



Quarterly Financial Results Report

2022-23

September 2022



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Acknowledgement of Country

The Government of Western Australia acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of Aboriginal communities and their cultures; and to Elders past and present.

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2022-23

Quarterly Financial Results Report
Three Months Ended 30 September 2022

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Foreword

This *Quarterly Financial Results Report* (QFRR) provides financial results for the Western Australian public sector for the three months to 30 September 2022.

Care should be exercised in extrapolating the likely outcome for the 2022-23 year based on the quarterly results to date, particularly in light of the seasonal and other timing factors that impact the State's finances. For example, the timing of grant revenue (from the Commonwealth), grant payments, and goods and services purchases and sales by agencies can be volatile, making comparisons between quarterly reporting periods difficult.

The presentation in this report is consistent with that used in the 2022-23 Budget (presented to the Legislative Assembly on 12 May 2022).

The financial statements in this report have been prepared in accordance with applicable Australian Accounting Standards including AASB 134: *Interim Financial Reporting* and AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

In addition to the *Overview*, which outlines factors impacting the State's finances relative to the same period last year, this report includes:

- Appendix 1: *Interim Financial Statements*, which details general government and total public sector financial statements;
- Appendix 2: *Operating Revenue*, which discloses detail of general government and total public sector operating revenue;
- Appendix 3: *Public Ledger*, which summarises information on the Consolidated Account, Treasurer's Special Purpose Accounts and the Treasurer's Advance;
- Appendix 4: *Special Purpose Accounts*, which details movements in balances for a number of Special Purpose Accounts established for the delivery of key Government policy outcomes; and
- Appendix 5: *General Government Salaries*, which summarises salary outcomes by agency during the reporting period.

Information presented in this QFRR is not audited.

Statement of Responsibility

The following Interim Financial Statements and accompanying notes for the general government sector and the whole-of-government have been prepared by the Department of Treasury from information provided by agencies.

In our opinion, the statements are a true and fair presentation of the operating statements and cash flows of these sectors for the three months ended 30 September 2022 and of the balance sheets of these reporting entities at 30 September 2022. The statements have been prepared in accordance with applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, and where there is no conflict with these standards, they are also consistent with the Australian Bureau of Statistics' *Government Finance Statistics Concepts, Sources and Methods 2015*.

Differences between accounting and economic aggregates are explained in the notes as Convergence Differences, consistent with the requirements of AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.



MICHAEL BARNES PSM
UNDER TREASURER



MAGDALENA WITTEK
MANAGER
FINANCIAL REPORTING

29 November 2022

Overview

Summary

The general government sector operating surplus for the three months to 30 September 2022 was \$1.5 billion, \$2.9 billion lower than the surplus reported in the same period in 2021-22.

- General government revenue for the first three months of 2022-23 was \$1.9 billion lower than the same period last year. This mainly reflects lower royalty income (down \$1 billion, mainly due to an easing in the iron ore price), and lower Commonwealth grants (down \$992 million).
- General government expenses were \$1 billion higher than the September 2021 outcome. This increase reflects higher agency salary and other operating costs, and higher grants and subsidy payments.

Total public sector net debt was \$29 billion at 30 September 2022, \$208 million lower than the outcome recorded at 30 June 2022. During the September 2022 quarter, \$604 million of centrally-held borrowings were repaid through the Debt Reduction Account.

Results Compared to Prior Year

General Government Sector

The general government sector recorded an operating surplus of \$1,478 million for the three months to 30 September 2022, compared to the \$4,403 million surplus reported for the same period in 2021-22.

SUMMARY OF GENERAL GOVERNMENT FINANCES					Table 1
Western Australia					
	2022-23		2021-22		
	Three Months to 30 Sept \$m	Budget Year ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m	
Net operating balance	1,478	1,592	4,403	6,019	
Net worth	134,374	128,045	116,679	131,984	
Movement in cash balances	-326	-2,252	2,847	3,094	
<i>Memorandum items</i>					
Net lending	1,280	308	4,149	4,151	
Net debt	19,065	20,549	19,973	19,269	
Cash surplus/-deficit	760	1,573	3,013	5,240	

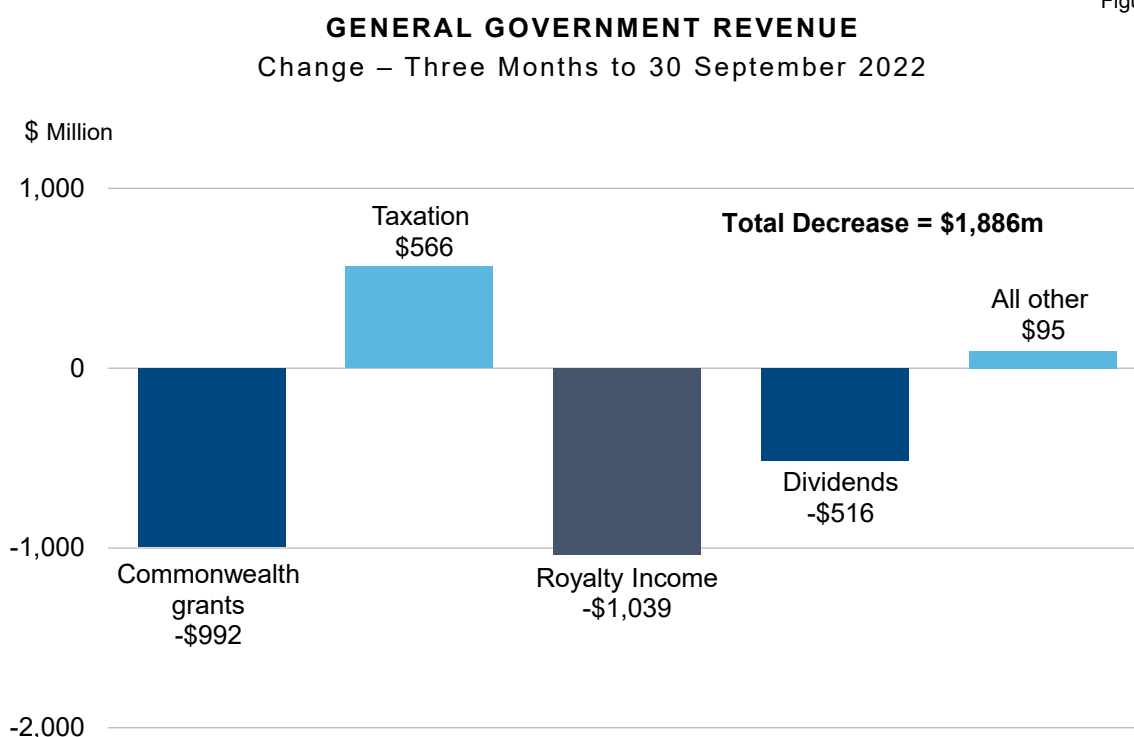
(a) 2022-23 Budget estimates released on 12 May 2022.

(b) Final audited data contained in the 2021-22 *Annual Report on State Finances*, released 28 September 2022.

Revenue

Revenue for the three months to 30 September 2022 totalled \$10.9 billion, \$1.9 billion lower than the same period last year.

Figure 1



The lower revenue outcome for the September 2022 quarter reflects the net impact of:

- lower royalty income (down \$1,039 million), largely due to:
 - a lower iron ore price - the benchmark iron ore price averaged \$US103.5 per tonne in the three months to 30 September 2022, compared to an average price of \$US163.8 in the same period in 2021-22; partly offset by
 - a lower \$US/\$A exchange rate - the exchange rate averaged US68.3 cents in the three months to 30 September 2022, compared to an average of US73.5 cents for the corresponding period last year;

Figure 2

IRON ORE PRICE

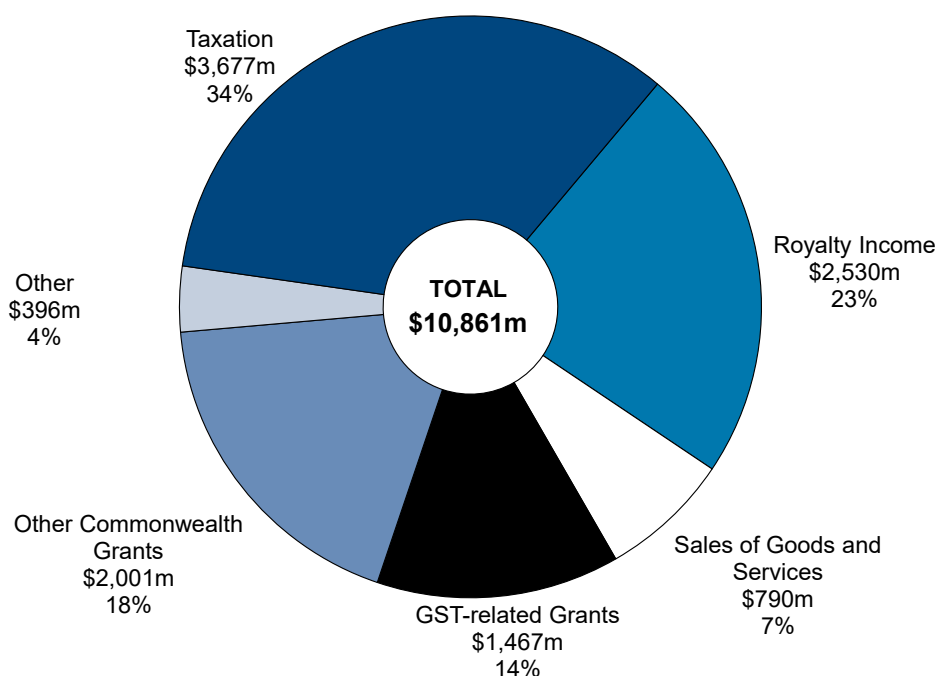


- lower Commonwealth funding (down \$992 million), mainly due to the combined impact of:
 - lower GST grants (down \$1,439 million). Western Australia received its last lump-sum 70% GST top-up payment under Commonwealth GST reforms during the first quarter of 2021-22. The GST top-up payments are now received incrementally over 12 months each year, along with other GST receipts. Partially offsetting this timing effect was growth in the national GST pool, and an increase in Western Australia's population share of that revenue (due to a recent adjustment following the 2021 Census outcome);
 - higher North West Shelf royalty grants and compensation for condensate excise (up \$296 million), due to higher oil and gas prices and production volumes, and the impact of the lower exchange rate;
 - higher capital funding for transport infrastructure projects (up \$79 million); and
 - higher health funding under the National Partnership on COVID-19 Response and National Health Reform (up a combined \$70 million);
- higher tax collections (up \$566 million), largely due to:
 - higher land tax and Metropolitan Region Improvement Tax collections (up \$257 million), reflecting the timing of the issuance of land tax assessments;

- higher payroll tax collections (up \$175 million), reflecting the strength of the State's labour market, particularly in the resources sector; and
- higher insurance duty (up \$50 million), reflecting higher premiums; and
- lower dividend income (down \$516 million), mainly due to the timing of the Insurance Commission of Western Australia's interim dividend accrual in the September 2021 quarter (which included Bell Group settlement proceeds transferred to the Consolidated Account).

Figure 3

GENERAL GOVERNMENT REVENUE ^(a)
Three Months to 30 September 2022



(a) Segments may not add due to rounding.

