

2021-22
**Government
Mid-year
Financial
Projections
Statement**
December 2021



2021-22

**Government Mid-year Financial
Projections Statement**

DECEMBER 2021

2021-22 Government Mid-year Financial Projections Statement
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2021–22

Government Mid-year Financial Projections Statement

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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 9 September 2021;
- 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 29 November 2021 and which have a material effect on the State's financial projections.

2021–22 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 29 November 2021.



Michael Barnes PSM
UNDER TREASURER

16 December 2021

Financial Projections and Strategy

HIGHLIGHTS

- The State's economy is continuing to grow strongly. The domestic economy, as measured by State Final Demand (SFD), grew by 4.4% in 2020-21 and is forecast to grow by a further 5% in 2021-22. These rates of growth are well in excess of average SFD growth of just 0.7% per annum over the last decade.
- Demand for labour has been exceptionally strong, with employment now forecast to grow by 3.75% in 2021-22 – up from 2.5% at Budget, and more than three times average employment growth over the last decade. Activity in the established housing market has also been stronger than expected.
- The strength of the labour and housing markets has driven an upward revision to taxation revenue in this Mid-year Review. Nonetheless, a sharper than expected decline in the iron ore price since the 9 August 2021 Budget cut-off date has seen the general government operating surplus for 2021-22 revised down from \$2.8 billion to \$2.4 billion.
- This Mid-year Review includes an additional \$1.28 billion investment in the State's health and mental health system since the 2021-22 Budget, implementation of a new public sector wages policy to better reflect current economic conditions, additional investment in priority transport projects, and new investment to further diversify the State's economy and reconnect Western Australia to the world.
- Total public sector net debt is on track to decline for a third consecutive year in 2021-22 to \$32.6 billion. Western Australia's net debt trajectory remains relatively flat, in stark contrast to the rapidly rising debt profiles of the Commonwealth and other States. Net debt is forecast to rise modestly to \$36.8 billion by the end of the forward estimates period (up from \$36 billion at Budget), still significantly lower than previous forecast levels.

Introduction

The State's economy is continuing to grow strongly. The domestic economy, as measured by State Final Demand (SFD), grew by 4.4% in 2020-21 and is forecast to grow by a further 5% in 2021-22. These rates of growth are well in excess of average SFD growth of just 0.7% per annum over the last decade. Demand for labour has also been very strong, with employment now forecast to increase by 3.75% (or 51,500 additional jobs) in 2021-22.

Strong economic conditions are driving higher than expected growth in taxation revenue, which has been revised up by a total of \$1.7 billion in this Mid-year Review (over 2021-22 to 2024-25). In particular, the buoyant housing and labour markets have underpinned updated expectations for transfer duty (up \$1 billion) and payroll tax (up \$622 million).

This has been partly offset by lower royalty revenue, which is projected to be a total of \$783 million lower than forecast at Budget. This reflects the impact of a sharper than expected fall in the iron ore price in 2021-22, partly offset by a lower exchange rate and positive movements in other commodity prices (such as lithium, oil and LNG).

Additional investment in this Mid-year Review is focused on ensuring the State is prepared to transition its border controls in early 2022, supporting the ongoing diversification of the economy, and reconnecting Western Australia to the world. Major spending initiatives include:

- \$1.28 billion in additional health and mental health spending, which includes 270 additional hospital beds and associated staffing as the State transitions its border controls; additional pandemic response spending during the second half of 2021-22, such as quarantine, contract tracing, the vaccination program and pathology testing; and other initiatives to expand and modernise Western Australia's health system;
- an additional \$1.18 billion on priority transport projects (jointly funded by the Commonwealth), including Midland Station, Victoria Park-Canning Level Crossing Removal, Byford Rail Extension, and a number of other jointly funded transport projects that are still under negotiation with the Commonwealth;
- a \$560 million provision to support implementation of the Government's new public sector wages policy. This is in addition to \$631 million provisioned in the 2021-22 Budget for higher wages growth, and brings the total provision for the Government's new wages policy to \$1.2 billion across 2021-22 to 2024-25;
- \$300 million (of which \$214 million is funded through non-recourse Northern Australia Infrastructure Facility (NAIF) loans, subject to final agreement with NAIF) to upgrade common-user infrastructure to support the proposed \$4.5 billion Perdaman urea project, once it achieves all approvals and final investment decision;
- \$185.7 million for the Reconnect WA package to attract and incentivise tourists, international students and workers;
- \$117.5 million for Hydrogen Hubs in the Pilbara and Mid West (subject to matching Commonwealth contributions); and

- \$80 million for a COVID-19 Test Isolation Payment to provide financial support to those who do not have access to leave entitlements (mainly casual employees) who self-isolate while waiting for the results of a COVID-19 test.

The general government operating surplus is now forecast to be \$2.4 billion in 2021-22, down from \$2.8 billion at Budget. Operating surpluses continue to be projected in each year of the forecast period.

The Government's Asset Investment Program has increased by a further \$2 billion, and is now forecast to total a record \$32.7 billion over the four years to 2024-25. While a significant portion of this increase is funded by additional Commonwealth contributions, increased capital works spending is the main driver of a forecast \$800 million increase in total public sector net debt since Budget, with net debt now forecast to be \$36.8 billion by 30 June 2025. However, this represents a modest 11.2% share of the State's economy (Gross State Product), down slightly from the 11.4% forecast at Budget.

The following table summarises the key financial aggregates for the 2021-22 Mid-year Review.

Table 1

KEY BUDGET AGGREGATES						
Western Australia						
	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	Actual	Budget Estimate	Mid-year Revision	Forward Estimate	Forward Estimate	Forward Estimate
GENERAL GOVERNMENT SECTOR						
Net Operating Balance (\$m)	5,838	2,791	2,446	1,759	3,528	2,360
Revenue (\$m)	40,151	38,297	38,071	35,494	37,380	36,980
Revenue Growth (%)	24.8	-4.7	-5.2	-6.8	5.3	-1.1
Expenses (\$m)	34,313	35,506	35,625	33,736	33,852	34,620
Expense Growth (%)	12.5	2.8	3.8	-5.3	0.3	2.3
Net Debt at 30 June (\$m)	22,788	21,098	21,617	24,005	25,177	26,320
TOTAL PUBLIC SECTOR						
Net Debt at 30 June (\$m)	33,482	32,062	32,621	34,959	35,576	36,795
Net Debt as a share of GSP (%)	9.3	9.0	9.5	11.3	11.2	11.2
Asset Investment Program (\$m)	5,816	8,021	8,080	8,451	8,449	7,707
Cash Surplus/Deficit (\$m)	2,454	1,756	1,209	-2,113	-286	-818

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

	2020-21 Actual	2021-22 Mid-year Revision	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate
Real Gross State Product growth (%)	2.6 (3.25)	3.5	1.0	1.25	1.5
Real State Final Demand growth (%) ^(b)	4.4 (4.5)	5.0	2.0 (1.25)	2.5 (2.25)	2.25
Employment growth (%)	1.8 (1.7)	3.75 (2.5)	1.25 (1.5)	1.25	1.25
Unemployment rate (%) ^(c)	6.1	4.25 (4.75)	4.25 (4.5)	4.0 (4.5)	4.0 (4.5)
Wage Price Index growth (%)	1.5	2.5 (2.25)	2.75 (2.25)	2.75 (2.5)	2.75 (2.5)
Perth Consumer Price Index growth (%) ^(d)	1.6	2.5 (1.75)	2.0 (1.75)	2.25 (2.0)	2.25 (2.0)
Iron ore price (\$US/tonne CFR) ^{(c)(e)}	154.5	104.9 (121.3)	66.0	66.0	66.0
Iron ore volumes (million dry tonnes)	839 (840)	847 (858)	854 (870)	862 (877)	862 (870)
Crude oil price (\$US per barrel) ^(c)	54.6	77.6 (71.0)	73.3 (66.7)	69.8 (63.3)	67.5 (60.8)
Exchange rate (US cents) ^(c)	74.7	72.7 (73.8)	71.3 (73.6)	69.6 (73.3)	67.8 (73.0)
Population growth (%)	0.8 ^(f)	0.8 (0.7)	1.0 (0.8)	1.3 (1.1)	1.4 (1.3)
Interest rate assumptions (%):					
– Public Bank Account earnings ^(c)	0.5	0.5 (0.4)	0.60 (0.5)	0.7 (0.6)	0.8 (0.7)
– Consolidated Account borrowings ^(c)	2.4	2.3	2.20	2.2	2.2 (2.1)

(a) 2021-22 Budget assumptions shown in parentheses where different.

(b) Based on 2020-21 State Accounts data, updated with the latest State Final Demand data for the September quarter 2021.

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

(d) Consumer Price Index growth rate in 2021-22 is based on the total index excluding the electricity sub-index (which is skewed by the impact of the \$600 Household Electricity Credit implemented in 2020-21).

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

(f) Estimated actual.

RECONNECT WA

As detailed in the Government's Safe Transition Plan, Western Australia will further ease its border controls in line with reaching a 90% double-dose vaccination rate for people aged 12 and over.

This Mid-year Review includes a \$185.7 million Reconnect WA package to support the State's safe re-engagement with the world once Western Australia transitions to open borders. This includes new funding of \$101.5 million over 2021-22 to 2023-24.

Initiatives within the Reconnect WA package focus on supporting the recovery of the tourism and international education sectors, including attracting international arrivals, and addressing workforce constraints.

- A total of \$65.2 million will be spent on marketing campaigns to promote Western Australia as a safe place with opportunities, and to attract tourists, skilled workers and international students to the State.
- The State's existing \$25 million Aviation Recovery Fund will be boosted to \$55 million. This spending is in addition to \$10 million that will be spent on intrastate aviation. Combined, these initiatives take the State's aviation fund to \$65 million, and will enable Tourism WA, with support from Perth Airport, to continue to negotiate with airlines and make competitive offers to recommence or secure new international and domestic air services to Western Australia.
- The package includes \$15 million to attract international conferences to Perth. Conference events are essential to support CBD hotel occupancy and the hospitality industry.
- In addition to the marketing campaign, a further \$11.2 million will be spent on various international education initiatives to support, incentivise and attract international students. This includes up to \$1,500 in accommodation support for the first 5,000 international students.
- Tourism WA has been allocated an additional \$9 million to attract additional 'blockbuster' events.
- Enhanced trade and investment outcomes for Western Australia will be supported by an additional \$7.5 million to boost Western Australia's overseas presence, through additional staffing and resources within the State's overseas office network.
- To assist with addressing the shortage of workers in regional Western Australia, a \$7.5 million allocation has been made to expand the Primary Industries Workers Regional Travel and Accommodation Support Scheme to include international working holiday makers.
- Tourism WA has been provided \$5.3 million to expand the successful Stay and Play campaign, which offers discounts for those who stay in participating hotels, as well as vouchers for tours and experiences.

General Government Sector

Operating Statement

The following table summarises the changes in general government revenue and expenses since the 2021-22 Budget estimates were finalised on 9 August 2021.

Table 3

SUMMARY OF GENERAL GOVERNMENT REVENUE AND EXPENSE VARIATIONS SINCE THE 2021-22 BUDGET					
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	Total \$m
2021-22 BUDGET - NET OPERATING BALANCE	2,791	1,990	2,871	1,576	
Revenue					
<i>Taxation</i>	908	316	243	254	1,720
- Total duty on transfers	626	189	99	103	1,018
- Payroll tax	205	133	139	145	622
- Point of Consumption tax	32	5	5	6	48
- Vehicle licence duty	49	-8	-	-	42
- Other taxes	-5	-3	-1	-1	-10
<i>Commonwealth grants</i>	114	175	822	674	1,786
- GST grants	24	2	2	2	30
- North West Shelf/condensate compensation	90	111	116	117	433
- Transport grants	-207	45	677	539	1,054
- Health grants	125	- (a)	-	-	125
- JobTrainer grants	52	-	-	-	52
- National Legal Assistance Partnership Agreement	7	9	9	9	35
- Other Commonwealth grants	23	9	18	6	55
<i>Royalty income</i>	-1,415	84	196	353	-783
- Iron ore	-1,509	-34	73	228	-1,242
- Lithium	59	75	73	67	273
- Other royalties	35	43	50	57	185
Revenue from public corporations	-8	22	19	61	94
Sales of goods and services	100	-2	8	-7	99
Mining lease rental fees	42	17	17	17	93
All other	32	16	15	14	77
TOTAL REVENUE	-227	628	1,319	1,365	3,086

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

Table 3 (cont.)

**SUMMARY OF GENERAL GOVERNMENT REVENUE AND EXPENSE
VARIATIONS SINCE THE 2021-22 BUDGET**

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	Total \$m
Expenses					
Health and Mental Health					
- Safe Transition Plan	76	163	9	-	249
- COVID-19 health costs	240	-	-	-	240
- Hospital services - general health	55	53	55	57	220
- Hospital services - mental health	5	5	5	5	20
- All other expenses	16	3	3	5	26
- Less allocation from Budget provision ^(b)	-363	-	-	-	-363
Other initiatives utilising Budget provision					
- Reconnect WA	54	37	10	-	102
- COVID-19 Test Isolation Payment	30	50	-	-	80
- All other	23	-	-	-	23
- Less allocation from Budget provision ^(b)	-204	-	-	-	-204
Digital Capability Fund projects					
- Human Resources Management Information System (Health)	6	10	15	11	42
- Cybersecurity capability (Premier and Cabinet)	4	7	7	7	26
- All other projects	16	13	6	6	41
- Less allocation from Digital Capability Fund Budget provision	-19	-29	-27	-27	-103
Main Roads					
- Local government road funding	18	75	75	70	238
- Grants to the Public Transport Authority	-22	135	133	90	335
- All other	91	-1	6	-5	91
Provision for new wages policy	4	102	205	250	560
Native Title settlements	50	44	45	42	181
JobTrainer extension	11	20	13	6	49
National Legal Assistance Partnership Agreement	7	9	9	9	35
All other ^(c)	22	163	95	55	334
TOTAL EXPENSES	119	859	663	582	2,222
TOTAL VARIANCE	-346	-231	657	784	863
2021-22 MID-YEAR REVIEW - NET OPERATING BALANCE	2,446	1,759	3,528	2,360	

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

(b) The 2021-22 Budget included an \$800 million provision for recurrent spending expected to emerge during 2021-22. Of this amount, \$240 million was set aside for hospital services recognising the ongoing uncertainties as a result of the pandemic. An additional \$123 million of the total provision has been allocated to health and mental health initiatives in this Mid-year Review.

(c) Includes changes in depreciation, interest and other agency costs not counted elsewhere, and provisions that remain confidential while subject to negotiation.

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

Revenue

Relative to the 2021-22 Budget, general government revenue has been revised down by \$227 million in 2021-22. This largely reflects lower royalty income (down \$1.4 billion) due to a sharper than expected decline in the iron ore price, partly offset by higher taxation revenue (up \$908 million) and Commonwealth grants (up \$114 million).

However, the softer revenue outlook for 2021-22 is more than offset by an improved revenue outlook over the outyears. This reflects stronger forecasts for taxation, particularly transfer duty and payroll tax; additional Commonwealth grants, including new contributions to jointly funded transport projects; and the contribution to mining income from a lower exchange rate and higher lithium, oil and gas prices.

Despite the overall improvement in the revenue outlook since Budget, total revenue is projected to decline by an average of 2% per annum over the forward estimates period. This largely reflects an expected return to more normal levels of iron ore royalty income following the record iron ore price (in Australian dollar terms) in 2020-21, which underpinned total revenue growth of 24.8% in that year.

Across the four years to 2024-25, general government revenue movements since the 2021-22 Budget mainly reflect the net impact of:

- higher Commonwealth grants (up \$1.8 billion), including:
 - higher transport grants (up almost \$1.1 billion), reflecting anticipated additional funding for transport infrastructure projects (\$874 million) and the retiming of existing project cashflows from 2020-21 (\$180 million);
 - higher North West Shelf grants and condensate compensation (up \$433 million), as a result of higher oil and gas prices, and a lower exchange rate relative to the Budget assumptions;
 - higher health funding (up \$125 million), mainly for the National Partnership on COVID-19 Response;
 - higher JobTrainer grants (up \$52 million in 2021-22), due to the extension and expansion of the JobTrainer Fund National Partnership Agreement; and
 - higher National Legal Assistance Partnership Agreement funding (up \$35 million);
- higher taxation revenue (up \$1.7 billion), mainly due to:
 - higher transfer duty (up \$1 billion), reflecting stronger than anticipated transaction volumes in the residential property market and an upward revision to the 2021-22 median house price forecast;
 - higher payroll tax (up \$622 million), as a result of higher than anticipated monthly collections during 2021-22 (underpinned by strength in the mining sector), and the flow-through impact of this higher base into the outyears;

- higher Point of Consumption betting tax (up \$48 million), reflecting higher than expected collections during 2021-22; and
- higher vehicle licence duty (up \$42 million), due to a greater than expected pull-forward in vehicle demand in 2021-22, flowing through to vehicle licence duty collections;
- lower royalty income (down \$783 million), largely due to the net impact of:
 - lower iron ore royalty income (down \$1.2 billion), reflecting:
 - a downward revision to the assumed iron ore price in 2021-22 – from \$US121.3 at Budget to \$US104.9 in this Mid-year Review – as a result of a sharper than expected decline in steel production in China, which has fallen by 28% since peaking in May 2021;
 - a significant increase in shipping deductions in response to elevated global shipping costs;
 - a modest downward revision to assumed production volumes (50 million tonnes, or approximately 1.4% of output, across the forward estimates period); and
 - a lower assumed \$US/\$A exchange rate; and
 - higher lithium royalty income (up \$273 million) as a result of higher prices, higher forecast production volumes (reflecting the planned restart of the Wodgina Mine) and the lower \$US/\$A exchange rate assumption;
- higher sales of goods and services (up \$99 million), mainly due to road-related revenue collected by Main Roads (up \$75 million) for works done on behalf of the Public Transport Authority and other sectors, and revenue from hotel quarantine fees (up \$21 million in 2021-22);
- higher revenue from public corporations (up \$94 million), primarily driven by higher dividend and tax equivalent payments from the Water Corporation, reflecting the impact on profit of higher developer contributions and lower interest expenses; and
- higher mining lease rental fees (up \$93 million), primarily due to ongoing elevated activity following record mineral exploration expenditure over the year to September 2021.

Detailed forecasts of general government sector revenue are available in Appendix 2: *General Government Operating Revenue*.

Expenses

General government expenses have been revised up by a total of \$2.2 billion since the 2021-22 Budget across the four years to 2024-25. Of this, additional recurrent spending of \$796 million on health and mental health has been approved as part of this Mid-year Review. This includes:

- \$249 million as the State transitions its border controls, providing for the cost of staffing an additional 270 hospital beds and refocusing the use of existing beds;
- \$240 million in 2021-22 for additional spending on COVID-19 response activities, including hotel quarantine, the Public Health Emergency Operations Centre, the State Health Incident Coordination Centre, delivery of the vaccination program, and pathology testing;
- \$240 million to address cost and demand pressures in hospital services, including \$4.5 million for the delivery of specialised therapy for treatment of blood cancers; and
- \$42 million in additional recurrent expenditure for a new Human Resource Management Information System (HRMIS) for WA Health (including capital investment, a total of \$200 million has been committed in this Mid-year Review to the new HRMIS).

The Mid-year Review also includes a provisional spend over 2021-22 and 2022-23 for the operation of a new quarantine facility to be built at Bullsbrook by the Commonwealth. The size of this provision is not disclosed due to the current procurement process.

Recurrent spending on roads has increased by \$664 million since Budget, with material allocations for:

- grant payments to the Public Transport Authority totalling \$335 million for works related to METRONET projects; and
- other road-related payments (up \$91 million), following updates to existing project schedules and cash flows.

The higher road and METRONET spending is partly offset by additional Commonwealth transport funding discussed earlier.

Following a post-Budget review and consultation process, the Government has revised its \$1,000 public sector wages policy to better reflect current economic conditions. The new policy allows for either a 2.5% annual wage increase with a \$1,000 sign-on bonus, or a 2.5% annual increase with a further 0.25% per annum for reform measures to be negotiated.

A \$560 million provision is reflected in this Mid-year Review to accommodate the new wages policy, which comes on top of a \$631 million provision in the Budget. This provides a total \$1.2 billion to accommodate the new wage policy settings over the forward estimates period (see feature box later in this chapter).

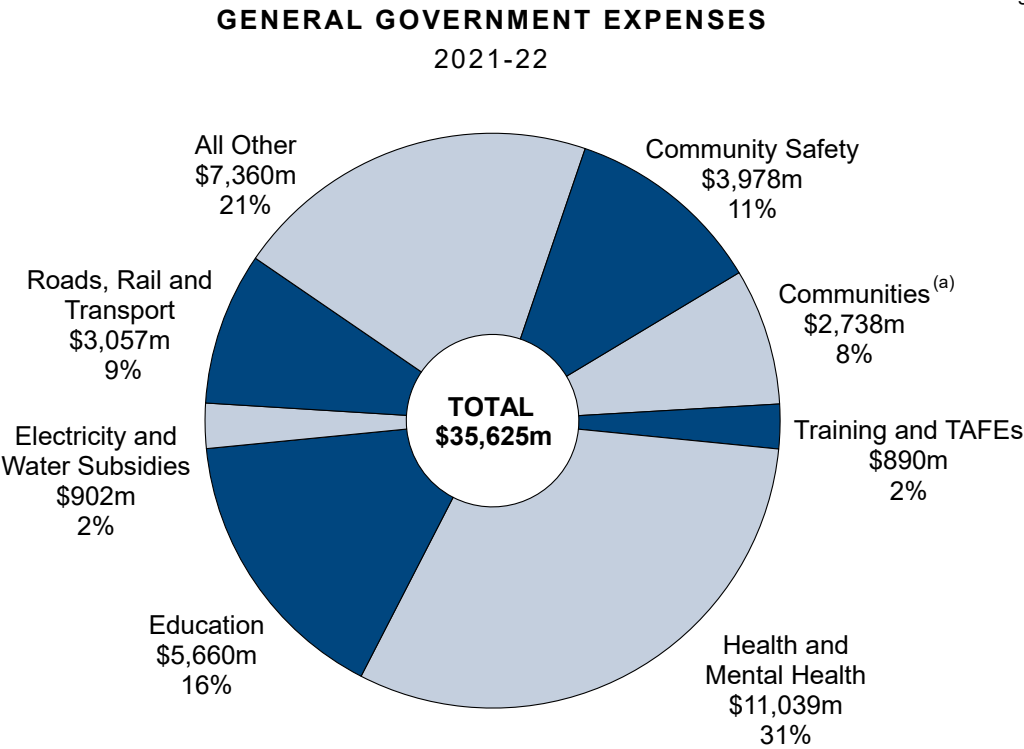
Other material movements in expenses over the four years to 2024-25 since Budget include:

- various initiatives funded from the general expenditure provision included in the 2021-22 Budget, including the \$185.7 million Reconnect WA package (see feature box earlier in this chapter) and a COVID-19 Test Isolation Payment (\$80 million), to provide financial support to eligible individuals who self-isolate while waiting for the results of a COVID-19 test;
- higher expenses for the South West Native Title Settlement and the Yamatji Nation Indigenous Land Use Agreement (up \$181 million), reflecting the flow-on impact of accounting changes for Native Title agreements reflected in the 2020-21 *Annual Report on State Finances* (ARSF) and agency annual reports¹; and
- higher spending on support for trainees in priority industry sectors following the extension and expansion of the JobTrainer Fund National Partnership Agreement (up \$49 million), and the provision of legal assistance and support services following amendments to the National Legal Assistance Partnership Agreement (up \$35 million).

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

¹ The provisional impact of accounting costs of Native Title agreements included in the 2021-22 Budget has been allocated to the Departments of the Premier and Cabinet, Finance, and Primary Industries and Regional Development in this Mid-year Review. Reflecting the finalised treatment of the accounting of these settlements in recent annual reports, some costs assumed in the Budget to be recognised in 2020-21 are treated as emerging costs over the life of the agreements. As reported in the 2020-21 ARSF, this reduced expenses in 2020-21 by \$302 million, with \$181 million of this amount now recognised over the four years to 2024-25 in this Mid-year Review.

Figure 1



(a) The current forecast for total cost of services for the Department of Communities is \$3.2 billion in 2021-22. The \$2.7 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.

MANAGEMENT OF PUBLIC SECTOR SALARIES

Government Wages Policy

As part of the 2021-22 Budget, the Government announced that a review of the public sector wages policy, scheduled for 2023, would be brought forward to commence immediately, in recognition of the more rapid than expected improvement in economic conditions following the initial impacts of COVID-19.

The previous wages policy, introduced in 2017, was one of a range of measures implemented to repair the State's finances. Under this policy, public sector employee pay increases were limited to \$1,000 per annum (pro-rata for part-time and casual employees). Since its implementation, more than 95% of public sector employees have completed at least four years on the \$1,000 wages policy. The policy was extended by two years in the 2020-21 Budget, in response to the uncertainty caused by COVID-19. The Government also froze the pay of politicians, judges and senior public servants.

The aim of the review was to determine appropriate wage settings in the context of a stronger than expected economic recovery. Extensive consultation was undertaken with public sector unions, UnionsWA, the Chamber of Commerce and Industry of Western Australia and Government Trading Enterprises, with written submissions provided to the Minister for Industrial Relations.

In response to the feedback received from unions and other stakeholders, the Government considered a range of settings for a new wages policy that incorporated options for the wage component, one-off payments, and an additional percentage for negotiated workforce reform measures.

The new wages policy provides public sector unions with a choice, by industrial agreement, of a two year setting that offers above-CPI wage increases of either:

- Option 1: a 2.5% wage increase per annum, with a \$1,000 sign-on bonus in the first year; or
- Option 2: a 2.5% wage increase per annum, with an additional 0.25% per annum for negotiated workforce reform measures.

These options reflect the State's improved economic and financial conditions and offer wage increases that exceed forecast increases in the cost of living – a key concern raised by unions. Including a component for workforce reform will also ensure that the new wages policy allows negotiation on agency-level initiatives such as reducing restrictive work practices or other reforms that support workforce priorities, addressing another key union issue. These wage settings will form part of a broader bargaining framework that will require a two year minimum term for industrial agreements and support bargaining on issues that are important to unions and their members.

The new wages policy will apply prospectively as existing industrial agreements expire, with agreements that expired or will expire between the 2021-22 Budget and this Mid-year Review eligible for the new policy.

The new wages policy costs an estimated \$1.2 billion over 2021-22 to 2024-25. Whilst not as generous as the increases sought by public sector unions, the new policy strikes an appropriate balance between fairly remunerating the State's public sector workers, providing increased bargaining flexibility, and responsible management of the State's finances.

Executive Salary Expenditure Limit

In 2017, the Government implemented a 20% reduction to the number of Senior Executive Service (SES) officers across the public service, and put in place an ongoing cap on SES numbers. This Budget repair measure saved an estimated \$26 million per annum from 2018-19, with this amount harvested from agency budgets as part of the 2018-19 Budget. Since its implementation, this cap has not been exceeded.

The ongoing appropriateness of the cap has recently been reviewed by the Public Sector Commission. The review identified an opportunity to continue to limit growth in the SES, whilst also allowing some flexibility for agencies to manage SES positions by converting the cap on positions to a financial control, consistent with the salaries expense limit that each agency is required to operate within.

As part of this Mid-year Review, the Government has established a financial control that effectively converts the SES cap to a percentage (0.9%) of the total public sector salaries spend. That is, the Government will ensure that executive salaries comprise no more than 0.9% of the public sector's total salaries expenditure.

This new approach, referred to as the Executive Salary Expenditure Limit (ESEL), provides additional oversight and governance, with no increase to agency budgets (as the 0.9% of salaries expenditure for SES and other management executive positions is already being incurred). Importantly, had the ESEL been based on the number of SES positions when the Government came to office in 2017, it would equate to approximately 1.4% of salaries expenditure – significantly above the new cap of 0.9%. This equates to a reduction of more than 35% since coming to Government.

The movement to a dynamic expenditure cap linked to salaries spending allows the public sector to respond in a more agile way to emerging Government priorities, including by allowing long-term acting positions to be filled in line with normal SES arrangements.

The ESEL will be closely monitored and controlled, with the Public Sector Commissioner responsible for classification determination for amended or new SES positions. Treasury will monitor and control changes to the ESEL approved by the Expenditure Review Committee.

Each Director General and Chief Executive Officer (CEO) is responsible for operating within their agency's ESEL, and performance will be monitored and reported in the CEO's Performance Agreement and in each agency's Resource Agreement (where the agency is funded from service appropriations).

Balance Sheet

The net worth of the general government sector is forecast to increase from \$112.6 billion at 30 June 2021 to \$129.2 billion by 30 June 2025. This \$16.6 billion projected increase over the forward estimates is \$4.2 billion more than forecast at the time of the Budget, and mainly reflects:

- a \$2 billion higher than anticipated outcome for 30 June 2021, detailed in the 2020-21 ARSF;
- a \$1.1 billion increase in property, plant and equipment, largely reflecting the forecast higher level of general government infrastructure spending across the forward estimates (discussed later in this chapter); and
- an \$869 million increase in the value of the general government sector's ownership interest in public corporations, due mainly to lower liabilities and higher holdings of physical assets in the public non-financial corporations sector (underpinned by higher forecast infrastructure spending).

GENERAL GOVERNMENT
Balance Sheet at 30 June

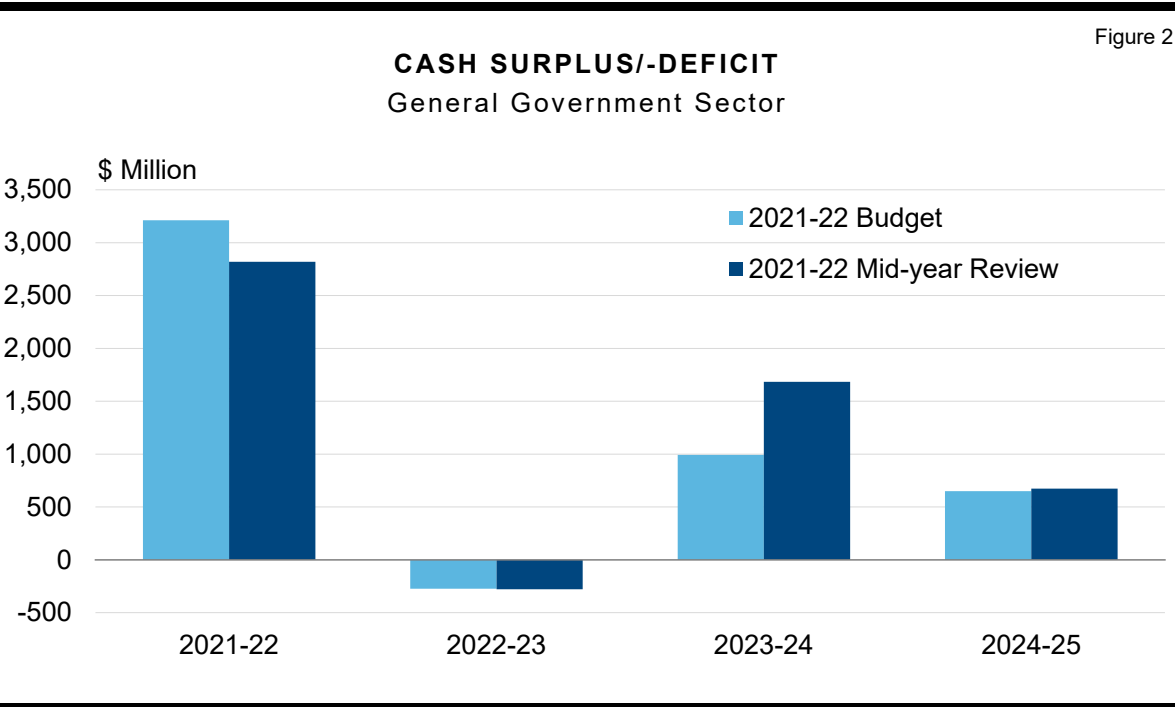
Table 4

	2021 \$m	2022 \$m	2023 \$m	2024 \$m	2025 \$m
2021-22 MID-YEAR REVIEW					
Assets	158,102	163,785	166,417	171,172	174,861
Liabilities	45,520	46,252	45,738	45,618	45,676
<i>Net Worth</i>	<i>112,582</i>	<i>117,532</i>	<i>120,679</i>	<i>125,554</i>	<i>129,185</i>
Net Debt	22,788	21,617	24,005	25,177	26,320
2021-22 BUDGET					
Assets	155,705	161,515	163,675	167,309	169,829
Liabilities	45,167	46,022	45,383	44,944	44,800
<i>Net Worth</i>	<i>110,537</i>	<i>115,493</i>	<i>118,292</i>	<i>122,365</i>	<i>125,029</i>
Net Debt	22,596	21,098	23,579	24,875	26,066
VARIANCE					
Assets	2,397	2,270	2,742	3,863	5,032
Liabilities	352	230	355	674	876
<i>Net Worth</i>	<i>2,045</i>	<i>2,039</i>	<i>2,387</i>	<i>3,189</i>	<i>4,156</i>
Net Debt	192	520	426	302	255

Note: Columns may not add due to rounding.

Cash Flow Statement

In line with expectations in the 2021-22 Budget, a cash surplus is forecast for the general government sector in 2021-22, before an expected small cash deficit in 2022-23, followed by a turnaround to projected cash surpluses again in 2023-24 and 2024-25. Forecast movements in the cash surpluses are consistent with the cash impact of the revised operating outlook detailed earlier in this chapter, and higher spending on asset investment (discussed later).



Total Public Sector

Summary

Across the four years to 2024-25, the total public sector operating outlook is broadly unchanged from the 2021-22 Budget. Increased infrastructure investment is expected to result in a modest increase in net debt by 30 June 2025 compared to the forecast at Budget.

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

Table 5

TOTAL PUBLIC SECTOR Summary Financial Statement						
	2020-21 Actual \$m	2021-22 Budget Estimate \$m	2021-22 Mid-year Revision \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m
OPERATING STATEMENT						
Revenue	76,545	72,617	74,397	72,071	75,347	76,378
Expenses	71,008	69,255	71,707	70,642	72,266	74,647
Net Operating Balance	5,537	3,361	2,689	1,429	3,080	1,731
BALANCE SHEET AT 30 JUNE						
Assets	207,738	212,672	209,910	213,169	218,067	222,729
Liabilities	95,156	97,179	92,377	92,490	92,513	93,544
Net Worth	112,582	115,493	117,532	120,679	125,554	129,185
STATEMENT OF CASHFLOWS						
Net Cash Flows from Operating Activities	7,771	9,329	8,817	5,764	7,443	6,227
Asset Investment Program	5,816	8,021	8,080	8,451	8,449	7,707
Cash Surplus/Deficit	2,454	1,756	1,209	-2,113	-286	-818
<i>Memorandum Item: Net Debt at 30 June</i>	33,482	32,062	32,621	34,959	35,576	36,795

Note: Columns may not add due to rounding.

