



Government Mid-year Financial Projections Statement

2022-23

December 2022



2022-23

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Projections Statement**

DECEMBER 2022

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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 12 May 2022;
- 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 28 November 2022 and which have a material effect on the State's financial projections.

2022–23 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 28 November 2022.



Michael Barnes PSM
UNDER TREASURER

15 December 2022

Financial Projections and Strategy

HIGHLIGHTS

- Following a record surplus outcome of \$6 billion in 2021-22, a general government operating surplus of \$1.8 billion is now forecast for 2022-23 (up slightly from the \$1.6 billion surplus forecast at Budget-time).
- While the State's domestic economy remains strong, challenging international conditions have seen the iron ore price fall from an average of \$US138.2 per tonne over 2021-22 to an expected average of \$US87.4 per tonne over 2022-23. The lower iron ore price, combined with higher salaries costs (including the impact of the Government's wages policy), are the key reasons for the lower surplus in 2022-23 (relative to 2021-22).
- This Mid-year Review includes a record \$35 billion Asset Investment Program over 2022-23 to 2025-26, up from \$33.9 billion at Budget-time. This includes significant new investment as part of the Government's decarbonisation of the South West Interconnected System and a new metropolitan facility (at Murdoch University) for the Department of Primary Industries and Regional Development.
- A significant \$558 million investment has also been made to further diversify the Western Australian economy, including additional funding for the Investment Attraction Fund, attracting new industries to Collie, irrigated agriculture in the Kimberley, and investments in tourism, international education and renewable hydrogen.
- Following the Government's decision as part of the 2022-23 Budget to repay \$1.2 billion of existing debt, this Mid-year Review includes repayment of a further \$400 million of Consolidated Account borrowings – helping shield the State from the impact of rising interest rates. Net debt is now forecast to be \$29.6 billion at 30 June 2023, \$1.5 billion lower than Budget, and is projected to reach \$32.2 billion by 30 June 2026, down \$1.7 billion on the Budget forecast.
- In recognition of the Government's strong financial management, Western Australia's credit rating has been upgraded to AAA by S&P Global, while Moody's Investors Service has lifted the outlook on its Aa1 rating from 'stable' to 'positive'.

Introduction

The Western Australian economy has continued to perform well despite a sharp slowdown in global economic growth over the course of 2022, with Gross State Product now forecast to grow by 3% in 2022-23 (up from the 2% growth forecast at Budget-time).

A general government operating surplus of \$1.8 billion is now forecast for 2022-23, slightly higher than the \$1.6 billion surplus forecast in the 2022-23 Budget, but significantly lower than the \$6 billion surplus outcome recorded in 2021-22. Consistent with the 2022-23 Budget, operating surpluses are also forecast across the remainder of the forward estimates period.

The Government has committed to repaying an additional \$400 million of Consolidated Account borrowings as part of this Mid-year Review, building on the \$1.2 billion in debt repayment included in the 2022-23 Budget. These decisions have saved an estimated \$241 million in interest payments, and have helped shield the State from the impact of future interest rate increases.

Total public sector net debt at 30 June 2026 is now projected to be \$32.2 billion, \$1.7 billion lower than forecast at Budget-time. This represents a modest 8.7% share of the State's economy, down from the 9.5% forecast at Budget.

The following table summarises the key financial aggregates for the 2022-23 Mid-year Review.

KEY BUDGET AGGREGATES						
Western Australia						
	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget Estimate	Mid-year Revision	Outyear	Outyear	Outyear
GENERAL GOVERNMENT SECTOR						
Net Operating Balance (\$m)	6,019	1,592	1,844	4,338	3,092	3,078
Revenue (\$m)	41,658	38,428	40,682	40,572	39,508	40,043
Revenue Growth (%)	3.8	-8.3	-2.3	-0.3	-2.6	1.4
Expenses (\$m)	35,638	36,836	38,838	36,234	36,416	36,965
Expense Growth (%)	3.9	1.7	9.0	-6.7	0.5	1.5
Net Debt at 30 June (\$m)	19,269	20,549	20,634	21,379	22,739	22,680
TOTAL PUBLIC SECTOR						
Net Debt at 30 June (\$m)	29,206	31,105	29,560	30,047	31,718	32,213
Net Debt as a share of GSP (%)	7.2	9.1	7.3	8.2	8.7	8.7
Asset Investment Program (\$m)	7,181	8,880	8,911	9,042	9,042	8,011
Cash Surplus/Deficit (\$m)	4,655	-1,027	-306	-145	-1,299	-248

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

	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Mid-year Revision	Outyear	Outyear	Outyear
Real Gross State Product growth (%) ^(b)	3.1 (3.75)	3.0 (2.0)	1.0	1.75 (1.5)	2.25 (1.5)
Real State Final Demand growth (%) ^(b)	5.5 (5.25)	4.5 (4.0)	3.0	2.25	2.5
Employment growth (%)	5.4 (5.0)	1.75 (2.0)	1.25	1.25	1.25
Unemployment rate (%) ^(c)	3.7 (4.0)	3.5 (3.75)	4.0 (3.75)	4.0 (3.75)	4.25 (3.75)
Wage Price Index growth (%)	2.2 (2.0)	3.5 (2.75)	3.75 (3.0)	3.5 (3.0)	3.25 (3.0)
Perth Consumer Price Index growth (%) ^(d)	5.1 (4.0)	5.25 (2.75)	3.25 (2.5)	2.5	2.5
Iron ore price (\$US/tonne CFR) ^{(c)(e)}	138.2 (139.5)	87.4 (77.5)	66.0	66.0	66.0
Iron ore volumes (million dry tonnes)	844 (853)	855	860 (863)	874 (865)	892 (865)
Crude oil price (\$US per barrel) ^(c)	90.3 (88.0)	91.2 (97.7)	81.6 (88.1)	77.3 (82.6)	74.6 (79.0)
Exchange rate (US cents) ^(c)	72.6 (73.5)	67.3 (75.1)	68.4 (73.1)	70.0 (70.6)	71.6 (68.2)
Population growth (%)	1.1 ^(f) (0.9)	1.5 (1.2)	1.5 (1.4)	1.6 (1.5)	1.6 (1.5)
Interest rate assumptions (%):					
– Public Bank Account earnings ^(c)	0.8 (0.6)	2.7 (1.2)	3.2 (1.6)	3.3 (1.6)	3.1 (1.6)
– Consolidated Account borrowings ^(c)	2.3 (2.3)	3.2 (2.5)	3.3 (2.7)	3.2 (2.6)	3.1 (2.5)

(a) 2022-23 Budget assumptions shown in parentheses where different.

(b) Based on 2021-22 annual State Accounts data, updated with the latest State Final Demand and Balance of Payments data for the September quarter 2022.

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

(d) The Consumer Price Index from 2021-22 to 2023-24 is based on the total index excluding the electricity sub-index as a result of the Household Electricity Credit provided across the State. Forecasts from 2022-23 are expressed in year-ended terms.

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

(f) Estimated actual.

RESOURCES COMMUNITY INVESTMENT INITIATIVE

On 22 November 2022, the State Government launched the Resources Community Investment Initiative (RCII) to help facilitate investment in iconic State infrastructure projects, and community and social initiatives across Western Australia.

The RCII provides a State Government-backed platform for direct contribution to infrastructure and social projects, with \$750 million already committed by founding partners Rio Tinto (\$250 million), BHP (\$250 million), Hancock Prospecting, Roy Hill and Atlas Iron (\$100 million combined), Woodside Energy (\$50 million), Chevron Australia (\$50 million), and Mineral Resources (\$50 million).

An advisory committee, comprising an independent chair and senior public sector and industry representatives, will be convened to oversee the RCII and ensure the highest standards of governance.

Project selection will be based on some or all of the following characteristics:

- be in addition to business-as-usual operations of government;
- be of State (or regional community) significance;
- be unique and innovative; and/or
- improve social and cultural outcomes for the State.

It is planned that industry contributors will be able to nominate RCII projects and initiatives they seek to support through an Expression of Interest process in early 2023. Specific project contributions will be determined by tailored project agreements and milestones through agreement with each individual company.

Funding contributions and application of these funds are not yet reflected in the forward estimates presented in this Mid-year Review. Contributions will be brought to book as and when individual project agreements are finalised.

General Government Sector

Operating Statement

A general government operating surplus of \$1.8 billion is forecast for 2022-23, slightly higher than the \$1.6 billion surplus forecast at Budget-time. Consistent with the 2022-23 Budget, operating surpluses are also forecast across the remainder of the forward estimates period.

The following table summarises the changes in general government revenue and expenses since the 2022-23 Budget estimates were finalised on 11 April 2022.

Table 3

SUMMARY OF GENERAL GOVERNMENT REVENUE AND EXPENSE VARIATIONS SINCE THE 2022-23 BUDGET					
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	Total \$m
2022-23 BUDGET - NET OPERATING BALANCE	1,592	3,541	2,760	3,007	
Revenue					
<i>Taxation</i>	871	800	675	644	2,991
- Payroll tax	418	435	448	461	1,762
- Total duty on transfers	124	22	22	24	192
- Vehicle licence duty	189	185	52	4	430
- Insurance duty	122	157	162	166	608
- Other taxes	17	1	-9	-11	-2
<i>Commonwealth grants</i>	766	582	192	379	1,918
- GST grants	479	349	296	665	1,788
- Transport grants	-72	240	-49	-259	-140
- National Schools Reform Agreement	15	24	32	39	110
- National Skills Agreement	43	15	-	2	61
- COVID-19 business support	54	-	-	-	54
- North West Shelf/condensate compensation	176	-10	-46	-71	48
- Other Commonwealth grants	71	-36	-41	3	-4
<i>Royalty income</i>	2,016	586	211	-76	2,737
- Iron ore	1,502	299	78	-126	1,752
- Lithium	506	283	157	112	1,058
- Gold	- ^(a)	-8	-27	-50	-85
- Other royalties	8	13	4	-12	12
Revenue from public corporations	-1,510	-102	-163	-228	-2,003
Interest	89	123	129	187	528
All other	22	5	22	-7	42
TOTAL REVENUE	2,254	1,994	1,065	898	6,212

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

Table 3 (cont.)