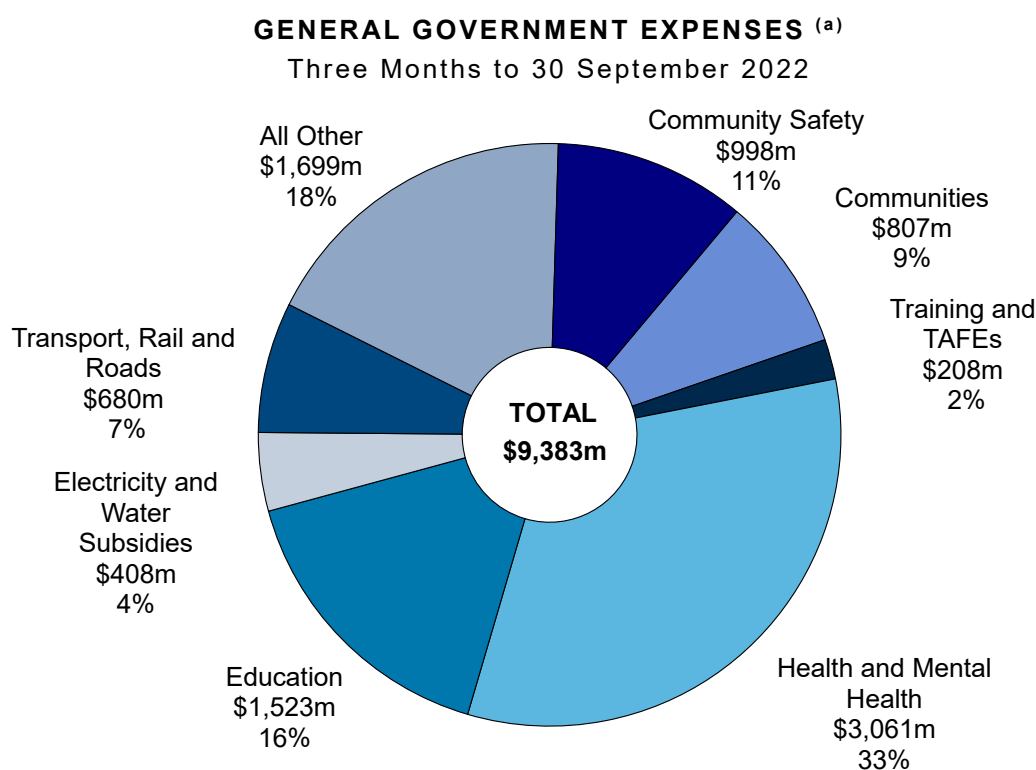
Expenses

Expenses for the three months to 30 September 2022 totalled \$9.4 billion, up \$1 billion compared to the same period in 2021-22. The increase in spending for the three months to 30 September 2022 mainly reflects:

- higher 'other' gross operating expenses (up \$320 million), largely due to COVID-19 and higher patient support costs in the health sector, and increases in insurance premiums across general government agencies;

- higher current and capital transfers (up \$312 million), which largely reflects the combined effect of:
 - higher operating subsidy payments (up \$216 million), mainly to Synergy for the cost of delivering the Government’s \$400 Household Electricity Credit in 2022-23;
 - the carryover of Small Business Hardship Grants and Tenant Rent Relief Scheme payments from 2021-22 (\$145 million);
 - lower State-funded Building Bonus grants (down \$105 million) and Commonwealth-funded HomeBuilder grants (down \$96 million);
 - higher current transfers (up \$48 million), primarily due to a demand-driven increase in the State’s quarterly contribution to the National Disability Insurance Agency;
 - timing of Regional Community Services funding (up \$40 million) to the Public Transport Authority; and
 - timing of appropriations to the Housing Authority (up \$30 million); and
- higher salaries (up \$209 million), largely reflecting an increase in staff numbers across the health and education sectors.

Figure 4



(a) Segments may not add due to rounding.

Balance Sheet

At \$134.4 billion, general government sector net worth¹ increased by \$2.4 billion during the three months to 30 September 2022. This outcome is mainly due to:

- an increase in the value of equity in public corporations (up \$1.2 billion), reflecting increases in the value of the sector's significant physical asset holdings;
- the repayment of \$604 million of Consolidated Account borrowings (reflecting the Government's 2022-23 Budget decision to repay debt following the stronger than expected operating surplus in 2021-22);
- a \$399 million increase in general government sector non-financial assets, mainly due to the net impact of valuation changes for the year ended 30 June 2022, depreciation charges, disposal of used assets and investment in new infrastructure; and
- a net \$692 million reduction across all other classes of liabilities, mainly due to timing factors.

Cash Flow

A cash surplus of \$760 million was recorded by the general government sector for the three months to 30 September 2022, \$2,254 million lower than the cash surplus recorded for the same period in 2021-22. This outcome is mainly due to the impact on cash of the lower operating surplus detailed earlier.

¹ Net worth is the widest measure of financial value of the public sector and includes the value of all assets less the value of all liabilities recorded on the balance sheet.

Total Public Sector

Operating Statement

The total public sector recorded an operating surplus of \$1,215 million for the three months to 30 September 2022, \$3.1 billion lower than the surplus recorded in the same period in 2021-22.

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES Western Australia

Table 2

	2022-23		2021-22	
	Three Months to 30 Sept \$m	Budget Year ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
Net operating balance	1,215	1,206	4,286	6,419
Net worth	134,374	128,045	116,679	131,984
Movement in cash balances	-211	-2,662	1,913	2,750
<i>Memorandum items</i>				
Net lending	1,755	-2,415	4,132	3,052
Net debt	28,998	31,105	30,320	29,206
Cash surplus/-deficit	666	-1,027	3,160	4,655

(a) 2022-23 Budget estimates released on 12 May 2022.

(b) Final audited data contained in the 2021-22 *Annual Report on State Finances*, released on 28 September 2022.

The total public sector operating surplus for the three months to 30 September 2022 includes:

- the \$1,478 million operating surplus for the general government sector outlined earlier;
- an operating deficit of \$684 million for the public non-financial corporations sector, \$655 million higher than the \$29 million deficit recorded in the same period in 2021-22. This is mainly due to lower profitability for Synergy (largely reflecting timing issues), and higher depreciation costs associated with upward valuations of assets across a number of agencies; and
- an operating surplus of \$421 million for the public financial corporations sector, broadly in line with the surplus recorded in the same period in 2021-22.

Table 3

TOTAL PUBLIC SECTOR OPERATING BALANCE
By Sector

	2022-23		2021-22	
	Three Months to 30 Sept \$m	Budget Year ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
Net Operating Balance				
General government sector	1,478	1,592	4,403	6,019
Public non-financial corporations sector	-684	1,037	-29	714
Public financial corporations sector	421	152	426	437
<i>less</i>				
General government dividend revenue	-	1,476	516	612
Public non-financial corporations dividend revenue ^(c)	-	101	-	142
Agency depreciation costs on right of use assets leased from other government sectors ^(d)	-	-2	-1	-3
Total public sector net operating balance	1,215	1,206	4,286	6,419

(a) 2022-23 Budget estimates released on 12 May 2022.

(b) Final audited outcomes contained in the 2021-22 *Annual Report on State Finances*, released on 28 September 2022.

(c) Dividends received from Keystart (a public financial corporation) by the Housing Authority (a public non-financial corporation).

(d) Depreciation costs incurred by agencies for right of use assets leased from other agencies within the same sub-sector of government are eliminated 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.

Balance Sheet

The value of the total public sector balance sheet (measured by net worth, or total assets less total liabilities) is identical to that of the general government sector (discussed earlier). This is because the net worth of the public corporations sectors is recognised as an investment asset of the general government sector.

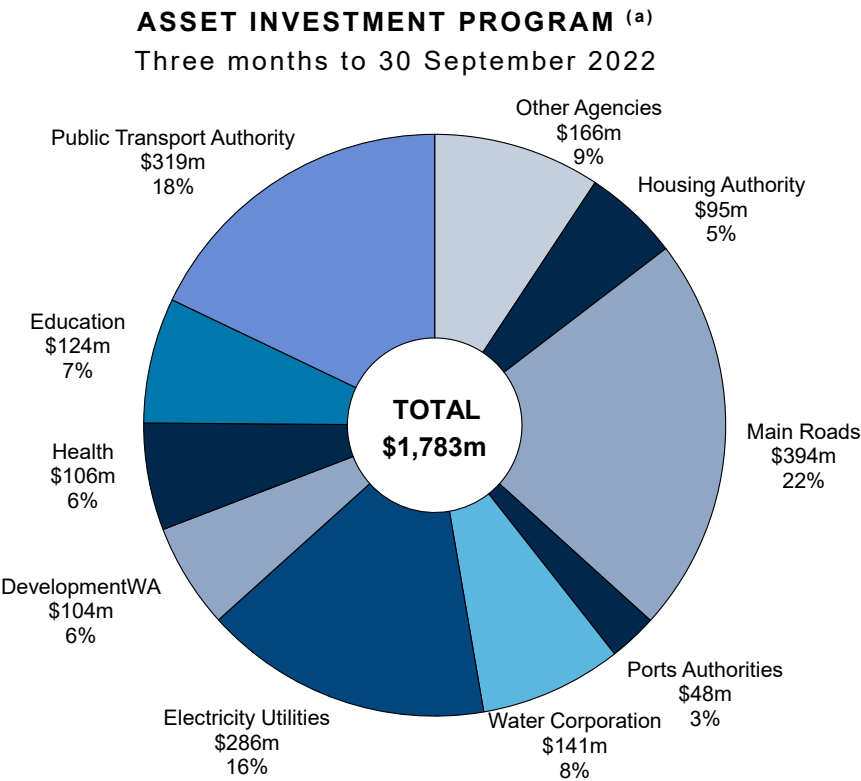
Total public sector net debt decreased by \$208 million during the three months to 30 September 2022 to stand at \$29 billion. This mainly reflects movements in cash and cash equivalent assets during the quarter.

Cash Flow

A cash surplus of \$666 million was recorded for the three months to 30 September 2022, \$2.5 billion lower than the surplus recorded for the same period in 2021-22. The lower outcome mainly reflects the impact on cash of the lower general government operating surplus discussed earlier, partly offset by a \$297 million increase in infrastructure spending in the September 2022 quarter.

Higher infrastructure spending during the September 2022 quarter was mainly attributable to higher spending by the Public Transport Authority on METRONET projects and increased investment in electricity assets by Western Power, Horizon Power and Synergy.

Figure 5



(a) Segments may not add due to rounding.

Interim Financial Statements

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Introduction

Financial information presented in this appendix has been prepared in accordance with Australian Accounting Standards and pronouncements, including AASB 134: *Interim Financial Reporting*, AASB 1049: *Whole of Government and General Government Sector Financial Reporting*, and requirements under section 14A(3) of the *Government Financial Responsibility Act 2000*. To facilitate comparisons between estimates and outturns, the formats used in this report are the same as those used in the Western Australian Government's 2022-23 Budget Papers, presented to the Legislative Assembly on 12 May 2022.

The Operating Statement, Balance Sheet and Cash Flow Statement information also comply with Uniform Presentation Framework (UPF) disclosure requirements by reporting the finances of the general government sector and the total public sector. Other UPF disclosure requirements are included in the notes to the financial statements, and in Appendix 2 of this report.

