

TREASURER'S ADVANCE AUTHORISATION BILL 2005

Committee

The Deputy Chairman of Committees (Hon Graham Giffard) in the Chair; Hon Ljiljanna Ravlich (Minister for Education and Training) in charge of the bill.

Clause 1: Short Title -

Hon GEORGE CASH: We are dealing with the Treasurer's Advance Authorisation Bill 2005 and, in particular, clause 1, the short title. Members will be aware that during the second reading debate I raised a number of issues, which I indicated to the minister we would want answers to during the committee stage. The minister indicated that would be possible. Before proceeding to a number of those questions - they certainly do not all deal with clause 1 - I make the point that during the second reading stage of the bill I made reference to the taxing regime of the Gallop government in Western Australia and pointed out that it was the second highest taxing government of all the states of Australia. I demonstrated that with a number of statistics, which are clearly not disputed, given that many of them were taken from the Department of Treasury and Finance publication "Overview of State Taxes Western Australia 2004-05", which was published in March 2005. Members may recall that the minister suggested at one stage when I was reciting from that publication at length that it might be a good idea if the government did not publish it any more. I am quite sure that the minister was only joking when she said it. I say that because it is a very useful publication, as the minister knows. It is one of the more interesting publications that the Department of Treasury and Finance puts out. The reason that I raise the publication and the minister's aside during the second reading debate is that we will shortly be dealing with the Financial Administration Legislation Amendment Bill 2005. That bill contains a proposition to abolish a number of the financial statements that are published in Western Australia and substitute them with what we say are much lesser publications. However, we can deal with that in due course.

The other point that I raised during the second reading stage was the question of whether Western Australia had complied with the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations. When I spoke on this issue last week I made the point that having read the intergovernmental agreement and having had regard for what the state of Western Australia has done about the reviews that it committed to as a signatory to that agreement, legally the state of Western Australia had done what was required of it within the agreement. This is the case despite the federal government running full-page advertisements in newspapers across Western Australia claiming that Western Australia had not lived up to its obligations under that agreement. However, I also said that because the Gallop government is an extremely high-taxing government and is swimming in money, the government has a significant moral obligation to do something about reducing taxes in Western Australia. I also note with interest that since we last spoke on the Treasurer's Advance Authorisation Bill the Public Accounts Committee in the other place has tabled the "Report on the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations, Report No 1 in the 37th Parliament 2005". Within that document is an opinion from Malcolm McCusker, QC on his interpretation of the intergovernmental agreement. He clearly reaches the view that the government has complied with its legal obligations; in fact, in clause 13 of his opinion he states -

In my opinion, therefore, the State is not in breach of the IGA. It has not undertaken to abolish all (or any) of the stamp duties described in clause 5(vii), and its failure to abolish 3 of them as yet does not breach the IGA.

It is important to at least recognise where Western Australia stands in respect of the intergovernmental agreement. I certainly do not resile from the statement that this is a huge opportunity for the government to reduce some state taxes over and above those agreed to in the intergovernmental agreement.

That is all I need to say about clause 1. For the minister's information, I asked for a breakdown of the \$450 million proposed to be added to the \$300 million TAA for this financial year to take the total up to \$750 million. We will deal with that aspect when the committee reaches clause 7. I will deal with a number of other matters on subsequent clauses during the committee stage.

Hon LJILJANNA RAVLICH: I thank Hon George Cash for his comments. As I mentioned during the second reading debate, we both agree that compliance at law has occurred with the intergovernmental agreement. The government has worked to abolish a number of taxes, including the financial institutions duty and stamp duty on listed shares. During the second reading debate, I outlined a range of tax reductions, although possibly not the full range -

Hon George Cash: They were taxes agreed to as part of the agreement.

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Hon LJILJANNA RAVLICH: That is correct. The taxes included reductions in property conveyancing, land tax and payroll tax, and exemptions for first home owners etc. It is fair to state that the government has at law met its obligations in that regard. Our moral obligations are somewhat more subjective, as I am sure the honourable member would agree. I do not want to comment on what is obviously a matter of jurisdiction and policy in respect of the Treasurer's portfolio responsibilities. I do not think I am at liberty to comment on those matters.