**SUMMARY OF GENERAL GOVERNMENT REVENUE AND EXPENSE
VARIATIONS SINCE THE 2022-23 BUDGET**

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	Total \$m
Expenses					
Public Sector Wages Policy - revised offer	547	276	310	323	1,457
Health and Mental Health					
- Spending carried forward from 2021-22	197	10	1	4	212
- Future Health Research and Innovation Account funding	17	20	20	28	84
- ICT costs	17	19	17	17	70
- Commonwealth agreements	55	5	-	-	60
- COVID-19 response	42	-	-	-	42
- Emergency Department reform initiatives	15	11	-	-	27
- All other	18	20	11	13	62
Consolidated Account interest					
- Impact of higher interest rates	128	154	139	149	570
- Lower interest costs due to additional \$400m debt repayment	-8	-17	-17	-17	-60
Jobs, Tourism, Science and Innovation					
- Collier Industrial Transition Fund	5	65	65	65	200
- Investment Attraction Fund top-up	105	-	-	-	105
- Grant programs carried forward from 2021-22	31	5	3	1	40
- Ashburton North Infrastructure Funds	-3	26	3	-	27
- Continued support for international education	15	-	-	-	15
- All other	14	23	9	-3	42
Operating subsidies					
- Public Transport Authority	6	22	87	34	149
- DevelopmentWA	17	43	22	4	86
- All other	88	18	21	34	161
Main Roads					
- Revised timing of Outback Way, Tanami Road and Canning Bridge Interchange works	-79	-109	-156	-153	-497
- Works carried forward from 2021-22	186	-	-	-	186
- Mine access works	10	50	-	-	60
- All other	-32	72	-12	-6	23
Other material movements					
- Small Business Hardship Support Grants and Pandemic Leave Disaster Payments	334	-	-	-	334
- Higher NDIS participation	232	-	-	-	232
- Disaster Recovery Funding Arrangements for Western Australia	152	16	-	-	168
- Superannuation interest costs	25	30	38	43	137
- National School Reform Agreement update	15	20	29	47	110
- Local Government, Sport and Cultural Industries - carryover of programs from 2021-22	-35	77	7	1	50
- 2023 Interim National Skills Agreement	10	16	9	4	39
- Government's response to family and domestic violence	23	2	3	5	34
All other	-146	324	123	234	535
TOTAL EXPENSES	2,002	1,198	733	827	4,760
TOTAL VARIANCE	252	796	332	71	1,452
2022-23 MID-YEAR REVIEW - NET OPERATING BALANCE	1,844	4,338	3,092	3,078	

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

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

Revenue

Reflecting the strength of the State's domestic economy and a lower \$US/\$A exchange rate, the general government revenue outlook has improved since the Budget, with revenue in 2022-23 revised up almost \$2.3 billion. This mainly reflects higher than previously anticipated royalty income (up \$2 billion), taxation revenue (up \$871 million) and Commonwealth grants (up \$766 million), partly offset by lower revenue from public corporations (down \$1.5 billion).

In total, revenue across the four years to 2025-26 has been revised up by \$6.2 billion (or 4%) since the Budget was released in May 2022. This mainly reflects:

- higher taxation revenue (up \$3 billion), mainly due to:
 - payroll tax (up \$1.8 billion), with higher collections in the year to date underpinned by mining sector activity and a stronger outlook for private sector wages growth across the economy;
 - insurance duty (up \$608 million), with cost pressures in the insurance market (such as from adverse weather events) flowing through to premiums;
 - vehicle licence duty (up \$430 million), with new vehicle wait times and prices remaining elevated since Budget; and
 - total transfer duty (up \$192 million), reflecting stronger activity in both the residential and commercial property markets;
- higher royalty income (up \$2.7 billion), largely due to:
 - an increase in iron ore royalty income (up \$1.8 billion), reflecting:
 - a lower \$US/\$A exchange rate (boosting the Australian dollar value of sales) as the US dollar has strengthened in response to global recession fears and aggressive monetary policy tightening by the US Federal Reserve;
 - an upward revision to the assumed iron ore price in 2022-23, from \$US77.5 per tonne at Budget to \$US87.4 per tonne in this Mid-year Review; and
 - a modest upward revision to assumed production volumes across the forward estimates period (up 33 million tonnes, or approximately 1% of output);
 - higher lithium royalty collections (up \$1.1 billion), primarily due to a large upward revision to price assumptions as demand continues to outstrip supply;
- lower revenue from public corporations (down \$2 billion) primarily due to a decision for Government Trading Enterprises to retain their 2022-23 dividends (totalling \$1.3 billion), to help fund future infrastructure such as the next desalination plant and decarbonisation of the South West Interconnected System. Downward revisions to public corporation revenue are also forecast across the outyears, mainly due to a lower profit outlook for the Water Corporation and Western Power as a result of higher interest expenses;

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- higher Commonwealth grants (up \$1.9 billion), including:
 - a \$1.8 billion increase in GST grants, primarily reflecting higher estimated national GST collections, and upward revisions to Western Australia’s estimated population share (following 2021 Census revisions);
 - a \$140 million reduction in Commonwealth transport grants, primarily driven by the deferral of expenditure on a number of joint State and Commonwealth-funded projects (including Outback Way, Tanami Road, Pinjarra Heavy Haulage Deviation and Canning Bridge Bus Interchange);
 - a \$110 million increase in National School Reform Agreement funding, reflecting revised assumptions for cost and demand parameters across the forward estimates in the Commonwealth’s October 2022 Budget;
 - a \$61 million increase in funding under the 12-month Interim National Skills Agreement which provides \$51.8 million to support fee-free TAFE courses in priority areas, \$8.2 million to improve training facilities in Western Australia, and \$930,000 for VET data reform;
 - a \$54 million contribution towards the State Government’s Small Business Hardship Grants program; and
 - higher North West Shelf grants and condensate compensation funding (up \$48 million), primarily due to the lower exchange rate; and
- higher interest revenue (up \$528 million), reflecting the impact of higher interest rates on income from cash and investments held in the Public Bank Account.

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

Expenses

This Mid-year Review accommodates higher recurrent spending across a range of new initiatives, cost and demand pressures, and spending carried over from 2021-22. Material increases since the 2022-23 Budget include:

- an additional \$1.4 billion over 2022-23 to 2025-26 for the Government's revised Wages Policy, bringing the total cost of the new wages settings to \$3.3 billion over the forward estimates period (see feature box later in this section);
- an additional \$558 million on health and mental health spending, including:
 - \$212 million carried over from 2021-22 mainly for revised distribution of Rapid Antigen Tests and for the implementation of priority projects focused on addressing health service demand;
 - \$84 million for the Future Health Research and Innovation Account, to enhance the Government's support of health and medical research, innovation and commercialisation for the betterment of all Western Australians;
 - \$70 million to enhance WA Health's software systems, supporting improved productivity, addressing cyber security risks and to implement single sign-on functionality as part of the rollout of Digital Medical Records;
 - \$60 million, under various Commonwealth funding agreements, for integrated health and aged care services to various regional and remote communities, blood and blood products, and the Indigenous Australians' Health Program;
 - \$42 million in 2022-23 for ongoing public health and system support services, as the State transitions from direct COVID-19 response activities to the new post-pandemic operating environment; and
 - \$27 million for new pilot programs to improve access to hospital Emergency Departments (on top of the Government's \$352 million investment in Emergency Department initiatives over the last two Budgets);
- \$510 million in higher interest costs for Consolidated Account borrowings, reflecting the impact of higher interest rates, partly offset by lower interest (\$60 million) from the Government's decision in this Mid-year Review to repay a further \$400 million in central borrowings;
- \$428 million through the Department of Jobs, Tourism, Science and Innovation with material allocations to support the diversification of the State's economy, including:
 - \$200 million for the Collie Industrial Transition Fund to attract new industries to Collie and support the creation of sustainable jobs;
 - an additional \$105 million for the Investment Attraction Fund (taking this Fund to a total of \$285 million) to encourage new investment and increase the competitiveness of Western Australian industries in global and domestic supply chains;

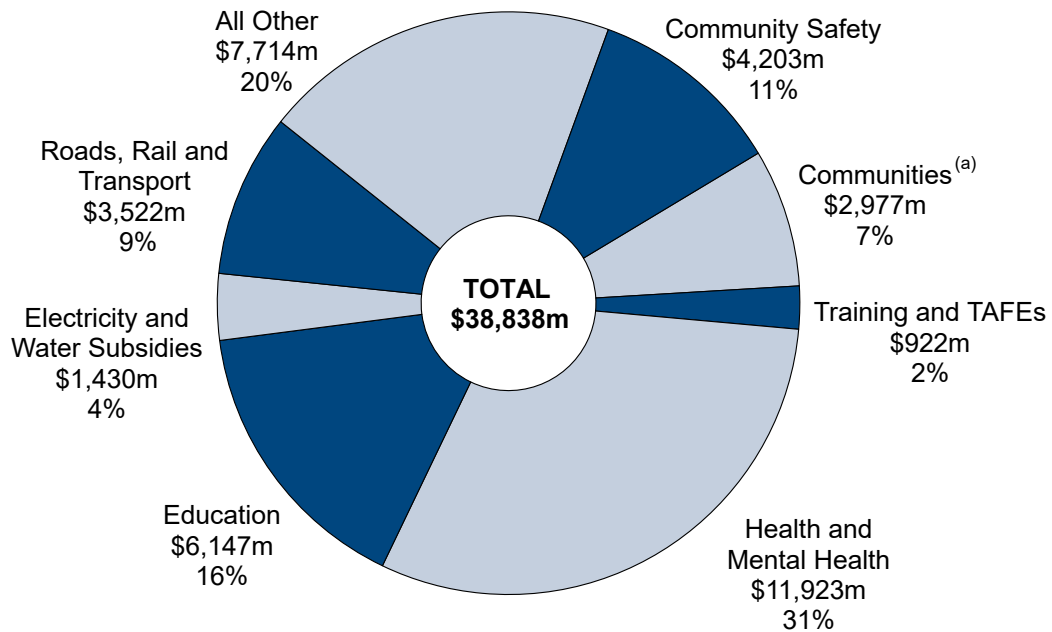
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- \$40 million to continue various grant programs and other initiatives carried over from 2021-22 due to supplier constraints and supply chain issues; and
- \$15 million to continue supporting the recovery of the international education sector;
- \$395 million in additional operating subsidies, mainly to the Public Transport Authority to meet the impact of higher interest rates on borrowing costs and DevelopmentWA for movements across a range of subsidised projects;
- \$334 million for higher than expected grant payments under programs supporting small businesses impacted by COVID-19 shutdowns and Pandemic Leave Disaster Payments (this includes \$87.6 million carried over from 2021-22);
- an additional \$232 million in 2022-23 to meet higher than forecast growth in the number of Western Australians with a disability joining the National Disability Insurance Scheme;
- \$168 million in Disaster Recovery Funding Arrangements for Western Australia, including to support recovery efforts following Cyclone Seroja;
- \$39 million under the Interim National Skills Agreement with the Commonwealth which will deliver fee-free TAFE courses for all students across 58 qualifications and 56 skill sets in priority sectors; and
- \$34 million to boost frontline resources and services provided by community organisations to better support and respond to the needs of victims and survivors of family, domestic and sexual violence.