Table 1.1

GENERAL GOVERNMENT OPERATING STATEMENT

		2022-23		2021-22	
	Note	Three Months to 30 Sept \$m	Budget Year (a) \$m	Three Months to 30 Sept \$m	Actual (b) \$m
RESULTS FROM TRANSACTIONS					
REVENUE					
Taxation		3,677	11,111	3,111	11,634
Current grants and subsidies		3,221	11,850	4,243	11,946
Capital grants		247	2,285	217	1,515
Sales of goods and services		790	3,050	733	3,027
Interest Income		59	133	22	127
Revenue from public corporations					
Dividends from other sectors		-	1,476	516	612
Tax equivalent income		147	779	155	906
Royalty income		2,530	7,093	3,569	11,091
Other		189	652	182	799
Total	2	10,861	38,428	12,747	41,658
EXPENSES					
Salaries		3,721	14,713	3,512	14,279
Superannuation					
Concurrent costs		383	1,569	344	1,469
Superannuation interest cost		44	181	21	75
Other employee costs		80	348	101	327
Depreciation and amortisation		490	1,978	439	1,846
Services and contracts		743	3,502	653	2,877
Other gross operating expenses		1,824	5,952	1,504	6,337
Interest					
Interest on leases		34	127	33	133
Other interest		174	636	159	646
Current transfers	3	1,830	7,092	1,297	6,662
Capital transfers	3	61	737	282	988
Total		9,383	36,836	8,344	35,638
NET OPERATING BALANCE		1,478	1,592	4,403	6,019
<i>Other economic flows - included in the operating result</i>					
Net gains on assets/liabilities		-5	-112	5	-149
Provision for doubtful debts		-	-17	-3	-9
Changes in accounting policy/adjustments of prior periods		30	-	-233	-379
Total other economic flows		25	-129	-232	-537
OPERATING RESULT		1,503	1,463	4,171	5,482
<i>All other movements in equity</i>					
<i>Items that will not be reclassified to operating result</i>					
Revaluations		99	1,615	-615	6,379
Net actuarial gains/-loss - superannuation		12	-111	13	769
Gains recognised directly in equity		-10	-43	-	-
Change in net worth of the public corporations sectors		786	765	527	6,771
All other		-	-	-	-
Total all other movements in equity		886	2,226	-75	13,919
TOTAL CHANGE IN NET WORTH		2,390	3,690	4,097	19,402
KEY FISCAL AGGREGATES					
NET OPERATING BALANCE		1,478	1,592	4,403	6,019
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		790	3,623	723	3,308
Changes in inventories		-83	-297	1	421
Other movement in non-financial assets		8	4	-	94
<i>less:</i>					
Sales of non-financial assets		27	68	32	110
Depreciation		490	1,978	439	1,846
Total net acquisition of non-financial assets		198	1,284	255	1,868
NET LENDING/-BORROWING		1,280	308	4,149	4,151

(a) 2022-23 Budget estimates released on 12 May 2022.

(b) Final audited outcomes contained in the 2021-22 Annual Report on State Finances, released on 28 September 2022.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.2

GENERAL GOVERNMENT BALANCE SHEET

		For the period ending			
		30 Sept	30 June	30 Sept	30 June
	Note	2022	2023 ^(a)	2021	2022 ^(b)
		\$m	\$m	\$m	\$m
ASSETS					
Financial assets					
Cash and deposits		3,755	5,338	7,674	5,603
Advances paid		701	760	723	708
Investments, loans and placements	5	5,896	4,134	2,235	4,659
Receivables	6	5,710	3,597	6,508	5,568
Shares and other equity					
Investments in other public sector entities - equity method		50,138	44,729	43,108	49,353
Investments in other public sector entities - direct injections		13,334	14,962	11,862	12,934
Investments in other entities		34	30	30	34
Other financial assets		9	9	8	9
Total financial assets		79,578	73,560	72,149	78,868
Non-financial assets					
Land		39,814	39,982	37,286	39,714
Property, plant and equipment		53,641	54,560	47,292	53,231
Right of use assets		2,467	2,226	2,371	2,452
Service concession assets		903	749	790	892
Biological assets		14	54	54	14
Inventories					
Land inventories		-	-	-	-
Other inventories		517	247	180	600
Intangibles		564	611	578	595
Assets classified as held for sale		44	72	87	57
Investment property		-	7	7	-
Other		430	318	488	440
Total non-financial assets		98,394	98,825	89,132	97,995
TOTAL ASSETS		177,972	172,385	161,281	176,863
LIABILITIES					
Deposits held		1,040	3,159	1,113	1,271
Advances received		291	328	309	291
Borrowings					
Lease liabilities		2,837	2,614	2,734	2,818
Service concession liabilities		-	5	4	-
Other borrowings		25,250	24,675	26,445	25,858
Unfunded superannuation		4,491	4,570	5,395	4,524
Other employee benefits		3,896	4,021	3,717	4,101
Payables		2,685	2,593	2,246	2,841
Other liabilities		3,108	2,375	2,639	3,174
TOTAL LIABILITIES		43,598	44,340	44,602	44,879
NET ASSETS		134,374	128,045	116,679	131,984
Of which:					
Contributed equity		-	-	-	-
Accumulated surplus		22,065	23,820	18,431	20,557
Other reserves		112,309	104,225	98,248	111,427
NET WORTH		134,374	128,045	116,679	131,984
MEMORANDUM ITEMS					
Net financial worth		35,980	29,220	27,547	33,989
Net financial liabilities		27,492	30,472	27,423	28,298
Net debt					
Gross debt liabilities		29,418	30,781	30,605	30,239
less: liquid financial assets		10,353	10,232	10,632	10,970
Net debt		19,065	20,549	19,973	19,269

(a) 2022-23 Budget estimates released on 12 May 2022.

(b) Final audited outcomes contained in the 2021-22 Annual Report on State Finances, released on 28 September 2022.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.3

GENERAL GOVERNMENT STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 September 2022

	Asset Revaluation Surplus \$m	Accumulated net gain on equity investments in other sector entities \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2022</i>	62,075	49,353	20,557	131,984
Operating result	-	-	1,503	1,503
All other movements in equity	96	786	5	886
<i>Total change in net worth</i>	96	786	1,508	2,390
Balance at 30 September 2022	62,170	50,138	22,065	134,374

For the three months ended 30 September 2021

	Asset Revaluation Surplus \$m	Accumulated net gain on equity investments in other sector entities \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2021</i>	55,702	42,581	14,298	112,582
Operating result	-	-	4,171	4,171
All other movements in equity	-563	527	-39	-74
<i>Total change in net worth</i>	-563	527	4,132	4,097
Balance at 30 September 2021	55,140	43,108	18,431	116,679

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

Table 1.4

GENERAL GOVERNMENT CASH FLOW STATEMENT

	2022-23		2021-22	
	Three Months to 30 Sept \$m	Budget Year ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Cash received</i>				
Taxes received	3,096	11,128	2,614	11,332
Grants and subsidies received	3,606	16,087	4,766	15,637
Receipts from sales of goods and services	858	2,983	823	3,007
Interest receipts	45	130	20	111
Dividends and tax equivalents	194	2,298	196	1,544
Other	3,755	10,497	4,463	14,271
<i>Total cash received</i>	<i>11,553</i>	<i>43,123</i>	<i>12,881</i>	<i>45,903</i>
<i>Cash paid</i>				
Wages, salaries and supplements, and superannuation	-4,364	-16,539	-4,129	-15,848
Payments for goods and services	-2,791	-9,624	-2,513	-9,876
Interest paid	-189	-730	-184	-752
Grants and subsidies paid	-2,075	-9,416	-1,813	-8,852
Dividends and tax equivalents	-	-	-	-
Other	-611	-1,686	-536	-2,136
<i>Total cash paid</i>	<i>-10,030</i>	<i>-37,995</i>	<i>-9,176</i>	<i>-37,464</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,524	5,127	3,705	8,439
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Cash flows from investments in non-financial assets</i>				
Purchase of non-financial assets	-790	-3,623	-723	-3,308
Sales of non-financial assets	27	68	32	110
<i>Total cash flows from investments in non-financial assets</i>	<i>-764</i>	<i>-3,555</i>	<i>-692</i>	<i>-3,199</i>
<i>Cash flows from investments in financial assets</i>				
<i>Cash received</i>				
For policy purposes	90	10	4	18
For liquidity purposes	12	44	26	93
<i>Cash paid</i>				
For policy purposes	-479	-2,257	-100	-1,208
For liquidity purposes	-15	-1	-14	-70
<i>Total cash flows from investments in financial assets</i>	<i>-393</i>	<i>-2,203</i>	<i>-83</i>	<i>-1,168</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-1,156	-5,758	-775	-4,366
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Cash received</i>				
Advances received	-	18	-	18
Borrowings	11	127	9	57
Deposits received	-	-	-	-
Other financing receipts	34	20	13	195
<i>Total cash received</i>	<i>45</i>	<i>165</i>	<i>22</i>	<i>270</i>
<i>Cash paid</i>				
Advances paid	-	-18	-	-18
Borrowings repaid	-615	-1,310	-11	-646
Deposits paid	-	-	-	-
Other financing payments	-124	-459	-95	-585
<i>Total cash paid</i>	<i>-739</i>	<i>-1,787</i>	<i>-106</i>	<i>-1,248</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	-694	-1,622	-84	-978
Net increase in cash and cash equivalents	-326	-2,252	2,847	3,094
Cash and cash equivalents at the beginning of the year	10,037	9,571	6,943	6,943
Cash and cash equivalents at the end of the year	9,711	7,319	9,790	10,037
KEY FISCAL AGGREGATES				
Net cash flows from operating activities	1,524	5,127	3,705	8,439
Net cash flows from investing in non-financial assets	-764	-3,555	-692	-3,199
Cash surplus/-deficit	760	1,573	3,013	5,240

(a) 2022-23 Budget estimates released on 12 May 2022.

(b) Final audited outcomes contained in the 2021-22 Annual Report on State Finances, released on 28 September 2022.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.5

TOTAL PUBLIC SECTOR OPERATING STATEMENT

		2022-23		2021-22	
	Note	Three Months to 30 Sept \$m	Budget Year ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
<i>Results from Transactions</i>					
REVENUE					
Taxation		3,545	10,547	2,988	11,065
Current grants and subsidies		3,221	11,850	4,243	11,946
Capital grants		247	2,285	217	1,515
Sales of goods and services		9,718	39,934	9,412	36,437
Interest Income		168	391	104	445
Royalty income		2,530	7,093	3,569	11,091
Other		305	1,132	290	1,276
<i>Total</i>	2	19,734	73,230	20,822	73,776
EXPENSES					
Salaries		4,080	16,183	3,830	15,540
Superannuation					
Concurrent costs		420	1,726	375	1,598
Superannuation interest cost		44	181	21	75
Other employee costs		140	541	91	612
Depreciation and amortisation		1,604	4,622	1,169	4,775
Services and contracts		1,002	4,454	874	3,925
Other gross operating expenses		9,128	37,598	8,574	34,049
Interest					
Interest on leases		52	204	51	203
Other interest		315	1,022	245	986
Other property expenses		-	-	-	-
Current transfers	3	1,664	4,984	1,026	4,737
Capital transfers	3	69	510	279	856
<i>Total</i>		18,519	72,024	16,536	67,357
NET OPERATING BALANCE		1,215	1,206	4,286	6,419
<i>Other economic flows - included in the operating result</i>					
Net gains on assets/liabilities		-131	33	93	-1,013
Provision for doubtful debts		-1	-50	-4	-15
Changes in accounting policy/adjustment of prior periods		26	-	-364	167
<i>Total other economic flows</i>		-105	-17	-275	-861
OPERATING RESULT		1,110	1,190	4,011	5,558
<i>All other movements in equity</i>					
<i>Items that will not be reclassified to operating result</i>					
Revaluations		1,277	2,654	145	13,099
Net actuarial gains/-loss - superannuation		14	-108	14	747
Gains recognised directly in equity		-11	-46	-72	-2
All other		-	-	-	-
<i>Total all other movements in equity</i>		1,280	2,500	86	13,844
TOTAL CHANGE IN NET WORTH		2,390	3,690	4,097	19,402
KEY FISCAL AGGREGATES					
NET OPERATING BALANCE		1,215	1,206	4,286	6,419
<i>Less Net acquisition of non-financial assets</i>					
Purchase of non-financial assets		1,783	8,880	1,486	7,181
Changes in inventories		-628	-256	-104	1,302
Other movement in non-financial assets		42	157	26	187
<i>less:</i>					
Sales of non-financial assets		132	538	85	529
Depreciation		1,604	4,622	1,169	4,775
<i>Total net acquisition of non-financial assets</i>		-540	3,621	154	3,367
NET LENDING-BORROWING		1,755	-2,415	4,132	3,052

(a) 2022-23 Budget estimates released on 12 May 2022.

