

FIONA STANLEY HOSPITAL CONSTRUCTION ACCOUNT BILL 2007

Introduction and First Reading

Bill introduced, on motion by **Mr E.S. Ripper (Treasurer)**, and read a first time.

Explanatory memorandum presented by the Treasurer.

Second Reading

MR E.S. RIPPER (Belmont - Treasurer) [12.33 pm]: I move -

That the bill be now read a second time.

As I recently announced in the budget speech, the government has decided to set aside the 2006-07 cash surplus to fund the construction of the new Fiona Stanley Hospital. The 2007-08 budget appropriates the estimated cost of the hospital - \$1.09 billion - into a special purpose account to be called the Fiona Stanley Hospital construction account. I made the point in the budget speech that this account will be established and protected by legislation. The bill I now introduce puts that account in place. Money appropriated to the account can be used only for the construction and establishment of the Fiona Stanley Hospital. It cannot be used for any other purpose.

The bill also provides that the account will earn interest on the investment of its balance, thereby providing capacity to offset potential cost escalation on the project between now and its scheduled completion in 2012-13.

This is not a "slush fund" that politicians can play games with in the future. When the hospital is completed, any money left in the account must be returned to the consolidated account, and the Fiona Stanley Hospital construction account will then be closed. The bill also provides that the account is to be administered by the Treasurer, and will be subject to the normal accountability and audit requirements of the Financial Management Act 2006 and the Auditor General Act 2006. As I noted when introducing the budget, this decision continues the government's practice over the past several years of investing the fruits of the economic boom to benefit both current and future generations.

Debt-free funding of the Fiona Stanley Hospital follows last year's decision to use the 2005-06 surplus to pay off all debt for the New MetroRail project. Together, these decisions mean that the two largest public sector capital works projects ever undertaken in Western Australia will be delivered without the need for borrowings, and with no debt servicing costs into the future - a lasting legacy of our state's current prosperity. I commend the bill to the house.

Debate adjourned, on motion by **Mr G.M. Castrilli**.