

Second Reading

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [12.28 p.m.]: I move:

That this bill be now read a second time.

This bill has three main objectives: to give the Treasurer authority to make payments from the Consolidated Fund until the end of October or enactment of an Appropriation Act, to set out payments from the Treasurer's Advance for recurrent services since the last appropriation bills, and to appropriate amounts from the Consolidated Fund for the exigencies of government under section 22 of the Public Finance and Audit Act 1983.

First, the bill permits the Treasurer to make payments from the Consolidated Fund during the months of July, August, September and October 2011 until enactment of a 2011 Appropriation Act. With the 2011-12 budget set for release in September 2011, there will be no Appropriation Act passed before the start of the 2011-12 financial year. In the absence of an Appropriation Act, the Public Finance and Audit Act 1983 empowers the Treasurer to pay amounts from the Consolidated Fund for the financial year. The Treasurer's authority under the Public Finance and Audit Act is restricted to one-quarter of the 2010-11 appropriation, indexed by two-thirds of the consumer price index, and ends on 30 September 2011. However, the need for cash appropriations by a number of government agencies in the first few months of the financial year considerably exceeds the amount allowable under the Public Finance and Audit Act. For example, the Department of Education and Training provides bi-annual grants to the non-government sector in July every year.

The bill will address this need by appropriating \$18.3 billion for recurrent expenses and \$600 million for capital expenditure for the months of July, August, September and October 2011. These amounts compare with the \$17.6 billion for recurrent expenses and \$1 billion for capital expenditure for the same period in 2010-11 and have been calculated based on lower capital spending under the Commonwealth fiscal stimulus package than occurred in 2010-11, and expected growth in expenditures, including a prudent buffer. All payments made under the authority of this bill will be regarded as payments made out of the subsequent 2011 budget appropriation bill. In addition, the bill gives the Treasurer authority to make payments from the Consolidated Fund for the Legislature and offices of Parliament until the end of October or enactment of an Appropriation Act.

The Hon. Luke Foley: They're burning you in effigy right now.

The Hon. GREG PEARCE: I hope it will be on television. Secondly, the bill sets out recurrent services and capital works and services expended from the advance to the Treasurer. This bill appropriates payments totalling \$279,511,000 from the Treasurer's Advance for recurrent expenses made during 2010-11, \$76,133,000 for capital expenditure made from that advance during 2010-11, and \$281,066,000 from that advance made during 2009-10 that have not previously been reported, thus ensuring a transparent and accountable process to Parliament.

Thirdly, the bill appropriates payments totalling \$157,900,000 to provide for the exigencies of government during 2010-11, and \$54,000,000 to provide for those exigencies during 2009-10 that have not yet been reported. These amounts were paid by the Treasurer pursuant to section 22 of the Public Finance and Audit Act 1983. Finally, the practice of introducing

further appropriation bills has enhanced accountability for the expenditure of public moneys from the Consolidated Fund. It is 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.