Hon MURRAY CRIDDLE: On the last point, it would be useful for the people of Western Australia if the minister passed on the message to the Treasurer that the people of this state are interested to know whether the government will go further on taxation reduction; I refer to reductions that may not be a legal obligation, but might be a moral obligation.

Hon LJILJANNA RAVLICH: I am happy to pass on that message.

Clause put and passed.

Clause 2: Commencement -

Hon GEORGE CASH: The commencement clause is termed as one would expect. Therefore, the opposition does not object to its wording.

Clause put and passed.

Clause 3: Terms used in this Act -

Hon GEORGE CASH: The provision defines "existing works and services advance" as follows -

... means so much of any advance made before 1 July 2005 under section 5(1)(b) or (c) of a previous TAA Act as has not been recouped or recovered before 1 July 2005;

I am interested to learn something from the minister: given that clause 7 proposes to add another \$450 million to the 2004-05 Treasurer's Advance Authorisation Act, how much has been expended through the TAA for 2004-05 up to date, and how much has been recouped in accordance with the provisions of the Financial Administration and Audit Act?

Hon LJILJANNA RAVLICH: The quantum advanced is \$43.38 million, and \$20.096 million has been recouped.

Hon GEORGE CASH: As I understand it, the minister stated that the amount expended was in the order of \$43 million.

Hon Ljiljanna Ravlich: It was \$43.38 million.

Hon GEORGE CASH: It was in the order of \$43 million. The Treasurer's Advance Authorisation Act 2004 originally made provision and authorised an amount not exceeding \$300 million. That \$300 million is about to expire on 30 June 2005. I am at a loss to understand how only \$43 million of the original \$300 million authorisation has been spent to date. I understand that approximately \$20 million has been recouped - I do not argue in respect of that amount. Why is it that, only a matter of weeks from the end of this financial year, we have spent only \$43 million of the \$300 million authorised? I ask that question on the basis that this bill seeks an additional \$450 million, all of which is to be expended prior to 30 June this year.

Hon LJILJANNA RAVLICH: I am advised that the funding of \$234 million is made up of \$43 million repayable, and a supplementary amount of \$189 million.

Hon GEORGE CASH: I am sorry; I do not understand what the minister is talking about. The minister said in the first instance that about \$43 million had been expended from a total of \$300 million. She also said that about \$20 million has been recouped to date. I am at a loss to know where the \$234 million came from. I state to the minister that it is always helpful that she be provided with a schedule of the amount spent. I do not expect the minister to know the figures off the top of her head, but, if money has been applied, I expect the minister to be provided with a statement or schedule of those applied moneys. I ask the minister again about the \$43 million and the recouped \$20 million because they are the only real figures that I am able to understand from her first answer provided.

Hon LJILJANNA RAVLICH: I am advised that the \$234 million is the supplementary funding that has been advanced. It is made up of \$43 million, which is repayable, and \$189 million, which is supplementary funding.

Hon GEORGE CASH: I think I understand where the minister is coming from. I do not want to be seen to be critical of the minister; she is handling the bill for the first time. I am making the point that I believe she should

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have a schedule that she is able to table in this chamber so that there is no question whatsoever where the money went. Can the minister advise the committee what the \$189 million comprises?

If it would assist the minister, I am quite happy for the Deputy Chairman to leave the chair for a few minutes so that these amounts can be reconciled. I do not think it is fair for the minister to have to sit there and make various comments second-hand. Given the fact that she has not been provided with a schedule, she may find that convenient. I have also asked the minister for some additional explanation about clause 7, which I think she will be able to provide.

Hon LJILJANNA RAVLICH: I want to make sure that I get the tenor of exactly what the member wants. He wants to know what the \$234 million is made up of.

Hon George Cash: Yes.

Hon Murray Criddle: Is that out of the \$300 million?

Hon LJILJANNA RAVLICH: Yes.

The DEPUTY CHAIRMAN (Hon Graham Giffard): If the minister is agreeable to my leaving the chair until the ringing of the bells, she can immediately resolve that informally with members, unless members want to raise an issue before we do that.