Operating Statement²

In 2021-22, a \$2.7 billion operating surplus is forecast for the total public sector, compared with the \$3.4 billion operating surplus forecast at Budget. Across the outyears (2022-23 to 2024-25), the annual operating surpluses forecast at Budget have been revised up by an aggregate \$721 million.

As with the general government sector (discussed earlier), 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.

² 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

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
Net Operating Balance						
General government sector	5,838	2,791	2,446	1,759	3,528	2,360
Public non-financial corporations sector	780	1,146	823	1,079	1,018	869
Public financial corporations sector	434	130	129	151	159	163
<i>less</i>						
General government dividend revenue	1,362	587	589	1,437	1,508	1,543
Public non-financial corporations dividend revenue ^(a)	156	121	121	125	118	120
Agency depreciation costs on right of use assets leased from other government sectors ^(b)	-3	-2	-2	-2	-2	-2
Total public sector net operating balance	5,537	3,361	2,689	1,429	3,080	1,731

(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 decreased by an aggregate \$745 million. Revenue and expenses have been impacted by a range of decisions and revisions to forecast operating conditions, including:

- higher depreciation expense (up around \$300 million per annum) as a result of the flow-on impacts of upward valuations of electricity generation and distribution infrastructure assets brought to book in the 2020-21 ARSF;
- higher revenue (up \$346 million) for the Public Transport Authority, primarily due to an increase in funding from the METRONET Roads Special Purpose Account for delivery of the Victoria Park-Canning Level Crossing Removal and Byford Rail Extension projects;
- lower revenue (down \$46 million) and higher expenses (up \$24 million) for Synergy, primarily driven by:
 - lower forecast energy demand from large commercial customers;
 - lower interest revenue driven by lower interest rate assumptions;
 - the carryover of expenditure from 2020-21 to 2021-22 associated with the residual implementation of the Government's \$600 Household Electricity Credit; and
 - the impact (including higher operating subsidies and expenses) associated with Synergy undertaking its Distributed Photovoltaic Management project (outlined in Appendix 3);

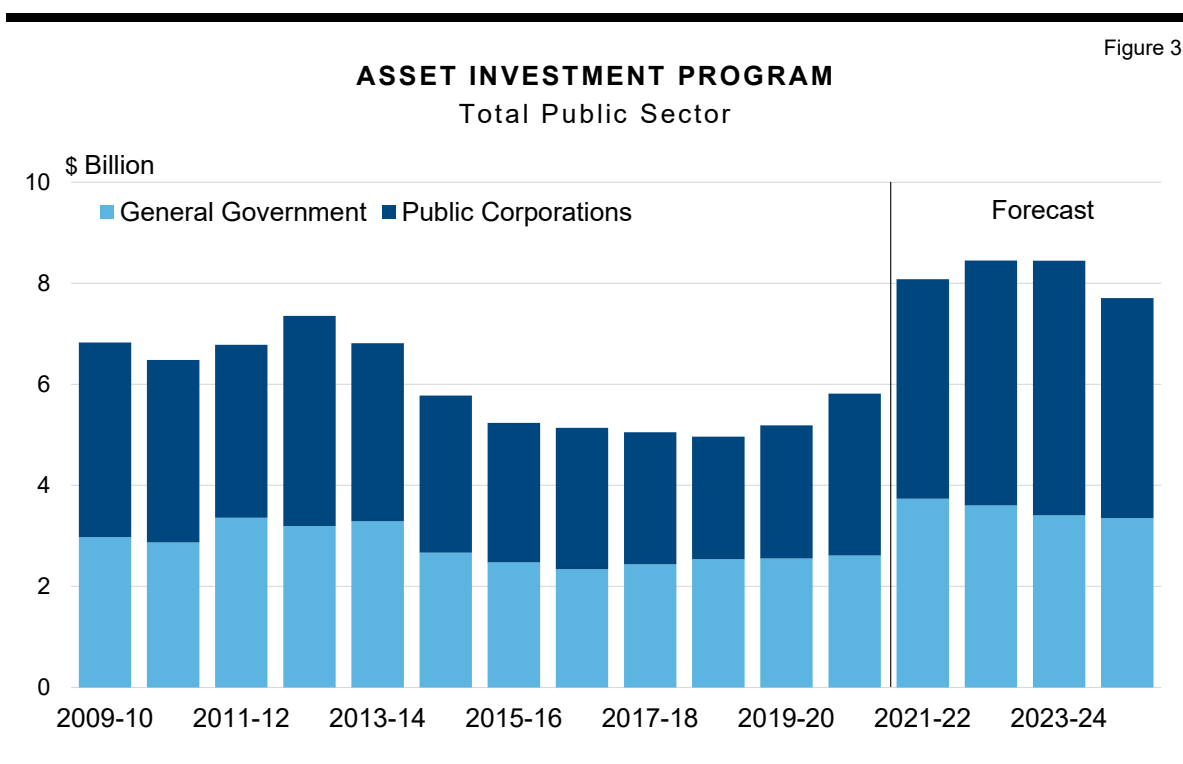
- higher revenue (up \$45 million) and lower expenses (down \$30 million) for the Water Corporation, primarily due to higher projected levels of water consumption, developer contributions and country water pricing subsidy revenue, and higher forecast efficiency savings; and
- lower electricity network tariff revenue (down \$36 million) in 2022-23 to reflect the Economic Regulation Authority's August 2021 decision on Western Power's network tariff prices for 2022-23.

Public Financial Corporations

In net terms, the operating outlook for the PFC sector has remained mostly unchanged since the 2021-22 Budget. An operating surplus of \$129 million is forecast for 2021-22 (virtually unchanged from the \$130 million surplus forecast at Budget), with surpluses also expected in each of the outyears.

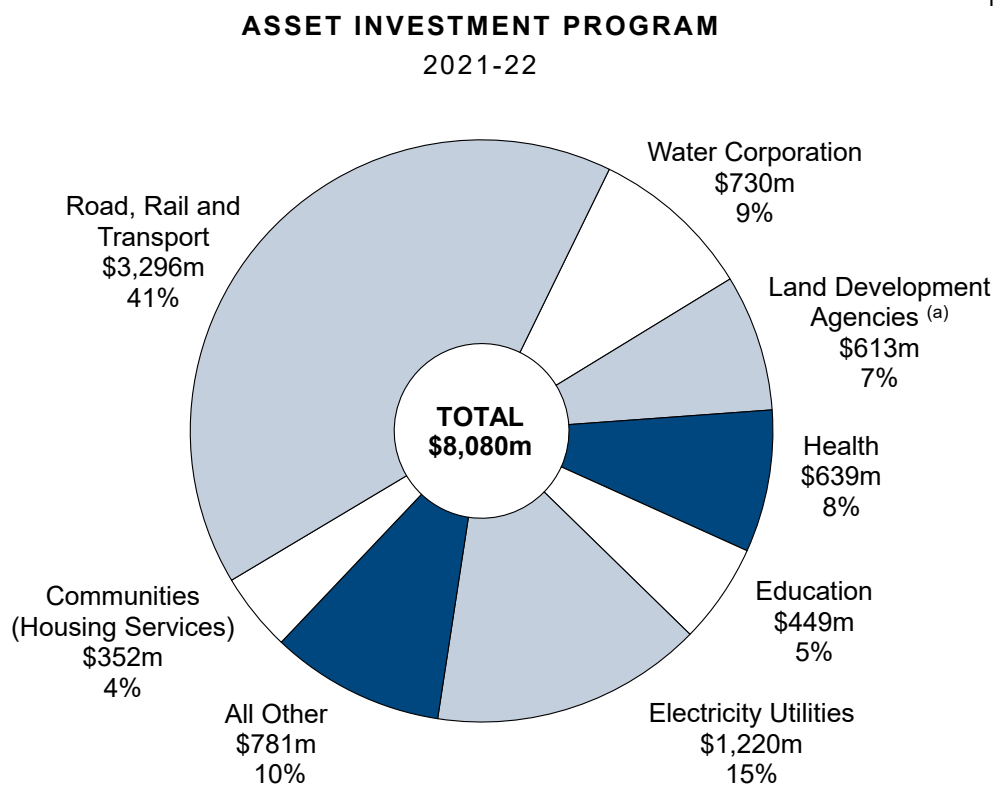
Asset Investment Program

The State Government will invest a record \$32.7 billion over the period 2021-22 to 2024-25 through its Asset Investment Program (AIP), up \$2 billion from the \$30.7 billion program included in the 2021-22 Budget.



The most significant areas of investment across the forward estimates continue to be road, rail and transport (\$14 billion), electricity (\$4.3 billion), housing and land development (\$3.3 billion), water (\$2.9 billion), education (\$1.7 billion), and health (\$1.6 billion).

Figure 4



(a) Includes DevelopmentWA, the Western Australian Planning Commission and the Department of Planning, Lands and Heritage.

Note: Segments may not add due to rounding.

Major spending changes relative to the 2021-22 Budget include:

- higher investment in roads and rail (up \$1 billion), mainly comprising:
 - \$438 million additional capital investment on various State-Commonwealth funded road projects;
 - \$419 million additional spending across various METRONET projects; and
 - the carryover of \$123 million in project underspends from 2020-21;
- a \$294 million increase in capital investment by the Pilbara Ports Authority, comprising:
 - \$193 million for the extension of the Dampier Cargo Wharf;
 - a further \$50 million to complete the Spoilbank Marina project in Port Hedland; and
 - changes in the accounting treatment of properties acquired through the Port Hedland Voluntary Buy-Back Scheme (\$51 million);
- \$167 million new expenditure by WA Health in 2021-22, as part of the State's Safe Transition Plan;

- a combined \$103 million in new spending by Western Power and the Water Corporation to relocate and augment a range of ageing network assets in Byford, Kelmscott, Midland and Victoria Park;
- investment of \$88 million to upgrade the Burrup Seawater Supply Scheme in the Burrup Strategic Industrial Area;
- additional investment in the Perth Concert Hall redevelopment (\$18.4 million), State Football Centre (\$7.1 million) and the Art Gallery of Western Australia Rooftop Development (\$2.2 million); and
- new expenditure by Horizon Power on its Utility of the Future digital transformation program, resulting in a net increase of \$22.8 million across the forward estimates period.

Reflecting the challenge of delivering record levels of asset investment spending in a heated construction market, this Mid-year Review includes a provision to 'smooth' forecast program spending over the forward estimates. The provision recognises that yet-to-be-identified slippage will emerge and reallocates forecast AIP spending from 2021-22 (\$300 million), 2022-23 (\$300 million) and 2023-24 (\$400 million) into 2024-25. The impact of this provision is related to the timing of delivery across the AIP, and is neutral in net debt terms to 30 June 2025. The provision does not change the timing of individual projects.

Further detail of material changes in infrastructure investment since the 2021-22 Budget is available in *Appendix 3: Major Spending Changes*.

This Mid-year Review also includes allocations from the Digital Capability Fund (reflected in the 2021-22 Budget) to specific agency projects (see following feature box).

DIGITAL CAPABILITY FUND

The 2021-22 Budget established a \$500 million Digital Capability Fund to upgrade information and communications technology (ICT) systems to improve government service delivery, enhance cybersecurity and address legacy systems.

Through the Fund, all ICT proposals are assessed using a consistently applied framework to support better decision making and more strategic investment in digital technology across the public sector. The framework assesses projects against their alignment to Government priorities, impact on service delivery, achievement in terms of readiness to deliver, and contribution to risk mitigation.

In this Mid-year Review, a total of \$276.9 million has been allocated from the Fund over 2021-22 to 2024-25 to 13 projects, which is in addition to the \$35.7 million allocated at Budget. These projects will build whole-of-government services such as digital identity, online payments and smart forms, and cybersecurity capability, and will address legislative requirements and operational risks to service delivery. They include:

- \$200 million for WA Health to replace outdated payroll, rostering and human resource management systems serving the Western Australian health system's 54,000 dedicated staff in metropolitan, regional and remote areas of the State;
- \$25.6 million for the Office of Digital Government to further develop whole-of-government cybersecurity capabilities to detect, respond to, and prevent cyber incidents;
- \$15.9 million for the Department of Primary Industries and Regional Development to improve its ICT systems for increased stability and business improvement;
- \$4 million for the Department of Planning, Lands and Heritage to support improvements to the Aboriginal cultural heritage management system in Western Australia;
- \$3.8 million for the Office of Digital Government to support central digital platforms across the State's public sector, including digital identity, unified payments and the use of digital forms to replace paper-based processes;
- \$3.6 million for the Department of Mines, Industry Regulation and Safety to deliver a customer identity and management platform to improve access for citizens and businesses to government services;
- \$1.7 million for the Parliamentary Services Department to uplift cybersecurity controls, and to improve web streaming and captioning to meet accessibility standards; and
- \$1.6 million for the State Solicitor's Office to replace outdated legal management systems critical to manage the allocation, coordination, and progression of legal work.

A residual amount of \$187.4 million remains in the Fund. This is expected to be allocated to additional ICT proposals as part of the 2022-23 (or future) Budget process.

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 later in this chapter.

Cash Flow Statement

A total public sector cash surplus of \$1.2 billion is now forecast for 2021-22, a \$547 million reduction compared to Budget. This mainly reflects the impact on cash of the lower general government operating surplus discussed earlier.

In line with the Budget estimates, cash deficits are projected over the three outyears to 2024-25, and are the key driver of net debt movements over the period.

Table 7

TOTAL PUBLIC SECTOR CASH FLOW Summary

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
Net cash from operating activities	7,771	9,329	8,817	5,764	7,443	6,227
Net cash flow s from investing in non-financial assets	-5,317	-7,574	-7,609	-7,877	-7,729	-7,044
Cash surplus/- deficit	2,454	1,756	1,209	-2,113	-286	-818
<i>Financing transactions</i>						
Net cash flow from borrowings	-657	1,315	292	38	-184	727
Run-down in cash and cash equivalents	1,607	2,553	1,065	-2,719	-1,039	-790
All other financing	-3,404	-5,623	-2,566	4,795	1,509	881
<i>Total Financing</i>	<i>-2,454</i>	<i>-1,756</i>	<i>-1,209</i>	<i>2,113</i>	<i>286</i>	<i>818</i>

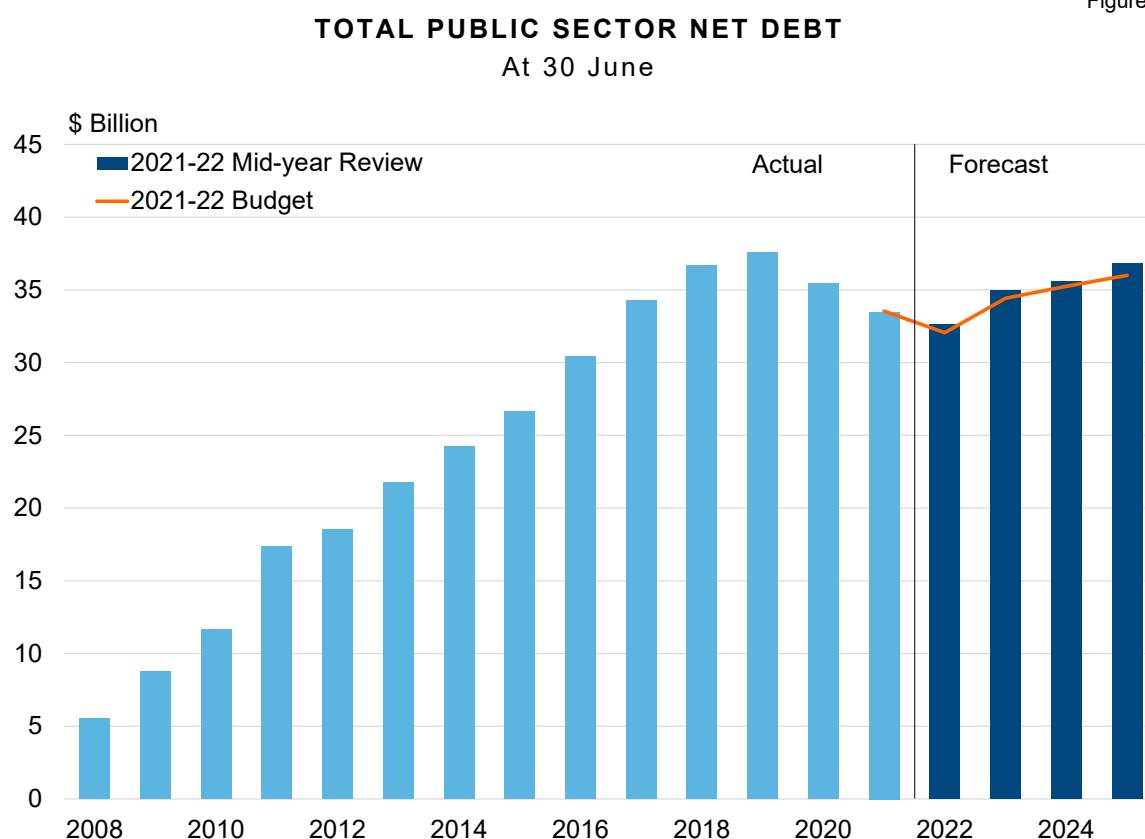
Note: Columns may not add due to rounding.

Net Debt³

Consistent with the 2021-22 Budget, total public sector net debt is on track to decline for the third year in a row in 2021-22, and then increase modestly across the outyears, from a forecast \$32.6 billion at 30 June 2022 to \$36.8 billion at 30 June 2025. This is \$800 million higher than projected at Budget, and primarily reflects the net impact of:

- the increase in the State's AIP (up \$2 billion);
- a \$266 million net increase in lease liabilities; and
- the impact on cash of the general government sector operating changes (\$1.3 billion).

Figure 5

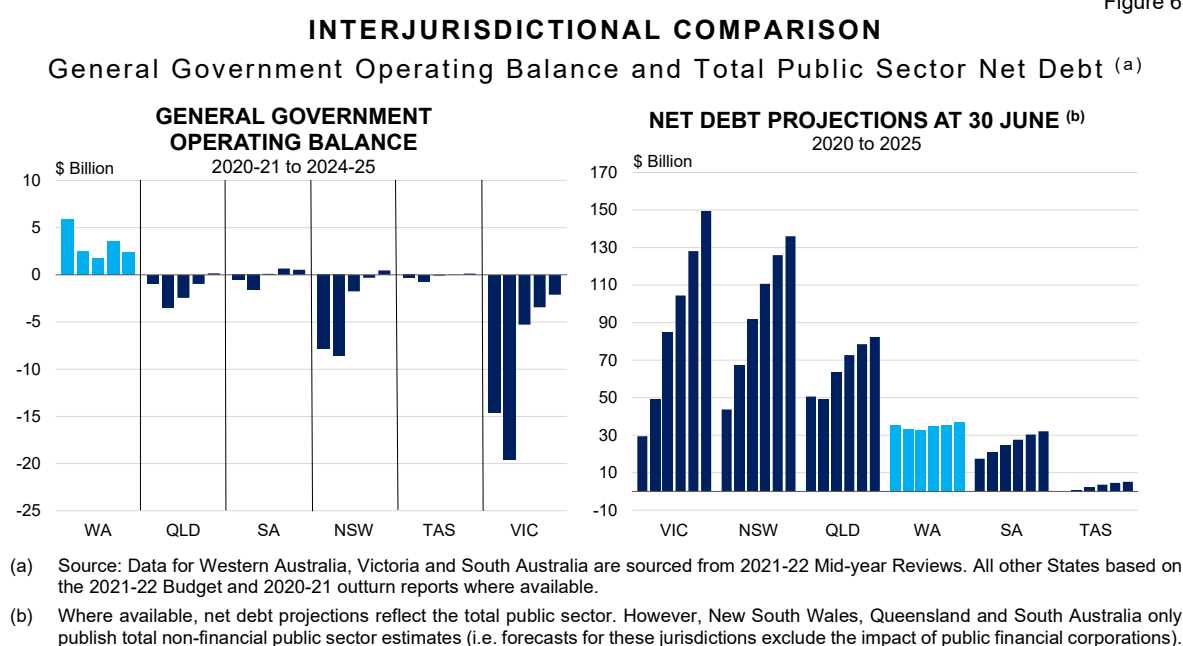


³ Net debt is a balance sheet measure based on Government Finance Statistics concepts. It is calculated as the difference between financial liabilities that attract a debt servicing cost (such as borrowings and finance leases) and liquid financial assets. Net debt is an important indicator of the strength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

The \$36.8 billion level of net debt projected by the end of the forward estimates period supports delivery of the Government's record infrastructure investment program. This is an affordable level of net debt, representing an estimated 11.2% of Gross State Product in 2024-25 – the lowest of all States and Territories, and slightly lower than the 11.4% proportion forecast at Budget.

Western Australia continues to have the lowest debt trajectory of all States, reflecting the forecast achievement of operating surpluses in each year of the forward estimates. The State's strong financial position is reflected in S&P Global revising its AA+ credit rating outlook from 'stable' to 'positive' on 27 October 2021.

Figure 6



The following table summarises changes in total public sector net debt projections since the 2021-22 Budget.

2021–22 Government Mid-year Financial Projections Statement

Table 8

NET DEBT OF THE PUBLIC SECTOR AT 30 JUNE

	2022 \$m	2023 \$m	2024 \$m	2025 \$m
2021-22 Budget - Total Public Sector Net Debt	32,062	34,432	35,251	35,995
<i>Plus</i> Improvement from the 2020-21 outcome	-59			
<i>Less</i> change in net cash flows from operating activities and dividends paid				
- general government	-185	-73	709	836
- public non-financial corporations	-239	167	189	103
- public financial corporations	-87	-1	- ^(a)	4
<i>Total public sector</i>	<i>-512</i>	<i>93</i>	<i>898</i>	<i>943</i>
<i>Plus</i> purchases of non-financial assets ^(b)				
AIP Smoothing Provision	-300	-300	-400	1,000
Road, Rail and Transport	-12	127	726	288
WA Health	228	35	77	40
Pilbara Ports Authority	31	125	130	8
Water Corporation	31	11	71	14
Western Power	37	39	- ^(a)	-
All other ^(c)	43	-9	-22	-45
<i>Total purchase of non-financial assets</i>	<i>59</i>	<i>27</i>	<i>582</i>	<i>1,305</i>
<i>Less</i> proceeds from sale of non-financial assets	24	-12	- ^(a)	- ^(a)
<i>Plus</i> all other financing ^(d)	71	22	113	114
<i>Cumulative impact on net debt at 30 June</i>	<i>559</i>	<i>526</i>	<i>324</i>	<i>800</i>
2021-22 Mid-year Review - Total Public Sector Net Debt	32,621	34,959	35,576	36,795

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

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

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

(d) 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.

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 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.

All but the expense target (based on agency performance against Resource Agreement expense limits) will be met in 2021-22. All targets are forecast to be met across the remainder of the forward estimates period.

Table 9

2021-22 MID-YEAR REVIEW – FINANCIAL TARGET COMPLIANCE				
	2021-22 Mid-year Review Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 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)	2,446	1,759	3,528	2,360
- 2021-22 Mid-year Review compliance	Yes	Yes	Yes	Yes
- 2021-22 Budget compliance	Yes	Yes	Yes	Yes
Maintain disciplined general government expense management through:				
- delivering public sector wages outcomes in line with Government wages policy				
- 2021-22 Mid-year Review compliance	Yes	Yes	Yes	Yes
- 2021-22 Budget compliance	Yes	Yes	Yes	Yes
- ensuring key service delivery agency recurrent spending outcomes are in line with budgeted expense limits				
- 2021-22 Mid-year Review compliance	No	Yes	Yes	Yes
- 2021-22 Budget compliance	Yes	Yes	Yes	Yes
Maintain or increase net worth of the total public sector				
- Total public sector net worth (\$b)	117.5	120.7	125.6	129.2
- 2021-22 Mid-year Review compliance	Yes	Yes	Yes	Yes
- 2021-22 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 forward estimates period, with the general government sector net operating balance to remain in a healthy surplus position in each year to 2024-25.

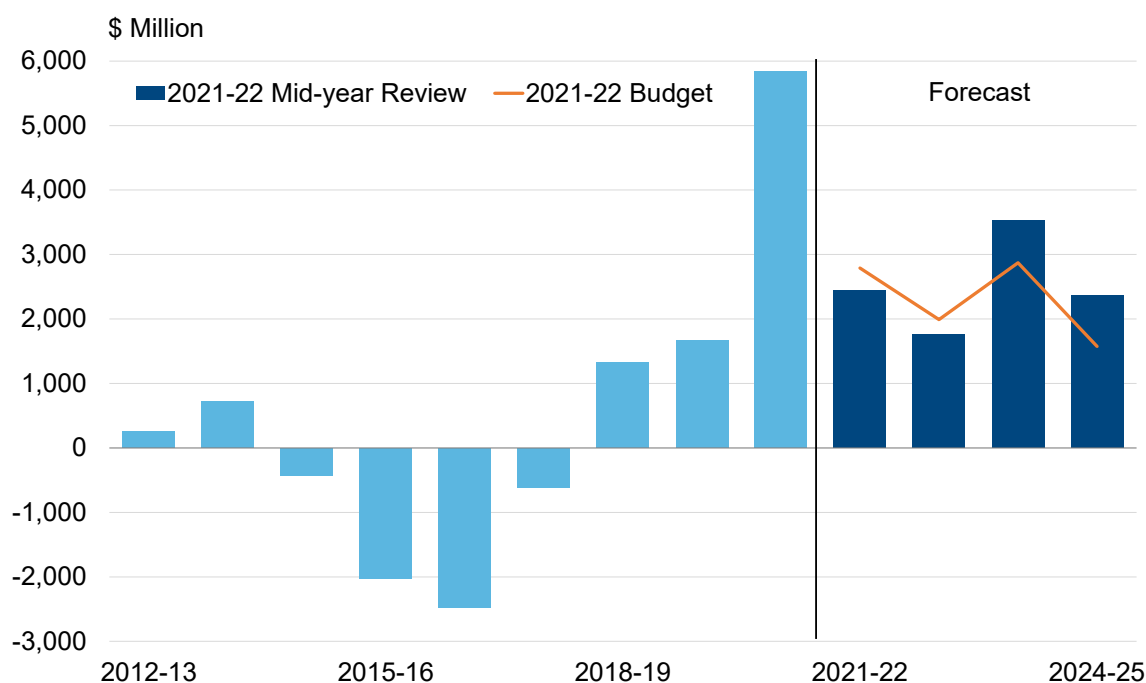
Relative to the 2021-22 Budget forecasts, downward revisions to operating surplus projections in 2021-22 and 2022-23 are more than offset by higher surplus projections in 2023-24 and 2024-25 (see figure below).

In this regard, lower royalty revenue in 2021-22 (driven by a sharper than expected fall in the iron ore price) is more than offset by increases across other heads of revenue, resulting in a net \$3.1 billion (or 2.1%) increase in the revenue estimates across the four years to 2024-25.

Expenses are forecast to be \$2.2 billion (or 1.6%) higher over the four years to 2024-25, largely reflecting higher spending on health, grant payments to the Public Transport Authority for works related to METRONET projects, the Government's new wages policy, and support for other key frontline services.

Figure 7

NET OPERATING BALANCE General Government Sector



Maintain disciplined general government expense management

Disciplined management of recurrent spending in the general government sector is critical to achieving operating surpluses and maintaining a sustainable debt trajectory. The Government's expense target is measured by the following two criteria.

Deliver public sector wages outcomes in line with Government wages policy

Consistent with the outlook at Budget-time, public sector wage outcomes are forecast to be settled in line with the Government's wages policy in 2021-22 and across the forward estimates period.

Agreements expiring this financial year encompass over 85,000 public sector employees, including general public servants and government officers, school teachers and administrators, and WA Health salaried officers.

At the 29 November 2021 cut-off date for this Mid-year Review, a number of expired agreements were under negotiation or had been agreed in-principle. As described in the feature box earlier in this chapter, the Government's new wages policy will apply prospectively as existing agreements expire, noting that agreements that expired or will expire between the 2021-22 Budget and this Mid-year Review will be eligible to be negotiated under the new policy.

EXPIRING KEY PUBLIC SECTOR INDUSTRIAL AGREEMENTS ^(a)

Table 10

Agreement	Employees	Expiry Date	Status
2019-20			
WA Health System Medical Practitioners	5,225	30 Sep 2019	Under Negotiation
2020-21			
AWU Miscellaneous Public Sector Employees	500	26 Apr 2021	Under Negotiation
School Support Officers	4,682	12 Jun 2021	Agreed in-principle
Disability Services Social Trainers	464	12 Jun 2021	Agreed in-principle
Insurance Commission (Government Officers)	405	12 Jun 2021	Agreed in-principle
WA Police	6,641	30 Jun 2021	Agreed in-principle ^(b)
2021-22			
PTA Transit Officers	348	6 Oct 2021	Under Negotiation
School Teachers and Administrators	29,529	5 Dec 2021	Under Negotiation
TAFE Lecturers	2,377	15 Dec 2021	Under Negotiation
VenuesWest	518	31 Dec 2021	Under Negotiation
Main Roads Enterprise Agreement	922	31 Jan 2022	Upcoming Agreement
Prison Officers	2,937	10 Jun 2022	Upcoming Agreement
Public Servants and Government Officers	29,918	12 Jun 2022	Upcoming Agreement
WA Health PACTS (Health Salaried Officers)	18,748	30 Jun 2022	Upcoming Agreement

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

(b) Status changed since the 2021-22 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 2021-22, with the following two agencies projected to exceed the 2% threshold due to unavoidable spending increases:

- WA Health (forecast increase of \$230 million or 2.1%, which includes adjustment for the allocation of \$173 million from 2021-22 Budget provisions), reflecting the combined impact of:
 - ongoing pandemic initiatives, and increases in hospital capacity as part of the State's Safe Transition Plan; and
 - spending on general health hospital services; and
- Main Roads (forecast increase of \$88 million or 6%), reflecting the flow-on impact of 2020-21 actual outcomes, including later than expected spending on some programs.

AGENCY RESOURCE AGREEMENTS ^(a)

Table 11

	2021-22 Budget Resource Agreement	Revised Total Cost of Service	Less spending provisioned in the 2021-22 Budget ^(b)	Mid-year Review Total Cost of Service	Variance from Revised Limit
	\$m	\$m	\$m	\$m	%
WA Health	10,367	10,769	173	10,596	2.1
Education	5,629	5,660	10	5,650	0.4
Communities	3,228	3,204	8	3,196	-1.0
Public Transport Authority of Western Australia	1,908	1,902	-	1,902	-0.3
Justice	1,742	1,773	20	1,753	0.7
Western Australia Police Force	1,686	1,699	1	1,698	0.7
Finance	1,549	1,569	-	1,569	1.2
Commissioner of Main Roads	1,377	1,465	-	1,465	6.0
Mental Health Commission	1,114	1,120	5	1,116	0.1
Training and Workforce Development	730	740	-	740	1.4
Primary Industries and Regional Development	592	565	10	555	-6.5
Transport	563	536	-	536	-5.0
Local Government, Sport and Cultural Industries	499	511	8	504	1.0
Fire and Emergency Services	496	506	-	506	1.9
Biodiversity, Conservation and Attractions	472	469	-	469	-0.6

(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.

(b) Spending forecast to be incurred in 2021-22, reflected in the Budget as a provision and now allocated to an agency.

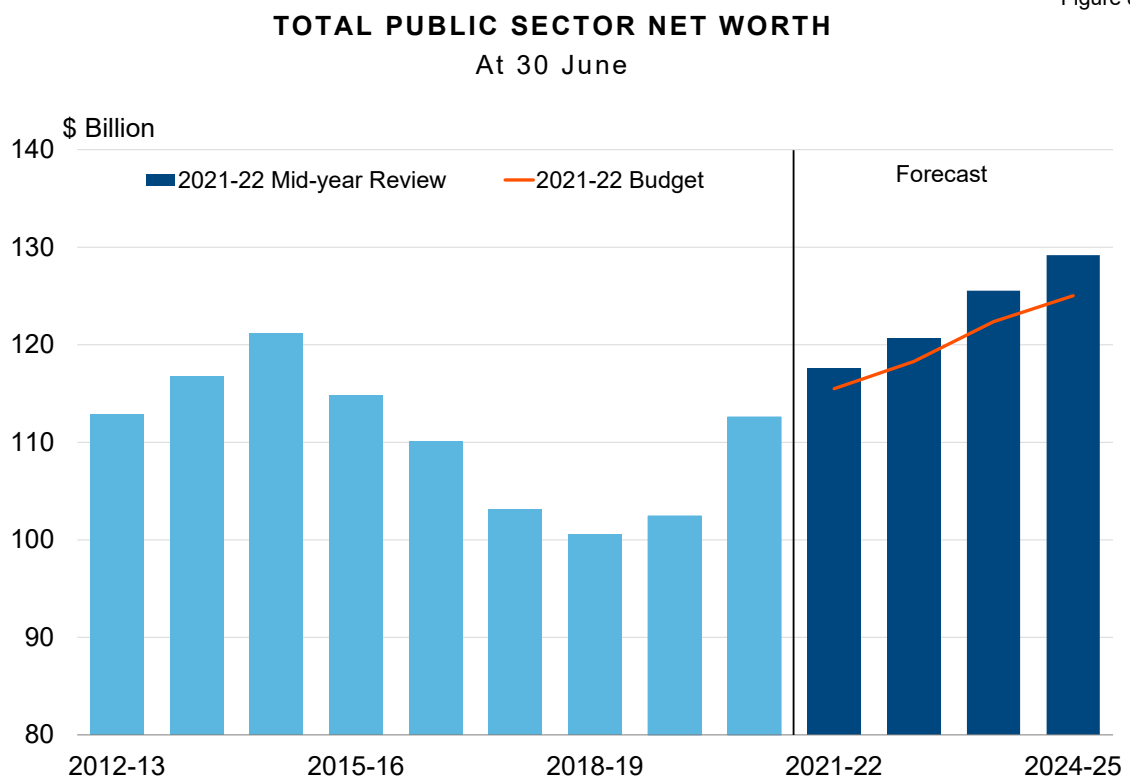
Material changes to agency spending since the 2021-22 Budget are discussed earlier in this chapter and in more detail in Appendix 3.

Maintain or increase net worth of the total public sector

Consistent with expectations at the time of the 2021-22 Budget, this target is expected to be achieved across the entire forward estimates period.

The net worth (i.e. total assets less total liabilities) of the public sector is forecast to increase year on year across the forward estimates, from \$112.6 billion at 30 June 2021 to \$129.2 billion by 30 June 2025. This reflects a forecast increase in the value of total public sector assets and a reduction in liabilities (see balance sheet discussion earlier in this chapter).

Figure 8



Statement of Risks

Changes since the 2021-22 Budget

The majority of the risk items outlined in the 2021-22 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 2021-22 Budget.

Future COVID-19 Costs

Continued uncertainties remain as to the impacts of COVID-19 (including emergence of the recent Omicron variant) on the State's health system and economic conditions, once border controls are eased.

