

Speech by

Hon Dr Mike Nahan MLA

Treasurer; Minister for Energy; Citizenship and Multicultural Interests

Thursday 8 May 2014

Mr Speaker, I move that this Bill be read a second time.

INTRODUCTION

Mr Speaker, the Liberal-National Government is delivering the right Budget for its time. The 2014-15 Budget responds to the changing economic circumstances and builds on the Government's achievements.

Western Australia is experiencing a challenging fiscal environment at a time when the economy has passed the investment peak, leading to a production phase which will yield a record level of resource exports.

Over the four year budget period, economic growth in Western Australia is expected to outpace growth nationally. This will be supported by projects like Gorgon, which will underpin a doubling of Liquefied Natural Gas exports, and the Roy Hill iron ore project, which will contribute to an almost one-third increase in iron ore exports. This will build on Western Australia's position as the major exporting State, currently accounting for around 48% of the nation's merchandise exports.

This year, the Western Australian economy is forecast to grow by 3.75%, down from 5.1% growth in 2012-13. As business investment continues to moderate from its recent peak, growth in Gross State Product is forecast to ease further to 2.75% in 2014-15.

This moderation in domestic economic conditions is flowing through to lower employment and wages growth. This, in turn, is resulting in weaker growth in taxation collections, particularly payroll tax – the State's largest tax base.

At the same time as our tax collections are moderating, the lagged nature of the GST distribution process means that we are receiving significantly less GST revenue from the Commonwealth, with Western Australia's per capita share of GST revenue falling to a new low of 37.6% in 2014-15, down from 44.6% in 2013-14. This compares to a per capita GST share of 93.6% in 2007-08. In fact, if Western Australia received its population share of GST, we would receive an additional \$3.6 billion in 2014-15 alone.

Given the subdued revenue outlook and continuing strong demand for government services driven by a rapidly expanding population, this Budget includes a new package of revenue and savings measures totalling \$2 billion over the next four years.

These new revenue and savings measures underpin an expected general government operating surplus of \$175 million in 2014-15, a turnaround from the \$124 million operating deficit projected in December's Mid-year Review. A general government operating surplus of \$183 million is now expected for 2013-14, down from the \$437 million surplus forecast in the Mid-year Review.

The new corrective measures implemented in this Budget have also enabled significant additional funding to be directed to meet ongoing demand and community expectations for frontline services, including community health and hospitals, schools, community safety, mental health, disability and child protection services.

Mr Speaker, it is important to recognise that along with the impact of population growth, the community's strong demand for services is compounded by the costs of service delivery in Western Australia. This is highlighted in Commonwealth Grants Commission data, which shows that the cost of providing the same level of services in Western Australia was 15% per capita greater than other States and Territories in 2012-13. This includes spending 41% more per capita on community safety, 17% more on health, and 10% more on schools.

A significant contributing factor to high costs is the high wages paid to police, teachers, nurses and other public servants in Western Australia compared to other States – an issue I shall return to shortly.

SECURING OUR ECONOMIC FUTURE

Mr Speaker, given the challenging fiscal circumstances and pressures on the Budget, it is clear that we need to change the way that government does business to secure our economic future. This includes:

- an increased focus on tax reform, both at State and Commonwealth levels;
- modernising service delivery models and examining the potential for asset divestment;
- containing growth in public sector wages; and
- reducing taxpayer subsidies for electricity, water and public transport through reforms to both pricing and cost structures.

Taxation Reform

In keeping with our 2013 election commitment, the State Government will soon introduce legislation to increase the payroll tax exemption threshold from \$750,000 to \$800,000 from 1 July 2014 and then to \$850,000 from 1 July 2016. This measure, included in last year's Budget, will support employment by small and medium businesses in this State and benefit over 16,000 employers at an estimated cost of \$190 million over four years.

Mr Speaker, Western Australia is now reliant on mining royalties for 22% of our total general government revenue. Royalties are a growing but volatile source of revenue, with small fluctuations in the exchange rate and iron ore price resulting in large (and often unexpected) movements in revenue. Property-based stamp duty is also volatile, and is rightly regarded as one of the more inefficient taxes in the country.

However, with GST revenue expected to account for just 8% of total general government revenue in 2014-15, the State Government currently has little choice but to rely on volatile mining royalties and inefficient State taxes.

Against this background, the State Government welcomes the Commonwealth Government's White Paper processes for national tax reform and reform of the Federation. We will continue to actively participate in these processes, including continuing to argue strongly for changes to the way in which GST revenue is distributed among the States.