Hon MURRAY CRIDDLE: I want to understand - I am sure that Hon George Cash also wants to understand - exactly what information we will get when we return. I would like to know where the \$234 million has come from, how it was arrived at and whether there is a difference between that and the \$300 million. Will that remain unspent? Will we spend more than that until we get to \$750 million? I will be very interested when we discuss clause 7 to know where amounts such as the \$48 million in additional local government road grants and so forth will be expended exactly.

Hon LJILJANNA RAVLICH: To be precise, the authorisation remaining is \$65.557 million.

The DEPUTY CHAIRMAN: Is it the minister's wish that I leave the chair until the ringing of the bells?

Hon LJILJANNA RAVLICH: Yes, I am happy for that to happen.

The DEPUTY CHAIRMAN: I will leave the chair until the ringing of the bells.

Sitting suspended from 8.43 to 9.00 pm

Hon LJILJANNA RAVLICH: I thank Hon George Cash for his question about the quantum of the draw down amount and the specific items of expenditure from that draw down amount. The limit to that amount was \$300 million and the draw down figure was \$234.4 million as of 23 May 2005. I will refer to the specifics one by one. For agriculture, an allocation of \$5.9 million -

Hon Murray Criddle: \$5.9 million?

Hon LJILJANNA RAVLICH: Yes, \$5.9 million. I give an undertaking to provide the specifics of these initiatives. The \$5.9 million for agriculture included, but was not limited to, expenditure on the eradication of the European house borer, the control of wild dogs in Kalgoorlie - I do not have a specific amount for that, but I am happy to provide the specific amounts allocated to each of these measures - weed control in the south west and the surveillance and control of footrot. An allocation of \$5.9 million was provided to culture and the arts, which partly funded the operational cost of the Kewdale museum complex and expenditure on capital works. A sum of \$57.7 million was allocated as a grant to the Edith Cowan University for a land transfer, which occurred following a decision of cabinet on 13 December 2001 by which approval was given to the granting of crown law land at the Churchlands campus to ECU so that ECU could develop and dispose of this land and use the proceeds for the purpose of investment in and development of the university's Joondalup and Mt Lawley campuses. A sum of \$0.9 million was allocated to the Goldfields-Esperance Development Commission for works that included the Kalgoorlie heritage restoration and maintenance of the Goldfields Arts Centre. A sum of \$1.7 million was allocated to the Department of Health for the dental health waiting list. A sum of \$88 million was allocated to the Department of Industry and Resources for the Dampier to Bunbury pipeline for the purpose of finance assistance. A sum of \$1.1 million was allocated to the Mid West Development Commission and was used for the Geraldton foreshore and CBD redevelopment. A sum of \$0.5 million was allocated to the Western Australian Office of Energy for commercial risk advice to the pipeline transaction. A sum of \$4.9 million was allocated to the Pilbara Development Commission for the regional development fund. A sum of \$9.5 million was allocated to the Department for Planning and Infrastructure for the ongoing development of the transport executive and licensing information system. A sum of \$4 million was allocated to the Department of Sport and Recreation for the West Australian Football Commission debt. A sum of \$4.2 million was allocated to Tourism Western Australia for marketing expenditure and support for the regional hospitality industry. A sum of

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\$35.5 million was allocated for repayable advances; that is, working capital. A sum of \$10 million was allocated to the Department of Treasury and Finance and was administered on road diesel and the Waterwise rebate for the Water Corporation. Much of this detail is contained in the 2004-05 *Government Mid-year Financial Projections Statement*. However, having said that, I am quite happy to ensure that we provide the specifics for those expenditures. I hope that answer satisfies the honourable member.

Hon GEORGE CASH: I thank the minister for providing that additional detail, and will look forward to the schedule that she has said she will table setting out those amounts and any other information. However, the minister will recall that clause 5 of the Treasurer's Advance Authorisation Bill 2004 distinguished the purposes for which the money could be paid or advanced. Some of the payments could be for matters of an extraordinary or unforeseen nature. Other reasons for which money can be used are given in clause 5. Will the minister ensure also that the reason for the expenditure is given alongside each amount in the schedule; that is, whether it is an extraordinary or unforeseen circumstance? Will the minister provide that detail so that we understand why the TAA is being used to fund these particular items? I recognise that the minister said that this information is available as part of the *Government Mid-year Financial Projections Statement*. It is a great pity that that Treasury report was not brought into this house tonight, rather than the committee having to adjourn and waste the time of the house while these figures were produced.

