.

Schedule 1 to the bill covers appropriations for 2008-09 and schedule 2 covers payments made in 2007-08. The payments for 2007-08 have already been brought to account in agencies' audited financial statements and have no impact on the published budget result for that year. The Appropriation (Budget Variations) Bill 2009 in respect of the 2008-09 financial year seeks appropriations of \$343.195 million in adjustment of the advance to the Treasurer; \$10.891 million for recurrent services approved by the Governor under section 22 of the Public Finance and Audit Act 1983; and an additional appropriation of \$520.505 million.

Schedule 1 to the bill has a full account of how the Treasurer's Advance has been applied this year. The allocation of the Treasurer's Advance in 2008-09 highlights the commitment of the Government to ensuring appropriate services for the community, and includes \$56 million for additional health capital works; \$50 million to Housing NSW as part of the \$220 million of funding brought forward to stimulate activity in the housing industry; \$40.2 million and \$27.5 million for additional health staff pressures and health activity increases respectively; \$29.1 million for drought assistance programs; \$18.4 million in Commonwealth funding received in the prior year that requires an appropriation in 2008-09 to various agencies; \$15 million for the increased cost of disabled students school transport; \$13.1 million for additional accommodation measures for juvenile offenders; and \$13.1 million in coal compensation payments.

In 2008-09 one approval for \$10.891 million was made under section 22 of the Public Finance and Audit Act 1983 to the Department of Primary Industries for the refund of overpaid mineral royalties. The additional appropriations in the bill are \$280 million in additional grants for debt repayment; \$170 million towards the housing stimulus package; \$40 million for the First Home Owner Grant Scheme; and \$30.5 million relating to health expenditure commitments associated with Commonwealth funding received in the prior year for vaccinations. The bill also seeks appropriations for payments made during the 2007-08 financial year approved by the Governor under section 22 of the Public Finance and Audit Act, and reporting the payments made under the Treasurer's Advance.

Schedule 2 to the bill details the funding made in 2007-08 and includes an additional grant to Rail Corporation's capital works program, World Youth Day funding, land acquisition for the Jervis Bay National Park, Police Death and Disability Scheme funding, First Home Owner Grant Scheme funding, and natural disaster funding. Each of the payments made in 2007-08 has been included in the audited financial statements of the relevant agencies for that year. The practice of introducing further appropriation bills has enhanced accountability for the expenditure of public moneys from the Consolidated Fund. It is further evidence of the Government's commitment to transparent and full financial reporting to the Parliament and the community. I commend the bill to the House.