We also welcome the National Commission of Audit's recommendation that GST revenue be distributed on an equal per capita basis, with fiscally weaker States being compensated by additional grants from the Commonwealth.

Managing Debt through Asset Sales

Combined with modest general government operating surpluses, planned investment in infrastructure to support our rapidly growing State, totalling \$23.7 billion over the next four years, will maintain the need for increased borrowings across the forward estimates period. Net debt is forecast to reach \$24.9 billion by 30 June 2015, which is manageable and affordable.

The Government will keep a close eye on the State's debt levels, and in conjunction with sound budget management, will pursue an orderly program of asset sales. This program will be overseen by the Premier.

While no decisions have been made concerning individual assets, surplus Government land, including Health Department sites at Princess Margaret Hospital, Royal Perth Hospital, Shenton Park Rehabilitation Centre and Swan Districts Hospital are currently being assessed.

With respect to Port Authorities, the Government will consider the sale of the Kwinana Bulk Terminal and the Utah Point facility at Port Hedland Port.

The Government's continuing ownership of the Perth Market Authority, the TAB and the Water Corporation's assets, such as its wastewater treatment plants, will also be reviewed.

The Government is undertaking a review of the electricity market and following that review and implementation of market reform, the Government will also consider the sale of individual electricity generation assets, such as Muja.

It is considered that these assets do not need to be in State Government ownership; however, they will only be sold where it is in the interests of the Western Australian taxpayer. The revenue generated from asset sales will be used to reduce debt levels and contribute to the cost of new infrastructure.

Wages Policy

Mr Speaker, the Government remains fully committed to the new public sector wages policy, which caps growth in wages and conditions to projected growth in the Perth Consumer Price Index (or CPI), which is forecast to be 2.75% in 2014-15 and 2.5% in subsequent years. This will be assisted by the measures contained in the Workforce Reform Bill that has recently progressed through the Legislative Council.

Limiting wages growth is not only appropriate in the current economic circumstances, it is the fiscally responsible thing to do and will help bring Western Australia in line with other jurisdictions.

Employee expenses represent the single largest cost of the public sector, accounting for around 45% of total general government expenses. Over the five years to 2012-13, growth in Western Australian general government employee expenditure averaged 8.1% per annum, significantly higher when compared to 6.3% in Victoria and 4.9% in New South Wales.

Over this same period, general government revenue in Western Australia only grew by an average of 5.9% per annum.

It is true that stronger wages growth in this State has been fuelled by a need to maintain competitiveness with wages in the private sector, along with strong demand for services driving growth in employee numbers. This is changing. Growth in private sector wages is declining and public sector wage growth in other jurisdictions is also declining.

For the ongoing sustainability of the State's finances, it is essential that public sector wage growth in Western Australia also moderates, and is capped at projected growth in the CPI.

It is also essential that government agencies manage the CPI cap on their salaries budgets. Importantly, if wage outcomes exceed CPI growth, agencies will need to accommodate this within their approved salaries budgets, meaning that staffing levels will necessarily be lower than they would have been with a CPI wage outcome.

Electricity Reform

Mr Speaker, the Government is focused on reducing the costs – and the associated subsidy – of providing electricity. Western Australian taxpayers are currently subsidising the provision of electricity by around half a billion dollars a year. Quite simply, this is not sustainable.

We have already taken significant steps by strategically reviewing Horizon Power's business model, which has produced estimated savings of \$175 million over four years, and merging Synergy and Verve Energy into a single entity from 1 January 2014.

And, as recently announced, we are undertaking a review of the entire Western Australian electricity market. This will involve assessing the strengths and weaknesses of the electricity generation, wholesale and retail sectors within the South West Interconnected System and the incentives for industry participants to make efficient investments.

The ultimate objective is to reduce the State's costs of producing and supplying electricity without compromising safety and reliability of supply. In addition, the Government needs to reduce its exposure to energy market risks, which is why we are focusing on having future electricity generation being built by the private sector.

The Government will also investigate the current structure of electricity tariffs, including options around rebalancing fixed and variable charges to ensure tariffs are fair and reflect emerging trends in consumer use. We will also review concessions to make them simpler and more equitable. This work will be completed in time for consideration by the Government in next year's Budget process.