Given this uncertainty, COVID-19 costs are not factored into WA Health's budget beyond 2021-22 (other than for additional beds and staffing outlined in Appendix 3), nor associated Commonwealth-State funding arrangements. The sustainability of current funding arrangements for the hospital system and COVID-related public health response continues to be raised with the Commonwealth, in acknowledgement of the disruption that COVID-19 has placed (and will continue to place) on all States' health systems.

Consistent with practice since the pandemic emerged in 2019-20, ongoing impacts of COVID-19 on the WA Health budget will be assessed as part of future Budget and Mid-year Review processes, and following implementation of Western Australia's Safe Transition Plan.

National Disability Insurance Scheme

Western Australia's participation in the National Disability Insurance Scheme (NDIS) is jointly funded by the State and Commonwealth Governments. Early indications suggest that current NDIS participant numbers and intake growth rates are likely to exceed existing budget settings. However, a more reliable growth rate and definitive participant numbers are expected to emerge over the course of the year, with updated costs to be assessed as part of the 2022-23 Budget process.

Provision of Essential Services to Remote Aboriginal Communities

The Government is currently reviewing arrangements for the administration of power, water, and wastewater services in remote Aboriginal communities. Additional investment in the ongoing maintenance and upgrade of essential utility services will likely be required, with work continuing across the Department of Communities, Water Corporation and Horizon Power to reliably quantify the potential financial impact.

⁴ See Statement of Risks, Chapter 3: *Fiscal Outlook and Strategy*, in 2021-22 Budget Paper No.3: *Fiscal and Economic Outlook* (pages 51-58).

Asset Investment Program

This Mid-year Review increases the record \$30.7 billion Asset Investment Program (AIP) reported in the 2021-22 Budget to \$32.7 billion over the forward estimates period, including \$8.1 billion in 2021-22.

Given this record level of investment activity, coupled with labour and materials supply constraints, there is a significant risk of further cost pressures and/or delays in project schedules emerging in the AIP. This reflects the large number of projects planned to be tendered in the next year or two being potentially greater than the construction sector's capacity to deliver these works.

In response, the timing of project tenders and construction schedules over the next 12 months will be closely reviewed with a view to better align the calendar of tenders and project schedules with industry capacity. Work is also underway on options to manage project contingencies more effectively and to ensure that procurement models and communications are assisting industry to plan and tender for public sector projects.

Commonwealth Transport Contributions

This Mid-year Review assumes that the State will receive Commonwealth funding totalling \$874 million over the forward estimates period for market-driven cost pressures and scope increases for a range of existing transport projects, and for some new transport projects agreed with the Commonwealth. This follows extensive negotiations with the Commonwealth, at both Ministerial and departmental level, over recent months.

The Commonwealth indicated that its funding contribution would be provided. However, due to the timing of the Commonwealth's Mid-year Economic and Fiscal Outlook (MYEFO) deliberations, the State had not received formal written confirmation prior to the cut-off date for the Mid-year Review (29 November 2021). The State Government is confident that the Commonwealth's funding contributions towards a range of projects will be confirmed in its MYEFO (due for release in December 2021).

Changes in Other Risks and Sensitivities

Many of the assumptions that underpin the State's financial projections are subject to continual change due to movements in economic conditions, decisions by external parties (such as the Commonwealth Government) and other factors. Key risks and sensitivities that have emerged since the 2021-22 Budget include the following issues.

- The Commonwealth's 2021-22 MYEFO had not been released by the cut-off date for this Mid-year Review. Therefore, in addition to specific risks around tied grant funding, any changes in the Commonwealth's estimates of general purpose funding (including GST-related grants) have not been reflected in these Mid-year Review estimates, unless these were known before the Mid-year Review cut-off date.
- As detailed earlier in this chapter, the revenue estimates outlined in the 2021-22 Budget have been revised in this Mid-year Review. Approximate annual impacts of changes in key economic parameters are shown in the following table.

Table 12

APPROXIMATE PARAMETER SENSITIVITY OF REVENUE ESTIMATES
2021-22

	Variability (\$m)	Detail
Royalty income and North West Shelf grants	±130	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	±82	For each \$US1 per tonne increase/decrease in the price of iron ore.
Petroleum royalties and North West Shelf grants	±9	For each \$US1 increase/decrease in the price of a barrel of oil.
Payroll tax	±43	For each 1% increase/decrease in taxable wages or employment growth (i.e. the total wages bill).
Underlying transfer duty		
• Prices	±20	For each 1% increase/decrease in average property prices.
• Transactions	±16	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 large amounts. Iron ore prices have more than halved this financial year to the end of November. 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 \$US66 per tonne) over the next six months (i.e. by June 2022).

Contingent Assets and Liabilities

Contingent assets typically consist of the potential settlement of lawsuits of contractual claims. Contingent liabilities generally reflect 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 projections should they eventuate.

Contingent assets and liabilities were reported in full in the Notes to the Financial Statements detailed in the 2020-21 *Annual Report on State Finances* (ARSF). The following material contingent liabilities have emerged or been modified since release of the ARSF.

Claims by Mr Clive Palmer, Mineralogy and International Minerals

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 2020-21 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). However, legislation was enacted in 2020 which terminated the claims for compensation.

A constitutional challenge to the legislation brought by Mr Palmer and the entities was heard by the High Court in June 2021. On 13 October 2021, the High Court handed down its judgments in favour of the Western Australian Government.

Other actions commenced by Mineralogy and International Minerals in the Federal Court of Australia and in the Supreme Court of Queensland were adjourned pending the High Court outcome. The parties are currently liaising in relation to the next steps in these proceedings in light of the High Court's October decisions.

Physical and Sexual Abuse Insurance Coverage for Non-Government Providers of Out-of-Home Care and Youth Accommodation Services

Since release of the Royal Commission into Institutional Responses to Child Sexual Abuse Report in 2017, and removal of the statutory limitation periods for victims of historical child sexual abuse in 2018, there has been a significant increase in claims against organisations for damages and compensation involving historical child sexual abuse. As a result of these increasing claims, several insurers have withdrawn, or indicated the intention to withdraw, physical and sexual abuse cover for non-government organisations that provide social services to at-risk children, particularly out-of-home care and youth homelessness service providers.

The Government has approved a temporary indemnity (to November 2022) to providers who cannot secure insurance, to ensure delivery of essential services can continue while a longer-term response is considered in consultation with other jurisdictions. Implementation of this short-term response represents an unquantified liability to the State, for potential damages related to events which occur within the indemnity period, which may arise at a future point in time. Any additional cost to the State will be assessed and funded on an emerging basis as eligible claims are settled.

2021–22 Government Mid-year Financial Projections Statement

The Western Australian Economy

HIGHLIGHTS

- Western Australia's economy continues to perform strongly. The economic outlook remains similar to expectations at the time of the 2021-22 Budget, although the labour market has performed better than expected.
- The State's economy (as measured by Gross State Product) is forecast to grow by 3.5% in 2021-22, after expanding by 2.6% in 2020-21 and 1% in 2019-20. Activity in the State's domestic economy rallied in 2020-21, and this growth momentum has continued into 2021-22.
- State Final Demand, which measures domestic economic activity, grew by a very healthy 4.4% in 2020-21 and is forecast to grow by a further 5% in 2021-22 – significantly above decade-average growth of just 0.7%.
- Conditions in the State's labour market have strengthened significantly over recent months. Employment is now expected to increase by 3.75% in 2021-22, up from 2.5% at Budget and the strongest annual growth in a decade. Reflecting this, the unemployment rate is now forecast to average 4.25% over 2021-22, its lowest rate since 2011-12, and is projected to fall to just 4% by 2023-24.
- Stronger employment growth has tightened the labour market, which is expected to place upward pressure on wages and consumer prices, particularly in the short term.

Western Australia

Gross State Product

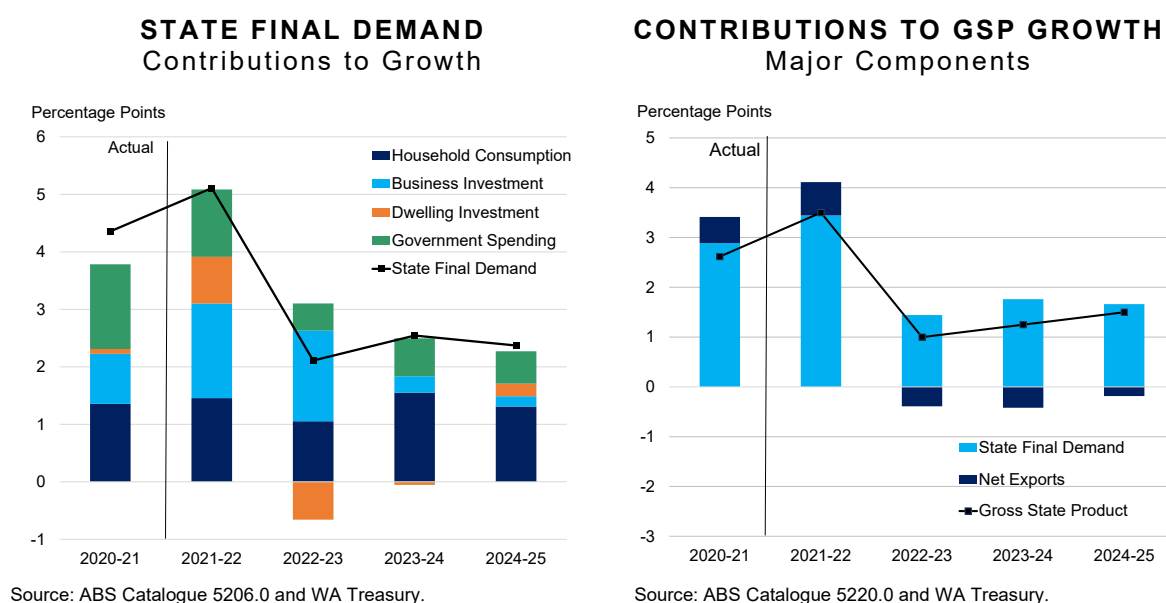
The Western Australian economy (as measured by **Gross State Product**, GSP) expanded by 2.6% in 2020-21, underpinned by a very strong domestic economy (as measured by **State Final Demand**, SFD) that grew by 4.4%, the highest rate of growth since 2012-13.

The forecasts for growth in GSP in 2021-22 and beyond remain unchanged from Budget, although the profiles for a number of the components of growth have changed. Following the announcement of the Safe Transition Plan, SFD is still forecast to grow by 5% in 2021-22, but is now expected to grow at a higher pace than previously forecast in both 2022-23 and 2023-24. At the same time, net exports are expected to detract from growth from 2022-23 (a year earlier than previously forecast), with strong growth in both merchandise (i.e. goods) and services imports.

International borders are now expected to reopen during the March quarter 2022, two quarters earlier than assumed at Budget. This has resulted in services trade (including tourism and international education services) resuming earlier than previously anticipated, and population growth being slightly stronger in 2021-22 and throughout the forecast period.

Key labour market parameters have performed significantly better than anticipated since finalisation of the 2021-22 Budget forecasts, with employment now expected to increase by 3.75% in 2021-22 (up from 2.5% at Budget) and the annual average unemployment rate to fall to 4% by 2023-24 (down from 4.5% at Budget).

Figure 1



Signs are emerging that tighter labour market conditions are flowing through to wages and prices, which have been reflected in higher growth profiles for the Wage Price Index and the Consumer Price Index.

Table 1

ECONOMIC FORECASTS
Western Australia, Annual Growth (%)

	2020-21 Actual	2021-22 Budget Estimate	2021-22 Mid-year Revision	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate
Demand and Output ^(a)						
Household Consumption	2.6	2.5	2.75	2.25	3.0	2.5
Dwelling Investment	2.4	27.25	23.5	-16.25	-1.75	6.75
Business Investment	4.6	9.75	8.5	8.0	1.25	0.75
Government Consumption	6.3	1.75	1.75	1.25	2.5	2.5
Government Investment	4.0	17.0	18.0	4.5	2.5	0.5
State Final Demand	4.4	5.0	5.0	2.0	2.5	2.25
Merchandise Exports	0.6	2.25	1.75	1.0	0.5	0.25
Merchandise Imports	4.7	4.75	3.25	3.0	1.75	1.5
Net Exports ^(b)	1.1	1.25	1.5	-0.75	-1.0	-0.5
Gross State Product ^(c)	2.6	3.5	3.5	1.0	1.25	1.5
Labour market						
Employment	1.8	2.5	3.75	1.25	1.25	1.25
Unemployment Rate ^(d)	6.1	4.75	4.25	4.25	4.0	4.0
Participation Rate ^(d)	68.0	68.2	68.6	68.6	68.3	68.1
Population						
Population	0.8 ^(e)	0.7	0.8	1.0	1.3	1.4
Working Age Population (15+)	1.1 ^(e)	0.8	0.9	1.2	1.5	1.7
Prices						
Consumer Price Index ^(f)	1.6	1.75	2.5	2.0	2.25	2.25
Wage Price Index	1.5	2.25	2.5	2.75	2.75	2.75
Median House Price	3.6	3.2	6.2	0.5	2.4	2.1
Other key parameters ^(d)						
Exchange Rate \$US/\$A (US cents)	74.7	73.8	72.7	71.3	69.6	67.8
Iron Ore Price (\$US/t) cost and freight inclusive (CFR)	154.5	121.3	104.9	66.0	66.0	66.0
Crude Oil Price (\$US/barrel)	54.6	71.0	77.6	73.3	69.8	67.5

(a) Based on 2020-21 annual State Accounts data, updated with the latest State Final Demand and Balance of Payments data for the September quarter 2021.

(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.

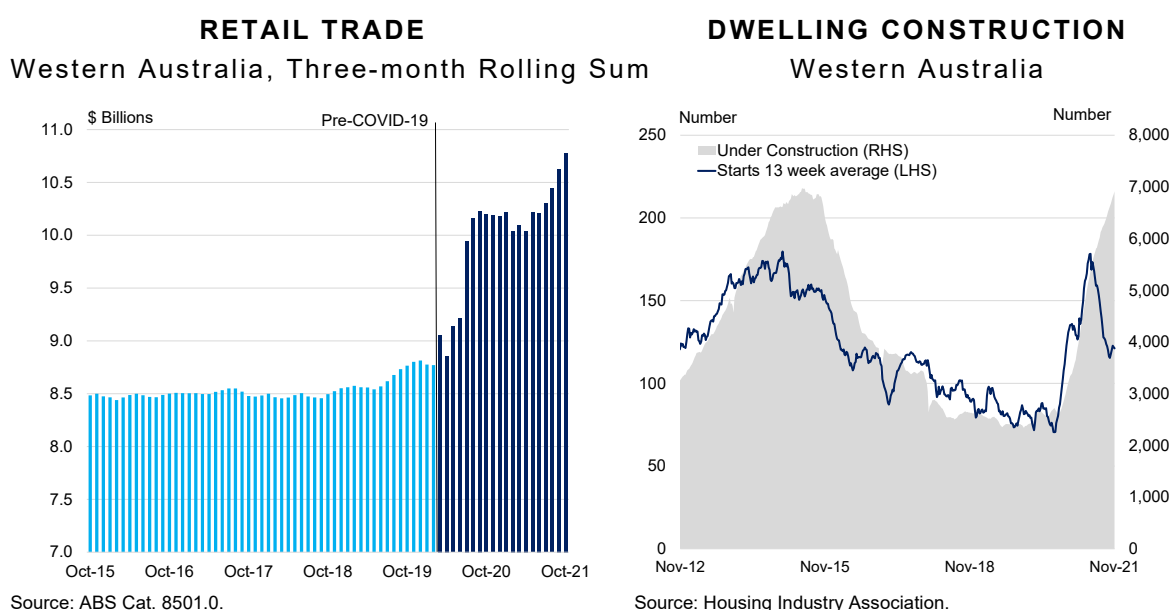
(f) The CPI growth rate in 2021-22 is based on the total index excluding the electricity sub-index.

Household consumption increased by 2.6% in 2020-21, more than offsetting the 2.4% decline in 2019-20 as a result of COVID-19-related restrictions. Household spending has continued strongly into 2021-22, particularly on goods and domestic retailing (including purchases of vehicles). Reflecting sustained elevated levels of consumer confidence, retail trade subsequently reached the highest quarterly level on record in the September quarter 2021, supported by strong household balance sheets and households continuing to divert spending away from international travel to spending within the State.

As a result, household consumption is now forecast to increase by 2.75% in 2021-22, up from 2.5% at Budget and well above decade-average growth of 1.7%. Supported by slightly stronger population growth forecasts, growth in household consumption is now forecast to peak at 3% in 2023-24, up from 2.75% at Budget.

Dwelling investment is expected to increase strongly in 2021-22, underpinned by the Commonwealth and State COVID-19 stimulus grants for residential construction. However, the anticipated lift in expenditure in 2021-22 and the subsequent falls across 2022-23 and 2023-24 are expected to be less pronounced than at Budget. This reflects that the high number of dwellings currently under construction are taking longer to complete than previously anticipated, with ongoing labour constraints and delays in sourcing some building materials extending completion times. Dwelling investment activity is forecast to resume growing in 2024-25, supported by sustained activity in the broader economy and a lift in population growth.

Figure 2



Business investment increased by 4.6% in 2020-21. This was below the Budget forecast and likely reflected skills availability and supply chain interruptions, which have been pushing out construction times. These trends are expected to continue in 2021-22, with forecast growth in business investment for the current financial year still projected to pick up but at a slightly lower pace than expected at Budget (8.5% rather than 9.75% at Budget).

However, following the recent announcement that Stage 2 of the Scarborough/Pluto project will proceed, business investment levels and growth rates are expected to be higher than forecast at Budget from 2022-23 onwards.

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 investment** over the forecast period, while the growth profile for **government consumption** remains unchanged from Budget.

Merchandise exports grew by 0.6% in 2020-21, consistent with expectations. However, the growth profile in 2021-22 and 2022-23 has been revised down since Budget. This is in line with revised guidance from major producers which indicates that iron ore production is likely to be slightly weaker as operational issues impact the sector. Some smaller and higher cost producers have also exited the market following declines in the iron ore price and increased freight costs since Budget. Reflecting revisions to the growth profiles of household consumption and business investment, **merchandise imports** have been revised down in 2021-22 and up from 2022-23 onwards.

Relative to Budget, the earlier resumption of international travel is expected to bring forward an anticipated rebound in services trade. After declining by 36.1% in 2020-21, **services exports** are forecast to gradually increase by 3.25% in 2021-22 (compared to a forecast 12% fall at Budget), with growth expected to peak at 31% in 2022-23 as education, tourism and business-related travel ramps up before returning to pre-COVID-19 levels and more moderate growth thereafter. Services imports declined by a record 53% through 2020-21 due to the international border closures, and are anticipated to increase moderately in 2021-22, with the level of tourism imports expected to reach pre-COVID-19 levels during 2023-24.

Labour Market

Labour market conditions in Western Australia have tightened significantly since Budget, with stronger than anticipated employment levels (growing by 3.9% in annual average terms to October) and a larger decline in the unemployment rate (averaging 4.3% over the first four months of 2021-22), while job vacancies are around the highest levels in a decade.

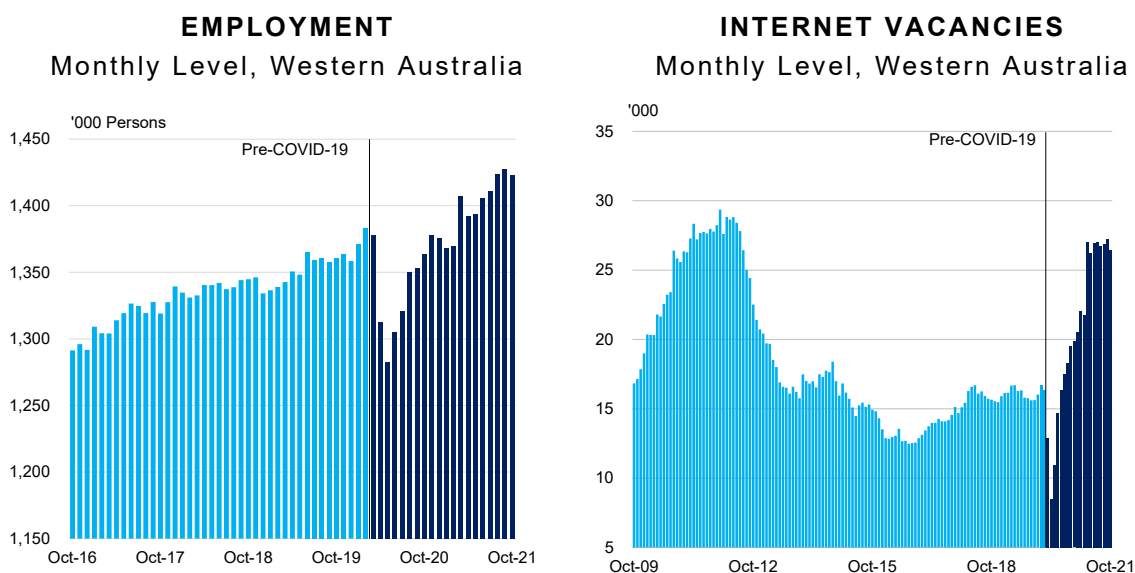
Reflecting stronger hiring conditions in the year to date, employment is now forecast to increase by 3.75% in 2021-22, the strongest annual growth in a decade. This translates to around 51,500 additional jobs in 2021-22, compared to around 34,000 jobs (or 2.5% growth) forecast at Budget. Despite persistently strong demand for labour, the availability of suitable workers is expected to moderate employment growth in the near term, with forecast growth of 1.25% per annum over the remainder of the forward estimates period.

In line with stronger employment growth and a tight labour market, the **unemployment rate** is forecast to remain low, averaging 4.25% in 2021-22 and 2022-23 (lower than expected at Budget), before declining further to 4% by 2023-24.

Robust hiring conditions have seen more people join the workforce, as the **participation rate** has averaged 68.7% in 2021-22 to date, exceeding pre-COVID-19 rates. With higher employment and lower unemployment rate forecasts, the participation rate is expected to average 68.6% in 2021-22 and 2022-23, compared to the Budget forecast of 68.2% in each year. The participation rate is forecast to gradually ease to 68.1% by 2024-25 as the relationship between population growth and workforce participation rebalances following the State's borders reopening, combined with more moderate growth in the domestic economy.

Population growth is expected to be slightly stronger than forecast at Budget over the forward estimates period, reflecting the earlier reopening of international borders. However, population growth is still anticipated to remain subdued by historical standards as net overseas migration is assumed to only gradually recover over the period.

Figure 3



Source: ABS Catalogue 6202.0.

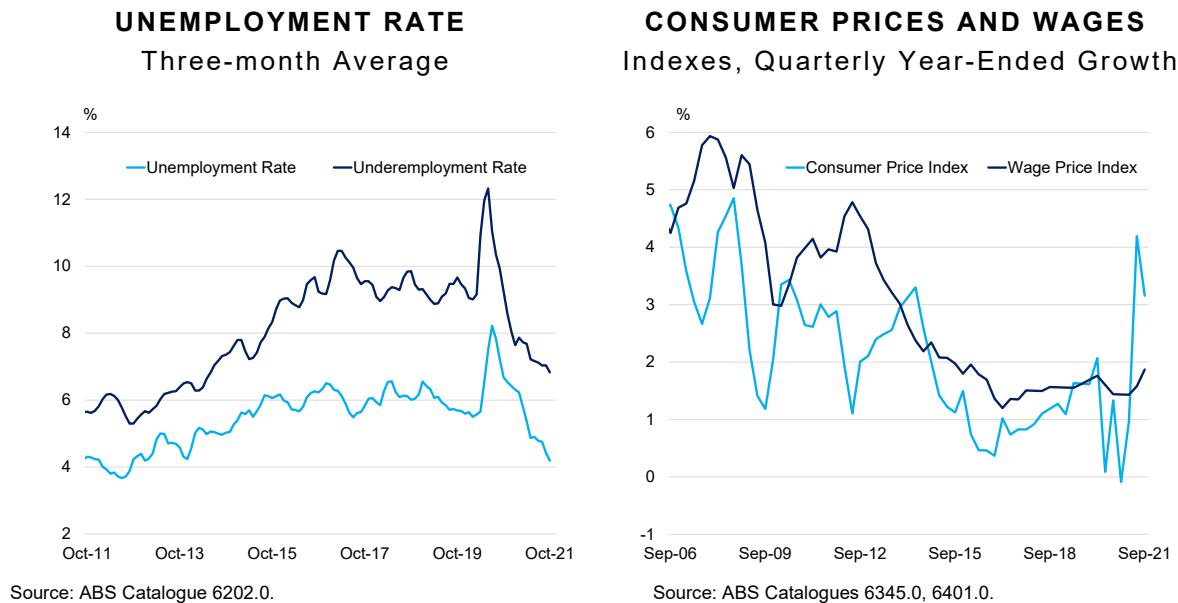
Source: Department of Education, Skills and Employment.

There are signs that the sustained tightness in labour market conditions is flowing through to wages. The State's **Wage Price Index (WPI)** increased by 0.8% in the September quarter 2021. This was the highest quarterly growth rate since the September quarter 2013. WPI growth was strongest in the transport, health care and social assistance, accommodation and food, professional, scientific and technical services, and administrative and support sectors. Reflecting this, wages growth is projected to pick-up over the forecast period at a slightly faster pace than expected at Budget.

Consumer Price Index

Perth's **Consumer Price Index (CPI)** growth profile has been revised up since Budget. Consumer prices are expected to strengthen in 2021-22 (by 2.5%) due to strong growth in key household spending items, including rents, new motor vehicle prices and automotive fuel prices. Pressure from these items is expected to moderate somewhat in 2022-23, with CPI forecast to grow by 2%, as the completion of residential construction projects boosts the housing stock (and reduces pressure on rents) and as global supply chains begin to adjust. Inflation is forecast to gradually rise to 2.25% in the last two outyears, consistent with the lower end of the Reserve Bank of Australia's target range.

Figure 4



Housing Market

Activity in the established housing market has been stronger than anticipated at Budget, with sales continuing to strengthen through 2021-22 and listings for sale remaining at low levels compared to the past decade. Higher than expected demand has also flowed through to more pronounced house price growth, with the median price forecast to lift by 6.2% in 2021-22 compared to an estimated 3.2% at Budget.

The rental market has tightened further since Budget but is expected to ease through calendar year 2022 as the high number of dwellings currently under construction begin to translate into additional housing supply (including rental stock).

Sales activity and house price growth are forecast to ease through 2022-23 reflecting an expected lift in interest rates together with an expansion of the housing stock, which provides more choice for buyers and renters. In the last two outyears, prices are expected to gradually pick-up as migration begins to recover.

Risks

Notwithstanding the strong economic data since finalisation of the Budget forecasts, the economic outlook remains subject to a range of domestic risks as the COVID-19 pandemic continues to evolve. Government support measures will continue to unwind over the next one to two quarters, and skills shortages and capacity constraints are expected to continue to impact investment activity in the near term. These risks remain largely unchanged since Budget.

The Mid-year Review assumes a relatively smooth transition to new conditions once international borders are reopened and controls on interstate borders are removed. This reflects the achievement of a high vaccination rate. However, there may be some challenges (including new variants of the COVID-19 virus) that impact on activity as part of this transition.

Global Outlook and Risks

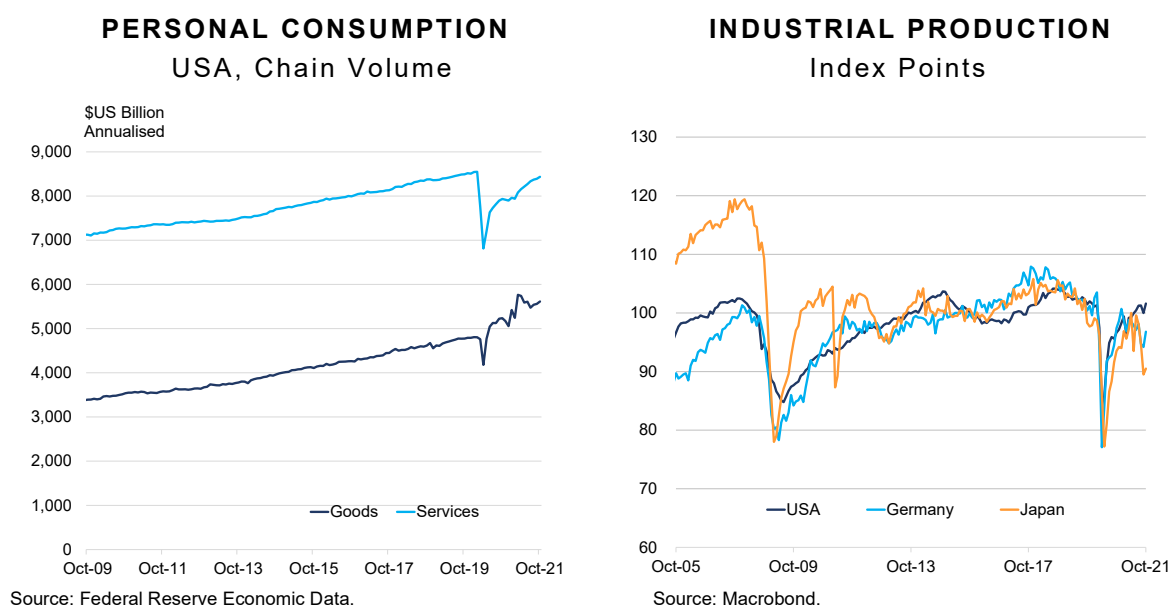
The International Monetary Fund released updated forecasts in October 2021, modestly revising down projected global economic growth in 2021 (to 5.9% from 6% in its July 2021 update) and leaving the 2022 forecast unchanged at 4.9%. The outlook for advanced economies has been clouded by supply chain issues, and the outlook for many emerging markets and developing economies has deteriorated due to continuing low vaccination rates. However, elevated commodity prices have resulted in an improved outlook for many commodity exporters.

More recently, the global outlook has been challenged by a new wave of COVID-19 in Europe, leading to renewed restrictions, and a new COVID-19 ‘variant of concern’ being identified by the World Health Organization. Moreover, a combination of supply constraints and resurgent demand has led to a global energy shortage, felt particularly in Europe, India and China, which has restricted industrial output and resulted in record prices for coal and gas in many parts of the world.

A key risk over the forecast period relates to inflation. Inflation risks have been rising across the globe primarily as a result of two factors:

- shifting global consumption patterns, in particular a switch from services to goods (left-hand panel below); and
- disruptions in global supply chains due to a range of factors, including COVID-19-related restrictions and regulations, the initial curtailing of production capacity at the beginning of the pandemic, and the aforementioned energy shortage. This has limited the ability of industry to respond to elevated demand for goods (right-hand panel below).

Figure 5



The longer that goods inflation persists, the greater the risk that it spills over more broadly and leads to higher inflationary expectations. This could require central banks to ‘normalise’ monetary policy faster than they would otherwise prefer to, which poses a risk to the global economic recovery.

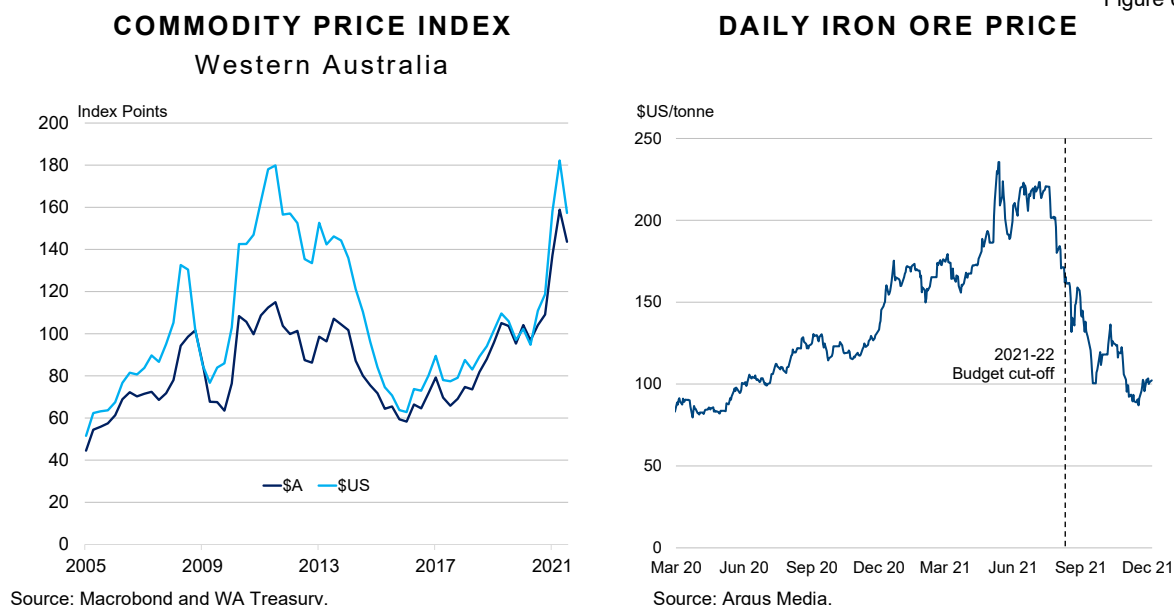
Commodity Markets

The commodity price index¹, a weighted index of commodity prices most relevant to the Western Australian economy, has fallen since Budget. The decline in the commodity price index is largely due to a significant decline in the iron ore price, partially offset by rises in most other commodities. Prices in Australian dollar terms have fallen less than those in US dollar terms, consistent with the recent depreciation of the \$A/\$US exchange rate.

Global supply concerns and energy shortages continue to influence commodity prices. Price increases for petroleum products have been driven by a combination of limited supply and strong demand as the northern hemisphere enters winter. The price of alumina has increased significantly in calendar year 2021 due to demand for aluminium and disruptions across the supply chain in China, Brazil, Jamaica and Guinea. However, the price has since moderated with a decline in aluminium production as China curbs energy use. Base metal prices have been supported by reported lower inventories, partly offset by expectations of lower domestic construction activity in China.

