



2020-21

GOVERNMENT MID-YEAR FINANCIAL PROJECTIONS STATEMENT

December 2020



2020-21

**Government Mid-year Financial
Projections Statement**

DECEMBER 2020

2020-21 Government Mid-year Financial Projections Statement
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Government Mid-year Financial Projections Statement

Table of Contents

UNDER TREASURER'S CERTIFICATION	i
CHAPTER 1: FINANCIAL PROJECTIONS AND STRATEGY	1
Introduction	2
<i>Feature Box: New Women and Babies Hospital</i>	4
General Government Sector	5
Total Public Sector	13
<i>Feature Box: Transport Infrastructure</i>	20
Net Debt	23
Financial Strategy and Targets	25
Statement of Risks	30
CHAPTER 2: THE WESTERN AUSTRALIAN ECONOMY	35
Western Australia	36
Gross State Product	36
Labour Market	38
Consumer Price Index	39
Risks	39
Global Outlook and Risks	40
Commodity Markets	41
CHAPTER 3: INVESTING IN REGIONAL WESTERN AUSTRALIA	45
APPENDIX 1: DETAILED FINANCIAL PROJECTIONS	57
APPENDIX 2: GENERAL GOVERNMENT OPERATING REVENUE	79
APPENDIX 3: MAJOR SPENDING CHANGES	83
APPENDIX 4: THE CONSOLIDATED ACCOUNT AND THE TREASURER'S ADVANCE	123

Under Treasurer's Certification

The *Government Financial Responsibility Act 2000* (GFRA) requires that the Treasurer release a Government Financial Strategy Statement at least once every year (section 11), and a *Government Mid-year Financial Projections Statement* (or Mid-year Review) updating the Budget-time forecasts by 31 December each year (section 13). The required content of these statements is detailed in sections 11 and 13 of the GFRA.

For the purposes of these GFRA requirements:

- the Government Financial Strategy Statement and associated financial targets disclosures are detailed in Chapter 3: *Fiscal Outlook and Strategy* in Budget Paper No. 3: *Economic and Fiscal Outlook*, presented to the Legislative Assembly on 8 October 2020;
- the content of this Mid-year Review meets the requirements of section 13 of the GFRA. In particular:
 - Appendix 1 details the projections required by section 13(2)(a) of the GFRA;
 - Chapters 1 and 2 detail the economic and other assumptions underlying the Mid-year Review projections (section 13(2)(b));
 - Chapter 1 details the compliance of the projections with the Government's financial targets (section 13(2)(c)); and
 - the Statement of Risks in Chapter 1 details the sensitivity of the projections to various economic and financial assumptions and other risks (sections 13(2)(d) and (e)); and
- this certification gives effect to the requirements of sections 13(2)(f) and 13(6).

This Mid-year Review is based upon Government decisions that I was aware of or that were made available to me by the Treasurer, together with other relevant information known to Treasury, on or before the Mid-year Review cut-off date of 30 November 2020 and which have a material effect on the State's financial projections.

2020–21 Government Mid-year Financial Projections Statement

It has been prepared in accordance with applicable Australian Accounting Standards and Government Finance Statistics principles, and is based on the economic forecasts and assumptions outlined in Chapter 1: *Financial Projections and Strategy* and Chapter 2: *The Western Australian Economy*. These assumptions were finalised by Treasury, under my direction, on 30 November 2020.

A handwritten signature in black ink, appearing to read 'M. Barnes', with a stylized, cursive script.

Michael Barnes
UNDER TREASURER

14 December 2020

Financial Projections and Strategy

HIGHLIGHTS

- The Western Australian economy is recovering more strongly than expected from the COVID-19 pandemic. The State's economic growth forecast in 2020-21 has been revised up since Budget, while the labour market is also bouncing back faster than previously anticipated.
- As a result of improved economic conditions, revenue collections are also expected to be higher. A stronger property sector, labour market and vehicle sales have increased projected tax collections.
 - GST grants are also projected to be higher due to higher population estimates for Western Australia and national GST pool estimates by the Commonwealth.
- As a result, a general government operating surplus of \$2.2 billion is now forecast for 2020-21 up from \$1.2 billion at Budget-time, and improved operating surpluses are also forecast across the outyears.
- The higher than expected operating surpluses have been used for the long-term benefit of Western Australians with the Government setting aside \$1.787 billion in a Special Purpose Account for a new Women and Babies Hospital.
- Furthermore, the Government's infrastructure investment program has further increased, with \$28.8 billion now committed over the next four years.
- Total public sector net debt is now expected to reach \$41.4 billion by 30 June 2024, down \$1.4 billion from Budget.

Introduction

General government operating surplus projections have been revised up by a total of \$3.2 billion across the forward estimates period compared to the 2020-21 Budget forecasts. A surplus of \$2.2 billion is now forecast for 2020-21, up from the Budget estimate of \$1.2 billion. Western Australia is the only State that is forecasting an operating surplus in each year of the forward estimates period.

The stronger operating surpluses in the Mid-year Review reflect an improved revenue outlook, with the main contributors being:

- higher Commonwealth forecasts for GST-related grants (up \$1.2 billion) and transport infrastructure grants (up \$801 million) included in the 2020-21 Commonwealth Budget;
- higher taxation revenue (up \$1.1 billion) on the back of a stronger than expected domestic economy; and
- higher iron ore royalties (up \$295 million) resulting from continued strong iron ore prices in 2020-21.

An additional \$2.3 billion in general government sector recurrent spending and total public sector asset investment has been allocated since Budget-time, including the flow-on impact of Commonwealth funding in the transport portfolio and additional expenditure related to COVID-19. The State's Asset Investment Program is now forecast to total a record \$28.8 billion over the four years to 2023-24, up from \$27.1 billion at Budget.

The following table summarises the key financial aggregates for the 2020-21 Mid-year Review.

KEY BUDGET AGGREGATES						
Western Australia						
	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget Estimate	Mid-year Revision	Forward Estimate	Forward Estimate	Forward Estimate
GENERAL GOVERNMENT SECTOR						
Net Operating Balance (\$m)	1,669	1,204	2,162	1,047	1,815	2,298
Revenue (\$m)	32,162	34,139	35,533	32,526	33,149	34,294
Revenue Growth (%)	5.9	6.1	10.5	-8.5	1.9	3.5
Expenses (\$m)	30,493	32,935	33,371	31,479	31,334	31,997
Expense Growth (%)	5.0	8.0	9.4	-5.7	-0.5	2.1
Net Debt at 30 June (\$m)	23,758	25,576	24,452	27,067	28,228	27,933
TOTAL PUBLIC SECTOR						
Net Debt at 30 June (\$m)	35,449	39,259	38,125	41,138	41,933	41,407
Net Debt as a share of GSP (%)	11.2	11.9	11.8	14.4	14.3	13.7
Asset Investment Program (\$m)	5,188	7,549	7,568	8,482	6,714	6,068
Cash Surplus/Deficit (\$m)	2,217	-3,391	-2,288	-2,583	-646	652

General government operating surpluses provide an important non-debt source of funding for infrastructure investment. Therefore, the higher surpluses have led to total public sector net debt projections being revised down across the forward estimates period, with a net debt forecast of \$41.4 billion at 30 June 2024. This is \$1.4 billion lower than forecast in the 2020-21 Budget.

Key assumptions underlying the Mid-year Review financial projections are shown in the following table. A detailed discussion of the economic outlook is provided in Chapter 2: *The Western Australian Economy*.

Table 2

KEY ASSUMPTIONS ^(a)

Western Australia

	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Mid-year Revision	Forward Estimate	Forward Estimate	Forward Estimate
Real Gross State Product growth (%)	1.4 (2.0)	2.0 (1.25)	2.75	1.25	1.5
Real State Final Demand growth (%) ^(b)	0.8 (1.1)	1.75 (0.5)	3.75	2.25	3.0
Employment growth (%)	0.3	1.0 (-0.25)	2.0 (2.25)	1.75 (2.0)	1.5 (1.75)
Unemployment rate (%) ^(c)	6.1	7.0 (8.0)	6.0 (7.0)	5.5 (6.25)	5.5 (6.0)
Wage Price Index growth (%)	1.7	1.5	1.75	2.0	2.25
Perth Consumer Price Index growth (%) ^(d)	1.3	1.5	1.75	1.75	2.0
Iron ore price (\$US/tonne CFR) ^{(c)(e)}	92.9	103.7 (96.6)	64.0	64.0	64.0
Iron ore volumes (million dry tonnes)	836	847 (845)	866 (859)	877 (871)	881 (878)
Crude oil price (\$US per barrel) ^(c)	51.3	40.8 (44.6)	46.3 (48.5)	47.1 (49.9)	48.0 (51.1)
Exchange rate (US cents) ^(c)	67.1	72.6	73.3 (72.9)	73.3 (72.8)	73.4 (72.7)
Population growth (%)	1.3 ^(f)	0.8	0.7	1.0	1.3
Interest rate assumptions (%):					
– Public Bank Account earnings ^(c)	1.1	0.7	0.7 (0.8)	0.6	0.7
– Consolidated Account borrowings ^(c)	2.8	2.4 (2.5)	2.2 (2.3)	2.0 (2.2)	1.9 (2.1)

(a) 2020-21 Budget assumptions shown in parentheses where different.

(b) Based on 2019-20 State Accounts data, updated with the latest State Final Demand and Balance of Payments data for the September quarter 2020.

(c) Data expressed as annual average during the financial year.

(d) Consumer Price Index growth rates in 2020-21 and 2021-22 are based on the total index excluding the electricity sub-index.

(e) The benchmark 62% (Fe) iron ore price delivered to north China inclusive of cost and freight (CFR).

(f) Estimated actual.

NEW WOMEN AND BABIES HOSPITAL

This Mid-year Review sets aside a substantial \$1.787 billion for a new state of the art Women and Babies Hospital. This has been made possible by the stronger than expected recovery in the State's economy and major revenue sources since finalisation of the 2020-21 Budget estimates.

While the existing King Edward Memorial Hospital located in Subiaco provides first-class obstetric and gynaecological care, the facility is over a century old. A replacement is required to modernise this priority health service, optimise clinical services and improve patient outcomes.

As part of the 2019-20 Budget, the Government approved \$3.3 million to commence planning for a new Women and Babies Hospital to be co-located at the Queen Elizabeth II Medical Centre campus, in order to integrate services with Sir Charles Gairdner Hospital and Perth Children's Hospital.

The preferred site of the new multistorey hospital will likely be north of G Block within the Queen Elizabeth II Medical Centre. The new hospital will include new obstetric and birthing suites and a full array of specialist services, to provide the best possible care to women from across the State and newborns.

Reflecting the lead times required to undertake the detailed planning for a complex hospital development of this scale, a comprehensive business case and project definition plan will be undertaken. Works are estimated to begin in 2023.

In the meantime, the Government's responsible decision to set aside the \$1.787 billion in this Mid-year Review (to be held in the Women and Newborn Health Service Relocation Account) quarantines stronger than expected revenue for this key new health service asset.

General Government Sector

Operating Statement

The following table summarises the changes in general government revenue and expenses since the 2020-21 Budget estimates were finalised on 7 September 2020.

Table 3

SUMMARY OF GENERAL GOVERNMENT REVENUE AND EXPENSE VARIATIONS SINCE THE 2020-21 BUDGET					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	Total \$m
2020-21 BUDGET - NET OPERATING BALANCE	1,204	363	1,067	1,474	
Revenue					
<i>Revenue Policy Decisions</i>					
Payroll tax exemption for new trainees	-1	-3	-	-	-4
<i>Other Revenue Movements</i>					
<i>Taxation</i>	525	270	176	176	1,146
- Payroll tax	109	117	123	126	476
- Total duty on transfers	301	106	4	-	411
- Insurance duty	41	43	44	46	174
- Vehicle licence duty	47	9	9	9	73
- Land tax/Metropolitan Region Improvement Tax	-20	-19	-19	-20	-79
- Gambling taxes	31	6	6	6	49
- Other taxes	16	9	9	9	42
<i>Commonwealth grants</i>	478	633	529	546	2,186
- GST-related grants	214	389	284	324	1,212
- North West Shelf/condensate compensation	-27	-26	-31	-32	-115
- Transport grants	128	174	254	245	801
- Health grants	138	35	5	-	178
- Education grants	12	39	14	6	70
- Other Commonwealth grants	13	22	3	3	41
<i>Royalty income</i>	373	-32	-67	-8	265
- Iron ore	421	-28	-40	-59	295
- Other royalties	-48	-5	-27	50	-29
Revenue from public corporations	43	50	39	62	194
All other	-24	-10	6	-28	-56
TOTAL REVENUE	1,394	908	683	748	3,733

Note: Columns/rows may not add due to rounding.

Table 3 (cont.)

**SUMMARY OF GENERAL GOVERNMENT REVENUE AND EXPENSE
VARIATIONS SINCE THE 2020-21 BUDGET**

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	Total \$m
Expenses					
Perth City Deal - relocation of Edith Cowan University	100	-	-	-	100
Building Bonus Grant extension	- ^(a)	66	-	-	66
WA Health					
- Commonwealth agreements	50	37	7	2	95
- Peel Health Campus transition	2	6	7	4	20
- COVID-19 costs update	144	5	-	-	149
Provision for future COVID-19 health costs	50	2	2	-	55
Public Transport Authority operating subsidies					
- COVID-19 related costs and revenue impact	36	-	-	-	36
- All other	14	12	-1	-2	23
Education					
- COVID-19 enhanced schools cleaning	29	-	-	-	29
- Commonwealth programs	8	34	6	5	53
Government Insurance Fund claims	15	18	-	-	33
Western Australian Climate Policy	1	10	11	6	28
First Home Owner Grant update	1	18	-6	-4	9
Consolidated Account interest costs	-7	-28	-51	-66	-152
All other	-7	43	-41	-21	-26
TOTAL EXPENSES	436	225	-65	-76	520
TOTAL VARIANCE	958	684	748	824	3,213
2020-21 MID-YEAR REVIEW - NET OPERATING BALANCE	2,162	1,047	1,815	2,298	

(a) Amount less than \$500,000.

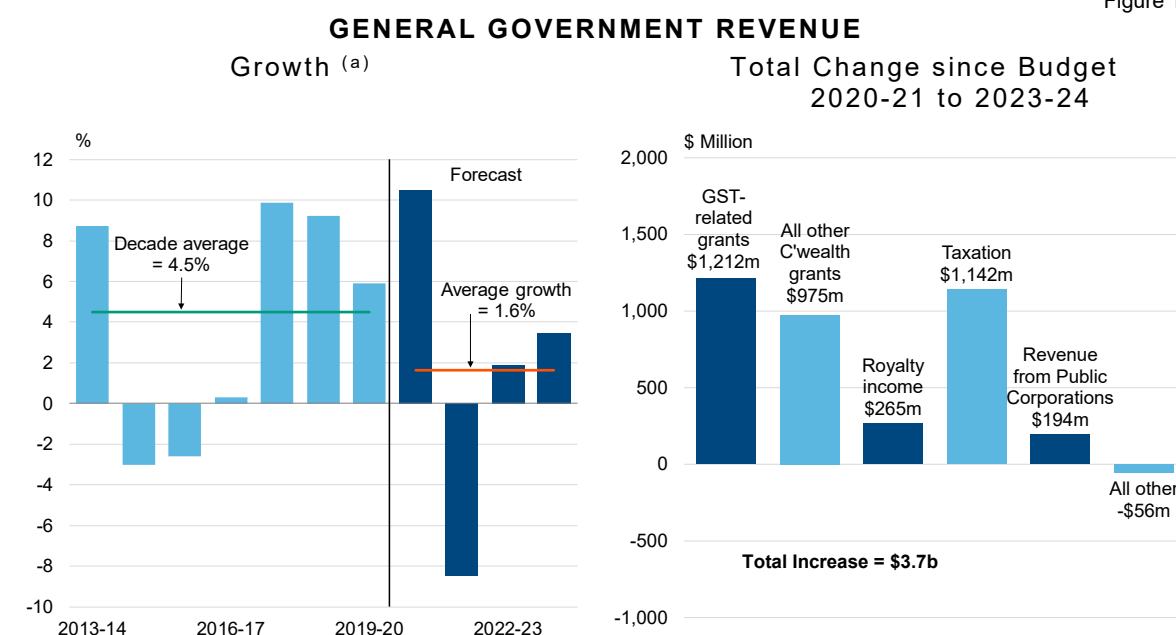
Note: Columns/rows may not add due to rounding.

Revenue

General government revenue is now projected to increase by 10.5% in 2020-21, compared with forecast growth of 6.1% at the time of the Budget. This represents a \$1.4 billion increase and is primarily due to stronger taxation revenue (up \$524 million) on the back of Western Australia's better than expected economic recovery, higher iron ore royalties (up \$421 million), and an increase in Commonwealth grants for transport and health (up \$266 million) and GST (up \$214 million).

Across the forward estimates period, general government revenue has been revised up by a total of \$3.7 billion. Notwithstanding the stronger revenue outlook, average annual revenue growth is forecast at just 1.6%, which is well below the 4.5% decade average. In large part, this reflects an assumption that iron ore prices will return to the long-run average of \$US64 per tonne by mid-2021, as supply from Brazil continues to recover and Chinese infrastructure stimulus unwinds.

Figure 1



(a) Data for years prior to 2019-20 adjusted for accounting standards changes that took effect from 2019-20. Refer to the 2019-20 *Annual Report on State Finances* for further details on accounting standards changes.

The \$3.7 billion revision to the revenue outlook across the four years to 2023-24 mainly reflects:

- higher Commonwealth grants (up \$2.2 billion), including:
 - higher GST-related grants (up \$1.2 billion), reflecting updated national GST pool and population estimates included in the 2020-21 Commonwealth Budget;
 - higher transport grants (up \$801 million), largely reflecting additional funding under the 2020-21 Commonwealth Budget Stimulus Package;

2020–21 Government Mid-year Financial Projections Statement

- higher health funding (up \$178 million), mainly for the National Partnership on COVID-19 Response and the extension of agreements which improve access to, and delivery of, a range of health and aged care services;
- higher education-related grants (up \$70 million), mainly due to updated estimates for the National School Reform Agreement and a one-year extension of the Universal Access to Early Childhood Education National Partnership; and
- lower forecast North West Shelf grants and condensate compensation (down \$115 million), due to lower oil and gas price assumptions and higher \$US/\$A exchange rate assumptions;
- higher taxation revenue (up \$1.1 billion), mainly due to the net impact of:
 - higher payroll tax (up \$472 million), as a result of higher than expected collections to date in 2020-21, given improved labour market conditions;
 - higher transfer duty (up \$411 million), primarily reflecting stronger than anticipated activity in the established housing market, with transactions to date in 2020-21 at their highest level since 2013-14;
 - higher insurance duty (up \$174 million) and vehicle licence duty (up \$73 million), due to stronger than expected collections since the Budget estimates were finalised; and
 - lower land tax and Metropolitan Region Improvement Tax (down \$79 million), reflecting the estimated impact of changes to the valuation of heritage-listed sites across the State;
- higher royalty income (up \$265 million), largely due to an upward revision to the forecast iron ore price in 2020-21 (from \$US96.60 at Budget to \$US103.70), partly offset by a higher \$US/\$A exchange rate (which reduces the price of commodities in Australian dollar terms); and
- higher revenue from public corporations (up \$194 million), mainly reflecting higher dividend and tax equivalent payments from the Water Corporation (up \$98 million) and Western Power (up \$94 million), driven mainly by improved profitability from lower forecast interest costs.

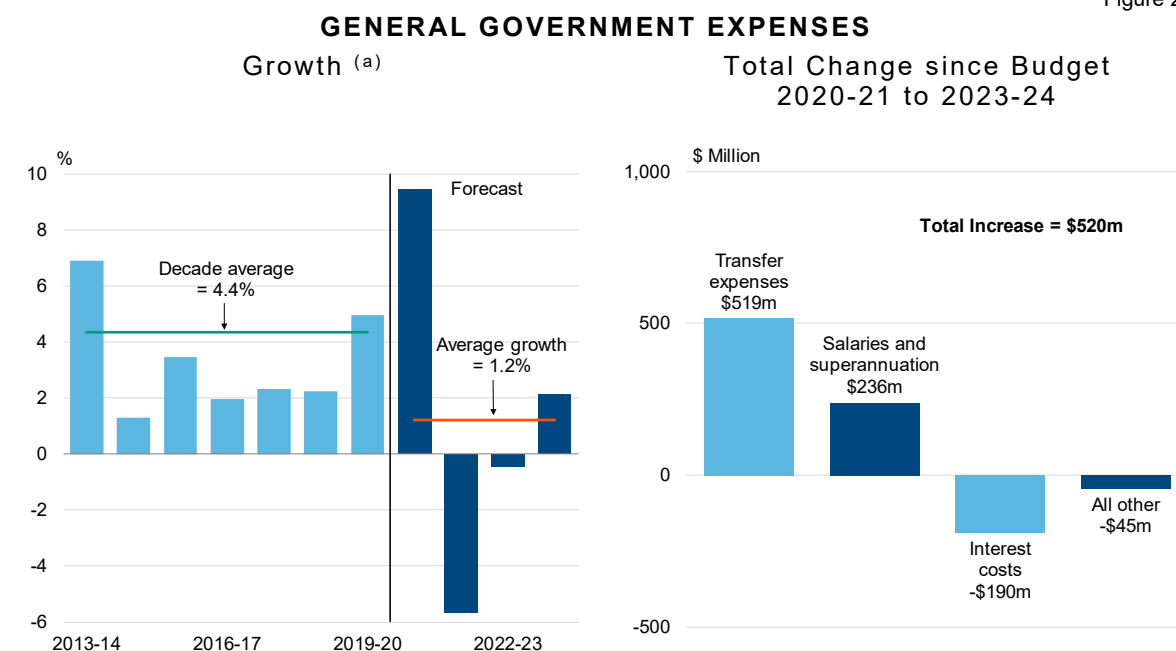
Further detail on the general government sector revenue estimates is available in Appendix 2: *General Government Operating Revenue*.

Expenses

General government expenses are estimated to total \$33.4 billion in 2020-21, \$436 million higher than forecast at Budget-time. Expense growth in 2020-21 has been revised up to 9.4% compared to the Budget forecast of 8%. This largely reflects additional costs related to the continued impact of the COVID-19 pandemic, and finalisation of funding arrangements for the Edith Cowan University Inner City Campus.

Since the 2020-21 Budget, general government expenses have been revised up by a total of \$520 million across the four years to 2023-24. Expense growth is forecast to average just 1.2% per annum over this period, well below average growth of 4.4% over the last decade, as substantial stimulus and emergency management spending begins to wind down from 2021-22.

Figure 2



(a) Data for years prior to 2019-20 adjusted for accounting standards changes that took effect from 2019-20. Refer to the 2019-20 *Annual Report on State Finances* for further details on accounting standards changes.

Significant spending changes related to the COVID-19 pandemic include:

- an additional \$204 million (mainly in 2020-21) to support the Government's health response to COVID-19, including operation of the hotel quarantine system, testing clinics, and further investment in personal protective equipment, medical equipment and medical supplies. This includes a further \$55 million provision (in addition to the \$80 million provision included in the 2020-21 Budget) due to ongoing uncertainty associated with the timing and magnitude of future COVID-19 related expenditure;

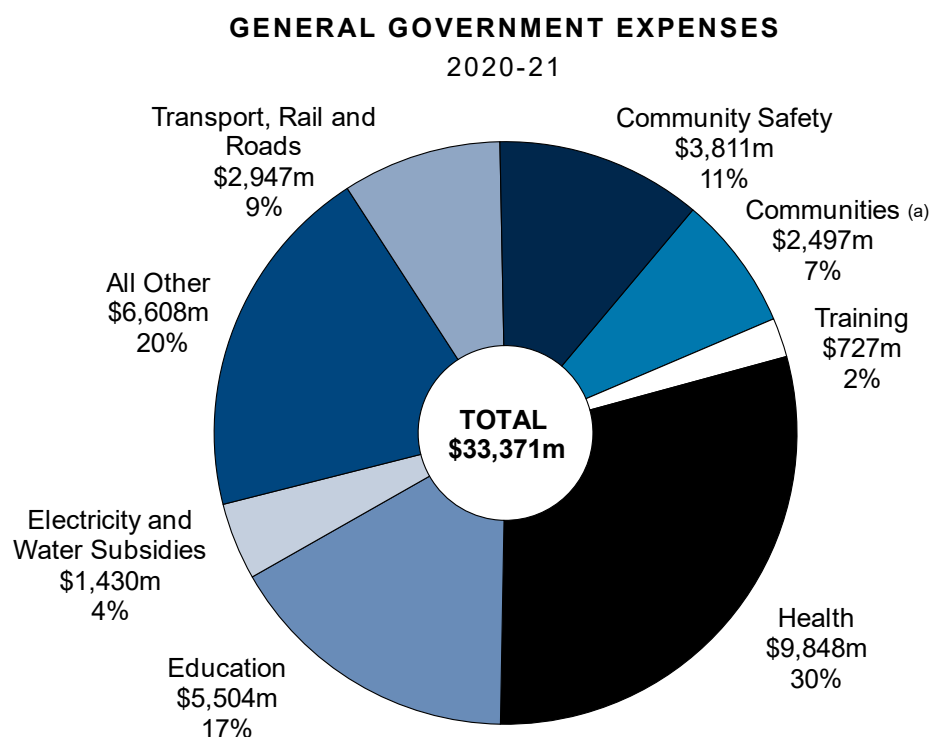
2020–21 Government Mid-year Financial Projections Statement

- higher operating subsidies for the Public Transport Authority in 2020-21 (up \$36 million), reflecting the forecast impact on revenue of lower public transport patronage, additional cleaning of public transport vehicles and stations, and transportation costs for returning international travellers placed in hotel quarantine; and
- an additional \$29 million in 2020-21 for continuation of enhanced cleaning in schools.

Other material movements in expenses since the 2020-21 Budget include:

- a \$100 million grant to Edith Cowan University in 2020-21 for the bring-forward of the grant component of the State's contribution to the University's inner-city campus project as part of the Perth City Deal (at the time of the Budget, this contribution was not expected to be made until after 2023-24, with the finalisation of arrangements with the University and the Commonwealth accelerating this transfer);
- doubling of the time period (from six months to 12 months) for commencement of construction under the Building Bonus Grant scheme (\$66 million in 2021-22);
- additional spending under Commonwealth-funded agreements:
 - WA Health (up \$95 million), including the Commonwealth Home Support Program (\$30 million over 2020-21 to 2021-22), Aged Care Assessment Program (\$27 million over 2020-21 to 2021-22) and other agreements such as Organ and Tissue Donation, Indigenous Australians Health Program and the National Partnership on Essential Vaccines (\$39 million over the four years to 2023-24); and
 - Education (up \$53 million), largely due to a one-year extension to the funding agreement on Universal Access to Early Childhood Education; and
- lower Consolidated Account interest costs (down \$152 million), reflecting a reduction in the outlook for interest rates and a lower borrowing profile across the four years to 2023-24 due to the improved revenue outlook discussed earlier.

Figure 3



(a) The current forecast for total cost of services for the Department of Communities is \$3.2 billion in 2020-21. The \$2.5 billion in this chart represents the general government portion of the Department's recurrent spending (with some expenditure from the former Housing Authority remaining within the public non-financial corporations sector for the purpose of whole-of-government reporting).

Note: Segments may not add due to rounding.

Further detail on material changes in spending by general government agencies is available in Appendix 3: *Major Spending Changes*.

Balance Sheet

The net worth of the general government sector is forecast to increase from \$102.4 billion at 30 June 2020 to \$112.1 billion by 30 June 2024.

This projected increase is \$3.5 billion higher than that contained in the 2020-21 Budget, mainly reflecting:

- a \$1.7 billion increase in non-financial assets, mainly property, plant and equipment (up \$1.5 billion), underpinned by upward revisions to forecast infrastructure spending;
- an \$859 million decrease in borrowings (including leases and other borrowings), mainly due to the improved general government sector operating outlook;
- a \$596 million increase in investment, loans and placements, mainly reflecting higher Public Bank Account cash holdings; and

2020–21 Government Mid-year Financial Projections Statement

- a \$354 million increase in the value of the general government sector's ownership interest in public corporations, largely driven by higher physical asset holdings by those entities (reflecting higher infrastructure investment).

Table 4

GENERAL GOVERNMENT Balance Sheet at 30 June

	2020 \$m	2021 \$m	2022 \$m	2023 \$m	2024 \$m
2020-21 MID-YEAR REVIEW					
Assets	147,847	148,163	151,173	154,495	158,203
Liabilities	45,408	44,625	46,094	46,286	46,065
<i>Net Worth</i>	<i>102,438</i>	<i>103,538</i>	<i>105,079</i>	<i>108,210</i>	<i>112,138</i>
Net Debt	23,758	24,452	27,067	28,228	27,933
2020-21 BUDGET					
Assets	147,847	147,208	149,571	152,858	155,640
Liabilities	45,408	44,482	46,146	47,157	46,952
<i>Net Worth</i>	<i>102,438</i>	<i>102,726</i>	<i>103,425</i>	<i>105,701</i>	<i>108,688</i>
Net Debt	23,758	25,576	27,870	29,235	29,491
VARIANCE					
Assets	-	955	1,602	1,637	2,563
Liabilities	-	143	-52	-871	-887
<i>Net Worth</i>	-	812	1,654	2,508	3,450
Net Debt	-	-1,125	-802	-1,006	-1,558

Note: Columns may not add due to rounding.

Cash Flow Statement

Reflecting the stronger operating outlook detailed earlier in this chapter, and higher spending on asset investment (discussed later), a general government sector cash surplus of \$1.3 billion is now forecast for 2020-21, up \$900 million on the 2020-21 Budget estimate.

A cash deficit of \$483 million is forecast for 2021-22, which is broadly unchanged from Budget-time. A turnaround to cash surpluses of \$449 million and \$1.4 billion are forecast for 2022-23 and 2023-24 respectively. These forecasts reflect the flow-on impact of the stronger general government operating outlook, partly offset by increases in infrastructure spending in these years.

Total Public Sector

Summary

The total public sector operating outlook has strengthened since the 2020-21 Budget, mainly due to the higher general government projections discussed earlier in this chapter.

The following table summarises the key financial aggregates for the total public sector.

Table 5

TOTAL PUBLIC SECTOR Summary Financial Statement						
	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	\$m	Revision	Estimate	Estimate	Estimate
OPERATING STATEMENT						
Revenue	65,706	72,303	72,480	70,737	72,046	73,881
Expenses	63,659	72,423	71,683	69,905	70,738	72,033
Net Operating Balance	2,047	-120	797	833	1,308	1,848
BALANCE SHEET AT 30 JUNE						
Assets	200,161	202,263	203,192	207,928	211,879	216,337
Liabilities	97,723	99,537	99,654	102,849	103,670	104,199
Net Worth	102,438	102,726	103,538	105,079	108,210	112,138
STATEMENT OF CASHFLOWS						
Net Cash Flows from Operating Activities	5,670	3,669	4,765	5,207	5,314	5,998
Asset Investment Program	5,188	7,549	7,568	8,482	6,714	6,068
Cash Surplus/Deficit	2,217	-3,391	-2,288	-2,583	-646	652
<i>Memorandum Item: Net Debt at 30 June</i>	<i>35,449</i>	<i>39,259</i>	<i>38,125</i>	<i>41,138</i>	<i>41,933</i>	<i>41,407</i>

Note: Columns may not add due to rounding.

Operating Statement¹

In 2020-21, a \$797 million operating surplus is forecast for the total public sector, compared to a \$120 million operating deficit forecast at Budget. Across the outyears (2021-22 to 2023-24), the annual operating surpluses forecast at Budget have been revised up by an aggregate \$2.4 billion. As noted earlier, this improvement largely reflects the stronger revenue outlook for the general government sector.

Consistent with Budget projections, both the public non-financial corporations (PNFC) and public financial corporations (PFC) sectors are expected to be in an operating surplus position in each year of the forward estimates period.

¹ Consolidation of the sub-sectors of the public sector removes transactions between each part of government. In aggregate, the operating balance of the total public sector is equal to the sum of the general government and public corporations sectors' operating balances, less dividend revenue collected between these sectors. Under Australian accounting standards, the dividend costs of the public corporations sectors are not classified as expenses, although the associated dividend income (mainly recorded by the general government sector) is recognised as revenue.

Table 6

TOTAL PUBLIC SECTOR OPERATING BALANCE
By Sector

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forw ard	Forw ard	Forw ard
	\$m	\$m	Revision	Estimate	Estimate	Estimate
Net Operating Balance						
General government sector	1,669	1,204	2,162	1,047	1,815	2,298
Public non-financial corporations sector	621	972	1,016	1,184	902	941
Public financial corporations sector	208	560	560	105	135	145
<i>less</i>						
General government dividend revenue	392	2,776	2,860	1,412	1,444	1,439
Public non-financial corporations dividend revenue ^(a)	63	88	88	99	107	104
Agency depreciation costs on right of use assets leased from other government sectors ^(b)	-3	-8	-7	-7	-7	-7
Total public sector net operating balance	2,047	-120	797	833	1,308	1,848

(a) Dividends received from Keystart (a PFC) by the Housing Authority (a PNFC).

(b) Depreciation costs incurred by agencies for right of use assets leased from other agencies within the same sub-sector of government are eliminated directly on consolidation. Equivalent costs between internal sectors of government contribute to expenses (and the operating balance) in the sector in which the lessee is classified, but is not matched by a 'depreciation revenue' by the sector in which the lessor is classified. This gives rise to an adjustment against equity for this unmatched internal cost when consolidating the total public sector.

Note: Columns may not add due to rounding.

Public Non-Financial Corporations

Relative to Budget, the four-year operating balance outlook of the PNFC sector has increased by an aggregate \$235 million. Revenue and expenses have been impacted by a range of Government decisions and revisions to forecast operating conditions since Budget, including:

- lower operating revenue and expenses for the Gold Corporation, largely due to downward revisions to gold price forecasts and stronger \$US/\$A exchange rate expectations;
- higher revenue (up \$137 million) and expenses (up \$76 million) for the Pilbara Ports Authority resulting from the implementation of the Port Hedland Voluntary Buy-back Scheme. The scheme, which will be industry-funded, provides a voluntary option for owners of residential dwellings in the West End of Port Hedland to secure a guaranteed settlement price following the introduction of Port Hedland West End Improvement Scheme No. 1;
- lower revenue (down \$194 million) and expenses (\$101 million) for Synergy, primarily driven by:
 - lower forecast energy demand due to the increased utilisation of solar photovoltaic generation by customers, and competitive pressure in the retail and wholesale markets; and
 - lower fuel costs reflective of improved contracting outcomes;

- higher revenue (up \$178 million) and expenses (up \$165 million) for the Lotteries Commission, largely due to higher lottery sales and expansion of digital products resulting in associated increases in prize payments and statutory grant distribution forecasts;
- higher revenue (up \$62 million) and expenses (up \$93 million) for the Public Transport Authority, primarily driven by:
 - higher depreciation costs reflecting a recent asset portfolio revaluation;
 - commencement of new transport infrastructure initiatives as part of the 2020-21 Commonwealth Budget Stimulus Package (including Commonwealth and State contributions); and
 - the new METRONET Community Assets Program; and
- higher revenue (up \$36 million) and expenses (up \$47 million) for the Department of Communities (Housing Services), mainly due to:
 - higher Royalties for Regions revenue (up \$19 million) and expenses (up \$14 million) as a result of spending approved under the North-West Aboriginal Housing Fund;
 - a reclassification of the Department's information and communications technology spending from capital investment to recurrent expenditure (up \$15 million); and
 - higher revenue and expenses resulting from an increase in borrowings held on behalf of Keystart.