In the past Hon Nick Griffiths was the minister representing the Treasurer in this house. He and I completed a number of Treasurer's Advance Authorisation Bills together. When we were dealing with them, we clearly understood that this information would be made available. That is why I am not offering any criticism of the minister. I trust that when this happens again, that type of information will be made available to the minister so that the minister can inform the house. I say that because Treasury officials may in due course wish to spend a little time reading the royal commission reports on accountability and on the need for Parliament to be properly informed on the expenditure of public moneys. The royal commission went into great detail about why the public service should be accountable to the minister so that ministers can be held accountable to the Parliament. I would hate to think that the failure to produce the documentation was in some way a reflection on what the royal commissioners have said over recent royal commissions.

Hon LJILJANNA RAVLICH: I too have picked up on clause 5 of the Treasurer's Advance Authorisation Bill, which I note enables the Treasurer to make payments of an extraordinary and unforeseen nature in anticipation of or in addition to the relevant appropriations by Parliament, with that expenditure to be charged in the 2005 financial year to the consolidated fund and to be subsequently submitted to Parliament for appropriation from the consolidated fund. Therefore, the request of me to provide that schedule is reasonable, and I am happy to comply with it. I assure the honourable member that it is not my intention to not be transparent and, although this is my inaugural bill in the Treasury area, and I am the first to admit that I am on a very steep learning curve, I hope that in time - I agree, it may take some time - I will be as able and as competent as Hon Nick Griffiths when he was the minister handling these bills. I look forward to a very good and cooperative working relationship with Hon George Cash. Practice does make perfect and next year - provided I am still handling this legislation - when I handle the Treasurer's Advance Authorisation Bill I will remember how difficult it was to get this one through and I will make every effort to ensure that Hon George Cash has all the information he requires to get on with the job of progressing this very important piece of legislation.

Hon MURRAY CRIDDLE: I just want to check two figures. The ECU was listed at \$57 million and the pipeline at \$88 million.

Hon Ljiljanna Ravlich: Correct.

Hon MURRAY CRIDDLE: In the second reading speech those figures show up as an extra requirement in the \$450 million. Can the minister assure me that they are separate figures, or are the same figures included in both amounts?

Hon LJILJANNA RAVLICH: The figure of \$300 million is included in the existing allowance and the figure of \$234 million is for the list I have just read out. There is \$66 million of the \$300 million remaining. All the other things are yet to arise.

Hon MURRAY CRIDDLE: The minister may have misunderstood me. The figures she just read out included \$88 million for a pipeline. According to the second reading speech, that \$88 million is included in the \$450 million for the Bunbury natural gas pipeline. The figures are duplicated. The figure of \$57 million is also duplicated for the ECU, unless I am badly mistaken. I will bow to the minister's superior knowledge if I am wrong.

Extract from Hansard
[COUNCIL - Tuesday, 24 May 2005]
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Hon LJILJANNA RAVLICH: As I understand it, the expenditure of \$88 million was expected to occur. It came out of the original figure of \$300 million in the existing allowance, but it has helped push up the requirement for the additional \$450 million.

Hon MURRAY CRIDDLE: I will put it this way: does the minister need \$176 million for the pipeline and \$114 million for the ECU, or is there one figure in the appropriation?

Hon LJILJANNA RAVLICH: There is one figure.

Hon MURRAY CRIDDLE: I might be totally confused, but the minister read out two figures from her list. In the second reading speech both those figures are included in the \$450 million. Are the figures duplicated?

Hon LJILJANNA RAVLICH: We are not duplicating the figures. Some of the appropriations making up that \$750 million have already been drawn down, which includes the two figures referred to by the honourable member.

Hon MURRAY CRIDDLE: The figure of \$300 million includes \$234 million drawn down?

Hon Ljiljanna Ravlich: Yes.

Hon MURRAY CRIDDLE: That figure includes \$57 million for the ECU and \$88 million for the Bunbury pipeline from the \$300 million initially required. Is another \$450 million required on top of that? Are those figures included in that amount as well?