(b) Final audited outcomes contained in the 2021-22 Annual Report on State Finances, released on 28 September 2022.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.6

TOTAL PUBLIC SECTOR BALANCE SHEET

		For the period ending			
	Note	30 Sept 2022 \$m	30 June 2023 ^(a) \$m	30 Sept 2021 \$m	30 June 2022 ^(b) \$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		6,476	5,300	9,775	8,384
Advances paid		4,028	5,529	5,294	4,423
Investments, loans and placements	5	16,310	19,310	14,293	13,752
Receivables	6	7,053	5,111	7,699	7,264
Equity - investments in other entities		2,362	2,871	2,728	2,302
Other financial assets		16	9	9	16
Total financial assets		36,245	38,130	39,797	36,139
<i>Non-financial assets</i>					
Land		48,349	47,419	45,327	48,613
Property, plant and equipment		118,480	117,083	105,796	116,593
Right of use assets		2,911	2,789	2,842	2,915
Service concession assets		3,129	2,725	995	3,125
Biological assets		211	269	256	212
Inventories					
Land inventories		1,652	1,610	1,916	1,590
Other inventories		6,778	6,345	5,999	7,406
Intangibles		969	1,099	1,081	1,007
Assets classified as held for sale		50	77	87	66
Investment property		14	22	28	14
Other		699	507	702	599
Total non-financial assets		183,242	179,945	165,030	182,140
TOTAL ASSETS		219,487	218,075	204,827	218,280
LIABILITIES					
Deposits held		19	312	13	19
Advances received		291	328	309	291
Borrowings					
Lease liabilities		3,572	3,408	3,445	3,574
Service concession liabilities		321	332	342	325
Other borrowings		51,609	56,864	55,573	51,555
Unfunded superannuation		4,568	4,636	5,472	4,603
Other employee benefits		4,376	4,473	4,177	4,585
Payables		10,015	9,858	9,509	11,119
Other liabilities		10,343	9,819	9,307	10,225
TOTAL LIABILITIES		85,113	90,030	88,148	86,296
NET ASSETS		134,374	128,045	116,679	131,984
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		41,443	45,268	38,046	40,329
Other reserves		92,931	82,777	78,633	91,654
NET WORTH		134,374	128,045	116,679	131,984
MEMORANDUM ITEMS					
<i>Net financial worth</i>					
		-48,868	-51,900	-48,351	-50,157
<i>Net financial liabilities</i>					
		48,868	51,900	48,351	50,157
<i>Net debt</i>					
Gross debt liabilities		55,812	61,244	59,682	55,765
less : liquid financial assets		26,813	30,139	29,362	26,558
Net debt		28,998	31,105	30,320	29,206

(a) 2022-23 Budget estimates released on 12 May 2022.

(b) Final audited outcomes contained in the 2021-22 *Annual Report on State Finances*, released on 28 September 2022.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.7

TOTAL PUBLIC SECTOR STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 September 2022

	Asset Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2022</i>	91,654	40,329	131,984
Operating result	-	1,110	1,110
All other movements in equity	1,276	4	1,280
<i>Total change in net worth</i>	1,276	1,114	2,390
Balance at 30 September 2022	92,931	41,443	134,374

For the three months ended 30 September 2021

	Asset Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2021</i>	78,464	34,118	112,582
Operating result	-	4,011	4,011
All other movements in equity	169	-82	86
<i>Total change in net worth</i>	169	3,928	4,097
Balance at 30 September 2021	78,633	38,046	116,679

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

Table 1.8

TOTAL PUBLIC SECTOR CASH FLOW STATEMENT

	2022-23		2021-22	
	Three Months to 30 Sept \$m	Budget Year ^(a) \$m	Three Months to 30 Sept \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Cash received</i>				
Taxes received	3,007	10,565	2,532	10,760
Grants and subsidies received	3,606	16,087	4,766	15,637
Receipts from sales of goods and services	9,770	28,742	7,089	28,674
Interest receipts	151	395	118	440
Other receipts	4,091	11,771	4,841	15,696
<i>Total cash received</i>	<i>20,624</i>	<i>67,560</i>	<i>19,345</i>	<i>71,208</i>
<i>Cash paid</i>				
Wages, salaries and supplements, and superannuation	-4,773	-18,161	-4,498	-17,251
Payments for goods and services	-9,895	-29,363	-6,953	-29,104
Interest paid	-353	-1,176	-386	-1,413
Grants and subsidies paid	-1,559	-6,507	-1,566	-6,636
Other payments	-1,727	-5,039	-1,381	-5,497
<i>Total cash paid</i>	<i>-18,308</i>	<i>-60,245</i>	<i>-14,784</i>	<i>-59,901</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,317	7,316	4,561	11,307
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Cash flows from investments in non-financial assets</i>				
Purchase of non-financial assets	-1,783	-8,880	-1,486	-7,181
Sales of non-financial assets	132	538	85	529
<i>Total cash flows from investments in non-financial assets</i>	<i>-1,651</i>	<i>-8,342</i>	<i>-1,401</i>	<i>-6,653</i>
<i>Cash flows from investments in financial assets</i>				
<i>Cash received</i>				
For policy purposes	90	10	4	18
For liquidity purposes	1,530	8,378	4,480	10,863
<i>Cash paid</i>				
For policy purposes	-81	-60	-3	-21
For liquidity purposes	-2,485	-8,832	-2,260	-8,709
<i>Total cash flows from investments in financial assets</i>	<i>-948</i>	<i>-504</i>	<i>2,221</i>	<i>2,151</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-2,598	-8,846	819	-4,502
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Cash received</i>				
Advances received	-	54	-	-
Borrowings	3,950	19,576	5,475	22,466
Deposits received	-	-	-	-
Other financing receipts	35	55	15	191
<i>Total cash received</i>	<i>3,985</i>	<i>19,685</i>	<i>5,490</i>	<i>22,658</i>
<i>Cash paid</i>				
Advances paid	-	-18	-	-18
Borrowings repaid	-3,768	-20,360	-8,839	-26,077
Deposits paid	-	-	-	-
Other financing payments	-147	-439	-118	-618
<i>Total cash paid</i>	<i>-3,915</i>	<i>-20,817</i>	<i>-8,957</i>	<i>-26,713</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	70	-1,132	-3,467	-4,055
Net increase in cash and cash equivalents	-211	-2,662	1,913	2,750
Cash and cash equivalents at the beginning of the year	15,351	15,051	12,600	12,600
Cash and cash equivalents at the end of the year	15,139	12,389	14,513	15,351
KEY FISCAL AGGREGATES				
Net cash flows from operating activities	2,317	7,316	4,561	11,307
Net cash flows from investing in non-financial assets	-1,651	-8,342	-1,401	-6,653
Cash surplus/-deficit	666	-1,027	3,160	4,655

(a) 2022-23 Budget estimates released on 12 May 2022.

(b) Final audited outcomes contained in the 2021-22 Annual Report on State Finances, released on 28 September 2022.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Notes to the Interim Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

The financial statements in this appendix constitute general purpose financial statements for the general government sector and the whole-of-government. The whole-of-government is also known as the total public sector.

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

(b) The Reporting Entity

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

The total public sector includes the general government sector and the public corporations sectors. The general government sector consists of those agencies and Crown entities that provide services that are predominantly funded from central revenue. Public corporations generally seek to recover the majority of the costs of operations through user charges and other own-source revenue.

(c) Basis of Preparation

The financial statements for the three months ended 30 September 2022 have been prepared in accordance with Australian Accounting Standards, in particular AASB 134: *Interim Financial Reporting*, and AASB 1049: *Whole of Government and General Government Sector Financial Reporting* and other authoritative pronouncements of the AASB.

This interim financial report does not include all the note disclosures that are included in an annual financial report. Accordingly, this report is to be read in conjunction with the audited Consolidated Financial Statements for the year ended 30 June 2022, presented in Appendix 1 of the 2021-22 *Annual Report on State Finances* (ARSF) released on 28 September 2022. The accounting policies adopted in this publication are consistent with those outlined in the 2021-22 ARSF. The specific accounting policies of the Government of are described in Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2021-22 *Annual Report on State Finances*.

The Interim Financial Statements are presented in Australian dollars and all amounts are rounded to the nearest million dollars (\$m). As a consequence, totals and sub-totals quoted in this report may not add due to rounding.

(d) Unaudited Data

The Interim Financial Statements are not audited.

NOTE 2: OPERATING REVENUE

A detailed dissection of general government sector and total public sector operating revenue is included in Appendix 2: *Operating Revenue*.

NOTE 3: TRANSFER EXPENSES

Transfer expenses are defined as the provision of something of value for no specific return or consideration and include grants, subsidies, donations, transfers of assets free of charge, etc. The following tables provide detail of current and capital transfer expenses of the general government sector and total public sector.

TRANSFER EXPENSES ^(a)

General Government				
	2022-23		2021-22	
	Three Months to 30 Sept \$m	Budget Year ^(b) \$m	Three Months to 30 Sept \$m	Actual ^(c) \$m
CURRENT TRANSFERS				
Local government	114	366	102	382
Private and not-for-profit sector	632	2,321	491	1,975
Other sectors of government	1,083	4,405	704	4,304
Total Current Transfers	1,830	7,092	1,297	6,662
CAPITAL TRANSFERS				
Local government	15	172	12	93
Private and not-for-profit sector	46	296	260	745
Other sectors of government	1	269	10	150
Total Capital Transfers	61	737	282	988
Total Public Sector				
	2022-23		2021-22	
	Three Months to 30 Sept \$m	Budget Year ^(b) \$m	Three Months to 30 Sept \$m	Actual ^(c) \$m
CURRENT TRANSFERS				
Local government	114	366	102	383
Private and not-for-profit sector	1,274	3,647	697	3,380
Other sectors of government	275	972	227	974
Total Current Transfers	1,664	4,984	1,026	4,737
CAPITAL TRANSFERS				
Local government	15	172	12	93
Private and not-for-profit sector	54	338	267	763
Total Capital Transfers	69	510	279	856

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

(b) 2022-23 Budget estimates released on 12 May 2022.