Public Financial Corporations

In net terms, the operating outlook for the PFC sector has remained broadly unchanged since the 2020-21 Budget. An operating surplus of \$560 million is forecast in 2020-21, with surpluses also expected in each of the outyears.

PFC sector revenue and expense forecasts have reduced by \$798 million and \$816 million respectively over the four years to 2023-24. These reductions are largely due to lower interest rate forecasts and a lower borrowing program for the Western Australian Treasury Corporation, offset by:

- increased expenses and associated revenue (both up \$33 million) for the Insurance Commission of Western Australia to meet emerging unfunded liabilities associated with the Government Insurance Fund (related to historical child sexual abuse claims); and
- higher revenue and expenses for Keystart (both up \$29 million), primarily due to increased demand for new loans.

Asset Investment Program

The State's Asset Investment Program is estimated at a record \$28.8 billion over the four years to 2023-24 (up from \$27.1 billion at Budget-time). This forecast level of investment represents the biggest four year spend on infrastructure in the State's history, and will continue to support the recovery in the Western Australian economy and labour market.

Approximately \$12.7 billion (or 44%) is forecast to be invested in road and public transport projects over 2020-21 to 2023-24, with significant four-year investment programs in other key areas including electricity infrastructure (\$4 billion), water (\$2.7 billion), housing (\$1.7 billion), education (\$1.5 billion) and health (\$1.1 billion).

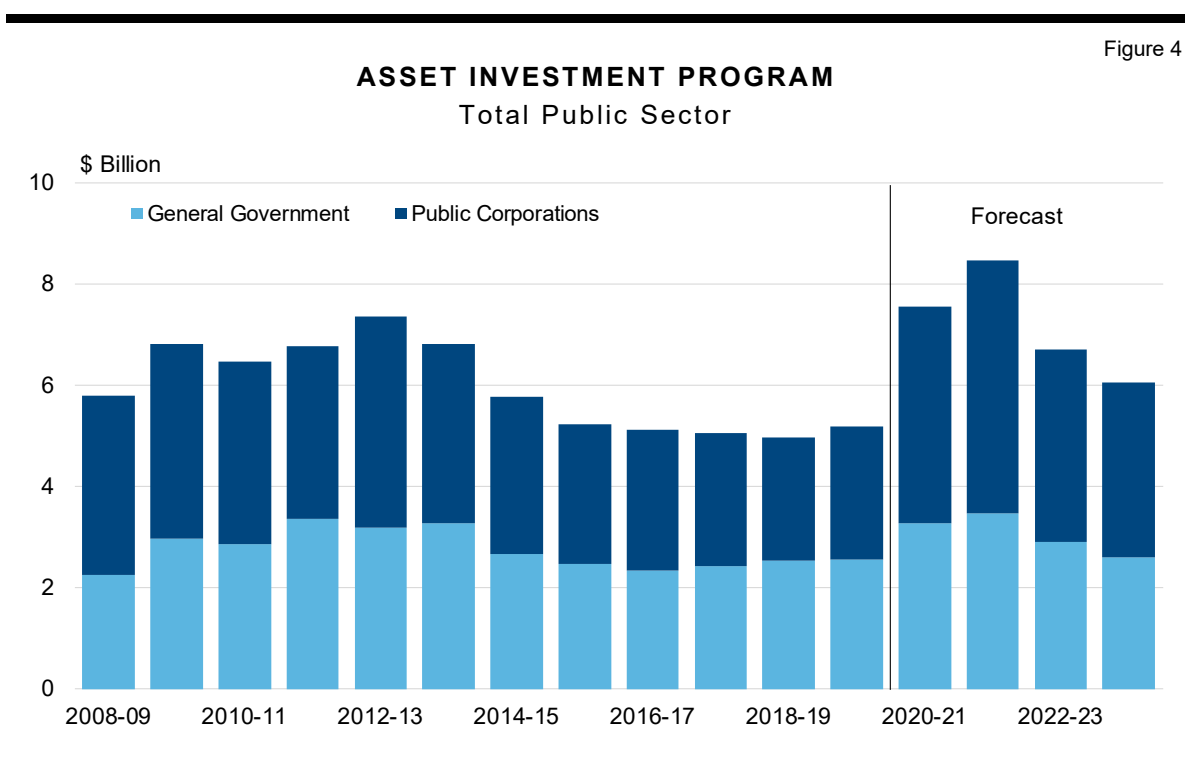
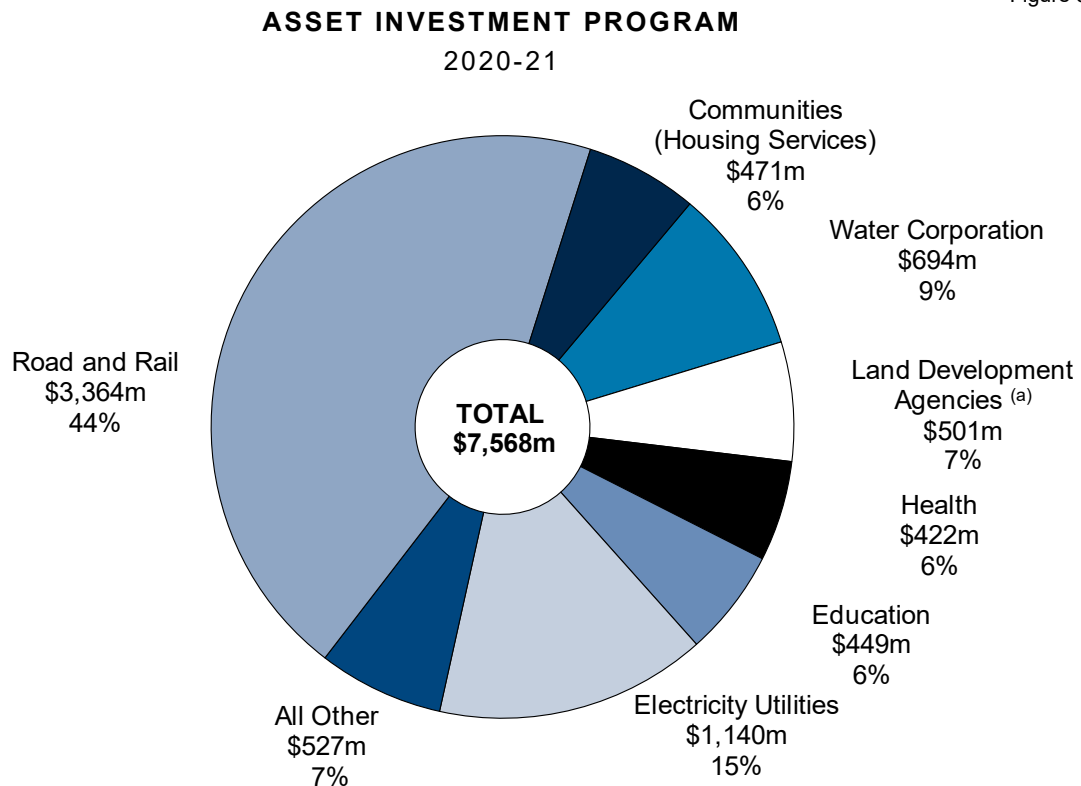


Figure 5



(a) Includes DevelopmentWA, the Western Australian Planning Commission and the Department of Planning, Lands and Heritage.
Note: Segments may not add due to rounding.

Forecast infrastructure spending has increased by \$1.8 billion over the period 2020-21 to 2023-24 since the 2020-21 Budget. This primarily reflects:

- increased investment in road and rail (up \$1.1 billion), mainly comprising:
 - an additional \$987 million jointly funded by the Commonwealth (\$753 million) and State (\$234 million) over the forward estimates period for 19 transport and road infrastructure projects to improve safety and capacity across the road and public transport networks (as part of the 2020-21 Commonwealth Budget Stimulus Package²);
 - a reclassification of \$139 million (from recurrent spending to asset investment) for the Stephenson Avenue Project; and
 - \$1.1 billion for the METRONET Morley-Ellenbrook Line main project budget (following the award of the main construction work alliance contract), which is fully offset by an equivalent reduction in the provision for METRONET Projects Under Development included in the Budget with no impact on net debt (see *Transport Infrastructure* feature box later in this chapter);

² An additional \$19 million is to be expensed for two additional projects as part of this Package, bringing the total number of projects to 21.

2020-21 Government Mid-year Financial Projections Statement

- the development of a large-scale battery at Synergy's Kwinana Power Station site (\$155 million), which will be critical for mitigating security and reliability risks in the South West Interconnected System;
- higher spending by WA Health (up \$108 million), including:
 - an additional \$26 million in 2020-21 to support the Government's health response to COVID-19 (including preparedness for any potential future outbreaks of the pandemic);
 - redevelopment and expansion of public hospital services at Peel Health Campus (\$21 million to 2023-24, as part of a total \$152 million redevelopment);
 - upgrade of the emergency power supply system and installation of filtration tanks at Fiona Stanley Hospital (\$4.5 million); and
 - additional investment to redevelop the ageing Tom Price Health Service Facility (the amount and funding sources of this investment are subject to commercial negotiations, so cannot be disclosed at this time);
- spending by the Pilbara Ports Authority (\$89 million) to implement the Port Hedland Voluntary Buy-back Scheme. The scheme provides a voluntary option for owners of residential dwellings in the West End of Port Hedland to secure a guaranteed settlement price following the introduction of Port Hedland West End Improvement Scheme No. 1, and will be funded by industry over the life of the scheme;
- increased spending by DevelopmentWA (up \$62 million), including:
 - to commence implementation of the Port Hedland Voluntary Buy-back Scheme (\$22 million);
 - the retiming of acquisition and project expenditure from 2019-20 across various projects in the Metropolitan (\$15 million), Industrial Lands (\$5 million) and Regional (\$2.5 million) programs; and
 - the later than expected spend of 2019-20 development expenditure (\$15 million) for the East Perth Waterbank project; and
- increased investment in education infrastructure (up \$61 million), including:
 - \$21 million for major upgrades and refurbishments at Derby District High School;
 - \$21 million to increase the capacity of three primary schools planned to open for the 2023 school year (Landsdale South, West Swan (Dayton) and Madora Bay), and to complete works at Yarralinka Primary School; and
 - \$17 million to redevelop Hillarys Primary School.

Further detail of material changes in infrastructure investment since the 2020-21 Budget is available in *Appendix 3: Major Spending Changes*.

Balance Sheet

Net worth of the total public sector is identical to that of the general government sector (discussed earlier). This is because the net worth of public corporations is reported as an asset in the general government sector balance sheet.

Total public sector net debt is discussed in more detail below.

Cash Flow Statement

A total public sector cash deficit of \$2.3 billion is now forecast for 2020-21, a \$1.1 billion improvement compared to Budget-time. This is underpinned by the improved general government operating outlook detailed earlier.

In line with the Budget projections, further cash deficits are projected in 2021-22 and 2022-23 before a turnaround to a modest cash surplus in 2023-24. Across the three outyears, the cash surplus/deficits represent a net \$266 million improvement compared to the Budget projections.

Cash deficits are the key driver of movements in net debt, discussed in the next section.

Table 7

TOTAL PUBLIC SECTOR CASH FLOW Summary

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	\$m	Revision	Estimate	Estimate	Estimate
Net cash from operating activities	5,670	3,669	4,765	5,207	5,314	5,998
Net cash flows from investing in non-financial assets	-3,453	-7,060	-7,053	-7,790	-5,960	-5,346
Cash surplus/- deficit	2,217	-3,391	-2,288	-2,583	-646	652
<i>Financing transactions</i>						
Net cash flow from borrowings	2,451	2,018	2,051	2,795	787	474
Run-down in cash and cash equivalents	2,284	-2,823	-1,706	-668	-628	337
All other financing	-6,951	4,197	1,944	457	487	-1,463
Total Financing	-2,217	3,391	2,288	2,583	646	-652

Note: Columns may not add due to rounding.

TRANSPORT INFRASTRUCTURE

Morley-Ellenbrook Line (MEL)

On 18 October 2020, the State Government announced the award of the MEL main construction works alliance contract, worth \$700 million, resulting in an estimated total project budget of \$1.1 billion. The MEL main works include the construction of 21.3 kilometres of dual-track passenger railway from Bayswater to Ellenbrook, with five new stations at Morley, Noranda, Malaga, Whiteman Park and Ellenbrook.

As part of this Mid-year Review, funding already budgeted will be transferred from the METRONET Provision for Projects Under Development to the Public Transport Authority to fund the MEL main works.

Enabling works have already begun as part of the new Bayswater Station where the MEL will spur off the existing Midland Line, and as part of the Tonkin Gap project which includes the construction of underpasses and dive structures to enable trains to travel along the Tonkin Highway median between Bayswater and Malaga.

2020-21 Commonwealth Budget Stimulus Package

As part of the 2020-21 Commonwealth Budget, a Stimulus Package for 21 Western Australian transport projects totalling \$1.4 billion (to 2025-26) was announced, to be jointly funded by the Commonwealth and State Governments.

This Mid-year Review includes a \$271.8 million State funding contribution over the forward estimates, which leverages almost three times that in Commonwealth funding (\$766.2 million) over the same period.

Regional Road Safety Program

Included in the package is a \$71 million State contribution to a \$355 million new Regional Roads Safety Program. These works aim to significantly reduce the number of 'run-off road' crashes in regional areas through roads being treated with shoulder sealing and/or audible edge lines. This builds on the additional \$100 million investment provided in the 2020-21 Budget for regional road safety.

Other Regional Road Projects

The State will contribute \$38.6 million towards a \$237 million package of regional road projects over the forward estimates period, with key projects including:

- \$59 million towards further upgrades to the Manuwarra Red Dog Highway; and
- \$50 million for the Freight Vehicle Productivity Improvements Program to improve safety and increase heavy vehicle efficiency and productivity.

Metropolitan Road Projects

In the metropolitan area, the State Government has invested an additional \$77.4 million in road upgrades, which will leverage a total investment of \$278.6 million over the forward estimates, including:

- \$96.5 million for the construction of a grade separated interchange at the intersection of West Swan Road and Reid Highway; and
- \$95 million for further upgrades to Roe Highway between the proposed interchange at Great Eastern Highway Bypass and Clayton Street.

Public Transport and Freight Projects

As part of this package, the State will contribute \$84.8 million towards public transport improvements, which leverages a total of \$177.4 million in project expenditure across a range of projects, including:

- \$90 million to upgrade the Stirling Bus Interchange to provide increased capacity;
- \$57.3 million to upgrade barriers on Kwinana and Mitchell Freeways to reduce the risk of vehicle incursion into the Joondalup to Mandurah line's rail reserve; and
- \$20 million towards the Kenwick Intermodal Terminal.

Table 8

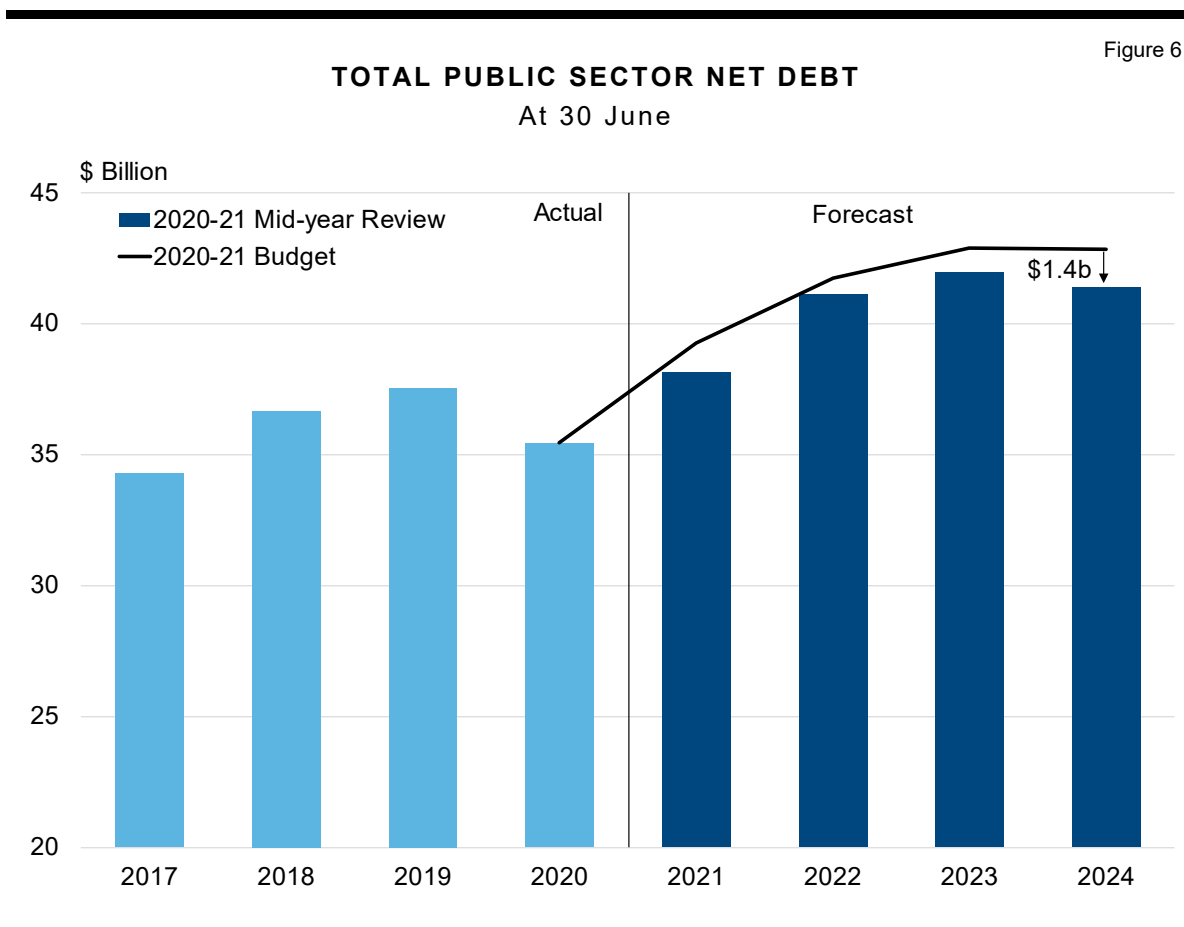
2020-21 COMMONWEALTH BUDGET STIMULUS PACKAGE

	2020-21	2021-22	2022-23	2023-24	Total 2020-21 to 2023-24
	\$m	\$m	\$m	\$m	\$m
Regional Roads					
Regional Road Safety Program	158.4	196.6	-	-	355.0
Manuwarra Red Dog Highway	-	6.0	23.0	30.0	59.0
Freight Vehicle Productivity Improvements Program	-	18.8	25.0	6.3	50.0
Albany Highway - Kelmscott to Williams Pavement Rehabilitation and Hotham River Bridge Replacement	-	12.5	12.5	-	25.0
Murchie to Gingin Pavement Rehabilitation and Widening	2.5	12.5	6.3	3.8	25.0
Broome-Cape Leveque	5.0	10.0	5.0	-	20.0
Wiluna to Meekatharra Construct and Seal Priority Sections	5.0	10.0	5.0	-	20.0
Wheatbelt Timber Bridge Replacement	-	7.0	7.0	-	14.0
Coolgardie to Esperance Highway - Emu Rocks	12.0	-	-	-	12.0
Wheatbelt Secondary Freight Route ^(a)	-	-	-	12.0	12.0
Subtotal	182.9	273.4	83.8	52.0	592.0
Metropolitan Road Projects					
West Swan and Reid Highway Interchange	-	26.0	53.0	17.5	96.5
Roe Highway - Great Eastern Highway Bypass Including Abernethy Road	2.0	25.5	37.5	30.0	95.0
Transforming Freeways - Mitchell Freeway Corridor	40.0	-	-	-	40.0
Thomas Road-Kwinana Freeway to Nicholson Road Upgrade	4.0	21.0	5.0	-	30.0
Smart Freeways - Kwinana Freeway Northbound	17.1	-	-	-	17.1
Subtotal	63.1	72.5	95.5	47.5	278.6
Public Transport and Freight Projects					
Stirling Bus Interchange	4.0	30.0	56.0	-	90.0
Kwinana and Mitchell Freeway Barrier Upgrades	5.0	10.0	19.1	23.1	57.3
Kenwick Intermodal Terminal	20.0	-	-	-	20.0
Perth to Bunbury Faster Rail Corridor Investigation ^(a)	1.0	2.4	2.1	2.0	7.4
Canning Bridge Bus Interchange - Planning	2.0	-	-	-	2.0
Stirling and Canning Highway Bus Lanes - Planning	0.8	-	-	-	0.8
Subtotal	32.8	42.4	77.2	25.1	177.4
Total	278.8	388.2	256.4	124.6	1,048.0
Funding Source					
Commonwealth Contribution	190.0	296.5	199.6	80.1	766.2
State Contribution	75.8	70.3	52.2	41.5	239.8
Reprioritised from within	3.0	23.0	3.0	3.0	32.0
Other	10.0	-1.6	1.6	-	10.0
Total	278.8	388.2	256.4	124.6	1,048.0

(a) Recurrent expenditure.

Net Debt³

In line with expectations at the time of the 2020-21 Budget, this Mid-year Review shows that total public sector net debt will increase over the short-term before beginning to decline by the final year of the forward estimates period (2023-24). However, reflecting the better than anticipated operating outlook discussed earlier, the outlook for total public sector net debt has improved since the Budget, with the projection for 30 June 2024 now \$1.4 billion lower than previously forecast (see following figure).



At \$41.4 billion at 30 June 2024, this level of net debt is both necessary (to fund the State's infrastructure needs as it recovers from the COVID-19 pandemic) and affordable (representing an estimated 13.7% of Gross State Product in 2023-24, the lowest of all States and Territories).

³ Net debt is a balance sheet measure based on Government Finance Statistics concepts. It is calculated as the difference between financial liabilities that attract a debt servicing cost (such as borrowings and finance leases) and liquid financial assets. Net debt is an important indicator of the strength of the public sector's financial position and the sustainability of the public sector's future call on cash.

2020-21 Government Mid-year Financial Projections Statement

The following table summarises changes in total public sector net debt projections since the 2020-21 Budget.

NET DEBT OF THE PUBLIC SECTOR AT 30 JUNE					Table 9
	2021 \$m	2022 \$m	2023 \$m	2024 \$m	
2020-21 Budget - Total Public Sector Net Debt	39,259	41,723	42,900	42,836	
<i>Less</i> change in net cash flows from operating activities and dividends paid					
- general government	1,166.9	430.8	738.9	820.9	
- public non-financial corporations	-67.1	67.3	29.4	-70.6	
- public financial corporations	-4.6	2.7	7.2	0.4	
<i>Total public sector</i>	<i>1,095.2</i>	<i>500.8</i>	<i>775.4</i>	<i>750.6</i>	
<i>Plus</i> purchases of non-financial assets ^(a)					
Public Transport Authority	-137.1	544.3	445.9	350.7	
METRONET Projects Under Development	-115.1	-242.8	-422.9	-327.0	
Main Roads	290.1	398.7	245.1	104.0	
Synergy	0.7	155.0	-	-	
WA Health	-12.1	3.1	31.0	85.9	
Pilbara Ports Authority	34.4	14.0	21.4	19.2	
DevelopmentWA	3.5	-10.9	52.5	17.3	
Education	-7.2	26.1	31.2	11.3	
Fremantle Port Authority	-36.7	36.7	-	-	
Electric Vehicle Strategy	0.1	18.1	0.9	1.3	
All other ^(b)	-2.0	81.8	30.2	37.8	
<i>Total purchase of non-financial assets</i>	<i>18.4</i>	<i>1,024.0</i>	<i>435.3</i>	<i>300.3</i>	
<i>Less</i> proceeds from sale of non-financial assets	<i>25.3</i>	<i>0.5</i>	<i>-0.9</i>	<i>1.3</i>	
<i>Plus</i> all other financing ^(c)	<i>-32.3</i>	<i>26.4</i>	<i>-42.9</i>	<i>-10.8</i>	
<i>Cumulative impact on net debt at 30 June</i>	<i>-1,134.4</i>	<i>-585.2</i>	<i>-967.4</i>	<i>-1,429.8</i>	
2020-21 Mid-year Review - Total Public Sector Net Debt	38,125	41,138	41,933	41,407	

(a) Material asset investment changes are outlined in Appendix 3: *Major Spending Changes*.

(b) Includes timing changes and other movements in agency infrastructure programs.

(c) Includes changes in lease liabilities and other movements in net debt attributable to issues such as revaluations of investment assets and debt liabilities, net acquisitions of financial assets for liquidity purposes, etc. These transactions have no associated operating or infrastructure cash flows reflected in other items in this table. Lease movements are matched by changes in (non-debt) related right of use assets and have no associated operating or infrastructure cash flows reflected in other items in this table.

Note: Columns may not add due to rounding.

Relative to Budget, total public sector interest costs over 2020-21 to 2023-24 (including interest on leases and other borrowings) have been revised down by \$914 million in this Mid-year Review, reflecting both lower interest rates and reduced borrowings. As a share of revenue, interest costs for the total public sector are forecast to average just 2% per annum over the forward estimates period.

Financial Strategy and Targets

This section provides an assessment of the Mid-year Review financial projections against the Government's financial targets, as required by the *Government Financial Responsibility Act 2000*.

The Government's financial targets were detailed in Chapter 3 of the 2020-21 Budget Paper No. 3: *Economic and Fiscal Outlook*. The targets are to:

- maintain a net operating surplus for the general government sector on average over the forward estimates period;
- maintain disciplined general government expense management by:
 - delivering public sector wages outcomes in line with Government wages policy; and
 - ensuring key service delivery agency recurrent spending outcomes are in line with budgeted expense limits in Resource Agreements; and
- maintain or increase the net worth (i.e. net assets) of the total public sector.

The following table summarises forecast compliance of the 2020-21 Mid-year Review projections with the financial targets.

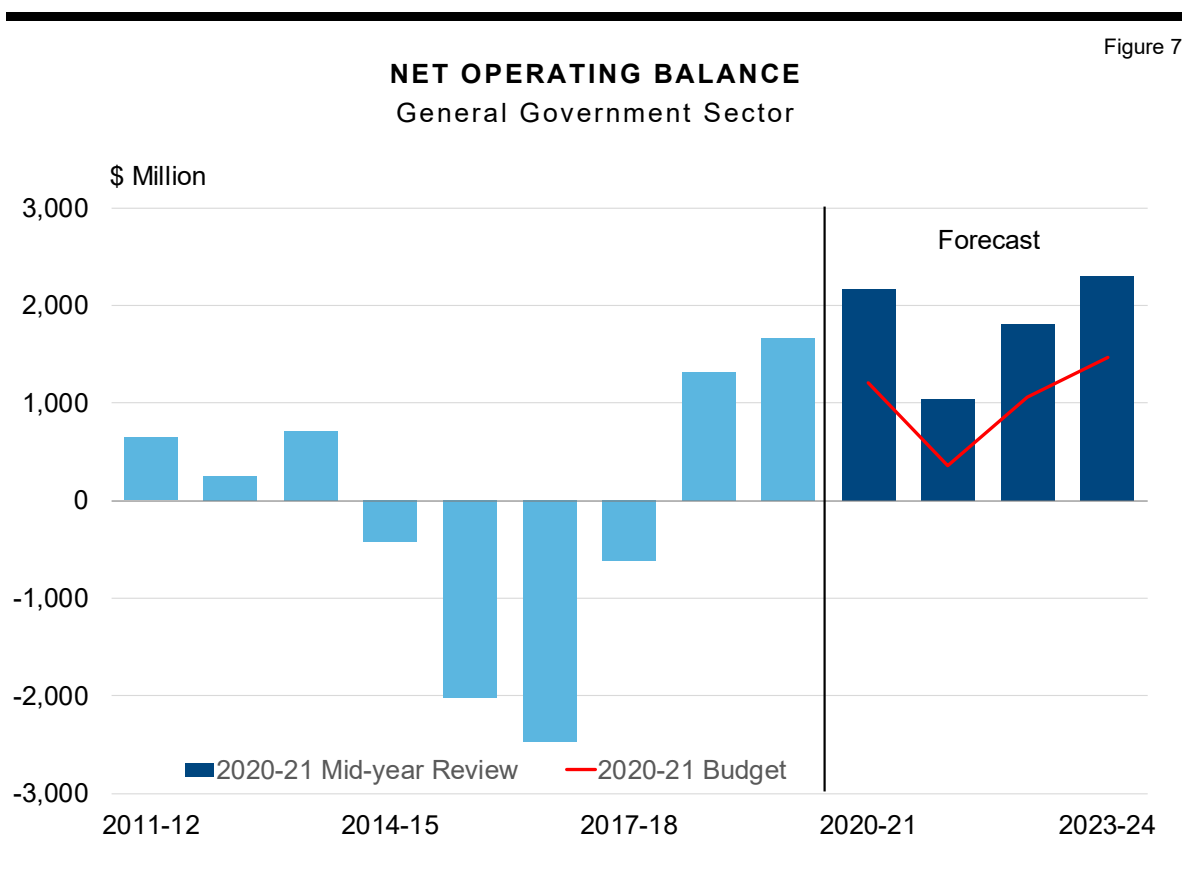
2020-21 MID-YEAR REVIEW– FINANCIAL TARGET COMPLIANCE				
	2020-21 Mid-year Review Estimate	2021-22 Forward Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate
Maintain a net operating surplus for the general government sector on average over the forward estimates period				
- General government net operating balance (\$m)	2,162	1,047	1,815	2,298
- 2020-21 Mid-year Review compliance	Yes	Yes	Yes	Yes
- 2020-21 Budget compliance	Yes	Yes	Yes	Yes
Maintain disciplined general government expense management through:				
- delivering public sector wage outcomes in line with Government wages policy				
- 2020-21 Mid-year Review compliance	Yes	Yes	Yes	Yes
- 2020-21 Budget compliance	Yes	Yes	Yes	Yes
- ensuring key service delivery agency recurrent spending outcomes are in line with budgeted expense limits				
- 2020-21 Mid-year Review compliance	No	Yes	Yes	Yes
- 2020-21 Budget compliance	Yes	Yes	Yes	Yes
Maintain or increase net worth of the total public sector				
- Total public sector net worth (\$b)	103.5	105.1	108.2	112.1
- 2020-21 Mid-year Review compliance	Yes	Yes	Yes	Yes
- 2020-21 Budget compliance	Yes	Yes	Yes	Yes

Maintain a net operating surplus for the general government sector on average over the forward estimates period

This target is expected to be achieved across the entire forward estimates period, with the general government sector net operating balance to remain in a surplus position in each year to 2023-24.

The following figure shows that operating surplus projections have been revised upwards since Budget in each year of the forecast period. An operating surplus of \$2.2 billion is now forecast for 2020-21 (up from \$1.2 billion at Budget-time), with surplus projections for the outyears averaging around \$1.7 billion (compared to a \$1 billion average forecast at Budget-time).

This largely reflects a stronger revenue outlook due to higher forecasts for GST-related grants and transport infrastructure grants included in the Commonwealth's 2020-21 Budget, higher taxation revenue, and higher royalties due to the impact of stronger than expected iron ore prices in 2020-21.



Maintain disciplined general government expense management

Management of recurrent spending in the general government sector is critical to achieving the forecast operating surpluses and maintaining a sustainable financial position. The Government's expense target is measured by two criteria.

Deliver public sector wages outcomes in line with Government wages policy

Consistent with the outlook at Budget-time, this target is expected to be met in 2020-21 and across the forward estimates period.

To meet this target, public sector wage agreements need to be settled in line with the Government's wages policy of limiting increases in wages to \$1,000 per annum. Agreements expiring this financial year encompass nearly 77,000 public sector employees, including the Public Sector Agreement (general public servants), and agreements covering nurses, education assistants and school support staff.

As at the 30 November 2020 cut-off date for this Mid-year Review, a number of expired agreements were under negotiation or had been agreed in-principle, with offers made in line with the Government's wages policy.

EXPIRING KEY PUBLIC SECTOR INDUSTRIAL AGREEMENTS (a)

Table 11

Agreement	Employees	Expiry Date	Status
2019-20			
Western Australia Police Force	6,442	30 Jun 2019	Under Negotiation
WA Health System Medical Practitioners	5,225	30 Sep 2019	Under Negotiation
Teachers and Administrators	29,157	5 Dec 2019	Registered
Main Roads	852	31 Jan 2020	Registered
TAFE Lecturers	2,521	15 Dec 2019	Registered
Western Australian Fire Service	1,236	9 Jun 2020	Agreed in-principle ^(c)
Prison Officers	2,358	10 Jun 2020	Agreed in-principle
WA Health PACTS (Health Salaried Officers)	16,341	30 Jun 2020	Agreed in-principle
2020-21			
Hospital Support Workers	4,452	4 Aug 2020	Agreed in-principle ^(c)
Enrolled Nurses	2,210	6 Oct 2020	Under Negotiation
Registered Nurses	16,036	11 Oct 2020	Under Negotiation
PTA Salaried Officers	864	26 Oct 2020	Agreed in-principle ^(c)
Education Assistants	12,307	31 Dec 2020	Agreed in-principle ^(c)
Government Services (Miscellaneous)	4,934	31 Dec 2020	Agreed in-principle ^(c)
PTA Rail Car Drivers	350	16 Mar 2021	Under Negotiation ^(c)
Australian Workers Union ^(b)	500	26 Apr 2021	Under Negotiation ^(c)
School Support Officers	4,682	12 Jun 2021	Upcoming Agreement
Disability Services Social Trainers	464	12 Jun 2021	Upcoming Agreement
Insurance Commission (Government Officers)	405	12 Jun 2021	Upcoming Agreement
Public Sector Agreement	29,918	12 Jun 2021	Upcoming Agreement

(a) Table includes large key agreements only and not smaller agreements that cover less than 300 employees.

(b) Covers multiple employee groups across a number of agencies.

(c) Status changed since the 2020-21 Budget.

Ensure key service delivery agency recurrent spending outcomes are in line with budgeted expense limits in Resource Agreements

This target is met when key service delivery agencies' recurrent spending outcomes are within 2% of approved expense limits contained in their Resource Agreements.

The target is not expected to be met in 2020-21, with unavoidable spending increases. Three agencies are now expected to exceed the 2% threshold:

- WA Health (increase by \$199 million or 2.1%), reflecting additional spending on COVID-19 response and preparedness;
- Transport (increase by \$18 million or 3.8%), primarily reflecting the funding contribution to the Public Transport Authority for the Kenwick Intermodal Terminal; and
- Local Government, Sport and Cultural Industries (increase by \$9 million or 2.4%), primarily reflecting the provision of funding for new initiatives.

Table 12

AGENCY RESOURCE AGREEMENTS ^(a)

	2020-21 Budget Resource Agreement	Current Total Cost of Service	Variance from Revised Limit
	\$m	\$m	%
WA Health	9,649	9,848	2.1
Education	5,467	5,504	0.7
Communities	3,213	3,242	0.9
Public Transport Authority of Western Australia	1,799	1,835	2.0
Justice	1,692	1,701	0.5
Western Australia Police Force	1,629	1,634	0.3
Finance	1,485	1,485	0.1
Commissioner of Main Roads	1,432	1,313	-8.3
Mental Health Commission	1,013	1,003	-0.9
Training and Workforce Development	724	727	0.4
Primary Industries and Regional Development	506	494	-2.4
Transport	478	496	3.8
Fire and Emergency Services	472	476	0.8
Biodiversity, Conservation and Attractions	425	426	0.1
Local Government, Sport and Cultural Industries	367	376	2.4

(a) The target is met when agencies' recurrent spending outcomes are no more than 2% higher than the amount specified in Resource Agreements signed for the Budget year.