Hon LJILJANNA RAVLICH: My advice is that no, they are not, but they do contribute to the need to increase the Treasurer's authorisation limit to \$750 million.

Hon MURRAY CRIDDLE: Why? Are we duplicating the requirement in this \$750 million, or are we not? Is there one \$88 million and one \$57 million in the total of \$750 million? Yes or no?

Hon LJILJANNA RAVLICH: I think the simple answer is that the \$88 million will be spent only once and the \$57 million will be spent only once. It is not being spent twice.

Hon MURRAY CRIDDLE: Then why does the minister require the extra money to take the figure up to \$750 million?

Hon LJILJANNA RAVLICH: Given my advice, a range of other items make up the \$750 million. I am told that some of these items contribute to the existing \$300 million having been already drawn down.

Hon MURRAY CRIDDLE: I just want an assurance from the minister that we are spending the money once on these items and that there is no confusion on the part of the government. It seems that there is a requirement twice for \$88 million and a requirement twice for \$57 million, which means we are appropriating substantially more money than has been outlined as required. If there is some rocket science involved in telling me I am wrong, I am quite prepared to believe it, but I have not yet heard the answer.

Hon LJILJANNA RAVLICH: I am quite happy to show the honourable member a schedule of where the appropriations have occurred so that he can take some comfort from the fact that the money is not being spent twice. The member can have a look at that.

Hon Ray HALLIGAN: I understand that the minister is making every effort to satisfy the requirements of members on this side of the chamber. The schedule will itemise all those amounts allocated for specific purposes that, in the end, will total \$750 million. Is that the schedule she will provide? The schedule will include a total of \$750 million and it will detail each of the items, the amounts and the allocation. In this schedule we expect to see, once only, \$57.7 million for the purposes of the Edith Cowan University grant and \$88 million associated with the Dampier to Bunbury gas pipeline.

Hon LJILJANNA RAVLICH: I will seek some advice from the Treasurer concerning my ability to table that information. I am sure the member will understand that that is the right course of action, and I undertake to seek the Treasurer's advice on that issue.

Hon MURRAY CRIDDLE: I am concerned that no simple explanation has been provided for what appears to be two requirements for the same amount of money. Although I understand that the minister will table that information, we will pass a bill tonight that may not require the appropriation outlined in the bill.

Clause put and passed.

Clause 4: Treasurer's Advance Authorisation for 2005-2006 -

Hon SIMON O'BRIEN: This is a substantial clause, which provides for the Treasurer to be authorised to make payments or advances up to a certain aggregate amount. Subclause (1) provides that they are not to exceed

\$300 million, which also applies in the Treasurer's Advance Authorisation Act 2004, which is about to expire. Subclause (2) of this clause reads -

In calculating the aggregate mentioned in subsection (1) at any point of time in the 2005 financial year, no account is to be taken of so much of -

- (a) any advance under section 5(1)(b) or (c); or
- (b) any existing works and services advance,

as has been recouped or recovered in the 2005 financial year.

This clause is consistent with the act passed last year for the present financial year. I have listened very closely to the comments of Hon George Cash and Hon Murray Criddle. In the course of considering an extra amount to take the total up to \$750 million from \$300 million, I was reminded of this provision in the act. My memory was jogged by the minister's remarks in the penultimate paragraph of her second reading speech, which reads -

In addition, amounts totalling around \$250 million are budget-neutral and are included for technical authorisation purposes. Expenditures totalling this amount are fully offset by either matching revenues or expenditure reductions elsewhere.

When I weigh those remarks against clause 4(2), I am prompted to ask where the \$250 million of fully offset budget neutral amounts fits into this scheme. If that \$250 million is now part of the \$750 million total, why is it necessary to include that at all? Conversely, if it is not included in the \$750 million, does that mean that the actual advance authorisation amount is technically \$1 billion; that is, the \$250 million has not been disclosed in the \$750 million? I would appreciate the minister's clarifying that point. Is either clause 4(2) or the second last paragraph of the second reading speech redundant, or is there a very considerable amount of further undisclosed expenditure?