(c) Final audited outcomes contained in the 2021-22 *Annual Report on State Finances*, released on 28 September 2022.

Note: Columns may not add due to rounding.

NOTE 4: CONVERGENCE DIFFERENCES

Where possible, AASB 1049 harmonises GFS and accounting concepts into a single presentation. Where harmonisation cannot be achieved as a result of differences in definition, recognition, measurement, classification and consolidation principles and rules, a convergence difference arises.

Full convergence on GFS and Generally Accepted Accounting Principles (GAAP) has not been achieved. This means that there are some differences between AASB 1049 aggregates in this report and the GFS information that the ABS reports.

The following outlines the key convergence differences.

- GFS recognises dividends to owners by the PNFC and PFC sectors as a GFS expense, whereas under GAAP they are treated as a distribution to owners and therefore a direct reduction of accumulated funds. This difference does not flow through to the total public sector as internal dividend transfers are eliminated on consolidation.
- GFS does not recognise an allowance for doubtful debts as the statistical framework only recognises bad debts when they are written off. Under GAAP, an allowance for doubtful debts is recognised in the balance sheet and doubtful debts are recognised in the Operating Statement as 'other economic flows'.
- Transactions with owners as owners (such as equity injections) are excluded from the 'total change in net worth'. However, these transactions are included in the movement in GFS net worth. These types of transactions result in a convergence difference as the total change in net worth under GAAP is disclosed before such transactions, while under GFS, these transactions are included in the movement in GFS net worth.

These convergence differences do not present material variations in the presentation of Western Australia's data under GAAP and GFS.

With the adoption of AASB 16: *Leases* from 2019-20, the distinction between operating leases and finance leases under previous accounting standards disappears. Accordingly, convergence differences for net debt aggregates produced in this report (which includes all leases in the calculation of net debt) and GFS concepts (which excludes leases previously classified as operating leases from GFS net debt) is not currently available.

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government

	30 Sept 2022 \$m	For the period ending		30 June 2022 ^(b) \$m
		30 June 2023 ^(a) \$m	30 Sept 2021 \$m	
<i>Investments</i>				
Term deposits	5,891	4,128	2,231	4,654
Government securities	1	1	1	1
Total	5,892	4,129	2,233	4,655
<i>Loans and advances</i>				
Loans	2	3	3	3
Financial Assets held for trading/available for sale	3	2	-	2
Total	5	5	3	5
Total	5,896	4,134	2,235	4,659

Total Public Sector

	30 Sept 2022 \$m	For the period ending		30 June 2022 ^(b) \$m
		30 June 2023 ^(a) \$m	30 Sept 2021 \$m	
<i>Investments</i>				
Term deposits	14,152	11,839	8,594	11,735
Government securities	2,039	3,395	1,941	1,899
Total	16,191	15,234	10,534	13,633
<i>Loans and advances</i>				
Loans	52	3,190	2,953	52
Financial Assets held for trading/available for sale	66	886	806	67
Total	118	4,076	3,759	119
Total	16,310	19,310	14,293	13,752

(a) 2022-23 Budget estimates released on 12 May 2022.

(b) Final audited outcomes contained in the 2021-22 *Annual Report on State Finances*, released on 28 September 2022.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

NOTE 6: RECEIVABLES

General Government

	30 Sept 2022 \$m	For the period ending		30 June 2022 ^(b) \$m
		30 June 2023 ^(a) \$m	30 Sept 2021 \$m	
Accounts Receivable	5,883	3,793	6,697	5,748
Provision for impairment of receivables	-173	-196	-189	-180
Total	5,710	3,597	6,508	5,568

Total Public Sector

	30 Sept 2022 \$m	For the period ending		30 June 2022 ^(b) \$m
		30 June 2023 ^(a) \$m	30 Sept 2021 \$m	
Accounts Receivable	7,379	5,495	8,046	7,593
Provision for impairment of receivables	-326	-384	-347	-329
Total	7,053	5,111	7,699	7,264

(a) 2022-23 Budget estimates released on 12 May 2022.

(b) Final audited outcomes contained in the 2021-22 *Annual Report on State Finances*, released on 28 September 2022.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

NOTE 7: DETAILS OF AGENCIES CONSOLIDATED

The agencies included in these financial statements are detailed in Note 38: *Composition of Sectors* in the 2021-22 *Annual Report on State Finances*. From 1 July 2022, Energy Policy WA has merged with the Department of Mines, Industry Regulation and Safety.

NOTE 8: CONTINGENT ASSETS AND LIABILITIES

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

A contingent liability for a legal dispute between the above parties and the Western Australian Government was first noted in the 2020-21 *Annual Report on State Finances*.

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 action in the Federal Court of Australia was subsequently discontinued by Mineralogy and International Minerals on 13 December 2021. The Queensland Court of Appeal has reserved its decision following an appeal hearing in mid-April 2022.

On 31 January 2022, International Minerals commenced new proceedings against the State of Western Australia (and other respondents) in the Federal Court of Australia seeking relief, including declarations that the State engaged in misleading, deceptive, and unconscionable, conduct in breach of the Australian Consumer Law in relation to the enactment of the abovementioned legislation in 2020. International Minerals filed a Notice of Discontinuance on 21 September 2022.

On 2 September 2022, Zeph Investments Pte Ltd commenced new proceedings against the State and the Commonwealth of Australia in the Federal Court of Australia seeking an injunction to prevent the Commonwealth and the State from taking any steps to impose an indemnity or other liability on Zeph, Mineralogy, International Minerals or Mr Palmer as a consequence of Zeph commencing investor-State arbitration against Australia under the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) agreement. These proceedings were discontinued by Zeph on 13 October 2022.

On 20 October 2022, Zeph served a notice of intention to commence international arbitration on the Commonwealth pursuant to the AANZFTA.

Also on 20 October 2022, Mr Palmer commenced proceedings in the Federal Court of Australia seeking declarations that specified sections of the legislation enacted in 2020 are constitutionally invalid. The grounds of challenge overlap with those raised by Mr Palmer, Mineralogy and International Minerals in the High Court proceedings heard in June 2021, which found in favour of the Western Australian Government.

Gold Corporation

On 30 August 2022, AUSTRAC ordered the appointment of an external auditor to Gold Corporation under section 162(2) of the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (AML/CTF Act). The external auditor has been appointed by Gold Corporation and authorised by AUSTRAC to assess compliance with the AML/CTF Act and *Anti Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No.1)*.

NOTE 9: EVENTS OCCURRING AFTER BALANCE DATE

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 approved the provision of a temporary indemnity in late 2021, under which, to ensure delivery of essential services, a provider who cannot secure insurance can continue while a longer-term response is considered in consultation with other jurisdictions. Following consultation with the sector, indemnities for eligible providers were authorised by the Treasurer in early November 2022. 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 and which may arise at a future point in time. Any additional costs to the State will be assessed and funded on an emerging basis should any claims be made and settled.

Operating Revenue

The tables in this appendix detail operating revenue of the general government and total public sectors. They provide detailed revenue information consistent with the operating statements presented in Appendix 1: *Interim Financial Statements*.

The total public sector consolidates internal transfers between the general government sector and agencies in the public corporations sectors.

Accordingly, some total public sector revenue aggregates may be smaller than the general government equivalent. For example, the general government sector collects payroll tax from some public corporations. These collections are internal to the whole-of-government and are not shown in the total public sector taxation revenue data which is thus smaller in magnitude than the general government taxation revenue aggregate.

Table 2.1

GENERAL GOVERNMENT
Operating Revenue

	2022-23		2021-22	
	Three Months to 30 Sep \$m	Budget Year ^(a) \$m	Three Months to 30 Sep \$m	Actual ^(b) \$m
TAXATION				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	1,303	4,590	1,124	4,415
Property taxes				
<i>Land tax</i>	664	798	441	756
Transfer Duty	524	1,940	520	2,336
Foreign Buyers Surcharge	6	20	8	22
Landholder Duty	31	118	20	278
<i>Total duty on transfers</i>	562	2,078	548	2,637
Other stamp duties	- ^(c)	- ^(c)	- ^(c)	- ^(c)
Metropolitan Region Improvement Tax	69	88	34	85
Perth Parking Levy	12	58	16	55
Emergency Services Levy	129	398	98	375
Loan guarantee fees	33	137	33	131
Building and Construction Industry Training Fund Levy	19	41	9	39
<i>Total other property taxes</i>	262	722	190	684
Taxes on provision of goods and services				
Government Lotteries	44	178	38	218
Video lottery terminals	- ^(c)	- ^(c)	- ^(c)	- ^(c)
Casino Tax	10	53	13	49
Point of Consumption Tax	30	96	30	121
<i>Total taxes on gambling</i>	84	327	81	388
Insurance Duty	265	808	215	823
Other	5	21	5	22
<i>Total taxes on insurance</i>	270	830	220	845
<i>On-demand Transport Levy</i>	- ^(c)	-	6	38
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	154	440	145	579
Permits - Oversize Vehicles and Loads	2	8	3	10
Motor Vehicle registrations	305	1,169	285	1,120
Other Vehicle Taxes	9	32	10	37
<i>Total motor vehicle taxes</i>	470	1,648	442	1,747
<i>Mining Rehabilitation Levy</i>	41	35	38	38
<i>Landfill Levy</i>	20	83	20	86
Total Taxation	3,677	11,111	3,111	11,634
CURRENT GRANTS AND SUBSIDIES				
<i>General Purpose Grants</i>				
GST grants	1,467	5,872	791	3,369
Commonwealth-funded 70% floor	-	-	2,115	2,115
North West Shelf grants	386	885	167	1,024
Compensation for Commonwealth crude oil excise arrangements	77	35	5	32
<i>National Specific Purpose Payment Agreement Grants</i>				
National Agreement for Skills and Workforce Development	42	168	41	165
National Disability Agreement	-	-	-	-
National Housing and Homelessness Agreement	45	178	41	175
<i>National School Reform Agreement - Quality Schools</i>	263	1,117	238	1,021
<i>National Health Reform Agreement</i>	702	2,820	647	2,668
<i>Other Grants/National Partnerships</i>				
Health	134	183	112	921
Transport	28	143	- ^(c)	158
Disability Services	1	222	1	3
Other	78	227	52	295
Total Current Grants and Subsidies	3,221	11,850	4,243	11,946

GENERAL GOVERNMENT
Operating Revenue

Table 2.1 (cont.)

	2022-23		2021-22	
	Three Months to 30 Sep \$m	Budget Year ^(a) \$m	Three Months to 30 Sep \$m	Actual ^(b) \$m
CAPITAL GRANTS				
<i>Other Grants/National Partnerships</i>				
Transport	214	2,080	137	1,040
Other	33	205	80	475
Total Capital Grants	247	2,285	217	1,515
SALES OF GOODS AND SERVICES	790	3,050	733	3,027
INTEREST INCOME	59	133	22	127
REVENUE FROM PUBLIC CORPORATIONS				
Dividends	-	1,476	516	612
Tax Equivalent Regime	147	779	155	906
Total Revenue from Public Corporations	147	2,255	671	1,518
ROYALTY INCOME				
Iron ore	2,160	5,645	3,357	9,917
Other	370	1,448	211	1,173
Total Royalty Income	2,530	7,093	3,569	11,091
OTHER				
Lease Rentals	37	143	67	185
Fines	61	213	57	235
Revenue not elsewhere counted	92	296	59	380
Total Other	189	652	182	799
GRAND TOTAL	10,861	38,428	12,747	41,658

(a) 2022-23 Budget estimates released on 12 May 2022.