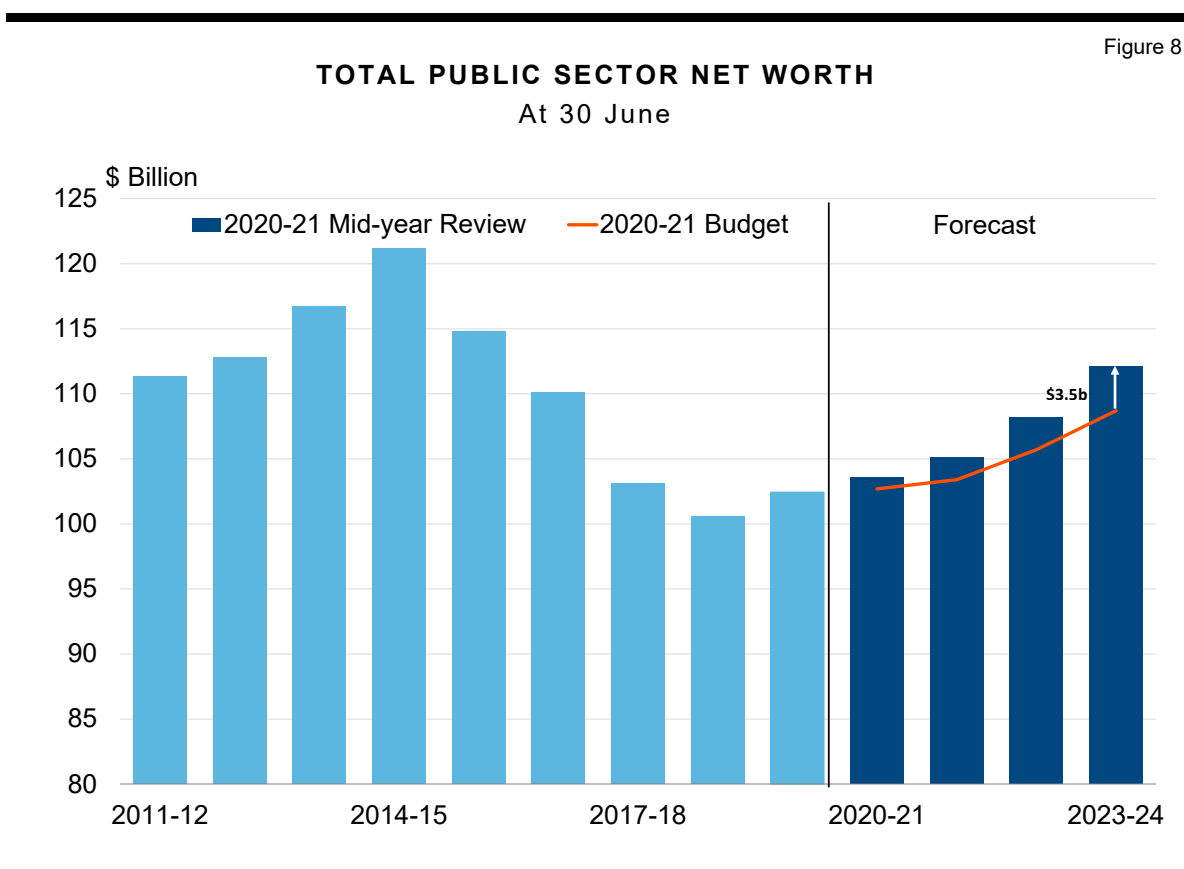
Material changes to agency spending since the 2020-21 Budget are discussed in Chapter 1 and in more detail in Appendix 3.

Maintain or increase net worth of the total public sector

Consistent with expectations at the time of the 2020-21 Budget, this target is expected to be achieved across the entire forward estimates period.

The net worth of the total public sector is forecast to increase year on year across the forward estimates period, from \$103.5 billion at 30 June 2021 to \$112.1 billion by 30 June 2024. This mainly reflects the strengthening general government operating outlook discussed earlier.

Relative to Budget, total public sector net worth is forecast to be \$3.5 billion higher by the end of the forward estimates period.



Statement of Risks

Changes since the 2020-21 Budget

The majority of the risk items outlined in the 2020-21 Budget⁴ remain current. Where there has been no change to these risk items, they are not repeated here. The discussion below highlights changes to the Statement of Risks relative to the 2020-21 Budget.

Additional Risks to the Outlook

Public Transport Authority Revenue Forecasts

As a result of the COVID-19 pandemic, Public Transport Authority (PTA) patronage levels were significantly impacted. SmartRider patronage levels have recovered to around 80% by early December 2020. However, the pandemic is still likely to have an ongoing impact on PTA revenue for some time. While the forward estimates assume that forecast PTA revenue will return to pre-COVID-19 pandemic levels from 2021-22, there is a risk to the State's finances should patronage levels (and thus PTA revenue) remain lower for longer.

South West Native Title Settlement Agreement

A contingent liability for this agreement was included in the 2019-20 *Annual Report on State Finances* (ARSF).

On 26 November 2020, the High Court dismissed all special leave applications challenging the registration of the six Indigenous Land Use Agreements (ILUAs) that make up the South West Native Title Settlement agreement. The ILUAs will become conclusively registered on 27 January 2021, with commencement of the Settlement and establishment of the Noongar Boodja Trusts possible from late February 2021, and surrender of native title at the earliest in April 2021.

The six Noongar Regional Corporations representing the rights and interests of the six ILUA groups will then be established. The financial impact of the cash component of the Settlement package was included in the 2020-21 Budget and is unchanged for this Mid-year Review. Following conclusive registration, the financial impact of the non-cash components, including the transfer of land (both Reserve and freehold) and housing stock, can begin to be quantified, with the impact to be reflected in future Budgets.

⁴ See 2020-21 Budget Paper No.3: *Economic and Fiscal Outlook* (pages 54-62).

Changes in Other Risks and Sensitivities

A range of assumptions underpin the State's financial projections and these are subject to continual change due to shifts in economic conditions, decisions by external parties (such as the Commonwealth Government) and other factors. Key changes since the 2020-21 Budget include the following.

- The Commonwealth's 2020-21 Mid-year Economic and Fiscal Outlook had not been released by the cut-off date for this Mid-year Review (30 November 2020). In addition to the specific risks around Commonwealth tied grant funding, any changes in estimates of grants (through changes to the Commonwealth's own forecasting parameters and/or policy changes) have not been reflected in these Mid-year Review estimates, unless these were known before the Mid-year Review cut-off date.
- The revenue estimates outlined in the 2020-21 Budget have been revised. Approximate annual impacts of changes in key economic parameters are shown in the following table.

Table 13

APPROXIMATE PARAMETER SENSITIVITY OF REVENUE ESTIMATES 2020-21

	Variability (\$m)	Detail
Royalty income and North West Shelf grants	±119	For each US1 cent decrease/increase in the \$US/\$A exchange rate (royalty income is inversely related to the \$US/\$A exchange rate).
Iron ore royalties	±77	For each \$US1 per tonne increase/decrease in the price of iron ore.
Petroleum royalties and North West Shelf grants	±10	For each \$US1 increase/decrease in the price of a barrel of oil.
Payroll tax	±37	For each 1% increase/decrease in taxable wages or employment growth (i.e. the total wages bill).
Underlying transfer duty		
• Prices	±11	For each 1% increase/decrease in average property prices.
• Transactions	±8	For each 1% increase/decrease in transaction levels.

- Movements in the \$US/\$A exchange rate and the iron ore price represent substantial risks (both upside and downside) to the general government revenue estimates. The iron ore price is particularly volatile, and has previously varied from forecast assumptions by very large amounts over short periods. Iron ore prices have been elevated since the 2020-21 Budget and reached their highest levels since early 2013 after the Mid-year Review cut-off. Consistent with the Budget methodology, this Mid-year Review is predicated on the assumption that the iron ore price will revert to its long-run average (of around \$US64 per tonne) from June 2021. Given current prices, there is upside risk to this assumption.

Contingent Assets and Liabilities

Contingent assets usually consist of the potential settlement of lawsuits of contractual claims. Typically, contingent liabilities consist of guarantees, indemnities and sureties, as well as legal and contractual claims. By their uncertain nature, the financial projections include no allowance for these possible events which constitute a potential risk or benefit to the financial projections should they eventuate.

Contingent assets and liabilities were reported in full in the Notes to the Financial Statements detailed in the 2019-20 ARSF. The following material contingent liabilities have emerged or been modified since the release of the ARSF.

Optus Stadium

Additional costs may be incurred to finalise contractual entitlements associated with the Optus Stadium. The State and Westadium Project Co Pty Ltd are currently in negotiations to finalise these matters.

Waterbank Project

DevelopmentWA is currently in commercial negotiations with project partner Lendlease regarding an Excessive Settlement Event in the Waterbank project. DevelopmentWA and Lendlease acknowledge that given the complex and interrelated technical and legal matters involved, predicting the outcome of any litigation is very difficult and will turn on the testimony of technical experts, which is likely to be protracted and costly. There are commercial justifications on both sides to negotiate an agreed pathway for the project to proceed, and the parties presently intend to negotiate a commercial resolution of Lendlease's claim for Excessive Settlement costs. These negotiations are ongoing and the financial impact is currently unable to be reliably quantified.

Claims by Mr Clive Palmer, Mineralogy, International Minerals and Zeph Investments

A contingent liability for a legal dispute between Mineralogy Pty Ltd and International Minerals Pty Ltd, and the Western Australian Government was included in the 2019-20 ARSF.

The dispute related to a State Agreement originally made in 2002 and the subsequent impact of Ministerial decisions. The entities were claiming compensation of around \$28 billion (including interest penalties).

Given the size of the claim and to address the financial risk to Western Australia, the Western Australian Parliament passed the *Iron Ore Processing (Mineralogy Pty. Ltd.) Agreement Amendment Act 2020* (the Act) on 13 August 2020. The Act removed the capacity for the claimants to pursue litigation and damages claims connected with this dispute and prevents future damages claims in relation to the consideration of future proposals that might be submitted under the State Agreement. The Act is specific and precisely targeted at this dispute and the associated parties noted above.

In September 2020, Mr Palmer, Mineralogy, International Minerals and Zeph Investments Pte Ltd (a company incorporated in Singapore ultimately owned by Mr Palmer and holding all of the shares in Mineralogy) commenced three separate proceedings in the High Court of Australia challenging the constitutional validity of the Act. The proceedings are being vigorously defended by Western Australia and all three matters are next before the High Court for a directions hearing on 29 January 2021. It is anticipated that the Act will withstand scrutiny should the matters proceed to a substantive hearing before the High Court, expected to be some time in 2021.

2020-21 Government Mid-year Financial Projections Statement

The Western Australian Economy

HIGHLIGHTS

- The State's economy has been resilient in the face of the global economic shock from the COVID-19 pandemic, with a faster than expected recovery from a sharp downturn in the June 2020 quarter.
- Western Australia's economy (as measured by Gross State Product) grew by 1.4% in 2019-20, the strongest of all States. Activity in the State's domestic economy has rallied, with a strong recovery in retail spending, positive business confidence supporting investment, and an increase in the pipeline of work in the residential construction sector.
- Reflecting these trends, economic growth is projected to lift to 2% in 2020-21, up from the 1.25% growth forecast in the 2020-21 Budget. Again, this is expected to be the strongest rate of growth of all States.
- The State's labour market has also performed significantly better than expected over recent months. As a result, the unemployment rate is now forecast to average 7% over 2020-21, down from 8% forecast at Budget-time, and is projected to fall to 5.5% by 2022-23 (down from 6.25% at Budget).

Western Australia

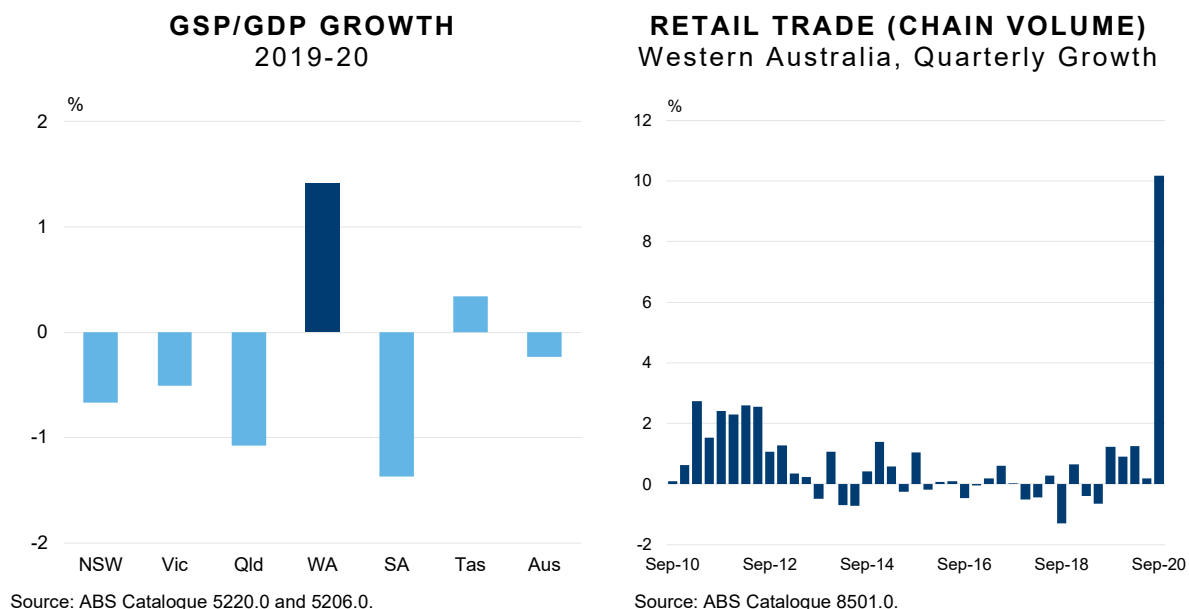
Gross State Product

Despite the severe impacts of the COVID-19 pandemic in the June 2020 quarter, the Western Australian economy (as measured by **Gross State Product**, GSP) expanded by 1.4% in 2019-20. This defied a general trend across the country, with national GDP declining by 0.2% and most other State economies contracting (figure below, left-hand panel).

Forecast growth in Western Australia's GSP has been revised up to 2% in 2020-21 (from 1.25% at Budget), reflecting stronger spending by households and businesses following the easing of COVID-19 restrictions. Similarly, **State Final Demand** (a measure of domestic economic activity that excludes net exports) is projected to expand by 1.75% in 2020-21 (up from 0.5% at Budget). This builds on a 0.8% increase in 2019-20, where Western Australia was the only State to record growth in its domestic economy.

Key labour market parameters have performed significantly better than anticipated since finalisation of the 2020-21 Budget forecasts, with employment now expected to increase in 2020-21 and the annual average unemployment rate to peak significantly below the 8% rate forecast at Budget. Projections for population and wages growth remain unchanged, as trends in leading indicators and latest quarterly outcomes are consistent with the Budget outlook.

Figure 1



Household consumption declined by 2.3% in 2019-20 as a result of the sharp decline in spending in the June quarter. Household consumption subsequently increased at its fastest pace on record in the September quarter, reflecting improved confidence and the removal of most restrictions on activity. Notwithstanding the controlled opening of interstate borders, spending on transport and accommodation is still expected to remain below pre-COVID levels in the short-term. As a result, a smaller fall of 1% is now expected in household consumption in 2020-21 (compared to a forecast reduction of 2% at Budget).

Table 1

ECONOMIC FORECASTS
Western Australia, Annual Growth (%)

	2019-20 Actual	2020-21 Budget Estimate	2020-21 Mid-year Revision	2021-22 Forward Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate
Demand and Output ^(a)						
Household Consumption	-2.3	-2.0	-1.0	4.0	2.5	2.5
Dwelling Investment	-13.2	0.75	0.75	17.25	-11.25	-2.0
Business Investment	9.5	0.75	2.5	2.5	3.25	4.75
Government Consumption	4.9	3.25	3.5	1.5	2.5	2.5
Government Investment	-0.1	18.0	18.0	13.0	2.5	0.75
State Final Demand	0.8	0.5	1.75	3.75	2.25	3.0
Merchandise Exports	0.4	0.0	0.0	1.5	1.0	0.25
Merchandise Imports	1.3	-2.5	-1.25	2.25	2.25	2.5
Net Exports ^(b)	2.4	3.25	2.75	0.5	-0.25	-1.75
Gross State Product ^(c)	1.4	1.25	2.0	2.75	1.25	1.5
Labour market						
Employment	0.3	-0.25	1.0	2.0	1.75	1.5
Unemployment Rate ^(d)	6.1	8.0	7.0	6.0	5.5	5.5
Participation Rate ^(d)	67.5	68.0	68.2	68.2	68.2	68.3
Population						
Population	1.3 ^(e)	0.8	0.8	0.7	1.0	1.3
Working Age Population (15-64)	0.8 ^(e)	0.2	0.2	0.5	0.9	1.2
Prices						
Consumer Price Index ^(f)	1.3	1.5	1.5	1.75	1.75	2.0
Wage Price Index	1.7	1.5	1.5	1.75	2.0	2.25
Median House Price	-2.5	0.7	0.7	1.8	4.1	4.3
Other key parameters ^(d)						
Exchange Rate \$US/\$A (US cents)	67.1	72.6	72.6	73.3	73.3	73.4
Iron Ore Price (\$US/t) cost and freight inclusive (CFR)	92.9	96.6	103.7	64.0	64.0	64.0
Crude Oil Price (\$US/barrel)	51.3	44.6	40.8	46.3	47.1	48.0

(a) Based on 2019-20 annual State Accounts data, updated with the latest State Final Demand and Balance of Payments data for the September quarter 2020.

(b) Net exports include international trade in both goods and services.

(c) Forecasts for ownership transfer costs, international trade in services and the balancing item are not separately reported.

(d) Data expressed as annual average during the financial year.

(e) Estimated actual.

(f) CPI growth rates in 2020-21 and 2021-22 are based on the total index excluding the electricity sub-index.

As outlined in the 2020-21 Budget, **dwelling investment** is expected to strengthen considerably in the short to medium term following the announcement of the Commonwealth and State building construction grants. However, the growth profile in 2021-22 and 2022-23 has been revised up, with higher levels of building activity now expected over these two years due to extensions of time-to-build requirements for the building construction grants.

Consistent with Budget expectations, growth in **business investment** is projected to moderate following a strong rise of 9.5% in 2019-20, which was underpinned by investment across large iron ore backfill projects. However, business investment growth has been revised up to 2.5% in 2020-21 (from 0.75% at Budget), reflecting strong business confidence and conditions, and slightly more resilient non-mining investment than previously anticipated.

In line with additional spending approved by the Government and outlined in Chapter 1 of this Mid-year Review, slightly stronger growth is now forecast for **government consumption** (3.5% rather than 3.25% at Budget) in 2020-21 and **government investment** (13% rather than 12% at Budget) in 2021-22.

Labour Market

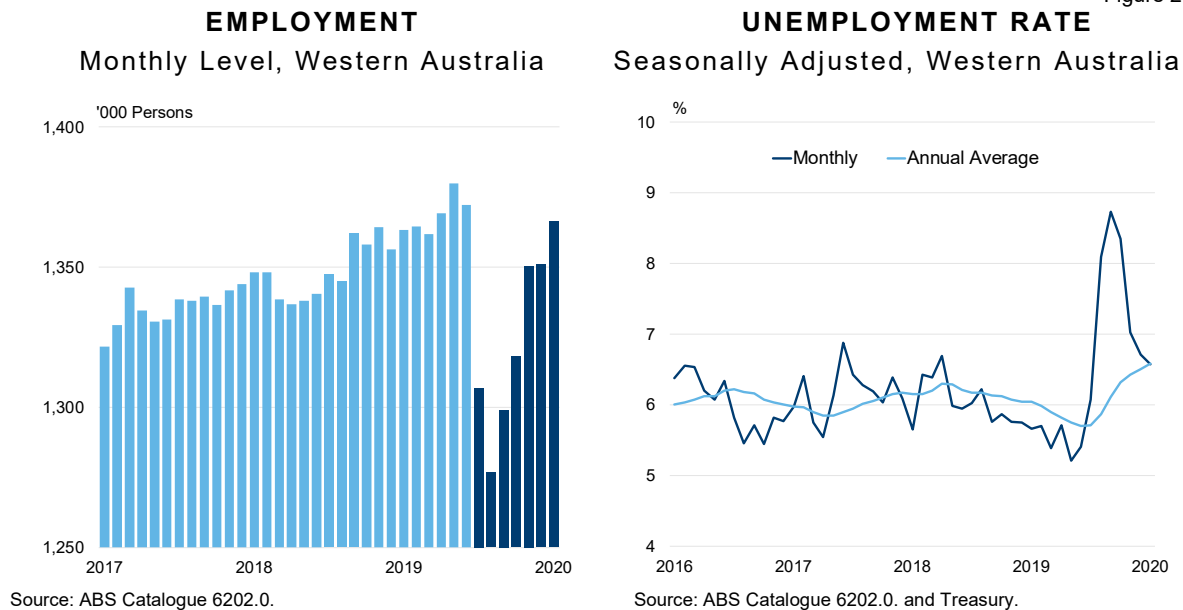
Western Australia's labour market has recovered at a faster rate than anticipated at Budget. As at October, around 87% of the employment and 80% of aggregate hours worked that were initially lost had been recouped, while the unemployment rate had fallen to 6.6%, down from a high of 8.7% in June.

Employment is expected to continue rising consistent with job advertisements, that are now well above pre-COVID levels. However, the pace of employment growth is expected to ease somewhat given the significant jobs recovery to date, employers seeking to increase hours worked by existing employees, and as JobKeeper is unwound. Notwithstanding the expectation of steadier growth, **employment** is forecast to increase by 1% in 2020-21 (compared to a forecast decline of 0.25% at Budget), and to continue growing at solid rates over the following years.

In line with stronger than expected employment growth, the **unemployment rate** has fallen significantly faster than anticipated at Budget, from a peak of 8.7% in June 2020 to 6.6% in October. As a result, the unemployment rate is now forecast to average 7% over 2020-21, compared to 8% at Budget. Employment growth over the remainder of the forward estimates period is anticipated to result in the unemployment rate moderating to 6% in 2021-22, before easing further to 5.5% in 2022-23 and 2023-24.

The State's monthly **participation rate** recovered to 68.3% in October 2020 from its trough of 65% in May. More people have joined or rejoined the labour force in the year to date than anticipated. Reflecting this, the forecast participation rate has been revised up to 68.2% over 2020-21, from 68% at Budget.

Figure 2



Notwithstanding the better than expected labour market outcomes since Budget, wages growth (as measured by the **Wage Price Index**) remains subdued, with an increase of 1.6% in the year to the September quarter 2020. This, together with ongoing spare capacity in the labour market, suggest only a modest pick-up in wages growth over the forecast period, in line with Budget expectations.

Consumer Price Index

Perth's **Consumer Price Index** (CPI) growth profile remains unchanged from Budget. In annual average terms, CPI grew by 1.3% in September 2020, supported by increases in prices of food and non-alcoholic beverages, alcohol and tobacco, and housing.

The State Government's \$600 Household Electricity Credit is anticipated to result in some volatility to Perth's headline inflation over 2020-21 and 2021-22, as it will likely be treated as a reduction in electricity costs borne by the consumer. To see through this temporary volatility, the electricity subindex has been excluded from the total index basket when deriving forecast inflation in 2020-21 and 2021-22.

Risks

Notwithstanding the improved economic data since finalisation of the 2020-21 Budget forecasts, the economic outlook remains subject to a range of domestic risks as the COVID-19 crisis continues to evolve. These include the risk of a second wave of the outbreak in Western Australia, and risks associated with the unwinding of substantial fiscal support (e.g. JobKeeper and the JobSeeker COVID-19 supplement) over coming months. These risks remain largely unchanged since Budget.

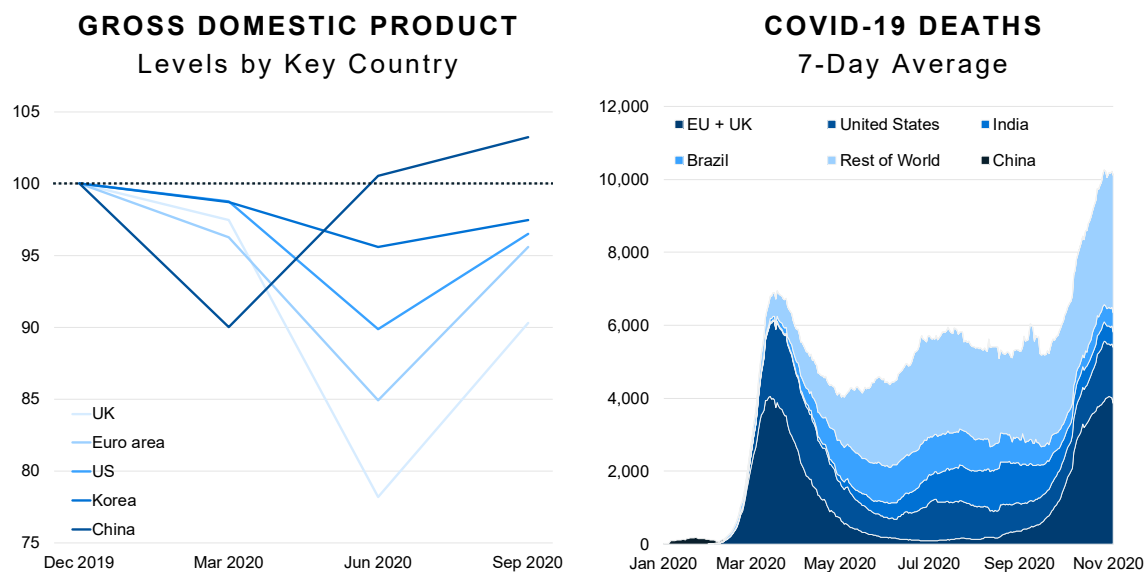
Global Outlook and Risks

The International Monetary Fund released updated forecasts in October 2020, revising up projected global economic activity in 2020 (to -4.4%, from -4.9% in its June 2020 update). This was underpinned by an upward revision to the outlook for advanced economies and China, partly offset by declines to emerging economies (excluding China). Economic activity rebounded in advanced economies during the September quarter 2020, but remains below pre-pandemic levels in key economies.

However, recently the economic recovery throughout much of the northern hemisphere has been clouded by resurgent transmission of COVID-19. Significant restrictions on mobility and social activity have been reimposed throughout much of Europe, many parts of the US and to a lesser extent in South Korea and Japan. The economic impacts of these restrictions are not likely to be as large as they were during the first wave though, because in most instances the restrictions have not been as severe.

In contrast, the economic recovery in China, by far the State's largest trading partner, has continued to proceed. Activity in China's construction sector has been particularly strong as it has disproportionately benefited from fiscal and monetary policy stimulus. This has flowed through to elevated demand for construction raw materials, such as iron ore.

Figure 3



Source: Refinitiv.

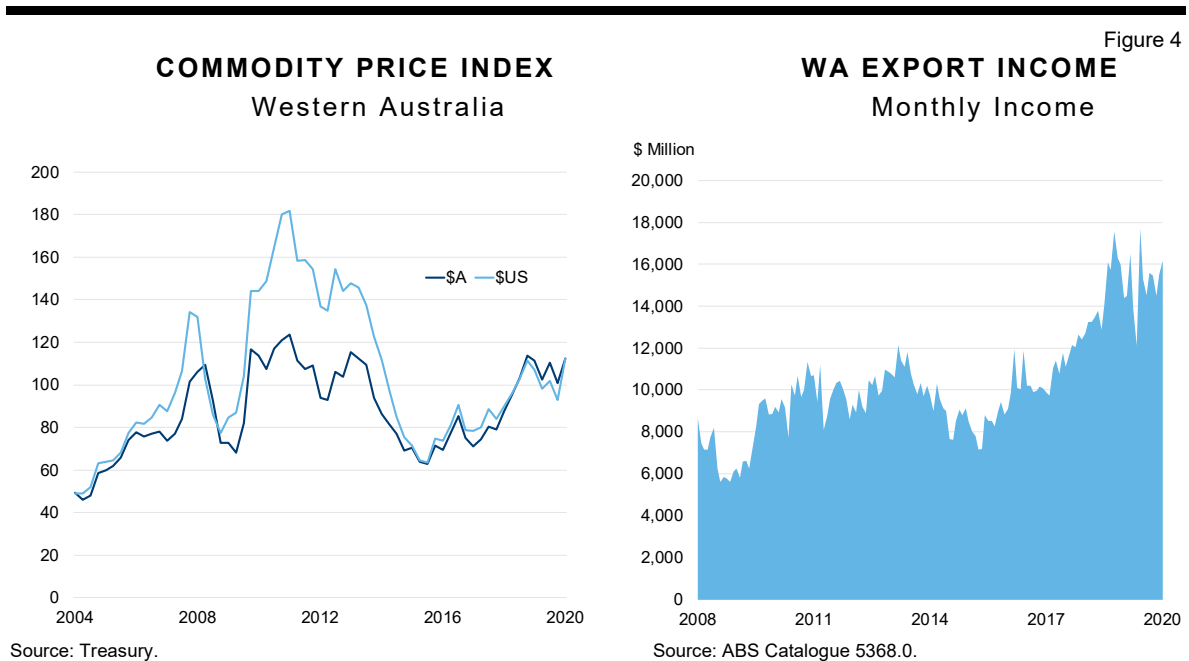
Source: ourworldindata.org/coronavirus.

Overall, the longer-term global outlook has become more favourable since Budget as preliminary results from some late stage human trials of COVID-19 vaccine candidates appear to be very promising. The implementation of effective health solutions to COVID-19 will support the global economic recovery.

Commodity Markets

Commodity prices most relevant to Western Australia's mining industry have risen since Budget, particularly in Australian dollar terms.¹ This largely reflects continued strength in the iron ore price, while higher prices for other commodities used in construction (e.g. nickel and copper) have also contributed. Higher prices have translated to near record export income for Western Australia.

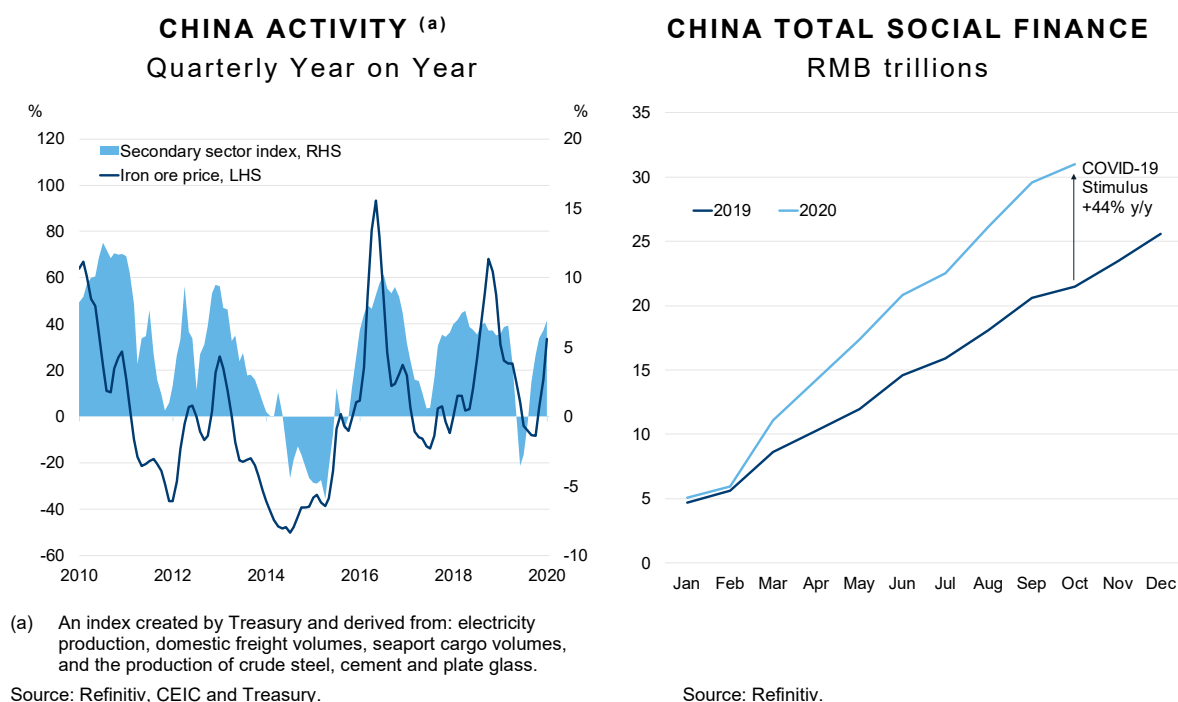
Prices for many key commodities continue to be supported by fiscal and monetary stimulus in China, which (due to lags between credit creation and project completion) will likely flow through to domestic construction activity into 2021. Growth rates in property sales and starts in China have already recovered from the lows seen during the country's lockdown, and real estate investment in October grew at its fastest pace since July 2018.



Since the release of the Budget, the iron ore price has remained elevated. Construction activity and the end of the monsoon season in China, which brought with it flooding and a delay to the construction season in parts of Southern China, have boosted steel demand and prices. Strong demand from China, along with production challenges continuing to affect supply out of Brazil, have translated into elevated iron ore prices to date in 2020-21.

¹ The commodity price index is a weighted index of iron ore, gold, oil, condensate, LNG, copper, nickel, zinc, lithium and alumina.

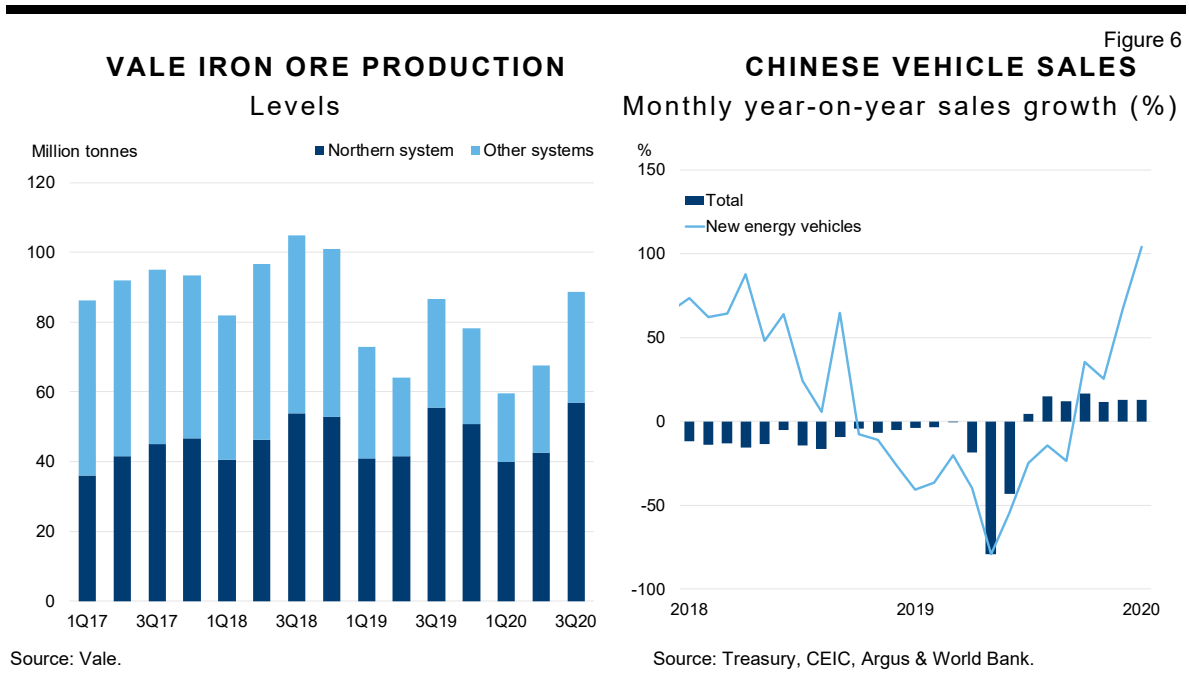
Figure 5



Brazilian miner Vale, the world's largest iron ore producer, produced 15% fewer tonnes of iron ore in the September 2020 quarter than in the corresponding quarter in 2018. Vale's issues stem from its Southern systems, which are producing well below levels prior to the tailings dam disaster in January 2019.