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

Figure 1

GENERAL GOVERNMENT EXPENSES
2022-23



(a) The current forecast for total cost of services for the Department of Communities is \$3.7 billion in 2022-23. The \$3 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.

All up, general government expenses have increased by \$4.8 billion over 2022-23 to 2025-26 relative to the 2022-23 Budget, offsetting most of the upward revision to the revenue estimates. Almost half (\$2 billion) of this total increase is in the current financial year, driven mainly by the up-front cost of the revised Wages Policy, COVID-related spending and the carryover of expenditure from 2021-22. These temporary factors have contributed to estimated expense growth of 9% in 2022-23, with negative expense growth in the following year reflecting the unwinding of those factors.

PUBLIC SECTOR WAGES POLICY

The Government announced an enhanced Public Sector Wages Policy on 31 July 2022, which was further revised on 20 September 2022, focusing on lower paid workers and delivering cost of living relief. The Wages Policy will benefit more than 150,000 public sector employees, and provides:

- a \$60 per week (or \$3,130 per year) wage increase for employees earning under \$104,000 per year; or
- a 3% per annum wage increase for employees earning \$104,000 or greater per year.

In addition, all public sector workers will receive a one-off \$3,000 cost of living payment (with payments on a pro-rata basis for part-time and casual workers).

This means that public sector workers on a median salary of \$90,000 will receive an equivalent pay rise of \$6,130 or 6.8% in the first year.

Twelve industrial agreements covering approximately 85,000 employees have settled under the Wages Policy so far in 2022, including:

- transit officers;
- teachers and principals;
- education assistants;
- government cleaners and gardeners;
- TAFE lecturers;
- enrolled nurses; and
- hospital support workers.

A further 35 industrial agreements covering approximately 71,000 public sector employees (around 45% of the workforce) have expired or will expire before 30 June 2023. These include agreements for general public servants, registered nurses, police officers and prison officers, which are currently under negotiation.

Relative to the 2022-23 Budget, the improved Wages Policy is estimated to cost an additional \$1.4 billion over 2022-23 to 2025-26. This brings the total Wages Policy cost to \$3.3 billion over the next four years (relative to the previous \$1,000 Wages Policy).

Balance Sheet

The net worth of the general government sector is forecast to increase from \$132 billion at 30 June 2022 to \$150.1 billion by 30 June 2026. This \$18.1 billion projected increase over the forward estimates is \$2.2 billion more than forecast at the time of the Budget, and mainly reflects:

- a \$1.5 billion increase in the value of the general government sector's ownership interest in public corporations, due mainly to higher holdings of physical assets in the public non-financial corporations sector (underpinned by higher projected infrastructure spending);
- a \$740 million increase in property, plant and equipment, largely reflecting the higher forecast level of general government infrastructure spending across the forward estimates (see *Asset Investment Program* later in this Chapter); and
- a \$409 million decrease in leases and other borrowings, mainly due to the Government's decision to repay a further \$400 million of Consolidated Account borrowings as part of this Mid-year Review.

GENERAL GOVERNMENT Balance Sheet at 30 June

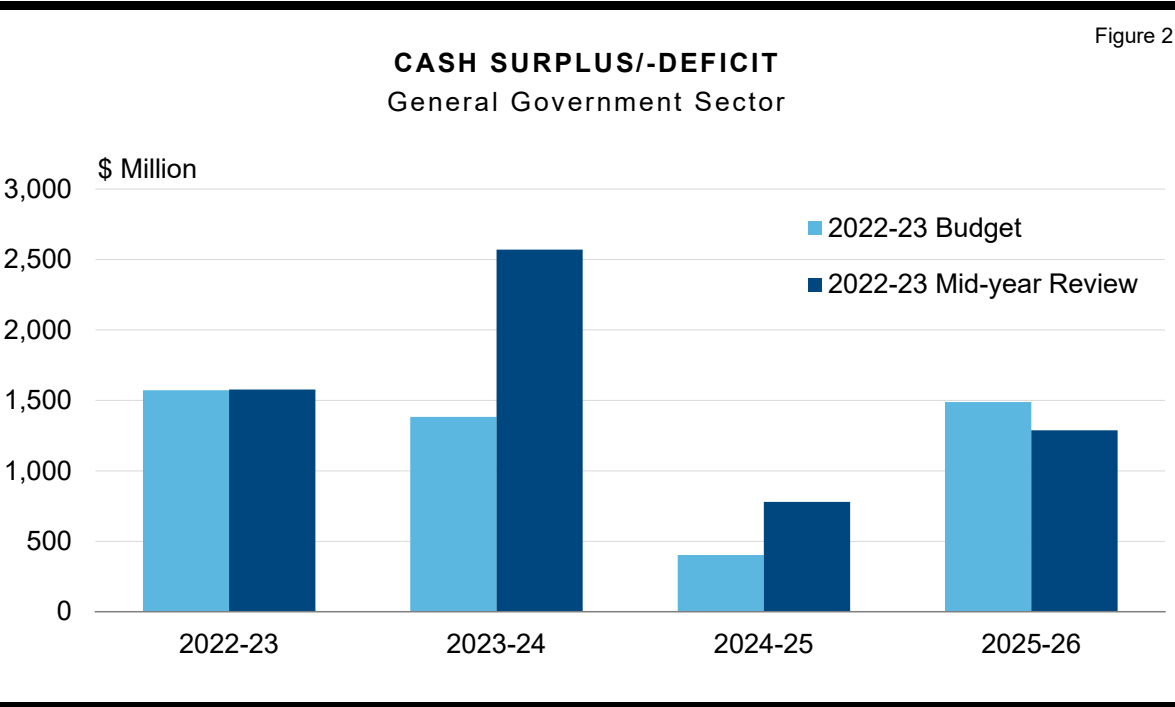
Table 4

	2022 \$m	2023 \$m	2024 \$m	2025 \$m	2026 \$m
2022-23 MID-YEAR REVIEW					
Assets	176,863	180,134	185,589	189,755	193,555
Liabilities	44,879	43,446	43,286	43,376	43,455
<i>Net Worth</i>	<i>131,984</i>	<i>136,688</i>	<i>142,303</i>	<i>146,379</i>	<i>150,100</i>
Net Debt	19,269	20,634	21,379	22,739	22,680
2022-23 BUDGET					
Assets	170,072	172,385	176,902	180,611	184,264
Liabilities	45,717	44,340	44,133	44,090	43,972
<i>Net Worth</i>	<i>124,355</i>	<i>128,045</i>	<i>132,769</i>	<i>136,521</i>	<i>140,292</i>
Net Debt	19,622	20,549	22,180	23,861	23,763
VARIANCE					
Assets	6,791	7,749	8,687	9,144	9,291
Liabilities	-838	-894	-848	-714	-517
<i>Net Worth</i>	<i>7,629</i>	<i>8,643</i>	<i>9,534</i>	<i>9,858</i>	<i>9,808</i>
Net Debt	-353	85	-801	-1,122	-1,083

Note: Columns may not add due to rounding.

Cash Flow Statement

In line with expectations in the 2022-23 Budget, a cash surplus is forecast for the general government sector in 2022-23 and in each of the outyears. 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

The total public sector operating outlook has strengthened since the 2022-23 Budget. Net debt is projected to reach \$32.2 billion at 30 June 2026, down \$1.7 billion relative to the Budget.

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

Table 5

TOTAL PUBLIC SECTOR Summary Financial Statement						
	2021-22 Actual \$m	2022-23 Budget Estimate \$m	2022-23 Mid-year Revision \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
OPERATING STATEMENT						
Revenue	73,776	73,230	77,316	77,291	76,904	77,763
Expenses	67,357	72,024	75,315	73,799	74,903	75,914
Net Operating Balance	6,419	1,206	2,001	3,492	2,000	1,849
BALANCE SHEET AT 30 JUNE						
Assets	218,280	218,075	220,355	226,917	232,634	238,366
Liabilities	86,296	90,030	83,667	84,614	86,255	88,266
Net Worth	131,984	128,045	136,688	142,303	146,379	150,100
STATEMENT OF CASHFLOWS						
Net Cash Flow s from Operating Activities	11,307	7,316	8,104	8,288	7,085	7,021
Asset Investment Program	7,181	8,880	8,911	9,042	9,042	8,011
Cash Surplus/Deficit	4,655	-1,027	-306	-145	-1,299	-248
<i>Memorandum Item: Net Debt at 30 June</i>	<i>29,206</i>	<i>31,105</i>	<i>29,560</i>	<i>30,047</i>	<i>31,718</i>	<i>32,213</i>

Note: Columns may not add due to rounding.

Operating Statement¹

In 2022-23, a \$2 billion operating surplus is forecast for the total public sector, compared with the \$1.2 billion operating surplus forecast at Budget. Across the outyears (2023-24 to 2025-26), the annual operating surpluses forecast at Budget have been revised down by an aggregate \$89 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.

