

TREASURER'S ADVANCE AUTHORISATION BILL 2024

Introduction and First Reading

Bill introduced, on motion by **Ms R. Saffioti (Treasurer)**, and read a first time.

Explanatory memorandum presented by the Treasurer.

Second Reading

MS R. SAFFIOTI (West Swan — Treasurer) [10.36 am]: I move —

That the bill be now read a second time.

This bill seeks to increase the Treasurer's advance limit for 2023–24 by \$2.3 billion, from the current approved limit of \$909.9 million to \$3.2 billion. The Treasurer's advance authorises the Treasurer to draw funds from the consolidated account for amounts that were not factored into the budget appropriation acts. This allows for the release of central funding for items that run over budget or new items that have been determined as needing to be reflected in the current year but after the budget bills have been introduced to the Parliament. It also provides for short-term repayable advances to agencies for working capital and similar purposes.

The annual Treasurer's advance limit is set automatically by section 29(1) of the Financial Management Act 2006 and is calculated as three per cent of the amount appropriated in the previous financial year. For 2023–24, this equates to a Treasurer's advance limit of \$909.9 million. If this automatic limit proves to be insufficient, section 29(3) of the FM act allows the Treasurer's advance limit to be increased by way of a Treasurer's advance authorisation act. The 2023–24 *Government mid-year financial projections statement*, or midyear review, revealed that a total of \$1 871.7 million was expected to be drawn against recoverable advances, excesses and new items in 2023–24, exceeding the currently approved Treasurer's advance limit. Details of all expected drawdowns against the 2023–24 Treasurer's advance were disclosed in appendix 4 of the midyear review. The most significant components of the \$1 871.7 million forecast to be drawn against the Treasurer's advance in the midyear review relate to an additional \$458.2 million in funding for the Department of Fire and Emergency Services, including for a range of initiatives to help communities recover from the impacts of ex-tropical cyclone Ellie; \$246.2 million in new funding for the Public Transport Authority, predominantly to meet higher costs on the Bayswater station project and the retiming of project cash flows for the Metronet program of works; and a \$225.3 million increase for WA Health, which will in part address workforce pressures in the WA Country Health Service. The financial impacts of these items have been reflected in the midyear review, and, as such, the approval of the appropriation for these will not change the state's fiscal outlook.

Consistent with previous bills, an allowance has been made for any additional appropriation funding that could materialise by 30 June 2024, including through the 2024–25 budget process or other unforeseen cash flow requirements, such as funding for natural disasters. It is anticipated that the proposed \$2.3 billion increase in the Treasurer's advance will provide sufficient capacity for the government to respond to emerging issues for the remainder of 2023–24.

As with all previous bills, the increase in the Treasurer's advance provides the authority to meet higher funding requirements, but it does not commit the state to any other additional spending. Any unspent capacity of the Treasurer's advance will lapse on 30 June 2024, with actual expenditure to be reported in the *Annual report on state finances 2023–24* to be released in September 2024. As the authority for the release of excess funding needs to be in place before any such funds can be drawn during the remainder of the 2023–24 financial year, the passage of this bill is required as quickly as possible.

I commend the bill to the house.

Debate adjourned, on motion by **Mr P.J. Rundle (Deputy Leader of the Opposition)**.