The key dynamics which have supported elevated iron ore prices over the past year are not sustainable over the long term. Demand has been supported by temporary policy stimulus in China, including a 44% year-to-date increase in total social financing (figure above, right-hand panel), while iron ore production in Brazil is expected to ramp up over time. For these reasons, a conservative iron ore price assumption has been retained for the Mid-year Review. Prices are forecast to trend downwards as seaborne supply expands and China's demand moderates, reaching a long-run inflation-adjusted average of \$US64 per tonne in June 2021.

There are risks that policy stimulus in China and ongoing supply issues in Brazil may continue to support the price for longer than assumed (there are also seasonal risks to Australian supply). However, this is balanced by the potential for demand to unwind at the same time that low cost supply increases, as it did in 2014 and 2015.



Oil prices remain below pre-pandemic levels as a result of mobility restrictions. However, in November 2020 positive news about multiple COVID-19 vaccine candidates has provided some price support. Overall, the forecast price for 2020-21 has been revised downwards to \$US40.8/bbl, with prices expected to gradually increase over the forward estimates as activity normalises.

Gold prices have fallen from record highs in early August 2020 of \$US2,053 per ounce to \$US1,774 per ounce at the end of November. This is consistent with the level of global uncertainty (that initially pushed up gold prices) having lessened following progress on vaccines.

Lithium prices have continued to decline as global production capacity remains well above end use demand. COVID-19 related restrictions have amplified the general downturn in passenger vehicle sales, although there are signs that the sector may have bottomed (figure above, right-hand panel). The forecast price for 2020-21 has been revised down to \$US400 per tonne, consistent with recent spot prices. Prices are expected to recover to \$US550 per tonne by 2023-24 as demand growth progressively absorbs spare capacity.

2020-21 Government Mid-year Financial Projections Statement

Investing in Regional Western Australia

HIGHLIGHTS

- The State Government is committed to supporting stronger regional communities and economies.
- The Royalties for Regions (RfR) program totals an estimated \$4.2 billion over 2020-21 to 2023-24, with an estimated \$1.1 billion to be spent in 2020-21.
- The Government also spends billions on regional services and is delivering a record investment in regional infrastructure, which is largely funded from sources outside of RfR.
- The Mid-year Review contains further new investment in regional road projects, health services, and job-creating infrastructure.
- A record \$7.9 billion is being invested in regional-specific infrastructure over the next four years, of which less than 9% is RfR funded.

Since the 2020-21 Budget, new spending approved for regional initiatives includes:

- \$592 million over 2020-21 to 2023-24 on ten priority road projects across regional Western Australia, jointly funded by the Commonwealth and State. Key projects include:
 - \$355 million for the Roads Safety Program, which builds on the \$100 million investment included in the 2020-21 Budget;
 - \$59 million for the Manuwarra Red Dog Highway, to improve safety and access to mining, tourism and pastoral land; and
 - \$50 million for the Freight Vehicle Productivity Improvements Program, to improve safety and increase heavy vehicle efficiency and productivity;
- \$14.4 million (jointly funded by the Commonwealth) over 2020-21 to 2022-23 on projects to improve the productivity and safety outcomes of heavy vehicle operations across regional Western Australia;

2020-21 Government Mid-year Financial Projections Statement

- \$8.9 million (jointly funded by the Commonwealth) over 2020-21 to 2022-23 to upgrade two bridges on Bussell Highway and three bridges on the York-Merredin Road to improve access for local communities;
- \$111 million over 2020-21 to 2023-24 to implement the Port Hedland Voluntary Buy-back Scheme. The scheme provides a voluntary option for owners of residential dwellings in the West End of Port Hedland to secure a guaranteed settlement price following the introduction of Port Hedland West End Improvement Scheme No. 1, and will be funded by industry over the life of the scheme. The Pilbara Ports Authority will spend \$89 million acquiring eligible properties in the West End, and \$22 million will be spent by DevelopmentWA to develop alternative lots outside the West End for eligible owners who wish to remain in Port Hedland;
- a further \$49.9 million in 2020-21 will be provided to incentivise land activation in regional areas, which involves repricing land, offering rebates and other incentives to temporarily lower the entry hurdles for new residential and commercial land developments and support regional jobs and economic growth. This brings the total amount provided for the Regional Land Booster initiative to \$166.3 million;
- \$19.5 million will be spent over 2020-21 to 2023-24 to plan for the transition of clinical and non-clinical services at Peel Health Campus from August 2023 back into the public sector. In addition, an additional \$21.4 million over 2020-21 to 2023-24 will be invested for the redevelopment and expansion of public hospital services at Peel Health Campus. This project has an estimated total cost of \$152 million;
- \$20.9 million over 2020-21 to 2023-24 for major upgrades and refurbishments to Derby District High School, including the construction of new classrooms, student support facilities and staff amenities;
- as part of the North West Aboriginal Housing Fund, the following expenditure has been approved:
 - \$9.7 million over 2020-21 to 2023-24 for the Yawuru Corporate Group to deliver the Jalbi Jiya (Your Home) program, including the direct purchase of 25 properties and culturally appropriate wrap-around housing support services for Aboriginal people in Broome;
 - \$6.3 million over 2020-21 to 2022-23 for the Yindjibarndi Aboriginal Corporation to construct ten transitional housing units and a training facility, tailored with culturally appropriate support services, in Roebourne; and
 - \$3.3 million over 2020-21 to 2022-23 for the Yura Yungi Medical Service to deliver an Employee Accommodation and Career Development program in Halls Creek;
- in line with the Western Australian Climate Policy, \$15 million over 2020-21 to 2023-24 will be invested in the Carbon Farming and Land Restoration Program;
- \$10 million over 2021-22 to 2023-24 has been approved for the continuation of the Western Australian Wild Dog Action Plan, to support the Western Australian livestock industry through improved wild dog management and delivery of best practice wild dog control;

- \$4.6 million will be spent on the Denham Hydrogen Project in 2020-21, which will allow Horizon Power to test whether hydrogen can be used to meaningfully displace the use of diesel; and
- as part of the Commonwealth's Destination Australia Program, up to \$2.1 million will be spent on scholarships for domestic students commencing their studies at regional TAFE Colleges in the 2021 training year.

In addition to the above initiatives and following the endorsement of the Transforming Bunbury's Waterfront Stage 3 Phase 1 business case, an additional \$1.7 million over 2020-21 to 2023-24 has been approved for a Program Delivery Office within the Department of Primary Industries and Regional Development (South West Development Commission). The Office will assume responsibility for the strategic direction, oversight, coordination and effective delivery of the overall project with a total cost of \$79.8 million.

Spending under the Royalties for Regions program is estimated at \$1.1 billion in 2020-21 and a total of \$4.2 billion over the four years to 2023-24 (unchanged since Budget), as detailed in the following table.

Table 1

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2019-20 Actual	2020-21 Budget Estimate	2020-21 Mid-Year Revision	2021-22 Forward Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
INVESTING IN JOBS							
Aboriginal Pastoral Training Program	-	0.7	0.7	0.7	0.7	0.7	2.7
Agricultural Sciences Research and Development Fund	3.3	0.9	3.6	-	-	-	3.6
Albany Middleton Beach Stage 2	0.1	1.1	1.2	1.1	-	-	2.4
Albany Wave Energy Project	1.1	1.1	1.1	-	-	-	1.1
Brand WA – Destination Marketing	5.5	5.5	5.5	5.5	5.5	5.5	22.0
Brand WA – Event Tourism	5.2	6.6	4.2	7.7	7.5	7.6	27.0
Brand WA – Stage 2	0.6	2.7	2.7	2.7	-	-	5.4
Building Western Australian Grains Research and Development Capacity	11.3	12.5	13.0	13.0	12.5	10.0	48.5
Collie Adventure Trails	0.9	4.9	4.9	2.2	2.0	-	9.1
Collie Delivery Unit	0.7	0.8	0.8	0.8	0.8	0.8	3.3
Collie Eco-Concrete Processing Plant	-	-	0.6	-	-	-	0.6
Collie Emergency Services Vehicle Manufacturing	1.8	0.7	0.7	-	-	-	0.7
Collie Futures Fund	2.5	11.8	11.8	5.0	-	-	16.8
Collie Regional Processing Centre	- (a)	0.3	0.3	-	-	-	0.3
Collie Tourism Readiness and Economic Stimulation	-	4.4	3.9	0.5	-	-	4.4
Develop Serviced Land at Shotts and Kemerton	2.8	2.4	2.4	-	-	-	2.4
Digital Farm	1.6	2.9	3.6	8.1	-	-	11.7
Extension of Doppler Radar Coverage	0.5	-	-	-	-	-	-
Food Industry Export Assistance	0.6	0.4	0.4	-	-	-	0.4
Food Industry Innovation	-	1.5	1.5	1.5	1.5	1.5	6.0
Gascoyne Food Bowl	1.6	0.3	0.3	-	-	-	0.3
Geraldton Marine Finfish Nursery Facility	0.2	6.0	2.1	4.8	-	-	6.9
Goldfields Major Solar Feasibility	-	0.4	0.1	0.1	0.2	-	0.4
Grainbelt Digital Enhancement Project	0.2	0.4	0.3	0.1	-	-	0.3
Halifax Business Park	0.8	0.7	0.7	-	-	-	0.7
Help Grain Growers to Better Manage Risk (e-Connected Grainbelt)	1.4	2.0	1.9	2.0	2.0	2.4	8.4
Industry Attraction and Development Fund – Collie	-	11.2	10.6	10.6	-	-	21.3
Jawun Indigenous Corporate Partnership Program	0.4	-	-	-	-	-	-
Kalbarri Skywalk and National Park Infrastructure	6.2	-	-	-	-	-	-
Kariyarra Indigenous Land Use Agreement	0.1	0.1	0.1	0.1	-	-	0.2
Koolinup Emergency Services Centre – Collie	1.7	10.0	10.0	1.7	-	-	11.7
Lake Kepwari	2.3	1.7	1.7	0.8	-	-	2.5
Myalup-Wellington Water for Growth	0.4	5.0	5.5	14.5	11.8	1.9	33.7
Northern Beef Industry Strategy	1.1	1.7	1.7	1.4	1.4	1.4	5.9
Ord-East Kimberley Expansion Project	0.7	4.0	3.0	4.0	2.0	-	9.0
Plan for Our Parks – Indigenous Land Use Agreements	0.4	0.2	0.2	0.3	0.1	-	0.6
Port Hedland Waterfront Revitalisation – Spoilbank Marina	-	24.5	24.5	40.0	-	-	64.5
Premium Food Centre Manjimup	0.4	-	-	-	-	-	-
Regional Accommodation and Travel Support Scheme	-	3.1	3.1	-	-	-	3.1
Regional Local Content Initiative	- (a)	0.2	0.1	0.1	0.1	-	0.3
Regional Natural Resource Management – State Barrier Fence	1.3	2.4	2.4	1.1	-	-	3.5
Regional Telecommunications Project	5.9	11.3	9.0	6.6	-	-	15.6
Roadhouse Assistance Package	-	0.5	0.5	-	-	-	0.5
Science and Agribusiness Connect Program	0.5	0.6	0.6	-	-	-	0.6

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2019-20 Actual	2020-21 Budget Estimate	2020-21 Mid-Year Revision	2021-22 Forward Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
South Coast Aquaculture Development Zone	0.1	0.3	0.3	0.5	-	-	0.8
Southern Forests Irrigation Scheme	1.0	1.8	1.4	2.0	1.7	-	5.1
Special Regional Event Sponsorship	-	0.3	-	0.3	-	-	0.3
Specialist Food Centre Albany	0.1	-	-	-	-	-	-
State Agricultural Telecommunications Infrastructure Improvement Fund	0.1	4.8	0.2	6.9	-	-	7.0
Sustainable Development of the Abrolhos Islands	0.5	5.0	8.4	1.1	-	-	9.5
Transform Peel – Phase 1	11.8	12.7	14.5	12.2	-	-	26.7
Transforming Agriculture in the Pilbara	1.3	2.5	2.5	0.9	-	-	3.4
Transforming Bunbury Waterfront – Stages 1 and 2	4.8	8.6	8.6	5.1	-	-	13.7
Transforming Bunbury's Waterfront – Stage 3 (Phase 1)	-	-	1.9	6.1	40.8	31.0	79.8
Water for Food West Kimberley	- (a)	0.6	0.6	-	-	-	0.6
Wellington Dam Mural and Collie Art Trail	- (a)	1.5	1.5	-	-	-	1.5
Western Australian Regional Film Fund	3.0	-	-	-	-	-	-
Western Australian Screen Fund	-	4.0	4.0	4.0	4.0	4.0	16.0
Wild Dogs Action Plan	4.1	7.2	7.3	3.3	3.3	3.4	17.4
Yawuru Strategic Economic Development	0.1	0.3	0.5	0.2	-	-	0.7
TOTAL – INVESTING IN JOBS	90.9	197.1	193.2	179.4	98.0	70.1	540.7
PUTTING PATIENTS FIRST							
Digital Innovation, Transport and Access to Care	59.8	62.6	62.6	58.1	58.3	58.3	237.4
Emergency and Acute Workforce	22.0	21.3	21.3	20.5	20.5	20.5	82.8
Health Services							
Albany Radiation Oncology	0.3	9.4	2.4	7.0	3.3	-	12.8
Expand the Ear Bus Program	0.7	1.4	1.4	-	-	-	1.4
Find Cancer Early	0.4	0.4	0.4	0.4	0.4	0.4	1.6
Meet and Greet Service	0.4	0.6	0.6	0.5	0.5	0.5	2.0
Pilbara Health Initiatives	3.0	3.5	3.5	3.5	3.5	-	10.4
Renal Dialysis	5.3	3.3	3.3	3.4	3.4	3.4	13.5
Residential Aged and Dementia Care Investment Program	0.9	1.6	1.6	0.7	-	-	2.4
Health Infrastructure							
Bunbury Hospital	-	6.8	6.8	1.1	0.3	-	8.1
Bunbury Hospital Redevelopment	0.6	2.7	2.7	4.9	2.4	10.0	19.9
Carnarvon Residential Aged Care Facility	0.3	9.7	11.1	2.8	2.2	-	16.2
Collie Hospital Upgrade	0.3	4.2	2.7	2.9	6.4	-	11.9
Derby Community Health Service	0.1	2.3	2.3	0.8	0.4	-	3.5
District Hospital Investment Program	-	2.4	1.6	0.8	-	-	2.4
Dongara Aged Care	-	0.5	0.5	0.5	-	-	1.0
Geraldton Health Campus Redevelopment	2.0	15.5	9.0	12.2	27.9	21.4	70.5
Kalgoorlie Health Campus Magnetic Resonance Imaging Suite	0.4	2.1	2.1	0.5	-	-	2.6
Karratha Health Campus	1.6	5.3	0.7	5.4	-	-	6.1
Kimberley Mobile Dialysis Unit	0.3	0.7	0.7	-	-	-	0.7
Newman Health Service Redevelopment Project	-	16.6	2.5	13.9	17.3	2.3	35.9
Nickol Bay Hospital Site	5.6	1.9	1.0	0.9	-	-	1.9
Onslow Health Service Redevelopment Project	2.4	2.0	2.3	1.0	-	-	3.3
Primary Health Centres Demonstration Program	1.6	12.0	6.0	4.0	2.0	-	12.0
Remote Indigenous Health Clinics	0.6	2.9	1.9	1.5	-	-	3.4
Small Hospital and Nursing Post Refurbishment Program	0.6	-	0.1	0.6	0.7	-	1.4

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2019-20 Actual	2020-21 Budget Estimate	2020-21 Mid-Year Revision	2021-22 Forward Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Tom Price Hospital Redevelopment	-	5.0	- (a)	1.5	3.6	-	5.2
Other Health Programs							
Newman Renal Dialysis Service	-	1.3	-	-	1.3	-	1.3
Warmun Facility Upgrade	-	0.5	0.5	-	-	-	0.5
Mental Health Programs							
Geraldton Step Up/Step Down Facilities	2.9	4.3	4.3	2.5	2.5	2.5	11.7
Mental Health Step Up/Step Down Facilities – Kalgoorlie/Goldfields 10 beds	1.6	5.4	5.4	2.6	2.6	2.6	13.2
Methamphetamine Action Plan – Kimberley AOD Residential Rehabilitation and Treatment Service	0.1	-	-	-	-	-	-
Methamphetamine Action Plan – South West AOD Residential Rehabilitation and Treatment Service	2.6	2.7	2.7	2.8	2.8	2.9	11.2
North West Drug and Alcohol Support Program	6.3	0.2	0.2	-	-	-	0.2
North West Drug and Alcohol Support Program – Kimberley	-	6.3	6.3	6.7	6.9	7.1	27.0
Regional Men's Health	0.8	0.8	0.8	0.8	0.8	0.8	3.2
Sub-acute Mental Health Services in Bunbury	2.9	2.2	2.2	2.2	2.3	2.3	9.0
Sub-acute Mental Health Services in Karratha	0.5	6.6	2.9	4.5	2.8	2.7	13.0
Three Tier Youth Mental Health Program – GP Down South	0.1	-	-	-	-	-	-
TOTAL – PUTTING PATIENTS FIRST	127.1	227.1	176.5	171.2	175.1	137.6	660.4
INVESTING IN OUR CHILDREN'S EDUCATION							
Aboriginal and Islander Education Officers	2.8	3.6	3.6	3.6	3.6	3.6	14.3
Albany Secondary Education Support Centre and North Albany Senior High School	5.6	3.6	3.6	0.1	-	-	3.7
Better Beginnings – Early Literacy	0.2	0.3	0.3	0.3	0.3	0.3	1.0
Broome Residential College – Stage 2	- (a)	0.1	- (a)	-	-	-	- (a)
Broome Senior High School	11.3	4.5	6.2	1.1	-	-	7.3
Bunbury Senior High School – Upgrades	0.9	3.2	3.2	0.5	-	-	3.7
Cape Naturaliste College – Stage 2	4.5	2.6	0.6	2.5	-	-	3.1
Carnarvon Community College	2.0	4.6	0.6	4.0	-	-	4.6
Champion Bay Senior High School	0.4	1.8	1.8	-	-	-	1.8
Clontarf Colleges	1.5	1.5	1.5	1.5	1.5	1.5	6.2
Collie Senior High School – New Facilities	3.3	0.1	0.1	-	-	-	0.1
Curtin Jiji Program	-	0.8	0.8	-	-	-	0.8
Eaton Community College – New Facilities	3.8	0.7	0.7	-	-	-	0.7
Eaton Primary School	2.5	0.2	0.2	-	-	-	0.2
Feasibility Study Residential Colleges for Aboriginal Students in Newman	- (a)	0.1	0.1	-	-	-	0.1
Flinders Park Primary School – Early Childhood	1.4	0.1	0.1	-	-	-	0.1
Glen Huon Primary School	0.1	0.1	0.1	-	-	-	0.1
Improving Teacher Quality	1.9	1.9	1.9	1.9	1.9	1.9	7.7
Independent Learning Co-ordinators	1.2	1.5	1.5	1.5	1.5	1.5	6.0
Investing in Science	0.3	-	-	-	-	-	-
Kimberley Schools Project	4.6	4.5	4.5	4.9	4.7	-	14.1
Margaret River Senior High School	7.1	1.7	1.7	-	-	-	1.7
Mental Health Support	0.8	0.8	0.8	0.8	0.8	0.8	3.2
Mount Lockyer Primary School – Upgrade	0.5	2.5	2.5	-	-	-	2.5

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2019-20 Actual	2020-21 Budget Estimate	2020-21 Mid-Year Revision	2021-22 Forward Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Muresk Institute Agricultural Degree	0.3	0.7	-	-	-	-	-
Muresk Institute Agricultural Skills Development Pathway	0.1	-	-	-	-	-	-
Newton Moore Senior High School – STEM Centre	2.2	0.5	0.5	-	-	-	0.5
Pilbara Partnerships for Student Success	1.1	0.4	0.4	0.2	-	-	0.6
Pilbara Universities Centre	-	0.3	0.3	-	-	-	0.3
Preventative Maintenance Programs	2.5	- (a)	- (a)	-	-	-	- (a)
Put Education Assistants Back in the Classroom	6.5	9.1	9.1	9.1	9.1	9.1	36.6
Regional Learning Specialists	1.4	1.5	1.5	1.5	1.5	1.5	6.0
Regional School Breakfast and Nutritional Education Program	0.2	0.2	0.2	0.2	0.2	0.2	0.9
Regional School Bus Services	-	-	-	79.9	79.9	79.9	239.8
South Bunbury Primary School – Upgrade	2.6	-	-	-	-	-	-
South Regional TAFE Esperance – New Replacement Campus	-	10.0	10.0	-	-	-	10.0
Vocational Education Regional Subsidies	44.4	44.9	44.9	45.4	45.4	45.4	181.1
TOTAL – INVESTING IN OUR CHILDREN'S EDUCATION	118.0	108.7	103.6	159.1	150.6	145.8	559.1
INVESTING IN OUR COMMUNITIES							
Aboriginal Governance and Leadership Development Program	0.4	1.3	1.3	1.1	1.1	1.1	4.5
Aboriginal Tourism Initiatives	0.9	0.9	0.9	0.9	0.9	0.9	3.6
Air-conditioning at Five Remote Multi-functional Policing Facilities	4.2	5.2	5.2	-	-	-	5.2
Albany Artificial Surf Reef Business Case	0.2	0.1	0.1	-	-	-	0.1
Albany Entertainment Centre	0.5	0.5	0.5	0.5	0.5	0.5	2.0
Armstrong Village Project – Dunsborough	2.0	-	-	-	-	-	-
Batavia Coast Marina Stage 2	- (a)	-	-	-	-	-	-
Beach Emergency Numbering System	0.1	0.3	0.3	0.2	-	-	0.5
Bedingfeld Park Expansion – Stage 1	0.2	-	-	-	-	-	-
Bridge St. Affordable Housing Project – Donnybrook	-	1.4	1.4	-	-	-	1.4
Broome Aboriginal Short Stay Accommodation Facility	2.0	2.6	2.8	2.9	2.7	2.8	11.2
Brunswick River Cottages – Brunswick Junction	0.2	-	-	-	-	-	-
Bunbury Regional Prison	11.8	1.8	1.8	-	-	-	1.8
Busselton Margaret River Airport	1.7	-	-	-	-	-	-
Capel Police Station	2.8	4.7	4.7	0.1	-	-	4.8
Carnarvon Fascine Revitalisation – Completion – Independent Project	-	- (a)	- (a)	-	-	-	- (a)
Manager Advisor Services	-	- (a)	- (a)	-	-	-	- (a)
Centennial Park Sporting and Event Precinct	-	0.5	0.5	-	-	-	0.5
Collie Mineworkers Memorial Pool Enclosure	-	1.9	1.9	-	-	-	1.9
Community Chest Grants Scheme	0.1	0.2	0.2	-	-	-	0.2
Community Resource Centres	12.5	13.7	13.5	13.0	13.0	13.0	52.5
Community Safety Network	10.3	8.7	9.2	8.5	8.5	8.5	34.5
Coral Bay Key Worker Housing – Headworks	0.1	- (a)	- (a)	-	-	-	- (a)
Country Age Pension Fuel Card	29.1	30.5	30.5	30.5	30.5	30.5	122.0
Country Water Pricing Subsidy	191.5	250.0	250.0	250.0	250.0	250.0	1,000.0
Culturally Appropriate Services to Victims of Domestic Violence	-	0.1	0.1	0.1	0.1	-	0.3
Dalyellup Family Centre	- (a)	0.3	0.4	0.3	0.3	0.3	1.3
Dampier Peninsula Activation	-	2.9	1.9	2.0	-	-	3.9

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2019-20 Actual	2020-21 Budget Estimate	2020-21 Mid-Year Revision	2021-22 Forward Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Dongara Age Appropriate Accommodation Facility	2.0	-	-	-	-	-	-
Donnybrook Town Centre Revitalisation	1.8	1.8	-	-	-	-	-
Doors Wide Open	0.1	0.1	0.1	-	-	-	0.1
East Kimberley Transitional Housing	3.9	2.4	3.4	-	0.9	0.9	5.1
Eaton Bowling Club Upgrade	2.0	-	-	-	-	-	-
Enhanced Driver Training and Education for Regional and Remote Communities	1.5	1.5	1.5	1.5	1.5	1.4	6.0
Esperance Indoor Sports Stadium	1.0	-	-	-	-	-	-
Essential and Municipal Services Improvement in Remote Aboriginal Communities	0.9	13.1	18.3	18.0	5.7	-	42.0
Family and Domestic Violence Counselling Services – Peel	0.3	0.3	0.3	0.3	-	-	0.5
Family Domestic Violence Refuge – Peel	1.4	3.0	3.0	1.2	1.2	1.2	6.6
Financial Counselling Services	0.7	0.7	0.7	0.7	0.7	0.7	2.9
Fitzroy Crossing Courthouse	0.1	-	-	-	-	-	-
Funding for the Royal Agricultural Society of Western Australia	-	1.7	1.7	-	-	-	1.7
Goldfields Arts Centre	0.1	0.1	0.1	0.1	0.1	0.1	0.6
Goldfields Esperance Arts and Culture Trail	0.1	0.1	0.1	-	-	-	0.1
Great Southern Housing Initiative	0.3	-	-	-	-	-	-
Gwoonwardu Mia Aboriginal Heritage and Cultural Centre – Carnarvon	1.4	0.6	0.6	0.6	-	-	1.2
Hedland Transitional Housing	-	1.9	2.4	0.9	0.8	0.4	4.5
Indigenous Visitor Hostels	1.6	2.5	2.5	2.3	2.4	2.5	9.6
Kalgoorlie Motorsports Precinct	0.1	1.0	1.0	1.0	-	-	2.0
Karratha Arts and Community Precinct	0.4	-	-	-	-	-	-
Kimberley Aboriginal Law and Culture Centre to Document and Teach Traditional Languages	0.1	0.1	0.1	0.1	-	-	0.3
Kimberley Family Violence	-	-	- (a)	-	-	-	- (a)
Kimberley Juvenile Justice Strategy	0.3	0.3	0.3	0.3	-	-	0.6
Koombana Bay Park Facilities	0.1	2.9	2.2	0.7	-	-	2.9
Kununurra, Broome and Karratha Courthouse	0.2	-	-	-	-	-	-
Laverton Visitor Centre	0.3	1.0	1.0	-	-	-	1.0
Leonora Ageing in Place Project	-	3.5	1.8	1.7	-	-	3.5
Mandurah Eastern Foreshore Redevelopment	5.0	5.0	5.0	-	-	-	5.0
Minninup Pool	0.2	-	-	-	-	-	-
Miriuwung and Gajerrong Corporation	0.2	-	-	-	-	-	-
Motorplex Complex Albany	-	5.5	1.4	4.1	-	-	5.5
Multi-functional Policing Facilities Air-Conditioning System Replacement	-	5.0	1.5	4.3	-	-	5.8
Multipurpose Outdoor Courts – Weatherproof Structure, Seating and Lighting	1.8	0.1	0.1	-	-	-	0.1
Murujuga Aboriginal Corporation – Living Knowledge Centre and Tourism Precinct	1.0	-	-	-	-	-	-
Newman Town Centre Revitalisation – Stage 3	0.1	-	-	-	-	-	-
Norseman: The Heart of the Great Western Woodlands	0.4	-	-	-	-	-	-
North West Aboriginal Housing Initiative	-	9.8	0.4	7.8	8.6	24.1	40.8
Pilbara Aboriginal Town Based Reserves – Unallocated	-	2.6	-	-	-	6.4	6.4
Pilbara Town Based Reserves – Irrungadji	-	-	2.0	2.4	0.3	0.3	5.0

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2019-20 Actual	2020-21 Budget Estimate	2020-21 Mid-Year Revision	2021-22 Forward Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Pilbara Town Based Reserves – Parnpajinya	-	-	2.6	0.9	0.4	0.4	4.2
Pilbara Town Based Reserves – Tjalka Boorda	0.2	1.3	1.3	0.6	0.3	-	2.1
Police Radio Network	4.7	0.4	1.8	0.4	0.5	0.7	3.4
Regional Arts and Cultural Investment Program	3.3	5.0	6.7	5.0	4.9	4.9	21.5
Regional Athlete Support Program	0.9	1.0	1.1	1.0	1.0	-	3.1
Regional Aviation Support	0.7	2.3	2.3	-	-	-	2.3
Regional Centres Development Plan	-	1.5	0.7	1.9	1.9	-	4.5
Regional Community Childcare Development Fund	- (a)	-	-	-	-	-	-
Regional COVID-19 Response Provision	-	-	-	-	-	0.1	0.1
Regional Economic Development Grants	6.0	12.8	12.8	5.0	5.0	3.0	25.8
Regional Enforcement Unit	4.2	5.5	5.5	5.5	5.5	5.5	21.9
Regional Exhibition Touring Boost	1.5	1.8	2.0	1.8	1.8	-	5.5
Regional Grants Scheme	0.5	0.6	1.1	-	-	-	1.1
Regional Investment Initiative	-	0.2	0.2	-	-	-	0.2
Regional Museum Grants – Regional Collections Development Program	0.1	0.6	0.6	0.3	-	-	0.9
Regional Police Incentives	1.7	2.5	2.5	2.5	2.5	2.5	10.0
Regional Taxi Transition Fund	2.9	0.1	0.1	0.1	-	-	0.2
Regional Workers Campaign	-	1.7	1.7	-	-	-	1.7
Regional Youth Justice Services	5.3	5.4	5.4	5.5	-	-	10.8
Remote Aboriginal Communities	-	19.6	19.6	56.8	60.5	64.0	200.9
Remote Aboriginal Communities COVID-19 Emergency Relief Fund	-	2.1	3.1	-	-	-	3.1
Remote and Essential Services	56.0	56.0	56.0	56.0	56.0	56.0	224.0
Remote Swimming Pools	7.6	0.6	0.6	0.8	0.8	0.6	2.8
Respectful Relationship Programs in Schools	0.1	0.1	0.1	0.1	-	-	0.2
Riverview Residence – Upgrade to Over 55's Estate	-	-	-	2.0	-	-	2.0
Shark Mitigation – SMART Drumline Trials	1.7	0.4	0.4	-	-	-	0.4
South Hedland and CBD Revitalisation – Stage 2	0.1	1.2	1.2	-	-	-	1.2
Southern Forests Food Council	0.5	0.4	0.4	-	-	-	0.4
Stockton Lake	- (a)	0.1	0.1	-	-	-	0.1
Thomas Little Memorial Hall	0.3	-	-	-	-	-	-
Upgrades to Hay Park – Bunbury	1.3	0.1	0.1	-	-	-	0.1
Volunteer Fuel Card	0.6	1.0	1.0	1.0	1.0	1.0	4.0
Wheatbelt South Aged Housing Alliance	1.5	1.3	1.3	-	-	-	1.3
Yawuru Home Ownership Program	-	-	9.2	0.2	0.2	0.2	9.7
Yindjibarndi Ganjalili Accommodation and Transitional Housing Program	-	-	0.3	3.0	3.0	-	6.3
Yura Yungi Employee Accommodation and Career Development Program	-	-	0.2	1.9	1.2	-	3.3
TOTAL – INVESTING IN OUR COMMUNITIES	401.3	519.5	520.9	510.1	476.1	484.2	1,991.3
INVESTING IN OUR ROADS AND PORTS							
AgLime Routes	5.2	1.3	1.3	-	-	-	1.3
Albany Ring Road – Design, Preconstruction and Construction Activities	1.1	4.9	4.9	16.7	-	10.0	31.6
Broome Boating Facilities Upgrade	0.8	1.1	1.5	-	-	-	1.5
Broome Marina Planning	0.2	0.6	0.6	-	-	-	0.6
Broome Town Beach Jetty	-	3.0	3.0	-	-	-	3.0
Broome-Cape Leveque Road	3.9	2.8	2.8	-	-	-	2.8

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2019-20 Actual	2020-21 Budget Estimate	2020-21 Mid-Year Revision	2021-22 Forward Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Bunbury Port – Inner Harbour Access Bridge	-	2.3	2.3	13.3	-	-	15.5
Collie Preston Region – Upgrades Over Multiple Local Roads	2.4	9.5	9.5	-	-	-	9.5
Coolgardie-Esperance Highway (Goldfields) – Widen, Overlay and Reconstruction	1.8	5.0	5.0	1.0	-	-	6.0
Dongara Road Alignment	0.1	0.5	0.5	-	-	-	0.5
Duncan Road and Gordon Downs Road Upgrade	0.9	2.4	2.4	2.4	3.8	0.7	9.3
Gibb River Road	2.5	-	-	-	-	-	-
Great Eastern Highway – Dual Anzac Drive to Gatacre Drive, Kalgoorlie	11.3	-	-	-	-	-	-
Great Northern Highway – Ord River North (Turkey Creek)	8.0	-	-	-	-	-	-
Greenbushes Lithium Supply Chain	-	3.8	3.8	-	-	-	3.8
Karratha-Tom Price Road – Sealing of 50km to Millstream	- (a)	6.0	6.0	20.0	19.0	-	45.0
Local Government Commodity Freight Roads Fund	8.7	1.3	1.3	-	-	-	1.3
Mandurah Train Station – New Parking Bays	0.3	15.8	15.8	-	-	-	15.8
Moonamang Road	-	10.0	10.0	6.3	-	-	16.3
Outback Way – Seal Priority Sections	0.4	1.3	1.3	4.0	0.9	-	6.2
Planning for the Upgrade of Bremer Bay Boat Harbour	- (a)	-	-	-	-	-	-
Port of Broome Dredging	8.4	-	-	-	-	-	-
Rail Future Fund	3.7	9.8	12.9	5.1	9.8	-	27.8
Rail to Kemerton Industrial Park	0.1	5.7	-	-	-	-	-
South Coast Highway – Widening Pfeiffer Road Manypeaks to Jerramungup Road	8.1	12.4	12.4	1.1	-	-	13.5
Square Kilometre Array Roads	8.3	1.6	1.6	5.0	18.7	-	25.4
Trial of Derby-Broome Subsidised Regular Public Transport Air Services	-	1.0	0.1	0.9	-	-	1.0
TOTAL – INVESTING IN OUR ROADS AND PORTS	76.2	102.1	99.0	75.7	52.2	10.7	237.7
INVESTING IN OUR ENVIRONMENT							
Aboriginal Ranger Program	3.9	6.3	7.1	5.7	-	-	12.8
Bushfire Mitigation on Crown Land Regional Townsites	5.4	3.8	3.8	3.8	3.8	3.8	15.0
Carnarvon Flood Mitigation Works – Stage 2	0.3	2.8	0.8	2.0	-	-	2.8
Collie River Revitalisation	0.1	-	-	-	-	-	-
Dampier Peninsula Project	- (a)	0.6	0.6	-	-	-	0.6
Enhanced Prescribed Burning Program	5.3	5.5	5.8	5.5	5.5	5.5	22.3
Fitzroy River Catchment	-	-	-	0.1	-	-	0.1
Fitzroy River Management Plan	0.6	0.9	0.7	0.6	-	-	1.3
Great Kimberley Marine Park	0.3	0.3	0.1	-	-	-	0.1
Healthy Estuaries WA Program	-	-	3.1	9.4	6.3	6.3	25.0
Kalgulup Regional Park	1.4	4.5	4.3	4.0	-	-	8.4
Living Lakes	0.3	-	-	-	-	-	-
Managing Western Australia's Natural Resources: Supporting Community Involvement	0.1	-	0.1	-	-	-	0.1
Marine Parks Management	0.7	0.5	0.7	0.5	0.5	0.5	2.3
Murujuga Joint Management	1.2	1.1	1.1	-	-	-	1.1
Natural Resource Management Program	4.9	7.7	8.4	7.9	7.2	7.2	30.7
New Kimberley National Park	0.1	1.0	-	-	-	-	-
Ngari Capes Marine Park	1.1	1.2	1.2	1.2	1.2	1.2	4.6
Ningaloo Coastal Reserve	1.3	1.8	1.8	1.8	1.8	1.3	6.7

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2019-20 Actual	2020-21 Budget Estimate	2020-21 Mid-Year Revision	2021-22 Forward Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Oyster Reef Habitat Restoration – Albany	0.5	0.3	0.3	-	-	-	0.3
Peel-Harvey – Estuary Protection Plan	1.0	-	-	-	-	-	-
Peel-Harvey Estuary 1 FTE	0.1	-	-	-	-	-	-
Plan for Our Parks – Indigenous Land Use Agreement	-	5.0	4.2	1.3	0.3	0.1	5.9
Public Recreation and Joint Management Arrangements for the Ningaloo Coast	1.3	-	-	-	-	-	-
Regional Estuaries Initiative	3.3	7.0	1.1	-	-	-	1.1
Renewable Hydrogen Strategy	-	0.5	3.0	2.5	0.5	-	6.0
Revitalising Waterways of Geographe Bay	1.3	0.4	0.4	-	-	-	0.4
Watering Western Australia	0.8	1.7	0.7	1.0	-	-	1.7
William Bay National Park Infrastructure Project	0.2	1.0	2.3	-	-	-	2.3
Yawuru Joint Management	1.1	1.1	1.1	-	-	-	1.1
TOTAL – INVESTING IN OUR ENVIRONMENT	36.6	55.0	52.6	47.3	27.0	25.8	152.8
ADMINISTRATION AND ADMINISTERED ITEMS							
Administration ^(b)	87.8	94.8	94.8	87.9	85.4	81.7	349.8
Administered Items ^(c)	-	12.7	11.0	13.4	4.3	2.5	31.3
TOTAL – ADMINISTRATION AND ADMINISTERED ITEMS	87.8	107.5	105.8	101.4	89.7	84.2	381.1
Underspend Provision	-	-150.0	-150.0	-125.0	-	-	-275.0
TOTAL – ROYALTIES FOR REGIONS FUND	937.8	1,166.9	1,101.7	1,119.2	1,068.7	958.5	4,248.0
Regional Reform Fund Special Purpose Account Transfer ^(d)	-	-	-	16.0	-	-	16.0

(a) Amounts less than \$50,000.