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

Figure 6



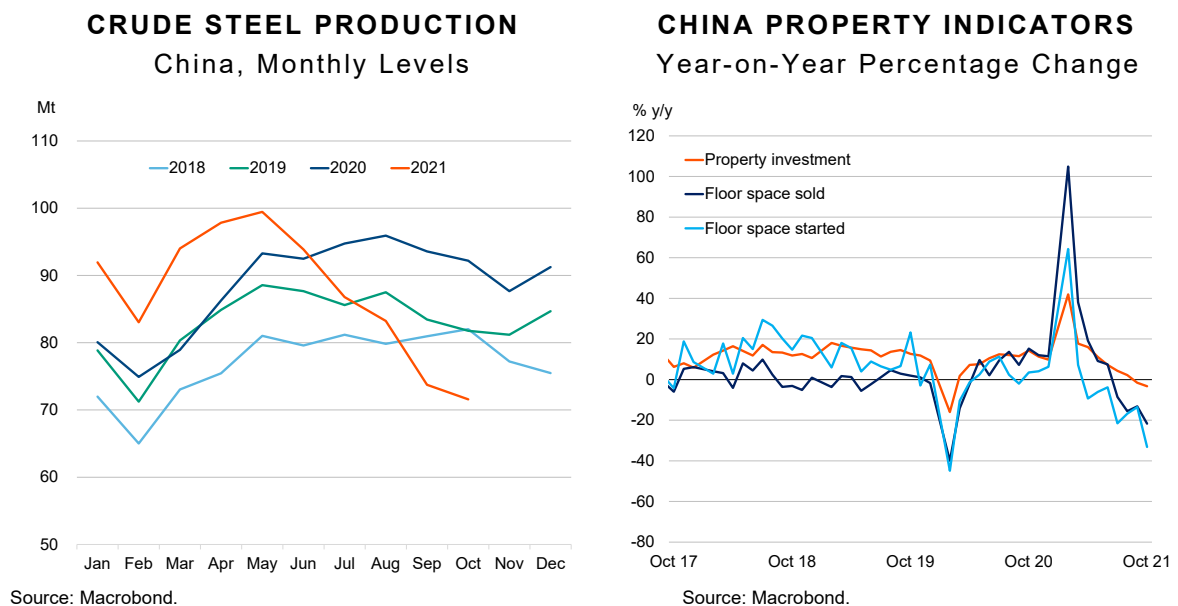
Since release of the 2021-22 Budget, the iron ore price has continued to trend down on the back of weaker demand from China. At Mid-year Review cut-off (29 November 2021), the benchmark iron ore price was \$US102.8 per tonne, 40% below Budget cut-off (\$US171.3 per tonne on 9 August 2021) and more than 50% below the record price of \$US235.6 per tonne reached in mid-May (see above figure, right-hand panel). While the Budget assumption of an average price of \$US121.3 per tonne in 2021-22 incorporated a decline in the second half of the year, the recent fall has been even steeper than anticipated.

The sharp fall in the iron ore price corresponds with further weakness in Chinese steel output linked to a number of factors including ongoing steel production cuts, an acute energy shortage, as well as a sustained slowdown in China's property and construction sectors. Parallel to this, concerns have continued to intensify around the financial viability of several property developers amid tougher government controls to curb high debt levels.

Chinese crude steel production has contracted sharply since May after authorities sought to limit growth in steel production in 2021 to 2020 levels in an effort to reduce air pollution (see below figure, left-hand panel). However, a recent energy shortage in China, which led to widespread power rationing measures from September, has impacted metal supply as well as metal demand. This has seen year-to-date output growth fall from 11.8% in May to -0.7% in October, with China now on track to achieve its goal of no growth in 2021. Steel production is expected to remain subdued in the near term as annual restrictions during the winter heating season have commenced in China's northern regions.

The recent downturn in China's property market (which accounts for around 25-35% of Chinese steel demand) has also weighed heavily on steel markets. Credit growth slowed more than expected in 2021 partly due to tighter financing conditions for both property developers and households. This led to sustained weakness across the sector with property investment, sales and starts contracting in October (see below figure, right-hand panel). Authorities have shown signs of loosening credit conditions more recently. However, the overall outlook remains subdued in the near term, which will likely see dwelling construction continue to ease into early 2022.

Figure 7

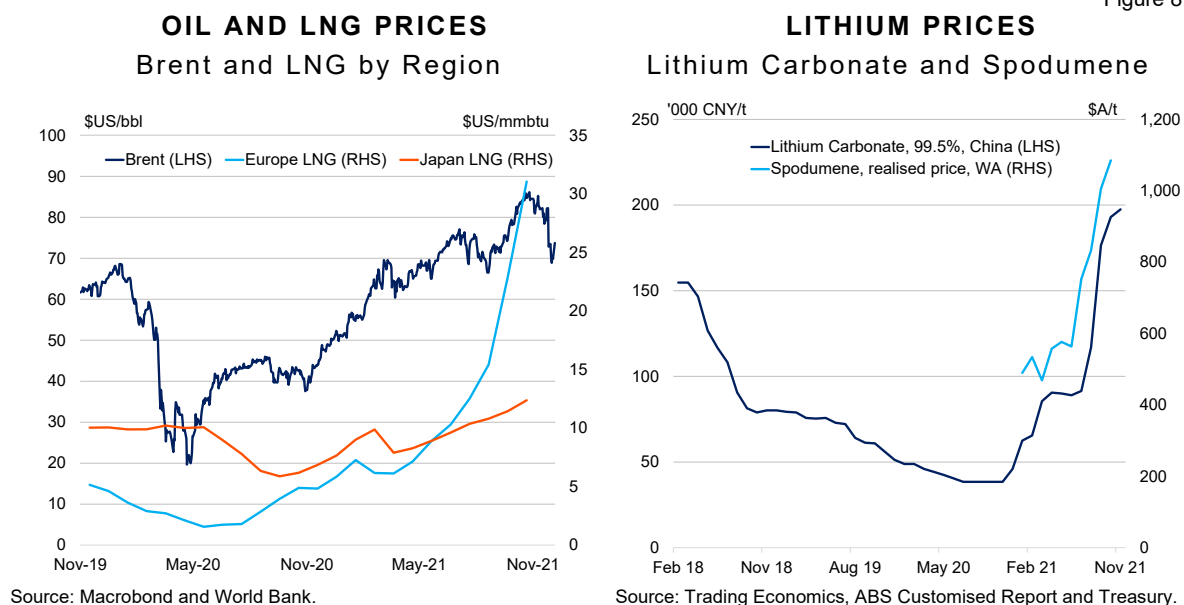


Brazil's largest iron ore producer, Vale, has faced a number of challenges ramping up production following the tailings dam disaster in January 2019. In September 2021, Vale lowered its end of 2022 production capacity estimate to 370 million tonnes (mt) (from 400mt) as it adopts a value over volumes approach. Chinese imports from some smaller iron ore exporters have also declined recently. For instance, imports from Ukraine, India and Russia are around 16mt lower over the year to date. Imports from these sources tend to be highly price sensitive.

Iron ore volumes from Western Australia have been revised down by 50 mt (or 1.4%) cumulatively over the forecast period, with some small operations ceasing and lower production expected from some larger producers.

The iron ore price forecast for 2021-22 has been revised down to \$US104.9 per tonne with prices assumed to fall to the long-run average of \$US66 per tonne by June 2022. However, ongoing volatility is expected.

Figure 8



Oil prices remain above pre-pandemic levels with recovering demand outpacing additions to supply. The Organization of the Petroleum Exporting Countries and some allies including Russia (collectively referred to as OPEC+) have been hesitant to ramp up its increases to oil production, causing the US to release reserves from its Strategic Petroleum Reserve. The forecast oil price for 2021-22 has been revised up to \$US77.6/bbl, with prices declining over the forward estimates period as the market normalises.

Elevated oil prices primarily impact Western Australian exports through the link to LNG prices.² Global spot prices for LNG have recently reached record highs amid a global energy shortage, and this will positively impact export income to the extent that the State's producers are able to sell on the spot market.

Lithium prices have continued to strengthen since Budget with a rapid pick-up in demand. As global consumption continues to recover, sales of new energy vehicles (vehicles that are partially or fully powered by electricity) have reached record levels in most major markets. Consistent with recent strong price growth, expected prices over the forecast period have been revised upwards.

² The majority of the State's LNG is linked to the oil price with a lag of around four months through long-term sales contracts.

Investing in Regional Western Australia

HIGHLIGHTS

- The State Government is committed to supporting stronger regional communities and economies, with the Royalties for Regions program totalling \$4.2 billion over 2021-22 to 2024-25, including an estimated \$1.1 billion to be spent in 2021-22.
- The Government is also delivering a record \$10 billion investment in regional infrastructure, with new infrastructure investment in this Mid-year Review including \$300 million (over 2021-22 to 2025-26) to upgrade common-user infrastructure to support Perdaman's proposed \$4.5 billion urea project, and \$117.5 million to support funding for two hydrogen hubs in the Pilbara and Mid West, subject to matching funding from the Commonwealth.
- Additional service delivery initiatives in this Mid-year Review for regional Western Australia include new initiatives to address skilled labour shortages, and \$3.5 million for the replacement of staff accommodation at Puntukurnu Aboriginal Medical Service.

Since the 2021-22 Budget, new spending approved for regional initiatives includes:

- \$618 million over 2021-22 to 2024-25 on priority road projects jointly funded with the Commonwealth;
- \$300 million over 2021-22 to 2025-26 on upgrades to the Burrup Seawater Supply System, the Dampier Cargo Wharf and major roads on the Burrup Peninsula to support the development of Perdaman's proposed \$4.5 billion urea project, once it achieves all environmental and heritage approvals, and a final investment decision is made;
- \$117.5 million to support the State's application for matching Commonwealth funding under the Clean Hydrogen Industrial Hubs program, for hydrogen hubs in the Pilbara (\$70 million) and Mid West (\$47.5 million);
- an additional \$50.5 million over 2022-23 and 2023-24 for the Pilbara Ports Authority to complete the construction of the Spoilbank Marina in Port Hedland, bringing the total cost of this project to \$187 million;

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- \$20 million over 2021-22 to 2023-24 on National Water Grid projects aimed at improving the reliability and availability of water in agricultural and regional areas;
- \$18 million over 2021-22 and 2022-23 for the Mid West Ports Authority to develop detailed engineering designs and costings for future port capacity expansion projects at the Port of Geraldton;
- an additional \$11.1 million over 2021-22 and 2022-23 for the Bunbury Water Resource Recovery Scheme project, which will provide recycled water for use on major infrastructure projects and irrigation of public open spaces;
- an estimated regional spend of \$11 million from the extension and expansion of the JobTrainer Fund to alleviate skills shortages. This includes adding 30 more courses to the Lower Fees, Local Skills program, reducing the cost of training existing workers in specified industries and increasing workforce participation among under-represented groups;
- an additional \$7.5 million over 2021-22 and 2022-23 to expand the Primary Industries Workers Regional Travel and Accommodation Support Scheme to include international working holiday makers as part of the Reconnect WA package;
- as part of the Government's commitment to address skills shortages, \$3.5 million will be spent on training and support for Safe Haven Enterprise Visa (SHEV) and Temporary Protection Visa (TPV) holders to work in regional Western Australia, contingent on the Commonwealth Government approving the classification of Perth as a regional location for SHEV and TPV purposes;
- \$3.5 million in 2021-22 for the replacement of existing staff accommodation at Puntukurnu Aboriginal Medical Service for a largely fly-in fly-out workforce;
- construction training grants totalling \$3.1 million over 2021-22 and 2022-23 to employers to support the training of construction workers engaged in the reconstruction of the Mid West in the aftermath of Tropical Cyclone Seroja;
- as part of the Government's \$50 million Native Forestry Just Transition Plan, \$2.2 million will be spent over 2021-22 to 2023-24 on the establishment of a Bunbury-based project team, and \$533,000 over 2021-22 to 2023-24 for the South West Development Commission to lead engagement with community groups and local government authorities on native forestry policy reform;
- an additional \$1.8 million over 2021-22 and 2022-23 to increase capacity at the Albany Shellfish Hatchery to support the growing aquaculture industry;
- \$1.5 million over 2021-22 and 2022-23 will be spent on event management costs in preparation for the April 2023 Total Solar Eclipse event in Exmouth;
- an additional \$1.5 million in 2021-22 for the upgrade of the Geraldton Basketball Stadium;

- \$1.2 million over 2021-22 and 2022-23 to progress engineering studies and design options for the planned upgrade of water conveyance infrastructure, which is required to support development of the Knox Plain within the Ord River Irrigation Area; and
- \$1 million per annum over 2021-22 to 2025-26 to support and promote football in the Kimberley region, in partnership with the AFL.

Spending under the Royalties for Regions program is estimated at \$1.1 billion in 2021-22 and a total of \$4.2 billion over the four years to 2024-25, as detailed in the following table.

Table 1

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2020-21 Actual	2021-22 Budget Estimate	2021-22 Mid-Year Revision	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
INVESTING IN JOBS							
Aboriginal Pastoral Training Program	0.3	0.7	0.7	0.7	0.7	0.3	2.4
Aboriginal Ranger Program	6.5	9.9	9.9	11.1	13.8	16.5	51.3
Aboriginal Tourism Fund	-	2.0	2.0	2.9	3.7	3.6	12.1
Agricultural Sciences Research and Development Fund	2.1	1.6	1.5	-	-	-	1.5
AgriFood Activation Fund – Food Technology Facility Project (Peel)	-	4.0	4.0	3.0	1.5	1.5	10.0
Albany Middleton Beach Stage 2	0.5	1.1	1.2	0.6	-	-	1.8
Albany Wave Energy Demonstration	-	0.8	0.8	0.5	0.3	-	1.6
Albany Wave Energy Project	1.1	-(a)	-(a)	-	-	-	-(a)
Aquaculture Development Zones	-	0.4	0.4	0.9	0.9	-	2.2
Boost to Food Industry Innovation	-	1.0	0.3	1.3	1.3	1.2	4.0
Brand WA – Destination Marketing	5.5	5.5	5.5	5.5	5.5	5.5	22.0
Brand WA – Event Tourism	3.8	8.1	7.5	7.8	8.0	6.3	29.5
Brand WA – Stage 2	0.1	2.7	2.7	2.6	-	-	5.3
Building Western Australian Grains Research and Development Capacity	11.3	13.3	13.2	12.5	10.8	10.8	47.3
Collie Adventure Trails	2.3	3.7	3.8	3.0	-	-	6.8
Collie Delivery Unit	0.6	0.8	0.9	0.8	1.0	-	2.7
Collie Eco-Concrete Processing Plant	0.3	0.3	0.3	-	-	-	0.3
Collie Emergency Services Vehicle Manufacturing	0.7	-(a)	-(a)	-	-	-	-(a)
Collie Futures Fund	2.7	10.4	11.0	4.4	0.7	-	16.1
Collie Regional Processing Centre	0.3	-	-	-	-	-	-
Collie Replica Mine Upgrade Project	0.1	0.3	0.3	-	-	-	0.3
Collie Tourism Readiness and Economic Stimulation	2.0	1.8	1.9	0.5	-	-	2.4
Collie Visitor's Centre Upgrade Project	-(a)	0.5	-	0.5	-	-	0.5
Country Firefighters Recruitment	-	1.6	1.6	3.0	4.6	4.6	13.8
Develop Serviced Land at Kemerton and Shotts Strategic Industrial Areas, and Support Broader Collie Industrial Investigations	-	2.0	2.0	0.4	-	-	2.4
Digital Farm	1.2	7.0	2.8	4.9	2.8	-	10.4
Feasibility Study for AMTECH for Bunbury Geopraphe	-	1.5	1.5	0.5	-	-	2.0
Food Industry Export Assistance	-	0.4	0.4	-	-	-	0.4
Food Industry Innovation	1.0	1.9	1.5	1.8	1.7	1.5	6.5
Gascoyne Food Bowl	0.3	-	-	-	-	-	-
Geraldton Marine Finfish Nursery Facility	0.3	1.0	0.1	0.1	6.4	-	6.6
Goldfields Major Solar Feasibility	-	0.2	-	0.1	0.3	-	0.4
Halifax Business Park	0.7	-	-	-	-	-	-
Help Grain Growers to Better Manage Risk (e-Connected Grainbelt)	1.5	2.4	2.5	2.0	2.4	2.1	9.0
Industry Attraction and Development Fund – Collie	-	12.6	11.3	15.7	5.3	6.0	38.4
Industry Growth Partnership Processed Oats Industry	-	2.1	2.1	3.5	2.3	2.3	10.1
Industry Growth Partnership Wine Export	-	0.4	0.4	0.4	0.4	0.4	1.5
Kariyarra Indigenous Land Use Agreement	0.1	0.1	0.1	-	-	-	0.1
Koolinup Emergency Services Centre – Collie	7.0	4.0	3.9	0.8	-	-	4.7
Kununurra Cotton Gin Infrastructure Support Package	-	3.5	-	3.5	-	-	3.5
Lake Kepwari	1.3	1.2	1.2	-	-	-	1.2
Local Projects Local Jobs	-(a)	-	-	-	-	-	-
Mount Augustus Tourism Infrastructure	-	0.6	0.6	0.9	3.6	5.0	10.0
Myalup-Wellington Water for Growth	0.3	14.5	14.5	11.8	1.9	5.3	33.5

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2020-21 Actual	2021-22 Budget Estimate	2021-22 Mid-Year Revision	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Northern Beef Industry Strategy	1.4	1.6	1.7	1.4	1.4	-	4.5
Northern Goldfields Digital Connectivity Project	-	0.5	0.5	0.5	-	-	1.0
Ord Channel Upgrade	-	-	0.8	0.4	-	-	1.2
Ord-East Kimberley Expansion Project	2.2	4.0	4.8	2.0	-	-	6.8
Peel-Harvey Catchment Council's Water Research Infrastructure Project	-	0.4	0.3	0.1	- (a)	-	0.5
Plan for Our Parks – Indigenous Land Use Agreements	0.1	0.3	0.3	0.2	-	-	0.5
Port Hedland Waterfront Revitalisation – Spoilbank Marina	4.4	47.2	31.4	23.3	26.2	-	80.8
Regional Accommodation and Travel Support Scheme	1.9	1.2	1.2	-	-	-	1.2
Regional Local Content Initiative	0.1	0.1	0.1	0.1	-	-	0.2
Regional Natural Resource Management – State Barrier Fence	0.3	1.3	1.3	2.0	-	-	3.3
Regional Telecommunications Project	2.5	21.2	4.5	11.4	6.6	2.6	25.1
Roadhouse Assistance Package	0.5	-	-	-	-	-	-
Science and Agribusiness Connect Program	- (a)	0.4	0.4	0.2	-	-	0.6
South Coast Aquaculture Development Zone	0.1	0.2	0.2	0.5	-	-	0.6
Southern Forests Irrigation Scheme	1.0	2.2	2.4	1.7	-	11.9	16.1
Southern Rangelands Restoration Project	- (a)	0.4	0.3	0.1	-	-	0.4
Special Regional Event Sponsorship	-	-	-	0.3	-	-	0.3
State Agricultural Telecommunications Infrastructure Improvement Fund	0.1	3.2	0.8	2.4	-	-	3.2
Sustainable Development of the Abrolhos Islands	2.2	8.7	8.9	-	-	-	8.9
Transform Peel – Phase 1	16.4	13.2	10.3	-	-	-	10.3
Transforming Agriculture in the Pilbara	1.2	2.7	2.0	0.3	-	-	2.3
Transforming Bunbury's Waterfront – Stages 1 and 2	4.5	5.7	5.9	3.3	-	-	9.1
Transforming Bunbury's Waterfront – Stage 3 (Phase 1)	-	7.7	1.8	4.3	32.9	23.6	62.7
Water for Food West Kimberley	0.2	0.3	0.5	-	-	-	0.5
Water Smart Farms Project	0.1	1.1	1.1	0.3	-	-	1.4
Wellington Dam Mural and Collie Art Trail	1.4	0.1	0.1	-	-	-	0.1
Western Australian Screen Fund	4.0	4.0	6.4	4.0	1.6	4.0	16.0
Western Australian Wine Industry Export Growth Partnership	0.1	0.4	0.4	0.4	0.4	0.3	1.4
Wild Dogs Action Plan	4.3	6.0	6.4	3.3	3.4	3.4	16.5
Yawuru Strategic Economic Development	- (a)	0.3	0.3	0.3	-	-	0.7
TOTAL – INVESTING IN JOBS	102.8	260.3	209.4	170.6	152.0	118.6	650.7
PUTTING PATIENTS FIRST							
Digital Innovation, Transport and Access to Care	61.0	70.8	70.3	66.9	64.3	63.9	265.3
Emergency and Acute Workforce	18.5	21.8	21.8	21.3	21.3	20.5	84.9
Health Services							
Albany Radiation Oncology	1.5	4.7	7.5	3.8	-	-	11.3
Expand the Ear Bus Program	1.4	-	-	-	-	-	-
Find Cancer Early	0.4	0.4	0.4	0.4	0.4	0.4	1.6
Meet and Greet Service	0.3	0.5	0.6	0.6	0.5	0.5	2.2
Pilbara Health Initiatives	3.5	3.5	3.5	3.5	-	-	6.9
Regional Renal Support Teams	-	0.5	0.5	0.6	0.5	0.3	2.0
Renal Dialysis	3.3	3.4	3.4	3.4	3.4	3.4	13.5
Residential Aged and Dementia Care Investment Program	1.0	1.1	1.3	-	-	-	1.3

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2020-21 Actual	2021-22 Budget Estimate	2021-22 Mid-Year Revision	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Health Infrastructure							
Bunbury Hospital	3.0	6.5	8.0	17.0	-	-	25.0
Carnarvon Residential Aged Care Facility	7.7	3.7	8.5	3.3	-	-	11.9
Collie Hospital Upgrade	0.7	4.0	3.2	7.2	0.8	-	11.2
Community Alcohol and Other Drug Integrated Services in the South Metropolitan Health Service Region (Peel)	-	0.8	0.8	2.6	2.6	2.7	8.6
Derby Community Health Service	0.4	0.4	2.9	0.2	-	-	3.1
District Hospital Investment Program	1.4	0.3	1.0	-	-	-	1.0
Dongara Aged Care	-	1.3	1.3	1.2	0.8	-	3.3
Geraldton Health Campus Redevelopment	9.5	9.4	8.9	27.9	24.2	-	60.9
Geraldton Hospital Co-location	-	1.2	0.5	1.5	-	-	2.0
Kalgoorlie Health Campus Magnetic Resonance Imaging Suite	2.6	-	-	-	-	-	-
Karratha Health Campus	0.7	-	0.1	1.8	-	-	1.9
Kimberley Mobile Dialysis Unit	0.3	0.5	0.5	-	-	-	0.5
Meekatharra Hospital	-	-	0.2	0.9	3.9	10.7	15.7
Newman Health Service Redevelopment Project	2.4	8.9	28.5	5.0	-	-	33.5
Nickol Bay Hospital Site	1.0	0.8	0.9	-	-	-	0.9
Onslow Health Service Redevelopment Project	0.1	0.1	- (a)	-	-	-	- (a)
Primary Health Centres Demonstration Program	0.9	2.3	4.4	6.3	0.4	-	11.0
Remote Indigenous Health Clinics	1.5	1.7	1.0	0.8	-	-	1.8
Small Hospital and Nursing Post Refurbishment Program	0.6	- (a)	0.1	-	-	-	0.1
Tom Price Hospital Redevelopment	0.1	1.4	1.5	3.6	-	-	5.1
Other Health Programs							
Newman Renal Dialysis Service	-	-	-	-	1.3	-	1.3
Warmun Facility Upgrade	-	0.5	0.5	-	-	-	0.5
Women's Community Health Services: Kimberley Women's Health Program	-	0.4	0.4	0.8	0.8	0.8	2.8
Mental Health Programs							
Aboriginal Social and Emotional Wellbeing	-	0.7	0.7	6.5	6.7	3.6	17.6
Geraldton Step Up/Step Down Facilities	2.7	2.5	2.5	2.5	2.5	2.5	9.9
Mental Health Anti-Ligature Works at Regional Hospitals	-	1.7	1.0	0.7	-	-	1.7
Mental Health Step Up/Step Down Facilities – Kalgoorlie/Goldfields 10 Beds	4.8	2.7	2.7	2.6	2.6	2.6	10.5
Methamphetamine Action Plan – South West AOD Residential Rehabilitation and Treatment Service	2.7	2.8	2.8	2.8	2.9	2.9	11.4
North West Drug and Alcohol Support Program	0.2	-	-	-	-	-	-
North West Drug and Alcohol Support Program – Kimberley	6.3	6.7	6.7	6.9	7.1	7.1	27.7
Regional Men's Health	0.8	0.8	0.8	0.8	0.8	0.8	3.2
Strong Spirit Strong Mind Public Education Campaign to Run State-wide	-	2.6	2.6	2.1	2.3	2.2	9.2
Sub-acute Mental Health Services in Bunbury	2.2	2.2	2.2	2.3	2.3	2.3	9.1
Sub-acute Mental Health Services in Karratha	2.9	4.5	4.5	2.8	2.7	2.7	12.7
Sub-acute Mental Health Services in South Hedland	-	1.6	1.6	4.7	4.7	3.8	14.8
TOTAL – PUTTING PATIENTS FIRST	146.5	179.5	210.6	215.3	159.6	133.6	719.1

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2020-21 Actual	2021-22 Budget Estimate	2021-22 Mid-Year Revision	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
INVESTING IN OUR CHILDREN'S EDUCATION							
Aboriginal and Islander Education Officers	3.4	3.6	3.6	3.6	3.6	3.6	14.3
Albany Secondary Education Support Centre and North Albany Senior High School	3.6	0.2	0.1	-	-	-	0.1
Albany Senior High School	-	-	-	0.4	5.9	2.2	8.5
Baler Primary School	-	-	-	0.2	3.1	0.2	3.5
Baynton West Primary School	-	0.3	0.3	4.0	0.9	0.3	5.5
Better Beginnings – Early Literacy	0.2	0.3	0.3	0.3	0.3	0.3	1.0
Broome Residential College – Stage 2	-(a)	-	-	-	-	-	-
Broome Senior High School	6.2	1.1	1.1	0.3	3.0	1.1	5.5
Bunbury Senior High School – Upgrades	3.4	0.4	0.4	-	-	-	0.4
Cape Naturaliste College (Stage 2)	0.6	-	-	-	-	-	-
Carnarvon Community College	0.6	-	-	-	-	-	-
Cassia Primary School	-	0.1	0.1	3.6	0.5	0.2	4.5
Champion Bay Senior High School	1.8	-	-	-	-	-	-
Clontarf Colleges	1.5	1.5	1.5	1.5	1.5	1.5	6.2
Collie Senior High School	-(a)	0.1	-	-	-	-	-
Curtin Jiji Program	-	-	0.8	-	-	-	0.8
Dampier Primary School	-	-	-	0.1	0.8	0.1	1.0
Donnybrook District High School	-	0.1	0.1	0.8	0.1	-	1.0
Eaton Community College	-	0.2	0.2	1.6	4.8	0.5	7.0
Eaton Community College – New Facilities	0.2	0.6	0.6	-	-	-	0.6
Eaton Primary School	-(a)	0.1	-	-	-	-	-
Feasibility Study Residential Colleges for Aboriginal Students in Newman	-	-	0.1	-	-	-	0.1
Flinders Park Primary School – Early Childhood	0.1	-	-	-	-	-	-
Glen Huon Primary School	0.1	-	-	-	-	-	-
Halls Creek District High School	-	0.1	0.1	1.8	7.2	0.9	10.0
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
Kimberley and Pilbara Solar Schools Program	-	1.9	1.9	2.7	-	-	4.6
Kimberley Schools Project	4.5	4.9	4.9	4.7	-	-	9.6
Margaret River Senior High School	0.9	0.8	0.8	-	-	-	0.8
Mental Health Support	0.8	0.8	0.8	0.8	0.8	0.8	3.2
Mount Lockyer Primary School – Upgrade	2.5	-	-	-	-	-	-
Newton Moore Senior High School – STEM Centre	-(a)	0.5	-	-	-	-	-
Pilbara Partnerships for Student Success	0.6	-	-	-	-	-	-
Pilbara Universities Centre	0.3	-	-	-	-	-	-
Preventative Maintenance Programs	-(a)	-	-	-	-	-	-
Put Education Assistants Back in the Classroom	9.1	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	79.9	79.9	319.7
South Bunbury Education Support Centre	-	0.1	0.1	2.2	0.4	0.3	3.0
South Regional TAFE Esperance New Replacement Campus	10.0	-	-	-	-	-	-
Tambrey Primary School	-	0.6	0.6	0.2	-	-	0.8
Vocational Education Regional Subsidies	44.9	45.4	45.4	45.4	45.4	45.4	181.6
TOTAL – INVESTING IN OUR CHILDREN'S EDUCATION	100.2	157.7	157.8	168.4	172.6	151.6	650.4

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2020-21 Actual	2021-22 Budget Estimate	2021-22 Mid-Year Revision	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
INVESTING IN OUR COMMUNITIES							
Aboriginal Governance and Leadership Development Program	0.5	1.1	0.8	1.6	1.3	1.3	5.0
Aboriginal Tourism Initiatives	0.9	0.9	0.9	0.9	0.9	0.9	3.6
Air-conditioning at Five Remote Multifunctional Policing Facilities	3.8	1.5	1.4	-	-	-	1.4
Albany Artificial Surf Reef Business Case	0.1	-	-	-	-	-	-
Albany Entertainment Centre	0.5	0.5	0.5	0.5	0.5	0.5	2.0
Albany Trails	-	1.6	1.6	1.6	-	-	3.2
Batavia Coast Marina Stage 2	- (a)	0.9	0.9	-	-	-	0.9
Beach Emergency Numbering System	- (a)	0.2	0.2	0.3	-	-	0.5
Bridge St. Affordable Housing Project – Donnybrook	0.9	0.5	0.5	-	-	-	0.5
Broome Aboriginal Short Stay Accommodation Facility	2.1	3.3	3.3	2.8	2.8	2.9	11.9
Broome Aboriginal-led Specialist Family Violence Court	-	1.7	1.7	2.0	0.6	0.6	4.8
Bunbury Prison Alcohol and Other Drug Unit	-	-	-	2.5	3.6	2.6	8.7
Bunbury Regional Prison	1.6	0.2	0.2	-	-	-	0.2
Capel Police Station	1.7	0.3	0.4	-	-	-	0.4
Carnarvon Fascine Revitalisation – Completion – Independent Project Manager Advisor Services	- (a)	-	-	-	-	-	-
Carnarvon One Mile Jetty	-	1.5	1.3	3.2	-	-	4.5
Carnarvon One Mile Jetty – Partial Demolition of Jetty	-	4.2	4.2	-	-	-	4.2
Centennial Park Sporting and Event Precinct	0.5	-	-	-	-	-	-
Collie Mineworkers Memorial Pool Enclosure	1.0	0.9	-	0.9	-	-	0.9
Community Chest Grants Scheme	0.2	-	0.1	-	-	-	0.1
Community Resource Centres	13.9	13.0	12.6	13.0	13.0	13.0	51.6
Community Safety Network	8.0	9.1	9.1	8.5	8.7	8.7	35.0
Coral Bay Key Worker Housing – Headworks	- (a)	-	-	-	-	-	-
Country Age Pension Fuel Card	28.9	30.5	30.5	30.5	30.5	30.5	122.0
Country Water Pricing Subsidy	250.0	126.8	126.0	65.9	24.1	102.6	318.6
Culturally Appropriate Services to Victims of Domestic Violence	0.1	0.1	0.1	0.1	-	-	0.2
Dalyellup Family Centre	0.4	0.3	0.2	0.3	0.3	0.2	1.0
Dampier Peninsula Activation	0.6	2.9	1.9	1.4	-	-	3.3
Doors Wide Open	0.1	-	-	-	-	-	-
East Kimberley Transitional Housing	0.7	2.6	2.6	0.9	0.9	0.9	5.3
Emu Point Boat Harbour – Jetty B Remediation	-	1.0	1.0	-	-	-	1.0
Enhanced Driver Training and Education for Regional and Remote Communities	1.4	1.5	1.7	1.5	1.4	1.4	6.0
Essential and Municipal Services Improvement in Remote Aboriginal Communities	0.7	32.6	13.6	15.0	12.6	-	41.3
Family and Domestic Violence Counselling Services – Peel	0.3	0.3	0.3	-	-	-	0.3
Family Domestic Violence Refuge – Peel	2.2	1.2	1.4	1.3	1.4	1.5	5.6
Financial Counselling Services	0.7	0.7	0.7	0.7	0.7	0.7	2.9
Geraldton Basketball Stadium Upgrade	-	-	1.5	-	-	-	1.5
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	-	-	-	-	-	-

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2020-21 Actual	2021-22 Budget Estimate	2021-22 Mid-Year Revision	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Gwoonwardu Mia Aboriginal Heritage and Cultural Centre – Carnarvon	0.6	1.8	1.8	1.2	1.2	-	4.1
Halls Creek Town Development Masterplan – State Contribution	-	3.5	3.5	-	-	-	3.5
Harvey Trail Precinct	-	0.1	0.1	-	-	-	0.1
Hedland Transitional Housing	0.3	2.5	2.4	0.3	0.8	0.8	4.2
Indigenous Visitor Hostels	1.8	2.8	2.8	2.5	2.5	2.5	10.3
Jalbi Jiya (Your Home) Program	8.0	0.7	0.9	0.3	0.3	0.2	1.7
Kalgoorlie Career Fire and Rescue Service Station Upgrade	-	1.2	1.2	-	-	-	1.2
Kalgoorlie Motorsports Precinct	-	1.0	1.0	1.0	-	-	2.0
Kimberley Aboriginal Law and Culture Centre to Document and Teach Traditional Languages	-	0.1	0.1	0.1	-	-	0.3
Kimberley Juvenile Justice Strategy	0.3	0.3	0.3	-	-	-	0.3
Koombana Bay Park Facilities	0.2	2.2	2.6	-	-	-	2.6
Laverton Visitor Centre	0.8	0.3	0.3	-	-	-	0.3
Leonora Ageing in Place Project	0.5	1.3	2.5	0.5	-	-	3.0
Mandurah Eastern Foreshore Redevelopment	3.5	1.5	1.5	-	-	-	1.5
Motorplex Complex Albany	-	4.1	5.5	-	-	-	5.5
Multi-functional Policing Facilities Air-Conditioning System Replacement	0.2	4.9	4.9	0.7	-	-	5.6
Multipurpose Outdoor Courts – Weatherproof Structure, Seating and Lighting	0.1	-	-	-	-	-	-
North West Aboriginal Housing Initiative	-	8.2	8.2	8.6	24.1	11.1	51.9
Olabud Doogethu Halls Creek Youth Justice Reinvestment Project	-	0.4	0.4	0.3	0.3	0.3	1.5
Peel Regional Trails	-	0.5	0.5	1.5	-	-	2.0
Pilbara Aboriginal Town Based Reserves – Yet-to-Be Allocated	-	-	0.1	0.2	6.1	1.0	7.4
Pilbara Town Based Reserves – Irrungadji	- (a)	4.4	4.4	0.3	0.3	-	5.0
Pilbara Town Based Reserves – Parnpajinya	0.3	3.3	3.2	0.4	0.4	0.4	4.4
Pilbara Town Based Reserves – Tjalka Boorda	0.6	1.4	1.4	0.1	-	-	1.6
Police Radio Network	1.1	1.0	1.0	0.5	0.7	-	2.3
Regional Arts and Cultural Investment Program	6.7	5.0	5.0	4.9	4.9	4.9	19.7
Regional Athlete Support Program	0.9	1.1	1.1	1.1	-	-	2.3
Regional Aviation Support	0.8	-	-	-	-	-	-
Regional Centres Development Plan	-	0.9	0.9	1.5	-	-	2.5
Regional COVID-19 Response Provision	1.7	-	-	-	0.1	-	0.1
Regional Economic Development Grants	6.2	12.5	11.6	5.0	5.0	5.0	26.6
Regional Enforcement Unit	4.7	5.5	5.5	5.5	5.5	5.5	21.9
Regional Exhibition Touring Boost	2.0	1.8	2.1	1.5	2.0	2.0	7.5
Regional Grants Scheme	0.4	-	0.6	-	-	-	0.6
Regional Investment Initiative	-	0.2	0.2	-	-	-	0.2
Regional Museum Grants – Regional Collections Development Program	0.4	0.4	0.5	-	-	-	0.5
Regional Police Incentives	2.2	2.5	2.5	2.5	2.5	2.5	10.0
Regional Renewal Program	-	2.0	2.0	5.0	13.0	-	20.0
Regional Taxi Transition Fund	- (a)	0.1	0.2	-	-	-	0.2
Regional Workers Campaign	1.1	0.6	0.5	-	-	-	0.5
Regional Youth Justice Services	5.4	5.5	5.5	5.6	5.7	5.8	22.6
Remote Aboriginal Communities	1.9	56.8	65.1	60.5	64.0	73.3	262.9
Remote Aboriginal Communities COVID-19 Emergency Relief Fund	1.0	1.1	1.0	1.1	-	-	2.1
Remote Essential and Municipal Services	56.0	56.0	56.0	56.0	56.0	56.0	224.0