Hon LJILJANNA RAVLICH: I thank the honourable member for his comments and his question. The amount totalling \$250 million is budget neutral and is included for technical authorisation purposes. That includes, for example, \$48 million in Main Roads funding that has been reclassified from capital to recurrent expenditure; that is, no additional funding is required because one item of expenditure will be overspent, and expenditure elsewhere will be underspent, which will offset that. A change in school depreciation, for example, from 80 to 40 years has resulted in an additional charge of \$35 million to the Department of Education and Training's operating result this year. No actual cash will be spent but authorisation is required for this policy change.

The Edith Cowan University grant of \$57 million and pipeline assistance of \$88 million are examples of expenditure fully offset by matching revenue. Those four figures I quoted total \$229 million. I am told another \$21 million of what are considered to be minor issues are not listed in the information that I have just provided. Specifically, the amounts totalling \$750 million are spent, but \$250 million is offset by clause 5(2), the revenue clause, which relates to the repayable advances for agencies' working capital needs.

Hon SIMON O'BRIEN: I wonder whether we might explore that a little further. I am concerned about clause 4(2). If I am looking at an irrelevant figure, it might be the answer, but I do not think I am. I am trying to clarify whether the \$250 million of budget-neutral expenditure is included in the \$750 million, the answer to which is a simple yes or no.

Hon Ljiljanna Ravlich: It is a yes.

Hon SIMON O'BRIEN: The total of \$750 million includes the \$250 million budget-neutral or offset expenditure that is referred to in the second last paragraph of the second reading speech. Having clarified that, I now come to the second point: the provisions of section 4(2) of the Treasurer's Advance Authorisation Act 2004 are equivalent of and identically worded with this clause. Is it necessary to include that \$250 million of budget-neutral or fully offset funds or is it perhaps unnecessary and we should not be authorising an amount of \$750 million?

Hon LJILJANNA RAVLICH: It needs to be included because it must be appropriated in order to be used.

Hon SIMON O'BRIEN: I thank the minister for that clarification. I also noted that the minister mentioned in passing that \$250 million of offset expenditure. The minister drew our attention to one of the significant items mentioned in her speech, which was the \$48 million for additional local government road grants to accelerate work on regional road projects. The minister referred to some Main Roads funds, which I thought was the \$48 million mentioned in the speech.

Hon Ljiljanna Ravlich: Yes, I did for technical authorisation purposes.

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Hon SIMON O'BRIEN: Did I hear the minister correctly say they were funds taken out of capital expenditure moneys and applied for recurrent purposes?

Hon Ljiljanna Ravlich: That is correct.

Hon SIMON O'BRIEN: The second reading speech indicates that the money is for additional local government road grants to accelerate work on regional road projects, which is clearly a capital cost I would have thought, not a recurrent cost. I invite the minister's comments, because it seems to me that if building roads is not a capital cost, I do not know what is.

Hon LJILJANNA RAVLICH: That is a good question, and I thank the member for it. Initially that quantum of money was expected to be spent on capital works -

Hon Simon O'Brien: Building roads or something like that?

Hon LJILJANNA RAVLICH: Yes, but what has happened is that the money has been given to local governments for them to do the work and, therefore, it falls under recurrent rather than capital expenditure. Originally local governments were going to spend the money as an expenditure on building roads, but because they have been given money to do it themselves, it is an appropriation for them and therefore it becomes a recurrent cost. I am anticipating that we will continue to do it in that way in the future. As a former Minister for Local Government, I know that is certainly what local governments were after.

Hon Murray Criddle: They would be throwing their heads up in the air and shouting whoopee.

Hon LJILJANNA RAVLICH: Yes. Hon Murray Criddle would know that is what they have wanted for a long time, rather than the state, on their behalf, making those decisions on where they will build roads. Obviously there would be some consultation with government, but basically they want the funds given to them and they will go about the business of appropriating in accordance with their priorities.

Hon SIMON O'BRIEN: I think we are just about there.

Hon Ray Halligan: I am glad you think so.

