

TREASURER'S ADVANCE AUTHORISATION BILL 2006

Committee

The Deputy Chairman of Committees (Hon Ray Halligan) in the chair; Hon Ljiljanna Ravlich (Minister for Education and Training) in charge of the bill.

Clauses 1 to 3 put and passed.

Clause 4: Treasurer's Advance Authorisation for 2006-2007 -

Hon MURRAY CRIDDLE: I go back to the Treasurer's Advance Authorisation Bill 2005 which dealt with a series of funding requirements that totalled \$750 million. The minister tabled in the Parliament a complete rundown of items on which the funding would be expended. I am interested to know whether the surpluses will be carried over from one year to the other. Will the minister explain that situation? Perhaps the minister will clarify that in the first instance.

Hon LJILJANNA RAVLICH: I responded to a similar question asked by Hon George Cash last night in his contribution to the second reading debate. He referred to \$682 million, which related to an unspent amount. My understanding is that any moneys that are not drawn down will lapse on 30 June.

Hon MURRAY CRIDDLE: I refer to the \$26 million additional road funding for the Perth to Bunbury highway and the Albany ring-road. What amount has been allocated to the Perth to Bunbury highway? What was the initial allocation? I understand that very little funding was required. I do not think the Albany ring-road has gone anywhere. What funding has been expended on that road?

Hon LJILJANNA RAVLICH: The additional funding was \$10.5 million for both the Perth to Bunbury highway and the Albany ring-road.

Hon MURRAY CRIDDLE: Was it \$10.5 million for both projects?

Hon Ljiljanna Ravlich: That is correct.

Hon MURRAY CRIDDLE: How do we get \$26 million?

Hon LJILJANNA RAVLICH: The \$10.5 million I referred to is an increase in the cost of the projects. The total cost escalation was \$5.4 million, which brings the total to \$15.9 million. The balance is due to transfers of appropriation between recurrent and capital as overheads are reclassified.

Hon MURRAY CRIDDLE: To my knowledge the work on the Albany ring-road has not commenced. Is this amount to be expended by 30 June? The same applies to the Perth to Bunbury highway. The minister's comment about the transfer from recurrent to capital expenditure is interesting.

Hon LJILJANNA RAVLICH: The member is right. The budget expenditure needs to be appropriated by 30 June. The \$10.5 million is an appropriation over and above the original allocation to that project.

Hon Murray Criddle: That is for the Perth to Bunbury highway.

Hon LJILJANNA RAVLICH: That is for both projects over and above the existing allocation.

Hon MURRAY CRIDDLE: Will the amount allocated to these projects be expended by 30 June? If not, why is the allocation not included in the 2006-07 *Budget Statements*?

Hon LJILJANNA RAVLICH: I am advised by Treasury that the government is proposing to spend that money prior to 30 June.

Hon MURRAY CRIDDLE: Will the minister give me a clear indication, not now but later, of the items on which that money will be expended and that it will be expended by 30 June?

Hon LJILJANNA RAVLICH: I give the member an assurance that I will provide that information at the earliest possible opportunity, and I am usually very good at keeping my word.

Hon MURRAY CRIDDLE: I do not question that. I know the minister will provide that information.

I can understand the \$30 million increase in public transport fuel costs. I am interested in seatbelts on designated school buses and railcar refurbishments. I understand that the provision of seatbelts for designated school buses has not progressed. I am surprised that the allocation for railcar refurbishments was not included in the budget.

Hon LJILJANNA RAVLICH: The relevant information is on page 89 of the *Economic and Fiscal Outlook* for the 2006-07 financial year. On page 89 is a table headed "Expenditure on New Initiatives", and the third item under the subheading "Public Transport Authority" relates to seatbelts on designated school buses for 2005-06. The estimated actual expenditure is \$9.271 million in grants that will be provided by the government to private

operators. That is an operating component. On page 89 under the subheading "Public Transport Authority" is a line item for seatbelts on designated school buses, for which the capital expenditure is \$4 million.

Hon Murray Criddle: Is that for 2006-07?

Hon LJILJANNA RAVLICH: No, that was for 2005-06. There is also a projection of the recurrent expenditure for this item in the 2006-07 budget. The forward estimates provide both the operating and the capital amounts. The capital amount is actually a one-off amount. The estimated actual recurrent expenditure for 2005-06 is \$9.271 million. In 2006-07, the estimate is \$14.328 million. The forward estimates are \$20.792 million in 2007-08 and \$21.019 million in 2008-09. That information can be found at page 89 of the 2006-07 *Economic And Fiscal Outlook*.

Hon MURRAY CRIDDLE: I presume that there has been a blow-out in the expenditure that was to be allocated in the previous budget.

Hon LJILJANNA RAVLICH: No, that amount relates to the original decision that was made prior to the midyear review.

Hon MURRAY CRIDDLE: Last year the minister gave us a rundown of the expenditure and projects were itemised. Will she do the same again this year?

Hon LJILJANNA RAVLICH: I am quite happy to seek the approval of the Treasurer with respect to that. Once again, I give the member a commitment that I will follow up that matter with the intention of providing the information to the member.

Hon GEORGE CASH: With respect to the last matter - the minister has now promised to provide a schedule of the expenditure - we have raised this issue before. It has been said on a number of occasions that it would be helpful if the Treasurer's advance money for the previous year was detailed in the explanatory memorandum so that members can see what money has been expended. In the past the minister has indicated that she would take up that matter. Knowing whether the money has or has not been expended would save us an awful lot of time. It would also be helpful if the schedule included the recoups for the previous year or past years so that members have some understanding. If that is not possible, the minister should let us know. It would save us a lot of time if that information were available.

Hon LJILJANNA RAVLICH: It has not been the convention of this house - even when Hon George Cash was in government - to provide a schedule. The member is asking me to cause a change in policy, and that is something to which I cannot give a commitment. However, I can give a commitment to take up that issue.

Hon George Cash: In the past, as a result of the committee system, the government has provided a schedule. It has come after the event, and that is fine. It would be helpful if it were included as it would save a lot of time during the committee process. If that requires a change in policy, I am sure the minister will take it up with the Treasurer.

Hon LJILJANNA RAVLICH: As the member will be aware, the Appropriation (Consolidated Fund) Bill (No. 1) and the Appropriation (Consolidated Fund) Bill (No. 2) deal only with estimates at this time of the year, whereas the Appropriation (Consolidated Fund) Bill (No. 3) and the Appropriation (Consolidated Fund) Bill (No. 4) confirm the expenditures that have taken place and deal with the question of the final draw down. I am happy to raise that issue with the Treasurer on behalf of Hon George Cash.

Hon MURRAY CRIDDLE: If the government wants more money, it must be able to provide justification for it. It would also avoid any concern about cost-shifting and that sort of thing. We just want a realistic approach.

Hon LJILJANNA RAVLICH: I hope that there is an understanding within the chamber that changes can be made before the end of the financial year.

Clause put and passed.

Clauses 5 and 6 put and passed.

Clause 7: *Treasurer's Advance Authorisation Act 2005* amended -

Hon MURRAY CRIDDLE: I acknowledge the reason that the allocation of \$300 million was increased to \$500 million. The issue I raise is that given the big surplus that we seem to have year in, year out, there is capacity to shift the surplus to make it look more convenient for the government, regardless of which side of politics the government comes from.

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 Ljiljana Ravlich (Minister for Education and Training)**, and passed.