Vocational Education and Training Reform

Mr Speaker, from 1 January 2014, the Department of Training and Workforce Development introduced a training entitlement model – Future Skills WA – in line with the National Partnership Agreement on Skills Reform. The entitlement model shifts training delivery towards a contestable, demand-driven funding model that directs public subsidies towards State priority qualifications. As indicated in last year's Budget, to ensure the State's contribution to training is sustainable, the level of student tuition fees has had to be increased. On average, it is anticipated that the level of fees will rise from 7% of the total cost of training in 2012-13 to 19% by 2016-17.

Local Government Reform

The Government also remains committed to local government reform, and this Budget provides a \$60 million assistance package for the proposed boundary changes to metropolitan local government. This includes \$15 million in direct grant assistance to local governments, with total grants of up to \$5 million to be made available in each of the next three years. In addition, local governments impacted by the reforms will have access to a subsidised loan facility through the Western Australian Treasury Corporation from 2015-16. The Government will fund a 2% subsidy on loan interest payments for total loans of up to \$45 million, repayable over a five year period.

Royalties for Regions

Mr Speaker, Royalties for Regions is another area of reform, with this Budget containing changes to the structure of the RfR program.

From 2014-15, in addition to the \$1 billion legislated cap on the balance of the RfR Fund, there will also be an annual expenditure limit of \$1 billion.

Our decision to cap expenditure from the Fund is appropriate to ensure the State's limited funds are spent where they are most needed.

Revenue and Savings Measures

Mr Speaker, I have outlined the reform priorities the Government is pursuing that will help secure our economic future and ensure the sustainability of the State's finances over the medium term.

However, immediate action has also been required in order to deliver a general government operating surplus this year and in 2014-15. As noted earlier, these surpluses have been achieved through the implementation of new revenue and savings measures totalling \$2 billion that build on last year's Fiscal Action Plan, which will save an estimated \$8.6 billion.

The new measures include:

- the previously announced freeze on general government advertising and recruitment for the remainder of the current financial year;
- a 15% reduction in non-essential procurement by general government agencies in 2014-15;
- the introduction of a 75% interim dividend arrangement for the State's port authorities;
- a 5% reduction in the Asset Investment Program of most agencies to reflect improved efficiencies, along with some specific project deferrals;
- abolition of the \$36 registration fee concession for private motor vehicles from 1 July 2014;
- an increase in the Perth Parking Levy of \$365, to be phased-in over the next two years, with the additional revenue going towards the Perth Busport. The Government is also bringing forward the replacement of CAT buses;
- a reduction in the transfer duty exemption threshold for first home buyers from the current threshold of \$500,000 to \$430,000, which more closely represents the value of homes being purchased by first home buyers;
- an increase in the landfill levy rate on waste, with some of the additional revenue going towards the implementation of initiatives to manage, reduce, reuse, recycle, monitor and measure waste; and
- an across the board increase in land tax rates of 10% from 2014-15, to offset the impact of weaker than expected growth in property values.

I would also like to take this opportunity to provide an update on the Public Sector Commission's Enhanced Voluntary Separation Scheme. This program has been expanded in this Budget, and it is expected that 1,114 people will accept offers of voluntary separation, at a total estimated cost of \$147 million in 2013-14. This will help ensure achievement of CPI salary cap savings of over \$800 million under the Government's public sector workforce reforms. In addition, WA Police has implemented a police-only voluntary separation scheme, in which 190 non-operational officers have left the police force and will be replaced over time by operational officers.

EFFICIENT DELIVERY OF QUALITY SERVICES

Mr Speaker, these revenue and savings measures have enabled the Government to allocate significant additional expenditure in this Budget to frontline services in order to meet the demands of a rapidly expanding population.

Health

This Budget provides \$8 billion for the delivery of health services in 2014-15, an increase of \$447 million or 5.9% on 2013-14. This additional expenditure will provide for approximately:

- 15,000 patients to stay and be treated in hospital;
- 33,000 patients to be treated in emergency departments; and
- over 60,000 patients to be treated as out-patients.

The 2014-15 Budget settings will ensure the long-term sustainability of public hospital services across Western Australia, with the implementation of an Activity Based Funding model for hospital services from 1 July 2014.

Currently, the State Price (which is Western Australia's average cost in delivering hospital services) exceeds the national projected average cost by around 8%. However, it is intended that WA Health will transition to the national average cost by 2017-18. This will ensure the sustainable delivery of health services in Western Australia while allowing the State's hospitals to deliver the efficiencies needed to achieve national price settings, consistent with the National Health Reform Agreement. This will be a major reform.