(b) Funding for costs associated with the administration of the Royalties for Regions Fund.

(c) Funding mainly for election commitments where further planning is required to deliver the proposals.

(d) Total Royalties for Regions contributions are forecast to be \$150 million.

Note: Columns/rows may not add due to rounding.

Source: Department of Primary Industries and Regional Development.

Detailed Financial Projections

This appendix contains detailed financial projections for the various sectors of the total public sector defined by the Government Finance Statistics (GFS) framework. The tables in this section satisfy Uniform Presentation Framework (UPF) requirements applicable for all States, Territories and the Commonwealth, and are also consistent with Australian Accounting Standards, in particular, AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

Contents

	Page
Financial Projections	
General Government	
Table 1.1: Operating Statement	59
Table 1.2: Balance Sheet at 30 June	60
Table 1.3: Cash Flow Statement.....	61
Public Non-Financial Corporations	
Table 1.4: Operating Statement	62
Table 1.5: Balance Sheet at 30 June	63
Table 1.6: Cash Flow Statement.....	64
Total Non-Financial Public Sector	
Table 1.7: Operating Statement	65
Table 1.8: Balance Sheet at 30 June	66
Table 1.9: Cash Flow Statement.....	67
Public Financial Corporations	
Table 1.10: Operating Statement	68
Table 1.11: Balance Sheet at 30 June	69
Table 1.12: Cash Flow Statement.....	70
Total Public Sector	
Table 1.13: Operating Statement	71
Table 1.14: Balance Sheet at 30 June	72
Table 1.15: Cash Flow Statement.....	73
Notes to the Financial Projections	
Note 1: Statement of Compliance	74
Note 2: Summary of Significant Accounting Policies.....	74
Note 3: General Government Operating Revenue	75
Note 4: General Government Revenue from Public Corporations	75
Note 5: General Government Transfer Expenses	76
Note 6: Classification of the Functions of Government	77

Table 1.1

GENERAL GOVERNMENT Operating Statement

	Note	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
		Actual	Budget	Mid-year	Forward	Forward	Forward
		\$m	\$m	Revision	Estimate	Estimate	Estimate
<i>Results from Transactions</i>							
REVENUE							
Taxation		9,077	8,806	9,329	9,389	9,787	10,156
Current grants and subsidies		9,379	8,861	9,200	9,899	10,238	11,353
Capital grants		642	1,026	1,164	1,678	1,541	1,163
Sales of goods and services		2,754	2,783	2,762	3,034	2,969	2,946
Interest income		124	100	100	104	91	92
Revenue from public corporations							
Dividends from other sector entities		392	2,776	2,860	1,412	1,444	1,439
Tax equivalent income		732	902	861	731	760	807
Royalty income		8,450	8,287	8,660	5,701	5,760	5,793
Other		614	601	597	578	557	547
Total	3	32,162	34,139	35,533	32,526	33,149	34,294
EXPENSES							
Salaries		12,887	12,997	13,110	13,202	13,506	13,967
Superannuation							
Concurrent costs		1,276	1,290	1,301	1,367	1,458	1,571
Superannuation interest cost		89	74	72	84	96	109
Other employee costs		401	360	361	349	353	357
Depreciation and amortisation		1,751	1,854	1,823	1,831	1,838	1,829
Services and contracts		2,590	2,632	2,682	2,445	2,455	2,502
Other gross operating expenses		5,391	5,723	5,761	5,505	5,551	5,679
Interest							
Interest on leases		142	145	137	135	130	123
Other interest		737	664	656	616	591	565
Current transfers	5	5,003	6,665	6,846	5,548	5,140	5,054
Capital transfers	5	228	532	622	397	216	241
Total	6	30,493	32,935	33,371	31,479	31,334	31,997
NET OPERATING BALANCE		1,669	1,204	2,162	1,047	1,815	2,298
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		-27	-18	-13	13	8	-10
Provision for doubtful debts		-126	-14	-14	-14	-14	-14
Changes in accounting policy/adjustment of prior periods		-44	-	-	-	-	-
Total other economic flows		-197	-31	-27	-1	-6	-24
OPERATING RESULT		1,472	1,173	2,135	1,046	1,809	2,273
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		392	67	56	752	1,012	1,344
Net actuarial gains/-loss - superannuation		5	-207	-228	-165	-163	-146
Gains recognised directly in equity		-1	-54	-46	-46	-45	-45
Change in net worth of the public corporations sectors		217	-691	-816	-47	518	502
All other		-239	-	-	-	-	-
Total all other movements in equity		373	-885	-1,035	495	1,322	1,655
TOTAL CHANGE IN NET WORTH		1,845	288	1,100	1,541	3,130	3,929
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE		1,669	1,204	2,162	1,047	1,815	2,298
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets	6	2,553	3,013	3,281	3,482	2,907	2,605
Changes in inventories		38	21	47	-	-	-
Other movement in non-financial assets		-15	-	6	-	-	-33
Less:							
Sales of non-financial assets		1,476	143	143	157	98	87
Depreciation		1,751	1,854	1,823	1,831	1,838	1,829
Total net acquisition of non-financial assets		-651	1,038	1,367	1,493	971	656
NET LENDING/-BORROWING		2,320	167	794	-446	843	1,641

Note: Columns may not add due to rounding.

2020–21 Government Mid-year Financial Projections Statement

Table 1.2

GENERAL GOVERNMENT Balance Sheet at 30 June

	2020	2021	2021	2022	2023	2024
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	513	477	520	531	555	539
Advances paid	715	748	775	760	749	739
Investments, loans and placements	5,924	3,441	4,543	3,667	2,830	3,046
Receivables	3,938	3,184	2,906	2,516	2,531	2,513
Shares and other equity						
Investments in other public sector entities - equity method	40,962	40,271	40,146	40,099	40,617	41,119
Investments in other public sector entities - direct injections	10,602	12,013	11,866	13,522	14,851	15,685
Investments in other entities	22	22	22	22	22	22
Other financial assets	8	8	8	9	9	9
Total financial assets	62,684	60,164	60,786	61,125	62,164	63,674
<i>Non-financial assets</i>						
Land	35,238	35,353	35,364	35,648	36,275	36,970
Property, plant and equipment	46,363	48,162	48,436	50,857	52,738	54,427
Right-of-use assets	2,484	2,465	2,482	2,461	2,276	2,124
Biological assets	109	109	109	109	109	109
Inventories						
Land inventories	-	-	-	-	-	-
Other inventories	108	130	156	156	156	156
Intangibles	603	585	585	573	534	501
Non-current assets held for sale	21	17	17	17	17	17
Investment property	7	7	7	7	7	7
Other	229	217	222	221	219	217
Total non-financial assets	85,162	87,044	87,377	90,048	92,331	94,529
TOTAL ASSETS	147,847	147,208	148,163	151,173	154,495	158,203
LIABILITIES						
Deposits held	1,472	730	743	464	446	415
Advances received	326	309	309	291	273	256
Borrowings						
Lease liabilities	2,722	3,098	3,108	3,098	2,922	2,768
Other borrowings	26,389	26,104	26,130	28,172	28,719	28,819
Unfunded superannuation	6,818	6,643	6,685	6,562	6,460	6,414
Other employee benefits	3,543	3,574	3,564	3,592	3,628	3,640
Payables	1,463	1,471	1,431	1,433	1,439	1,445
Other liabilities	2,674	2,553	2,655	2,482	2,397	2,308
TOTAL LIABILITIES	45,408	44,482	44,625	46,094	46,286	46,065
NET ASSETS	102,438	102,726	103,538	105,079	108,210	112,138
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	7,587	8,209	9,138	9,973	11,565	13,645
Other reserves	94,851	94,517	94,401	95,106	96,644	98,493
NET WORTH	102,438	102,726	103,538	105,079	108,210	112,138
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>17,276</i>	<i>15,682</i>	<i>16,162</i>	<i>15,031</i>	<i>15,878</i>	<i>17,609</i>
<i>Net financial liabilities</i>	<i>34,288</i>	<i>36,602</i>	<i>35,850</i>	<i>38,590</i>	<i>39,589</i>	<i>39,195</i>
<i>Net debt</i>						
Gross debt liabilities	30,910	30,241	30,290	32,025	32,362	32,258
Less: liquid financial assets	7,152	4,665	5,838	4,958	4,133	4,325
Net debt	23,758	25,576	24,452	27,067	28,228	27,933

Note: Columns may not add due to rounding.

Table 1.3

GENERAL GOVERNMENT **Cash Flow Statement**

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	9,018	8,715	9,239	9,406	9,802	10,172
Grants and subsidies received	11,825	11,564	11,919	13,528	13,820	14,629
Receipts from sales of goods and services	2,589	2,756	2,726	2,996	2,919	2,927
Interest receipts	119	95	94	100	89	90
Dividends and tax equivalents	1,071	3,761	3,830	2,134	2,208	2,248
Other receipts	10,825	10,780	11,353	7,889	7,527	7,551
Total cash received	35,447	37,671	39,161	36,053	36,364	37,618
<i>Cash Paid</i>						
Wages, salaries and supplements, and superannuation	-14,192	-14,711	-14,824	-14,914	-15,288	-15,826
Payments for goods and services	-8,494	-8,848	-8,939	-8,406	-8,485	-8,633
Interest paid	-905	-819	-805	-758	-728	-699
Grants and subsidies paid	-6,641	-8,356	-8,482	-7,477	-6,964	-6,943
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-2,004	-1,664	-1,672	-1,656	-1,640	-1,648
Total cash paid	-32,237	-34,399	-34,721	-33,211	-33,106	-33,749
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,211	3,272	4,439	2,842	3,258	3,869
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-2,553	-3,013	-3,281	-3,482	-2,907	-2,605
Sales of non-financial assets	1,476	143	143	157	98	87
Total cash flows from investments in non-financial assets	-1,077	-2,870	-3,138	-3,325	-2,809	-2,517
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	64	10	10	10	10	10
For liquidity purposes	56	64	67	60	15	11
<i>Cash paid</i>						
For policy purposes	-862	-1,786	-1,644	-1,767	-1,496	-903
For liquidity purposes	-38	-46	-57	-5	-3	-1
Total cash flows from investments in financial assets	-780	-1,758	-1,625	-1,702	-1,474	-882
NET CASH FLOWS FROM INVESTING ACTIVITIES	-1,857	-4,628	-4,762	-5,026	-4,283	-3,400
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	17	17	17	18	18	18
Borrowings	845	284	308	2,154	662	220
Deposits received	-	-	-	-	-	-
Other financing receipts	312	54	55	32	14	19
Total cash receipts from financing activities	1,174	355	380	2,204	694	257
<i>Cash paid</i>						
Advances paid	-17	-17	-17	-18	-18	-18
Borrowings repaid	-1,379	-118	-120	-113	-114	-121
Deposits paid	-	-	-	-	-	-
Other financing payments	-492	-492	-431	-448	-332	-356
Total payments for financing activities	-1,888	-628	-568	-578	-464	-494
NET CASH FLOWS FROM FINANCING ACTIVITIES	-714	-272	-187	1,627	230	-237
Net increase in cash and cash equivalents	640	-1,628	-511	-558	-795	232
Cash and cash equivalents at the beginning of the year	5,005	5,645	5,645	5,134	4,576	3,781
Cash and cash equivalents at the end of the year	5,645	4,016	5,134	4,576	3,781	4,013
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	3,211	3,272	4,439	2,842	3,258	3,869
Net cash flows from investing in non-financial assets	-1,077	-2,870	-3,138	-3,325	-2,809	-2,517
Cash surplus/-deficit	2,134	402	1,301	-483	449	1,351

Note: Columns may not add due to rounding.

Table 1.4

PUBLIC NON-FINANCIAL CORPORATIONS
Operating Statement

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
<i>Results from Transactions</i>						
REVENUE						
Current grants and subsidies	2,446	3,466	3,554	2,459	2,248	2,209
Capital grants	64	138	120	136	33	50
Sales of goods and services	34,089	40,540	39,616	39,872	40,251	40,788
Interest income	126	124	124	139	139	142
Other	468	440	443	463	528	545
<i>Total</i>	<i>37,192</i>	<i>44,707</i>	<i>43,857</i>	<i>43,068</i>	<i>43,198</i>	<i>43,734</i>
EXPENSES						
Salaries	1,101	1,251	1,312	1,279	1,316	1,339
Superannuation						
Concurrent costs	110	124	130	132	142	151
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	34	24	24	25	25	26
Depreciation and amortisation	2,152	2,183	2,202	2,270	2,341	2,403
Services and contracts	792	830	843	862	703	658
Other gross operating expenses	29,615	36,197	35,235	34,893	35,322	35,713
Interest						
Interest on leases	90	92	90	87	83	75
Other interest	572	554	519	520	514	534
Tax equivalents	609	665	625	685	705	744
Current transfers	1,482	1,813	1,854	1,127	1,142	1,152
Capital transfers	15	-	6	3	3	-
<i>Total</i>	<i>36,571</i>	<i>43,734</i>	<i>42,841</i>	<i>41,884</i>	<i>42,296</i>	<i>42,794</i>
NET OPERATING BALANCE	621	972	1,016	1,184	902	941
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-65	-215	-265	30	145	154
Provision for doubtful debts	-72	-34	-35	-33	-32	-32
Changes in accounting policy/adjustment of prior periods	-44	-	-	-	-	-
<i>Total other economic flows</i>	<i>-181</i>	<i>-249</i>	<i>-300</i>	<i>-4</i>	<i>112</i>	<i>121</i>
OPERATING RESULT	440	723	716	1,181	1,015	1,062
<i>Other non-owner movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	459	618	580	-33	687	585
Net actuarial gains/-loss - superannuation	-27	2	1	3	3	3
Gains recognised directly in equity	4	-	-	-	1	2
All other	-105	-	-	-	-	-
<i>Total other non-owner movements in equity</i>	<i>331</i>	<i>620</i>	<i>581</i>	<i>-31</i>	<i>691</i>	<i>590</i>
<i>Movements in owner equity</i>						
Dividends	-162	-2,269	-2,348	-1,348	-1,374	-1,361
Capital injections	652	1,424	1,277	1,640	1,346	853
<i>Total movements in owner equity</i>	<i>490</i>	<i>-845</i>	<i>-1,071</i>	<i>292</i>	<i>-28</i>	<i>-507</i>
TOTAL CHANGE IN NET WORTH	1,261	498	226	1,442	1,677	1,144
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	621	972	1,016	1,184	902	941
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	2,683	4,593	4,344	5,109	3,800	3,457
Changes in inventories	2,050	119	124	108	128	106
Other movement in non-financial assets	109	134	130	144	167	176
<i>Less:</i>						
Sales of non-financial assets	311	408	434	650	656	634
Depreciation	2,152	2,183	2,202	2,270	2,341	2,403
<i>Total net acquisition of non-financial assets</i>	<i>2,380</i>	<i>2,255</i>	<i>1,963</i>	<i>2,441</i>	<i>1,099</i>	<i>701</i>
NET LENDING/-BORROWING	-1,758	-1,282	-947	-1,256	-197	240

Note: Columns may not add due to rounding.

Table 1.5

PUBLIC NON-FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2020	2021	2021	2022	2023	2024
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	2,938	1,701	1,674	1,574	1,707	1,780
Advances paid	-	-	-	-	-	-
Investments, loans and placements	5,407	6,123	6,168	6,252	6,239	6,250
Receivables	2,026	2,079	2,050	1,953	1,943	1,929
Shares and other equity						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	9	25	25	22	19	17
Other financial assets	580	438	488	340	305	249
Total financial assets	10,960	10,366	10,405	10,142	10,214	10,224
<i>Non-financial assets</i>						
Land	8,361	8,276	8,276	7,859	8,095	8,338
Property, plant and equipment	56,208	58,350	58,073	60,778	62,244	63,371
Right-of-use assets	494	459	435	509	454	393
Biological assets	209	212	212	211	216	220
Inventories						
Land inventories	1,809	2,141	2,086	2,149	2,122	2,089
Other inventories	6,325	6,444	6,449	6,557	6,686	6,792
Intangibles	445	425	422	395	378	378
Non-current assets held for sale	16	16	12	12	12	12
Investment property	26	45	45	45	39	39
Other	190	284	322	290	243	181
Total non-financial assets	74,081	76,650	76,332	78,805	80,488	81,812
TOTAL ASSETS	85,041	87,016	86,737	88,947	90,702	92,036
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	326	309	309	291	273	256
Borrowings						
Lease liabilities	815	1,069	1,058	1,075	945	793
Other borrowings	23,310	24,951	24,962	25,718	25,960	26,331
Unfunded superannuation	97	83	90	79	73	71
Other employee benefits	423	392	392	395	399	399
Payables	8,488	8,311	8,301	8,431	8,440	8,512
Other liabilities	1,796	1,619	1,613	1,504	1,480	1,397
TOTAL LIABILITIES	35,255	36,733	36,725	37,493	37,571	37,760
NET ASSETS	49,786	50,283	50,012	51,454	53,131	54,275
<i>Of which:</i>						
Contributed equity	10,887	12,312	12,164	13,804	15,150	16,003
Accumulated surplus	17,448	18,106	17,997	17,763	17,352	16,989
Other reserves	21,450	19,865	19,850	19,886	20,629	21,284
NET WORTH	49,786	50,283	50,012	51,454	53,131	54,275
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-24,295</i>	<i>-26,367</i>	<i>-26,320</i>	<i>-27,351</i>	<i>-27,357</i>	<i>-27,537</i>
<i>Net debt</i>						
Gross debt liabilities	24,451	26,329	26,329	27,085	27,178	27,380
Less : liquid financial assets	8,345	7,824	7,842	7,826	7,947	8,029
Net debt	16,106	18,505	18,487	19,258	19,231	19,351

Note: Columns may not add due to rounding.

Table 1.6

PUBLIC NON-FINANCIAL CORPORATIONS
Cash Flow Statement

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Grants and subsidies received	2,507	3,595	3,639	2,606	2,287	2,261
Receipts from sales of goods and services	25,130	26,102	25,688	26,176	26,292	26,703
Interest receipts	129	121	121	133	137	140
Dividends and tax equivalents	61	63	63	88	99	107
Other receipts	1,361	1,033	1,038	1,109	1,046	994
Total cash received	29,189	30,913	30,548	30,112	29,861	30,204
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-1,184	-1,433	-1,495	-1,429	-1,471	-1,501
Payments for goods and services	-19,602	-20,973	-20,543	-20,366	-20,464	-20,520
Interest paid	-689	-599	-566	-556	-546	-554
Grants and subsidies paid	-708	-731	-769	-714	-724	-728
Tax equivalents	-614	-764	-683	-676	-708	-747
Other payments	-3,628	-4,117	-4,118	-3,039	-2,909	-3,064
Total cash paid	-26,424	-28,617	-28,175	-26,779	-26,822	-27,113
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,764	2,296	2,373	3,333	3,039	3,091
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-2,683	-4,593	-4,344	-5,109	-3,800	-3,457
Sales of non-financial assets	311	408	434	650	656	634
Total cash flows from investments in non-financial assets	-2,372	-4,185	-3,911	-4,459	-3,145	-2,822
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	74	67	54	10	5	18
<i>Cash paid</i>						
For policy purposes	-21	-22	-23	-25	-4	-
For liquidity purposes	-30	-23	-34	-14	-7	-21
Total cash flows from investments in financial assets	23	21	-3	-29	-6	-3
NET CASH FLOWS FROM INVESTING ACTIVITIES	-2,349	-4,164	-3,913	-4,488	-3,150	-2,825
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	7,014	6,791	6,847	4,798	6,728	5,345
Deposits received	-	-	-	-	-	-
Other financing receipts	902	1,918	1,726	1,904	1,521	949
Total cash received	7,916	8,709	8,573	6,702	8,249	6,294
<i>Cash paid</i>						
Advances paid	-17	-17	-17	-18	-18	-18
Borrowings repaid	-6,565	-5,682	-5,727	-4,171	-6,478	-4,969
Deposits paid	-	-	-	-	-	-
Other financing payments	-172	-176	-175	-157	-136	-138
Dividends paid	-162	-2,204	-2,348	-1,348	-1,374	-1,361
Total cash paid	-6,917	-8,079	-8,268	-5,693	-8,005	-6,485
NET CASH FLOWS FROM FINANCING ACTIVITIES	1,000	629	305	1,009	244	-191
Net increase in cash and cash equivalents	1,415	-1,239	-1,235	-146	133	74
Cash and cash equivalents at the beginning of the year	1,818	3,233	3,233	1,998	1,852	1,985
Cash and cash equivalents at the end of the year	3,233	1,994	1,998	1,852	1,985	2,059
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	2,764	2,296	2,373	3,333	3,039	3,091
Net cash flows from investing in non-financial assets	-2,372	-4,185	-3,911	-4,459	-3,145	-2,822
Dividends paid	-162	-2,204	-2,348	-1,348	-1,374	-1,361
Cash surplus/deficit	230	-4,093	-3,885	-2,474	-1,480	-1,092

Note: Columns may not add due to rounding.

Table 1.7

TOTAL NON-FINANCIAL PUBLIC SECTOR
Operating Statement

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
<i>Results from Transactions</i>						
REVENUE						
Taxation	8,554	8,323	8,833	8,878	9,264	9,627
Current grants and subsidies	9,379	8,861	9,200	9,899	10,238	11,353
Capital grants	642	1,026	1,164	1,678	1,541	1,163
Sales of goods and services	36,251	42,658	41,723	42,141	42,606	43,174
Interest income	229	202	202	222	212	217
Royalty income	8,450	8,287	8,660	5,701	5,760	5,793
Dividend and tax equivalents	415	831	836	210	233	245
Other	980	913	907	911	949	959
Total	64,899	71,101	71,525	69,640	70,802	72,531
EXPENSES						
Salaries	13,989	14,248	14,422	14,481	14,822	15,306
Superannuation						
Concurrent costs	1,385	1,414	1,431	1,500	1,600	1,721
Superannuation interest cost	89	74	72	84	96	109
Other employee costs	355	304	306	294	299	303
Depreciation and amortisation	3,899	4,029	4,018	4,095	4,172	4,225
Services and contracts	3,374	3,469	3,532	3,312	3,164	3,167
Other gross operating expenses	34,286	41,135	40,206	39,500	40,120	40,690
Interest						
Interest on leases	230	233	223	219	210	196
Other interest	1,289	1,201	1,157	1,119	1,090	1,084
Current transfers	3,693	4,684	4,818	3,883	3,692	3,655
Capital transfers	178	394	502	264	186	191
Total	62,769	71,186	70,689	68,749	69,451	70,646
NET OPERATING BALANCE	2,131	-85	837	891	1,350	1,885
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-92	-232	-278	43	153	144
Provision for doubtful debts	-198	-48	-49	-47	-46	-46
Changes in accounting policy/adjustment of prior periods	13	-	-	-	-	-
Total other economic flows	-277	-281	-327	-5	106	97
OPERATING RESULT	1,854	-366	510	886	1,457	1,982
<i>All other movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	850	711	661	687	1,732	1,967
Net actuarial gains/-loss - superannuation	-22	-205	-227	-162	-160	-143
Gains recognised directly in equity	-1	-62	-53	-53	-51	-51
Change in net worth of the PFC sector	-493	210	210	184	153	174
All other	-344	-	-	-	-	-
Total all other movements in equity	-9	654	590	655	1,674	1,947
TOTAL CHANGE IN NET WORTH	1,845	288	1,100	1,541	3,130	3,929
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	2,131	-85	837	891	1,350	1,885
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	5,185	7,544	7,563	8,475	6,708	6,061
Changes in inventories	2,088	140	172	108	128	106
Other movement in non-financial assets	94	134	136	144	167	143
<i>Less:</i>						
Sales of non-financial assets	1,735	489	514	692	754	721
Depreciation	3,899	4,029	4,018	4,095	4,172	4,225
Total net acquisition of non-financial assets	1,732	3,300	3,338	3,941	2,078	1,365
NET LENDING/-BORROWING	399	-3,385	-2,501	-3,050	-727	520

Note: Columns may not add due to rounding.

2020-21 Government Mid-year Financial Projections Statement

Table 1.8

TOTAL NON-FINANCIAL PUBLIC SECTOR Balance Sheet at 30 June

	2020	2021	2021	2022	2023	2024
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	1,995	1,464	1,467	1,657	1,831	1,919
Advances paid	389	439	467	469	475	484
Investments, loans and placements	11,270	9,499	10,645	9,852	9,002	9,218
Receivables	5,824	5,151	4,883	4,388	4,398	4,371
Shares and other equity						
Investments in other public sector entities - equity method	1,778	2,000	2,000	2,167	2,337	2,529
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	32	48	48	45	42	39
Other financial assets	8	8	8	9	9	9
Total financial assets	21,294	18,608	19,518	18,586	18,094	18,570
<i>Non-financial assets</i>						
Land	43,599	43,628	43,639	43,507	44,369	45,307
Property, plant and equipment	102,570	106,512	106,510	111,635	114,982	117,798
Right-of-use assets	2,973	2,881	2,878	2,937	2,724	2,536
Biological assets	317	321	321	320	325	329
Inventories						
Land inventories	1,809	2,141	2,086	2,149	2,122	2,089
Other inventories	6,433	6,573	6,605	6,713	6,841	6,948
Intangibles	1,047	1,009	1,006	968	913	879
Non-current assets held for sale	37	33	29	29	29	29
Investment property	33	51	51	51	46	46
Other	419	494	536	503	455	391
Total non-financial assets	159,238	163,645	163,662	168,813	172,806	176,352
TOTAL ASSETS	180,532	182,253	183,180	187,398	190,900	194,922
LIABILITIES						
Deposits held	14	14	14	14	14	14
Advances received	326	309	309	291	273	256
Borrowings						
Lease liabilities	3,471	4,061	4,063	4,075	3,796	3,504
Other borrowings	49,700	51,056	51,092	53,890	54,680	55,150
Unfunded superannuation	6,915	6,726	6,775	6,640	6,533	6,485
Other employee benefits	3,966	3,965	3,956	3,988	4,027	4,040
Payables	9,812	9,670	9,660	9,784	9,804	9,887
Other liabilities	3,889	3,726	3,772	3,637	3,564	3,448
TOTAL LIABILITIES	78,094	79,527	79,642	82,319	82,690	82,784
NET ASSETS	102,438	102,726	103,538	105,079	108,210	112,138
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	25,043	26,322	27,142	27,743	28,924	30,640
Other reserves	77,396	76,404	76,396	77,336	79,285	81,498
NET WORTH	102,438	102,726	103,538	105,079	108,210	112,138
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-56,800</i>	<i>-60,919</i>	<i>-60,124</i>	<i>-63,733</i>	<i>-64,596</i>	<i>-64,214</i>
<i>Net financial liabilities</i>	<i>58,578</i>	<i>62,919</i>	<i>62,124</i>	<i>65,900</i>	<i>66,933</i>	<i>66,743</i>
<i>Net debt</i>						
Gross debt liabilities	53,511	55,440	55,478	58,270	58,763	58,924
Less: liquid financial assets	13,653	11,401	12,579	11,978	11,309	11,621
Net debt	39,858	44,038	42,899	46,293	47,454	47,302

Note: Columns may not add due to rounding.

Table 1.9

TOTAL NON-FINANCIAL PUBLIC SECTOR
Cash Flow Statement

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	8,496	8,221	8,730	8,885	9,278	9,634
Grants and subsidies received	11,825	11,564	11,919	13,528	13,820	14,629
Receipts from sales of goods and services	27,051	28,162	27,727	28,352	28,537	29,013
Interest receipts	226	195	194	212	207	212
Dividends and tax equivalents	355	856	861	198	225	247
Other receipts	11,808	11,409	11,986	8,617	8,201	8,175
<i>Total cash received</i>	<i>59,760</i>	<i>60,407</i>	<i>61,417</i>	<i>59,792</i>	<i>60,268</i>	<i>61,911</i>
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-15,375	-16,145	-16,318	-16,342	-16,758	-17,327
Payments for goods and services	-27,194	-28,817	-28,487	-27,658	-27,992	-28,252
Interest paid	-1,572	-1,397	-1,350	-1,293	-1,256	-1,236
Grants and subsidies paid	-4,809	-5,460	-5,579	-5,561	-5,378	-5,387
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-5,105	-5,285	-5,280	-4,173	-4,024	-4,173
<i>Total cash paid</i>	<i>-54,056</i>	<i>-57,105</i>	<i>-57,015</i>	<i>-55,028</i>	<i>-55,408</i>	<i>-56,375</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	5,704	3,302	4,403	4,764	4,860	5,535
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-5,185	-7,544	-7,563	-8,475	-6,708	-6,061
Sales of non-financial assets	1,735	489	514	692	754	721
<i>Total cash flows from investments in non-financial assets</i>	<i>-3,449</i>	<i>-7,055</i>	<i>-7,048</i>	<i>-7,784</i>	<i>-5,954</i>	<i>-5,340</i>
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	64	10	10	10	10	10
For liquidity purposes	130	110	112	70	21	30
<i>Cash paid</i>						
For policy purposes	-63	-10	-10	-10	-10	-10
For liquidity purposes	-67	-48	-82	-18	-11	-23
<i>Total cash flows from investments in financial assets</i>	<i>64</i>	<i>61</i>	<i>30</i>	<i>51</i>	<i>10</i>	<i>7</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-3,386	-6,994	-7,019	-7,732	-5,944	-5,333
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	7,859	7,075	7,155	6,952	7,390	5,565
Deposits received	-	-	-	-	-	-
Other financing receipts	300	21	21	7	11	19
<i>Total cash received</i>	<i>8,159</i>	<i>7,095</i>	<i>7,176</i>	<i>6,959</i>	<i>7,401</i>	<i>5,584</i>
<i>Cash paid</i>						
Advances paid	-17	-17	-17	-18	-18	-18
Borrowings repaid	-7,944	-5,800	-5,847	-4,284	-6,592	-5,089
Deposits paid	-	-	-	-	-	-
Other financing payments	-462	-453	-441	-394	-369	-373
<i>Total cash paid</i>	<i>-8,424</i>	<i>-6,270</i>	<i>-6,305</i>	<i>-4,695</i>	<i>-6,979</i>	<i>-5,481</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	-264	825	871	2,264	422	104
Net increase in cash and cash equivalents	2,055	-2,867	-1,745	-704	-662	306
Cash and cash equivalents at the beginning of the year	6,822	8,876	8,876	7,131	6,427	5,765
Cash and cash equivalents at the end of the year	8,876	6,010	7,131	6,427	5,765	6,071
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	5,704	3,302	4,403	4,764	4,860	5,535
Net cash flows from investing in non-financial assets	-3,449	-7,055	-7,048	-7,784	-5,954	-5,340
Cash surplus/-deficit	2,255	-3,753	-2,646	-3,020	-1,094	195

Note: Columns may not add due to rounding.

