

TREASURER'S ADVANCE AUTHORISATION BILL 2022

Receipt and First Reading

Bill received from the Assembly; and, on motion by **Hon Sue Ellery (Leader of the House)** on behalf of the Minister for Emergency Services, read a first time.

Second Reading

HON SUE ELLERY (South Metropolitan — Leader of the House) [9.52 pm]: I move —

That the bill be now read a second time.

The bill seeks to increase the Treasurer's advance limit for 2021–22 to \$2.32 billion, an increase of \$1.5 billion on the currently approved limit of \$820.5 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 section 29(1) of the Financial Management Act 2006—the FMA—and is calculated as three per cent of the amount appropriated in the previous financial year. For 2021–22, this equates to a Treasurer's advance limit of \$820.5 million. Under section 29(3) of 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.

The 2021–22 *Government mid-year financial projections statement* or midyear review showed that the total amount to be drawn against recoverable advances, excesses and new items in 2021–22 was forecast to be \$723 million. This leaves only \$97 million available for the remainder of this financial year. As has been shown to be the case throughout the pandemic, WA Health expenditure was the largest component of the \$723 million forecast to be drawn against the Treasurer's advance. This includes additional expenditure to increase WA Health's hospital bed capacity under the safe transition plan and to accommodate extra COVID-19-related health spending and general hospital services. The midyear review projection for the Treasurer's advance also included funding for the government's Reconnect WA package, construction of common-user infrastructure on the Burrup Peninsula, the COVID-19 test isolation payment, the severe tropical cyclone Seroja disaster recovery package for temporary workers' accommodation, and enhanced COVID-19 cleaning in schools. Additional spending has emerged since the midyear review was released. This includes the cost of purchasing COVID-19 rapid antigen tests and other COVID-19-related costs for WA Health, the Western Australia Police Force and schools. Further spending pressures are likely to emerge, given the uncertainties of the COVID-19 pandemic.

Members will be aware that although the 2021–22 budget included an \$800 million general spending provision to offset the financial impact of any unforeseen agency costs that emerge during 2021–22, that provision does not act as an offset to the Treasurer's advance. The provision simply ensured that the operating balance and net debt forecast reflected the high likelihood of spending increases in 2021–22. Parliamentary approval of an appropriation for such a general provision cannot be made in the budget due to the uncertainties of the size and purpose of payments to be made from the provision. Although the budget anticipated that a large yet-to-be-identified spending increase was likely this year, its impact on the Treasurer's advance could not be prevented, hence the need for this bill now arises.

The bill seeks to increase the Treasurer's advance limit by \$1.5 billion to \$2.32 billion. It is anticipated that this increase to the Treasurer's advance will provide sufficient capacity for the government to respond to emerging issues for the remainder of 2021–22, including further potential initiatives that may be required in response to the COVID-19 pandemic. As has been highlighted during the debate on other recent Treasurer's Advance Authorisation Bills during the pandemic, the increase in the Treasurer's advance provides the authority to meet higher funding requirements. It does not commit the state to any other additional spending. Any unspent capacity on the Treasurer's advance will lapse at 30 June 2022. Actual expenditure will be reported in the 2021–22 *Annual report on state finances*, which will be released in late September 2022.

The urgent nature of this bill reflects the need for the authority for release of excess funding to be in place before any such funds can be drawn during the remainder of the 2021–22 financial year.

Pursuant to standing order 126(1), I advise that the 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 this 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 I table the explanatory memorandum.

[See paper [1159](#).]

Debate adjourned, pursuant to standing orders.

House adjourned at 9.58 pm

