

TREASURER'S ADVANCE AUTHORISATION BILL 2009

Third Reading

HON BARRY HOUSE (South West — Parliamentary Secretary) [4.34 pm]: I move —

That the bill be now read a third time.

HON KEN TRAVERS (North Metropolitan) [4.35 pm]: I had hoped that the parliamentary secretary would answer the questions that he said he would answer during the committee stage. However, perhaps he can do so in his response to the third reading. I will conclude debate on this bill by using some of the words of Hon Murray Criddle that I quoted in my contribution to the second reading debate: if the government wants additional money, it needs to justify it. It became very clear throughout the committee stage that the government was not able to substantiate the purposes for which it wanted the money or the state of the state's finances. We were told that we were relying on coffee-shop gossip. Clearly, the figures related to decisions that were made by the government but were not known to the Treasury officers handling the bill. That demonstrates that the finances in this state are out of control and that Treasury is scrambling to try to balance the books. This bill seeks a record quantum. The state's finances are in decline, and that is a problem of the government's own making because of its outrageous and unsustainable expenditure. They are not my words; they are words of the Under Treasurer.

We learnt during the committee stage that on a cash basis the budget will be in deficit. The government will spend money on ordinary recurrent expenditure today, while expecting future generations to pay for it. This bill is unsustainable. We have been assured by the government that when the budget is brought down, we will see that the government has the state's finances under control. It will take a massive turnaround in the next month before the budget is presented to this place to bring the finances under control. I hope for the sake of the people of Western Australia that that can be achieved, but I have little faith that it will be achieved. I hope that it is not achieved by selling assets to pay for the massive increases in recurrent expenditure, which would deny the benefit of those assets to future generations. I hope it is not achieved through a massive increase in fees and charges, although I thought we might have seen a precursor to that during question time today with one of the answers provided by the Minister for Transport.

I look forward to seeing the appropriation bills that will confirm the expenditure provided for in this advance. I have every expectation that in many areas there will be significant differences between where the money is spent and where it has been suggested the money will be spent in the "Excesses and New Items — the Treasurer's Advance 2008-09" document that was provided to us. The question that has been asked in previous years is whether Treasurer's advance authorisation bills are introduced to try to lessen the surplus for the following year. The question that has been asked about this bill is whether it has been introduced to try to lessen the onset of a deficit in accrual terms in future years. I thought that that was possible, but after listening to the committee debate, I suspect that it is a simple case of the finances of this state being out of control. The government does not have control of the state's finances. The government was not there in January and February when it needed to do the work to make sure that the state's finances were under control.

The process that we have gone through with this bill is inadequate. It has been talked about time and again. The way in which "unforeseen" and "extraordinary" are interpreted is inadequate as well. In passing this bill, we need to recognise that, even though we were given a guide by Treasury and the parliamentary secretary about where they expected the money to be spent, ultimately we will just pass an extra \$750 million to give the Treasurer \$1.2 billion to spend. It will then be up to the government to make sure that it complies with section 27(3) of the Financial Management Act. I question whether many of the items that have been outlined fulfil those criteria. Whether the expenditure complies with section 27(3) is a very important matter that I hope the Auditor General will look at. Given the way in which the act is being interpreted at the moment, we might as well get rid of that section. That is the net effect, and if that is the case, the government should bring an amendment into the Parliament. We should at least be honest about it. Let us not set up a situation in which, if someone challenges that fact at some point in the future, expenditure that has already occurred may be found to have been improper. That would not be a very good outcome for the state.

The opposition will reluctantly support the bill on the third reading. I think Hon George Cash has talked about this, and this is not the first time this has been raised by an opposition spokesperson: the process is inadequate and I urge the government to examine the process in future years to see whether we can get a better outcome. This is not an appropriation bill. An advance bill is something the opposition could have opposed, but on this occasion chooses not to, and we hope that the government is able to get its act together in future years. I will be patient for the next month, and will look forward to finding out whether the commitments that have been given to us over the past three days are honoured in the budget document.

HON BARRY HOUSE (South West — Parliamentary Secretary) [4.42 pm] — in reply: Very briefly, I thank the opposition for its support of the bill on the third reading, and I thank members who have contributed to the

debate over the past few days. The Treasurer in the other place and I, with advice and support, have tried to provide the opposition, and hence the Parliament and the people of Western Australia, with as much detail as we could about the Treasurer's Advance Authorisation Bill. Hon Ken Travers still seems to have a problem with the definition of "extraordinary or unforeseen". I will just repeat that extraordinary or unforeseen expenditure is, firstly, expenditure for which no appropriation has been made in the financial year. Examples of that are pretty easy to find. Because there was a change in administration midstream in this budgetary cycle, there was a change in policy settings, and some appropriations that were not applied at all by the previous administration in 2008-09 now require some expenditure. A clear example is royalties for regions, which was allocated zero dollars in the budget for 2008-09.

Hon Ken Travers: It was an act of your government; it was not unforeseen.

Hon BARRY HOUSE: It was certainly unforeseen by the previous government, which framed the 2008-09 budget. That is what it was all about. The second category of these expenditures involves an appropriation which has been made in the financial year, but which will be exceeded as a result of the charging of that expenditure. A clear example of this across many areas of government is salary increases, which perhaps were allowed for to an extent in the 2008-09 budget, but which, as a result of events and circumstances throughout the year, have exceeded the estimate made for them. The explanation, therefore, is pretty clear to me. Once again, I thank members for their contributions. When the budget is tabled in this house on 14 March, I am sure members opposite will be relieved to see that the state is in good financial hands.

Question put and passed.

Bill read a third time and passed.