¹ Consolidation of the sub-sectors of the public sector removes transactions between each part of government. In aggregate, the operating balance of the total public sector is equal to the sum of the general government and public corporations sectors' operating balances, less transactions between these sectors (such as dividend transfers). 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

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
Net Operating Balance						
General government sector	6,019	1,592	1,844	4,338	3,092	3,078
Public non-financial corporations sector	714	1,037	154	597	433	312
Public financial corporations sector	437	152	95	60	69	72
<i>less</i>						
General government dividend revenue	612	1,476	47	1,458	1,529	1,538
Public non-financial corporations dividend revenue ^(a)	142	101	48	48	67	78
Agency depreciation costs on right of use assets leased from other government sectors ^(b)	-3	-2	-2	-2	-2	-3
Total public sector net operating balance	6,419	1,206	2,001	3,492	2,000	1,849

(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, PNFC operating surpluses have been revised down by an aggregate \$2.5 billion over the four years to 2025-26. Revenue and expenses have been impacted by a range of decisions and revisions to forecast operating conditions, including:

- higher depreciation expense (up \$1.4 billion), primarily as a result of the flow-on impacts of upward valuations of electricity generation and distribution infrastructure assets brought to book in the 2021-22 *Annual Report on State Finances*;
- a lower net operating outlook (down \$617 million) for the Department of Communities (Housing Services) due to:
 - lower revenue (down \$367 million), primarily driven by:
 - the transfer of responsibility, and related Royalties for Regions receipts, for the provision of essential services in remote Aboriginal communities from Communities (assumed in the Budget) to the Water Corporation and Horizon Power (as part of this Mid-year Review); and
 - the decrease in the dividend paid by Keystart to Communities, due to revised market forecasts resulting in lower than forecast loan volumes; and
 - higher expenses (up \$250 million), largely resulting from:
 - refurbishment, upgrades and new housing, and upgrades to municipal services, in remote Aboriginal communities, funded from the Remote Communities Fund;

- increased interest expense as a result of higher interest rates on borrowings; and
- additional grants provided to the community housing sector to deliver new social housing;
- higher revenue (up \$198 million) and expenses (up \$502 million) for the Water Corporation, mainly reflecting the transfer of water and wastewater service provision in remote Aboriginal communities from the Department of Communities to the Water Corporation, higher operating costs, and the impact of increased interest rates on both borrowing costs and interest revenue;
- higher revenue (up \$675 million) and expenses (up \$382 million) for Synergy, largely driven by:
 - higher forecast demand from residential and commercial customers;
 - the impact of higher inflation on operating costs and the flow-through effect of the Government's updated Wages Policy; and
 - the cost of feasibility studies for renewable wind generation and battery storage projects;
- higher revenue (up \$113 million) and expenses (up \$201 million) for the Public Transport Authority, largely reflecting additional operating subsidy for increased interest payments and additional METRONET-related expenses (for the Armadale Rail Line Shutdown and Lakelands Station), and the carryover from 2021-22 of works to be undertaken on behalf of external parties; and
- higher expenses (up \$193 million) for Western Power, primarily due to increases in interest costs.

Public Financial Corporations

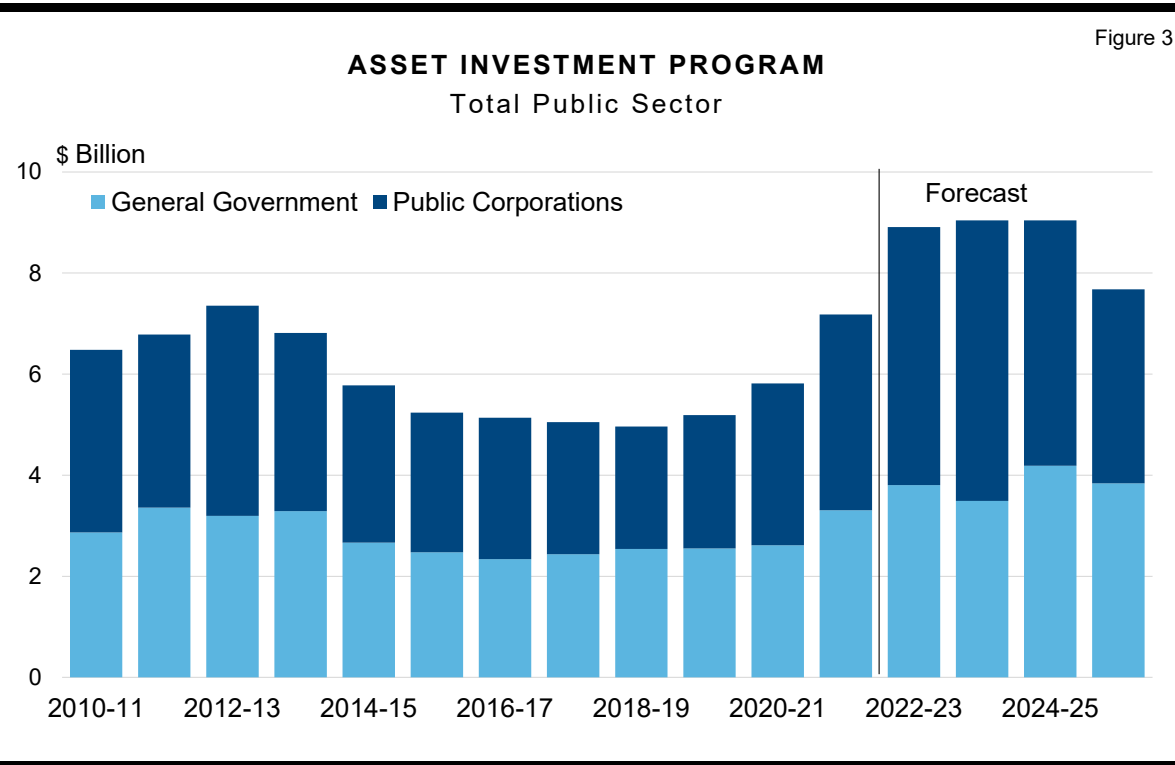
The operating outlook for the PFC sector has been revised down by a total of \$186 million over the four year period to 2025-26 since the 2022-23 Budget. An operating surplus of \$95 million is forecast for 2022-23, with slightly smaller surpluses also expected in each of the outyears.

PFC sector revenue and expense estimates have been revised up over the four years to 2025-26 by \$1.4 billion and \$1.6 billion respectively, largely reflecting the impact of higher interest rate forecasts on revenue and expenses of the Western Australian Treasury Corporation (both up \$1.5 billion) and Keystart (revenue down \$88 million and expenses up \$88 million).

Keystart's lower revenue is primarily due to revised market forecasts which include lower projected loan volumes and associated interest receipts from customers, while higher interest rates have driven up borrowings costs.

Asset Investment Program

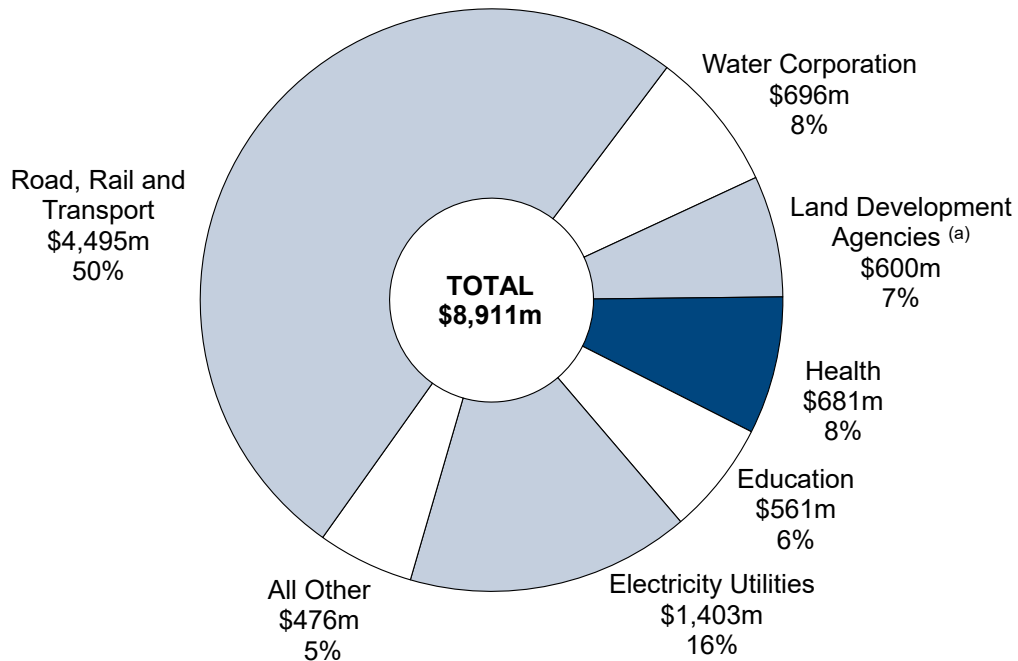
The Government continues to invest heavily in economic and social infrastructure, with the Mid-year Review Asset Investment Program (AIP) totalling a record \$35 billion over the period 2022-23 to 2025-26. This is \$1.1 billion higher than the \$33.9 billion AIP included in the 2022-23 Budget.



The most significant areas of investment across the forward estimates continue to be road, rail and transport (\$14.4 billion), electricity (\$4.4 billion), water (\$3.2 billion), housing and land development (\$3.1 billion), education (\$1.7 billion), and health (\$1.7 billion).