(b) Final audited outcomes contained in the 2021-22 *Annual Report on State Finances*, released on 28 September 2022.

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

Note: Columns may not add due to rounding.

Table 2.2

TOTAL PUBLIC SECTOR
Operating Revenue

	2022-23		2021-22	
	Three Months to 30 Sep \$m	Budget Year ^(a) \$m	Three Months to 30 Sep \$m	Actual ^(b) \$m
TAXATION				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	1,275	4,486	1,100	4,313
Property taxes				
<i>Land tax</i>	647	694	424	688
Transfer Duty	524	1,940	520	2,336
Foreign Buyers surcharge	6	20	8	22
Landholder Duty	31	118	20	278
<i>Total duty on transfers</i>	562	2,078	548	2,637
Other stamp duties	- (c)	- (c)	- (c)	- (c)
Metropolitan Region Improvement Tax	69	88	34	85
Perth Parking Levy	12	58	16	55
Emergency Services Levy	129	394	98	371
Loan guarantee fees	2	6	2	6
Building and Construction Industry Training Fund Levy	19	41	9	39
<i>Total other property taxes</i>	231	588	160	555
Taxes on provision of goods and services				
Video lottery terminals	- (c)	- (c)	- (c)	- (c)
Casino Tax	10	53	13	49
Point of Consumption tax	18	52	17	70
<i>Total taxes on gambling</i>	28	105	31	120
Insurance Duty	265	808	215	823
Other	5	21	5	22
<i>Total taxes on insurance</i>	270	830	220	845
<i>On-demand Transport Levy</i>	- (c)	-	6	38
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	154	440	145	579
Permits - Oversize Vehicles and Loads	2	8	3	10
Motor Vehicle registrations	305	1,169	285	1,120
Other Vehicle taxes	9	32	10	37
<i>Total motor vehicle taxes</i>	470	1,648	442	1,747
<i>Mining Rehabilitation Levy</i>	41	35	38	38
<i>Landfill Levy</i>	20	83	20	86
Total Taxation	3,545	10,547	2,988	11,065
CURRENT GRANTS AND SUBSIDIES				
<i>General Purpose Grants</i>				
GST grants	1,467	5,872	791	3,369
Commonwealth-funded 70% floor grant	-	-	2,115	2,115
North West Shelf grants	386	885	167	1,024
Compensation for Commonwealth crude oil excise arrangements	77	35	5	32
<i>National Specific Purpose Payment Agreement Grants</i>				
National Agreement for Skills and Workforce Development	42	168	41	165
National Disability Agreement	-	-	-	-
National Housing and Homelessness Agreement	45	178	41	175
<i>National School Reform Agreement Quality Schools</i>	263	1,117	238	1,021
<i>National Health Reform</i>	702	2,820	647	2,668
<i>Other Grants\National Partnerships</i>				
Health	134	183	112	921
Transport	28	143	- (c)	158
Disability Services	1	222	1	3
Other	78	227	52	295
Total Current Grants and Subsidies	3,221	11,850	4,243	11,946

TOTAL PUBLIC SECTOR
Operating Revenue

Table 2.2 (cont.)

	2022-23		2021-22	
	Three Months to 30 Sep \$m	Budget Year ^(a) \$m	Three Months to 30 Sep \$m	Actual ^(b) \$m
CAPITAL GRANTS				
<i>Other Grants/National Partnerships</i>				
Transport	214	2,080	137	1,040
Other	33	205	80	475
Total Capital Grants	247	2,285	217	1,515
SALES OF GOODS AND SERVICES	9,718	39,934	9,412	36,437
INTEREST INCOME	168	391	104	445
ROYALTY INCOME				
Iron ore	2,160	5,645	3,357	9,917
Other	370	1,448	211	1,173
Total Royalty Income	2,530	7,093	3,569	11,091
OTHER				
Lease Rentals	37	143	67	185
Fines	61	213	57	235
Revenue not elsewhere counted	207	776	166	857
Total Other	305	1,132	290	1,276
GRAND TOTAL	19,734	73,230	20,822	73,776

(a) 2022-23 Budget estimates released on 12 May 2022.

(b) Final audited outcomes contained in the 2021-22 *Annual Report on State Finances*, released on 28 September 2022.

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

Note: Columns may not add due to rounding.

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APPENDIX 3

Public Ledger

The Public Ledger, established by section 7 of the *Financial Management Act 2006* (FMA), includes those transactions and operations that are conducted through the Consolidated Account, the Treasurer's Advance Account and through the Treasurer's Special Purpose Accounts (TSPAs). Together with agency Special Purpose Accounts, the total of these accounts form the Public Bank Account.

Table 3.1

PUBLIC LEDGER BALANCES AT 30 SEPTEMBER

	2022 \$m	2021 \$m	Variance \$m
THE PUBLIC LEDGER			
Consolidated Account ^(a)	-25,312	-16,720	-8,592
Treasurer's Special Purpose Accounts	26,006	19,023	6,982
Treasurer's Advance Account – Net Advances	-16	-9	-7
TOTAL	678	2,295	-1,617
Agency Special Purpose Accounts	9,022	7,814	1,208
TOTAL PUBLIC BANK ACCOUNT	9,700	10,108	-408

(a) The balance of the Consolidated Account at 30 September 2022 includes non-cash appropriations of \$17.4 billion (30 September 2021: \$16 billion), representing the non-cash cost of agency services. These appropriations are credited to agency holding accounts that are included in the TSPAs balance. In cash terms, the Consolidated Account was in a deficit position of \$7.9 billion at 30 September 2022 (compared with a deficit position of \$672 million at 30 September 2021).

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

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 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 each appropriation clearly specified.

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The Consolidated Account was in an accrued deficit position of \$25.3 billion at 30 September 2022. Payments exceeded receipts by \$4.3 billion during the first three months of 2022-23, compared with a \$1.4 billion surplus movement in the same period last year. This included:

- lower revenue (down \$1.6 billion), mainly due to the receipt of Western Australia's last GST top-up grant for 2021-22 (\$2.1 billion, received in the September 2021 quarter), and lower royalty receipts (down \$793 million, discussed in the *Overview* chapter of this report), partly offset by higher tax receipts (up \$430 million, also discussed in the *Overview*); and
- higher payments (up \$4.1 billion), mainly due to the timing of appropriations allocated to the Climate Action Fund, the Digital Capability Fund, the Remote Communities Fund, the Debt Reduction Account, and increases in recurrent appropriations.

In cash terms, the Consolidated Account was in a deficit position of \$7.9 billion at 30 September 2022, up from the \$672 million cash deficit at 30 September 2021.

A total of \$604 million in State borrowings held by the Consolidated Account was repaid during the September quarter. Central borrowings stood at \$24.4 billion at 30 September 2022 (down from \$25.6 billion at 30 September 2021). Total proceeds from gross borrowings (i.e. excluding repayments of borrowings) stood at \$27.5 billion at 30 September 2022 and remain below the \$34.5 billion cumulative limit approved by the *Loan Act 2017* and preceding Loan Acts¹.

¹ Proceeds of borrowings by the Consolidated Account (i.e. gross borrowings excluding debt repayments) cannot exceed the cumulative limit authorised by the Loan Acts.

Table 3.2

CONSOLIDATED ACCOUNT TRANSACTIONS ^(a)
For the three months ended 30 September

	2022 \$m	2021 \$m	Variance \$m
REVENUE			
<i>Operating Activities</i>			
Taxation	2,522	2,092	430
Commonw ealth grants	1,830	3,125	-1,295
Government enterprises	193	196	-4
Other receipts from agencies	3,430	4,221	-791
Other receipts	112	81	32
<i>Total Operating Activities</i>	8,087	9,714	-1,628
<i>Financing Activities</i>			
Transfers from the Debt Reduction Account	-	-	-
Borrow ings	-	-	-
Other receipts	2	-(a)	-(a)
<i>Total Financing Activities</i>	2	-(a)	-(a)
TOTAL REVENUE	8,089	9,715	-1,626
EXPENDITURE			
<i>Recurrent</i>			
Authorised by other statutes	941	849	92
Appropriation Act (No. 1)	7,984	6,959	1,025
Recurrent expenditure under the Treasurer's Advance	143	-	143
<i>Total Recurrent Expenditure</i>	9,068	7,808	1,260
<i>Investing Activities</i>			
Authorised by other statutes	123	167	-44
Appropriation Act (No. 2)	2,030	329	1,701
Investing expenditure under the Treasurer's Advance	-	-	-
<i>Total Investing Activities</i>	2,153	496	1,657
<i>Financing Activities</i>			
Funding for Loan repayments (through the Debt Reduction Account)	1,200	-	1,200
Appropriation Act (No. 2)	-	-	-
Other financing	2	-	2
<i>Total Financing Activities</i>	1,202	-	1,202
TOTAL EXPENDITURE	12,423	8,304	4,119
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-4,335	1,410	-5,745
Consolidated Account Balance			
Opening balance at 1 July	-20,977	-18,130	-2,847
Closing balance at 30 September	-25,312	-16,720	-8,592
Of which:			
Appropriations payable	-17,443	-16,048	-1,396
Cash balance at 30 September	-7,868	-672	-7,196
Memorandum item: Consolidated Account Borrowings at 30 September	24,383	25,576	-1,193

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

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

Treasurer's Special Purpose Accounts

The Treasurer's Special Purpose Accounts (TSPAs) consist of:

- any account established by the Treasurer as a TSPA for the purposes determined by the Treasurer;
- suspense accounts established for the purposes of section 26 of the FMA;
- any account established to hold money transferred under section 39(5) of the FMA;
- the Public Bank Account Interest Earned Account, established for the purpose of holding money credited to that account under section 38(9) of the FMA pending its allocation and payment as required or permitted under the FMA or another written law;
- any account established under written law and determined by the Treasurer to be a TSPA; and
- any other account established to hold other money and determined by the Treasurer to be a TSPA.

At 30 September 2022, aggregate TSPA balances were \$6.4 billion higher than at the same time last year. This mainly reflects:

- funding set aside in late 2021-22 to support the cost of constructing a new Women and Newborns hospital at the Queen Elizabeth II Medical Centre campus (\$1,787 million);
- higher Holding Account balances for non-cash accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$1,396 million);
- the establishment (in the 2021-22 Budget) and top-up (in the 2022-23 Budget) of the Digital Capability Fund to improve digital services and mitigate cyber security risks to government infrastructure (\$801 million);
- the establishment as part of the 2021-22 Budget of the Social Housing Investment Fund (\$750 million);
- the establishment (in the 2021-22 Budget) and top-up (in the 2022-23 Budget) of the Climate Action Fund to support the Government's emissions reduction target and other climate-related initiatives (\$667 million);
- funding set aside for debt repayments to be made during the 2022-23 financial year (\$596 million), net of debt repayment made during the September quarter;
- the establishment as part of the 2022-23 Budget of the Remote Communities Fund to support investment to upgrade and regularise water and power, provide new and refurbished housing, and improve municipal services and economic participation in remote communities (\$350 million);
- \$350 million set aside as part of the 2021-22 Budget to expand the State's softwood plantation estate and support the Western Australian timber and construction industries;

- a \$135 million net increase in the National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account, including a \$185 million top-up as part of the 2022-23 Budget for future claims, civil litigation costs and administration of the fund;
- an increase in the balance of the Western Australian Future Health Research and Innovation Fund reflecting appropriation of 1% of forecast annual royalty receipts (\$71 million) and interest earnings on the balance of the Fund over the last 12 months (\$35 million), partly offset by the transfer of \$32 million to the Western Australian Future Health Research and Innovation Account;
- a \$52 million increase on the Public Bank Account Interest Earned, mainly reflecting the impact of higher interest rates and higher cash holdings in the Public Bank Account; and
- an increase in the balance of agency accounts that hold cash for the cost of an extra pay period which falls due every 11 years (up \$51 million).