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2020-21 Actual	2021-22 Budget Estimate	2021-22 Mid-Year Revision	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Remote Swimming Pools	0.6	0.8	0.8	0.8	0.6	0.6	2.8
Respectful Relationship Programs in Schools	0.1	0.1	0.1	-	-	-	0.1
Riverview Residence – Upgrade to Over 55's Estate	-	2.0	0.3	1.8	-	-	2.0
Shark Mitigation – SMART Drumline Trials	0.4	-	-	-	-	-	-
South Hedland and CBD Revitalisation – Stage 2	0.1	1.0	1.0	-	-	-	1.0
Southern Forests Food Council	-	0.4	0.4	-	-	-	0.4
Stockton Lake	– (a)	– (a)	– (a)	-	-	-	– (a)
Upgrades to Hay Park – Bunbury	-	0.1	0.1	-	-	-	0.1
Volunteer Fuel Card	0.6	1.0	1.0	1.0	1.0	1.0	4.0
Western Desert Justice Program	-	0.5	0.5	0.5	0.5	-	1.5
Wheatbelt South Aged Housing Alliance	1.3	-	-	-	-	-	-
Yindjibarndi Ganaliili Accommodation and Transitional Housing Program	-	4.8	4.9	1.2	0.1	0.1	6.3
Yura Yungi Employee Accommodation and Career Development Program	– (a)	1.9	1.9	1.2	0.1	0.1	3.3
TOTAL – INVESTING IN OUR COMMUNITIES	435.0	454.0	443.4	330.8	301.0	341.5	1,416.8
INVESTING IN OUR ROADS AND PORTS							
AgLime Routes	1.2	-	0.4	-	-	-	0.4
Albany Ring Road – Design, Preconstruction and Construction Activities	11.0	10.6	10.6	-	6.1	-	16.7
Broome Boating Facilities Upgrade	0.5	0.5	1.0	-	-	-	1.0
Broome Marina Planning	0.3	0.3	0.3	-	-	-	0.3
Broome Town Beach Jetty	3.0	-	-	-	-	-	-
Broome-Cape Leveque Road	3.6	-	-	-	-	-	-
Bunbury Port – Inner Harbour Access Bridge	0.2	2.6	2.6	12.8	-	-	15.3
Collie Preston Region – Upgrades Over Multiple Local Roads	5.9	0.1	2.9	-	-	-	2.9
Coolgardie-Esperance Highway (Goldfields) – Widen, Overlay and Reconstruction	5.7	1.0	1.0	-	-	-	1.0
Derby-Broome Air Service	-	1.0	1.0	-	-	-	1.0
Dongara Road Alignment	0.1	0.2	0.4	-	-	-	0.4
Duncan Road and Gordon Downs Road Upgrade	-	2.2	2.2	-	-	-	2.2
Grain Freight Upgrades	-	12.0	12.0	10.0	-	-	22.0
Great Eastern Highway – Walgoolan to Southern Cross and Coates Gully	-	1.6	1.6	2.0	-	-	3.6
Great Eastern Highway Upgrades – Ghooli to Benari	-	0.2	0.2	6.8	2.8	2.8	12.6
Great Northern Highway – Broome to Kununurra – Nellie Springs to Sally Downs Well and Arthur Creek	-	-	-	1.0	1.0	2.0	4.0
Greenbushes Lithium Supply Chain	-	3.8	3.8	-	-	-	3.8
Indian Ocean Drive – Jurien Bay to Brand Highway	-	0.2	0.2	3.0	3.0	0.4	6.6
Joint State and Commonwealth Funded Transport Projects Under Negotiation	-	-	-	16.4	19.1	15.2	50.7
Karratha-Tom Price Road – Sealing of 50 km to Millstream	8.5	17.5	17.5	19.0	-	-	36.5
Koojan Downs Road Upgrade	-	1.0	1.0	-	-	-	1.0
Land Acquisition and Road Improvements	-	8.0	8.0	-	-	-	8.0

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE							
INITIATIVE	2020-21 Actual	2021-22 Budget Estimate	2021-22 Mid-Year Revision	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Local Government Commodity Freight Roads Fund	2.7	-	0.2	-	-	-	0.2
Mandurah Estuary Bridge Duplication	-	1.5	1.5	7.5	41.0	5.0	55.0
Mandurah Train Station – New Parking Bays	9.8	7.3	6.0	-	-	-	6.0
Marble Bar Road Upgrade	-	3.0	3.0	6.0	3.0	-	12.0
Moonamang Road	2.0	9.2	14.3	-	-	-	14.3
Oakajee Strategic Industrial Area Access Road	-	7.5	7.5	-	-	-	7.5
Outback Way – Seal Priority Sections	0.5	4.0	4.0	-	-	-	4.0
Rail Future Fund	5.4	6.8	3.5	3.3	15.1	-	21.9
Regional Airfare Zone Cap for Regional Residents	-	0.3	0.3	6.6	6.5	6.4	19.8
Regional Blackspot Program	-	4.9	4.9	4.9	4.9	-	14.8
Regional Road Safety Improvement Program	-	4.0	4.0	-	-	-	4.0
South Coast Highway – Widening from Pfeiffer Road Manypeaks to Jerramungup Road	11.9	1.1	2.7	-	-	-	2.7
Square Kilometre Array Roads	- (a)	5.0	5.0	5.0	5.0	10.2	25.2
Toodyay Road Upgrade – Dryandra to Toodyay	-	-	-	0.2	0.8	4.0	5.0
Truck Rest Stops	-	1.3	1.3	1.3	1.3	1.3	5.0
Western Australian Agricultural Supply Chain Improvements	-	-	-	-	9.0	9.0	18.0
TOTAL – INVESTING IN OUR ROADS AND PORTS	72.4	118.6	124.7	105.7	118.6	56.2	405.2
INVESTING IN OUR ENVIRONMENT							
Bushfire Mitigation on Crown Land Regional Townsites	3.8	3.8	3.8	3.8	3.8	-	11.3
Carnarvon Flood Mitigation Works – Stage 2	0.1	2.8	2.8	-	-	-	2.8
Climate Resilience Fund	-	3.8	3.8	4.0	3.8	3.5	15.0
Dampier Peninsula and Buccaneer Archipelago Visitor Plan	-	0.2	0.2	0.3	-	-	0.4
Dampier Peninsula Project	0.2	0.3	0.3	0.2	-	-	0.5
Danggu Geikie Gorge Upgrades	-	0.5	0.5	1.3	-	-	1.8
Drummond Cove Coastal Erosion Project and Boat Launching Facility	-	0.2	0.2	0.4	1.1	1.5	3.2
Dwellingup Gap Trails Project	-	1.4	1.4	1.0	0.3	-	2.7
Enhanced Prescribed Burning Program	5.8	5.5	5.5	5.5	5.5	5.5	22.0
Fitzroy River Catchment	-	0.1	0.1	-	-	-	0.1
Fitzroy River Management Plan	0.4	0.7	0.6	0.3	-	-	1.0
Great Kimberley Marine Park	0.1	-	-	-	-	-	-
Healthy Estuaries WA	3.9	6.3	6.3	6.3	6.3	2.4	21.1
Implementing the Peel-Harvey Estuary Protection Plan	-	1.3	1.3	1.3	1.3	1.3	5.0
Kalbarri Island Rock	-	0.2	0.2	0.1	-	-	0.3
Kalgulup Regional Park	1.6	6.7	6.8	-	-	-	6.8
Karijini National Park Upgrades	-	0.6	0.8	1.0	13.3	1.0	16.0
Kimberley Wilderness Walk, Wunaamin Miliwundi Ranges	-	0.3	0.2	0.3	0.3	0.2	0.9
Managing Western Australia's Natural Resources: Supporting Community Involvement	-	- (a)	- (a)	0.1	-	-	0.1
Marine Parks Management	0.5	0.7	0.7	0.5	0.5	-	1.8
Murujuga Joint Management	0.9	1.0	1.1	1.1	1.1	1.1	4.3
Murujuga National Park (Conzinc Bay)	-	0.3	0.3	4.8	-	-	5.0

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2020-21 Actual	2021-22 Budget Estimate	2021-22 Mid-Year Revision	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Natural Resource Management Program	6.1	8.1	8.3	7.3	6.6	5.8	28.0
Ngari Capes Marine Park	1.0	1.4	1.4	1.2	1.2	1.2	4.8
Ningaloo Coastal Reserve	1.7	1.8	1.8	1.8	1.3	1.3	6.3
Northern Native Seed Initiative	-	0.7	0.7	2.2	0.9	0.6	4.4
Oyster Reef Habitat Restoration – Albany	0.3	-	-	-	-	-	-
Peel Harvey Estuary 1 FTE	-	-	0.1	-	-	-	0.1
Pilbara Hydrogen Hub	-	-	-	17.7	17.7	17.7	53.1
Plan for Our Parks – Indigenous Land Use Agreement	0.8	4.8	4.8	0.3	-	-	5.1
Regional Estuaries Initiative	1.1	-	-	-	-	-	-
Renewable Hydrogen Strategy	0.8	3.2	3.2	1.9	-	-	5.2
Revitalising Waterways of Geopraphe Bay	0.4	-	-	-	-	-	-
Rural Water Planning	-	2.9	2.9	2.5	2.5	2.5	10.5
Torndirrup National Park, The Gap	-	0.2	0.2	0.3	2.9	-	3.3
Watering Western Australia	0.7	1.0	1.0	-	-	-	1.0
William Bay National Park Infrastructure Project	1.5	0.7	0.7	-	-	-	0.7
Yawuru Conservation Park	-	0.2	0.2	1.8	1.3	1.3	4.5
Yawuru Joint Management	1.1	1.1	1.1	1.1	1.1	1.1	4.5
TOTAL – INVESTING IN OUR ENVIRONMENT	32.6	62.4	62.9	70.0	72.6	47.9	253.3
ADMINISTRATION AND ADMINISTERED ITEMS							
Administration ^(b)	86.5	89.2	90.1	85.6	82.7	81.1	339.6
Administered Items ^(c)	-	10.5	7.8	5.3	-	-	13.1
TOTAL – ADMINISTRATION AND ADMINISTERED ITEMS	86.5	99.7	97.9	90.9	82.7	81.1	352.7
Underspend Provision	-	-173.8	-173.8	-48.7	-	-	-222.5
TOTAL – ROYALTIES FOR REGIONS FUND	976.1	1,158.4	1,133.1	1,103.0	1,059.1	930.6	4,225.7
Regional Reform Fund Special Purpose Account Transfer ^(d)	-	16.0	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 initiatives 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.

APPENDIX 1

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*.

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Table 1.1

GENERAL GOVERNMENT Operating Statement

	Note	2020-21 Actual \$m	2021-22 Budget Estimate \$m	2021-22 Mid-year Revision \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m
<i>Results from Transactions</i>							
REVENUE							
Taxation		10,153	10,035	10,943	10,413	10,619	11,028
Current grants and subsidies		9,421	10,894	11,251	11,110	12,270	12,332
Capital grants		1,131	2,125	1,882	1,961	2,176	1,191
Sales of goods and services		2,821	3,028	3,127	3,041	3,047	3,017
Interest income		110	97	106	94	96	91
Revenue from public corporations							
Dividends from other sector entities		1,362	587	589	1,437	1,508	1,543
Tax equivalent income		956	700	690	788	847	850
Royalty income		12,181	10,145	8,730	6,022	6,214	6,338
Other		2,015	688	752	628	603	589
Total	3	40,151	38,297	38,071	35,494	37,380	36,980
EXPENSES							
Salaries		13,469	13,977	13,893	14,260	14,652	15,183
Superannuation							
Concurrent costs		1,323	1,453	1,448	1,549	1,658	1,787
Superannuation interest cost		60	89	130	126	131	133
Other employee costs		422	378	380	378	384	389
Depreciation and amortisation		1,741	1,839	1,853	1,866	1,859	1,873
Services and contracts		2,686	3,006	3,555	3,014	2,984	3,050
Other gross operating expenses		5,602	6,142	5,652	5,381	5,475	5,668
Interest							
Interest on leases		134	132	132	127	124	123
Other interest		654	606	637	611	606	592
Current transfers	5	7,458	6,576	6,651	5,975	5,603	5,608
Capital transfers	5	763	1,308	1,295	448	377	215
Total	6	34,313	35,506	35,625	33,736	33,852	34,620
NET OPERATING BALANCE		5,838	2,791	2,446	1,759	3,528	2,360
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		-173	15	-8	6	-8	-16
Provision for doubtful debts		-51	-18	-17	-17	-17	-17
Changes in accounting policy/adjustment of prior periods		9	-	-	-	-	-
Total other economic flows		-215	-3	-24	-10	-24	-32
OPERATING RESULT		5,623	2,788	2,421	1,749	3,504	2,327
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		1,827	1,434	1,424	513	1,047	1,168
Net actuarial gains/-loss - superannuation		1,072	-246	120	-106	-123	-173
Gains recognised directly in equity		2	-45	-45	-44	-44	-43
Change in net worth of the public corporations sectors		1,620	1,024	1,029	1,036	491	351
All other		-	-	-	-	-	-
Total all other movements in equity		4,520	2,167	2,529	1,398	1,371	1,303
TOTAL CHANGE IN NET WORTH		10,144	4,956	4,950	3,147	4,875	3,631
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE		5,838	2,791	2,446	1,759	3,528	2,360
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets	6	2,614	3,503	3,736	3,603	3,408	3,352
Changes in inventories		70	-	5	-	-	-
Other movement in non-financial assets		1,337	26	36	-	-32	-
Less:							
Sales of non-financial assets		90	138	165	64	77	80
Depreciation		1,741	1,839	1,853	1,866	1,859	1,873
Total net acquisition of non-financial assets		2,189	1,551	1,760	1,673	1,440	1,399
NET LENDING/-BORROWING		3,649	1,240	686	86	2,088	960

Note: Columns may not add due to rounding.

2021-22 Government Mid-year Financial Projections Statement

Table 1.2

GENERAL GOVERNMENT Balance Sheet at 30 June

	2021	2022	2022	2023	2024	2025
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
ASSETS						
<i>Financial assets</i>						
Cash and deposits	5,230	6,991	7,003	5,057	4,036	3,248
Advances paid	729	712	719	765	904	917
Investments, loans and placements	2,105	2,918	2,595	1,814	1,588	1,394
Receivables	5,942	3,086	3,722	3,745	3,817	3,815
Shares and other equity						
Investments in other public sector entities - equity method	42,581	43,076	43,610	44,647	45,137	45,489
Investments in other public sector entities - direct injections	11,751	12,717	12,794	14,533	17,061	18,531
Investments in other entities	30	22	30	30	30	30
Other financial assets	8	9	9	9	9	9
Total financial assets	68,376	69,531	70,482	70,599	72,582	73,433
<i>Non-financial assets</i>						
Land	37,821	37,167	38,855	39,169	39,635	40,228
Property, plant and equipment	47,428	51,377	50,057	52,459	54,822	57,086
Right-of-use assets	2,394	2,363	2,383	2,232	2,190	2,197
Service concession assets	798	-	775	750	734	708
Biological assets	54	109	54	54	54	54
Inventories						
Land inventories	-	-	-	-	-	-
Other inventories	179	171	183	183	183	183
Intangibles	586	568	609	581	581	580
Non-current assets held for sale	107	14	75	75	75	75
Investment property	7	-	7	7	7	7
Other	352	214	304	309	309	310
Total non-financial assets	89,726	91,984	93,302	95,818	98,590	101,429
TOTAL ASSETS	158,102	161,515	163,785	166,417	171,172	174,861
LIABILITIES						
Deposits held	1,333	2,847	2,986	2,763	2,706	2,863
Advances received	309	291	291	328	457	465
Borrowings						
Lease liabilities	2,753	2,685	2,762	2,622	2,590	2,604
Service concession liabilities	5	-	5	5	5	5
Other borrowings	26,451	25,895	25,891	25,922	25,948	25,941
Unfunded superannuation	5,516	5,533	5,210	5,132	5,082	5,092
Other employee benefits	3,875	3,652	3,902	3,939	3,952	3,983
Payables	2,537	2,620	2,556	2,512	2,460	2,404
Other liabilities	2,740	2,498	2,650	2,514	2,419	2,318
TOTAL LIABILITIES	45,520	46,022	46,252	45,738	45,618	45,676
NET ASSETS	112,582	115,493	117,532	120,679	125,554	129,185
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	14,298	17,178	18,806	20,393	23,725	25,831
Other reserves	98,284	98,315	98,727	100,286	101,829	103,354
NET WORTH	112,582	115,493	117,532	120,679	125,554	129,185
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>22,856</i>	<i>23,509</i>	<i>24,230</i>	<i>24,861</i>	<i>26,964</i>	<i>27,756</i>
<i>Net financial liabilities</i>	<i>31,476</i>	<i>32,284</i>	<i>32,174</i>	<i>34,318</i>	<i>35,234</i>	<i>36,263</i>
<i>Net debt</i>						
Gross debt liabilities	30,851	31,719	31,935	31,641	31,705	31,879
Less : liquid financial assets	8,063	10,621	10,318	7,636	6,528	5,559
Net debt	22,788	21,098	21,617	24,005	25,177	26,320

Note: Columns may not add due to rounding.

Table 1.3

GENERAL GOVERNMENT **Cash Flow Statement**

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	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	9,847	10,052	10,960	10,430	10,636	11,045
Grants and subsidies received	12,167	14,864	14,956	15,182	16,640	15,792
Receipts from sales of goods and services	2,858	2,965	3,080	2,967	3,012	2,963
Interest receipts	88	91	101	91	94	90
Dividends and tax equivalents	2,331	1,398	1,513	2,172	2,329	2,437
Other receipts	12,694	14,425	12,981	7,961	8,018	8,151
Total cash received	39,985	43,795	43,591	38,803	40,728	40,477
<i>Cash Paid</i>						
Wages, salaries and supplements, and superannuation	-14,851	-15,730	-15,632	-16,077	-16,596	-17,228
Payments for goods and services	-8,904	-9,626	-9,725	-8,882	-8,949	-9,155
Interest paid	-803	-748	-752	-715	-711	-699
Grants and subsidies paid	-8,456	-9,499	-9,463	-8,211	-7,838	-7,761
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-1,828	-1,616	-1,627	-1,658	-1,620	-1,688
Total cash paid	-34,842	-37,219	-37,200	-35,542	-35,714	-36,531
NET CASH FLOWS FROM OPERATING ACTIVITIES	5,143	6,576	6,391	3,261	5,015	3,946
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-2,614	-3,503	-3,736	-3,603	-3,408	-3,352
Sales of non-financial assets	90	138	165	64	77	80
Total cash flows from investments in non-financial assets	-2,524	-3,365	-3,571	-3,539	-3,332	-3,272
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	14	10	10	10	10	10
For liquidity purposes	86	64	68	24	12	10
<i>Cash paid</i>						
For policy purposes	-1,210	-1,372	-1,319	-1,895	-2,579	-1,481
For liquidity purposes	-94	-20	-9	-12	-1	-
Total cash flows from investments in financial assets	-1,205	-1,317	-1,250	-1,873	-2,558	-1,460
NET CASH FLOWS FROM INVESTING ACTIVITIES	-3,728	-4,682	-4,822	-5,412	-5,890	-4,732
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	18	18	18	18	18	25
Borrowings	198	146	151	148	142	111
Deposits received	-	-	-	-	-	-
Other financing receipts	233	26	26	17	6	6
Total cash receipts from financing activities	449	190	195	183	166	143
<i>Cash paid</i>						
Advances paid	-17	-18	-18	-18	-18	-25
Borrowings repaid	-45	-702	-703	-108	-107	-106
Deposits paid	-	-	-	-	-	-
Other financing payments	-503	-388	-390	-399	-354	-364
Total payments for financing activities	-566	-1,108	-1,111	-525	-479	-496
NET CASH FLOWS FROM FINANCING ACTIVITIES	-117	-918	-916	-342	-313	-353
Net increase in cash and cash equivalents	1,298	976	653	-2,494	-1,188	-1,139
Cash and cash equivalents at the beginning of the year	5,645	6,915	6,943	7,596	5,103	3,915
Cash and cash equivalents at the end of the year	6,943	7,891	7,596	5,103	3,915	2,775
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	5,143	6,576	6,391	3,261	5,015	3,946
Net cash flows from investing in non-financial assets	-2,524	-3,365	-3,571	-3,539	-3,332	-3,272
Cash surplus/-deficit	2,620	3,211	2,819	-278	1,683	674

Note: Columns may not add due to rounding.

Table 1.4

PUBLIC NON-FINANCIAL CORPORATIONS
Operating Statement

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
<i>Results from Transactions</i>						
REVENUE						
Current grants and subsidies	3,344	2,914	2,894	2,711	2,563	2,492
Capital grants	97	138	157	190	185	92
Sales of goods and services	37,404	35,290	37,390	38,362	39,749	41,130
Interest income	88	100	98	99	100	101
Other	601	441	472	546	556	568
<i>Total</i>	<i>41,535</i>	<i>38,882</i>	<i>41,010</i>	<i>41,908</i>	<i>43,153</i>	<i>44,384</i>
EXPENSES						
Salaries	1,142	1,290	1,306	1,328	1,326	1,343
Superannuation						
Concurrent costs	125	134	136	144	150	158
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	59	30	30	31	31	32
Depreciation and amortisation	2,488	2,262	2,567	2,644	2,736	2,752
Services and contracts	851	955	960	861	795	744
Other gross operating expenses	33,009	30,611	32,778	33,326	34,523	35,897
Interest						
Interest on leases	75	83	82	77	71	64
Other interest	451	467	445	446	466	488
Tax equivalents	637	662	653	742	793	792
Current transfers	1,854	1,222	1,225	1,211	1,219	1,239
Capital transfers	63	18	5	18	25	5
<i>Total</i>	<i>40,754</i>	<i>37,736</i>	<i>40,188</i>	<i>40,829</i>	<i>42,136</i>	<i>43,515</i>
NET OPERATING BALANCE	780	1,146	823	1,079	1,018	869
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-210	-85	-84	8	65	62
Provision for doubtful debts	-13	-35	-35	-34	-34	-43
Changes in accounting policy/adjustment of prior periods	-112	-	-	-	-	-
<i>Total other economic flows</i>	<i>-335</i>	<i>-120</i>	<i>-120</i>	<i>-25</i>	<i>31</i>	<i>19</i>
OPERATING RESULT	445	1,026	703	1,054	1,049	888
<i>Other non-owner movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	1,422	414	886	1,213	710	757
Net actuarial gains/loss - superannuation	-2	-	9	3	2	1
Gains recognised directly in equity	-21	-	11	-1	-1	-1
All other	-	-	-	-	-	-
<i>Total other non-owner movements in equity</i>	<i>1,399</i>	<i>414</i>	<i>906</i>	<i>1,216</i>	<i>712</i>	<i>758</i>
<i>Movements in owner equity</i>						
Dividends	-1,341	-	-	-1,358	-1,426	-1,458
Capital injections	1,114	1,289	1,026	1,739	2,530	1,471
<i>Total movements in owner equity</i>	<i>-227</i>	<i>1,289</i>	<i>1,026</i>	<i>381</i>	<i>1,104</i>	<i>13</i>
TOTAL CHANGE IN NET WORTH	1,618	2,729	2,635	2,650	2,865	1,658
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	780	1,146	823	1,079	1,018	869
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	3,224	4,656	4,485	4,841	5,034	4,349
Changes in inventories	-400	-220	-228	36	50	56
Other movement in non-financial assets	66	116	139	167	176	179
<i>Less:</i>						
Sales of non-financial assets	434	455	455	509	643	583
Depreciation	2,488	2,262	2,567	2,644	2,736	2,752
<i>Total net acquisition of non-financial assets</i>	<i>-32</i>	<i>1,835</i>	<i>1,373</i>	<i>1,892</i>	<i>1,880</i>	<i>1,249</i>
NET LENDING/-BORROWING	813	-689	-551	-813	-862	-380

Note: Columns may not add due to rounding.

Table 1.5

PUBLIC NON-FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2021	2022	2022	2023	2024	2025
	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	2,961	4,095	3,489	3,232	3,344	3,640
Advances paid	-	-	-	-	-	-
Investments, loans and placements	5,860	6,044	6,161	6,107	6,062	6,004
Receivables	1,646	1,553	1,499	1,524	1,459	1,450
Shares and other equity						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	29	22	26	23	21	18
Other financial assets	484	398	398	300	244	191
<i>Total financial assets</i>	<i>10,980</i>	<i>12,111</i>	<i>11,572</i>	<i>11,186</i>	<i>11,129</i>	<i>11,303</i>
<i>Non-financial assets</i>						
Land	8,195	8,061	8,278	8,751	8,835	9,004
Property, plant and equipment	58,068	59,597	60,204	62,595	65,069	66,944
Right-of-use assets	442	506	591	539	482	439
Service concession assets	207	-	207	207	207	207
Biological assets	210	217	215	229	242	254
Inventories						
Land inventories	1,566	1,880	1,565	1,663	1,763	1,751
Other inventories	5,925	6,119	5,697	5,734	5,783	5,839
Intangibles	504	486	543	554	603	686
Non-current assets held for sale	5	12	15	15	15	15
Investment property	21	45	16	16	16	16
Other	170	196	193	188	203	200
<i>Total non-financial assets</i>	<i>75,312</i>	<i>77,119</i>	<i>77,524</i>	<i>80,490</i>	<i>83,219</i>	<i>85,354</i>
TOTAL ASSETS	86,292	89,231	89,095	91,676	94,348	96,657
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	309	291	291	328	457	465
Borrowings						
Lease liabilities	768	843	920	837	767	694
Service concession liabilities	343	-	334	327	319	312
Other borrowings	23,299	25,402	24,161	24,160	23,937	24,660
Unfunded superannuation	82	72	69	65	61	64
Other employee benefits	453	397	431	435	438	441
Payables	7,609	7,412	7,007	7,058	7,155	7,164
Other liabilities	2,027	1,775	1,843	1,778	1,659	1,646
TOTAL LIABILITIES	34,889	36,192	35,057	34,987	34,794	35,445
NET ASSETS	51,403	53,039	54,039	56,689	59,554	61,212
<i>Of which:</i>						
Contributed equity	12,001	12,999	13,028	14,767	17,297	18,767
Accumulated surplus	16,658	19,981	18,681	18,325	17,913	17,302
Other reserves	22,743	20,058	22,330	23,597	24,344	25,142
NET WORTH	51,403	53,039	54,039	56,689	59,554	61,212
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-23,909</i>	<i>-24,081</i>	<i>-23,485</i>	<i>-23,801</i>	<i>-23,665</i>	<i>-24,142</i>
<i>Net debt</i>						
Gross debt liabilities	24,719	26,536	25,707	25,652	25,481	26,131
Less : liquid financial assets	8,821	10,139	9,649	9,339	9,405	9,644
<i>Net debt</i>	<i>15,898</i>	<i>16,397</i>	<i>16,057</i>	<i>16,313</i>	<i>16,075</i>	<i>16,487</i>

Note: Columns may not add due to rounding.

Table 1.6

PUBLIC NON-FINANCIAL CORPORATIONS
Cash Flow Statement

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	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	3,491	3,075	3,032	2,914	2,755	2,587
Receipts from sales of goods and services	26,107	25,439	27,199	27,395	28,365	29,266
Interest receipts	83	96	94	98	99	101
Dividends and tax equivalents	63	140	140	121	125	118
Other receipts	1,457	1,540	1,522	1,496	1,449	1,369
Total cash received	31,200	30,290	31,988	32,024	32,794	33,441
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-1,257	-1,442	-1,463	-1,482	-1,484	-1,500
Payments for goods and services	-20,397	-20,105	-21,683	-21,595	-22,184	-22,877
Interest paid	-576	-532	-520	-516	-506	-521
Grants and subsidies paid	-706	-765	-753	-790	-796	-788
Tax equivalents	-683	-698	-728	-689	-767	-836
Other payments	-4,210	-3,687	-4,021	-3,420	-3,544	-3,536
Total cash paid	-27,829	-27,230	-29,167	-28,492	-29,281	-30,059
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,371	3,060	2,821	3,533	3,513	3,382
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-3,224	-4,656	-4,485	-4,841	-5,034	-4,349
Sales of non-financial assets	434	455	455	509	643	583
Total cash flows from investments in non-financial assets	-2,790	-4,201	-4,030	-4,332	-4,391	-3,766
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	3	64	47	68	63	50
<i>Cash paid</i>						
For policy purposes	-18	-15	-15	-11	-	-
For liquidity purposes	-100	-45	-45	-74	-73	-63
Total cash flows from investments in financial assets	-114	5	-13	-17	-10	-13
NET CASH FLOWS FROM INVESTING ACTIVITIES	-2,904	-4,196	-4,042	-4,349	-4,400	-3,779
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	54	147	33
Borrowings	4,322	5,932	4,969	4,482	4,529	5,149
Deposits received	-	-	-	-	-	-
Other financing receipts	1,305	1,448	1,396	1,983	2,625	1,524
Total cash received	5,627	7,380	6,365	6,519	7,302	6,706
<i>Cash paid</i>						
Advances paid	-17	-18	-18	-18	-18	-25
Borrowings repaid	-4,365	-4,472	-4,536	-4,440	-4,709	-4,369
Deposits paid	-	-	-	-	-	-
Other financing payments	-230	-164	-161	-145	-147	-143
Dividends paid	-1,341	-	-	-1,358	-1,426	-1,458
Total cash paid	-5,954	-4,654	-4,714	-5,962	-6,299	-5,996
NET CASH FLOWS FROM FINANCING ACTIVITIES	-327	2,727	1,650	557	1,003	710
Net increase in cash and cash equivalents	140	1,590	429	-259	115	313
Cash and cash equivalents at the beginning of the year	3,233	2,751	3,373	3,802	3,543	3,658
Cash and cash equivalents at the end of the year	3,373	4,341	3,802	3,543	3,658	3,970
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	3,371	3,060	2,821	3,533	3,513	3,382
Net cash flows from investing in non-financial assets	-2,790	-4,201	-4,030	-4,332	-4,391	-3,766
Dividends paid	-1,341	-	-	-1,358	-1,426	-1,458
Cash surplus/deficit	-760	-1,141	-1,208	-2,158	-2,303	-1,842

Note: Columns may not add due to rounding.

Table 1.7

TOTAL NON-FINANCIAL PUBLIC SECTOR

Operating Statement

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Taxation	9,610	9,489	10,409	9,858	10,060	10,465
Current grants and subsidies	9,421	10,894	11,251	11,110	12,270	12,332
Capital grants	1,131	2,125	1,882	1,961	2,176	1,191
Sales of goods and services	39,633	37,522	39,715	40,693	42,135	43,511
Interest income	179	178	187	176	179	174
Royalty income	12,181	10,145	8,730	6,022	6,214	6,338
Dividend and tax equivalents	496	746	746	249	255	263
Other	2,415	960	1,054	1,003	997	992
Total	75,067	72,058	73,974	71,073	74,286	75,267
EXPENSES						
Salaries	14,611	15,267	15,199	15,588	15,979	16,526
Superannuation						
Concurrent costs	1,448	1,588	1,584	1,693	1,808	1,945
Superannuation interest cost	60	89	130	126	131	133
Other employee costs	403	319	321	319	324	328
Depreciation and amortisation	4,227	4,100	4,418	4,508	4,593	4,622
Services and contracts	3,537	3,968	4,522	3,881	3,786	3,801
Other gross operating expenses	37,849	35,809	37,479	37,844	39,184	40,777
Interest						
Interest on leases	208	213	213	204	194	186
Other interest	1,087	1,056	1,066	1,042	1,056	1,063
Current transfers	5,629	4,521	4,630	4,110	3,893	3,985
Capital transfers	728	1,189	1,142	277	217	127
Total	69,786	68,119	70,704	69,592	71,164	73,493
NET OPERATING BALANCE	5,280	3,940	3,271	1,482	3,122	1,773
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-383	-70	-92	15	57	46
Provision for doubtful debts	-64	-53	-52	-50	-51	-60
Changes in accounting policy/adjustment of prior periods	-174	-1	-	-	-	-
Total other economic flows	-621	-125	-144	-36	7	-13
OPERATING RESULT	4,660	3,815	3,127	1,446	3,129	1,760
<i>All other movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	3,248	1,816	2,277	1,728	1,759	1,927
Net actuarial gains/-loss - superannuation	1,070	-246	129	-103	-121	-172
Gains recognised directly in equity	-21	-48	-36	-47	-47	-46
Change in net worth of the PFC sector	1,187	-382	-546	124	154	162
All other	-	-	-	-	-	-
Total all other movements in equity	5,484	1,141	1,824	1,701	1,746	1,871
TOTAL CHANGE IN NET WORTH	10,144	4,956	4,950	3,147	4,875	3,631
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	5,280	3,940	3,271	1,482	3,122	1,773
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	5,812	8,013	8,072	8,444	8,442	7,700
Changes in inventories	-330	-220	-223	36	50	56
Other movement in non-financial assets	1,403	142	175	167	143	179
<i>Less:</i>						
Sales of non-financial assets	499	447	471	573	719	662
Depreciation	4,227	4,100	4,418	4,508	4,593	4,622
Total net acquisition of non-financial assets	2,160	3,388	3,135	3,567	3,322	2,650
NET LENDING/-BORROWING	3,121	551	135	-2,085	-200	-877

Note: Columns may not add due to rounding.