Figure 4

ASSET INVESTMENT PROGRAM
2022-23



(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 2022-23 Budget include:

- a \$560 million increase in the Water Corporation's capital expenditure, largely comprising:
 - \$299 million to progress the Flat Rocks Wind Farm Stage 2;
 - \$95 million to commence upgrading water and wastewater infrastructure assets in remote Aboriginal communities; and
 - \$77 million to upgrade the Ord M1 irrigation channel;
- a \$254 million increase in investment by the Department of Primary Industries and Regional Development, mainly for:
 - the Department's New Metropolitan Facility to be located on Murdoch University's Perth campus (\$247 million to 2025-26, with a total project cost of \$320 million); and
 - \$2.3 million towards the construction of two truck wash down facilities to be located in the Kimberley and south of the State;

2022–23 Government Mid-year Financial Projections Statement

- higher capital investment in road and rail (up a net \$141 million), mainly comprising:
 - a \$104 million increase in spending by Main Roads driven by market cost pressures and updated project schedules across a range of works, partially offset by the deferral of several joint State and Commonwealth-funded projects that are currently in planning;
 - an \$82 million increase for the Public Transport Authority, largely reflecting an additional \$113.4 million for the High-Capacity Signalling Program and a \$36.3 million reduction in expenditure due to the retiming of project cashflows; and
 - net reductions to provisions included in the Budget for METRONET projects under development, mainly due to the retiming of project cashflows (in line with the Commonwealth Budget);
- a \$129 million increase in WA Health's infrastructure program, mainly due to the carryover of \$103 million in project underspending from 2021-22;
- a \$108 million increase for Synergy, primarily driven by:
 - preliminary works associated with the development of the King Rocks Wind Farm and to place pre-orders on batteries (and associated components) to deliver the Government's decarbonisation target (\$112.6 million); and
 - installation of a firewater containment system at Synergy's Big Battery project in Kwinana (\$10.9 million);
- an increase of \$84 million for Horizon Power, mainly comprising:
 - \$39.4 million for essential services in remote Aboriginal communities;
 - \$13.3 million to deliver 50 Standalone Power Systems in the Esperance region; and
 - the carryover of \$10.6 million in project underspends from 2021-22;
- an increase of \$94 million in asset investment by the Department of Communities (Housing Services), mainly for additional spot purchases of existing properties for the social housing program (\$60.1 million). This includes 50 houses to be prioritised for people experiencing prolonged homelessness under the Supportive Landlord Model (\$20 million);
- a \$71 million increase for DevelopmentWA, mainly due to \$59 million in cost escalation for the Ocean Reef Marina project and \$14.9 million in additional funding for the Kalgoorlie industrial land development project;
- a \$67 million increase in Education's capital program, largely due to:
 - cost escalation pressures for high priority projects (\$38.6 million);
 - \$12.3 million towards the delivery of a \$15 million two-storey modular classroom block for 300 students at Shenton College; and

- \$11.6 million for additional works including replacing air filters and repairing mechanical air systems under the School Ventilation Program; and
- a \$59 million increase in asset investment by the Pilbara Ports Authority, including road and intersection upgrades at Lumsden Point (\$36 million).

The 2022-23 Budget included a provision to smooth the forecast AIP over the forward estimates, reflecting construction market challenges. These challenges remain and this Mid-year Review includes an update to this provision. The updated provision reallocates \$750 million of forecast spending from 2023-24 (\$500 million) and 2024-25 (\$250 million) into 2025-26. 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 2026. The provision does not change the timing of individual projects.

Further detail of material changes in infrastructure investment since the 2022-23 Budget is available in Appendix 3: *Major Spending Changes*.

Balance Sheet

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

Total public sector net debt is discussed later in this Chapter.

Cash Flow Statement

A total public sector cash deficit of \$306 million is now forecast for 2022-23, a \$721 million improvement compared to Budget. The lower cash deficit mainly reflects higher net cash flows from operating activities, partly offset by an increase in spending on infrastructure.

Consistent with the Budget, cash deficits are also projected across 2023-24 and 2024-25. A modest cash deficit is also now forecast in 2025-26, a turnaround from the expected surplus at Budget-time. Movements across the outyears since the Budget also reflect the impact on cash of the operating surplus, partly offset by the increase in asset investment discussed earlier. Annual cash surplus or deficit outcomes are the main driver of movements in net debt (discussed in the next section).

TOTAL PUBLIC SECTOR CASH FLOW							Table 7
Summary							
	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear	
	\$m	\$m	\$m	\$m	\$m	\$m	
Net cash from operating activities	11,307	7,316	8,104	8,288	7,085	7,021	
Net cash flow s from investing in non-financial assets	-6,653	-8,342	-8,410	-8,433	-8,384	-7,269	
Cash surplus/- deficit	4,655	-1,027	-306	-145	-1,299	-248	
<i>Financing transactions</i>							
Net cash flow from borrowings	-3,611	-784	-2,794	-56	1,124	1,561	
Run-down in cash and cash equivalents	-2,750	2,662	2,895	887	1,102	-225	
All other financing	1,707	-852	205	-686	-927	-1,088	
<i>Total Financing</i>	<i>-4,655</i>	<i>1,027</i>	<i>306</i>	<i>145</i>	<i>1,299</i>	<i>248</i>	

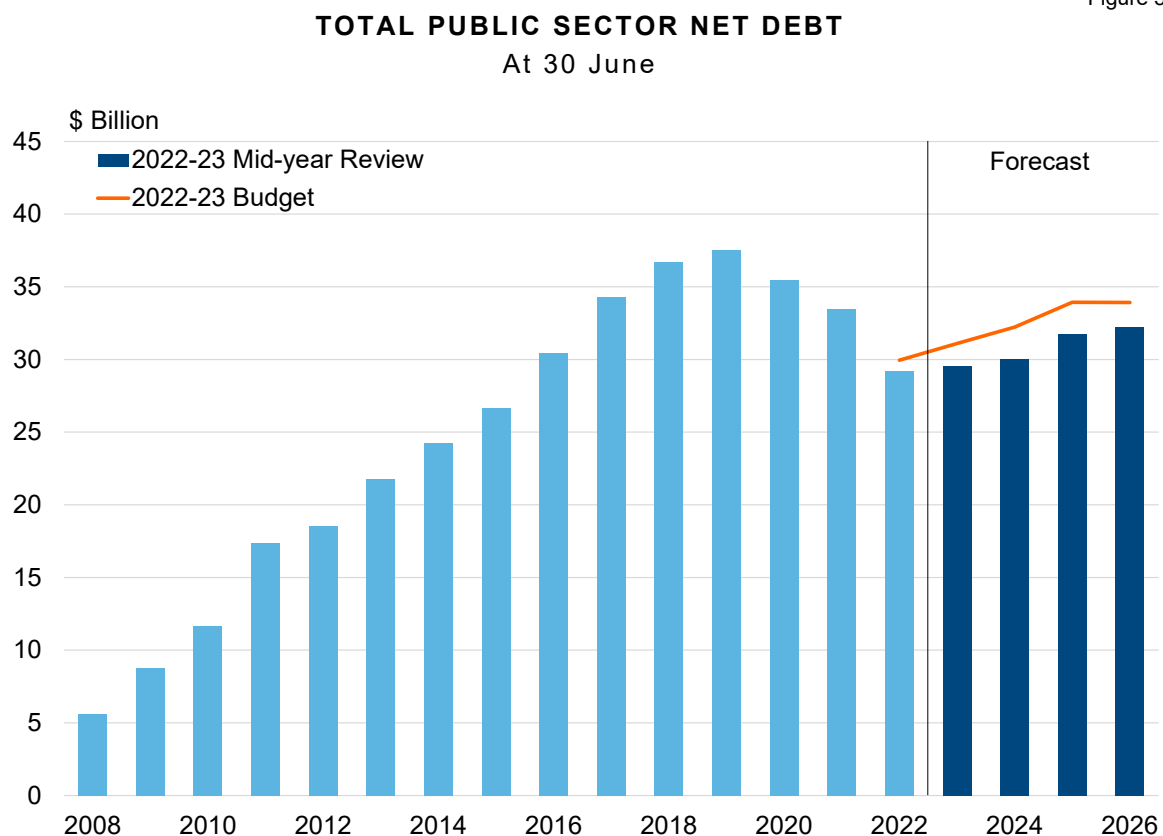
Note: Columns may not add due to rounding.

Net Debt²

In contrast to other jurisdictions, Western Australia's total public sector net debt is forecast to remain relatively stable over the forward estimates period, reaching a projected \$32.2 billion at 30 June 2026. This is \$1.7 billion lower than forecast in the 2022-23 Budget, and mainly reflects the net impact of:

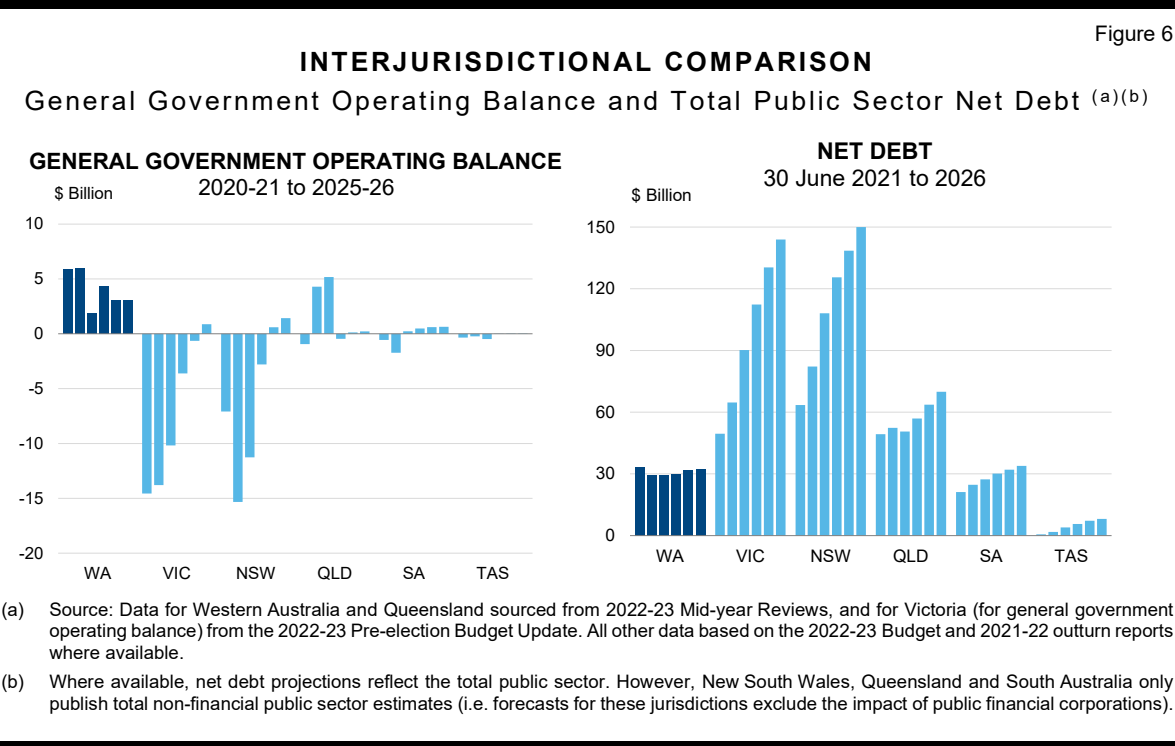
- the increase in the State's AIP (increasing net debt by \$1.1 billion);
- the impact on cash of the general government sector operating changes (reducing net debt by \$1.8 billion) and operating changes across the public corporations sectors (reducing net debt by \$248 million); and
- the better than expected net debt outcome for 2021-22 (\$743 million improvement), as reported in the 2021-22 *Annual Report on State Finances*.