A number of TSPAs and other agency accounts are discussed in Appendix 4: *Special Purpose Accounts*.

TREASURER'S SPECIAL PURPOSE ACCOUNTS
At 30 September

Table 3.3

	2022	2021	Variance
	\$m	\$m	\$m
New Women and Babies Hospital Account	1,787	-	1,787
Agency Holding Accounts	17,443	16,048	1,396
Digital Capability Fund	801	-	801
Social Housing Investment Fund	750	-	750
Climate Action Fund	667	-	667
Debt Reduction Account	596	-	596
Remote Communities Fund	350	-	350
Softwood Plantation Expansion Fund	349	-	349
National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account	212	77	135
Western Australian Future Health Research and Innovation Fund	1,643	1,570	73
Public Bank Account Interest Earned	110	58	52
Accrued Salaries	301	250	51
Royalties for Regions Fund	885	873	12
Other Treasurer's Special Purpose Accounts	112	149	-37
TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 30 SEPTEMBER	26,006	19,023	6,982

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

Treasurer's Advance

The Treasurer's Advance allows for repayable advances to agencies for working capital purposes (known as 'net recoverable advances'), a short-term advance for any overdrawn agency SPAs, and the provision of supplementary appropriation funding for unforeseen and/or extraordinary events during the year (known as 'excesses and new items').

A limit of \$977.5 million is authorised under section 29 of the FMA for the year ended 30 June 2023². A total of \$158.9 million has been allocated from the Treasurer's Account during the three months to 30 September 2022.

TREASURER'S ADVANCE AT 30 SEPTEMBER				Table 3.4
	2022 \$m	2021 \$m	Variance \$m	
AUTHORISED LIMIT	977.5	820.5	157.0	
<i>Total Drawn Against Treasurer's Advance Account</i>	<i>158.9</i>	<i>8.8</i>	<i>150.1</i>	
Comprising:				
<i>Net recoverable advances</i>	<i>15.6</i>	<i>8.8</i>	<i>6.8</i>	
Principal Shared Paths Program	9.5	-	9.5	
Homebuyers Assistant Account	2.5	-	2.5	
Petroleum and Geothermal Energy Safety	2.0	2.0	-	
Western Australian Energy Disputes Arbitrator	0.2	0.2	-	
Sport and Recreation	-	1.0	-1.0	
Suitors Fund	2.5	2.5	-	
Sundry Debtors	-1.0	3.1	-4.1	
<i>Excesses and new items</i>	<i>143.3</i>	<i>-</i>	<i>143.3</i>	
- recurrent	143.3	-	143.3	
- capital	-	-	-	

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

Transfers, Excesses and New Items

There were no transfers of appropriations between agencies, or new items impacting appropriations occurring during this quarter.

Table 3.5 summarises the excess for Item 40 approved by the Treasurer under the authority of section 27 of the FMA. This item is for **All Other Grants, Subsidies and Transfer Payments** administered by Treasury, with the approved excess (\$187.6 million) mainly to provide financial assistance to small businesses significantly affected by the COVID-19 pandemic. This includes \$87.6 million in grants carried over from 2021-22, a further \$95 million to cover the immediate cost of remaining anticipated eligible claims, and \$5 million for the Commonwealth Pandemic Leave Disaster Payment.

² The annual limit authorised by the FMA cannot exceed 3% of the total amount appropriated for the previous financial year by the Appropriation Acts.

TRANSFERS, EXCESSES AND NEW ITEMS
For the three months to 30 September

Table 3.5

	Treasurer's Advance					Draw n against Treasurer's Advance to 30 September 2022 \$m
	Budget	Transfers ^(a)	New Items	Approved Excesses	Revised Appropriation	
	\$m	\$m	\$m	\$m	\$m	
Recurrent Appropriations						
<i>Treasury</i>						
Item 40: All Other Grants, Subsidies and Transfer	2.8	-	-	187.6	190.4	143.3
Total Recurrent		-	-	187.6		143.3
TOTAL						143.3

(a) Authorised under section 25 of the FMA.

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

Special Purpose Accounts

Special Purpose Accounts (SPAs) are established under various sections of the *Financial Management Act 2006* (FMA) or by specific legislation (e.g. the Royalties for Regions Fund). Accounts established by legislation are governed by the relevant provisions of the statute, while accounts that are established administratively are governed by a special purpose statement (operating accounts) or a trust statement (trust accounts) that outline the purpose of the account.

This appendix details balances at 30 September 2022 for key SPAs established to deliver specific Government policy outcomes. The focus of this Appendix is on major/material SPAs that were in existence at 30 September 2022 and which had material balances. The SPA balances, and transactions in and out of these accounts, form part of the overall consolidated outcomes outlined elsewhere in this report.

Climate Action Fund

This SPA was established in 2021-22 to hold funds for future climate action and renewable energy initiatives. The balance for the three months to 30 September 2022 reflects funding provisioned for future climate-related initiatives in response to emerging climate issues, to support the development of the renewable hydrogen industries in Western Australia and to support the Government's emissions reduction target. This includes \$500 million set aside in the 2022-23 Budget and paid into the Fund during the September 2022 quarter.

CLIMATE ACTION FUND			Table 4.1
At 30 September			
	2022 \$m	2021 \$m	
Balance at 1 July	167	-	
Receipts	500	-	
Payments	– (a)	-	
Closing Balance	667	-	

(a) Amount below \$500,000.
Note: Columns may not add due to rounding.

Debt Reduction Account

The Debt Reduction Account was established in 2017-18 to apply windfall funds to the repayment of Consolidated Account borrowings. The 2022-23 Budget included an amount of \$1.2 billion to flow through the Account, reflecting the Government's decision to apply a portion of the stronger than expected general government operating surplus in 2021-22 to repay Consolidated Account borrowings, reducing the State's exposure to future interest rate rises.

At 30 September 2022, \$604 million of Consolidated Account borrowings have been repaid, with the remainder scheduled for later in 2022-23.

DEBT REDUCTION ACCOUNT

Table 4.2

At 30 September

	2022 \$m	2021 \$m
<i>Balance at 1 July</i>	-	-
Receipts	1,200	-
Payments	604	-
Closing Balance	596	-

Note: Columns may not add due to rounding.

Digital Capability Fund Account

This SPA was established in 2021-22 to hold funds for the upgrade of ICT systems to improve government service delivery, enhance cyber security and mitigate operational risks.

Appropriation funding totalling \$400 million was approved as part of the 2022-23 Budget and paid into the account during the September 2022 quarter. During the same period, a total \$25.4 million was drawn to progress a range of approved projects, including \$15 million to the Western Australia Police Force, \$4.7 million to the Department of Fire and Emergency Services and \$4.2 million to the Department of Communities.

DIGITAL CAPABILITY FUND ACCOUNT

Table 4.3

At 30 September

	2022 \$m	2021 \$m
<i>Balance at 1 July</i>	427	-
Receipts	400	-
Payments	25	-
Closing Balance	801	-

Note: Columns may not add due to rounding.

METRONET Account

This SPA was established in 2017-18 to support the planning and construction of METRONET transport infrastructure projects.

Receipts for the three months ending 30 September 2022 reflect appropriation of \$314.8 million for METRONET projects and an operating subsidy of \$0.6 million for the METRONET Office. Payments of \$301 million were for transport infrastructure planning and delivery, and for METRONET Office operating expenses (\$0.2 million).

METRONET ACCOUNT
At 30 September

Table 4.4

	2022	2021
	\$m	\$m
<i>Balance at 1 July</i>	137	432
Receipts	315	132
Payments	301	200
Closing Balance	151	364

Note: Columns may not add due to rounding.

METRONET Roads Account

This SPA was established in December 2018 to hold funds for road works associated with METRONET, including projects under development.

Receipts are paid into the Account later in the year. For the quarter ending 30 September 2022, \$0.5 million was drawn for METRONET-related road spending.

METRONET ROADS ACCOUNT
At 30 September

Table 4.5

	2022	2021
	\$m	\$m
<i>Balance at 1 July</i>	109	106
Receipts	-	-
Payments	1	1
Closing Balance	109	105

Note: Columns may not add due to rounding.

Metropolitan Region Improvement Account

This account was established under the *Metropolitan Region Improvement Tax Act 1959* to hold funds for the management of the Metropolitan Region Scheme, including receipts from the Metropolitan Region Improvement Tax (MRIT).

Receipts for the three months to the end of September 2022 reflect MRIT collections (\$23.3 million), proceeds from the sale of land and buildings (\$8.8 million), rent revenue (\$1.6 million), receipts from the Australian Taxation Office for refunds of GST on purchases (\$1.6 million), and other revenue (\$2.3 million). Draw downs during the September 2022 quarter were for the acquisition of land and buildings (\$10.3 million), service delivery costs associated with the Account (\$8.2 million), and funding for a range of smaller infrastructure projects (\$0.1 million).

METROPOLITAN REGION IMPROVEMENT ACCOUNT

Table 4.6

At 30 September

	2022	2021
	\$m	\$m
Balance at 1 July	384	443
Receipts	37	26
Payments	19	83
Closing Balance	403	385

Note: Columns may not add due to rounding.

Mining Rehabilitation Fund

The Mining Rehabilitation Fund was established in July 2013 to hold levy collections under the *Mining Rehabilitation Fund Act 2012*. Receipts for the September 2022 quarter reflect levy contributions from mining operators (\$41 million). Payments for the quarter were for mine site rehabilitation (\$2.6 million) and administration costs (\$0.2 million).

MINING REHABILITATION FUND

Table 4.7

At 30 September

	2022	2021
	\$m	\$m
Balance at 1 July	255	219
Receipts	41	38
Payments	3	– (a)
Closing Balance	293	256

(a) Amount below \$500,000.

Note: Columns may not add due to rounding.

National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account

This account was established in December 2018, to meet the cost of payments associated with the State's participation in the National Redress Scheme, and for civil litigation claims against the State by victims of historical child sexual abuse.

Receipts of \$185 million were recorded during the September 2022 quarter, reflecting appropriation funding approved in the 2022-23 Budget. No funds were drawn during the three months ended September 2022.

Table 4.8

NATIONAL REDRESS SCHEME AND CIVIL LITIGATION FOR SURVIVORS OF INSTITUTIONAL CHILD SEXUAL ABUSE ACCOUNT
At 30 September

	2022 \$m	2021 \$m
<i>Balance at 1 July</i>	27	77
Receipts	185	-
Payments	-	-
Closing Balance	212	77

Note: Columns may not add due to rounding.

New Women and Babies Hospital Account

This SPA was established as part of the 2020-21 Mid-year Review to support the construction of a new Women and Babies Hospital at the Queen Elizabeth II Medical Centre campus.

