

LOAN BILL 2012

Receipt and First Reading

Bill received from the Assembly; and, on motion by **Hon Simon O'Brien (Minister for Finance)**, read a first time.

Second Reading

HON SIMON O'BRIEN (South Metropolitan — Minister for Finance) [5.17 pm]: I move —

That the bill be now read a second time.

The Loan Bill 2012 seeks a new Loan Act authorisation of \$5 billion to meet the planned general government purposes borrowing requirements until 30 June 2016. Borrowing for general public purposes, as distinct from borrowing by statutory authorities with borrowing powers in their enabling acts, must be authorised by Loan Acts. The last authorisation for consolidated account general purpose borrowing was provided in the Loan Act 2009. Based on current estimates, after 2011–12, around \$1 billion of Loan Act authorisation remains available to be utilised in 2012–13. The 2012–13 budget estimates that borrowings to meet consolidated account requirements will be in the region of \$3 billion in 2012–13 and \$2 billion in 2013–14. Consequently, further Loan Act authorisation is required and the \$5 billion sought in this bill aims to cover the four-year period until 30 June 2016.

In accordance with clause 4 of the bill, the proceeds of all loans raised under this authority must be paid into the consolidated account. The moneys will then be advanced to agencies by appropriations in the budget. Details of the asset investment program are laid out in the budget papers concurrently tabled in this house. In accordance with clause 5 of the bill, in addition to seeking the authority for loan raisings, the bill also permanently appropriates moneys from the consolidated account to meet principal repayments, interest and other expenses of borrowings under this authority.

Pursuant to standing order 126(1), I advise that this bill is not a uniform legislation bill. It does not ratify or give effect to an intergovernmental or multilateral agreement to which the government of the state is a party, nor does the bill, by reason of its subject matter, introduce a uniform scheme or uniform laws throughout the commonwealth.

I commend the bill to the house and table the explanatory memorandum.

[See paper 5404.]

Debate adjourned, pursuant to standing orders.