Education

Mr Speaker, this Budget provides a total of \$4.6 billion for the delivery of education services in 2014-15, an increase of \$188 million or 4.3% on 2013-14. Since 2007-08, recurrent expenditure on education has grown from \$2.8 billion to \$4.6 billion today – an increase of almost \$1.8 billion in annual spending.

As a result, Western Australian public schools are amongst the best resourced in the nation, with higher per student funding than any other State. Under the Liberal-National Government, our teachers are better paid across the board than in any other jurisdiction, and we have continued to start each school year with a teacher in front of every class.

Over the next four years, the Department of Education will spend an additional \$812 million to accommodate anticipated growth in student enrolments, including the impact of the exit of the half-year cohort in 2015. This will see the number of funded full-time equivalent teachers increase in 2015 by an estimated 550.

In 2015, the Government will undertake the most significant program of reforms in public schools in recent history. A Student-Centred Funding Model will be introduced, which will allocate resources to schools in a way that is both equitable and transparent, by providing funding to schools based on the specific needs of each student enrolled. An additional, one-off allocation of \$10 million has been provided to assist schools to transition to the new Student-Centred Funding Model.

Next year will also see the transition of Year 7 students to high school, bringing the State into line with the non-government sector and schools in most other jurisdictions. To prepare for this transition, the Government has invested \$230 million for facilities at high schools throughout the State to accommodate these students. A further \$22.4 million has already been invested in the *Switch* program to support primary teachers to move to secondary teaching, especially in the areas of mathematics, science, design and technology, and special education, and to assist secondary teachers looking to expand the range of subjects they can teach.

And amendments to the Western Australian Certificate of Education for implementation in 2015 will better prepare students for their working life after school, and reassure parents that their children will leave school with minimum standards of numeracy and literacy.

Mr Speaker, in last year's Budget, we announced the introduction of school fees for dependents of 457 visa holders enrolled at government schools that reflected an expectation that these visa holders should make a contribution to the cost of the education provided to their children.

While the fee was set at around one quarter of the average annual cost of educating a student in Western Australia, the Government acknowledges the potential impact of these fees on visa holder families with two or more children. I am therefore pleased to announce that we have moved to mitigate this impact by capping the fee at \$4,000 each year for the first child only, beginning in 2015, irrespective of the number of children enrolled in the public school system.

Western Australia Police

Mr Speaker, this Budget provides \$1.3 billion for the delivery of police services in 2014-15, an increase of \$83.5 million or 6.6% on 2013-14.

To maintain a strong police force and presence in the State, the WA Police will receive:

- \$25.4 million over four years to replace its Computer Aided Dispatch system, which is the frontline response to triple-0 calls;
- \$5 million in 2014-15 to maintain and refurbish ageing police stations; and

- \$1.3 million in 2014-15 to finalise the State CCTV strategy and establish CCTV infrastructure in crime hot spots.

I am also pleased to announce that by June 2014, the Government will have recruited the final 100 officers as part of the 2008 election commitment and expects to have recruited over 80 officers as part of the 2013 election commitment for an additional 550 officers. This will be built on in 2014-15, with WA Police planning to recruit another 180 officers during the year.

SUPPORTING AND PROTECTING THE COMMUNITY

Mr Speaker, the Government will continue supporting vulnerable members of the community with additional funding across key social services.

National Disability Insurance Scheme

The National Disability Insurance Scheme (or NDIS) is an example of how the Government is modernising its approach to delivering services and ensuring improved support for the community. Two Western Australian trial sites for the NDIS will commence on 1 July 2014 for a two year period and will benefit around 8,000 participants.

Under the agreement with the Commonwealth, a 'My Way' trial site will cover the lower South West, Kwinana and Cockburn regions and will be administered locally by the Disability Services Commission. The second trial site covering the Perth Hills will be administered by the National Disability Insurance Agency and will use the same national model that applies in other States. Western Australia will contribute around 60% of the cost of care and support packages in both trials.

Understandably, community expectations are very high for the NDIS. However, the financial elements must be carefully managed by all Governments to achieve a sustainable scheme that will improve outcomes for persons with disabilities, their families and their carers.

National Injury Insurance Scheme

To complement the NDIS, the Commonwealth Government has proposed a National Injury Insurance Scheme to provide lifetime care and support to people who sustain a catastrophic injury from a motor vehicle, workplace, medical treatment injury or general accident.

