

EXPLANATORY MEMORANDUM

Subject Paper No.

1 Short title

This Act may be cited as the *Supply (2020-2021) Act 2020*.

2 Commencement

This Act commences on the day on which the Administrator's Assent to this Act is declared.

3 Interim Appropriation

- (1) An amount in aggregate of \$3 423 639 000 is authorised to be paid from the Central Holding Authority for the financial year ending 30 June 2021.
- (2) The amount is authorised to be paid to each Purpose of an Agency that is specified in column 1 of the Schedule, in the amount specified in the corresponding entry of column 2 of the Schedule.

4 Repeal of Act

This Act is repealed on 1 July 2021.

BACKGROUND

The attached Act provides an amount in aggregate of \$3 423 639 000 to be paid from the Central Holding Authority for the financial year ending 30 June 2021, to guarantee the provision of essential public services through the supply of interim appropriation for the 2020-21 financial year.

The 2020-21 Appropriation Bill was scheduled to be tabled in the Legislative Assembly on 5 May 2020 to provide authority for expenditure to be incurred by general government sector agencies from the commencement of the new financial year. However, due to the COVID-19 pandemic, the National Cabinet (of all first ministers) has agreed that the Commonwealth, states and territories will delay their budgets until later in 2020.

The *Supply (2020-2021) Act 2020* will make interim provision for government expenditure to ensure the continuation of essential government services and infrastructure from 1 July 2020. It will provide for up to six months of expenditure, and is based on 50 per cent of total appropriation as detailed in the 2019-20 Mid-Year Report, plus a contingency amount in Treasurer's Advance to fund major spending requirements (known and emerging), including the Jobs Rescue and Recovery Plan and additional capital works expenditure.

The 2020-21 Appropriation Bill will need to be introduced, debated and passed later in 2020 before supply is exhausted.

The bill is presented in cognate with the *Fiscal Integrity and Transparency Amendment Bill 2020*.

AUTHORITY

Section 5(2) *Financial Management Act 1995*.