

**APPROPRIATION (BUDGET VARIATIONS) BILL 2008**

Page: 8038

**Second Reading**

**The Hon. HENRY TSANG** (Parliamentary Secretary) [11.12 a.m.], on behalf of the Hon. Michael Costa: I move:  
That this bill be now read a second time.

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 is required to cater for unforeseen and urgent expenditures that were not forecast at budget time. This bill ensures that variations to the 2007-08 budget are appropriated by Parliament and ensures a transparent process for examining this expenditure. 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 process has been endorsed by the Auditor-General and in the report of the Legislative Council's General Purpose Standing Committee No. 1 on the appropriation process.

The Parliament is aware that it is not always possible to seek the Parliament's authority in advance for unforeseen and urgent expenditure and has established provisions for such situations, such as the Treasurer's Advance. The Treasurer's Advance is an amount that is 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 of the way in which the Treasurer's Advance has been applied for recurrent and capital expenditure. Secondly, it seeks an adjustment of the 2007-08 Treasurer's Advance prior to the end of the current financial year. Thirdly, it seeks appropriation for payments which are intended to be made in the current financial year when 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 the 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 appropriation of \$190 million in adjustment of the advance to the Treasurer and an additional appropriation of \$218 million for recurrent services. Schedule 1 to the bill is an account of how the Treasurer's Advance has been applied this year. The Treasurer's Advance payments in 2007-08, which highlight the commitment of the lemma Government to ensuring appropriate services for the community, include \$46.9 million to match federal funding for irrigators; \$25 million towards the construction of the new hill grandstand at the Sydney Cricket Ground; \$20.2 million for other emergency drought assistance, on top of the \$350 million for drought relief provided in the 2007-08 budget; \$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; \$10.3 million to extend the school safety zone plan; \$11.1 million to establish Events New South Wales, which will help attract major cultural, commercial and sporting events; 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 in this year's budget. With the lemma Government investing a record \$17.7 billion over the next decade on new rail infrastructure, including \$12 billion on the North West Metro project, it is prudent financial management for the Government to pay down debt where it can. Top-up funding has occurred in four of the past five years. This 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 over 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 Parliament and the community. I commend the bill to the House.