Funding is expected to be drawn as the planning and project business case is progressed.

Table 4.9

NEW WOMEN AND BABIES HOSPITAL ACCOUNT
At 30 September

	2022 \$m	2021 \$m
<i>Balance at 1 July</i>	1,787	-
Receipts	-	-
Payments	-	-
Closing Balance	1,787	-

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

This SPA was established under section 23(1) of the *Perth Parking Management Act 1999* to set aside funds to be used to encourage a balanced transport system for access to the Perth city area. Money credited to the account reflects licence fees, penalties and money appropriated by the Parliament for the purposes of the Act.

Funds drawn from the account are used to support the Central Area Transit bus system, the Free Transit Zone public transport services in the Perth Central Business District, improvements to public transport access, enhancements to the pedestrian environment, support for bicycle access, other transport system initiatives and for the administration of the Act.

PERTH PARKING LICENSING ACCOUNT At 30 September

Table 4.10

	2022	2021
	\$m	\$m
<i>Balance at 1 July</i>	192	165
Receipts	12	16
Payments	– (a)	– (a)
Closing Balance	204	180

(a) Amount below \$500,000.

Note: Columns may not add due to rounding.

Remote Communities Fund

This SPA was established as part of the 2022-23 Budget to support investment to upgrade and regularise water and power, provide new and refurbished housing, and improve municipal services and economic participation in remote communities. No funding has been drawn from the Fund to date.

REMOTE COMMUNITIES FUND At 30 September

Table 4.11

	2022	2021
	\$m	\$m
<i>Balance at 1 July</i>	–	–
Receipts	350	–
Payments	–	–
Closing Balance	350	–

Note: Columns may not add due to rounding.

Road Trauma Trust Account

This account was established to provide for road safety initiatives on Western Australian roads. Receipts for the September 2022 quarter mainly reflect collections from prescribed penalties (\$33 million) and interest revenue on the account balance (\$0.2 million).

Projects funded from the account during the September quarter included initiatives to:

- reduce run-off crashes on regional roads by applying treatments such as shoulder sealing, audible edge lines and installing safety barriers (\$6 million);
- manage speed on Western Australian roads (\$0.5 million); and
- providing post-crash support (\$0.3 million).

A further \$3.5 million was spent on the operations of the Road Safety Commission, including community education campaigns, community grants, the Infringement Management Reform Program, Safety Camera Trial, and a range of other road safety initiatives.

Table 4.12

ROAD TRAUMA TRUST ACCOUNT At 30 September

	2022 \$m	2021 \$m
<i>Balance at 1 July</i>	71	43
Receipts	33	26
Payments	10	10
Closing Balance	94	59

Note: Columns may not add due to rounding.

Royalties for Regions Fund

The Royalties for Regions Fund was established in December 2008 to set aside a share of the State's annual royalty income to fund investment in regional Western Australia. Under the *Royalties for Regions Act 2009*, the balance held in the Fund at any time cannot exceed \$1 billion.

Receipts during the September 2022 quarter reflect interest revenue earned on the account balance. A total of \$115.8 million was disbursed from the Fund to support infrastructure, business and economic development and other regional initiatives (detailed in Chapter 7 of the 2022-23 Budget Paper No. 3).

Table 4.13

ROYALTIES FOR REGIONS FUND

At 30 September

	2022	2021
	\$m	\$m
<i>Balance at 1 July</i>	1,000	1,000
Receipts	1	2
Payments	116	129
Closing Balance	885	873

Note: Columns may not add due to rounding.

Royalties for Regions Regional Reform Fund

This SPA was established in June 2015 to fund strategic reform initiatives in regional Western Australia. There were no receipts or payment during the first quarter of 2022-23.

Table 4.14

ROYALTES FOR REGIONS REGIONAL REFORM FUND

At 30 September

	2022	2021
	\$m	\$m
<i>Balance at 1 July</i>	51	57
Receipts	-	-(a)
Payments	-	-
Closing Balance	51	58

(a) Amount below \$500,000.

Note: Columns may not add due to rounding.

Social Housing Investment Fund

The Social Housing Investment Fund (SHIF) was established as part of the 2021-22 Budget with \$750 million set aside to fund future dwelling construction projects and other initiatives to increase social housing supply. Receipts paid into the Fund were sourced from the better-than-expected operating surplus for 2020-21.

Funding draw downs have been delayed, reflecting construction market challenges and labour market conditions, and the Department of Communities utilising other resources to meet associated operating costs to date. Funds are expected to be drawn from the second half of 2022-23 onwards.

Table 4.15

SOCIAL HOUSING INVESTMENT FUND

	2022	2021
	\$m	\$m
<i>Balance at 1 July</i>	750	-
Receipts	-	-
Payments	-	-
Closing Balance	750	-

Note: Columns may not add due to rounding.

Softwood Plantation Expansion Fund

This Fund was established as part of the 2021-22 Budget to expand the State's softwood plantation estate, support the Western Australian timber and construction industries into the future, provide a funding source for initiatives to offset carbon dioxide production, and to support associated regional development.

Funding was drawn during the September 2022 quarter for the purchase of plantation land in East Nannup (\$0.7 million).

Table 4.16

SOFTWOOD PLANTATION EXPANSION FUND At 30 September

	2022 \$m	2021 \$m
<i>Balance at 1 July</i>	350	-
Receipts	-	-
Payments	1	-
Closing Balance	349	-

Note: Columns may not add due to rounding.

Waste Avoidance and Resource Recovery Account

The Waste Avoidance and Resource Recovery Account was established under the *Waste Avoidance and Resource Recovery Act 2007* to hold revenue allocated from the landfill levy. Funds are drawn from the Account to support programs and other initiatives related to the management, reduction, reuse, recycling, monitoring or measurement of waste.

Receipts totalling \$5.3 million were paid into the account during the three months to 30 September 2022. This included \$5.2 million in landfill levy collections allocated to the account by Ministerial determination under the Act, and account interest plus miscellaneous receipts (\$0.1 million). Draw downs totalling \$2.5 million were made for waste programs and the payment of administration costs incurred by the Department of Water and Environmental Regulation.

Table 4.17

WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT At 30 September

	2022 \$m	2021 \$m
<i>Balance at 1 July</i>	41	29
Receipts	5	9
Payments	2	3
Closing Balance	43	36

Note: Columns may not add due to rounding.

Western Australian Future Health Research and Innovation Fund

The Western Australian Future Fund was established under the *Western Australian Future Fund Act 2012*. The Western Australian Future Fund Amendment (Future Health Research and Innovation Fund) Bill 2019 received Royal Assent in late May 2020 and took effect from 24 June 2020. The amending Act discontinued the Future Fund and created the Western Australian Future Health Research and Innovation Fund into which 1% of forecast annual royalties are to be paid each year. From 2020-21, the Act also applies forecast annual investment income from the new fund to a new account that provides long term support for medical and health research, innovation and commercialisation activities.

Receipts of \$79 million in the three months to 30 September 2022 included the budgeted \$70.9 million annual contribution for 2022-23 (equivalent to 1% annual forecast royalty revenue), and interest receipts of \$7.6 million.

Table 4.18

WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH AND INNOVATION FUND^(a)

At 30 September

	2022	2021
	\$m	\$m
Balance at 1 July	1,597	1,492
Receipts	79	110
Payments	32	32
Closing Balance	1,643	1,570

(a) This Account is a Treasurer's Special Purpose Account.

Note: Columns may not add due to rounding.

The Western Australian Future Health Research and Innovation Account received \$32.3 million from the Future Health Research and Innovation Fund in the September quarter. Funds totalling \$3.5 million were drawn in the three months to 30 September 2022 to support grant payments.

Table 4.19

WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH AND INNOVATION ACCOUNT^(a)

At 30 September

	2022	2021
	\$m	\$m
Balance at 1 July	24	15
Receipts	32	32
Payments	3	— ^(b)
Closing Balance	53	47

(a) This Account is an agency Special Purpose Account administered by the Minister for Health.

(b) Amount below \$500,000.

Note: Columns may not add due to rounding.

Westport Account

This account was established as part of the 2021-22 Budget to support the Westport project. No receipts or payments were drawn during the September 2022 quarter.

WESTPORT ACCOUNT			Table 4.20
At 30 September			
	2022	2021	
	\$m	\$m	
<i>Balance at 1 July</i>	399	-	
Receipts	-	-	
Payments	-	-	
Closing Balance	399	-	

Note: Columns may not add due to rounding.

General Government Salaries

Introduction

Salaries represent the single largest component of general government sector expenses (at almost 40% for the three months to 30 September 2022, or almost 44% if concurrent superannuation costs are also included).

General government salaries totalled \$3.7 billion for the first three months of 2022-23 (an increase of 5.9% compared to the same period in 2021-22). This includes increases in salary rates under industrial agreements and higher workforce numbers, particularly in WA Health and the Department of Education (these two agencies account for approximately 68% of general government salaries costs in the September quarter).

The following table summarises salaries outcomes for general government agencies for the three months to 30 September 2022 compared with the same period last year.

Table 5.1

SALARIES COSTS
General Government Sector

	2022-23		2021-22	
	Three Months to 30 Sep \$m	Estimated Actual ^(a) \$m	Three Months to 30 Sep \$m	Actual ^(b) \$m
WA Health	1,491	5,557	1,356	5,641
Education	1,031	4,011	981	3,977
Western Australia Police Force	255	1,076	259	1,038
Justice	192	722	195	750
Communities	139	574	131	507
Fire and Emergency Services	52	211	51	206
Biodiversity, Conservation and Attractions	47	207	43	204
Primary Industries and Regional Development	47	193	46	189
Mines, Industry Regulation and Safety	42	193	44	164
Transport	36	161	35	138
North Metropolitan TAFE	31	122	31	120
South Metropolitan TAFE	31	115	30	118
Finance	29	126	29	109
Water and Environmental Regulation	25	107	23	93
Premier and Cabinet	24	99	23	92
Local Government, Sport and Cultural Industries	24	99	22	90
Planning, Lands and Heritage	22	102	22	88
Commissioner of Main Roads	21	78	21	71
WA Sports Centre Trust (VenuesWest)	16	54	16	53
Jobs, Tourism, Science and Innovation	12	48	10	42
Mental Health Commission	12	51	11	45
South Regional TAFE	12	39	11	40
Land Information Authority (Landgate)	12	52	12	45
Training and Workforce Development	12	50	11	47
Legal Aid Commission of Western Australia	10	43	10	38
Central Regional TAFE	9	37	9	36
Office of the Director of Public Prosecutions	9	39	9	35
State Solicitor's Office	9	42	-	28
North Regional TAFE	9	39	9	34
Treasury	7	35	8	31
Office of the Auditor General	6	25	6	21
Legislative Assembly	6	23	6	22
Corruption and Crime Commission	4	18	4	15
Chemistry Centre (WA)	4	15	4	14
Public Sector Commission	4	19	4	17
Legislative Council	4	16	4	15
WorkCover WA Authority	4	15	3	14
Parliamentary Services Dept	3	11	3	11
All other agencies (with annual salaries costs below \$10 million)	19	76	21	81
Provisions	-	211	-	-
Total salaries	3,721	14,713	3,512	14,279

(a) 2022-23 Budget estimates released on 12 May 2022.

(b) Final audited data contained in the 2021-22 *Annual Report on State Finances*, released on 28 September 2022.

Note: Columns may not add due to rounding.

