

**TREASURER'S ADVANCE AUTHORISATION BILL 2021**

*Introduction and First Reading*

Bill introduced, on motion by **Mr M. McGowan (Treasurer)**, and read a first time.

Explanatory memorandum presented by the Treasurer.

*Second Reading*

**MR M. MCGOWAN (Rockingham — Treasurer)** [12.09 pm]: I move —

That the bill be now read a second time.

This bill seeks to increase the Treasurer's advance limit for 2020–21 to \$1.439 billion, an increase of \$750 million on the currently approved limit of \$689 million. The Treasurer's advance allows for supplementary funding of annual appropriations for unforeseen and extraordinary events during the financial year, as well as short-term repayable advances to agencies for working capital purposes. The annual Treasurer's advance limit is set automatically by the Financial Management Act 2006 and is calculated as three per cent of the amount appropriated in the previous financial year. For 2020–21, this equates to a Treasurer's advance limit of \$689 million. Under the FMA, if this automatic limit proves insufficient, parliamentary approval for an increased limit must be sought by way of a Treasurer's advance authorisation bill.

This bill seeks to increase the Treasurer's advance limit by \$750 million to \$1.439 billion as the 2020–21 *Pre-election financial projections statement* forecast that the amount to be drawn against recoverable advances, excesses and new items in 2020–21 is \$786 million, exceeding the \$689 million limit for 2020–21. The main items of expenditure contributing to the \$786 million forecast to be drawn against the Treasurer's advance are COVID-19-related costs for additional health spending, reductions in agency own-source revenue, additional cleaning for schools and public transport, the \$500 small business and charity electricity tariff offset, and costs associated with the extension of the commonwealth's HomeBuilder grant scheme. Other expenditure items include a \$100 million contribution for the Perth City Deal, and \$50 million to enable the Department of Justice to meet higher custodial services spending.

Since the release of the *Pre-election financial projections statement*, additional spending has emerged, such as the cost of delivering the Western Australian component of the national COVID-19 vaccination program and the forecast impact of election commitments to be delivered in 2020–21 that will further support the community and invest in the state's economic and social recovery from the pandemic. It is anticipated that increasing the Treasurer's advance by \$750 million will provide sufficient capacity for the government to respond to emerging issues for the remainder of 2020–21, including further potential initiatives that may be required to support businesses and households, and keep our state safe and strong. As authority for the release of excess funding needs to be in place before any such funds can be drawn during the remainder of the 2020–21 financial year, there is a need for this bill to pass through this Parliament as quickly as possible. Given the urgent nature of this bill, we will give notice tomorrow of our intention to suspend so much of the standing orders next week as is necessary to facilitate the debate and passage of the bill without delay.

I commend the bill to the house.

Debate adjourned, on motion by **Mr P.J. Rundle**.