Table 1.8

TOTAL NON-FINANCIAL PUBLIC SECTOR
Balance Sheet at 30 June

	2021	2022	2022	2023	2024	2025
	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	6,875	8,254	7,523	5,542	4,691	4,041
Advances paid	420	420	428	438	447	453
Investments, loans and placements	7,892	8,899	8,682	7,848	7,577	7,325
Receivables	7,472	4,533	5,132	5,131	5,112	5,146
Shares and other equity						
Investments in other public sector entities - equity method	2,929	2,755	2,366	2,490	2,645	2,808
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	59	45	56	53	51	48
Other financial assets	8	9	9	9	9	9
Total financial assets	25,655	24,914	24,196	21,511	20,531	19,830
<i>Non-financial assets</i>						
Land	46,015	45,228	47,133	47,920	48,470	49,233
Property, plant and equipment	105,496	110,974	110,261	115,054	119,892	124,030
Right-of-use assets	2,836	2,867	2,982	2,780	2,680	2,649
Service concession assets	1,005	-	982	956	940	914
Biological assets	264	326	269	283	296	308
Inventories						
Land inventories	1,566	1,880	1,565	1,663	1,763	1,751
Other inventories	6,104	6,291	5,880	5,917	5,966	6,022
Intangibles	1,091	1,054	1,153	1,134	1,184	1,266
Non-current assets held for sale	112	25	91	91	91	91
Investment property	28	45	22	22	22	22
Other	519	403	495	495	509	507
Total non-financial assets	165,035	169,093	170,831	176,316	181,815	186,793
TOTAL ASSETS	190,690	194,007	195,027	197,827	202,346	206,623
LIABILITIES						
Deposits held	16	13	15	15	15	15
Advances received	309	291	291	328	457	465
Borrowings						
Lease liabilities	3,449	3,464	3,616	3,396	3,292	3,238
Service concession liabilities	348	-	254	247	240	232
Other borrowings	50,098	51,297	50,138	50,168	49,970	50,686
Unfunded superannuation	5,598	5,605	5,279	5,197	5,143	5,156
Other employee benefits	4,327	4,049	4,333	4,373	4,390	4,424
Payables	10,031	9,927	9,475	9,433	9,453	9,450
Other liabilities	3,931	3,867	4,093	3,990	3,832	3,772
TOTAL LIABILITIES	78,108	78,514	77,494	77,147	76,792	77,438
NET ASSETS	112,582	115,493	117,532	120,679	125,554	129,185
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	30,964	37,167	37,494	38,726	41,645	43,140
Other reserves	81,618	78,326	80,039	81,954	83,909	86,045
NET WORTH	112,582	115,493	117,532	120,679	125,554	129,185
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-52,453</i>	<i>-53,600</i>	<i>-53,299</i>	<i>-55,636</i>	<i>-56,261</i>	<i>-57,608</i>
<i>Net financial liabilities</i>	<i>55,382</i>	<i>56,354</i>	<i>55,665</i>	<i>58,127</i>	<i>58,905</i>	<i>60,416</i>
<i>Net debt</i>						
Gross debt liabilities	54,221	55,066	54,315	54,154	53,973	54,636
Less: liquid financial assets	15,186	17,574	16,633	13,827	12,714	11,818
Net debt	39,035	37,492	37,681	40,326	41,259	42,818

Note: Columns may not add due to rounding.

Table 1.9

TOTAL NON-FINANCIAL PUBLIC SECTOR
Cash Flow Statement

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	9,298	9,496	10,416	9,872	10,067	10,472
Grants and subsidies received	12,167	14,864	14,956	15,182	16,640	15,792
Receipts from sales of goods and services	28,323	27,559	29,430	29,595	30,660	31,538
Interest receipts	152	169	177	172	176	173
Dividends and tax equivalents	369	840	925	245	262	261
Other receipts	13,739	15,549	14,085	9,037	9,052	9,095
<i>Total cash received</i>	64,048	68,477	69,990	64,104	66,857	67,331
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-16,108	-17,172	-17,095	-17,559	-18,081	-18,729
Payments for goods and services	-28,335	-28,564	-30,238	-29,383	-30,094	-31,009
Interest paid	-1,360	-1,262	-1,254	-1,214	-1,200	-1,202
Grants and subsidies paid	-5,633	-7,162	-7,154	-6,060	-5,852	-5,936
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-5,485	-4,746	-5,103	-4,519	-4,595	-4,651
<i>Total cash paid</i>	-56,921	-58,906	-60,844	-58,735	-59,822	-61,527
NET CASH FLOWS FROM OPERATING ACTIVITIES	7,127	9,570	9,146	5,368	7,035	5,803
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-5,812	-8,013	-8,072	-8,444	-8,442	-7,700
Sales of non-financial assets	499	447	471	573	719	662
<i>Total cash flows from investments in non-financial assets</i>	-5,313	-7,566	-7,601	-7,871	-7,722	-7,038
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	14	10	10	10	10	10
For liquidity purposes	89	111	115	83	75	60
<i>Cash paid</i>						
For policy purposes	-17	-10	-10	-10	-10	-10
For liquidity purposes	-194	-47	-54	-77	-74	-63
<i>Total cash flows from investments in financial assets</i>	-109	65	61	6	1	-2
NET CASH FLOWS FROM INVESTING ACTIVITIES	-5,422	-7,502	-7,540	-7,865	-7,721	-7,041
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	54	147	33
Borrowings	4,520	6,078	5,120	4,630	4,671	5,260
Deposits received	-	-	-	-	-	-
Other financing receipts	232	11	11	6	6	6
<i>Total cash received</i>	4,752	6,089	5,131	4,690	4,825	5,299
<i>Cash paid</i>						
Advances paid	-17	-18	-18	-18	-18	-25
Borrowings repaid	-4,410	-5,174	-5,239	-4,548	-4,816	-4,476
Deposits paid	-	-	-	-	-	-
Other financing payments	-592	-399	-398	-381	-378	-388
<i>Total cash paid</i>	-5,019	-5,591	-5,654	-4,947	-5,212	-4,889
NET CASH FLOWS FROM FINANCING ACTIVITIES	-267	498	-523	-257	-387	411
Net increase in cash and cash equivalents	1,438	2,567	1,083	-2,753	-1,073	-827
Cash and cash equivalents at the beginning of the year	8,876	9,664	10,315	11,397	8,644	7,571
Cash and cash equivalents at the end of the year	10,315	12,231	11,397	8,644	7,571	6,745
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	7,127	9,570	9,146	5,368	7,035	5,803
Net cash flows from investing in non-financial assets	-5,313	-7,566	-7,601	-7,871	-7,722	-7,038
Cash surplus/-deficit	1,813	2,004	1,545	-2,503	-687	-1,235

Note: Columns may not add due to rounding.

Table 1.10

PUBLIC FINANCIAL CORPORATIONS
Operating Statement

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	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	1,965	1,292	1,277	1,331	1,405	1,457
Interest income	1,368	1,456	1,293	1,302	1,324	1,339
Other	162	100	100	117	111	119
<i>Total</i>	3,495	2,848	2,669	2,750	2,840	2,914
EXPENSES						
Salaries	64	68	68	70	71	72
Superannuation						
Concurrent costs	6	7	7	8	8	9
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	1	2	1	2	2	2
Depreciation and amortisation	8	8	9	10	10	10
Services and contracts	12	13	13	13	13	13
Other gross operating expenses	1,534	1,347	1,330	1,378	1,424	1,473
Interest						
Interest on leases	1	1	1	-	-	-
Other interest	1,099	1,215	1,055	1,054	1,079	1,094
Tax equivalents	319	37	37	46	54	58
Current transfers	4	5	5	5	5	5
Capital transfers	13	15	15	15	15	15
<i>Total</i>	3,062	2,717	2,540	2,600	2,682	2,751
NET OPERATING BALANCE	434	130	129	151	159	163
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	855	163	163	196	221	236
Provision for doubtful debts	-	-	-	-	-	-
Changes in accounting policy/adjustment of prior periods	5	-	-	-	-	-
<i>Total other economic flows</i>	859	163	163	196	221	236
OPERATING RESULT	1,293	293	291	347	380	399
<i>Other non-owner movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	3	-	-162	-18	-24	-30
Net actuarial gains/-loss - superannuation	1	-	-	-	-	-
Gains recognised directly in equity	-3	-	-	-	-	-
All other	-	-	-	-	-	-
<i>Total other non-owner movements in equity</i>	-	-	-162	-18	-24	-30
<i>Movements in owner equity</i>						
Dividends	-177	-708	-710	-203	-200	-206
Capital injections	35	17	17	-1	-1	-1
<i>Total movements in owner equity</i>	-142	-692	-693	-204	-201	-206
TOTAL CHANGE IN NET WORTH	1,151	-399	-563	124	155	163
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	434	130	129	151	159	163
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	4	8	8	7	7	7
Changes in inventories	-	-	-	-	-	-
Other movement in non-financial assets	-	-	-	-	-	-
<i>Less:</i>						
Sales of non-financial assets	-	-	-	-	-	-
Depreciation	8	8	9	10	10	10
<i>Total net acquisition of non-financial assets</i>	-5	-1	-1	-3	-3	-4
NET LENDING/-BORROWING	438	131	130	154	161	167

Note: Columns may not add due to rounding.

Table 1.11

PUBLIC FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2021	2022	2022	2023	2024	2025
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
ASSETS						
<i>Financial assets</i>						
Cash and deposits	241	286	216	224	229	236
Advances paid	5,204	5,713	5,618	5,581	5,537	5,484
Investments, loans and placements	66,077	68,911	63,712	64,147	64,302	65,385
Receivables	694	709	707	720	729	739
Shares and other equity						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	2,718	2,304	2,626	2,812	3,012	3,220
Other financial assets	-	7	-	-	-	-
Total financial assets	74,934	77,930	72,880	73,485	73,810	75,064
<i>Non-financial assets</i>						
Land	-	-	-	-	-	-
Property, plant and equipment	5	6	5	6	6	6
Right-of-use assets	20	16	16	13	9	5
Service concession assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Inventories						
Land inventories	-	-	-	-	-	-
Other inventories	-	-	-	-	-	-
Intangibles	6	10	8	8	9	9
Non-current assets held for sale	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
Other	3	5	3	3	3	3
Total non-financial assets	34	37	33	30	27	24
TOTAL ASSETS	74,968	77,967	72,912	73,515	73,837	75,088
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	3	3	3	3	3	3
Borrowings						
Lease liabilities	25	20	20	16	12	7
Service concession liabilities	-	-	-	-	-	-
Other borrowings	66,290	69,457	64,462	64,566	64,370	65,073
Unfunded superannuation	4	5	4	5	5	5
Other employee benefits	16	16	16	17	18	18
Payables	213	201	216	234	257	286
Other liabilities	5,488	5,511	5,824	6,184	6,528	6,888
TOTAL LIABILITIES	72,039	75,212	70,546	71,024	71,192	72,280
NET ASSETS	2,929	2,755	2,366	2,490	2,645	2,808
<i>Of which:</i>						
Contributed equity	-251	-282	-234	-235	-235	-236
Accumulated surplus	3,154	2,814	2,717	2,837	2,987	3,148
Other reserves	26	222	-118	-112	-106	-104
NET WORTH	2,929	2,755	2,366	2,490	2,645	2,808
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>2,895</i>	<i>2,718</i>	<i>2,333</i>	<i>2,460</i>	<i>2,618</i>	<i>2,784</i>
<i>Net debt</i>						
Gross debt liabilities	66,318	69,480	64,485	64,585	64,384	65,083
Less: liquid financial assets	71,522	74,910	69,546	69,952	70,068	71,106
Net debt	-5,204	-5,430	-5,061	-5,368	-5,684	-6,023

Note: Columns may not add due to rounding.

Table 1.12

PUBLIC FINANCIAL CORPORATIONS
Cash Flow Statement

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	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	2	5	5	5	5	5
Receipts from sales of goods and services	2,016	1,426	1,410	1,497	1,596	1,662
Interest receipts	1,436	1,456	1,293	1,302	1,324	1,339
Dividends and tax equivalents	-	-	-	-	-	-
Other receipts	175	189	188	197	193	200
Total cash received	3,629	3,076	2,896	3,001	3,117	3,205
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-68	-75	-74	-77	-78	-80
Payments for goods and services	-929	-1,007	-991	-1,041	-1,092	-1,142
Interest paid	-1,450	-1,216	-1,055	-1,054	-1,079	-1,094
Grants and subsidies paid	-	-	-	-	-	-
Tax equivalents	-285	-112	-196	-46	-54	-58
Other payments	-168	-179	-179	-187	-197	-205
Total cash paid	-2,901	-2,589	-2,496	-2,405	-2,501	-2,579
NET CASH FLOWS FROM OPERATING ACTIVITIES	728	487	401	595	616	626
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-4	-8	-8	-7	-7	-7
Sales of non-financial assets	-	-	-	-	-	-
Total cash flows from investments in non-financial assets	-4	-8	-8	-6	-7	-6
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	12,685	7,840	7,840	7,978	8,096	8,148
<i>Cash paid</i>						
For policy purposes	-	-1	-1	-1	-1	-1
For liquidity purposes	-12,422	-8,029	-7,946	-8,284	-8,418	-8,466
Total cash flows from investments in financial assets	263	-190	-107	-306	-323	-319
NET CASH FLOWS FROM INVESTING ACTIVITIES	259	-198	-115	-313	-331	-325
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	33,890	27,731	26,620	26,150	25,917	26,750
Deposits received	-	-	-	-	-	-
Other financing receipts	36	18	18	-	-	-
Total cash received	33,926	27,749	26,638	26,150	25,917	26,750
<i>Cash paid</i>						
Advances paid	-	-	-	-	-	-
Borrowings repaid	-34,656	-27,320	-26,208	-26,194	-25,956	-26,807
Deposits paid	-	-	-	-	-	-
Other financing payments	-4	-5	-5	-5	-5	-5
Dividends paid	-84	-727	-729	-199	-208	-203
Total cash paid	-34,745	-28,053	-26,942	-26,398	-26,168	-27,015
NET CASH FLOWS FROM FINANCING ACTIVITIES	-819	-303	-304	-249	-252	-265
Net increase in cash and cash equivalents	168	-14	-18	34	34	36
Cash and cash equivalents at the beginning of the year	2,119	2,266	2,287	2,269	2,303	2,337
Cash and cash equivalents at the end of the year	2,287	2,252	2,269	2,303	2,337	2,373
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	728	487	401	595	616	626
Net cash flows from investing in non-financial assets	-4	-8	-8	-6	-7	-6
Dividends paid	-84	-727	-729	-199	-208	-203
Cash surplus/-deficit	641	-248	-335	390	401	417

Note: Columns may not add due to rounding.

Table 1.13

TOTAL PUBLIC SECTOR **Operating Statement**

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
<i>Results from Transactions</i>						
REVENUE						
Taxation	9,606	9,484	10,405	9,854	10,056	10,460
Current grants and subsidies	9,421	10,894	11,251	11,110	12,270	12,332
Capital grants	1,131	2,125	1,882	1,961	2,176	1,191
Sales of goods and services	41,172	38,385	40,587	41,603	43,099	44,507
Interest income	478	543	406	418	423	439
Royalty income	12,181	10,145	8,730	6,022	6,214	6,338
Other	2,556	1,040	1,136	1,102	1,108	1,110
<i>Total</i>	<i>76,545</i>	<i>72,617</i>	<i>74,397</i>	<i>72,071</i>	<i>75,347</i>	<i>76,378</i>
EXPENSES						
Salaries	14,676	15,335	15,267	15,658	16,050	16,598
Superannuation						
Concurrent costs	1,454	1,595	1,591	1,701	1,816	1,954
Superannuation interest cost	60	89	130	126	131	133
Other employee costs	404	320	322	320	326	330
Depreciation and amortisation	4,235	4,108	4,426	4,518	4,602	4,632
Services and contracts	3,549	3,968	4,522	3,881	3,786	3,801
Other gross operating expenses	38,936	36,720	38,401	38,795	40,180	41,802
Interest						
Interest on leases	209	214	214	204	195	186
Other interest	1,116	1,180	1,047	1,036	1,055	1,083
Current transfers	5,629	4,521	4,630	4,110	3,893	3,985
Capital transfers	741	1,204	1,158	292	233	142
<i>Total</i>	<i>71,008</i>	<i>69,255</i>	<i>71,707</i>	<i>70,642</i>	<i>72,266</i>	<i>74,647</i>
NET OPERATING BALANCE	5,537	3,361	2,689	1,429	3,080	1,731
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	471	92	71	211	279	282
Provision for doubtful debts	-64	-53	-52	-50	-51	-60
Changes in accounting policy/adjustment of prior periods	-98	-	-	-	-	-
<i>Total other economic flows</i>	<i>309</i>	<i>39</i>	<i>19</i>	<i>161</i>	<i>228</i>	<i>223</i>
OPERATING RESULT	5,846	3,401	2,708	1,590	3,309	1,953
<i>All other movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	3,251	1,848	2,149	1,708	1,734	1,895
Net actuarial gains/-loss - superannuation	1,071	-246	129	-103	-121	-171
Gains recognised directly in equity	-24	-48	-36	-47	-47	-46
All other	-	-	-	-	-	-
<i>Total all other movements in equity</i>	<i>4,298</i>	<i>1,555</i>	<i>2,242</i>	<i>1,557</i>	<i>1,566</i>	<i>1,678</i>
TOTAL CHANGE IN NET WORTH	10,144	4,956	4,950	3,147	4,875	3,631
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	5,537	3,361	2,689	1,429	3,080	1,731
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	5,816	8,021	8,080	8,451	8,449	7,707
Changes in inventories	-330	-220	-223	36	50	56
Other movement in non-financial assets	1,403	142	175	167	143	179
<i>Less:</i>						
Sales of non-financial assets	499	447	471	573	720	663
Depreciation	4,235	4,108	4,426	4,518	4,602	4,632
<i>Total net acquisition of non-financial assets</i>	<i>2,155</i>	<i>3,388</i>	<i>3,134</i>	<i>3,563</i>	<i>3,320</i>	<i>2,647</i>
NET LENDING/-BORROWING	3,382	-26	-445	-2,134	-239	-916

Note: Columns may not add due to rounding.

Table 1.14

TOTAL PUBLIC SECTOR
Balance Sheet at 30 June

	2021	2022	2022	2023	2024	2025
	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	7,113	8,538	7,736	5,763	4,917	4,275
Advances paid	5,621	6,130	6,044	6,016	5,981	5,934
Investments, loans and placements	19,670	21,790	17,388	16,992	17,096	17,249
Receivables	7,480	4,720	5,187	5,178	5,158	5,177
Equity - Investments in other entities	2,776	2,349	2,682	2,865	3,063	3,268
Other financial assets	9	15	9	9	9	10
<i>Total financial assets</i>	<i>42,669</i>	<i>43,543</i>	<i>39,046</i>	<i>36,824</i>	<i>36,225</i>	<i>35,912</i>
<i>Non-financial assets</i>						
Land	46,015	45,228	47,133	47,920	48,470	49,233
Property, plant and equipment	105,501	110,979	110,266	115,060	119,898	124,036
Right-of-use assets	2,856	2,883	2,998	2,793	2,689	2,654
Service concession assets	1,005	-	982	956	940	914
Biological assets	264	326	269	283	296	308
Inventories						
Land inventories	1,566	1,880	1,565	1,663	1,763	1,751
Other inventories	6,104	6,291	5,880	5,917	5,966	6,022
Intangibles	1,097	1,064	1,161	1,143	1,194	1,275
Non-current assets held for sale	112	25	91	91	91	91
Investment property	28	45	22	22	22	22
Other	523	408	498	498	513	510
<i>Total non-financial assets</i>	<i>165,069</i>	<i>169,129</i>	<i>170,864</i>	<i>176,346</i>	<i>181,842</i>	<i>186,817</i>
TOTAL ASSETS	207,738	212,672	209,910	213,169	218,067	222,729
LIABILITIES						
Deposits held	13	11	12	12	12	12
Advances received	309	291	291	328	457	465
Borrowings						
Lease liabilities	3,474	3,485	3,637	3,412	3,304	3,245
Service concession liabilities	348	-	340	332	325	317
Other borrowings	61,741	64,733	59,509	59,645	59,472	60,214
Unfunded superannuation	5,602	5,610	5,283	5,202	5,148	5,161
Other employee benefits	4,343	4,064	4,349	4,390	4,407	4,443
Payables	10,021	10,018	9,465	9,423	9,443	9,439
Other liabilities	9,304	8,966	9,491	9,745	9,945	10,248
TOTAL LIABILITIES	95,156	97,179	92,377	92,490	92,513	93,544
NET ASSETS	112,582	115,493	117,532	120,679	125,554	129,185
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	34,118	39,981	40,211	41,563	44,631	46,288
Other reserves	78,464	75,512	77,321	79,117	80,923	82,897
NET WORTH	112,582	115,493	117,532	120,679	125,554	129,185
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-52,487</i>	<i>-53,636</i>	<i>-53,331</i>	<i>-55,666</i>	<i>-56,288</i>	<i>-57,632</i>
<i>Net financial liabilities</i>	<i>52,487</i>	<i>53,636</i>	<i>53,331</i>	<i>55,666</i>	<i>56,288</i>	<i>57,632</i>
<i>Net debt</i>						
Gross debt liabilities	65,885	68,520	63,789	63,730	63,570	64,253
Less: liquid financial assets	32,404	36,458	31,168	28,771	27,994	27,458
<i>Net debt</i>	<i>33,482</i>	<i>32,062</i>	<i>32,621</i>	<i>34,959</i>	<i>35,576</i>	<i>36,795</i>

Note: Columns may not add due to rounding.

Table 1.15

TOTAL PUBLIC SECTOR
Cash Flow Statement

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	9,294	9,486	10,407	9,863	10,058	10,462
Grants and subsidies received	12,167	14,864	14,956	15,182	16,640	15,792
Receipts from sales of goods and services	29,970	28,555	30,434	30,672	31,815	32,740
Interest receipts	466	541	393	413	442	461
Dividends and tax equivalents	-	-	-	-	-	-
Other	13,901	15,718	14,255	9,215	9,240	9,291
Total cash received	65,797	69,164	70,445	65,345	68,195	68,746
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-16,177	-17,246	-17,169	-17,636	-18,159	-18,808
Payments for goods and services	-28,895	-29,140	-30,823	-30,005	-30,746	-31,692
Interest paid	-1,688	-1,395	-1,233	-1,208	-1,222	-1,246
Grants and subsidies paid	-5,632	-7,157	-7,149	-6,055	-5,847	-5,931
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-5,635	-4,897	-5,254	-4,677	-4,778	-4,842
Total cash paid	-58,026	-59,835	-61,628	-59,581	-60,752	-62,519
NET CASH FLOWS FROM OPERATING ACTIVITIES	7,771	9,329	8,817	5,764	7,443	6,227
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-5,816	-8,021	-8,080	-8,451	-8,449	-7,707
Sales of non-financial assets	499	447	471	573	720	663
Total cash flows from investments in non-financial assets	-5,317	-7,574	-7,609	-7,877	-7,729	-7,044
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	14	10	10	10	10	10
For liquidity purposes	12,774	7,951	7,955	8,062	8,171	8,209
<i>Cash paid</i>						
For policy purposes	-17	-10	-10	-10	-10	-10
For liquidity purposes	-12,616	-8,076	-8,000	-8,361	-8,493	-8,529
Total cash flows from investments in financial assets	154	-125	-45	-299	-322	-320
NET CASH FLOWS FROM INVESTING ACTIVITIES	-5,162	-7,698	-7,654	-8,176	-8,051	-7,365
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	54	147	33
Borrowings	29,482	22,616	21,430	21,646	21,121	22,310
Deposits received	-	-	-	-	-	-
Other financing receipts	232	10	10	5	5	5
Total cash received	29,714	22,626	21,441	21,705	21,274	22,349
<i>Cash paid</i>						
Advances paid	-17	-18	-18	-18	-18	-25
Borrowings repaid	-30,138	-21,301	-21,138	-21,608	-21,306	-21,583
Deposits paid	-	-	-	-	-	-
Other financing payments	-560	-386	-385	-385	-382	-393
Total cash paid	-30,716	-21,704	-21,540	-22,011	-21,706	-22,001
NET CASH FLOWS FROM FINANCING ACTIVITIES	-1,002	922	-99	-307	-432	348
Net increase in cash and cash equivalents	1,607	2,553	1,065	-2,719	-1,039	-790
Cash and cash equivalents at the beginning of the year	10,994	11,929	12,600	13,665	10,946	9,906
Cash and cash equivalents at the end of the year	12,600	14,481	13,665	10,946	9,906	9,116
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	7,771	9,329	8,817	5,764	7,443	6,227
Net cash flows from investing in non-financial assets	-5,317	-7,574	-7,609	-7,877	-7,729	-7,044
Cash surplus/-deficit	2,454	1,756	1,209	-2,113	-286	-818

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 2020-21 *Annual Report on State Finances* (ARSF), which are described in detail in Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2020-21 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						
	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
<i>Dividends</i>						
From public non-financial corporations	1,341	-	-	1,358	1,426	1,458
From public financial corporations	21	587	589	78	82	85
<i>Total dividends</i>	1,362	587	589	1,437	1,508	1,543
<i>Tax equivalent income</i>						
From public non-financial corporations	637	662	653	742	793	792
From public financial corporations	319	37	37	46	54	58
<i>Total tax equivalent income</i>	956	700	690	788	847	850
Total revenue from public corporations	2,319	1,287	1,279	2,225	2,355	2,393

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

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
<i>CURRENT TRANSFERS</i>						
Local government	302	543	539	428	375	443
Local government on-passing	-	-	-	-	-	-
Private and not-for-profit sector	2,868	2,127	2,229	1,842	1,638	1,612
Private and not-for-profit sector on-passing	-	-	-	-	-	-
Other sectors of government	4,288	3,906	3,883	3,705	3,590	3,552
<i>Total Current Transfers</i>	<i>7,458</i>	<i>6,576</i>	<i>6,651</i>	<i>5,975</i>	<i>5,603</i>	<i>5,608</i>
<i>CAPITAL TRANSFERS</i>						
Local government	138	111	103	106	78	30
Local government on-passing	-	-	-	-	-	-
Private and not-for-profit sector	527	1,060	1,034	153	114	93
Private and not-for-profit sector on-passing	-	-	-	-	-	-
Other sectors of government	97	138	157	190	185	92
<i>Total Capital Transfers</i>	<i>763</i>	<i>1,308</i>	<i>1,295</i>	<i>448</i>	<i>377</i>	<i>215</i>

(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

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$m	\$m
<i>Expenses</i>						
General public services	1,453	1,431	1,668	1,647	1,709	1,947
Public order and safety	3,881	4,094	4,160	3,962	4,006	4,058
Economic affairs	2,186	1,817	1,829	1,579	1,415	1,343
Environmental protection	415	532	524	534	521	511
Housing and community amenities	2,887	2,354	2,428	1,568	1,464	1,374
Health	10,357	10,610	11,032	10,685	10,820	11,237
Recreation, culture and religion	871	1,029	1,053	949	873	831
Education	6,912	7,108	7,150	7,159	7,383	7,546
Social protection	2,693	2,908	2,878	2,728	2,733	2,873
Transport	2,657	2,824	2,904	2,924	2,928	2,900
Provisions not allocated ^(b)	-	800	-	-	-	-
Total General Government Expenses	34,313	35,506	35,625	33,736	33,852	34,620
<i>Purchases of new non-financial assets</i>						
General public services	97	136	125	99	140	144
Public order and safety	194	248	255	204	180	119
Economic affairs	27	65	70	62	69	51
Environmental protection	59	118	115	95	82	57
Housing and community amenities	119	215	214	93	84	72
Health	253	421	649	494	307	237
Recreation, culture and religion	69	133	152	120	137	71
Education	407	520	522	608	491	337
Social protection	6	7	7	6	5	4
Transport	1,383	1,640	1,776	2,171	2,113	1,560
Provisions not allocated ^(b)	-	-	-150	-350	-200	700
Total Purchases of Non-financial Assets	2,614	3,503	3,736	3,603	3,408	3,352

(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

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	\$m	Revision	Estimate	Estimate	Estimate
			\$m	\$m	\$m	\$m
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	3,748	4,060	4,266	4,398	4,436	4,616
Property taxes						
<i>Land tax</i>	755	763	763	765	772	787
Transfer duty	1,860	1,579	2,194	1,597	1,634	1,728
Foreign Buyers surcharge	17	17	22	20	23	25
Landholder duty	222	154	159	118	118	118
<i>Total duty on transfers</i>	2,099	1,750	2,376	1,736	1,776	1,871
Metropolitan Region Improvement Tax	84	84	84	84	84	86
Perth Parking Levy	53	56	56	60	61	62
Emergency Services Levy	354	372	373	404	419	438
Loan Guarantee Fees	141	144	133	143	145	146
Building and Construction Industry Training Fund Levy	46	32	37	33	33	33
<i>Total other property taxes</i>	679	688	683	724	744	765
Taxes on provision of goods and services						
Lotteries Commission	191	170	170	175	176	177
Video lottery terminals	- ^(a)	- ^(a)	- ^(a)	- ^(a)	- ^(a)	- ^(a)
Casino tax	55	52	52	53	54	54
Point of Consumption Tax	114	83	116	96	105	108
<i>Total taxes on gambling</i>	360	304	337	324	335	339
Insurance duty	727	771	771	782	806	830
Other	20	20	20	20	20	21
<i>Total taxes on insurance</i>	747	791	791	803	826	851
<i>On-demand Transport Levy</i>	44	39	39	5	-	-
Taxes on use of goods and performance of activities						
Vehicle licence duty	514	397	446	360	373	378
Permits - oversize vehicles and loads	10	8	8	8	8	8
Motor vehicle registrations	1,048	1,090	1,090	1,145	1,204	1,267
Other Vehicle Taxes	36	28	28	28	28	29
<i>Total motor vehicle taxes</i>	1,607	1,522	1,572	1,540	1,613	1,682
<i>Mining Rehabilitation Levy</i>	35	35	35	35	35	35
<i>Landfill Levy</i>	79	83	83	83	83	83
Total Taxation	10,153	10,035	10,943	10,413	10,619	11,028

Note: Columns may not add due to rounding.

Table 2.1 (cont.)

OPERATING REVENUE
General Government

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$m	\$m
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST grants	3,006	3,304	3,328	5,538	5,787	6,524
Commonwealth-funded 70% floor	1,547	2,115	2,115	-	-	-
North West Shelf grants	425	664	750	717	642	521
Commonwealth compensation for changed crude oil excise arrangements	18	27	30	29	26	21
National Specific Purpose Payment Agreement Grants						
Skills and Workforce Development	163	164	164	167	169	171
National Disability Services	1	-	-	-	-	-
National Housing and Homelessness Agreement	172	174	174	177	170	172
National Schools Reform Agreement - Quality Schools	925	1,021	1,021	1,122	1,200	1,251
National Health Reform Agreement	2,418	2,661	2,661	2,815	2,980	3,154
National Partnerships/Other Grants						
Health	358	280	405	111	106	87
Transport	74	95	143	119	207	283
Disability Services	4	140	140	143	816	30
Other	309	250	320	172	168	117
Total Current Grants and Subsidies	9,421	10,894	11,251	11,110	12,270	12,332
CAPITAL GRANTS						
National Partnerships/Other Grants						
Transport	999	1,438	1,184	1,902	2,143	1,132
Other	133	687	698	59	34	59
Total Capital Grants	1,131	2,125	1,882	1,961	2,176	1,191

Note: Columns may not add due to rounding.

Table 2.1 (cont.)

OPERATING REVENUE
General Government

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Mid-year	Forward	Forward	Forward
	\$m	Estimate	Revision	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$m	\$m
SALES OF GOODS AND SERVICES						
WA Health	844	829	850	826	862	867
Department of Transport	257	261	264	263	266	278
Department of Education	200	218	219	216	218	220
State Training Providers/TAFE Colleges	106	96	98	96	94	95
Department of Training and Workforce Development	23	20	20	36	38	38
Western Australian Land Information Authority	71	74	80	88	74	79
Department of Biodiversity, Conservation and Attractions	110	117	118	120	121	121
Department of Justice	150	158	158	162	167	171
Department of Mines, Industry Regulation and Safety	147	156	168	165	164	164
All Other	913	1,100	1,151	1,069	1,041	985
Total Sale of Goods and Services	2,821	3,028	3,127	3,041	3,047	3,017
INTEREST INCOME	110	97	106	94	96	91
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	1,362	587	589	1,437	1,508	1,543
Tax Equivalent Regime	956	700	690	788	847	850
Total Revenue from Public Corporations	2,319	1,287	1,279	2,225	2,355	2,393
ROYALTY INCOME	12,181	10,145	8,730	6,022	6,214	6,338
OTHER						
Lease rentals	132	115	158	132	132	132
Fines	204	204	204	205	206	207
Revenue not elsewhere counted	1,679	368	391	291	265	250
Total Other	2,015	688	752	628	603	589
TOTAL REVENUE	40,151	38,297	38,071	35,494	37,380	36,980

(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 9 August 2021 cut-off date for the 2021-22 Budget and the 29 November 2021 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

PARLIAMENT

MAJOR SPENDING CHANGES					Table 3.1
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	
PARLIAMENTARY SERVICES					
Expenses					
Digital Capability Fund – Digital Parliament Strategy	0.4	0.4	0.4	0.4	

Parliamentary Services

Expenses

Digital Capability Fund – Digital Parliament Strategy

The Government will spend an additional \$1.7 million over 2021-22 to 2024-25 on implementation of a Digital Parliament Strategy, funded from the Digital Capability Fund. This will improve Parliament's ability to protect and respond to cybercrime, improve accessibility to allow Members and staff to work remotely, and provide digitally inclusive services for the public.

GOVERNMENT ADMINISTRATION

Table 3.2

MAJOR SPENDING CHANGES

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
PREMIER AND CABINET				
Expenses				
Digital Capability Fund				
Enhancing Cybersecurity Capability	3.8	7.2	7.2	7.3
Accelerating Citizen Centric Digital Services	1.7	0.7	0.7	0.7
Reconnect WA				
Expand the 'Build a Life in WA' Campaign to the Hospitality Industry	3.0	1.6	-	-
Expand the 'Build a Life in WA' Campaign to New Zealand	0.5	-	-	-
Telethon Donation	4.0	-	-	-
COVID-19 Quarantine Project Team	1.4	-	-	-
Aboriginal Cultural Heritage Bill Implementation	0.1	-	-	-

Premier and Cabinet

Expenses

Digital Capability Fund – Enhancing Cybersecurity Capability

The Government is investing an additional \$25.6 million over 2021-22 to 2024-25 to significantly expand the operations of the WA Government Security Operations Centre, by providing the capability to efficiently detect and respond to cybersecurity incidents and potential threats, as well as the capacity to engage at agency level to enhance cybersecurity maturity across the public sector.

Digital Capability Fund – Accelerating Citizen Centric Digital Services

An additional \$3.8 million over 2021-22 to 2024-25 has been committed to accelerate the development and implementation of central digital platforms that can be leveraged by government agencies to support the delivery of their online services to customers.

Reconnect WA

The following initiatives will be delivered by the Department as part of the Government's \$185.7 million Reconnect WA package:

- *Expand the 'Build a Life in WA' Campaign to the Hospitality Industry* – an additional \$4.6 million will be spent over 2021-22 and 2022-23 to expand the 'Build a Life in WA' Campaign to help address labour shortages in the hospitality industry. The funding will facilitate the development of creative assets, the purchase of media and web services, research and evaluation services, and provide two full time equivalents for 12 months to support the initiative; and
- *Expand the 'Build a Life in WA' Campaign to New Zealand* – an additional \$500,000 will be spent in 2021-22 to expand the existing 'Build a Life in WA' Campaign to attract workers from New Zealand. This campaign supports the construction and manufacturing industries by encouraging workers to work and live in Western Australia.