The State Government has provided in-principle support for the introduction of a no-fault insurance scheme for motor vehicle accidents. We will shortly issue a Green Paper to inform the community about the proposed changes to motor vehicle personal injury insurance cover and seek community feedback.

Social Services

Mr Speaker, this Government has made supporting the most vulnerable in our community a priority, and mental health, disability and child protection services are a big focus of this Budget.

The Disability Services Commission will receive an additional \$180 million over the next four years to meet the increased number of people with disabilities accessing support services, along with a move toward individualised funding. This is in addition to the NDIS trial sites mentioned previously.

The Mental Health Commission will receive an additional \$154 million over five years to care for people with a mental health issue. In addition, \$29 million will be provided over three years to continue the State-wide Specialist Aboriginal Mental Health Service to deliver case management for Aboriginal people with mental illness.

This Budget also provides additional funding of \$90 million over the forward estimates to enable the Department for Child Protection and Family Support to meet growth in demand for child protection services in 2014-15. As a result of this additional funding, the Department will be able to:

- support more than 4,000 children in care;
- undertake safety assessments of 18,500 children who are the subject of child protection concerns; and
- provide support for 80,000 at-risk families.

Essential Services

Mr Speaker, residential electricity tariffs will be increased by 4.5%. Water tariffs will increase by 6% and public transport fares by 4% as of 1 July 2014, along with an increase in the 50 cent student fare to 60 cents.

However, the Government will continue to heavily subsidise electricity, water and public transport, with electricity subsidies and concessions totalling \$2.5 billion over the next four years, and water and public transport subsidies totalling \$2.5 billion and \$3.3 billion respectively.

For a 'representative' household, the standard basket of fees and charges will increase by \$324.18, or 6.6%, relative to 2013-14 levels. Households in Western Australia will still have amongst the lowest expenditure on State Government goods and services compared to households in other jurisdictions. For example:

- Western Australia's 2014-15 utility charges remain lower than the national average, even prior to other jurisdictions announcing any increases;
- public transport fares will remain significantly lower than those in Queensland and New South Wales, and will remain competitive with other jurisdictions; and
- motor vehicle charges will remain amongst the lowest in Australia, particularly with respect to compulsory third party insurance premiums.

Mr Speaker, on top of a total investment of \$1.2 billion in electricity-related infrastructure in 2014-15, this Budget includes additional expenditure totalling \$139 million to address the critical issue of electrical safety, comprising:

- \$85 million over 2013-14 and 2014-15 to replace and reinforce a total of 147,500 wood poles;
- \$28 million in 2014-15 to replace conductors and overhead wires; and
- \$26 million over the forward estimates for the installation of electrical safety devices in all public housing properties owned by the Housing Authority, to be funded from increased rents.

This Budget also provides for a new \$20.3 million fire station to the west of the Perth CBD and a replacement \$9.1 million fire station in Albany, both funded from a 5% increase in the Emergency Services Levy from 1 July 2014. This equates to an average increase per household per week of 21 cents.

The Government also remains committed to improving safety on the State's roads. In 2014-15 we will spend \$100 million from the Road Trauma Trust Account on road safety projects, including \$35.3 million for improvements to the Coalfields and Albany Highways and Wubin to Mullewa Road. This is an increase of \$18 million on this year's program.

Sport and Recreation

Mr Speaker, this Budget continues the Government's commitment to sport and recreation, with:

- \$5 million in each of 2015-16 and 2016-17 to maintain the Sport 4 All program (including Kidsport);
- \$10 million over three years for the new Cockburn Aquatic and Sports Complex; and
- \$3 million in 2013-14 to the Western Australian Football Commission to partially extinguish its debt.

INVESTING IN INFRASTRUCTURE TO GROW THE STATE

Mr Speaker, investing in productivity-enhancing infrastructure for the benefit of future generations has been, and remains, a major priority of this Government. This Budget provides for an Asset Investment Program of \$6.7 billion in 2014-15, with total investment of \$23.7 billion over the next four years.

Of note, the delivery of key health infrastructure projects has been the hallmark of this Government. The Liberal-National Government is spending \$7 billion to upgrade and redevelop the State's hospitals and health services. This incorporates expenditure on three new hospitals for the Perth metropolitan area as well as four new major health campuses and six other new healthcare facilities in regional Western Australia, including:

- Fiona Stanley Hospital and State Rehabilitation Service, which have a total capital cost of \$1.8 billion;
- Perth Children's Hospital, with a total cost of \$1.2 billion;
- Midland Health Campus, with a total cost of \$360 million;
- Karratha Health Campus, at a cost of \$207 million; and
- Busselton Hospital, with a total cost of \$120 million.

