

Second Reading

The Hon. MICHAEL VEITCH (Parliamentary Secretary) [11.48 p.m.], on behalf of the Hon. Eric Roozendaal: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

The Appropriation (Budget Variations) Bill 2010 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 and accountable process to Parliament.

Under section 22 of the Public Finance and Audit Act 1983, the Treasurer, with the approval of the Governor, has determined that amounts will be paid from the consolidated fund for exigencies of Government, in anticipation of appropriation by Parliament. This bill provides details of those payments.

This bill also seeks approval by the Parliament for the payment of additional appropriations in 2009-10 in which no provision was made in the annual Appropriation Act. This includes an additional contribution to the Pooled Fund Superannuation Scheme, funding for the Metropolitan Transport Plan and a Principal Priority Building Program Loan to the Department of Education.

The additional contribution of \$510 million to the Pooled Fund Superannuation Scheme will be funded from the proceeds of the lotteries sale. This will ensure the impact of the sale is Budget neutral on a risk-adjusted basis.

Additional funding for the Metropolitan Transport Plan reflects the Government's commitment to the plan and the provision of upfront funding will assist in locking in delivery.

The provision of a loan from the Crown to the Department of Education and Training to fund various minor capital works reflects the execution of a Mini Budget decision. Previously it was intended that funding be provided as an offset to credit balances in school bank accounts.

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 the Legislative Council's General Purpose Standing Committee No. 1 in its report on appropriation processes.

The bill has three key features:

1. Firstly, it provides an account to Parliament on how the 2009-10 Treasurer's Advance has been applied towards recurrent and capital expenditure, and details of the allocation of the 2008-09 Advance not previously reported to Parliament;
2. Secondly, it seeks appropriations to cover expenditure approved by the Governor under section 22 of the Public Finance and Audit Act 1983; and
3. Finally, it seeks appropriation for payments which are intended to be made in the current financial year where no provision was made in the annual Appropriation Bill.

Schedule 1 of the bill covers appropriations for 2009-10, and schedule 2 covers payments made in 2008-09. The payments for 2008-09 have already been brought to account in agency audited financial statements and have no impact on the published Budget result for that year.

The Appropriation (Budget Variations) Bill 2010, in respect of the 2009-10 financial year seeks:

appropriations of \$347.162 million in adjustment of the Advance to the Treasurer;

\$79.720 million for recurrent services approved by the Governor under section 22 of the Public Finance and Audit Act 1983; and

additional appropriation of \$695 million.

Schedule 1 of 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 2009-10 highlights the commitment of the Government to ensuring appropriate services for the community, and includes:

\$30.2 million for stamp duty associated with the Barangaroo development;

\$29.2 million funding for Stage 3A of the Nepean Hospital Redevelopment project and Blacktown Clinical Simulation facility;

\$22.2 million for drought assistance programs;

\$18.8 million funding to purchase a waste treatment site from WSN Environmental Solutions;

\$17.4 million funding for Digital Education Revolution National Partnership;

\$13 million in additional funding requirements related to Commonwealth elective surgery targets;

\$10.2 million for Yellow Rock Priority Sewerage Program;

\$9.6 million funding for sporting and recreation grants.

\$918,000 for the Keep Them Safe initiative for child protection

\$5.3 million for life support equipment related to swine flu

\$3 million for emergency Drought Works for Lake Cargelligo

\$750,000 for the Anzac War Memorial Trust

\$801,000 for the Greenhouse Gas Abatement Scheme

\$1.24 million for an Autism Early Outcomes Unit

\$1.19 million for fire fighting equipment

\$2 million for the Wayside Chapel

In 2009-10, two approvals for \$79.72 million were made under section 22 of the Public Finance and Audit Act 1983. These were:

\$71 million to support the First Home Owner Grant scheme;

\$8.72 million for coal compensation payments.

The bill also seeks appropriations for payments made during the 2008-09 financial year approved by the Governor under section 22 of the Public Finance and Audit Act 1983, and reporting the payments made under the Treasurer's Advance.

Schedule 2 of the bill details the funding made in 2008-09. Highlights include:

Additional funding for the First Home Owner Grant scheme;

Government obligations under private bus contracts;

Additional insurance and claims costs for the Police Death and Disability Scheme; and

Higher school based employee costs.

Each of the payments made in 2008-09 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.