Figure 5



² 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.

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. In recognition of the State’s strong financial position, Western Australia’s credit rating has been upgraded to AAA by S&P Global, while Moody’s Investors Service has lifted the outlook on its Aa1 rating from ‘stable’ to ‘positive’.



The following table summarises changes to projected net debt levels since the 2022-23 Budget.

Table 8

NET DEBT OF THE PUBLIC SECTOR AT 30 JUNE

	2023 \$m	2024 \$m	2025 \$m	2026 \$m
2022-23 Budget - Total Public Sector Net Debt	31,105	32,222	33,933	33,928
<i>Plus</i> Improvement from the 2021-22 outcome	-743			
<i>Less</i> change in net cash flows from operating activities and dividends paid				
- general government	193	984	436	181
- public non-financial corporations	696	-118	-135	-112
- public financial corporations	-100	6	12	- ^(a)
<i>Total public sector</i>	<i>788</i>	<i>871</i>	<i>313</i>	<i>70</i>
<i>Plus</i> purchases of non-financial assets ^(b)				
Adjustment to AIP Smoothing Provision	-	-500	-250	750
Water Corporation	48	272	186	54
Primary Industries and Regional Development	9	46	87	112
Road, Rail and Transport	74	121	60	-113
WA Health	23	40	68	-2
Synergy	120	-10	-1	-1
Communities (Housing Services)	52	28	40	-26
Horizon Power	36	8	22	19
DevelopmentWA	2	20	38	9
Education	-34	62	42	-3
Pilbara Ports Authority	-109	43	120	4
WA Sports Centre Trust	36	13	2	7
All other ^(c)	-225	31	-126	-243
<i>Total purchase of non-financial assets</i>	<i>31</i>	<i>174</i>	<i>288</i>	<i>567</i>
<i>Less</i> proceeds from sale of non-financial assets	-36	-81	10	-
<i>Plus</i> all other financing ^(d)	-82	-13	-5	3
<i>Cumulative impact on net debt at 30 June</i>	<i>-1,546</i>	<i>-2,175</i>	<i>-2,215</i>	<i>-1,715</i>
2022-23 Mid-year Review - Total Public Sector Net Debt	29,560	30,047	31,718	32,213

(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 targets, other than the expense target (based on agency performance against Resource Agreement expense limits), are expected to be met in 2022-23. All of the Government's financial targets are forecast to be met in each outyear across the remainder of the forward estimates period.

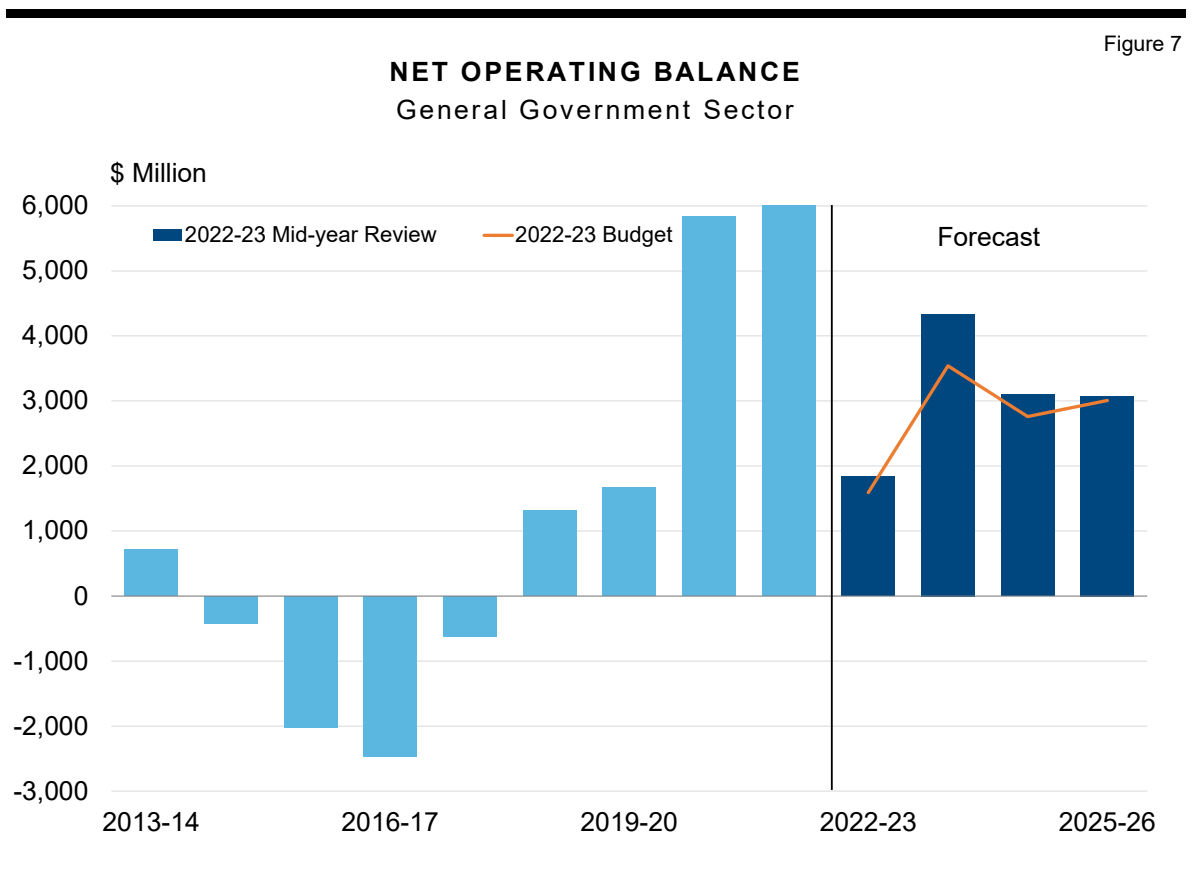
2022-23 MID-YEAR REVIEW – FINANCIAL TARGET COMPLIANCE				
	2022-23 Mid-year Revision	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear
Maintain a net operating surplus for the general government sector on average over the forward estimates period				
- General government net operating balance (\$m)	1,844	4,338	3,092	3,078
- 2022-23 Mid-year Review compliance	Yes	Yes	Yes	Yes
- 2022-23 Budget compliance	Yes	Yes	Yes	Yes
Maintain disciplined general government expense management through:				
- delivering public sector wages outcomes in line with Government wages policy				
- 2022-23 Mid-year Review compliance	Yes	Yes	Yes	Yes
- 2022-23 Budget compliance	Yes	Yes	Yes	Yes
- ensuring key service delivery agency recurrent spending outcomes are in line with budgeted expense limits				
- 2022-23 Mid-year Review compliance	No	Yes	Yes	Yes
- 2022-23 Budget compliance	Yes	Yes	Yes	Yes
Maintain or increase net worth of the total public sector				
- Total public sector net worth (\$b)	136.7	142.3	146.4	150.1
- 2022-23 Mid-year Review compliance	Yes	Yes	Yes	Yes
- 2022-23 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 in 2022-23 and in each outyear across the forward estimates period (see figure below).

The 2022-23 operating surplus is estimated to be \$1.8 billion, \$252 million higher than forecast at Budget, but substantially below the \$6 billion surplus outcome in 2021-22. This largely reflects the impact of a lower iron ore price and additional spending and support for front-line services, including the Government's new Wages Policy.

Operating surpluses provide an important non-debt source of funding for the Asset Investment Program.



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 2022-23 and across the forward estimates period.

The Government's Public Sector Wages Policy is based on the following offer, announced on 20 September 2022, which provides public sector employees with:

- a \$60 per week (or \$3,130 per year) increase for employees earning under \$104,000 per year; or
- a 3% per annum increase for employees earning \$104,000 or greater per year.

In addition, all public sector workers will receive a one-off \$3,000 cost of living payment, paid on a pro-rata basis for part-time and casual workers. Superannuation is also paid on these increases and benefits.

Twelve industrial agreements have settled so far in 2022. A further 35 agreements have expired or will expire before 30 June 2023, with a number of these currently under negotiation.

EXPIRING KEY PUBLIC SECTOR INDUSTRIAL AGREEMENTS ^(a)				Table 10
Agreement	Employees	Expiry Date	Status	
2021-22				
Arts & Culture Trust Venues Management Agreement	319	31 Dec 2021	Under Negotiation	
Main Roads Enterprise Agreement	922	31 Jan 2022	Under Negotiation	
Prison Officers	2,937	10 Jun 2022	Under Negotiation	
Public Servants and Government Officers	29,918	12 Jun 2022	Under Negotiation	
School Support Officers	4,682	12 Jun 2022	Under Negotiation	
Disability Services Social Trainers	464	12 Jun 2022	Under Negotiation	
Insurance Commission (Government Officers)	405	12 Jun 2022	Under Negotiation	
WA Police	6,642	30 Jun 2022	Under Negotiation ^(b)	
2022-23				
Registered Nurses	18,566	11 Oct 2022	Under Negotiation ^(b)	
Public Transport Authority Salaried Officers	1,052	26 Oct 2022	Under Negotiation ^(b)	
WA Police Auxiliary Officers	358	1 Nov 2022	Under Negotiation ^(b)	
Public Transport Authority Train Drivers	365	16 Mar 2023	Upcoming Agreement	
Firefighters	1,234	8 Jun 2023	Upcoming Agreement	
(a) The table includes large key agreements that cover more than 300 employees.				
(b) Status changed since the 2022-23 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 2022-23, with five agencies projected to exceed the 2% threshold due to unavoidable spending increases:

- WA Health (forecast increase of \$359 million or 3.2%, which includes adjustments for the allocation of \$60 million from Budget provisions), mainly due to the carryover of expenditure deferred from 2021-22, primarily relating to the consumption of Rapid Antigen Test inventory;
- Communities (forecast increase of \$350 million or 10.6%, which includes adjustments for the allocation of \$35 million from Budget provisions), mainly reflecting the combined impact of higher contributions to the National Disability Insurance Scheme and carryovers and reflows of expenditure reflecting timing changes to program delivery;
- Commissioner of Main Roads (forecast increase of \$87 million or 5.1%), primarily reflecting the carryover of works from 2021-22 to 2022-23, which has been partially offset by the deferral of expenditure on a number of joint State and Commonwealth-funded projects;
- Jobs, Tourism, Science and Innovation (forecast increase of \$170 million or 33.5%, which includes adjustments for the allocation of \$13 million from Budget provisions), largely due to the following initiatives approved as part of this Mid-year Review:
 - an additional \$105 million to boost the Investment Attraction Fund;
 - \$31 million to continue various grant programs and other initiatives carried over from 2021-22 due to supplier constraints and supply chain issues;
 - \$15.4 million to support the recovery of the international education sector; and
 - \$6.8 million related to the Total Solar Eclipse event; and
- Fire and Emergency Services (forecast increase of \$25 million or 4.6%), largely due to the carryover of expenditure from 2021-22 into 2022-23 as result of delays in the delivery of several projects.