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Telethon Donation

The Government's annual donation to Telethon 2021 was increased by \$4 million (to a total of \$10 million) in 2021-22. This total amount includes the Government's \$2 million annual contribution to the WA Child Research Fund.

COVID-19 Quarantine Project Team

The Department has established a multi-agency project team at a cost of \$1.4 million in 2021-22 to lead the State's consultation with the Commonwealth in building a quarantine facility in Bullsbrook and coordinating the development and implementation of an appropriate operating model upon its opening in 2022.

Aboriginal Cultural Heritage Bill Implementation

To facilitate implementation of the Government's Aboriginal Cultural Heritage Bill, an additional \$134,000 will be spent by the Department in 2021-22.

FINANCIAL ADMINISTRATION

MAJOR SPENDING CHANGES				
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
FINANCE				
Expenses				
Landgate Building Midland – Government Office Accommodation	3.7	1.7	1.4	4.6
Market-led Proposals Team Resourcing	0.2	0.9	0.9	1.0
Digital Capability Fund – Oracle Financial Management System Upgrade	-	0.8	0.4	0.4
First Home Owner Grant Scheme (Administered)	0.7	6.3	3.0	2.6
Asset Investment				
Landgate Building Midland – Government Office Accommodation	0.3	0.5	6.0	-
Digital Capability Fund – Oracle Financial Management System Upgrade	1.4	0.8	-	-

Finance

Expenses

Landgate Building Midland – Government Office Accommodation

In response to a Market-led Proposal, the Government has agreed to the sale and leaseback of the Landgate building in Midland. This will enable Landgate, the Department of Communities and WA Health – Child and Adolescent Health Services to be accommodated in one site in the centre of Midland. As part of this arrangement, recurrent spending of \$11.4 million over 2021-22 to 2024-25 (and a further \$6.8 million in capital expenditure) has been approved for project management costs, agency transition activities and leasing costs.

A further \$1.3 million over 2021-22 to 2023-24 will be spent by Landgate on this project (see later in this appendix). Total expenditure will be partially offset by proceeds of \$17.3 million from the sale of the Landgate building.

Market-led Proposals Team Resourcing

Resourcing for the Market-led Proposals (MLP) team will be enhanced, at a cost of \$3.1 million over 2021-22 to 2024-25, to accelerate the assessment of MLP submissions.

Digital Capability Fund – Oracle Financial Management System Upgrade

The core financial management information system used by the Department to provide services for eight government agencies will be upgraded to the latest supported version of Oracle, along with establishing stable and secure infrastructure. Expenditure of \$1.6 million over three years from 2022-23, primarily for an increased amortisation of software, has been approved as part of the upgrade, along with \$2.2 million in capital investment.

First Home Owner Grant Scheme (Administered)

Estimated expenditure on the First Home Owner Grant scheme has been revised up by \$12.6 million over 2021-22 to 2024-25. This reflects higher than expected residential land sales and an upward revision to population forecasts in this Mid-year Review.

Asset Investment

Landgate Building Midland – Government Office Accommodation

See above.

Digital Capability Fund – Oracle Financial Management System Upgrade

See above.

JOBS AND ECONOMIC DEVELOPMENT

Table 3.4

MAJOR SPENDING CHANGES

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
JOBS, TOURISM, SCIENCE AND INNOVATION				
Expenses				
Reconnect WA				
Aviation Recovery Fund	10.0	10.0	10.0	-
Student Attraction – Incentive Scheme for Semester One Students	7.5	-	-	-
Reconnect WA Phase 1 Campaign ^(a)	6.3	-	-	-
International Education Marketing Phase 1 Campaign ^(a)	5.8	-	-	-
Incentive Scheme for International and Interstate Tourists	5.3	-	-	-
Destination Marketing Boost	5.0	-	-	-
Business Events Sponsorship	-	5.0	-	-
Develop Global Partnerships	4.0	4.0	-	-
Incentive Scheme for International Students	3.0	-	-	-
Bolster Staffing in Existing Overseas Offices	1.4	2.8	-	-
Invest and Trade Activation	1.1	2.2	-	-
International Trade Missions	1.0	-	-	-
Securing Blockbuster Events	1.0	8.0	-	-
Skilled Worker Attraction (United Kingdom) Campaign	1.0	-	-	-
Working Holiday Maker/Backpacker Campaign	1.0	-	-	-
Activation of Western Australia's International Student Pipeline – Increased Support of Overseas Network	0.6	1.3	-	-
Travel Agent Service for Semester One Students	0.4	-	-	-
Enhanced Welcome Desk at Perth Airport	0.3	-	-	-
COVID-19 – Tourism and Travel Agents Support Fund	1.7	-	-	-
Native Forestry Just Transition Plan	0.6	1.1	0.5	-
Zeph Litigation Costs	- ^(b)	- ^(b)	-	-
Total Solar Eclipse	1.2	0.3	-	-
PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT				
Expenses				
Digital Capability Fund – Digital Foundations Program	4.6	3.9	2.0	-
Reconnect WA – Paid Escape for International Working Holiday Makers	5.0	2.5	-	-
National Water Grid Fund	1.8	3.6	1.8	-
Regional Telecommunications Project	-	3.8	-	-
Recognised Biosecurity Groups	1.1	-	-	-
Native Forestry Just Transition Plan (South West Development Commission)	0.1	0.3	0.1	-
Tropical Cyclone Seroja Recovery Projects (Mid West Development Commission)	0.3	-	-	-
Pilbara Hydrogen Hub (Administered) ^(c)				
Asset Investment				
Digital Capability Fund – Core Business Systems Program	5.4	-	-	-
COVID-19 – Albany Shellfish Hatchery Upgrade ^(d)	0.7	1.1	-	-
Ord Channel Upgrade	0.8	0.4	-	-
Pilbara Hydrogen Hub (Administered) ^(c)				

Table 3.4 (cont.)

MAJOR SPENDING CHANGES

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
MINES, INDUSTRY REGULATION AND SAFETY				
Expenses				
Election Commitment – Work Health and Safety Legislation Changes	1.8	-	-	-
Home Indemnity Insurance Scheme (Administered)	5.6	10.3	3.9	4.1
Government Support Package for Koolyanobbing Iron Ore (Administered)	-16.9	7.5	-	-
Digital Capability Fund – One Document Management System	3.1	2.3	1.9	2.5
Mental Awareness, Respect and Safety (MARS) Program	1.6	-	-	-
Asset Investment				
Digital Capability Fund – Customer Identity Access Management Platform	3.6	-	-	-
THE GAMING AND WAGERING COMMISSION OF WESTERN AUSTRALIA				
Expenses				
Sports Wagering Account	3.7	-	-	-

(a) The cost of this initiative has been partially met from the reprioritisation of existing Department funds.

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

(c) For more information, please refer to *Provisions* later in this appendix.

(d) Funding has been redirected from within the Department's AIP to undertake this project.

Jobs, Tourism, Science and Innovation

Expenses

Reconnect WA

The following initiatives will be delivered by the Department as part of the Government's \$185.7 million Reconnect WA package:

- *Aviation Recovery Fund* – an additional \$30 million will be spent over 2021-22 to 2023-24 to boost the Government's Aviation Recovery Fund from \$25 million to \$55 million. This is in addition to \$10 million that will be spent on intrastate aviation. Combined, these initiatives take the State's aviation fund to \$65 million. This will enable Tourism WA, with support from Perth Airport, to continue to negotiate with airlines to recommence or secure new international and domestic air services to Western Australia;
- *Student Attraction – Incentive Scheme for Semester One Students* – \$7.5 million will be spent in 2021-22 to provide accommodation subsidies, and thereby improve housing affordability, for international students. A \$1,500 subsidy will be provided for up to 5,000 students for semester 1, 2022;
- *Reconnect WA Phase 1 Campaign* – \$6.3 million will be spent in 2021-22 for a media campaign to promote Western Australia and attract international students, visitors, skilled migrants, and investment into the State;

- *International Education Marketing Phase 1 Campaign* – to attract international students from target countries (including China, Vietnam, India, Malaysia, Philippines, Indonesia, Sri Lanka, Singapore, and Japan) to study at Western Australian educational institutions in 2022, an additional \$5.8 million will be spent in 2021-22;
- *Incentive Scheme for International and Interstate Tourists* – a voucher style scheme to incentivise international and interstate tourists to spend on accommodation, tours or experiences will be implemented at a cost of \$5.3 million in 2021-22;
- *Destination Marketing Boost* – an additional \$5 million will be spent in 2021-22 for Tourism WA to scale up international and interstate tourism marketing to drive visitation to Western Australia. Existing Tourism WA funding of \$23 million over 2021-22 and 2022-23 will also be spent on this initiative, taking the total spend to \$28 million;
- *Business Events Sponsorship* – an additional \$5 million will be spent in 2022-23 to facilitate the attraction of international conferences and business events to Western Australia. Existing Tourism WA funding of \$10 million over 2021-22 and 2022-23 will also be spent on this initiative, taking the total spend to \$15 million;
- *Develop Global Partnerships* – \$8 million will be spent over 2021-22 and 2022-23 for additional international marketing to support the development of agreements with international tourism partners;
- *Incentive Scheme for International Students* – \$3 million will be spent in 2021-22 on incentives to attract international student visa holders to study an English Language Intensive Course in Western Australia;
- *Bolster Staffing in Existing Overseas Offices* – an additional \$4.2 million will be spent over 2021-22 and 2022-23 for additional staffing within the State's overseas offices. This spending will assist the Government in securing enhanced trade and investment outcomes;
- *Invest and Trade Activation* – an additional \$3.3 million will be spent over 2021-22 and 2022-23 to deliver additional investment attraction and trade promotion initiatives and events, including inbound and outbound delegations;
- *International Trade Missions* – \$1 million will be spent in 2021-22 for Tourism WA to undertake international trade missions to reconnect Western Australian tourism operators with distribution partners across key international markets;
- *Securing Blockbuster Events* – an additional \$9 million will be spent over 2021-22 and 2022-23 to attract additional blockbuster events;
- *Skilled Worker Attraction (United Kingdom) Campaign* – \$1 million will be spent in 2021-22 for a marketing campaign in the United Kingdom to attract skilled migrants (specifically nurses, teachers, aged care workers, trades people and working holiday makers) to Western Australia;

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- *Working Holiday Maker/Backpacker Campaign* – \$1 million will be spent in 2021-22 on a marketing campaign to attract youth and holiday workers and backpackers to Western Australia;
- *Activation of Western Australia's International Student Pipeline – Increased Support of Overseas Network* – an additional \$1.9 million will be spent over 2021-22 and 2022-23 to support the State's overseas office network to promote Western Australia's international education sector;
- *Travel Agent Service for Semester One Students* – \$440,000 will be spent in 2021-22 for a travel agent or similar entity to coordinate the travel arrangements of students returning to Western Australia; and
- *Enhanced Welcome Desk at Perth Airport* – \$300,000 will be spent in 2021-22 for StudyPerth to deliver enhanced welcome desk services for international students at Perth Airport.

COVID-19 – Tourism and Travel Agents Support Fund

The Tourism and Travel Agents Support Fund provides assistance to tourism operators and travel agents affected by COVID-19 border restrictions. A total of \$1.7 million in immediate support was delivered to 357 successful eligible applicants in 2021-22, with applicants receiving a one-off payment of between \$2,000 and \$10,000.

Native Forestry Just Transition Plan

As part of the Government's \$50 million Native Forestry Just Transition Plan, \$2.2 million will be spent over 2021-22 to 2023-24 for the establishment of a Bunbury-based project team. A grant of \$200,000 has also been approved to enable the collection of information on the timber industry workforce.

Zeph Litigation Costs

The Department has allocated additional expenditure for legal costs to assist the Commonwealth defend claims expected to be brought by Zeph Investments (an entity registered in Singapore and associated with Mr Clive Palmer). Zeph Investments has alleged breaches of the Commonwealth's obligations under a number of free trade agreements, claiming that Western Australia's *Iron Ore Processing (Mineralogy Pty Ltd) Agreement Amendment Act 2020* violates Australia's obligations. The amount approved has not been disclosed so as to not disadvantage the State's position.

Total Solar Eclipse

To prepare for the Total Solar Eclipse event in Exmouth, the Department will spend \$1.5 million over 2021-22 and 2022-23 on event management costs. Exmouth will be one of the best locations in the world to watch the event, which will occur on 20 April 2023, and is expected to attract substantial additional visitors to the region.

Primary Industries and Regional Development

Expenses

Digital Capability Fund – Digital Foundations Program

The Digital Foundations Program, a \$10.5 million investment over 2021-22 to 2023-24, will deliver a range of operational, financial and organisational benefits for the Department by introducing a coordinated, integrated and rationalised ICT network, devices fleet, application suite, email and telephone systems.

Reconnect WA – Paid Escape for International Working Holiday Makers

As part of the Reconnect WA package, an additional \$7.5 million over 2021-22 and 2022-23 will be spent to expand the Primary Industries Workers Regional Travel and Accommodation Support Scheme to include international working holiday makers. This scheme will provide an accommodation allowance and a one-off travel allowance (depending on the destination) to assist with addressing the shortage of workers in regional Western Australia.

National Water Grid Fund

Under the Commonwealth's National Water Grid Fund, \$7.2 million will be spent over 2021-22 to 2023-24 towards a number of small water infrastructure projects aimed at improving reliability and availability of water in agricultural and regional areas, and providing greater efficiencies and stability in the water grid.

Regional Telecommunications Project

The Department will spend an additional \$3.8 million in 2022-23 to allow the State to execute funding agreements and progress delivery of telecommunications infrastructure under the State's Regional Telecommunications Project.

Recognised Biosecurity Groups

A one-off grant of up to \$1.1 million in 2021-22 will be provided to five Regional Biosecurity Groups to maintain the planned level of funding support to manage declared pests on properties.

Native Forestry Just Transition Plan (South West Development Commission)

As part of the Government's \$50 million Native Forestry Just Transition Plan, \$533,000 over 2021-22 to 2023-24 has been allocated to the South West Development Commission to lead engagement with community groups and local government authorities on the native forestry policy reform.

Tropical Cyclone Seroja Recovery Projects (Mid West Development Commission)

\$250,000 will be spent by the Mid West Development Commission in 2021-22 on the construction and rebuild of publicly owned tourism facilities within the Shire of Northampton as a result of damage caused by Tropical Cyclone Seroja.

Asset Investment

Digital Capability Fund – Core Business Systems Program

To deliver the Core Business Systems project, the Department will spend \$5.4 million in 2021-22 upgrading its core business systems (Human Resources Management Information System, Financial Management Information System and the Enterprise Document and Records Management System).

COVID-19 – Albany Shellfish Hatchery Upgrade

To increase capacity at the Albany Shellfish Hatchery to enable the facility to meet an expected increase in industry demand, the Government will invest an additional \$1.8 million over 2021-22 and 2022-23.

Ord Channel Upgrade

To support development of the Knox Plain within the Ord River Irrigation Area, \$1.2 million will be spent over 2021-22 and 2022-23 to progress engineering studies and design options for the planned upgrade of water conveyance infrastructure.

Mines, Industry Regulation and Safety

Expenses

Election Commitment – Work Health and Safety Legislation Changes

The Government will spend \$1.8 million in 2021-22 (\$540,000 from the Digital Capability Fund and \$1.2 million funded by industry) on implementing upgrades to business systems to support the delivery of regulatory services and administration of the new *Work Health and Safety Act 2020* and associated regulations.

Home Indemnity Insurance Scheme (Administered)

Following an actuarial assessment of the State's current and projected claims exposure, expenditure on the Home Indemnity Insurance Scheme has been revised upwards by \$23.9 million over four years from 2021-22, predominantly driven by increased activity in the residential building sector. The State Government has fully underwritten the scheme in Western Australia since 2013-14.

Government Support Package for Koolyanobbing Iron Ore (Administered)

The estimated royalty rebate paid to Mineral Resources Limited for the continuation of iron ore mining at Koolyanobbing has been revised down by \$16.9 million in 2021-22 and upwards by \$7.5 million in 2022-23, consistent with a lower iron ore price forecast for 2021-22 and changes in the timing of eligible production.

Digital Capability Fund – One Document Management System

Funding of \$9.8 million has been allocated from the Digital Capability Fund over 2021-22 to 2024-25 to enable the Department to consolidate information currently held across two separate legacy records management systems, and transition onto a single unified Electronic Document and Records Management System.

Mental Awareness, Respect and Safety (MARS) Program

The Government has allocated \$1.6 million in 2021-22 to enable the Department to undertake planning, consultation and research (in partnership with the Mental Health Commission) to inform the development of a program of mental health and mines safety initiatives to address mental health issues, suicide, sexual harassment, sexual assault, fatigue, drug and alcohol use and other health and safety issues in the mining industry.

Asset Investment

Digital Capability Fund – Customer Identity Access Management (CIAM) Platform

The Government has approved \$3.6 million in 2021-22 for the CIAM Platform to improve the experience of the Department's online customers by enabling the creation and management of digital identities.

The Gaming and Wagering Commission of Western Australia

Expenses

Sports Wagering Account

Community sport and recreation organisations will be supported to deliver better outcomes to their communities through the allocation of an additional \$3.7 million in 2021-22 from the Sports Wagering Account.

HEALTH

MAJOR SPENDING CHANGES

Table 3.5

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
WA HEALTH				
Expenses				
Safe Transition Plan – Additional Beds	76.4	163.3	9.0	-
COVID-19 Health Costs	239.8	-	-	-
Hospital Services – General Health	55.3	52.6	54.8	57.1
Digital Capability Fund – Human Resource Management Information System	6.3	9.6	14.8	11.0
Commonwealth Agreements	8.1	0.4	-	-
Election Commitment – Puntukurnu Aboriginal Medical Service	3.5	-	-	-
Fiona Stanley Hospital Emergency Works	1.2	1.8	-	-
Asset Investment				
Safe Transition Plan – Additional Beds	166.8	-	-	-
Digital Capability Fund – Human Resource Management Information System	35.7	56.6	42.5	23.5
King Edward Memorial Hospital Critical Infrastructure	3.1	6.8	6.3	2.6
COVID-19 Health Costs	11.6	-	-	-
Existing Project Cost Pressures	3.2	-	3.0	-
Sir Charles Gairdner Hospital – 24 Beds	4.4	-	-	-
MENTAL HEALTH COMMISSION				
Expenses				
Hospital Services – Mental Health	4.7	5.0	5.2	5.4
Mental Awareness, Respect and Safety (MARS) Program	0.3	-	-	-

WA Health

Expenses

Safe Transition Plan – Additional Beds

As part of its Safe Transition Plan, the Government has approved additional expenditure totalling \$415.6 million over 2021-22 to 2023-24 (\$248.8 million in recurrent expenditure and \$166.8 million in asset investment) to increase hospital capacity. This will add a further 270 hospital beds to the health system and free up existing beds, with recurrent expenditure as follows:

- 234 public beds – \$191.2 million will be spent over 2021-22 and 2022-23 on staffing these beds;
- 36 private beds – \$40 million will be spent over 2021-22 to 2023-24 to lease 10 beds at South Perth Hospital and 26 beds at Hollywood Hospital; and

- initiatives to free up existing beds – \$17.6 million will be spent over 2021-22 to 2023-24 on the Transitional Care Program (\$12 million), Disability Transition Care Pilot (\$3.1 million) and the Avoidable Hospital Utilisation from Residential Aged Care Facilities Pilot (\$2.5 million). These initiatives free up beds by assisting older people at the end of their hospital stay to transition into community settings, provide a hospital-to-home transition service for patients awaiting National Disability Insurance Scheme services, and improve integration and coordination between aged care facilities and hospitals.

COVID-19 Health Costs

Reflecting the continued uncertainties associated with the COVID-19 pandemic, WA Health's COVID-19 costs are updated at each Budget and Mid-year Review process. On top of the Government's 2021-22 Budget investment of \$307.3 million for the public health response to COVID-19, an additional \$256 million (\$239.8 million recurrent expenditure, \$11.6 million asset investment and \$4.7 million for purchases of inventory) has been approved in this Mid-year Review.

This includes further spending on hotel quarantine, Public Health Emergency Operations Centre and State Health Incident Coordination Centre operations, the vaccination program, and pathology testing, amongst other things. This is offset by an equivalent reduction in the 2021-22 Budget global expenditure provision.

Hospital Services – General Health

The Government will spend an additional \$219.8 million on general health hospital services over the forward estimates period (offset by an equivalent reduction in the 2021-22 Budget global expenditure provision) to address cost and demand pressures in the State's health system, and for the delivery of CAR-T (Kymriah) in 2021-22. CAR-T (Kymriah) is a form of immunotherapy that uses specially altered T cells to directly and precisely target cancer cells.

Digital Capability Fund – Human Resource Management Information System (HRMIS)

The Government has allocated a total of \$200 million over 2021-22 to 2024-25 (\$41.7 million recurrent expenditure and \$158.3 million asset investment) for the replacement of WA Health's legacy human resources management, rostering and payroll systems, which currently serve around 54,000 staff. The replacement HRMIS will ensure the current risks of the outdated systems are addressed through the delivery of a single, contemporary cloud-based system which will better support the Western Australian health system workforce and the delivery of patient care.

Commonwealth Agreements

Under Commonwealth funding agreements, an additional \$8.5 million will be spent over 2021-22 and 2022-23 for the renewal of the following agreements:

- Indigenous Australians Health Program – \$7.7 million will be spent in 2021-22 to provide trachoma and trichiasis screening and treatment programs in at-risk communities; and

- Other Agreements for Aboriginal and Torres Strait Islanders – \$800,000 will be provided over 2021-22 and 2022-23 for the Social and Emotional Wellbeing Program, and to provide alcohol and other drug treatment services in the Mid West region.

Election Commitment – Puntukurnu Aboriginal Medical Service

The Government has allocated \$3.5 million in 2021-22 for the replacement of existing staff accommodation at Puntukurnu Aboriginal Medical Service for a largely fly-in fly-out workforce. The Puntukurnu Aboriginal Medical Service is the sole provider of primary care to Jigalong and other desert populations.

Fiona Stanley Hospital Emergency Works

The Government has approved a \$3 million investment over 2021-22 and 2022-23 for the continuation of emergency power improvement works at Fiona Stanley Hospital.

Asset Investment

Safe Transition Plan – Additional Beds

Additional expenditure of \$166.8 million in 2021-22 has been approved for capital works to bring 234 of an additional 270 beds online. This includes:

- the construction of four 30-bed inpatient long stay modular units at Osborne Park Hospital, Rockingham General Hospital, Bunbury Regional Hospital and Bentley Health Service; and
- minor works and equipment to commission:
 - 74 general beds at Royal Perth Hospital (24), Bentley Hospital (26) and Fremantle Hospital (24); and
 - 40 Intensive Care Unit beds at Royal Perth Hospital (28), Perth Children's Hospital (2) and Fiona Stanley Hospital (10).

Digital Capability Fund – Human Resource Management Information System

See above.

King Edward Memorial Hospital Critical Infrastructure

The Government will invest an additional \$14.8 million over 2021-22 to 2024-25 at King Edward Memorial Hospital to replace the Theatre Air Handling System and construct two additional theatres, with a further \$4 million to be spent over 2021-22 and 2022-23 to carry out urgent façade works.

COVID-19 Health Costs

The Government is spending an additional \$11.6 million in 2021-22 for capital works to support WA Health's COVID-19 response, which comprises minor works to address infection control issues and meet COVID-19 surge demands at Royal Perth Hospital, as well as costs associated with the State's online booking system for COVID-19 vaccinations. This is offset by an equivalent reduction in the 2021-22 Budget global expenditure provision.

Existing Project Cost Pressures

To help address cost pressures primarily from labour and materials supply constraints on existing projects within WA Health's Asset Investment Program, an additional \$6.2 million will be spent over 2021-22 to 2023-24. Project budgets that have increased include those for Sir Charles Gairdner Hospital GMP Laboratories and Cyclotron (\$3 million), Royal Perth Hospital Aseptic Unit (\$2 million), and PathWest State Mortuary (\$1.2 million).

Sir Charles Gairdner Hospital – 24 Beds

Further to the \$12.5 million provisioned in the 2021-22 Budget for capital works required to bring online 24 beds at Sir Charles Gairdner Hospital, an additional \$4.4 million in capital expenditure has been approved for 2021-22 to address refurbishment work scope changes including two additional negative pressure rooms for COVID-19 patients, market cost escalation impacts, and fire compliance requirements.

Mental Health Commission

Expenses

Hospital Services – Mental Health

The Government will spend an additional \$20.2 million on mental health hospital services over the forward estimates period (offset by an equivalent reduction in the 2021-22 Budget global expenditure provision) to address cost and demand pressures in the State's health system.

Mental Awareness, Respect and Safety (MARS) Program

In partnership with the Department of Mines, Industry Regulation and Safety, the Mental Health Commission will spend \$322,000 in 2021-22 to undertake planning, consultation, and research to inform the development of a program of mental health and mines safety initiatives.

EDUCATION AND TRAINING

MAJOR SPENDING CHANGES					Table 3.6
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	
EDUCATION					
Expenses					
COVID-19 - Enhanced Cleaning in Schools – 2022 Term 1	9.8	-	-	-	
Children's Reading Challenge	1.1	0.8	0.9	0.8	
Asset Investment					
2024 New Primary Schools Program ^(a)	0.5	18.0	30.0	4.0	
Transportable Classrooms ^(a)	0.5	4.1	-	-	
TRAINING AND WORKFORCE DEVELOPMENT/ TAFE COLLEGES					
Expenses					
JobTrainer Fund National Partnership Agreement	11.0	20.1	12.7	5.7	
Workforce Initiatives for Temporary Protection Visa and Safe Haven Enterprise Visa Holders	0.4	2.2	2.7	3.1	
Asset Investment					
Midland Specialist Rail Trade Training Centre	2.6	-	-	-	
BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD					
Expenses					
Alignment to 2021-22 Operational Plan	4.0	-	-	-	
Asset Investment					
Alignment to 2021-22 Operational Plan	0.9	-	-	-	

(a) Funding has been reallocated from within the Department's AIP to undertake this project.

Education

Expenses

COVID-19 – Enhanced Cleaning in Schools – 2022 Term 1

As part of the Government's response to the COVID-19 pandemic, and in line with current health advice, an additional \$9.8 million will be spent in 2021-22 to maintain enhanced cleaning in all public schools, community kindergartens and residential colleges in Term 1, 2022.

Children's Reading Challenge

The Government has committed \$3.7 million for a children's reading initiative which will encourage students to develop a passion for reading and improve literacy skills.

Asset Investment

2024 New Primary Schools Program

The Government has allocated \$52.5 million from the existing New Primary School provision to deliver two new primary schools in 2024 to be located in Henley Brook and Wattleup East.

Transportable Classrooms

In response to localised enrolment pressures, the Government will invest a further \$4.6 million to expand the 2022 transportable classrooms program.

Training and Workforce Development/TAFE Colleges

Expenses

JobTrainer Fund (JTF) National Partnership Agreement (NPA)

The State Government signed the extension and expansion of the JTF NPA on 22 September 2021, securing additional funding of \$51.8 million, with \$49.5 million to be spent over 2021-22 to 2024-25. The JTF NPA will primarily provide support for existing worker trainees in priority sectors, including aged care, childcare, disability care and digital skills, and result in lower fees for a further 30 courses under the Government's Lower Fees, Local Skills initiative.

Workforce Initiatives for Temporary Protection Visa (TPV) and Safe Haven Enterprise Visa (SHEV) Holders

As part of its commitment to address skills shortages, the Government will invest \$8.4 million over 2021-22 to 2024-25 to increase workforce participation by TPV and SHEV holders. Implementing this initiative is contingent on the Commonwealth approving the classification of Perth as a regional location for TPV and SHEV purposes.

Asset Investment

Midland Specialist Rail Trade Training Centre

The Government will invest a further \$2.6 million in the Midland Specialist Rail Trade Training Centre to progress phase two works, including a new rail signalling yard.

Building and Construction Industry Training Board (BCITB)

Expenses

Alignment to 2021-22 Operational Plan

Consistent with its operational plan, the BCITB will spend an additional \$4 million in 2021-22. This includes funding for the Natural Disaster Relief support package, which will assist employers in training construction workers engaged in rebuilding communities affected by the Wooroloo Bushfire and Cyclone Seroja.

Asset Investment

Alignment to 2021-22 Operational Plan

The BCITB will invest \$927,000 in 2021-22 to refurbish its office facilities and upgrade the Construction Futures Centre's exhibits to include interactive displays that promote construction careers in the resources sector.

COMMUNITY SAFETY

Table 3.7

MAJOR SPENDING CHANGES

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
WESTERN AUSTRALIA POLICE FORCE				
Expenses				
Police Compensation Scheme – Administration Costs	1.3	2.5	2.5	2.5
Operation Heat Shield 3	3.5	-	-	-
COVID-19 Vaccination Community Funding Program	0.5	-	-	-
Asset Investment				
Police Compensation Scheme – ICT Costs	1.1	-	-	-
DEPARTMENT OF JUSTICE				
Expenses				
National Legal Assistance Partnership Agreement	7.2	7.4	7.4	7.5
Expanded Electronic Monitoring Initiative	-6.0	-7.5	-10.6	-
National Redress Scheme	20.0	-	-	-
LEGAL AID COMMISSION OF WESTERN AUSTRALIA				
Expenses				
National Legal Assistance Partnership Agreement	-	1.8	1.9	1.9
STATE SOLICITOR'S OFFICE				
Expenses				
Digital Capability Fund – Legal Practice Management System	0.1	0.3	- (a)	- (a)
Asset Investment				
Digital Capability Fund – Legal Practice Management System	1.1	-	-	-
OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS				
Expenses				
Demand for Prosecution Services	1.9	-	-	-
FIRE AND EMERGENCY SERVICES				
Expenses				
Emergency Rescue Helicopter Service	- (b)	- (b)	- (b)	- (b)
Severe Tropical Cyclone Seroja – Disaster Recovery Assistance Package for Temporary Workers' Accommodation (Administered)	- (c)	- (c)	-	-
Digital Capability Fund – Workforce Management Solution	-	-	0.1	1.5
Consolidated Emergency Services Act Project	0.4	-	-	-
Asset Investment				
Digital Capability Fund – Workforce Management Solution	- (a)	0.5	1.4	0.3

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

(b) Commercial-in-confidence.

(c) Arrangements to be finalised with the Commonwealth.

Western Australia Police Force

Expenses

Police Compensation Scheme – Administration Costs

The Police Compensation Scheme will provide compensation for officers who are medically retired due to work-related injury or illness. The Government has approved recurrent expenses of \$8.7 million over the forward estimates for administration of the scheme and improved injury assessment and case management services for police officers following the passage of legislation. In addition, there will be \$1.1 million of asset investment in 2021-22 on a case management system and website to support implementation of the Police Compensation Scheme.

Operation Heat Shield 3

To target crime and anti-social behaviour during the summer months, an additional \$3.5 million will be spent in 2021-22 to provide increased police patrols over December 2021 to March 2022. This targeted operation will enable the Western Australia Police Force to deliver approximately 38,500 additional frontline policing hours.

COVID-19 Vaccination Community Funding Program

The Government has approved \$500,000 in 2021-22 for the State Vaccine Commander to deliver a grant program providing support for local community activities to improve COVID-19 vaccination rates for priority groups in regional communities.

Asset Investment

Police Compensation Scheme – ICT Costs

See above.

Department of Justice

Expenses

National Legal Assistance Partnership Agreement

In line with amendments to the National Legal Assistance Partnership Agreement, an additional \$29.6 million will be spent over the forward estimates to increase the provision of legal assistance and support services primarily in the areas of family and domestic violence, mental health, and workplace sexual harassment.

Expanded Electronic Monitoring Initiative

The Department's budgeted expenditure over 2021-22 to 2023-24 has been reduced by \$24.2 million as a result of the Government not pursuing home detention as an option for offenders and defendants.

National Redress Scheme

As part of the Government's commitment to support survivors of institutional child sexual abuse, an additional \$20 million has been allocated in 2021-22 to costs related to the State's participation in the National Redress Scheme.

Legal Aid Commission of Western Australia

Expenses

National Legal Assistance Partnership Agreement

The Commission will spend \$5.6 million on family advocacy and support services over 2022-23 to 2024-25, reflecting additional Commonwealth funding under the National Legal Assistance Partnership Agreement.

State Solicitor's Office

Expenses

Digital Capability Fund – Legal Practice Management System

To improve the security, coordination and management of legal services, the Government has approved recurrent expenditure of \$500,000 over 2021-22 to 2024-25 for the State Solicitor's Office to implement a new Legal Practice Management System, in addition to asset investment of \$1.1 million in 2021-22 for procurement of the system.

Asset Investment

Digital Capability Fund – Legal Practice Management System

See above.

Office of the Director of Public Prosecutions

Expenses

Demand for Prosecution Services

The Government has allocated an additional \$1.9 million in 2021-22 to address growth in the demand for prosecution services.

Fire and Emergency Services

Expenses

Emergency Rescue Helicopter Service (ERHS)

The Government has approved the lease and fit-out of two new helicopters (and one back-up helicopter) to continue the vital ERHS for the Perth Metropolitan and South West regions through to 2032-33. The new lease arrangements are to take effect in July 2023 and will ensure that the ERHS complies with the Civil Aviation Safety Authority's revised regulatory requirements. The amount of funding is not disclosed at this time in order to avoid prejudicing the State's negotiating position.

Severe Tropical Cyclone (STC) Seroja – Disaster Recovery Assistance Package for Temporary Workers' Accommodation (Administered)

In-principle approval has been provided by the Commonwealth to jointly fund temporary workers' accommodation as part of the Disaster Recovery Funding Arrangements Assistance Package for STC Seroja. This would involve additional funding over 2021-22 and 2022-23, to support workers assisting with the recovery of Kalbarri and surrounding Shires impacted by STC Seroja. The amount of funding is not disclosed at this time as the package arrangements have not been finalised with the Commonwealth.

Digital Capability Fund – Workforce Management Solution

Recurrent expenditure of \$1.6 million over 2023-24 and 2024-25 has been approved for a Workforce Management Solution to replace the Department's outdated legacy ICT system. The expenditure relates to project management, software licensing and system maintenance. Capital investment of \$2.2 million has also been approved.

Consolidated Emergency Services (CES) Act Project

As part of a project to consolidate emergency services legislation, \$370,000 will be spent in 2021-22. The CES Act project will replace the outdated *Fire Brigades Act 1942*, *Bush Fires Act 1954* and *Fire and Emergency Services Act 1998*, removing ambiguities and inconsistencies, and better reflecting current emergency services practices.

Asset Investment

Digital Capability Fund – Workforce Management Solution

See above.

