

TREASURER'S ADVANCE AUTHORISATION BILL 2009

Second Reading

MR T.R. BUSWELL (Vasse — Treasurer) [3.02 pm]: I move —

That the bill be now read a second time.

This bill seeks to increase the Treasurer's advance limit for the current financial year to \$1.2 billion, an increase of \$762.3 million on the currently approved limit. As members may be aware, the Treasurer's advance allows for supplementary funding of annual appropriations for unseen and/or extraordinary events during the financial year, as well as short-term repayable advances to agencies for working capital purposes. The annual Treasurer's advance limit is set automatically by the Financial Management Act 2006, and is calculated as three per cent of the amount appropriated in the previous financial year. For the current financial year, this equates to a Treasurer's advance limit of \$437.7 million. Under the FMA, if this automatic limit proves insufficient, parliamentary approval for an increased limit must be sought by way of a Treasurer's advance authorisation bill.

The *2008-09 Government Mid-year Financial Projections Statement*, or midyear review, released in December 2008, foreshadowed that "the Government will be seeking Parliamentary approval for an increased limit prior to 30 June 2009". In this regard, the midyear review reported an estimated impact on the 2008-09 Treasurer's advance of \$996.8 million, based on government commitments made up to the midyear review cut-off date of 1 December 2008. These commitments include: the royalties for regions fund of \$337 million; first home owner assistance of \$131 million; \$94.2 million for the community housing program and the First Start shared equity scheme; \$95.8 million for the refund of past years' revenue collections; \$55.6 million in additional project costs for the Public Transport Authority, such as seniors free public transport and North Greenbushes railway as announced in the midyear review; \$48.4 million for the school capital improvement program; and \$38.3 million for various health initiatives, such as the Friend in Need—Emergency scheme, elective surgery waiting list and the WA state suicide prevention strategy.

Since finalisation of the midyear review, the required Treasurer's advance limit for 2008-09 has been revised to \$1.2 billion. This higher limit includes the impact of issues that have crystallised since the midyear review cut-off date, such as: higher than expected tax refunds of \$21 million; \$34 million for the Public Transport Authority's enterprise bargaining agreement and further New MetroRail project contractual obligations; and a provision of \$149.3 million for new decisions or cost pressures that may emerge between now and the end of the financial year.

In summary, the major factors driving the need for the higher Treasurer's advance limit sought by this bill can be characterised as, firstly, honouring the government's election commitments, and, secondly, addressing areas of community need, such as health and education infrastructure. I commend the bill to the house.

Debate adjourned, on motion by **Mr M. McGowan**.