Table 11

AGENCY RESOURCE AGREEMENTS (a)

	2022-23 Budget Resource Agreement \$m	Revised Total Cost of Service \$m	Less spending provisioned in the 2022-23 Budget (b) \$m	Mid-year Review Total Cost of Service \$m	Variance from Revised Limit %
WA Health	11,185	11,603	60	11,543	3.2
Education	5,893	6,147	276	5,871	-0.4
Communities	3,298	3,683	35	3,648	10.6
Public Transport Authority of Western Australia	1,879	1,905	2	1,904	1.3
Justice	1,806	1,819	_(c)	1,818	0.7
Western Australia Police Force	1,792	1,814	-	1,814	1.2
Commissioner of Main Roads	1,714	1,801	-	1,801	5.1
Finance	1,768	1,728	-	1,728	-2.2
Mental Health Commission	1,258	1,269	_(c)	1,269	0.9
Training and Workforce Development	749	778	20	758	1.1
Jobs, Tourism, Science and Innovation	509	692	13	679	33.5
Transport	648	610	7	603	-6.9
Primary Industries and Regional Development	622	592	1	591	-5.1
Fire and Emergency Services	545	570	-	570	4.6
Local Government, Sport and Cultural Industries	517	530	5	526	1.6

(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 2022-23, reflected in the Budget as a provision and now allocated to an agency.

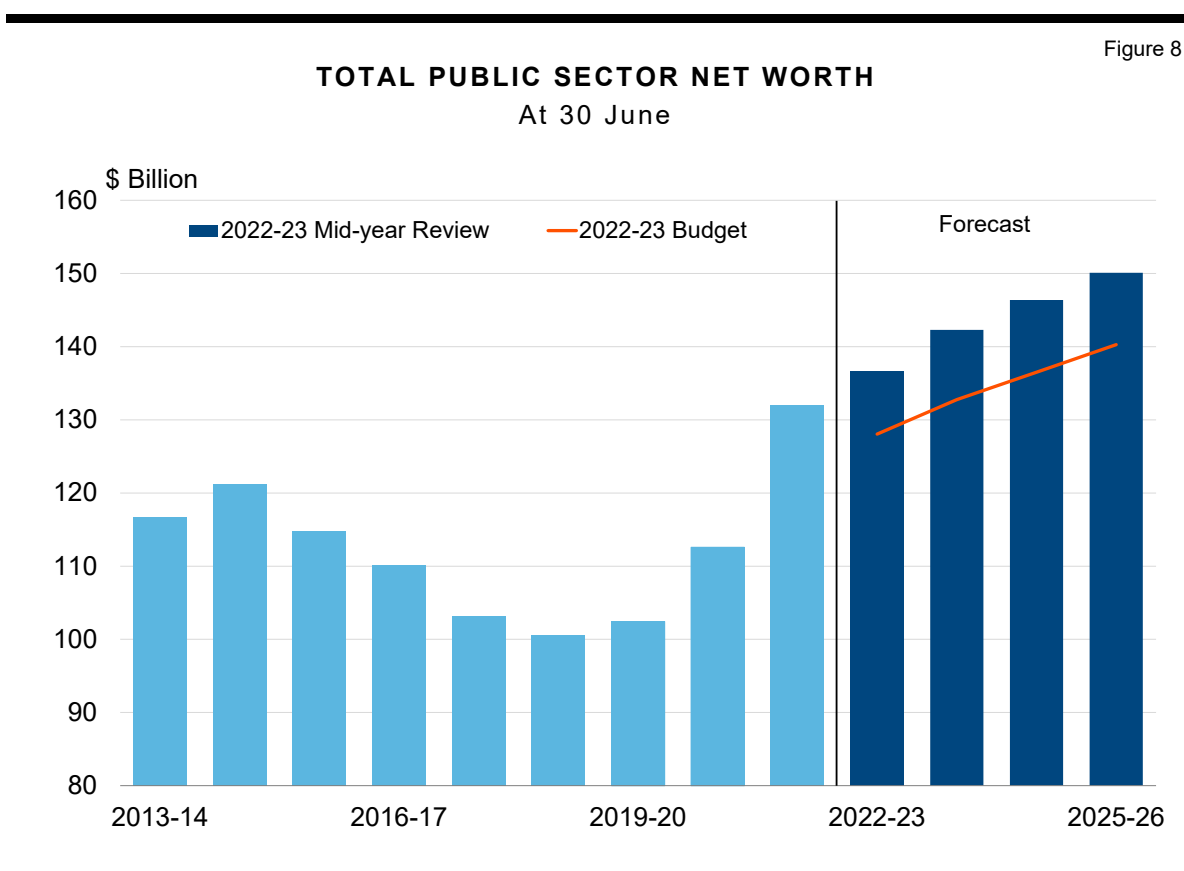
(c) Amount less than \$500,000.

Material changes to agency spending since the 2022-23 Budget are discussed earlier in this Chapter and in more detail in Appendix 3.

Maintain or increase net worth of the total public sector

This target is expected to be achieved across the entire forward estimates period, consistent with expectations at the time of the 2022-23 Budget.

The net worth (i.e. total assets less total liabilities) of the public sector is forecast to increase from \$132 billion at 30 June 2022 to \$150.1 billion at 30 June 2026. 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).



Statement of Risks

Changes since the 2022-23 Budget

The majority of the risk items outlined in the 2022-23 Budget remain current³. 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 2022-23 Budget.

National Disability Insurance Scheme

Western Australia's six-year bilateral agreement with the Commonwealth on its transition to the National Disability Insurance Scheme (NDIS) expires on 30 June 2023, with the State preparing to commence negotiations with the Commonwealth on the terms of its full scheme agreement.

While the financial impacts of Western Australia's full scheme agreement are still to be determined, there is a risk from the higher-than-forecast participation in the NDIS, which is being experienced nationally. The forecast payments required to meet Western Australia's contribution to the NDIS over the forward estimates will be considered as part of the 2023-24 Budget.

Interest Rates

The impact of increases in interest rates since the Budget has been brought to book in this Mid-year Review. The following table provides an updated comparison of Consolidated Account interest rate scenarios under the 'expected' and 'high' interest rate paths modelled by the Western Australian Treasury Corporation. As indicated, annual Consolidated Account interest expenses would be around \$127 million higher by 2025-26 under the 'high' scenario. Further information on the difference between the 'expected' and 'high' interest rate paths is contained in the 2022-23 Budget Paper No. 3: *Economic and Fiscal Outlook*.

Table 12

CONSOLIDATED ACCOUNT INTEREST RATE SCENARIOS

	2022-23	2023-24	2024-25	2025-26
'Expected' (%)	3.22	3.26	3.18	3.13
'High' (%)	3.26	3.43	3.53	3.70
Variance (Basis Points)	4	17	35	57
Variance (\$m)	5	37	79	127

Asset Investment Program

Delivery of the Government's record Asset Investment Program (AIP) is likely to continue to be affected by construction market capacity constraints in the short to medium term. This represents a risk to the AIP forecasts, including project costs and delivery timeframes.

³ See Statement of Risks, Chapter 3: *Fiscal Outlook and Strategy*, in 2022-23 Budget Paper No.3: *Economic and Fiscal Outlook* (pages 57-64).

Decarbonisation

On 14 June 2022, the Government announced its intention to invest in new renewable generation and electricity storage to allow for the retirement of Synergy's coal-fired generation fleet by 2030, and to reduce the Water Corporation's scope 2 emissions. Capital outlays for this program are expected to total \$3.8 billion, with the overall cost to be largely offset by a projected reduction in operating subsidies paid to Synergy over the period to 2029-30.

To date, including through decisions announced as part of this Mid-year Review, the Government has approved expenditure of \$435 million to meet the up-front cost of new investment in renewable assets. Further significant investment (by both the Government and the private sector) will be required over the next seven years to meet the Government's decarbonisation objectives.

Emergency Ambulance Services Contract

WA Health is currently negotiating a new contract for emergency ambulance services with St John Ambulance Western Australia, with the current contract due to expire on 31 December 2022. The new contract aims to address the relevant findings of the Parliamentary Inquiry into the Delivery of Ambulance Services in Western Australia (May 2022) and, as such, represents significant contractual reform. Contract negotiations were not yet finalised at the time of the 2022-23 Mid-year Review cut-off on 28 November 2022, and hence any associated financial impacts are not reflected in this Mid-year Review.

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, agreements with external parties (such as the Commonwealth Government) and other factors.

As detailed earlier in this Chapter, the revenue estimates outlined in the 2022-23 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 13

APPROXIMATE PARAMETER SENSITIVITY OF REVENUE ESTIMATES
2022-23

	Variability (\$m)	Detail
Royalty income and North West Shelf grants	±151	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	±90	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	±50	For each 1% increase/decrease in taxable wages or employment growth (i.e. the total wages bill).
Underlying transfer duty		
• Prices	±28	For each 1% increase/decrease in average property prices.
• Transactions	±19	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 fallen by over one third from early April 2022 to the end of November 2022. 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 \$US66 per tonne) over the next six months (i.e. by June 2023).

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 2021-22 *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 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.

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 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.

DevelopmentWA – East Perth Power Station (EPPS) Works

An Exclusive Working Period (EWP) between DevelopmentWA and the preferred proponent for the development of the EPPS site (Koomba Kalark Joint Venture) was executed on 4 June 2020 to allow the parties to reach agreement on threshold matters underpinning the proposed Project Development Deed (PDD). The PDD will stipulate the responsibilities of both parties under the development.

Both parties have recently agreed to extend the EWP until 3 March 2023. In addition to resolving outstanding matters relating to the PDD, the next stage of negotiations will focus on the finalisation of capped performance warranties mainly associated with the State's timely completion of de-constraining works.

