

APPROPRIATION (BUDGET VARIATIONS) BILL 2008

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Bill introduced on motion by Mr Michael Daley, on behalf of Mr Frank Sartor.**Agreement in Principle****Mr MICHAEL DALEY** (Maroubra—Parliamentary Secretary) [4.50 p.m.]: I move:

That this bill be now agreed to in principle.

The Appropriation (Budget Variations) Bill 2008 is a key part of the annual budget process. The 2007-08 budget was delivered before the start of this financial year. Throughout the year, the Government becomes aware of the requirement to cater for unforeseen and urgent expenditures that were not forecast at budget time. This Appropriation (Budget Variations) Bill 2008 ensures that variations to the 2007-08 budget are appropriated by Parliament. The bill ensures that there is a transparent process for examining this expenditure. So, the practice of seeking approval for supplementary funding to cover expenditure not provided for in the annual Appropriation Act now has 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 Parliament is aware that it is not always possible to seek Parliament's authority in advance for unforeseen and urgent expenditure, and has previously established provisions for such situations. This includes the Treasurer's Advance. The Treasurer's Advance is an amount made available to the Treasurer in the annual Appropriation Act to be used for unforeseen and urgent expenditure. This amount is available for both recurrent services, and capital works and services. The bill has three key features. Firstly, it provides an account to Parliament on how the Treasurer's Advance has been applied for recurrent and capital expenditure. Secondly, it seeks an adjustment of the 2007-08 advance prior to the end of the current financial year. 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.

The Government, in presenting further appropriation bills, has sought as far as possible to ensure that Parliament has the opportunity to scrutinise anticipated additional funding requirements prior to expenditures being incurred. The Appropriation (Budget Variations) Bill 2008 in respect of the 2007-08 financial year seeks appropriations of \$190 million in adjustment of the advance to the Treasurer and additional appropriation of \$218 million for recurrent services. Schedule 1 to the bill has an account of how the Treasurer's Advance has been applied this year. The Treasurer's Advance payments in 2007-08 highlight the commitment of the lemma Government to ensuring appropriate services for the community, and include such things as \$46.9 million to match Federal funding for irrigators—I am sure my friend the member for Monaro will welcome that initiative—\$25 million towards the construction of the new Hill Grandstand at the Sydney Cricket Ground; and \$20.2 million for other emergency drought assistance, on top of the \$350 million in drought relief provided in the 2007-08 budget.

Mr Steve Whan: Hear! Hear!

Mr MICHAEL DALEY: The member for Monaro, who is sitting behind me, quite rightly says, "Hear! Hear!" The Treasurer's Advance payments further include \$10 million for a new educational wing at the Museum of Contemporary Art; \$7.9 million under the equine influenza response plan; \$34.8 million for out-of-home and foster care allowances; \$10 million as part of a \$30 million plan to provide an additional 150 acute care hospital beds, which I am sure every member of this House would welcome; \$10.3 million to extend the school safety zone plan; \$11.1 million to establish Events New South Wales to help attract major cultural, commercial and sporting events to this State and this nation; and \$4.4 million to cover World Youth Day planning costs. The Treasurer informs me that the bill includes \$140 million to reduce debt accrued during the construction of the Epping to Chatswood rail link on top of the \$960 million in rail debt repayments announced with this year's budget. With the lemma Government investing a record \$17.7 billion over the next decade in new rail infrastructure, including \$12 billion on the North West Metro project—

Mr John Williams: Subject to selling the power.

Mr MICHAEL DALEY: —it is prudent financial management for the Government to pay down debt where we can. The member for Murray-Darling interjects. If it is subject to us remaining in power, it is implicit that if the

Coalition is elected at the next election it will not proceed with the North West Metro rail link. Top-up funding has occurred in four of the past five years, and the request before the Parliament is less than half that required in previous years and constitutes less than 1 per cent of the total State budget. The Federal Government introduced 12 such bills for additional spending over and above its normal budget requirements in the past five years. 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.