Hon SIMON O'BRIEN: That is, on this point. If this \$48 million of Main Roads capital expenditure was already appropriated under the last budget, there it was. It has been announced, indeed trumpeted, and referred to in the second reading speech. It is said that there is \$48 million for additional local government road grants to accelerate work on regional road projects, whereas in fact there is no money for additional local government road grants to accelerate work on regional road projects; it is simply \$48 million that was initially there and that has been reshuffled to another line item. Presumably the government put out a lot of media releases saying how there was an additional \$48 million. Then to complete the little saga, the Treasurer's Advance Authorisation Bill has come through to prove it is an additional \$48 million, yet we find in the fine print that there is no \$48 million extra; it is just there to reflect a paper shuffle that pretends an additional amount is being spent. Of course, there is no additional amount. The money has been re-badged from Main Roads capital to local government road grants. That is basically what we have got here. There is no additional \$48 million, is there?

Hon LJILJANNA RAVLICH: The member has raised an interesting point. The money was originally to be appropriated to Main Roads but because it is now being appropriated to local government, it is a different appropriation and, therefore, it needs to have the approval of the Parliament. Because it is to be a different priority, it is therefore recorded as such.

Hon SIMON O'BRIEN: I think I have made my point for now, and, unless other members want to pursue this point, the committee can move on. I shall return to this matter. It seems that possibly up to \$250 million of announcements do not exist. I will look further at this matter when considering clause 7. We are being duded here. A heck of a lot of paper is being shuffled to make it look as though the government is spending money on worthwhile things when that is not the case. To advance hundreds of millions of dollars extra just to make the books look right, even though the money is not being taken, is unbelievable. I have made my point. I will re-examine, in this place and in some of the other forums available to me, the entire practice that this measure reflects. From what I can see, examination of clause 4 has potentially lifted the lid on a tin of worms. I will leave my remarks at that for now.

Hon MURRAY CRIDDLE: Will the minister clearly outline how the money has arrived in this form as money for local government? I am sure local government is very interested, as the minister outlined, to know when it will receive the money. The other matter that worried me a little is that registration charges are directly funded to Main Roads through the Main Roads Act. Main Roads can appropriate that money whenever it wants and can send it off to local government through the regional road group funding. Is this money additional to the regional road group funding? What is the decision-making process for the flow of these funds?

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Hon LJILJANNA RAVLICH: The question of whether these moneys are additional to Main Roads funding will be taken on notice as my advisers do not have that information. We will need to go to Main Roads for the list of road projects. However, we can get that information.

Hon MURRAY CRIDDLE: I want to know not necessarily the projects, but how the money flows to local government. Is it dispersed through the regional road group funding? Generally, the money directed to local government is dispersed in that way. Money is also spent on local road projects directly from Main Roads. The Cervantes-Lancelin road could be built for 48 million bucks. I want to know whether it was spent in that way.

Hon LJILJANNA RAVLICH: We will need to get that information for the member from Main Roads.

Clause put and passed.

Clause 5 put and passed.

Clause 6: Crediting of amounts recouped or recovered -

Hon GEORGE CASH: This clause deals with expenditure - that is, crediting of amounts recouped or recovered - applied through the Treasurer's Advance Authorisation Act. The opposition has no dispute with the wording of clause 6, as it is similar to that of TAA acts in previous years. Will the minister provide the house with a schedule indicating moneys that have not yet been recouped for not only 2004-05 - there is additional expenditure obviously in this year - but also the preceding five years? Can the minister also as part of that schedule provide the reasons for the money not being recouped or recovered? If the minister agrees to that request, I suggest it be by way of a schedule, as I do not expect the minister to sit down and work it out tonight.

Hon LJILJANNA RAVLICH: I thank the honourable member for that request. This is public information anyway. It is provided in the Treasurer's Annual Statements 2003-04 and probably also in the annual statements for the preceding four or five years. However, I give an undertaking to provide a schedule to the member indicating moneys not recouped for 2004-05 and the preceding five years - no problem at all.

Clause put and passed.

Clause 7: Treasurer's Advance Authorisation Act 2004 amended -

Hon GEORGE CASH: This is the most important clause in the bill as it seeks to amend the current Treasurer's Advance Authorisation Act 2004 allocation from \$300 million to \$750 million, which is an additional \$450 million to be applied during this financial year. First, given that today is 24 May 2005 and the budget for the next financial year is due to be released in two days on Thursday, 26 May, why does the government come to the house at this late stage of the financial year and seek an additional \$450 million for the 2004-05 act when the money must be expended by the end of this financial year? Second, does the minister intend to recoup any of the funding in the 2005-06 budget; if so, what amounts are to be recouped?