The Government is also investing an additional \$40.1 million for critical Information and Communications Technology at Fiona Stanley Hospital.

The Government is investing \$1.2 billion over the next four years to deliver new and enhanced school infrastructure across the State. By 2017-18, the Government will have delivered an additional 45 new schools, or around 1,200 classrooms, since 2008. This includes the construction of new primary and secondary schools, additions and improvements to existing schools, the completion of 16 Child and Parent Centres, and the completion of the air-cooling program.

This Government's achievements are many and growing. Mr Speaker, since 2008 we have expanded the State's road network by more than 700 kilometres. Overall, investment in the State's roads will total \$3.4 billion over the next four years.

We have spent or committed \$615 million to maintain and expand our bus fleet and \$337 million to increase our rolling stock, including the purchase of another 66 rail cars to be delivered by 2016 at a cost of \$244 million.

We have spent \$7.3 billion on replacing and maintaining the State's electricity network and will spend a further \$1.2 billion this coming year.

These examples reflect the State Government's extensive commitment to improving public infrastructure and services – the money the Government commits to ensure that the growing population has access to quality schools and hospitals, and the commercial life of the State is well-served by modern road, rail and power networks.

But Mr Speaker, the Government is also busily transforming the city through the delivery of the following key projects:

- the Perth City Link (\$764 million), Elizabeth Quay (\$441 million) and the new Western Australian Museum (\$428 million), which will make Perth a more vibrant metropolis for our community and help us to attract and retain skilled workers and their families;

- Gateway WA, which is creating landmark road infrastructure around the Perth Airport and the freight and industrial hubs of Kewdale and Forrestfield, at an estimated total cost of \$1 billion;
- the Government also remains committed to the MAX light rail project in the longer term and expects to receive the Project Definition Plan in the coming months which will outline broad project costs and timings;
- the Forrestfield Airport Rail Link, which will branch from the Midland line near Bayswater Station to the consolidated Perth Airport terminal and continue on to Forrestfield, at an estimated cost of \$2 billion; and
- the new Perth Stadium, at a cost of \$902 million, plus \$339 million in transport-related infrastructure, to be completed in time for the 2018 AFL season.

Mr Speaker, a major component of the Royalties for Regions program in 2014-15 is the delivery of major infrastructure projects and ensuring the economic development of regional communities. This includes:

- \$169 million over the forward estimates for the new Regional Investment Blueprint initiative to develop major State-wide economic, social and community development projects; and
- a further \$515 million over the next four years for a Southern Investment Initiative to implement major projects across the Peel, Wheatbelt, South West and Great Southern regions.

CONCLUSION

In conclusion Mr Speaker, this is a responsible Budget; it is the right Budget for its time. It is a Budget that:

- responds to the State's changing economic circumstances;
- builds on our achievements; and
- focuses on delivering essential reform while also responding to growth in demand for health, education, disability, child protection and other frontline services.

It is a Budget in which tough but responsible decisions have been made to secure our economic future.

I commend this Budget to the House.

I would now like to proceed with the formal purposes of the two Appropriation Bills, which seek the sums required for services in the coming financial year. Appropriation (Consolidated Account) Recurrent 2014-15 Bill 2014 is for recurrent services, which comprise the delivery of services and administered grants, subsidies and other transfer payments.

Appropriation (Consolidated Account) Capital 2014-15 Bill 2014 is for capital purposes, providing for asset purchases and payment of liabilities of agencies.

Recurrent service estimates of \$21,299,721,000 include a sum of \$2,279,438,000 permanently appropriated under Special Acts, leaving an amount of \$19,020,283,000 that is to be appropriated in the manner shown in the Schedule to Appropriation (Consolidated Account) Recurrent 2014-15 Bill 2014.

Capital purposes and financing transactions estimates of \$2,658,336,000 comprise a sum of \$173,368,000 permanently appropriated under Special Acts and an amount of \$2,484,968,000 that is to be appropriated in the manner shown in the Schedule to Appropriation (Consolidated Account) Capital 2014-15 Bill 2014.

Mr Speaker, I commend the Bills to the House and seek leave to table:

- Budget Speech – Budget Paper Number 1;
- Budget Statements – Budget Paper Number 2; and
- Economic and Fiscal Outlook – Budget Paper Number 3.