COMMUNITY SERVICES

MAJOR SPENDING CHANGES					Table 3.8
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	
COMMUNITIES					
Expenses					
Digital Capability Fund – 1 Finance: Single Finance System	3.8	4.0	-	-	
<i>Children and Community Services Amendment Act 2021</i>	0.9	2.3	1.4	1.4	
COVID-19 - State Welfare Incident Coordination Centre	4.5	-	-	-	
North West Aboriginal Housing Fund – In-Situ Housing Pathways Support Program	-	0.3	0.3	0.3	
LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES					
Expenses					
Election Commitment – Geraldton Basketball Stadium Upgrade	1.5	-	-	-	
Perth Theatre Trust – Operations	2.5	2.5	2.5	2.5	
AFL Kimberley Partnership	1.0	1.0	1.0	1.0	
Regulatory Reform Unit	0.7	1.3	-	-	
Asset Investment					
Perth Concert Hall Redevelopment	1.0	0.1	15.4	1.9	
State Football Centre	1.5	5.5	-	-	
Art Gallery of Western Australia Rooftop Development	2.2	-	-	-	

Communities

Expenses

Digital Capability Fund – 1 Finance: Single Finance System

The Department will implement a new consolidated finance system at a cost of \$7.8 million over 2021-22 and 2022-23. The new system will consolidate the Department's three existing finance systems into one, using technology more efficiently and removing duplication of financial reporting processes.

Children and Community Services Amendment Act 2021

To support implementation of the *Children and Community Services Amendment Act 2021*, \$6 million will be spent over 2021-22 to 2024-25 to:

- expand the mandatory reporting scheme for suspected child sexual abuse and commence a new compliance and enforcement function (\$3.7 million); and
- support increased Aboriginal representation during child protection decision making, including participation of Aboriginal Representative Organisations to consult on placement arrangements (\$2.3 million).

COVID-19 – State Welfare Incident Coordination Centre

In support of the State's continued welfare response to the COVID-19 pandemic, an additional \$4.5 million will be spent in 2021-22 to meet resourcing requirements associated with the provision of welfare checks, support at airports for international and interstate arrivals, and to provide additional regional capacity to remote Aboriginal communities.

North West Aboriginal Housing Fund – In-Situ Housing Pathways Support Program

A \$794,000 investment will be made over 2022-23 to 2024-25 for the In-Situ Housing Pathways Support Program (the Program). The Program will provide individually tailored support services to enable Aboriginal families in the Pilbara to transition from social housing to stable and affordable private housing.

Local Government, Sport and Cultural Industries

Expenses

Election Commitment – Geraldton Basketball Stadium Upgrade

In line with the Government's election commitment, an additional \$1.5 million will be spent in 2021-22 to meet costs associated with the upgrade to the Geraldton Basketball Stadium.

Perth Theatre Trust – Operations

The Trust will spend an additional \$2.5 million per annum to meet the costs of delivering food and beverage operations, and to reflect the anticipated return to pre-COVID-19 levels of patronage. The expenditure is funded by a matching increase in revenue.

AFL Kimberley Partnership

In partnership with the AFL, the Department will spend \$1 million per annum over 2021-22 to 2025-26 to support and promote football in the Kimberley region.

Regulatory Reform Unit

A dedicated team will oversee the implementation of priority regulatory reforms across the local government and liquor sectors at a cost of \$2 million over 2021-22 and 2022-23.

Asset Investment

Perth Concert Hall Redevelopment

Investment in the Perth Concert Hall redevelopment will be increased by \$18.4 million over the forward estimates, bringing the total investment to \$48.4 million. Funding of \$12 million will be provided by the Commonwealth under the Perth City Deal, with a further \$6.4 million to progress a new home for the Western Australian Symphony Orchestra to be funded from reserves previously set aside for this purpose.

State Football Centre

The Government has approved an additional \$1.5 million in 2021-22 and \$5.5 million in 2022-23 to complete the new State Football Centre in Queens Park, bringing the State's total investment to \$23 million.

Art Gallery of Western Australia (AGWA) Rooftop Development

The rooftop on the main gallery of AGWA opened in November 2021. Additional investment of \$2.2 million was made in 2021-22 to meet the cost to complete the project.

TRANSPORT

MAJOR SPENDING CHANGES					Table 3.9
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	
TRANSPORT PORTFOLIO					
Expenses					
Joint State and Commonwealth-Funded Projects Under Negotiation	-	75.0	75.0	70.0	
Asset Investment					
Joint State and Commonwealth-Funded Projects Under Negotiation	51.7	46.0	123.7	282.6	
TRANSPORT					
Expenses					
METRONET – Program Coordination	1.4	2.6	2.9	1.9	
Asset Investment					
Total Solar Eclipse – Exmouth Boat Harbour Lighting and Landscaping Upgrades	0.3	-	-	-	
COMMISSIONER OF MAIN ROADS					
Asset Investment					
Burrup Strategic Industrial Area Road Infrastructure	25.0	-	-	-	
METRONET – Thomas Road Level Crossing Removal	-	8.0	9.0	-	
PUBLIC TRANSPORT AUTHORITY					
Expenses ^(a)					
METRONET – Maintenance and Activation of Public Spaces	-	-	-	3.0	
Public Transport Services for the 2021 AFL Grand Final	1.4	-	-	-	
Asset Investment					
METRONET – Project Establishment and Contract Award	-138.4	-10.6	548.3	19.4	
MID WEST PORTS AUTHORITY					
Asset Investment					
Port Maximisation Project Planning	8.0	10.0	-	-	
PILBARA PORTS AUTHORITY					
Asset Investment					
Dampier Cargo Wharf Extension	-	93.0	92.0	8.1	
Spoilbank Marina	-	23.5	27.0	-	
SOUTHERN PORTS AUTHORITY					
Expenses ^(a)					
Government Support Package for Koolyanobbing Iron Ore	4.3	-	-	-	

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

Transport Portfolio

Expenses

Joint State and Commonwealth-Funded Projects Under Negotiation

Joint State and Commonwealth funding totalling \$220 million over 2022-23 to 2024-25 has been provisioned for road works that are expected to be expensed. Funding for these works remains subject to ongoing negotiations with the Commonwealth.

Asset Investment

Joint State and Commonwealth-Funded Projects Under Negotiation

Joint State and Commonwealth funding totalling \$504 million over 2021-22 to 2024-25 has been provisioned for a number of road and marine transport infrastructure projects across the State. Funding for these projects remains subject to ongoing negotiations with the Commonwealth.

Transport

Expenses

METRONET – Program Coordination

Operating funding of \$8.7 million has been allocated over the forward estimates for the METRONET Office to facilitate the continued delivery of the METRONET program of works.

Asset Investment

Total Solar Eclipse – Exmouth Boat Harbour Lighting and Landscaping Upgrades

Ahead of the total solar eclipse event in April 2023, \$250,000 will be spent in 2021-22 to upgrade the lighting and landscaping at Exmouth Boat Harbour.

Commissioner of Main Roads

Asset Investment

Burru Strategic Industrial Area Road Infrastructure

A total of \$25 million will be spent in 2021-22 on the construction of enabling road infrastructure in the Burrup Strategic Industrial Area – including the relocation of Hearson Cove Road and the undergrounding of nearby power infrastructure. This forms part of a \$300 million package of common-user infrastructure upgrades to support Perdaman's proposed \$4.5 billion urea project on the Burrup Peninsula.

METRONET – Thomas Road Level Crossing Removal

As part of the Thomas Road Level Crossing Removal project, a further \$17 million will be spent over 2022-23 and 2023-24, bringing the total cost to \$69 million. The project will deliver a road over rail solution to the current level crossing and will facilitate the broader Byford Rail Extension program of works.

Public Transport Authority

Expenses

METRONET – Maintenance and Activation of Public Spaces

Aligned with forecast project completion dates, the Public Transport Authority will spend \$3 million in 2024-25 to maintain and activate over five hectares of new public open space created by the conversion of the existing rail corridor to viaduct structures for the Victoria Park-Canning Level Crossing Removal and Byford Rail Extension projects.

Public Transport Services for the 2021 AFL Grand Final

Additional operating subsidy of \$1.4 million was provided to the Public Transport Authority in 2021-22 for expenses incurred in the provision of free public transport services to Optus Stadium for the 2021 AFL Grand Final and related events.

Asset Investment

METRONET – Project Establishment and Contract Award

Reflecting the outcomes of recent tender processes, the Government has approved additional investment of \$418.7 million over the forward estimates period on the Midland Station, Victoria Park-Canning Level Crossing Removal and Byford Rail Extension projects. Works include relocating the Midland Station closer to the Midland Town Centre, removing five level crossings along the Armadale line, and a new station at Byford.

Mid West Ports Authority

Asset Investment

Port Maximisation Project Planning

The Mid West Ports Authority will spend \$18 million over 2021-22 and 2022-23 to undertake engineering designs and costings for future port capacity expansion projects at the Port of Geraldton.

Pilbara Ports Authority

Asset Investment

Dampier Cargo Wharf Extension

As part of a \$300 million package of common-user infrastructure upgrades to support Perdaman's proposed \$4.5 billion urea project on the Burrup Peninsula, the Pilbara Ports Authority will invest \$193.1 million over the forward estimates to develop a new wharf and associated land-side assets at Dampier.

Spoilbank Marina

The Authority will invest an additional \$50.5 million over 2022-23 and 2023-24 to complete construction of the Spoilbank Marina in Port Hedland. This brings the total cost of the project to \$187 million.

Southern Ports Authority

Expenses

Government Support Package for Koolyanobbing Iron Ore (the Package)

To recognise revised overhead allocations associated with the Package and an increase in forecast expenditure on iron ore loading and cleaning, the operating subsidy paid to the Southern Ports Authority will increase by \$4.3 million in 2021-22.

ENVIRONMENT

MAJOR SPENDING CHANGES					Table 3.10
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	
WATER AND ENVIRONMENTAL REGULATION					
Expenses					
National Water Grid Fund	0.4	0.8	0.4	-	
Asset Investment					
National Water Grid Fund	0.9	1.8	0.9	-	

Water and Environmental Regulation

Expenses

National Water Grid Fund

To contribute towards the development of new and improved non-potable community water supplies across the dryland agricultural regions, \$1.6 million will be spent over 2021-22 to 2023-24, funded from the Commonwealth's National Water Grid Fund.

Asset Investment

National Water Grid Fund

The Department will invest \$3.7 million over 2021-22 to 2023-24 to upgrade or recommission 70 agricultural area dams and strategic community water supplies, improving water security and building resilience in farming communities. The investment is funded from the Commonwealth's National Water Grid Fund.

PLANNING AND LAND USE

MAJOR SPENDING CHANGES

Table 3.11

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
PLANNING, LANDS AND HERITAGE				
Expenses				
Aboriginal Cultural Heritage Bill	1.6	-	-	-
Digital Capability Fund – Technology for Proposed Aboriginal Cultural Heritage Legislation	-	- (a)	0.4	0.4
Asset Investment				
Digital Capability Fund – Technology for Proposed Aboriginal Cultural Heritage Legislation	2.3	1.5	-	-
WESTERN AUSTRALIAN LAND INFORMATION AUTHORITY (LANDGATE)				
Expenses				
Landgate Building Midland – Government Office Accommodation	0.5	0.5	0.4	-
Workforce Requirements	1.3	4.1	-	-
DEVELOPMENTWA				
Expenses^(b)				
Lease Concessions	0.5	1.5	1.8	2.0
Asset Investment				
East Perth Power Station	-	4.4	4.1	-

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

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

Department of Planning, Lands and Heritage

Expenses

Aboriginal Cultural Heritage Bill

To support the Government's Aboriginal Cultural Heritage legislation, the Department will spend \$1.6 million in 2021-22 to prepare critical supporting documentation, including regulations and key operational policies, and to undertake consultation.

Digital Capability Fund – Technology for Proposed Aboriginal Cultural Heritage Legislation

The Department will spend \$914,000 over 2022-23 to 2024-25 on platform licensing fees and depreciation costs associated with technology to support the Government's Aboriginal Cultural Heritage legislation.

Asset Investment**Digital Capability Fund – Technology for Proposed Aboriginal Cultural Heritage Legislation**

An ICT system will be developed to support the Government's Aboriginal Cultural Heritage legislation at a cost of \$3.8 million. Key features of the system include electronic lodgement of applications, workflow management and an Aboriginal Cultural Heritage Directory.

Western Australian Land Information Authority (Landgate)

Expenses

Landgate Building Midland – Government Office Accommodation

Landgate will spend \$1.3 million over 2021-22 to 2023-24 to undertake planning and project management activities associated with the implementation of accommodation options for Landgate at 1 Midland Square.

Workforce Requirements

Additional expenditure of \$1.3 million in 2021-22 and \$4.1 million in 2022-23 has been allocated to Landgate to maintain its current resourcing levels, pending a comprehensive review of its ongoing workforce requirements following the partial commercialisation process finalised in 2019-20.

DevelopmentWA

Expenses

Lease Concessions

DevelopmentWA will receive an operating subsidy of \$5.7 million over 2021-22 to 2024-25 in recognition of lease concessions provided at strategic industrial areas in the North West.

Asset Investment

East Perth Power Station (EPPS)

To facilitate infrastructure decommissioning and site remediation works at Western Power's East Perth 66kV sub-station, DevelopmentWA will spend an additional \$8.5 million over 2022-23 and 2023-24. This expenditure will enable progress on the broader redevelopment of the EPPS.

UTILITIES

MAJOR SPENDING CHANGES

Table 3.12

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
SYNERGY				
Expenses ^(a)				
Distributed Photovoltaic Management	6.0	6.3	6.1	6.1
Asset Investment				
Distributed Photovoltaic Management	3.1	0.5	-	-
WESTERN POWER				
Asset Investment				
Relocation and Augmentation of Ageing Network Assets	36.8	39.3	0.3	-
HORIZON POWER				
Asset Investment				
Utility of the Future	11.8	10.2	1.8	-1.0
Remote Town Generation Facilities	3.7	-	-	-
WATER CORPORATION				
Expenses ^(a)				
Burru Seawater Supply Scheme	-	-	-	2.0
Asset Investment				
Burru Seawater Supply Scheme	3.3	2.8	68.5	13.9
Re-location and Augmentation of Ageing Water Assets	22.1	4.1	0.3	-
National Water Grid Fund	1.9	3.8	1.9	-
Desalination Plant	3.8	-	-	-
BUNBURY WATER CORPORATION				
Asset Investment				
Bunbury Water Resource Recovery Scheme	10.1	1.1	-	-
Planning for Fluoridation of Aqwest's Water Network	0.6	-	-	-

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

Synergy

Expenses

Distributed Photovoltaic (DPV) Management

To meet the upfront and ongoing expenditure requirements associated with its DPV management project, Synergy will receive an operating subsidy totalling \$24.5 million over 2021-22 to 2024-25. The project will provide Synergy with the capability to remotely turn off new and upgraded solar systems during emergency system security events to avoid widespread blackouts.

Asset Investment

DPV Management

Over 2021-22 and 2022-23, Synergy will invest a total of \$3.6 million to purchase and install the ICT platform that will allow it to undertake the DPV management function.

Western Power

Asset Investment

Relocation and Augmentation of Ageing Network Assets

Western Power will invest \$76.4 million in the relocation and augmentation of ageing network assets in Byford, Kelmscott, Midland and Victoria Park.

Horizon Power

Asset Investment

Utility of the Future

Horizon Power will invest \$23.8 million over the forward estimates in the Utility of the Future program, a suite of digital transformation projects in its enterprise, technology, customer, and operational areas. This digital investment will allow \$1 million of asset investment program savings in 2024-25.

Remote Towns Generation Facilities

At the conclusion of its Remote Towns power purchase agreement in 2021-22, Horizon Power will buy out and undertake upgrades of up to \$3.7 million on generation assets in Laverton, Menzies and Gascoyne Junction.

Water Corporation

Expenses

Burrup Seawater Supply Scheme

The Water Corporation will receive a \$2 million operating subsidy in 2024-25 to meet electricity costs to operate water pumps for the Burrup Seawater Supply Scheme.

Asset Investment

Burrup Seawater Supply Scheme

To upgrade the Burrup Seawater Supply Scheme in the Burrup Strategic Industrial Area, the Water Corporation will invest a further \$88.4 million over the forward estimates. This forms part of a \$300 million package of common-user infrastructure upgrades to support Perdaman's proposed \$4.5 billion urea project on the Burrup Peninsula.

Relocation and Augmentation of Ageing Water Assets

To relocate and augment ageing water assets in Byford, Kelmscott, Midland and Victoria Park, the Water Corporation will invest \$26.4 million over 2021-22 to 2023-24.

National Water Grid Fund

The Water Corporation will invest \$7.6 million over 2021-22 to 2023-24 in multiple water infrastructure projects, with funding secured from the Commonwealth Government's National Water Grid Fund.

Desalination Plant

The Water Corporation will spend \$3.8 million in 2021-22 from its retained divided balance to commence desalination plant design and integration requirements.

Bunbury Water Corporation (Aqwest)

Asset Investment

Bunbury Water Resource Recovery Scheme

Aqwest will invest an additional \$11.1 million over 2021-22 and 2022-23 for the Bunbury Water Resource Recovery Scheme project, which will provide recycled water for use on major infrastructure projects and irrigation of public open spaces. This brings the total cost of this project to \$28 million.

Planning for Fluoridation of Aqwest's Water Network

An equity injection totalling \$600,000 will be provided to Aqwest in 2021-22 for the design and specification requirements to fluoridate Aqwest's water network.

PROVISIONS

MAJOR SPENDING CHANGES

Table 3.13

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
PROVISIONS				
Expenses				
Climate Action Initiatives				
Native Forestry Just Transition Plan	-	9.8	17.3	20.0
Climate Action Fund: Future Climate-related Initiatives	-	-12.0	-18.0	-20.0
Hydrogen Industry Initiatives				
Pilbara Hydrogen Hub ^(a)	-	0.8	0.8	0.8
Mid West Hydrogen Hub	-	2.0	2.0	1.0
Climate Action Fund: Renewable Hydrogen Initiatives	-	-5.0	-13.0	-17.0
COVID-19 Test Isolation Payment	30.0	50.0	-	-
Digital Capability Fund	-19.5	-29.3	-27.1	-27.0
General Government Recurrent Expenditure Provision	-567.1	-	-	-
Industrial Agreements	3.7	101.6	204.9	250.1
Asset Investment				
Asset Investment Program Smoothing Provision	-300.0	-300.0	-400.0	1,000.0
Hydrogen Industry Initiatives				
Pilbara Hydrogen Hub ^(a)	-	16.9	16.9	16.9
Mid West Hydrogen Hub	-	4.0	10.0	10.0
Digital Capability Fund	-15.3	-53.1	-62.4	-43.5

(a) Held against the Royalties for Regions Fund administered by the Department of Primary Industries and Regional Development.

Expenses

Climate Action Initiatives

As part of the Government's Native Forestry Just Transition Plan, a provision of \$50 million has been allocated over 2022-23 to 2024-25 to support workers, businesses and communities through the transition from native forestry to softwood plantations. This allocation has been made from the Climate Action Fund: Future Climate-related Initiatives provision which was established in the 2021-22 Budget.

As part of this Mid-year Review, the Government has allocated \$3 million towards Just Transition Plan initiatives, including \$2.4 million to the Department of Jobs, Tourism, Science and Innovation, and \$533,000 to the Department of Primary Industries and Regional Development (South West Development Commission).

Hydrogen Industry Initiatives

Pilbara Hydrogen Hub

To support the State's application for matching funding to establish a renewable hydrogen hub in the Pilbara (through the Commonwealth's Clean Hydrogen Industrial Hubs Program), a \$70 million provision in the Royalties for Regions program has been included over 2022-23 to 2025-26 (including \$16.9 million capital investment in 2025-26). The provision will assist with the development of a hydrogen or ammonia pipeline connecting the Maitland and Burrup Strategic Industrial Areas, create a Clean Energy Training and Research Institute based out of both Karratha and Port Hedland, and support port upgrades to facilitate trade opportunities.

Mid West Hydrogen Hub

In addition to the Pilbara Hydrogen Hub provision, a \$40 million provision (\$6 million recurrent expenditure and \$34 million asset investment) over 2022-23 to 2025-26 has been included in this Mid-year Review to support the State's application for matching Commonwealth funding for a Mid West Hydrogen Hub. The State's contribution has been allocated from the \$50 million Climate Action Fund: Renewable Hydrogen Initiatives provision established in the 2021-22 Budget.

A further \$7.5 million for the Oakajee Strategic Industrial Area access road, approved in the 2021-22 Budget, forms part of the State's funding bid. The Mid West Hydrogen Hub proposal includes construction of renewable energy and road infrastructure at the Oakajee Strategic Industrial Area, power and water connections, and other works to develop hydrogen refuelling infrastructure.

COVID-19 Test Isolation Payment

To support the reopening of Western Australia's borders, the Government has provisioned \$80 million for a COVID-19 Test Isolation Payment (TIP) and its administration. The TIP, set at \$160 a day for two days, will be implemented following border reopening. The payment will provide financial support while an individual (or someone they are caring for) self-isolates while waiting for the results of a COVID-19 test. The measure ensures that those who do not have access to leave entitlements (mainly casual employees) can access support in line with the minimum wage whilst isolated and awaiting test results.

Digital Capability Fund

In this Mid-year Review, \$277 million of the Digital Capability Fund expenditure provision established in the 2021-22 Budget (\$103 million recurrent and \$174 million capital spending) has been allocated to agencies to deliver a range of digital transformation and ICT system projects. Details of the specific projects funded from these allocations are included in agency disclosures earlier in this appendix.

There is \$187 million remaining in the Digital Capability Fund provision.

General Government Recurrent Expenditure Provision

The 2021-22 Budget included an \$800 million general government recurrent expenditure provision as an allowance for unforeseen spending which may arise during 2021-22. Since the Budget, \$567 million of the provision has been allocated to a range of agencies and initiatives – including \$101.5 million for the Reconnect WA initiative, \$362.9 million to WA Health for hospital and COVID-19 related costs, and \$80 million to fund a COVID-19 Test Isolation Payment (see above).

The cost of operating a new quarantine facility in Western Australia (the value of which is undisclosed at this time to protect the State's negotiating position) is also anticipated to be met from the provision. The cost of constructing this new purpose-built facility will be met by the Commonwealth.

Industrial Agreements

A provision totalling \$1.2 billion over 2021-22 to 2024-25 has been factored into the forward estimates to support implementation of the Government's new wages policy (see feature box in Chapter 1). This comprises \$560 million approved as part of this Mid-year Review and a \$631 million provision included at the time of the 2021-22 Budget.

Asset Investment

Asset Investment Program Smoothing Provision

Acknowledging the challenges of delivering a record Asset Investment Program in a heated construction market, this Mid-year Review includes a provision to account for yet-to-be identified movements in the timing of spending across the program. Changes in the timing of aggregate asset investment spending are assumed to be caught up by 2024-25, making this provision neutral in net debt terms over the forward estimates period. This provision will be updated as part of the 2022-23 Budget process to reflect the latest information on agency infrastructure programs.

Hydrogen Industry Initiatives

Pilbara Hydrogen Hub

See above.

Mid West Hydrogen Hub

See above.

Digital Capability Fund

See above.

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.

In cash terms, the Consolidated Account is forecast to be overdrawn by \$4.8 billion at 30 June 2022, a \$1.2 billion increase on the \$3.7 billion cash deficit balance projected in the Budget. This primarily reflects lower royalty revenue (discussed in Chapter 1: *Financial Projections and Strategy*).

Reflecting the Government's decision to apply 2021-22 dividends from the Insurance Commission of Western Australia and the Western Australian Treasury Corporation to debt repayment, State borrowings held by the Consolidated Account are forecast to decrease by \$0.6 billion across the forward estimates period, and are projected to be \$25 billion at 30 June 2025. This remains below the \$34.5 billion cumulative limit approved by the *Loan Act 2017* and preceding Loan Acts¹.

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.

2021-22 Government Mid-year Financial Projections Statement

Table 4.1

CONSOLIDATED ACCOUNT TRANSACTIONS

	2020-21	2021-22	2021-22	2022-23	2023-24	2024-25
	Actual	Budget Estimate	Mid-year Revision	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
REVENUE						
<i>Operating Activities</i>						
Taxation	7,905	7,965	8,879	8,279	8,410	8,734
Commonwealth Grants	5,165	7,381	7,095	7,018	8,295	7,546
Government Enterprises	2,334	1,398	1,513	2,172	2,329	2,437
Revenue from other agencies	12,029	14,088	12,638	7,626	7,767	7,966
Other	545	542	560	496	483	454
Total Operating Activities	27,979	31,373	30,685	25,591	27,284	27,137
<i>Financing Activities</i>						
Repayments of Recoverable Advances	-	-	-	-	-	-
Transfers from the Debt Reduction Account	1,547	2,115	2,115	-	-	-
Borrowings	150	-	-	-	-	-
Other Receipts	7	1	8	1	1	1
Total Financing Activities	1,704	2,116	2,123	1	1	1
TOTAL REVENUE	29,683	33,489	32,808	25,591	27,284	27,137
EXPENDITURE						
<i>Recurrent</i>						
Authorised by Other Statutes	2,491	2,542	2,547	2,359	2,395	2,517
Appropriation Act (No. 1)	22,536	23,809	23,730	22,716	22,470	22,879
Recurrent Expenditure under the Treasurer's Advance ^(a)	870	-	412	-	-	-
Total Recurrent Expenditure	25,898	26,351	26,689	25,074	24,866	25,396
<i>Investing Activities</i>						
Authorised by Other Statutes	358	291	291	405	440	404
Appropriation Act (No. 2)	2,311	6,659	6,556	3,411	3,584	2,213
Investing Expenditure under the Treasurer's Advance ^(a)	109	-	291	-	-	-
Total Investing Activities	2,778	6,950	7,137	3,816	4,024	2,617
<i>Financing Activities</i>						
Loan repayments	-	587	587	-	-	-
Appropriation Act (No. 2)	1,547	2,115	2,115	-	-	-
Other financing	6	-	7	-	-	-
Total Financing Activities	1,553	2,703	2,710	-	-	-
TOTAL EXPENDITURE	30,229	36,004	36,537	28,890	28,889	28,013
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-546	-2,515	-3,729	-3,299	-1,605	-876
Consolidated Account Balance						
Opening balance at 1 July	-17,584	-18,180	-18,130	-21,859	-25,158	-26,763
Closing balance at 30 June	-18,130	-20,694	-21,859	-25,158	-26,763	-27,639
<i>Of which:</i>						
Appropriations payable	-15,667	-17,011	-17,018	-18,330	-19,697	-21,081
Cash balance at 30 June	-2,463	-3,683	-4,841	-6,828	-7,066	-6,558

(a) Additional expenditure authorised under the Treasurer's Advance is charged to the Consolidated Account and appropriated accordingly under section 27(3) of the *Financial Management Act 2006* (FMA). This follows amendments to the FMA by the *Financial Legislation Amendment Act 2021* which came into effect on 21 September 2021.

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 2021-22 is \$723.2 million, which is within the \$820.5 million limit for 2021-22 authorised by the FMA². Of this amount, there have been no draw downs for excesses or new items up to the 29 November 2021 cut-off for this Mid-year Review. A \$20 million allowance has been made for net recoverable advances.

Table 4.2 shows the projected position of the Treasurer's Advance at 30 June 2022.

TREASURER'S ADVANCE			Table 4.2
	2020-21 Actual	2021-22 Projection ^(a)	
	\$m	\$m	
AUTHORISED LIMIT	1,439	820.5	
<i>Total projected to be drawn against Treasurer's Advance authorisation</i>	989.3	723.2	
Comprising			
Net recoverable advances as at 30 June	9.7	20.0	
Overdraw n Special Purpose Accounts	-	-	
Excesses and New Items			
- recurrent	870.2	412.3	
- capital	109.3	290.9	

(a) Detailed disclosure of the final audited outcome for 2021-22 will be available in the 2021-22 *Annual Report on State Finances*, due to be released by 28 September 2022.

Note: Columns may not add due to rounding.

Transfers, Excesses and New Items

Table 4.3 details excesses and/or new items that are projected to occur during 2021-22 and the expected impact of these on the Treasurer's Advance under the authority of section 27 of the FMA.

The projections shown in Table 4.3 are subject to movements in agencies' appropriations through the remainder of 2021-22. 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 2022.

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 2021-22, the \$820.5 million limit represents 3% of the total \$27.3 billion appropriated by Appropriation Bills 1 and 2 in the 2020-21 Budget.

2021–22 Government Mid-year Financial Projections Statement

Section 25 of the FMA allows appropriation originally allocated in the 2021-22 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 2021-22 Budget include:

- \$0.1 million from the Office of the Director of Public Prosecutions (ODPP) to the State Solicitor's Office (SSO) following the proclamation of the *High-Risk Serious Offenders Act 2020* and the SSO becoming responsible for the administration of the Act from 1 January 2021, including responsibilities that were previously assumed by the ODPP; and
- \$0.2 million from the Department of the Premier and Cabinet's service appropriation to its appropriation for administered grants and transfer payments to align the treatment of the Gibson Desert Nature Reserve Agreement Settlement Package with that of other Native Title Settlements.

2021-22 TRANSFERS, EXCESSES AND NEW ITEMS

Table 4.3

Item	Budget \$m	Transfers ^(a) \$m	Treasurer's Advance		Revised Appropriation Limit \$m	Draw n against Treasurer's Advance to date ^(b) \$m
			New Items \$m	Approved Excesses \$m		
Recurrent Appropriations						
<i>Parliamentary Services</i>						
Item 3: Delivery of Services	18.1	-	-	0.5	18.6	-
<i>Premier and Cabinet</i>						
Item 5: Delivery of Services	172.1	-0.2	-	10.9	182.8	-
Item 6: Administered Grants, Subsidies and Other Transfer Payments	71.2	0.2	-	_(c)	71.4	-
<i>Public Sector Commission</i>						
Item 7: Delivery of Services	26.2	-	-	0.2	26.4	-
<i>Treasury</i>						
Item 14: Delivery of Services	50.1	-	-	_(c)	50.2	-
Item 15: Bunbury Water Corporation	0.8	-	-	0.1	0.9	-
Item 22: Southern Ports Authority	8.1	-	-	4.3	12.4	-
Item 23: Water Corporation	364.3	-	-	9.5	373.8	-
Item 24: Western Australian Land Authority	249.8	-	-	10.5	260.2	-
Item 27: Jobs, Tourism, Science and Innovation	18.9	-	-	10.0	28.9	-
New Item: COVID-19 Test Isolation Payment	-	-	30.0	-	30.0	-
<i>Finance</i>						
Item 39: Delivery of Services	226.0	-	-	2.7	228.7	-
Item 40: Administered Grants, Subsidies and Other Transfer Payments	1,008.4	-	-	1.0	1,009.4	-
<i>Jobs, Tourism, Science and Innovation</i>						
Item 41: Delivery of Services	248.5	-	-	25.5	274.0	-
<i>Primary Industries and Regional Development</i>						
Item 43: Delivery of Services	236.8	-	-	6.3	243.1	-
<i>WA Health</i>						
Item 52: Delivery of Services	5,580.8	-	-	227.2	5,808.0	-
<i>Mental Health Commission</i>						
Item 53: Delivery of Services	819.1	-	-	3.8	822.8	-
<i>Health and Disability Services Complaints Office</i>						
Item 57: Delivery of Services	2.7	-	-	_(c)	2.7	-
<i>Education</i>						
Item 58: Delivery of Services	4,266.7	-	-	25.0	4,291.7	-
<i>Training and Workforce Development</i>						
Item 60: Delivery of Services	415.1	-	-	0.4	415.5	-
<i>Western Australia Police Force</i>						
Item 61: Delivery of Services	1,478.4	-	-	8.4	1,486.8	-
<i>State Solicitor's Office</i>						
Item 63: Delivery of Services	29.2	0.1	-	0.4	29.7	-
<i>Fire and Emergency Services</i>						
Item 64: Delivery of Services	53.8	-	-	6.8	60.6	-
Item 65: Administered Grants, Subsidies and Other Transfer Payments	167.0	-	-	10.0	177.0	-

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

Table 4.3 (cont.)

2021-22 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			
<i>Office of the Director of Public Prosecutions</i>							
Item 66: Delivery of Services	42.8	-0.1	-	1.9		44.6	-
<i>Communities</i>							
Item 71: Delivery of Services	1,955.1	-	-	4.3		1,959.4	-
<i>Local Government, Sport and Cultural Industries</i>							
Item 73: Administered Grants, Subsidies and Other Transfer Payments	84.6	-	-	7.5		92.1	-
<i>Transport</i>							
Item 80: Delivery of Services	87.5	-	-	3.1		90.6	-
<i>Planning, Lands and Heritage</i>							
Item 85: Delivery of Services	105.5	-	-	1.6		107.0	-
<i>Western Australian Land Information Authority</i>							
Item 87: Delivery of Services	39.5	-	-	0.5		40.0	-
Total Recurrent		-	30.0	382.3			-
Capital Appropriations							
<i>Treasury</i>							
<i>Government Equity Contributions</i>							
Item 103: Electricity Networks Corporation (Western Power)	170.1	-	-	6.3		176.5	-
Item 106: Pilbara Ports Authority	50.0	-	-	5.1		55.1	-
Item 109: WA Health	27.0	-	-	149.0		176.0	-
New Item: Water Corporation	-	-	22.9	-		22.9	-
New Item: Bunbury Water Corporation	-	-	10.2	-		10.2	-
New Item: Mid West Ports Authority	-	-	3.0	-		3.0	-
New Item: Electricity Generation and Retail Corporation (Synergy)	-	-	5.0	-		5.0	-
<i>Finance</i>							
Item 118: Capital Appropriation	6.2	-	-	1.9		8.1	-
<i>WA Health</i>							
Item 124: Capital Appropriation	257.9	-	-	27.3		285.2	-
<i>Education</i>							
Item 127: Capital Appropriation	351.8	-	-	0.6		352.4	-
<i>Training and Workforce Development</i>							
Item 128: Capital Appropriation	43.7	-	-	1.1		44.8	-
<i>Western Australia Police Force</i>							
Item 129: Capital Appropriation	64.4	-	-	2.0		66.4	-
<i>Local Government, Sport and Cultural Industries</i>							
Item 138: Capital Appropriation	23.0	-	-	19.1		42.1	-
Item 139: Art Gallery of Western Australia	0.5	-	-	2.1		2.6	-

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

2021-22 TRANSFERS, EXCESSES AND NEW ITEMS

Table 4.3 (cont.)

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	Excesses \$m		
<i>Western Australian Sports Centre Trust</i>							
Item 140: Capital Appropriation	28.9	-	-	0.9		29.8	-
<i>Transport</i>							
Item 141: Capital Appropriation	426.0	-	-	3.4		429.4	-
<i>Commissioner of Main Roads</i>							
Item 142: Capital Appropriation	107.9	-	-	31.0		138.9	-
Total Capital		-	41.1	249.8			-
TOTAL		-	71.1	632.1			-

(a) Authorised under section 25 of the FMA.

(b) Mid-year Review cut-off date, 29 November 2021.

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

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