Hon LJILJANNA RAVLICH: In relation to the recoup from the 2005 budget for increased appropriations with no offsetting savings, such as those that we have covered with the technical authorisation purposes, all funding will follow from the 2004-05 activities. As such, there will be no call on revenue from 2005-06.

Hon George Cash: I realise that. You are getting approval in 2004-05. Why have you come to Parliament so late and not left it for the 2005-06 budget?

Hon LJILJANNA RAVLICH: The simple answer is that the information and the appropriation sought could not be prepared during the caretaker government period. Therefore, a delay of a number of months occurred as a result of the state election. Had it not been for that caretaker period, we might have been here quite some time earlier.

Hon GEORGE CASH: Is it not also the case that by applying the \$450 million in the 2004-05 financial year, the minister is reducing any potential surplus that would have had to be shown in this week's budget?

Hon LJILJANNA RAVLICH: No. Most of what is included in this measure, I am advised, is already factored into the midyear review. This bill started a new term as priority legislation.

Hon GEORGE CASH: If the minister had not put the \$750 million she seeks through this bill, and the government had not spent the \$450 million this year, is it not the case that it would have been part of an additional surplus for the government?

Hon LJILJANNA RAVLICH: The simple answer is yes, but we are already showing a sizeable surplus as well.

Hon GEORGE CASH: Mr Deputy Chairman, you have been generous in allowing members to speak on issues affecting clause 7 during debate on earlier clauses, so I do not propose to deal further with clause 7. Given the

Hon Ljiljanna Ravlich; Hon George Cash; Hon Murray Criddle; Deputy Chairman; Hon Ray Halligan; Hon Simon O'Brien

minister's commitment to produce certain schedules, I am conscious that this matter can be resolved this evening. However, I am aware that Hon Simon O'Brien has some short questions that he wants to ask before five minutes to 10.

Hon SIMON O'BRIEN: Even employing every device at my disposal, I hope I can drag them out for as long as the honourable member wants me to!

The DEPUTY CHAIRMAN (Hon Graham Giffard): I hope the member does not feel obliged to do so!

Hon SIMON O'BRIEN: No, I will not feel obliged to do so. I want to look at one amount that is included in the \$750 million. Again, it is referred to in the second reading speech, which states -

... \$97 million to deliver key initiatives in the health sector, including waiting list initiatives and emergency demand management in public hospitals, and the government's mental health package;

First, will a breakdown of that amount be shown in the schedule that the minister will provide?

Hon Ljiljanna Ravlich: Yes.

Hon SIMON O'BRIEN: I would specifically like to know whether this includes the amount of \$7 million, which was announced in a press release by the Premier on 11 February 2005, for the reduction of elective surgery waiting lists at Fremantle Kaleeya Hospital in East Fremantle, so that 1 660 additional patients will be given elective surgery in this current financial year, which I believe was the undertaking. Is that part of the \$97 million? I imagine that it should be, because it was just one of those out-of-the-blue extra amounts that Premiers sometimes throw around in election campaigns like drunken sailors.

Hon LJILJANNA RAVLICH: The appropriations for the \$97 million were roughly as follows: purchase of Galliers and Kaleeya hospitals, \$30 million; emergency demand issues, \$16.5 million; additional spending related to pharmaceutical and work force issues, \$15.1 million; mental health, \$14.2 million; winter bed management strategy, \$11.4 million; and waiting list initiatives, \$9.3 million. Given the nature of the member's question, I will get him a precise answer, but I presume that it would fall within that \$9.3 million category.

Hon SIMON O'BRIEN: I thank the minister for that undertaking; that is, to determine whether that \$7 million is specifically included in that amount. Subject to the schedules being provided, I will leave my remarks there, and with the luxury of two minutes before reporting time.

Clause put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by **Hon Ljiljanna Ravlich (Minister for Education and Training)**, and passed.