Table 1.10

PUBLIC FINANCIAL CORPORATIONS
Operating Statement

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
<i>Results from Transactions</i>						
REVENUE						
Current grants and subsidies	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Sales of goods and services	1,186	1,870	1,870	1,253	1,309	1,369
Interest income	1,626	1,699	1,421	1,515	1,603	1,652
Other	100	112	127	129	121	132
<i>Total</i>	<i>2,912</i>	<i>3,681</i>	<i>3,418</i>	<i>2,897</i>	<i>3,033</i>	<i>3,153</i>
EXPENSES						
Salaries	62	67	67	67	68	70
Superannuation						
Concurrent costs	6	7	7	7	7	8
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	1	2	2	2	2	2
Depreciation and amortisation	8	9	9	10	10	10
Services and contracts	11	11	11	12	13	13
Other gross operating expenses	1,127	1,295	1,310	1,347	1,362	1,415
Interest						
Interest on leases	1	1	1	1	-	-
Other interest	1,344	1,480	1,201	1,280	1,361	1,409
Tax equivalents	123	236	236	46	55	63
Current transfers	4	5	5	5	5	5
Capital transfers	16	10	10	15	15	15
<i>Total</i>	<i>2,704</i>	<i>3,121</i>	<i>2,858</i>	<i>2,792</i>	<i>2,898</i>	<i>3,008</i>
NET OPERATING BALANCE	208	560	560	105	135	145
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-316	271	271	209	228	248
Provision for doubtful debts	-	-	-	-	-	-
Changes in accounting policy/adjustment of prior periods	8	-	-	-	-	-
<i>Total other economic flows</i>	<i>-307</i>	<i>271</i>	<i>271</i>	<i>209</i>	<i>228</i>	<i>248</i>
OPERATING RESULT	-99	831	831	315	363	393
<i>Other non-owner movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	-	-	4	-	-	-
Net actuarial gains/-loss - superannuation	-	-	-	-	-	-
Gains recognised directly in equity	1	-	-	-	-	-
All other	-2	-	-	-	-	-
<i>Total other non-owner movements in equity</i>	<i>-1</i>	<i>-</i>	<i>4</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Movements in owner equity</i>						
Dividends	-292	-595	-600	-164	-177	-182
Capital injections	-50	-13	-13	16	-17	-19
<i>Total movements in owner equity</i>	<i>-343</i>	<i>-608</i>	<i>-613</i>	<i>-147</i>	<i>-194</i>	<i>-201</i>
TOTAL CHANGE IN NET WORTH	-443	223	222	167	169	192
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	208	560	560	105	135	145
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	4	5	5	6	6	7
Changes in inventories	-	-	-	-	-	-
Other movement in non-financial assets	-	-	-	-	-	-
<i>Less:</i>						
Sales of non-financial assets	-	-	-	-	-	-
Depreciation	8	9	9	10	10	10
<i>Total net acquisition of non-financial assets</i>	<i>-5</i>	<i>-4</i>	<i>-4</i>	<i>-4</i>	<i>-3</i>	<i>-3</i>
NET LENDING-BORROWING	213	564	564	110	138	148

Note: Columns may not add due to rounding.

Table 1.11

PUBLIC FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2020	2021	2021	2022	2023	2024
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	354	341	337	346	355	363
Advances paid	4,873	5,671	5,671	5,836	5,836	5,840
Investments, loans and placements	67,860	70,187	70,220	73,455	74,634	75,492
Receivables	651	698	698	707	717	726
Shares and other equity						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	1,812	1,985	1,985	2,180	2,385	2,599
Other financial assets	7	7	7	7	7	7
Total financial assets	75,558	78,888	78,917	82,531	83,934	85,027
<i>Non-financial assets</i>						
Land	-	-4	-	-	-	-
Property, plant and equipment	4	5	5	4	4	4
Right-of-use assets	24	20	20	16	13	9
Biological assets	-	-	-	-	-	-
Inventories						
Land inventories	-	-	-	-	-	-
Other inventories	-	-	-	-	-	-
Intangibles	7	7	7	7	7	7
Non-current assets held for sale	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
Other	5	5	5	5	5	5
Total non-financial assets	41	33	37	33	29	26
TOTAL ASSETS	75,599	78,921	78,954	82,563	83,963	85,053
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	3	3	3	3	3	3
Borrowings						
Lease liabilities	29	25	25	21	17	12
Other borrowings	68,646	71,391	71,425	74,459	75,285	75,784
Unfunded superannuation	5	5	5	5	6	6
Other employee benefits	15	16	16	16	17	17
Payables	319	269	269	276	284	291
Other liabilities	4,803	5,212	5,212	5,617	6,016	6,411
TOTAL LIABILITIES	73,821	76,920	76,954	80,396	81,626	82,524
NET ASSETS	1,778	2,000	2,000	2,167	2,337	2,529
<i>Of which:</i>						
Contributed equity	-286	-299	-299	-282	-299	-318
Accumulated surplus	2,041	2,258	2,253	2,381	2,538	2,716
Other reserves	23	41	45	68	97	131
NET WORTH	1,778	2,000	2,000	2,167	2,337	2,529
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>1,737</i>	<i>1,968</i>	<i>1,963</i>	<i>2,135</i>	<i>2,307</i>	<i>2,503</i>
<i>Net debt</i>						
Gross debt liabilities	68,678	71,419	71,453	74,482	75,304	75,799
Less: liquid financial assets	73,088	76,199	76,227	79,637	80,825	81,695
Net debt	-4,409	-4,779	-4,775	-5,155	-5,521	-5,896

Note: Columns may not add due to rounding.

Table 1.12

PUBLIC FINANCIAL CORPORATIONS
Cash Flow Statement

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Grants and subsidies received	-	5	5	5	5	5
Receipts from sales of goods and services	1,203	1,998	1,998	1,437	1,512	1,590
Interest receipts	1,712	1,699	1,421	1,515	1,603	1,652
Dividends and tax equivalents	-	-	-	-	-	-
Other receipts	163	175	190	188	178	186
Total cash received	3,078	3,878	3,614	3,146	3,298	3,433
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-66	-73	-73	-74	-75	-77
Payments for goods and services	-866	-934	-950	-977	-1,002	-1,049
Interest paid	-1,665	-1,479	-1,201	-1,279	-1,360	-1,408
Grants and subsidies paid	-	-	-	-	-	-
Tax equivalents	-88	-764	-286	-46	-55	-63
Other payments	-160	-167	-167	-174	-182	-190
Total cash paid	-2,845	-3,418	-2,677	-2,550	-2,674	-2,786
NET CASH FLOWS FROM OPERATING ACTIVITIES	233	460	937	596	624	647
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-4	-5	-5	-6	-6	-7
Sales of non-financial assets	-	-	-	-	-	-
Total cash flows from investments in non-financial assets	-4	-5	-5	-6	-6	-7
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	11,914	6,910	6,910	7,210	7,214	7,308
<i>Cash paid</i>						
For policy purposes	-70	-1	-1	-1	-8	-17
For liquidity purposes	-14,128	-8,003	-8,003	-7,756	-7,605	-7,710
Total cash flows from investments in financial assets	-2,284	-1,094	-1,094	-547	-398	-419
NET CASH FLOWS FROM INVESTING ACTIVITIES	-2,287	-1,099	-1,098	-553	-405	-425
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	28,790	28,812	28,845	28,928	27,888	26,773
Deposits received	-	-	-	-	-	-
Other financing receipts	19	36	36	24	-	-
Total cash received	28,809	28,848	28,881	28,952	27,888	26,773
<i>Cash paid</i>						
Advances paid	-	-	-	-	-	-
Borrowings repaid	-26,254	-28,069	-28,102	-28,801	-27,899	-26,775
Deposits paid	-	-	-	-	-	-
Other financing payments	-4	-5	-5	-5	-5	-4
Dividends paid	-267	-92	-574	-152	-170	-184
Total cash paid	-26,526	-28,166	-28,681	-28,959	-28,073	-26,964
NET CASH FLOWS FROM FINANCING ACTIVITIES	2,283	682	200	-7	-185	-191
Net increase in cash and cash equivalents	229	43	39	36	34	31
Cash and cash equivalents at the beginning of the year	1,890	2,119	2,119	2,158	2,194	2,228
Cash and cash equivalents at the end of the year	2,119	2,162	2,158	2,194	2,228	2,259
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	233	460	937	596	624	647
Net cash flows from investing in non-financial assets	-4	-5	-5	-6	-6	-7
Dividends paid	-267	-92	-574	-152	-170	-184
Cash surplus/-deficit	-38	363	358	437	448	456

Note: Columns may not add due to rounding.

Table 1.13

TOTAL PUBLIC SECTOR Operating Statement

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
<i>Results from Transactions</i>						
REVENUE						
Taxation	8,550	8,319	8,828	8,874	9,259	9,623
Current grants and subsidies	9,379	8,861	9,200	9,899	10,238	11,353
Capital grants	642	1,026	1,164	1,678	1,541	1,163
Sales of goods and services	37,054	44,136	43,199	42,997	43,508	44,121
Interest income	555	664	424	567	671	739
Royalty income	8,450	8,287	8,660	5,701	5,760	5,793
Other	1,077	1,011	1,005	1,021	1,069	1,089
<i>Total</i>	<i>65,706</i>	<i>72,303</i>	<i>72,480</i>	<i>70,737</i>	<i>72,046</i>	<i>73,881</i>
EXPENSES						
Salaries	14,051	14,315	14,489	14,549	14,890	15,376
Superannuation						
Concurrent costs	1,392	1,421	1,438	1,506	1,607	1,729
Superannuation interest cost	89	74	72	84	96	109
Other employee costs	356	306	307	296	301	305
Depreciation and amortisation	3,908	4,038	4,027	4,105	4,181	4,234
Services and contracts	3,385	3,469	3,532	3,312	3,164	3,167
Other gross operating expenses	35,027	42,035	41,105	40,442	41,087	41,695
Interest						
Interest on leases	231	234	224	219	210	196
Other interest	1,333	1,442	1,159	1,230	1,307	1,362
Current transfers	3,693	4,685	4,818	3,883	3,693	3,655
Capital transfers	194	404	513	279	202	206
<i>Total</i>	<i>63,659</i>	<i>72,423</i>	<i>71,683</i>	<i>69,905</i>	<i>70,738</i>	<i>72,033</i>
NET OPERATING BALANCE	2,047	-120	797	833	1,308	1,848
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-408	-47	-93	252	381	392
Provision for doubtful debts	-198	-48	-49	-47	-46	-46
Changes in accounting policy/adjustment of prior periods	-79	-	-	-	-	-
<i>Total other economic flows</i>	<i>-685</i>	<i>-96</i>	<i>-142</i>	<i>205</i>	<i>334</i>	<i>345</i>
OPERATING RESULT	1,362	-216	655	1,037	1,643	2,193
<i>All other movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	850	771	725	719	1,699	1,930
Net actuarial gains/-loss - superannuation	-22	-205	-227	-162	-160	-143
Gains recognised directly in equity	-	-62	-53	-53	-51	-51
All other	-345	-	-	-	-	-
<i>Total all other movements in equity</i>	<i>483</i>	<i>504</i>	<i>445</i>	<i>504</i>	<i>1,488</i>	<i>1,736</i>
TOTAL CHANGE IN NET WORTH	1,845	288	1,100	1,541	3,130	3,929
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	2,047	-120	797	833	1,308	1,848
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	5,188	7,549	7,568	8,482	6,714	6,068
Changes in inventories	2,088	140	172	108	128	106
Other movement in non-financial assets	94	134	136	144	167	143
<i>Less:</i>						
Sales of non-financial assets	1,736	489	515	692	754	722
Depreciation	3,908	4,038	4,027	4,105	4,181	4,234
<i>Total net acquisition of non-financial assets</i>	<i>1,727</i>	<i>3,296</i>	<i>3,334</i>	<i>3,937</i>	<i>2,074</i>	<i>1,362</i>
NET LENDING/-BORROWING	320	-3,416	-2,537	-3,104	-766	486

Note: Columns may not add due to rounding.

2020-21 Government Mid-year Financial Projections Statement

Table 1.14

TOTAL PUBLIC SECTOR Balance Sheet at 30 June

	2020	2021	2021	2022	2023	2024
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	2,346	1,802	1,801	2,001	2,184	2,280
Advances paid	5,259	6,107	6,135	6,302	6,308	6,321
Investments, loans and placements	25,495	23,282	24,428	23,944	23,492	24,090
Receivables	5,923	5,347	5,082	4,596	4,618	4,614
Equity - Investments in other entities	1,844	2,033	2,033	2,224	2,426	2,639
Other financial assets	15	15	15	15	16	16
Total financial assets	40,882	38,585	39,493	39,083	39,044	39,959
<i>Non-financial assets</i>						
Land	43,599	43,624	43,639	43,507	44,369	45,307
Property, plant and equipment	102,575	106,516	106,514	111,639	114,986	117,802
Right-of-use assets	2,997	2,902	2,898	2,954	2,737	2,545
Biological assets	317	321	321	320	325	329
Inventories						
Land inventories	1,809	2,141	2,086	2,149	2,122	2,089
Other inventories	6,433	6,573	6,605	6,713	6,841	6,948
Intangibles	1,054	1,016	1,013	975	919	887
Non-current assets held for sale	37	33	29	29	29	29
Investment property	33	51	51	51	46	46
Other	424	499	541	508	460	396
Total non-financial assets	159,279	163,677	163,699	168,845	172,835	176,378
TOTAL ASSETS	200,161	202,263	203,192	207,928	211,879	216,337
LIABILITIES						
Deposits held	12	12	12	12	12	12
Advances received	326	309	309	291	273	256
Borrowings						
Lease liabilities	3,500	4,086	4,088	4,096	3,812	3,516
Other borrowings	64,711	66,043	66,080	68,986	69,819	70,313
Unfunded superannuation	6,920	6,731	6,780	6,646	6,539	6,491
Other employee benefits	3,981	3,981	3,971	4,004	4,043	4,057
Payables	9,978	9,834	9,824	9,954	9,984	10,074
Other liabilities	8,294	8,541	8,591	8,860	9,187	9,480
TOTAL LIABILITIES	97,723	99,537	99,654	102,849	103,670	104,199
NET ASSETS	102,438	102,726	103,538	105,079	108,210	112,138
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	27,083	28,581	29,395	30,125	31,463	33,356
Other reserves	75,355	74,145	74,143	74,955	76,747	78,782
NET WORTH	102,438	102,726	103,538	105,079	108,210	112,138
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-56,841</i>	<i>-60,951</i>	<i>-60,161</i>	<i>-63,766</i>	<i>-64,625</i>	<i>-64,240</i>
<i>Net financial liabilities</i>	<i>56,841</i>	<i>60,951</i>	<i>60,161</i>	<i>63,766</i>	<i>64,625</i>	<i>64,240</i>
<i>Net debt</i>						
Gross debt liabilities	68,549	70,450	70,488	73,385	73,917	74,097
Less: liquid financial assets	33,100	31,191	32,364	32,247	31,984	32,690
Net debt	35,449	39,259	38,125	41,138	41,933	41,407

Note: Columns may not add due to rounding.

Table 1.15

TOTAL PUBLIC SECTOR
Cash Flow Statement

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	8,492	8,212	8,721	8,876	9,269	9,625
Grants and subsidies received	11,825	11,564	11,919	13,528	13,820	14,629
Receipts from sales of goods and services	27,956	29,769	29,331	29,390	29,643	30,181
Interest receipts	565	659	415	569	682	754
Dividends and tax equivalents	-	-	-	-	-	-
Other	11,965	11,566	12,144	8,781	8,373	8,355
Total cash received	60,802	61,770	62,530	61,145	61,787	63,544
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-15,441	-16,218	-16,391	-16,416	-16,833	-17,403
Payments for goods and services	-27,762	-29,359	-29,042	-28,236	-28,586	-28,878
Interest paid	-1,864	-1,642	-1,351	-1,415	-1,488	-1,533
Grants and subsidies paid	-4,810	-5,455	-5,574	-5,556	-5,373	-5,383
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-5,256	-5,427	-5,407	-4,315	-4,193	-4,349
Total cash paid	-55,132	-58,100	-57,765	-55,938	-56,473	-57,546
NET CASH FLOWS FROM OPERATING ACTIVITIES	5,670	3,669	4,765	5,207	5,314	5,998
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-5,188	-7,549	-7,568	-8,482	-6,714	-6,068
Sales of non-financial assets	1,736	489	515	692	754	722
Total cash flows from investments in non-financial assets	-3,453	-7,060	-7,053	-7,790	-5,960	-5,346
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	64	10	10	10	10	10
For liquidity purposes	12,044	7,020	7,023	7,280	7,235	7,338
<i>Cash paid</i>						
For policy purposes	-63	-10	-10	-10	-10	-10
For liquidity purposes	-14,195	-8,052	-8,086	-7,774	-7,616	-7,733
Total cash flows from investments in financial assets	-2,150	-1,032	-1,063	-495	-381	-395
NET CASH FLOWS FROM INVESTING ACTIVITIES	-5,603	-8,092	-8,116	-8,284	-6,341	-5,741
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	20,848	23,014	23,000	24,646	21,298	21,686
Deposits received	-	-	-	-	-	-
Other financing receipts	231	20	20	7	3	3
Total cash received	21,078	23,033	23,020	24,653	21,302	21,689
<i>Cash paid</i>						
Advances paid	-17	-17	-17	-18	-18	-18
Borrowings repaid	-18,397	-20,996	-20,949	-21,852	-20,511	-21,212
Deposits paid	-	-	-	-	-	-
Other financing payments	-448	-421	-409	-374	-374	-378
Total cash paid	-18,862	-21,434	-21,375	-22,244	-20,903	-21,608
NET CASH FLOWS FROM FINANCING ACTIVITIES	2,217	1,599	1,645	2,409	399	81
Net increase in cash and cash equivalents	2,284	-2,823	-1,706	-668	-628	337
Cash and cash equivalents at the beginning of the year	8,710	10,994	10,994	9,287	8,619	7,991
Cash and cash equivalents at the end of the year	10,994	8,170	9,287	8,619	7,991	8,328
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	5,670	3,669	4,765	5,207	5,314	5,998
Net cash flows from investing in non-financial assets	-3,453	-7,060	-7,053	-7,790	-5,960	-5,346
Cash surplus/-deficit	2,217	-3,391	-2,288	-2,583	-646	652

Note: Columns may not add due to rounding.

NOTE 1: STATEMENT OF COMPLIANCE

The public sector financial statements projections presented in this appendix have been prepared in accordance with Australian Accounting Standards and the Australian Bureau of Statistics' *Government Finance Statistics Concepts, Sources and Methods 2015*.

The presentation in this appendix is consistent with AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements constitute general purpose financial reports for the total public sector (also known as the whole of government), general government sector, and each of the subsidiary public corporations sectors. The financial projections of the consolidated general government (centrally funded agencies such as the Department of Education and WA Health) and the public non-financial corporations (such as water and electricity utilities, and the ports) are also presented as the total non-financial public sector.

The financial projections are a requirement of the *Government Financial Responsibility Act 2000*.

(a) The reporting entity

The reporting entity is the Government of Western Australia (the public sector) and includes entities under its control.

The following table provides detail of current and capital transfer expenses of the general government sector, in line with UPF disclosure requirements.

(b) Basis of preparation

These financial projections do not include all the notes of the type normally included in an annual financial report. The accounting policies adopted in this publication are consistent with those outlined in the 2018-19 *Annual Report on State Finances* (ARSF), which are described in detail in Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2019-20 ARSF.

The projections are presented in Australian dollars and all amounts are rounded to the nearest million dollars (\$m).

(c) Unaudited data

These financial projections are not audited.

NOTE 3: GENERAL GOVERNMENT OPERATING REVENUE

A detailed dissection of general government revenue is included at Appendix 2: *General Government Operating Revenue*.

NOTE 4: GENERAL GOVERNMENT REVENUE FROM PUBLIC CORPORATIONS

The following table provides detail of general government revenue from public corporations (dividend and income tax equivalent income) in line with UPF disclosure requirements.

GENERAL GOVERNMENT REVENUE FROM PUBLIC CORPORATIONS						
	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
<i>Dividends</i>						
From public non-financial corporations	162	2,269	2,348	1,348	1,374	1,361
From public financial corporations	229	507	512	64	71	78
<i>Total dividends</i>	392	2,776	2,860	1,412	1,444	1,439
<i>Tax equivalent income</i>						
From public non-financial corporations	609	665	625	685	705	744
From public financial corporations	123	236	236	46	55	63
<i>Total tax equivalent income</i>	732	902	861	731	760	807
Total revenue from public corporations	1,123	3,678	3,721	2,143	2,205	2,246

Note: Columns may not add due to rounding.

NOTE 5: GENERAL GOVERNMENT TRANSFER EXPENSES

Transfer expenses are defined as the provision of something of value for no specific return or consideration and include transactions such as grants, subsidies, donations, and transfers of assets free of charge.

The following table provides detail of current and capital transfer expenses of the general government sector, in line with UPF disclosure requirements.

TRANSFER EXPENSES ^(a)**General Government**

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	\$m	Revision	Estimate	Estimate	Estimate
			\$m	\$m	\$m	\$m
CURRENT TRANSFERS						
Local government	323	465	457	386	335	300
Local government on-passing	-	-	-	-	-	-
Private and not-for-profit sector	1,609	2,037	2,155	1,774	1,597	1,551
Private and not-for-profit sector on-passing	-	-	-	-	-	-
Other sectors of government	3,071	4,164	4,235	3,387	3,208	3,204
Total Current Transfers	5,003	6,665	6,846	5,548	5,140	5,054
CAPITAL TRANSFERS						
Local government	96	62	69	56	69	82
Local government on-passing	-	-	-	-	-	-
Private and not-for-profit sector	68	332	433	205	114	109
Private and not-for-profit sector on-passing	-	-	-	-	-	-
Other sectors of government	64	138	120	136	33	50
Total Capital Transfers	228	532	622	397	216	241

(a) Includes grants, subsidies and other transfer expenses.

Note: Columns may not add due to rounding.

NOTE 6: CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT

The following allocation of general government expenses and purchases of non-financial assets is consistent with the Classification of the Functions of Government (COFOG) which forms part of the GFS framework.

CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT (a) General Government

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$m	\$m
<i>Expenses</i>						
General public services	1,334	1,502	1,532	1,310	1,275	1,386
Public order and safety	3,826	3,776	3,809	3,740	3,757	3,792
Economic affairs	1,651	2,257	2,392	1,358	1,243	1,184
Environmental protection	395	426	424	416	411	393
Housing and community amenities	1,223	1,647	1,673	1,393	1,361	1,329
Health	9,557	9,928	10,150	10,010	10,166	10,475
Recreation, culture and religion	806	811	815	836	838	838
Education	6,536	6,828	6,868	6,994	7,113	7,362
Social protection	2,674	2,925	2,923	2,767	2,655	2,718
Transport	2,490	2,835	2,785	2,654	2,515	2,520
Total General Government Expenses	30,493	32,935	33,371	31,479	31,334	31,997
<i>Purchases of new non-financial assets</i>						
General public services	137	125	126	102	104	90
Public order and safety	203	293	283	249	174	106
Economic affairs	18	70	65	47	43	40
Environmental protection	41	86	84	70	48	37
Housing and community amenities	125	180	188	176	96	94
Health	152	436	426	332	190	206
Recreation, culture and religion	131	98	105	79	71	39
Education	450	505	497	559	501	223
Social protection	5	7	7	6	5	4
Transport	1,292	1,491	1,777	1,865	1,675	1,366
Provisions not allocated ^(b)	-	-278	-278	-5	-	400
Total Purchases of Non-financial Assets	2,553	3,013	3,281	3,482	2,907	2,605

(a) Data in this table are for consolidated general government aggregates and exclude internal transactions within the sector. The information in this table classifies spending by general government agencies by function as defined in the GFS framework.

(b) Provisions not allocated by COFOG.

Note: Columns may not add due to rounding.

APPENDIX 2

General Government Operating Revenue

This appendix contains general government revenue estimates prepared on an accrual basis consistent with Australian Accounting Standards and Government Finance Statistics frameworks.

Table 2.1

OPERATING REVENUE
General Government

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	\$m	Revision	Estimate	Estimate	Estimate
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	3,642	3,566	3,674	3,916	4,114	4,196
Property taxes						
<i>Land tax</i>	792	770	756	736	733	757
Transfer duty	1,190	1,121	1,423	1,187	1,261	1,407
Foreign Buyers surcharge	19	19	19	18	22	25
Landholder duty	120	119	119	119	119	119
<i>Total duty on transfers</i>	1,329	1,259	1,561	1,324	1,402	1,551
Metropolitan Region Improvement Tax	88	86	80	78	78	80
Perth Parking Levy	56	51	51	59	60	61
Emergency Services Levy	387	353	353	389	408	429
Loan Guarantee Fees	157	134	134	144	148	150
Building and Construction Industry Training						
Fund Levy	39	24	37	32	33	33
<i>Total other property taxes</i>	726	649	656	702	728	753
Taxes on provision of goods and services						
Lotteries Commission	174	146	160	162	164	166
Video lottery terminals	– (a)	– (a)	– (a)	– (a)	– (a)	– (a)
Casino tax	40	41	41	46	53	54
Point of Consumption Tax	77	84	102	81	89	97
<i>Total taxes on gambling</i>	291	272	303	289	305	318
Insurance duty	694	678	719	755	773	797
Other	19	20	20	20	21	21
<i>Total taxes on insurance</i>	713	697	738	775	794	817
<i>On-demand Transport Levy</i>	41	30	30	30	23	–
Taxes on use of goods and performance of activities						
Vehicle licence duty	375	380	426	376	382	388
Permits - oversize vehicles and loads	9	8	8	8	8	8
Motor vehicle registrations	1,045	1,060	1,060	1,117	1,180	1,251
<i>Total motor vehicle taxes</i>	1,429	1,447	1,494	1,501	1,569	1,646
<i>Mining Rehabilitation Levy</i>	33	32	35	35	35	35
<i>Landfill Levy</i>	80	83	83	83	83	83
Total Taxation	9,077	8,806	9,329	9,389	9,787	10,156

Note: Columns may not add due to rounding.

Table 2.1 (cont.)

OPERATING REVENUE
General Government

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forw ard	Forw ard	Forw ard
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$m	\$m
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST grants	3,466	2,322	2,536	2,712	5,132	5,416
Commonw ealth-funded 70% floor	814	1,547	1,547	2,080	-	-
North West Shelf grants	629	361	335	342	263	224
Commonw ealth compensation for changed crude oil excise arrangements	21	14	13	14	11	9
National Specific Purpose Payment Agreement Grants						
Skills and Workforce Development	158	159	161	162	164	166
National Disability Services	176	-	1	-	-	-
National Housing and Homelessness Agreement	166	168	168	161	163	164
National Schools Reform Agreement - Quality Schools	829	918	920	1,017	1,118	1,197
National Health Reform Agreement	2,402	2,521	2,521	2,661	2,815	2,980
National Partnerships/Other Grants						
Health	365	187	313	174	112	105
Transport	88	207	206	129	134	108
Disability Services	62	30	30	140	143	816
Other	203	428	449	308	183	169
Total Current Grants and Subsidies	9,379	8,861	9,200	9,899	10,238	11,353
CAPITAL GRANTS						
National Partnerships/Other Grants						
Transport	621	985	1,114	1,623	1,511	1,152
Other	20	41	50	54	29	11
Total Capital Grants	642	1,026	1,164	1,678	1,541	1,163

Note: Columns may not add due to rounding.

Table 2.1 (cont.)

OPERATING REVENUE
General Government

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	\$m	\$m	\$m	\$m	\$m
SALES OF GOODS AND SERVICES						
WA Health	748	779	783	806	829	849
Department of Transport	226	217	216	238	236	241
Department of Education	194	214	217	221	216	220
State Training Providers/TAFE Colleges	121	71	80	110	123	123
Department of Training and Workforce Development	29	20	20	37	38	38
Western Australian Land Information Authority	183	75	75	86	92	78
Department of Biodiversity, Conservation and Attractions	99	99	101	117	119	120
Department of Justice	153	155	155	158	162	166
Department of Mines, Industry Regulation and Safety	155	146	141	156	158	158
All Other	845	1,008	976	1,105	995	951
Total Sale of Goods and Services	2,754	2,783	2,762	3,034	2,969	2,946
INTEREST INCOME	124	100	100	104	91	92
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	392	2,776	2,860	1,412	1,444	1,439
Tax Equivalent Regime	732	902	861	731	760	807
Total Revenue from Public Corporations	1,123	3,678	3,721	2,143	2,205	2,246
ROYALTY INCOME	8,450	8,287	8,660	5,701	5,760	5,793
OTHER						
Lease rentals	115	116	119	105	105	105
Fines	192	194	194	199	198	199
Revenue not elsew here counted	308	291	285	274	254	243
Total Other	614	601	597	578	557	547
TOTAL REVENUE	32,162	34,139	35,533	32,526	33,149	34,294

(a) Amount less than \$500,000.

Note: Columns may not add due to rounding.

Major Spending Changes

Spending changes detailed in this appendix include:

- all material decisions made between the 7 September 2020 cut-off date for the 2020-21 Budget and the 30 November 2020 cut-off date for this Mid-year Review; and
- parameter changes of a material nature affecting agency spending over the forward estimates period. These include the impact of issues such as variations in Commonwealth-funded programs, and higher cost and demand for government services.

Changes relating purely to timing, which are broadly net debt neutral across the forward estimates period, and changes to depreciation expense, are not included in this appendix. Material timing changes are discussed in Chapter 1.

Major Spending Changes

GOVERNMENT ADMINISTRATION

MAJOR SPENDING CHANGES					Table 3.1
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	
PREMIER AND CABINET					
Expenses					
COVID-19 Communications Phase 3	4.4	-	-	-	
Telethon Donation	2.5	-	-	-	
COVID-19 Support	1.9	-	-	-	
Indian Community Centre – Indian Society of Western Australia	1.5	-	-	-	
Tjiwarl Native Title Compensation – Resourcing	0.4	0.9	-	-	
Mirning Part B Area Agreement Indigenous Land Use Agreement	1.2	-	-	-	
Additional Resourcing to Strengthen Cybersecurity Testing Capability	0.2	0.3	0.3	0.3	
Financial Support for the Inaugural Yajilarra Dialogues	0.8	-	-	-	
GOVERNOR'S ESTABLISHMENT					
Expenses					
Security Upgrades	0.3	-	-	-	
WESTERN AUSTRALIAN ELECTORAL COMMISSION					
Expenses					
State General Election 2021 – Public Funding of Political Parties and Candidates	1.5	-	-	-	
State General Election 2021 – Laptops and Technology Assisted Voting (Telephonic)	0.8	-	-	-	

Premier and Cabinet

Expenses

COVID-19 Communications Phase 3

The Government has allocated \$4.4 million in 2020-21 to fund COVID-19 Communications Phase 3, primarily to support the State Emergency Coordinator to communicate important emergency response and safety information. Spending has also been approved for the State Recovery Controller to communicate recovery plan information, and for operational costs and stakeholder engagement, including translating information for culturally and linguistically diverse communities.

Telethon Donation

An additional \$2.5 million for the 2020 Telethon appeal has been approved in 2020-21, bringing the State Government's donation to \$5.5 million.

COVID-19 Support

The Government has allocated an additional \$1.9 million in 2020-21 to continue the Department's COVID-19 functions, including the provision of policy advice and support to the Premier, State Disaster Council, relevant Ministers and key decision makers on a broad range of COVID-19 and recovery-related matters.

Indian Community Centre (ICC) – Indian Society of Western Australia

A grant of \$1.5 million will be provided to the Indian Society of Western Australia in 2020-21 to contribute towards the construction of an ICC in Willetton.

The ICC will be used for events, festivals and activities including education programs and supporting elders of Indian origin, as well as providing a dedicated space for locals with Indian heritage to come together and celebrate their culture and traditions.

Tjiwarl Native Title Compensation – Resourcing

As part of the Government's response to two native title claims filed in the Federal Court on behalf of the Tjiwarl native title holders, an amount of \$1.3 million has been allocated over two years to 2021-22 for the engagement of Counsel and Experts for the litigation response, an anthropologist and land valuer to respectively respond to the cultural and economic loss components of the claim, and for Landgate tenure services.

In total, the Government has approved an additional \$4.2 million in response to these claims (see also entries for the Department of Mines, Industrial Regulation and Safety and the State Solicitor's Office in this appendix).

Mirning Part B Area Agreement Indigenous Land Use Agreement

The Government has approved the release of \$1.2 million in 2020-21 from the Land and Equity Fund to meet its compensation obligation as part of the settlement of the Mirning Part B claim.

Additional Resourcing to Strengthen Cybersecurity Testing Capability

The Government has committed \$1.1 million over 2020-21 to 2023-24 for an additional two full-time equivalent positions to increase cybersecurity testing capability across the sector.

Financial Support of the Inaugural Yajilarra Dialogues

An amount of \$750,000 will be provided as a grant to the Yajilarra Dialogue Organising Committee to host the inaugural Yajilarra Dialogues in the Fitzroy Valley in July 2021. This initiative aims to bring together approximately 100 leaders from across Australia, including Ministers and senior Government officials, to co-design new pathways that improve outcomes for Indigenous Australians.

Governor's Establishment

Expenses

Security Upgrades

An additional \$266,000 will be spent in 2020-21 to hire an external security contractor to increase security within the Government Domain Reserve pending a long-term solution. The allocation of funding responds to recommendations of the Western Australia Police Force and independent security advisers following a break-in at Government House in July 2020.

Western Australian Electoral Commission

Expenses

State General Election 2021 – Public Funding of Political Parties and Candidates

In accordance with the provisions of the *Electoral Act 1907*, the Western Australian Electoral Commission expects to spend an additional \$1.5 million in 2020-21 to reimburse eligible expenditure incurred by political parties and candidates, mainly due to an increase in the number of electors and an increase in the reimbursement rate.

State General Election 2021 – Laptops and Technology Assisted Voting (Telephonic)

Ahead of the State general election in 2021, the Western Australian Electoral Commission will spend an additional \$800,000 to acquire additional laptops for polling staff (\$300,000) and introduce Telephonic Voting (\$500,000), allowing for the casting of secret ballots by electors who have insufficient literacy skills or are sight impaired or otherwise incapacitated as defined under the *Electoral Act 1907*.

FINANCIAL ADMINISTRATION

MAJOR SPENDING CHANGES

Table 3.2

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m
TREASURY				
Expenses				
Provision for Unfunded Liabilities in the Government Insurance Fund (Administered)	15.0	18.3	-	-
FINANCE				
Expenses				
Building Bonus Grant Extension (Administered)	-	65.0	-	-
First Home Owner Grant Scheme (Administered)	0.8	18.1	-5.7	-4.4
Household Electricity Credit – non-Standard (Administered)	13.7	-	-	-
Government Office Accommodation	-0.5	3.6	4.6	3.9
Building Bonus Grant Administration	0.2	0.9	-	-
Household Electricity Credit Administration	1.1	-	-	-
Asset Investment				
Government Office Accommodation	2.5	10.5	0.9	-
Electric Vehicle Charging Stations	0.1	0.2	0.2	0.3

Treasury

Expenses

Provision for Unfunded Liabilities in the Government Insurance Fund (Administered)

Settlements relating to historical sexual abuse are emerging following the outcome of the Royal Commission into Institutional Responses to Child Sexual Abuse. These payments are met from the Government Insurance Fund. The associated appropriation is administered by Treasury and reimburses the Insurance Commission of Western Australia for all settlements made against the Fund.

Whilst the exact amount to be met from the Fund is unknown, it is now apparent that the existing appropriation of \$15 million in 2020-21 will be insufficient to recoup all settlements based on the amount recouped to date in 2020-21 (\$10.2 million).

Reimbursement of these costs is made on an emerging basis and is dependent upon the timing of settlements, which can vary significantly from year to year. An amount totalling \$33.3 million over 2020-21 and 2021-22 has been provisioned to provide for the recoup of known outstanding Fund-related settlements.

Finance

Expenses

Building Bonus Grant Extension (Administered)

A further \$65 million in Building Bonus payments is expected to be made in 2021-22 following the State Government's decision to double the time period in which construction must commence, from six months to 12 months. This brings the Government's total commitment to the Building Bonus to \$212 million.

First Home Owner Grant Scheme (Administered)

Estimated expenditure on the First Home Owner Grant scheme has been revised up by \$8.8 million over the Budget period. The revision primarily reflects an expected increase in 2021-22 applications as a result of recently announced extensions of the Commonwealth and State housing construction grants.

Household Electricity Credit – non-Standard (Administered)

Approximately 22,800 households are not directly billed by Synergy or Horizon Power for their electricity. It is anticipated that \$13.7 million will be spent in 2020-21 to provide for these households to receive the \$600 Household Electricity Credit, bringing the total cost of this credit to \$658 million.

Government Office Accommodation

An additional \$11.6 million will be spent over four years to 2023-24 on costs related to the Department of Finance's office accommodation portfolio. These costs are offset by reductions in rental costs for the respective agencies and the receipt of landlord lease incentives.

Building Bonus Grant Administration

The Government has allocated \$1.1 million over 2020-21 and 2021-22 to meet administration costs associated with the extension of the Building Bonus Grant Scheme (as noted above).

Household Electricity Credit Administration

An amount of \$1.1 million will be spent in 2020-21 to meet the costs associated with administration of payments of the \$600 Household Electricity Credit to households not directly billed by Synergy or Horizon Power (as noted above).

Asset Investment

Government Office Accommodation

An additional \$13.9 million will be spent over three years to 2022-23 on office fit-out costs, mainly related to newly leased accommodation that further consolidates the accommodation requirements of the Department of Communities. The office fit-out costs are funded by landlord lease incentives.

Electric Vehicle (EV) Charging Stations

Under the Government's EV Strategy, \$800,000 will be spent over the four years between 2020-21 and 2023-24 for the installation of EV charging stations in Government owned and leased properties to support the increased use of EVs in the State Fleet.

JOBS AND ECONOMIC DEVELOPMENT

Table 3.3

MAJOR SPENDING CHANGES

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m
JOBS, TOURISM, SCIENCE AND INNOVATION				
Expenses				
Perth City Deal – Relocation of Edith Cowan University	100.0	-	-	-
Australian Marine Complex Studies	2.6	1.0	-	-
International Education COVID-19 Industry Support Fund	1.0	-	-	-
Liquified Natural Gas Operators Skills Framework	0.8	-	-	-
Mineralogy Litigation Costs	– (a)	– (a)	-	-
PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT				
Expenses				
Biosecurity Incidents and Emergency Response	11.9	-	-	-
Carbon Farming and Land Restoration Program	0.8	2.7	3.6	1.3
Western Australian Wild Dog Action Plan 2021-2025	-	2.3	2.3	2.4
North West Aboriginal Housing Fund (NWAHF)	-2.0	-2.0	-5.0	-2.6
Transforming Bunbury's Waterfront Stage 3 Phase 1	0.2	0.5	0.5	0.5
Westport Project	– (b)	0.5	0.5	0.5
Marine Park Compensation	1.3	-	-	-
Goldfields Migration Employment Project	0.2	0.1	-	-
Asset Investment				
NWAHF – Jalbi Jiya (Your Home) Program	-7.4	-	-	-
Western Australian Wild Dog Action Plan 2021-2025	-	1.0	1.0	1.0
Relocation of the Carnarvon Head Office (Gascoyne Development Commission)	0.4	-	-	-
MINES, INDUSTRY REGULATION AND SAFETY				
Expenses				
Government Support Package for Koolyanobbing Iron Ore (Administered)	21.1	-4.2	-9.0	-
Home Indemnity Insurance (Administered)	-5.9	-4.9	-4.7	-5.0
Mining Sector Financial Assistance (Administered)	1.6	-	-	-
Tjiwarl Native Title Compensation Claims	0.8	1.0	-	-
ENERGY POLICY WA				
Expenses				
Household Energy Efficiency Scheme	0.2	3.2	3.2	3.2

(a) Amount not disclosed to protect the State's position in this matter.

(b) Amount less than \$50,000.

Jobs, Tourism, Science and Innovation

Expenses

Perth City Deal – Relocation of Edith Cowan University

The State Government has committed \$100 million in 2020-21 towards the relocation of Edith Cowan University's (ECU's) Law and Business Schools and the Western Australian Academy of Performing Arts to the Perth CBD. The relocation is estimated to cost \$695 million, jointly funded by the Commonwealth Government, State Government and ECU, and is a key component of the \$1.5 billion Perth City Deal which aims to encourage more people back into the CBD and create flow-on economic benefits for small businesses.

Australian Marine Complex Studies

Commonwealth funding of \$3.6 million will be spent over 2020-21 to 2021-22 on a number of land-based, marine and transport infrastructure studies to inform further development of the Australian Marine Complex in Henderson.

International Education COVID-19 Industry Support Fund

An additional \$1 million will be spent in 2020-21 to launch the International Education COVID-19 Industry Support Fund. The fund will provide grants of up to \$50,000 to assist small and medium sized international education providers impacted by the reduction in overseas students following the closure of international borders.

Liquefied Natural Gas (LNG) Operators Skills Framework

A grant of \$800,000 will be provided to South Metropolitan TAFE in 2020-21 to develop teaching, learning and assessment resources for the recently launched LNG Operators Skills Framework (a set of 15 units delivered as part of the existing Certificate III – Chemical, Hydrogen and Oil Refining).

Mineralogy Litigation Costs

Additional expenditure will be incurred to meet the costs (internal management, external briefs, expert witnesses and outgoings) of representing the State's interest in a number of matters that have been brought by Mr Clive Palmer and related entities in relation to the *Iron Ore Processing (Mineralogy Pty Ltd) Agreement Amendment Act 2020*. In addition, the Department of Justice will incur additional expenditure to establish a team of lawyers at the State Solicitor's Office. The amount approved has not been disclosed so as not to disadvantage the State's position in these matters.

Primary Industries and Regional Development

Expenses

Biosecurity Incidents and Emergency Response

Additional expenditure of \$11.9 million in 2020-21 has been approved as part of the eradication program for Queensland Fruit Fly, and to manage other biosecurity incidents such as Ehrlichiosis, Mediterranean Fruit Fly, Khapra Beetle and Seed Certification Schemes.

Carbon Farming and Land Restoration Program

As part of the Western Australian Climate Policy, the Department will spend \$8.4 million over 2020-21 to 2023-24 to deliver the Land Restoration Program. Of this, \$6.6 million will be used for grants for revegetation or other projects that deliver priority co-benefits (including improved soil health and productivity, enhanced biodiversity and conservation outcomes, and Aboriginal economic and cultural opportunities) but do not generate sufficient carbon abatement to create Australian Carbon Credit Units (ACCUs). A further \$1.9 million will be spent for program design, capacity building, education and outreach to improve land manager readiness for participation, and to develop the co-benefit accreditation scheme.

In addition, as part of the overall program, the Department will purchase \$6.6 million worth of ACCUs, across the three outyears, from carbon farming projects using the Commonwealth Emissions Reduction Fund methodologies that also produce priority co-benefits.

Western Australian Wild Dog Action Plan 2021-25

The Government has approved expenditure of \$7 million over 2021-22 to 2023-24 for the continuation of the Western Australian Wild Dog Action Plan. Maintenance and repair of the State Barrier Fence and the use of eight Licenced Pest Management Technicians to control wild dogs, mainly on government lands, will continue under the Action Plan 2021-25.

North West Aboriginal Housing Fund (NWAHF)

An amount of \$11.6 million (reflected in the Department's 2020-21 Budget forecasts for the unallocated North West Aboriginal Housing Initiative) has now been allocated to the Department of Communities to fund the Jalbi Jiya (Your Home) Program, Yindjibarndi Ganalili Accommodation and Transitional Housing Program and the Yura Yungi and Employee Accommodation and Career Development Program (detailed later in this appendix).

Transforming Bunbury's Waterfront Stage 3 Phase 1

Following the endorsement of the project's business case, an additional \$1.7 million has been approved from 2020-21 to 2023-24 to establish a Program Delivery Office within the Department (South West Development Commission). The Office will assume responsibility for the strategic direction, oversight, coordination and effective delivery of the overall project, which has a total cost of \$79.8 million (\$78.1 million was provisioned as part of the 2020-21 State Budget).

Westport Project

The Department will spend \$1.5 million over 2020-21 to 2023-24 as part of the Westport project's environmental monitoring program and research projects.

Marine Park Compensation

Expenditure of \$1.3 million in 2020-21 has been allocated to compensation payments to additional affected fisheries applicants under the *Fishing and Related Industries Compensation (Marine Reserves) Act 1997*, in relation to claims that have arisen from the decision to implement the Ngari Capes Marine Park, which was gazetted on 10 April 2018.

Goldfields Migration Employment Project

Additional expenditure of \$300,000 over 2020-21 and 2021-22 will be allocated to continue the Goldfields Migration Employment Project, a program that identifies migrant job seekers residing in the Perth metropolitan area, and matches candidates to positions in the Goldfields region.

Asset Investment

NWAHF – Jalbi Jiya (Your Home) Program

An amount of \$7.4 million (reflected in the Department's 2020-21 Budget forecasts for the unallocated North West Aboriginal Housing Initiative) has now been allocated to the Department of Communities to fund the Jalbi Jiya (Your Home) Program. This entails the transfer in ownership of 25 homes from Yawuru to Communities, which will then be leased back to Yawuru (through Communities) to deliver the program.

Western Australian Wild Dog Action Plan 2021-25

The Department will spend an additional \$3 million from 2021-22 to 2023-24 to continue the replacement of the State Barrier Fence under the Action Plan 2021-25, to support the livestock industry through improved wild dog management.

Relocation of the Carnarvon Head Office (Gascoyne Development Commission)

Capital expenditure of \$430,000 in 2020-21 has been approved for the relocation and fit-out of the Carnarvon Head Office.

Mines, Industry Regulation and Safety

Expenses

Government Support Package for Koolyanobbing Iron Ore (Administered)

The estimated expenditure on the full royalty rebate paid to Mineral Resources Limited for continuation of iron ore mining at Koolyanobbing has been revised up by \$7.9 million over three years to 2022-23, reflecting upward revisions to the iron ore price and changes in the assumed timing of eligible production. The additional rebate has no net debt impact as it is offset by higher royalty collections.

Home Indemnity Insurance (Administered)

Expenditure on the State's Home Indemnity Insurance scheme is projected to decrease by \$20.5 million over 2020-21 to 2023-24 as a result of a revised actuarial assessment of the State's current and projected claims exposure under the scheme. The State Government has fully underwritten the scheme in Western Australia since 2013-14.

Mining Sector Financial Assistance (Administered)

To support employment in the East Kimberley, an amount of \$1.6 million will be spent in 2020-21 on a 50% rebate on royalties paid by Ridges Iron Ore from its Ridges deposit. The rebate is not repayable in order to increase the likelihood that employment opportunities for nearby Aboriginal communities are continued, which make up a significant share of the project's workforce.

A 50% repayable royalty rebate will also be provided for 12 months (commencing in the December quarter 2020) for spodumene concentrate produced by Galaxy Resources' Mt Cattlin operations, Pilbara Minerals' Pilgangoora operations and Altura Mining's Pilgangoora operations (this arrangement is treated as a loan, rather than an expense).

Tjiwarl Native Title Compensation Claims

The Department is contributing to the Government's response to two native title claims filed in the Federal Court on behalf of the Tjiwarl native title holders by extracting mining-related data for tenements within the claim areas. As part of this contribution, \$1.7 million over 2020-21 and 2021-22 will be spent to recruit two temporary FTEs and to cover information and communications technology related costs, such as data extraction and digitalisation.

In total, the Government has approved an additional \$4.2 million in response to these claims (see also entries for the Department of Justice and the State Solicitor's Office in this appendix).

Energy Policy WA

Expenses

Household Energy Efficiency Scheme

As part of the Government's Western Australian Climate Policy, an additional \$9.8 million will be spent on a Household Energy Efficiency Scheme targeting households in Western Australia that are identified as facing financial hardship or vulnerable to experiencing hardship. The scheme will provide an energy efficiency assessment, energy efficiency kit and tailored education combined with replacement of inefficient lighting, showerheads and refrigerators (if applicable).

HEALTH

MAJOR SPENDING CHANGES

Table 3.4

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m
WA HEALTH				
Expenses				
COVID-19 Update	144.1	5.1	-	-
Commonwealth Agreements	49.6	36.9	7.2	1.9
Peel Health Campus Transition	1.8	6.2	7.0	4.4
Fiona Stanley Hospital Critical Capital Works	0.2	-	-	-
Murdoch Community Health Hub	-	-	-	-
Asset Investment				
COVID-19 Update	26.2	-	-	-
Peel Health Campus Redevelopment	0.3	-4.1	-2.4	27.6
Tom Price Health Service ^(a)	-	-	-	-
Fiona Stanley Hospital Critical Capital Works	4.5	-	-	-
Murdoch Community Health Hub	-	-	-	-
MENTAL HEALTH COMMISSION				
Expenses				
Mental Health Court Diversion and Support Program	-	3.1	3.1	3.1
Goldfields Residential Rehabilitation and Treatment Services	0.3	1.9	1.9	2.0
Commonwealth Agreements	1.2	0.3	0.3	-
Election Commitment – Mentally Impaired Accused	0.4	-	-	-

(a) Subject to commercial negotiations.

WA Health

Expenses

COVID-19 Update

To support the Government's Health response to COVID-19, an additional \$201.8 million (\$149.1 million recurrent expenditure, \$26.2 million asset investment and \$26.4 million¹ purchase of inventory) will be spent over the forward estimates period, including preparedness for any potential future outbreaks of the pandemic. The majority of spending will occur in 2020-21 and includes the operating costs of the hotel quarantine system, testing clinics, and further investment in personal protective equipment (PPE), medical equipment and medical supplies.

A further \$60 million of spending has also been provisioned over the forward estimates period for additional COVID-19 related costs that are expected to be incurred but for which the full cost remains uncertain (see Provisions later in this appendix).

¹ Inventory comprises the purchase of additional PPE and medical supplies to ensure sufficient reserves to address a potential future outbreak of COVID-19. As the purchase of inventory is not classified as either recurrent expenditure or asset investment, this amount is not reflected in the totals reported for this issue.

Commonwealth Agreements

Over the forward estimates period, an additional \$95.5 million will be spent under Commonwealth funding agreements, including:

- Commonwealth Home Support Program – \$29.6 million will be spent over 2020-21 to 2021-22 to support eligible older people to live as independently as possible, in their own home and community, through the provision of home support services;
- Aged Care Assessment Program – \$26.8 million will be spent over 2020-21 to 2021-22 to operate Aged Care Assessment Teams, which conduct comprehensive assessments of the care needs of older people with complex needs and help them access the most suitable types of care; and
- Other Agreements – \$39.1 million will be spent over 2020-21 to 2023-24 on other agreements including Organ and Tissue Donation (\$10.9 million), Indigenous Australians Health Program (\$7.5 million) and the National Partnership on Essential Vaccines (\$6.3 million).

Peel Health Campus Transition

To support the Government's Putting Patients First election commitment, \$19.5 million will be spent over 2020-21 to 2023-24 to plan for the transition back into the public sector of clinical and non-clinical services at Peel Health Campus from August 2023.

Fiona Stanley Hospital Critical Capital Works

Expenditure of \$4.7 million (\$4.5 million in capital investment and \$200,000 recurrent expenditure) has been committed in 2020-21 for critical capital works at Fiona Stanley Hospital.

The State Government will invest \$1.7 million to install filtration tanks and \$3 million to upgrade the hospital's emergency power supply system. Of this, \$3 million will be funded from within WA Health's current budget settings.

Murdoch Community Health Hub

A further \$6.1 million (\$3.4 million recurrent and \$2.7 million capital) will be spent over the forward estimates period to enter into lease arrangements and establish a Community Health Hub at the Murdoch Health and Knowledge Precinct. The Community Health Hub will co-locate a number of services, including child health, allied health, immunisation, Aboriginal and mental health services. The financial impact of this proposal over the forward estimates will be offset by reprioritisations within WA Health's operating expenditure.

Asset Investment

COVID-19 Update

See above.

Peel Health Campus Redevelopment

The Government will invest an additional \$21.4 million over 2020-21 to 2023-24 for the redevelopment and expansion of public hospital services at Peel Health Campus. The project, which has an estimated total cost of \$152 million, will include 30 additional inpatient beds (as well as the in-sourcing of 33 current private beds), 20 mental health beds, a 10-bed Mental Health Observation Area, an operating theatre, a 15 to 20-bed palliative care hospice, expansion of chemotherapy chairs/services and public outpatient facilities, and the reconfiguration of the emergency department and medical imaging facilities.

Tom Price Health Service

An investment decision for the ageing Tom Price Health Service Facility, which caters for residents, visitors and fly-in/fly-out workers at Tom Price, nearby mining camps, pastoral stations and surrounding Aboriginal communities, is in the final stages of commercial-in-confidence negotiations.

Fiona Stanley Hospital Critical Capital Works

See above.

Murdoch Community Health Hub

See above.

Mental Health Commission

Expenses

Mental Health Court Diversion and Support Program

To support the continuation of the Mental Health Court Diversion and Support Program, a further \$9.3 million will be spent by the Commission over 2021-22 to 2023-24. This program aims to provide an appropriate response to the higher rate of offending exhibited by people with a mental illness. In total, additional expenditure of \$14.1 million has been approved for this program, with the remainder provided to the Western Australia Police Force, the Department of Justice and Legal Aid.

Goldfields Residential Rehabilitation and Treatment Services

The Government will spend a total of \$6.1 million over the forward estimates period to ensure the continued operation of 11 residential alcohol and other drug rehabilitation beds in the Goldfields. This cost will be partially offset by the reprioritisation of \$3.5 million from within the Commission's current budget settings.

Commonwealth Agreements

Over the forward estimates period, an additional \$1.7 million will be spent under Commonwealth funding agreements, including:

- Commonwealth Continuity of Supports Program – \$897,000 will be spent in 2020-21 to provide continuity of supports for those aged over 65 years old (or over 50 years old for Aboriginal and Torres Strait Islander people) who are not eligible for the National Disability Insurance Scheme; and

2020-21 Government Mid-year Financial Projections Statement

- Commonwealth Specialist Dementia Care Agreement – \$792,000 will be spent over 2020-21 to 2022-23 for the provision of specialist clinical in-reach care and support services to Specialist Dementia Care Units established within existing residential aged care homes under phase one of the Commonwealth Specialist Dementia Care Program.

Election Commitment – Mentally Impaired Accused

In support of the Government's election commitment to introduce reforms to the management of mentally impaired accused persons, \$449,000 will be spent in 2020-21 to assist and support complex reforms to the *Criminal Law (Mentally Impaired Accused) Act 1996*. This whole of government reform aims to improve the management and treatment of people with mental impairment across the justice system (see also entries for the Department of Justice and the Department of Communities in this appendix).

EDUCATION AND TRAINING

MAJOR SPENDING CHANGES

Table 3.5

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m
EDUCATION				
Expenses				
Commonwealth Programs	7.7	34.5	5.7	5.1
Enhanced COVID-19 Cleaning in Schools	29.4	-	-	-
Asset Investment				
2023 New Primary Schools Program	2.5	17.1	-1.7	3.0
Derby District High School Upgrades	0.8	5.5	10.0	4.6
Hillarys Primary School	0.3	1.5	12.0	2.9
Plasterglass and Plaster Tile Ceilings	12.1	-	-	-
Transportable Classrooms	-	8.7	-	-
TRAINING AND WORKFORCE DEVELOPMENT/TAFE COLLEGES				
Expenses				
Commonwealth Funding Updates	2.5	2.1	2.2	2.6
Commonwealth Agreement – Destination Australia Program	0.8	1.2	0.1	-
Asset Investment				
WA Recovery Plan – Mandurah Training Campus Upgrades	-	-	5.5	-
BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD				
Expenses				
2020-21 Financial Estimates Update	8.5	-	-	-

Education

Expenses

Commonwealth Programs

As a result of updated projections contained in the 2020-21 Commonwealth Budget, recurrent expenditure will increase by \$52.9 million over the forward estimates period, largely due to a one-year extension to the funding agreement on Universal Access to Early Childhood Education.

Enhanced COVID-19 Cleaning in Schools

The Government will spend an additional \$29.4 million to extend enhanced COVID-19 cleaning arrangements in all public schools, community kindergartens and residential colleges in terms one and two of the 2021 school year.

Asset Investment

2023 New Primary Schools Program

An additional \$20.9 million will be invested over 2020-21 to 2023-24 to bolster the existing program for new primary schools opening in the 2023 school year. The program will deliver three new primary schools in Landsdale, Mandurah and West Swan at a cost of \$70.5 million, with the \$12.8 million Stage 2 construction of Yarralinka Primary School also to open in 2023.

Derby District High School Upgrades

The Government will invest a total of \$20.9 million from 2020-21 to 2023-24 on upgrades and refurbishments at Derby District High School, including the construction of new classrooms, student support facilities, and staff amenities. This includes \$900,000 funded through savings within Education's Asset Investment Program (AIP).

Hillarys Primary School

Hillarys Primary School will be redeveloped at a total cost of \$16.7 million over the forward estimates period. These works include the construction of new classrooms and support buildings, and the demolition of existing facilities that are no longer fit-for-purpose.

Plasterglass and Plaster Tile Ceilings

Savings identified in the Department's AIP will be redirected to fund a \$12.1 million increase in the remediation and replacement program for fixed plasterglass and plaster tile ceilings in 2020-21.

Transportable Classrooms

In response to projected enrolment growth in 2022, \$8.7 million will be invested to expand the transportable classrooms program to deliver more temporary student accommodation facilities.

Training and Workforce Development/TAFE Colleges

Expenses

Commonwealth Funding Updates

Updated estimates in the Commonwealth Budget relating to the National Agreement for Skills and Workforce Development and the National Partnership on the Skilling Australia Fund will result in spending on the training sector increasing by \$9.4 million over 2020-21 to 2023-24.

Commonwealth Agreement – Destination Australia Program

As part of the Commonwealth's Destination Australia Program, up to \$2.1 million over 2020-21 to 2022-23 will be spent on scholarships for domestic students commencing their studies at regional TAFE Colleges in the 2021 training year.

Asset Investment

WA Recovery Plan – Mandurah Training Campus Upgrades

The Department of Training and Workforce Development's existing AIP will be reprioritised to enhance upgrades at the Mandurah Training Campus. A total of \$5.5 million in 2022-23 will be invested to construct a new hair and beauty facility, as well as to replace a number of air conditioning units.

Building and Construction Industry Training Board

Expenses

2020-21 Financial Estimates Update

Expenditure has been revised up by \$8.5 million in 2020-21, reflecting an increase in forecast apprenticeship and traineeship commencements, and the accompanying increase in training support for employers in the building and construction industry. The adjustment brings the Board's financial forecasts into alignment with the 2020-21 Operational Plan and revised estimates based on year-to-date results.

COMMUNITY SAFETY

Table 3.6

MAJOR SPENDING CHANGES

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m
WESTERN AUSTRALIA POLICE FORCE				
Expenses				
Operation Heat Shield 2	5.0	-	-	-
Emergency Services Radio Network	-	0.8	0.8	-
Mental Health Court Diversion and Support Program	-	0.2	0.2	0.2
JUSTICE				
Expenses				
Bandyup Mental Health Facility Operating Costs	0.5	1.4	1.5	1.5
Mental Health Court Diversion and Support Program	-	1.1	1.1	1.1
Tjiwarl Native Title Compensation Claims – State Solicitor's Office	0.4	0.7	-	-
Election Commitment – Mentally Impaired Accused	0.5	-	-	-
Mineralogy Litigation Costs – State Solicitor's Office	– (a)	– (a)	-	-
Asset Investment				
Acacia Prison Upgrades	-	4.3	-	-
Election Commitment – Mentally Impaired Accused	0.1	-	-	-
LEGAL AID COMMISSION OF WESTERN AUSTRALIA				
Expenses				
Funding for Community Legal Centres	1.5	-	-	-
Mental Health Court Diversion and Support Program	-	0.3	0.3	0.3
FIRE AND EMERGENCY SERVICES				
Expenses				
Emergency Rescue Helicopter Service	-	1.5	1.5	1.5

(a) Amount not disclosed to protect the State's position in this matter.

Western Australia Police Force

Expenses

Operation Heat Shield 2

In a bid to target crime and anti-social behaviour during summer months, an additional \$5 million will be spent in 2020-21 to provide a boost to policing hours over December 2020 to May 2021. This operation will enable the Western Australia Police Force to deliver approximately 55,000 additional frontline policing hours across regional and metropolitan Western Australia.

Emergency Services Radio Network

The Government has invested more than \$60 million for part one of a multi-stage project to build a State-wide shared emergency services communication network. The first stage will replace outdated radio equipment used by the Western Australia Police Force, the Department of Fire and Emergency Services and the Department of Justice, and improve coverage. The exact amount provisioned is not disclosed given a tender process in early 2021 (see also *Provisions* section later in this appendix). An additional \$1.5 million is budgeted in 2021-22 and 2022-23 for project management costs.

Mental Health Court Diversion and Support Program

The Western Australia Police Force will spend \$723,000 over the period 2021-22 to 2023-24 primarily on staffing costs in support of the continuation of the program at the Central Law Courts in Perth.

Justice

Expenses

Bandyup Mental Health Facility Operating Costs

As part of the WA Recovery Plan, the Government approved the conversion of an existing unit into a specialist Mental Health Unit at Bandyup Women's Prison. Recurrent expenditure of \$4.9 million over the period 2020-21 to 2023-24 has been approved to support the operation of the new Mental Health Unit.

Mental Health Court Diversion and Support Program

To continue delivery of the Mental Health Court Diversion and Support Program, an additional \$3.3 million will be spent over the period 2021-22 to 2023-24. The program seeks to address the underlying causes of criminal behaviour exhibited by offenders with mental health issues and provide ongoing support and treatment services.

Tjiwarl Native Title Compensation Claims – State Solicitor's Office

The Department will spend \$1.1 million over 2020-21 and 2021-22 to provide the State Solicitor's Office with additional resources to respond to two native title claims filed in the Federal Court on behalf of Tjiwarl native title holders.

In total, an additional \$4.2 million has been approved in response to the claims (see also entries for the Departments of the Premier and Cabinet and Mines, Industry Regulation and Safety in this appendix).

Election Commitment – Mentally Impaired Accused

In support of the Government's election commitment to introduce reforms to the management of mentally impaired accused persons, \$519,000 will be spent in 2020-21 to establish a cross-agency project team to coordinate and support complex reforms to the *Criminal Law (Mentally Impaired Accused) Act 1996*. This whole-of-government reform aims to improve the management and treatment of people with mental impairment across the justice system (see also entries for the Mental Health Commission and the Department of Communities in this appendix).

Mineralogy Litigation Costs – State Solicitor's Office

The Department will incur additional expenditure for the State Solicitor's Office to represent the State's interest in a number of litigation matters that have been brought by Mr Clive Palmer and related entities in relation to the *Iron Ore Processing (Mineralogy Pty Ltd) Agreement Amendment Act 2020*. The amounts are not disclosed to protect the State's position in this matter.

Asset Investment

Acacia Prison Upgrades

An additional \$4.3 million will be invested in priority asset replacement and facility upgrade works at Acacia Prison in 2021-22.

Election Commitment – Mentally Impaired Accused

In support of proposed reforms to the management of mentally impaired accused (see above), the Department will spend \$125,000 in 2020-21 on information and communications technology improvements to implement upgrades to Courts Services systems.

Legal Aid Commission of Western Australia

Expenses

Funding for Community Legal Centres

To maintain 2019-20 levels of service delivered by the community legal centre (CLC) sector, an additional \$1.5 million will be spent in 2020-21 on grants to CLCs. The increase in expenditure is funded from the Confiscation Proceeds Account.

Mental Health Court Diversion and Support Program

As part of the continuation of the program, the Commission will spend an additional \$765,000 over the period 2021-22 to 2023-24.

Fire and Emergency Services

Expenses

Emergency Rescue Helicopter Service

An additional \$4.5 million will be spent over 2021-22 to 2023-24 to enable the continuation of the existing Emergency Rescue Helicopter Service, which is a 24-hour, seven day a week search and rescue and critical care medical service that transports patients to hospitals with life-threatening conditions within the Perth metropolitan and South-West regions.

COMMUNITY SERVICES

MAJOR SPENDING CHANGES

Table 3.7

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m
COMMUNITIES				
Expenses				
Extension of Service Agreements	-	17.2	-	-
Social Housing Rent Freeze	12.0	-	-	-
Aboriginal In-Home Support Service Pilot Extension	-	5.3	5.0	-
National Partnership Agreement on COVID-19 FDV Responses	7.2	-	-	-
North West Aboriginal Housing Fund (NWAHF) – Yindjibarndi Ganaili Accommodation and Transitional Housing Program	0.3	3.0	3.0	-
NWAHF – Yura Yungi Employee Accommodation and Career Development Program	0.2	1.9	1.2	-
NWAHF – Jalbi Jiya (Your Home) Program	1.8	0.2	0.2	0.2
Establishment of the National Centre and the WA Centre for Prevention of Child Sexual Abuse	1.5	1.5	0.5	0.5
State Disability Strategy Action Plan – Innovation Fund	-	1.3	1.3	1.3
Perth Homelessness and Rough Sleeping	1.4	2.4	-	-
Connected Beginnings – Roebourne Project	0.4	0.7	0.7	-
State Welfare Incident Coordination Centre	1.4	-	-	-
COVID-19 Support for Pilbara Aboriginal Remote Communities	0.4	-	-	-
Election Commitment – Mentally Impaired Accused	0.1	-	-	-
Asset Investment				
NWAHF – Jalbi Jiya (Your Home) Program	7.4	-	-	-
Kalgoorlie Office Accommodation Refurbishment	3.0	-	-	-
LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES				
Expenses				
Lathlain Precinct Redevelopment Project	4.0	-	-	-
Production Attraction Package for 'Good Faith' Television Series	3.2	0.8	-	-
Alexander Library Building Business Case Funding	0.4	-	-	-
Banned Drinkers Register and Takeaway Alcohol Management System	0.4	-	-	-
WESTERN AUSTRALIAN SPORTS CENTRE TRUST				
Expenses				
Update to Optus Stadium Design, Build, Finance and Maintain Contract Loan Repayments	-7.7	-8.0	-8.1	-8.2
Revised Financial Forecasts	-5.6	-	-	-
Asset Investment				
Optus Stadium Rooftop Walk Attraction	2.0	1.3	-	-

Communities

Expenses

Extension of Service Agreements

An additional \$17.2 million will be spent in 2021-22 to extend expiring community services contracts delivered by not-for-profit providers until 30 June 2022. This will provide certainty to providers and ensure continuity of essential services such as homelessness, family and domestic violence (FDV) support, and placements for children in care.

Social Housing Rent Freeze

Following the Government's announcement of a six-month extension to the moratorium on rent increases in response to the COVID-19 pandemic, an additional \$12 million will be provided in 2020-21 to offset the impacts of the full 12-month freeze on social housing rents on the Department's Housing Authority revenues and to provide compensation payments to Community Housing Organisations.

Aboriginal In-Home Support Service Pilot Extension

The Department will extend its Aboriginal In-Home Support Service pilot by two years, resulting in additional expenditure of \$10.3 million over 2021-22 and 2022-23. The service, delivered by an Aboriginal Community Controlled Organisation (ACCO), provides intensive and culturally responsive in-home support and aims to divert Aboriginal families from the child protection system.

National Partnership Agreement on COVID-19 FDV Responses

The Commonwealth has committed \$150 million nationally in emergency funding to support Australians experiencing FDV as a result of living changes caused by COVID-19. As part of this investment, a further contribution of \$7.2 million in 2020-21 has been provided for support services in Western Australia (bringing total investment in additional services in the State under the Agreement to \$14.2 million).

North West Aboriginal Housing Fund (NWAHF) – Yindjibarndi Ganalili Accommodation and Transitional Housing Program

A \$6.3 million investment from the NWAHF will be made over the period 2020-21 to 2022-23 for the Yindjibarndi Aboriginal Corporation to construct 10 transitional housing units and a training facility. Yindjibarndi will contribute culturally appropriate support services for a 10-year period, with the facility providing Aboriginal apprentices and low-income workers access to stable accommodation, professional development opportunities and pathways to accessing private rentals and home ownership in Roebourne.

NWAHF – Yura Yungi Employee Accommodation and Career Development Program

A \$3.3 million investment from the NWAHF will be made over the period 2020-21 to 2022-23 for the Yura Yungi Medical Service to deliver an Employee Accommodation and Career Development program. The program is anticipated to provide affordable housing options to Yura Yungi Medical Service's Aboriginal employees through the construction of five dwellings tied with culturally appropriate support services delivered via Yura Yungi's existing career development program to support the attraction and retention of staff in Halls Creek.

NWAHF – Jalbi Jiya (Your Home) Program

The Department will invest \$2.3 million from the NWAHF over the period 2020-21 to 2023-24 for the Yawuru Corporate Group to deliver culturally appropriate wrap-around housing support services for Aboriginal people in Broome, to support them into eventual home ownership or into long-term tenancy-allocated affordable housing. A further \$7.4 million has been committed for the direct purchase of 25 properties under the program (see *Asset Investment* below).

Establishment of the National Centre and the WA Centre for Prevention of Child Sexual Abuse

In support of the Government's commitment to implementing the recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse, \$3.9 million will be spent over 2020-21 to 2023-24 to:

- contribute to the establishment of the National Centre for the Prevention of Child Sexual Abuse, along with other States and Territories (\$1.9 million); and
- establish a WA Centre of Excellence in Responding to Child Sexual Abuse, focused on the unique and specific needs of Western Australian communities, including Aboriginal communities and families (\$2 million).

State Disability Strategy Action Plan – Innovation Fund

To support the delivery of the State Disability Strategy 2020-2030, an amount of \$3.8 million has been allocated from 2021-22 to 2023-24 (\$5 million to 2024-25) to establish an Innovation Fund to provide grants to organisations to develop initiatives that foster inclusion, participation and independence for people with a disability.

Perth Homelessness and Rough Sleeping

The Government has allocated a total of \$3.8 million over 2020-21 and 2021-22 to partner with an ACCO to provide immediate and intensive intervention and support for rough sleepers in the Perth Central Business District.

Connected Beginnings – Roebourne Project

As part of the Connected Beginnings initiative, a total of \$1.9 million of Commonwealth funding will be spent over 2020-21 to 2022-23 to deliver a project in Roebourne to support the integration of early childhood, maternal and child health, and family support services with schools to support Aboriginal children to be well prepared for school.

State Welfare Incident Coordination Centre

In support of the State's welfare response to the COVID-19 pandemic, an additional \$1.4 million will be spent in 2020-21 to meet resourcing requirements associated with the provision of welfare checks and support at airports for international and interstate arrivals.

COVID-19 Support for Pilbara Aboriginal Remote Communities

A total of \$350,000, funded by Woodside and Rio Tinto, will be spent in 2020-21 to provide welfare services for individuals impacted by the COVID-19 pandemic in Pilbara Aboriginal remote communities.

Election Commitment – Mentally Impaired Accused

In support of the Government's election commitment to introduce reforms to the management of mentally impaired accused persons, the Department will spend \$54,000 in 2020-21 to assist and support complex reforms to the *Criminal Law (Mentally Impaired Accused) Act 1996*. This whole-of-government reform aims to improve the management and treatment of people with mental impairment across the justice system (see also entries for the Department of Justice and the Mental Health Commission in this appendix).

Asset Investment

NWAHF – Jalbi Jiya (Your Home) Program

A total of \$7.4 million will be invested from the NWAHF for the Jalbi Jiya (Your Home) Program in 2020-21 through the direct purchase of 25 properties from the Yawuru Corporate Group. The properties will be used to provide affordable rentals and access to shared equity arrangements to support aspiring Aboriginal people in Broome into home ownership. Complementary support services will also be delivered under the program (see *Expenses* above).

Kalgoorlie Office Accommodation Refurbishment

An amount of \$3 million will be invested in 2020-21 to undertake critical works and meet operational needs at the Department's Kalgoorlie office.

Local Government, Sport and Cultural Industries

Expenses

Lathlain Precinct Redevelopment Project

An amount of \$4 million will be provided to the Town of Victoria Park in 2020-21 to assist with the redevelopment of the Lathlain Precinct Redevelopment Project to match an already announced \$4 million Commonwealth Government contribution.

Production Attraction Package For 'Good Faith' Television Series

A production attraction support package of up to \$4 million will be provided over 2020-21 to 2021-22 to assist with securing the pre-production, shooting and post-production for the 'Good Faith' television series.

Alexander Library Building Business Case Funding

An amount of \$400,000 in 2020-21 has been approved for the development of a business case to identify the future service delivery requirements of the State Library of Western Australia, located in the Alexander Library building in the Perth Cultural Centre.

Banned Drinkers Register (BDR) and Takeaway Alcohol Management System (TAMS)

Leveraging from the Pilbara BDR technology, an amount of \$385,000 will be spent in 2020-21 to assist with the implementation of a two-year trial and evaluation of a BDR and TAMS system in the Kimberley. This initiative aims to minimise harm in the community due to the use of liquor.

Western Australian Sports Centre Trust

Expenses

Update to Optus Stadium Design, Build, Finance and Maintain (DBFM) Contract Loan Repayments

Interest expenses are expected to decrease by \$32 million over 2020-21 to 2023-24 as a result of an update to current and forecast interest rates for the Optus Stadium DBFM Contract.

Revised Financial Forecasts

VenuesWest has revised its financial forecast for the remainder of 2020-21 reflecting the ongoing impact of COVID-19 on its event schedule. Variable expenses are expected to be \$5.6 million lower, while own-source revenue forecasts have been reduced by \$11.6 million.

Asset Investment

Optus Stadium Rooftop Walk Attraction

An additional amount of up to \$3.3 million will be spent over 2020-21 and 2021-22 on the construction of the Optus Stadium Rooftop Walk Attraction and accessible lift, bringing the total cost to \$8.8 million.

TRANSPORT

Table 3.8

MAJOR SPENDING CHANGES

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m
TRANSPORT				
Expenses				
Transfer of Wyndham, Derby and Yampi Sound Ports	-	-3.5	-3.5	-3.5
METRONET Program Coordination	1.7	1.6	2.7	3.3
Vehicle Immobilisation, Vehicle Removal and Detention	0.3	0.6	0.6	0.6
COMMISSIONER OF MAIN ROADS				
Expenses				
2020-21 Commonwealth Budget Stimulus Package ^(a)	-	-	-	12.0
Asset Investment				
2020-21 Commonwealth Budget Stimulus Package ^(a)	246.0	325.9	179.3	87.5
Commonwealth Heavy Vehicle Safety and Productivity Program	1.0	9.4	4.0	-
Commonwealth Bridges Renewal Program	0.5	6.5	2.0	-
PUBLIC TRANSPORT AUTHORITY				
Expenses ^(b)				
COVID-19 Own-Source Revenue Update	25.7	-	-	-
METRONET – Community Assets Program ^(c)	14.0	7.5	-	-
Revised Interest Expenses	-2.6	-3.8	-6.5	-8.2
METRONET – Rail Network Expansion – Train Drivers, Network Controllers and Trainers	1.2	2.5	2.6	2.6
COVID-19 Related Expenditure – Additional Cleaning	8.7	-	-	-
2020-21 Commonwealth Budget Stimulus Package ^{(a),(d)}	1.0	2.4	2.1	2.0
COVID-19 Related Expenditure – Transport of Passengers in Hotel Quarantine	2.0	-	-	-
Asset Investment				
METRONET – Morley-Ellenbrook Line Main Works – Tender Outcomes ^(c)	108.6	226.3	368.3	332.6
2020-21 Commonwealth Budget Stimulus Package ^(a)	28.8	37.0	72.1	20.1
Rail Infrastructure Program	2.5	10.0	7.5	-
METRONET – Public Transport Operations Control Centre ^(c)	4.6	-	-	-
KIMBERLEY PORTS AUTHORITY				
Expenses ^(b)				
Transfer of Wyndham, Derby and Yampi Sound Ports	-	2.5	2.5	2.5
Asset Investment				
Transfer of Wyndham, Derby and Yampi Sound Ports	-	0.5	0.5	0.5
PILBARA PORTS AUTHORITY				
Asset Investment				
Port Hedland Voluntary Buy-back Scheme	34.4	14.0	21.4	19.2

(a) See 'Transport Infrastructure' feature box in Chapter 1 for more detail.

(b) Represented in general government expenses as grants and subsidies, sourced from the Consolidated Account and paid through the Department of Treasury.

(c) These items were funded in the 2020-21 Budget and included in the Provision for METRONET Projects Under Development.

(d) This includes direct receipts from the Commonwealth which are not through the Department of Treasury.

Transport

Expenses

Transfer of Wyndham, Derby and Yampi Sound Ports

Responsibility for the ports of Wyndham, Derby and Yampi Sound will transfer from the Department of Transport to the Kimberley Ports Authority on 1 July 2021. The transfer is part of the Government's program to amalgamate regional ports with the State's port authorities and bring all trading ports under consistent legislation. As a result, the Department's recurrent expenditure has been revised down by a total of \$10.5 million over the period 2020-21 to 2023-24 (matched by a reduction in forecast revenue).

METRONET Program Coordination

Expenditure of \$9.3 million has been approved over the forward estimates period for METRONET Office costs associated with whole-of-program coordination and governance.

Vehicle Immobilisation, Vehicle Removal and Detention

The Department will spend \$2.1 million over 2020-21 to 2023-24 to administer and enforce the *Road Traffic Amendment (Immobilisation, Towing and Detention of Vehicles) Act 2020*, which was assented to on 10 November 2020. As a result of the Act prohibiting wheel clamping, the Government will regulate vehicle removal and detention as a means of private parking management.

Commissioner of Main Roads

Expenses

2020-21 Commonwealth Budget Stimulus Package

Additional recurrent expenditure of \$12 million in 2023-24 by Main Roads has been approved as part of this package. For more detail, see 'Transport Infrastructure' feature box in Chapter 1.

Asset Investment

2020-21 Commonwealth Budget Stimulus Package

Additional investment of \$838.7 million in road infrastructure over 2020-21 to 2023-24 has been approved as part of this package. For more detail, see 'Transport Infrastructure' feature box in Chapter 1.

Commonwealth Heavy Vehicle Safety and Productivity Program

A further \$14.4 million (jointly funded by the Commonwealth) will be invested over 2020-21 to 2022-23 on projects to improve the productivity and safety outcomes of heavy vehicle operations across Western Australia. The projects include construction of a road train assembly area at South Hedland, upgrading and constructing rest areas along the North West Coastal Highway, and intersection upgrades along the Great Northern Highway.

Commonwealth Bridges Renewal Program

An amount of \$8.9 million (jointly funded by the Commonwealth) will be invested over 2020-21 to 2022-23 to upgrade two bridges on Bussell Highway and three bridges on the York-Merredin Road and provide improved access for local communities.

Public Transport Authority

Expenses

COVID-19 Own-Source Revenue Update

Whilst daily public transport patronage has significantly recovered since its low of 12% of pre-COVID-19 pandemic levels in February 2020, it remains below the patronage assumptions reflected in the 2020-21 Budget. The Authority will therefore receive an additional operating subsidy of \$25.7 million in 2020-21 to offset a forecast shortfall in patronage revenue on Transperth services due to the COVID-19 pandemic.

METRONET – Community Assets Program

Spending of \$21.5 million has been approved over 2020-21 and 2021-22 to facilitate a community assets program to deliver social infrastructure and implement the Morley-Ellenbrook Line environmental management strategy, including funding for research into black cockatoos, environmental offsets, and wetlands and bush management. This expenditure is offset by a corresponding reduction in the Provision for METRONET Projects Under Development.

Revised Interest Expenses

The operating subsidy paid to the Authority is estimated to decrease by \$21.1 million over 2020-21 to 2023-24 reflecting the impact of lower than forecast interest rates and changes in the timing of asset investment expenditure on the Authority's debt servicing costs.

METRONET – Rail Network Expansion – Train Drivers, Network Controllers and Trainers

The Authority will receive additional operating subsidy totalling \$9 million over 2020-21 to 2023-24 to expand the recruitment of railcar driver trainees, network control officers, and network control trainers to accommodate the METRONET rail network expansion.

COVID-19 Related Expenditure – Additional Cleaning

In response to the COVID-19 pandemic, an additional \$8.7 million will be spent in 2020-21 to continue the increased cleaning regime of public transport. This includes all vehicles in the Transperth, Transwa, TransRegional and School Bus Services road and rail fleet, as well as stations.

2020-21 Commonwealth Budget Stimulus Package

Additional recurrent expenditure of \$7.5 million over 2020-21 to 2023-24 by the Authority has been approved as part of this package. For more detail, see 'Transport Infrastructure' feature box in Chapter 1.

COVID-19 Related Expenditure – Transport of Passengers in Hotel Quarantine

The Authority will receive additional operating subsidy of \$2 million in 2020-21 for the safe transportation of passenger arrivals in Western Australia to hotel quarantine as part of the Government's current border arrangements.

Asset Investment

METRONET – Morley-Ellenbrook Line Main Works – Tender Outcomes

Investment of \$1.1 billion over 2020-21 to 2024-25 has been allocated for the Morley-Ellenbrook Line, following the award of the main construction works contract for the project in October 2020. This expenditure is fully offset by an equivalent reduction in the provision for METRONET Projects Under Development included in the Budget with no impact on net debt, see 'Transport Infrastructure' feature box later in Chapter 1.

2020-21 Commonwealth Budget Stimulus Package

Additional investment of \$158 million in public transport infrastructure over 2020-21 to 2023-24 has been approved as part of this package. For more detail, see 'Transport Infrastructure' feature box in Chapter 1.

Rail Infrastructure Program

To cater for future forecast increased train movements between the new Bayswater Station and Claremont, an additional \$20 million has been allocated over 2020-21 to 2022-23 for signalling upgrades.

METRONET – Public Transport Operations Control Centre

Asset investment of \$4.6 million in 2020-21 has been approved to support the procurement process for the Public Transport Operations Control Centre, which will deliver a purpose-built train control centre to facilitate integrated traffic management, service planning and incident response. This expenditure is offset by a corresponding reduction in the Provision for METRONET Projects Under Development.

Kimberley Ports Authority

Expenses

Transfer of Wyndham, Derby and Yampi Sound Ports

An operating subsidy totalling \$7.5 million over 2020-21 to 2023-24 will be provided to cover the operating costs (minus forecast revenue over the period) of the Kimberley Ports Authority for the ports of Wyndham, Derby and Yampi Sound, following their transfer from the Department of Transport to the Authority.

Asset Investment

Transfer of Wyndham, Derby and Yampi Sound Ports

The Kimberley Ports Authority's AIP will increase by \$1.5 million over 2020-21 to 2023-24 to fund the minor works identified by the Authority for the ports of Wyndham, Derby and Yampi Sound, following their transfer from the Department of Transport to the Authority.

Pilbara Ports Authority

Asset Investment

Port Hedland Voluntary Buy-back Scheme

An amount of \$89 million will be spent over 2020-21 to 2023-24 to acquire properties from eligible residential property owners who wish to participate in the Port Hedland Voluntary Buy-back Scheme, with costs ultimately recouped from port users. The scheme will support a reduction in the permanent residential population of the West End of Port Hedland (the area west of Taplin Street to the port).

ENVIRONMENT

MAJOR SPENDING CHANGES

Table 3.9

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m
WATER AND ENVIRONMENTAL REGULATION				
Expenses				
Environmental Fees and Fines	-2.0	-2.5	-2.3	-2.8
Western Australian Climate Policy	0.3	1.8	1.7	1.1
Information and Communications Technology and Cybersecurity Contractors	-0.6	-0.6	-0.6	-0.7
Electric Vehicle Strategy	– (a)	– (a)	– (a)	– (a)

(a) Amount less than \$50,000.

Water and Environmental Regulation

Expenses

Environmental Fees and Fines

The Department has reduced its forecast revenue generated from industry regulatory fees by \$9.6 million over 2020-21 to 2023-24, following a rebasing of application volume forecasts and reflecting the closure of the BP refinery in Kwinana. The revised revenue forecast results in a commensurate reduction in recurrent expenditure across the forward estimates period.

Western Australian Climate Policy

An additional \$5.3 million will be spent over 2020-21 to 2024-25 (\$5 million to 2023-24) by the Department to progress core initiatives under the Western Australian Climate Policy. The Department's Climate Change Unit will be resourced to support the development of a Climate Resilience Action Plan, support action by local governments, and develop sectoral emissions reduction strategies for key sectors. The Department will also deliver the Climate Science Program, which will produce high resolution climate change projection data to support the management and mitigation of climate related risks.

Information and Communications Technology and Cybersecurity Contractors

The Government has approved an additional 18 full-time equivalents within the Department's Information and Communications Technology and Cybersecurity area to support key initiatives, including Environment Online. These services were previously provided by third-party contractors. There is a net cost saving of \$2.5 million across 2020-21 to 2023-24 associated with insourcing these services.

Electric Vehicle (EV) Strategy

As part of the Government's EV Strategy, an additional \$80,000 will be spent by the Department over 2020-21 to 2023-24 to host EV demonstration and awareness raising events in conjunction with manufacturers, motoring associations and other industry stakeholders.

PLANNING AND LAND USE

MAJOR SPENDING CHANGES					Table 3.10
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	
PLANNING, LANDS AND HERITAGE					
Expenses					
CoastWA	-	2.5	2.5	-	
Subdivision Planning Application Processing Expenditure	2.3	-	-	-	
Fremantle Prison Master Plan Business Case	0.3	-	-	-	
WESTERN AUSTRALIAN PLANNING COMMISSION					
Asset Investment					
Acquisition of Land	12.3	-	-	-	
DEVELOPMENTWA					
Asset Investment					
Port Hedland Voluntary Buy-back Scheme	4.4	7.0	10.6	-	

Planning, Lands and Heritage

Expenses

CoastWA

As part of the Western Australian Climate Policy, an additional \$5 million will be spent over 2021-22 to 2022-23 to address high priority coastal management issues.

Subdivision Planning Application Processing Expenditure

The Government has approved additional expenditure of \$2.3 million to process the increased number of Subdivision Planning Applications received to date in 2020-21.

Fremantle Prison Master Plan Business Case

An amount of \$250,000 will be spent in 2020-21 on the development of a business case to identify conservation and activation requirements and strategies for Fremantle Prison.

Western Australian Planning Commission

Asset Investment

Acquisition of Land

Additional expenditure of \$12.3 million from the Metropolitan Region Improvement Fund in 2020-21 has been approved to acquire land for transport infrastructure.

DevelopmentWA

Asset Investment

Port Hedland Voluntary Buy-back Scheme

DevelopmentWA will spend \$22 million over 2020-21 to 2022-23 to implement the Port Hedland Voluntary Buy-back Scheme in consultation with the Pilbara Ports Authority. The expenditure will allow DevelopmentWA to develop alternative lots outside the impacted precinct for eligible owners who wish to remain in Port Hedland.

UTILITIES

MAJOR SPENDING CHANGES

Table 3.11

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m
SYNERGY				
Expenses ^(a)				
Project Symphony	8.8	2.8	0.7	-
Asset Investment				
Big Battery Project	-	155.0	-	-
HORIZON POWER				
Expenses ^(a)				
Social Concessions	1.6	1.6	1.5	1.5
Asset Investment				
Denham Hydrogen Project	4.6	-	-	-
WESTERN POWER				
Asset Investment				
Five-Minute Settlement	0.5	3.1	6.3	12.1

(a) Represented in general government expenses as grants and subsidies, sourced from the Consolidated Account and paid through the Department of Treasury.

Synergy

Expenses

Project Symphony

An operating subsidy of \$12.4 million over 2020-21 to 2022-23 will be provided to meet Project Symphony costs. This project will explore ways to integrate generation from rooftop solar panels, storage from household and community batteries and the operation of household appliances such as electric hot water systems and air conditioners. Effective coordination across these Distributed Energy Resources will create value for consumers and reduce the need for costly network augmentation.

Asset Investment*Big Battery Project*

The Government has approved a \$155 million investment in 2021-22 for the development of a 100MW/200MWh utility-scale battery at Synergy's Kwinana Power Station site, which will be connected to the South West Interconnected System (SWIS) prior to the 2022-23 summer.

The 'Big Battery' will be critical for mitigating emerging security and reliability risks in the SWIS, and is funded through a combination of State Government (\$140 million) and Commonwealth Government (\$15 million) contributions.

Horizon Power

Expenses

Social Concessions

Due to the ongoing impacts of COVID-19, Horizon Power will receive additional operating subsidies of \$6.3 million over the forward estimates period for social concession payments.

Asset Investment

Denham Hydrogen Project

An additional \$4.6 million will be invested in the Denham Hydrogen Project in 2020-21. This project will allow Horizon Power to test whether hydrogen can be used in place of diesel generation.

Western Power

Asset Investment

Five-Minute Settlement

As part of the Government's Energy Transformation Strategy, Western Power will invest \$34.5 million over 2020-21 to 2025-26 (\$22 million to 2023-24) on information technology and metering infrastructure to implement five-minute settlement in the Wholesale Electricity Market from 1 October 2025. Realignment of settlement with the new dispatch intervals is expected to lower overall costs by improving price signals and encouraging investment in fast-responding technology such as batteries.

PROVISIONS

MAJOR SPENDING CHANGES

Table 3.12

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m
PROVISIONS				
Expenses				
COVID-19 Health Costs	50.2	2.4	2.4	-
Aboriginal Community Controlled Sector Development Virtual Funding Pool	0.6	1.2	1.2	1.9
East Perth Power Station	– (a)	– (a)	– (a)	– (a)
Electric Vehicle (EV) Strategy	-	– (b)	0.1	0.3
Asset Investment				
EV Strategy	-	17.8	0.7	1.0
COVID-19 Health Costs	2.1	2.7	-	-
Emergency Services Radio Network	– (a)	– (a)	– (a)	– (a)

(a) Amount not disclosed in order to avoid prejudicing commercial negotiations.

(b) Amount less than \$50,000.

Expenses

COVID-19 Health Costs

A \$140 million provision has been included from 2020-21 to 2022-23 (\$135.1 million recurrent expenditure and \$4.9 million asset investment) for COVID-19 related costs expected to be incurred by WA Health. This comprises \$80 million provisioned as part of the 2020-21 Budget and a further \$60 million provisioned in this Mid-Year Review. This reflects the ongoing uncertainty associated with the timing and magnitude of COVID-19 related expenditure that may be required over the remainder of the forward estimates period.

Aboriginal Community Controlled Sector Development Virtual Funding Pool

In August 2020, the Commonwealth committed \$46.5 million over four years to a joint virtual funding pool (joint fund) to build the capacity of the ACCO sector, linked to priorities under the National Agreement on Closing the Gap (CTG). Other States and Territories have also contributed to the joint fund.

The State Government has set aside \$5 million from 2020-21 to 2023-24, with \$4.8 million for Western Australia's contribution to the joint fund and an additional \$150,000 for a scoping project as a National Agreement partnership action to enable Aboriginal communities and organisations to access and use location-specific data on the CTG outcome areas.

East Perth Power Station

DevelopmentWA is currently in negotiations with the Preferred Proponent to redevelop the East Perth Power Station, which may require further Government funding to deconstrain the site. A funding provision (which is reflected in these Mid-year Review aggregates) has been approved to facilitate the negotiations, but cannot be disclosed at this time due to commercial considerations.

Electric Vehicle (EV) Strategy

An allowance of \$0.5 million over 2021-22 to 2023-24 has been included for depreciation on electric vehicles in the State Fleet (see Asset Investment disclosure below).

Asset Investment***EV Strategy***

As part of the Government's EV Strategy, a provision of \$20 million has been set aside from 2021-22 to 2023-24 towards public EV charging infrastructure across the State and the procurement of EVs in the State Fleet to meet an acquisition target of at least 25% of eligible vehicles by 2025-26. A small portion of the provision is reflected in recurrent depreciation costs (see expense item above).

COVID-19 Health Costs

See above.

Emergency Services Radio Network

More than \$60 million has been approved to facilitate spending on a major upgrade to government radio capability (see *Community Safety* earlier in this appendix). The exact quantum of this provision cannot be disclosed at this time pending the outcome of a tender process.

The Consolidated Account and the Treasurer's Advance

The Consolidated Account

The *Constitution Act 1889* requires that all revenue of the Crown that is not permanently appropriated by legislation to another entity shall be credited to the Consolidated Account. The Act also requires that payments out of the Consolidated Account must be appropriated by the Parliament.

Accordingly, Consolidated Account revenue is not available for use by agencies that collect it and such receipts must be paid directly to the credit of the Account. Expenditure is authorised by the Parliament with both the amount and the expressed purpose of the associated appropriation clearly specified.

The projected Consolidated Account accrual deficit at 30 June 2021 is \$19.3 billion, a \$1 billion improvement on the 2020-21 Budget estimate. This includes \$15.7 billion associated with accrual (non-cash) appropriations for depreciation and leave entitlements (unchanged from Budget), matched by equivalent non-cash balances in agency Holding Accounts (see following table).

In cash terms, the Consolidated Account is forecast to be overdrawn by \$3.7 billion at 30 June 2021, a \$1 billion improvement on the Budget estimate.

State borrowings held by the Consolidated Account are forecast to increase by a net \$2.6 billion across the forward estimates period, down \$1 billion compared with the 2020-21 Budget estimate. Centrally-held borrowings totalled \$25.4 billion at 30 June 2020, and by the end of the forward estimates period, are projected to be \$28.1 billion. This remains below the \$34.5 billion cumulative limit approved by the *Loan Act 2017* and preceding *Loan Acts*¹.

¹ The *Loan Act 2017* received Royal Assent on 3 July 2017 and increased the cumulative loan limit under preceding *Loan Acts* from \$23.5 billion to \$34.5 billion. Consolidated Account borrowings cannot exceed the cumulative limit of these *Loan Acts*.

2020-21 Government Mid-year Financial Projections Statement

Table 4.1

CONSOLIDATED ACCOUNT TRANSACTIONS

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Mid-year	Forward	Forward	Forward
	Estimate	Estimate	Revision	Estimate	Estimate	Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
REVENUE						
<i>Operating Activities</i>						
Taxation	6,971	6,876	7,371	7,319	7,623	7,919
Commonwealth Grants	4,991	4,231	4,404	5,267	5,533	6,441
Government Enterprises	2,494	3,761	3,830	2,134	2,208	2,248
Revenue from other agencies	9,960	10,347	10,949	7,562	7,267	7,351
Other	716	566	612	536	491	482
<i>Total Operating Activities</i>	<i>25,131</i>	<i>25,782</i>	<i>27,166</i>	<i>22,817</i>	<i>23,123</i>	<i>24,442</i>
<i>Financing Activities</i>						
Repayments of Recoverable Advances	7	-	-	-	-	-
Transfers from the Debt Reduction Account	-	1,547	1,547	2,080	-	-
Other Receipts	8	7	7	1	1	1
Borrowings	777	150	150	2,000	500	-
<i>Total Financing Activities</i>	<i>793</i>	<i>1,704</i>	<i>1,704</i>	<i>4,081</i>	<i>501</i>	<i>1</i>
TOTAL REVENUE	25,924	27,486	28,870	26,898	23,624	24,443
EXPENDITURE						
<i>Recurrent</i>						
Authorised by Other Statutes	2,594	2,613	2,534	2,448	2,365	2,398
Appropriation Act (No. 1)	20,019	22,774	22,703	21,305	21,175	21,388
Recurrent Expenditure under the Treasurer's Advance	795	-	496	-	-	-
<i>Total Recurrent Expenditure</i>	<i>23,409</i>	<i>25,387</i>	<i>25,733</i>	<i>23,753</i>	<i>23,539</i>	<i>23,785</i>
<i>Investing Activities</i>						
Authorised by Other Statutes	259	248	338	314	421	441
Appropriation Act (No. 2)	1,913	3,029	2,813	4,922	2,552	1,534
Investing Expenditure under the Treasurer's Advance	23	-	143	-	-	-
<i>Total Investing Activities</i>	<i>2,194</i>	<i>3,276</i>	<i>3,293</i>	<i>5,236</i>	<i>2,973</i>	<i>1,974</i>
<i>Financing Activities</i>						
Loan repayments	1,318	-	-	-	7	16
Appropriation Act (No. 2)	-	1,547	1,547	2,080	-	-
Other financing	7	6	6	-	-	-
<i>Total Financing Activities</i>	<i>1,324</i>	<i>1,553</i>	<i>1,553</i>	<i>2,080</i>	<i>7</i>	<i>16</i>
TOTAL EXPENDITURE	26,927	30,216	30,579	31,069	26,519	25,775
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-1,003	-2,730	-1,709	-4,171	-2,896	-1,333
Consolidated Account Balance						
Opening balance at 1 July	-16,630	-17,634	-17,634	-19,342	-23,513	-26,409
Closing balance at 30 June	-17,634	-20,364	-19,342	-23,513	-26,409	-27,741
<i>Of which:</i>						
Appropriations payable	-14,342	-15,662	-15,672	-16,933	-18,313	-19,665
Cash balance at 30 June	-3,292	-4,702	-3,671	-6,580	-8,096	-8,076

Note: Columns may not add due to rounding.

The Treasurer's Advance

Under the *Financial Management Act 2006* (FMA), the Treasurer's Advance provides the Treasurer with authorisation to make short-term recoverable advances to agencies for the temporary financing of works and services. In addition, new or supplementary funding can be provided during the year for extraordinary or unforeseen matters (also known as 'excesses and new items'), up to an approved limit.

Based on these Mid-year Review estimates, the total amount forecast to be drawn against recoverable advances, excesses and new items in 2020-21 is \$658.9 million, which remains below the \$688.8 million limit for 2020-21 authorised by the FMA². There were no draw downs for excesses or new items up to the 30 November 2020 Mid-year Review cut-off date.

The projected position of the Treasurer's Advance at 30 June 2021 is shown in the following table.

TREASURER'S ADVANCE			Table 4.2
	2019-20	2020-21	
	Actual	Projection ^(a)	
	\$m	\$m	
AUTHORISED LIMIT	1,658.4	688.8	
<i>Total projected to be drawn against Treasurer's Advance authorisation</i>	824.5	658.9	
Comprising			
Net recoverable advances as at 30 June	6.2	20.0	
Overdraw n Special Purpose Accounts	-	-	
Excesses and New Items			
- recurrent	795.4	496.1	
- capital	22.9	142.8	

(a) Detailed disclosure of the final audited outcome for 2020-21 will be available in the 2020-21 *Annual Report on State Finances*, due to be released by 28 September 2021.

Note: Columns may not add due to rounding.

² Section 29 of the FMA authorises the Treasurer's Advance limit to be equivalent to 3% of the total amount appropriated for the previous year by the Appropriation Acts. For 2020-21, the \$688.8 million limit represents 3% of the total \$23 billion appropriated by Appropriation Bills 1 and 2 in the 2019-20 Budget.

Transfers, Excesses and New Items

Details of excesses and/or new items that are projected to occur during 2020-21 and the expected impact of these on the Treasurer's Advance under the authority of section 27 of the FMA are shown in the following table.

The projections shown are subject to movements in agencies' appropriations through the remainder of 2020-21. Funding in excess of budget for appropriation items shown in the table will only occur if management responses do not achieve compensating shortfalls in other spending supported by these items prior to 30 June 2021.

Section 25 of the FMA allows appropriation originally allocated in the 2020-21 Budget to be transferred to other agencies for the provision of an appropriation-funded service that is now to be delivered by the other agency. These transfers have no impact on the Treasurer's Advance. Appropriation transfers approved since the presentation of the 2020-21 Budget include:

- \$347.2 million has been transferred from the provision for METRONET Projects Under Development to the Public Transport Authority to enable the procurement and delivery of METRONET projects; and
- \$0.7 million has been transferred from the WA Recovery Plan – Business Case Development Fund (held by Treasury in the Budget). The Fund was established to accelerate the development and completion of business cases and project definition plans, with transfers since the Budget made to:
 - the Department of Local Government, Sport and Cultural Industries (\$0.4 million); and
 - the Department of Planning, Lands and Heritage (\$0.3 million).

2020-21 TRANSFERS, EXCESSES AND NEW ITEMS

Table 4.3

Item	Budget \$m	Transfers ^(a) \$m	Treasurer's Advance		Approved Excesses \$m	Revised Appropriation Limit \$m	Draw n against Treasurer's Advance to date ^(b) \$m
			New	Items			
				\$m			
Recurrent Appropriations							
Premier and Cabinet							
Item 5: Delivery of Services	148.4	-		-	11.6	159.9	-
Governor's Establishment							
Item 8: Delivery of Services	2.1	-		-	0.1	2.2	-
Commissioner for Children and Young People							
Item 12: Delivery of Services	2.6	-		-	0.2	2.8	-
Treasury							
<i>Operating Subsidy Payments</i>							
Item 16: Bunbury Water Corporation	0.7	-		-	0.1	0.8	-
Item 17: Busselton Water Corporation	0.7	-		-	0.1	0.7	-
Item 21: Public Transport Authority of Western Australia	1,088.2	-		-	50.2	1,138.4	-
Item 22: Regional Power Corporation (Horizon Power)	40.2	-		-	1.9	42.1	-
Item 24: Water Corporation	216.9	-		-	1.7	218.6	-
<i>Grants, Subsidies and Transfer Payments</i>							
Item 32: Provision for Business Case Development Fund	13.0	-0.7		-	-	12.4	-
Item 33: Provision for Unfunded Liabilities in the Government Insurance Fund	15.0	-		-	15.0	30.0	-
Item 38: WA Health	1.0	-		-	1.8	2.8	-
New Item: Provision for Commonwealth Pandemic Leave Disaster Payment	-	-		2.3	-	2.3	-
New Item: Provision for COVID-19 Health costs	-	-		74.7	-	74.7	-
New Item: Provision for Closing the Gap Early Commitments	-	-		0.6	-	0.6	-
New Item: Metropolitan Redevelopment Authority (DevelopmentWA)	-	-		0.9	-	0.9	-

Note: Columns/rows may not add due to rounding.

Table 4.3 (cont.)

2020-21 TRANSFERS, EXCESSES AND NEW ITEMS

Item	Budget \$m	Transfers ^(a) \$m	New Items \$m	Treasurer's Advance		Revised Appropriation Limit \$m	Draw n against Treasurer's Advance to date ^(b) \$m
				Approved Excesses \$m			
Finance							
Item 41: Delivery of Services	219.5	-	-	2.1		221.5	-
Item 42: Administered Grants, Subsidies and Other Transfer Payments	524.4	-	-	31.4		555.8	-
Jobs, Tourism, Science and Innovation							
Item 43: Delivery of Services	236.3	-	-	103.7		340.0	-
Mines, Industry Regulation and Safety							
Item 47: Delivery of Services	143.0	-	-	2.1		145.1	-
Item 48: Administered Grants, Subsidies and Other Transfer Payments	112.7	-	-	24.6		137.2	-
Energy Policy WA							
Item 52: Delivery of Services	17.3	-	-	0.2		17.6	-
Infrastructure WA							
Item 53: Delivery of Services	4.7	-	-	0.1		4.8	-
WA Health							
Item 54: Delivery of Services	5,183.1	-	-	92.1		5,275.2	-
Mental Health Commission							
Item 57: Mental Health Tribunal	2.7	-	-	0.1		2.8	-
Education							
Item 60: Delivery of Services	4,255.5	-	-	20.9		4,276.4	-
Training and Workforce Development							
Item 62: Delivery of Services	418.4	-	-	0.1		418.5	-
Western Australia Police Force							
Item 63: Delivery of Services	1,417.6	-	-	3.4		1,421.0	-
Justice							
Item 64: Delivery of Services	1,305.7	-	-	12.0		1,317.7	-
Fire and Emergency Services							
Item 65: Delivery of Services	67.5	-	-	0.9		68.4	-
Office of the Director of Public Prosecutions							
Item 67: Delivery of Services	39.4	-	-	0.5		39.9	-
Communities							
Item 72: Delivery of Services	1,830.4	-	-	16.9		1,847.2	-

Note: Columns/rows may not add due to rounding.

Table 4.3 (cont.)

2020-21 TRANSFERS, EXCESSES AND NEW ITEMS

Item	Budget \$m	Transfers ^(a) \$m	Treasurer's Advance		Approved Excesses \$m	Revised Appropriation Limit \$m	Draw n against Treasurer's Advance to date ^(b) \$m
			New Items \$m	Items \$m			
Local Government, Sport and Cultural Industries							
Item 73: Delivery of Services	151.6	0.4	-	-	6.2	158.1	-
Item 74: Administered Grants, Subsidies and Other Transfer Payments	35.8	-	-	-	2.4	38.2	-
Item 78: Perth Theatre Trust	12.7	-	-	-	-(c)	12.8	-
Transport							
Item 81: Delivery of Services	96.8	-	-	-	13.6	110.4	-
Planning, Lands and Heritage							
Item 86: Delivery of Services	114.7	0.3	-	-	1.9	116.9	-
Heritage Council of Western Australia							
Item 89: Delivery of Services	1.4	-	-	-	0.1	1.5	-
Total Recurrent		-		78.5	417.6		-
Capital Appropriations							
Treasury							
Government Equity Contributions							
Item 107: Electricity Networks Corporation (Western Power)	166.3	-	-	-	43.2	209.5	-
Item 113: WA Health	30.2	-	-	-	11.7	42.0	-
New Item: Provision for COVID-19 Health costs	-	-	1.1	-	-	1.1	-
New Item: Bunbury Water	-	-	11.9	-	-	11.9	-
Finance							
Item 117: Capital Appropriation	7.7	-	-	-	0.1	7.8	-
Jobs, Tourism, Science and Innovation							
Item 118: Capital Appropriation	11.6	-	-	-	1.9	13.5	-
Justice							
Item 129: Capital Appropriation	68.4	-	-	-	2.7	71.1	-
Western Australian Sports Centre Trust							
Item 139: Capital Appropriation	17.9	-	-	-	6.8	24.7	-

Note: Columns/rows may not add due to rounding.

Table 4.3 (cont.)

2020-21 TRANSFERS, EXCESSES AND NEW ITEMS

Item	Budget \$m	Transfers ^(a) \$m	New Items \$m	Treasurer's Advance		Revised Appropriation Limit \$m	Draw n against Treasurer's Advance to date ^(b) \$m
				Approved Excesses \$m	Appropriation Limit \$m		
Commissioner of Main Roads Item 141: Capital Appropriation	10.4	-	-	62.0	72.4	-	-
Public Transport Authority of Western Australia Item 142: Capital Appropriation	727.2	347.2	-	-	1,074.4	-	-
Item 143: Capital Appropriation - METRONET Projects Under Development	378.5	-347.2	-	-	31.3	-	-
Water and Environmental Regulation Item 144: Capital Appropriation	7.9	-	-	1.4	9.3	-	-
Total Capital		-	13.0	129.8		-	-
TOTAL		-	91.4	547.4		-	-

(a) Authorised under section 25 of the FMA.

(b) Mid-year Review cut-off date, 30 November 2020.

(c) Amount less than \$50,000.

Note: Columns/rows may not add due to rounding.