Western Power Parkerville Proceedings

On 23 July 2021, Western Power applied to the High Court for special leave to appeal the WA Supreme Court (Court of Appeal) judgement which found Western Power 50% liable for the Parkerville bushfire. Western Power's liability arose from not having an inspection system in relation to the consumer pole that failed and started the bushfire.

The appeal was dismissed by the High Court on 7 December 2022. As the High Court judgement was handed down after the Mid-year Review cut-off date, any further cost implications (if any) of this decision have not been reflected in the State's financial position. Western Power's payments to claimants were not impeded by the appeal process, and Western Power has continued to progress its private consumer pole inspection program since the Court of Appeal judgement was made last year.

Synergy – Investigation by the Electricity Review Board

In November 2022, the Electricity Review Board (ERB) released a report finding that in 2016 and 2017 Synergy breached a provision in the Western Australian Wholesale Electricity Market rules. The rules prohibit a market participant that has market power from offering prices into the balancing market that are above its reasonable expectation of the short run marginal cost of generating electricity.

Following a consultation period with the Economic Regulation Authority and Synergy, the ERB will deliberate on potential penalties to Synergy for the breaches.

Gold Corporation – External Audit

On 30 August 2022, the Australian Transaction Reports and Analysis Centre (AUSTRAC) ordered the appointment of an external auditor to the Gold Corporation under section 162(2) of the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (AML/CTF Act). An external auditor has been appointed by the Gold Corporation and authorised by AUSTRAC to assess the Gold Corporation's compliance with the AML/CTF Act and Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No.1). It is not possible to quantify the potential financial effects, if any, until such time as the outcomes of the audit inform AUSTRAC of the extent of any non-compliance with AML/ACT obligations and whether any further regulatory action is required.

Magnium Australia Pty Ltd

Magnium Australia is working to establish an energy efficient and low emissions magnesium metal refinery in Collie. To date, the Government has approved grants to Magnium Australia totalling \$2.3 million towards the cost of pre-feasibility and detailed feasibility studies. Case management services are also being provided by the Department of Jobs, Tourism, Science and Innovation to guide Magnium Australia through the approvals process.

Additional financial assistance will be provided to Magnium Australia, subject to it achieving a number of conditions. These include business case development, securing a project site in Collie, obtaining relevant State and Commonwealth approvals, and a final investment decision by Magnium Australia on its projects. The cost of this financial assistance will be met from the Collie Industrial Transition Fund.

The Western Australian Economy

HIGHLIGHTS

- The global economy has slowed sharply over the course of 2022, reflecting high energy costs, rapidly rising interest rates, weakness in China's property market, and an uncertain and volatile geopolitical environment. There is now an increasing risk of global recession in 2023.
- Notwithstanding the challenging international environment, and the rapid pace of monetary policy tightening in Australia, the State's domestic economy continues to perform well. State Final Demand is forecast to grow by 4.5% in 2022-23 (similar to growth of 5.5% in 2021-22), underpinned by strong household consumption and rebounding business investment.
- Conditions in the State's labour market remain strong, with the unemployment rate now forecast to average just 3.5% over 2022-23 (down from 3.75% forecast at Budget-time).
- Western Australia's economy has done the bulk of the heavy lifting in Australia since the onset of COVID-19, accounting for 23% of national economic growth over this period – more than double the State's population share, and the largest contribution of all jurisdictions.
- International headwinds, along with the lagged impact of higher interest rates and the continued withdrawal of COVID-related spending by the Commonwealth and State Governments, are expected to see the State's economic growth slow from 2023-24. The unemployment rate is now forecast to gradually increase from 2023-24 as labour demand eases and labour supply improves on the back of rising overseas migration.

Western Australia

Gross State Product

The State's economy (as measured by Gross State Product, GSP) increased by 3.1% in 2021-22, after growing by 3.3% in 2020-21 and 1.2% in 2019-20. Western Australia is the only mainland State to have expanded in each of the past three years, making it the leading contributor to growth in the national economy since the onset of the COVID-19 pandemic.

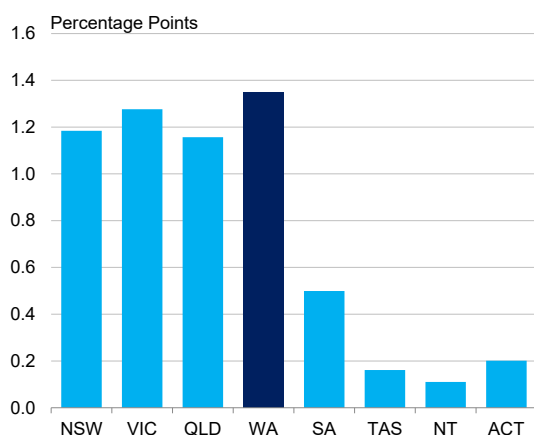
However, global and domestic challenges are mounting. Since Budget, most of the world's central banks have undertaken a rapid tightening of monetary policy to curtail inflation (with energy price rises particularly acute). Consequently, consumer sentiment has plummeted across advanced economies (especially the United Kingdom and Europe). The Bank of England expects that the United Kingdom is already in recession, which it expects to continue throughout 2023 and into 2024. Federal Reserve Bank staff also now consider there to be a reasonable likelihood of a recession in the United States in the next year. In Australia, the Reserve Bank has lifted the cash rate by 300 basis points in just eight months – the fastest tightening on record.

In addition to this, China's economy has softened on the back of rolling COVID-19 lockdowns and a severe downturn in its property market, while ongoing geopolitical tensions are contributing to global uncertainty and volatility.

Despite these challenges, the State's economy is expected to perform relatively well in 2022-23, supported by a lift in business investment (with a number of new projects approved over recent months), as well as ongoing high levels of public spending. Household consumption is also expected to remain solid, as significant savings buffers and rising incomes will likely assist households in managing their budgets. Together with a lift in goods exports, GSP growth is now projected at 3% in 2022-23 (up from 2% at Budget).

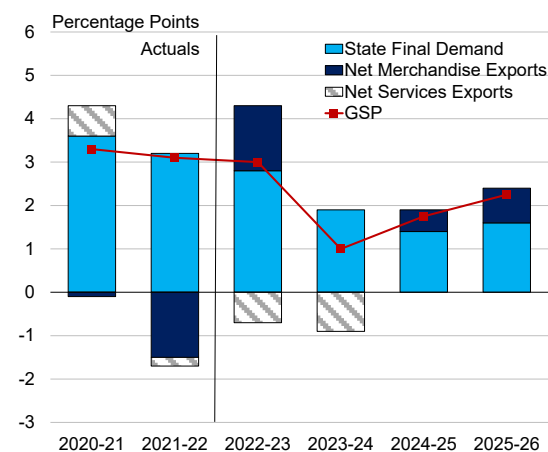
Figure 1

CONTRIBUTION TO AUSTRALIAN GDP Three years to 2021-22



Source: ABS Catalogue 5220.0 and WA Treasury.

CONTRIBUTIONS TO GSP GROWTH Select Major Components



Source: ABS Catalogue 5220.0 and WA Treasury.

Growth in the Western Australian economy is expected to moderate to just 1% in 2023-24. This primarily reflects the lagged impact of higher interest rates on household spending, which is expected to grow at its slowest pace since the pandemic, and a moderation in the pace of growth in Government consumption and investment by both the Commonwealth and the State as COVID-related spending is withdrawn. The moderation in GSP growth also reflects weak merchandise export growth in the context of softer global conditions and large producers operating at close to capacity, and a return to a more normal level of spending by Western Australians overseas.

Table 1

ECONOMIC FORECASTS						
Western Australia, Annual Growth (%)						
	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget Year	Mid-year Revision	Outyear	Outyear	Outyear
Demand and Output ^(a)						
Household Consumption	5.3	2.25	2.5	2.0	2.5	2.5
Dwelling Investment	2.2	0.5	6.0	5.0	-7.25	6.25
Business Investment	4.0	8.25	9.75	6.25	2.5	1.25
Government Consumption	5.7	2.5	3.75	0.75	2.0	2.25
Government Investment	11.5	16.5	16.5	7.5	3.25	0.75
State Final Demand	5.5	4.0	4.5	3.0	2.25	2.5
Merchandise Exports	-2.9	1.0	3.0	0.25	1.0	1.5
Merchandise Imports	-1.9	4.5	3.25	2.25	1.0	0.75
Net Exports ^(b)	-3.6	-1.25	1.5	-2.0	1.0	1.75
Gross State Product ^(c)	3.1	2.0	3.0	1.0	1.75	2.25
Labour Market						
Employment	5.4	2.0	1.75	1.25	1.25	1.25
Unemployment Rate ^(d)	3.7	3.75	3.5	4.0	4.0	4.25
Participation Rate ^(d)	69.3	69.4	69.1	69.1	68.7	68.4
Population						
Population	1.1 ^(e)	1.2	1.5	1.5	1.6	1.6
Working Age Population (15+)	1.4 ^(e)	1.4	1.6	1.8	1.9	1.9
Prices						
Consumer Price Index ^(f)	5.1	2.75	5.25	3.25	2.5	2.5
Wage Price Index	2.2	2.75	3.5	3.75	3.5	3.25
Median House Price	3.2	1.0	1.5	2.0	2.1	2.9
Other Key Parameters ^(d)						
Exchange Rate (US cents)	72.6	75.1	67.3	68.4	70.0	71.6
Iron Ore Price (\$US/t) cost and freight inclusive (CFR)	138.2	77.5	87.4	66.0	66.0	66.0
Crude Oil Price (\$US/barrel)	90.3	97.7	91.2	81.6	77.3	74.6

(a) Based on 2021-22 annual State Accounts data, updated with the latest State Final Demand and Balance of Payments data for the September quarter 2022.

(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 from 2021-22 to 2023-24 is based on the total index excluding the electricity sub-index as a result of the Household Electricity Credit provided across the State. Forecasts from 2022-23 are expressed in year-ended terms.

Household consumption increased by a strong 5.3% in 2021-22, broadly in line with expectations at Budget. Despite national and international macroeconomic headwinds dragging on consumer confidence, spending in 2022-23 has remained elevated to date, with retail trade reaching the highest quarterly level on record in the September quarter 2022.

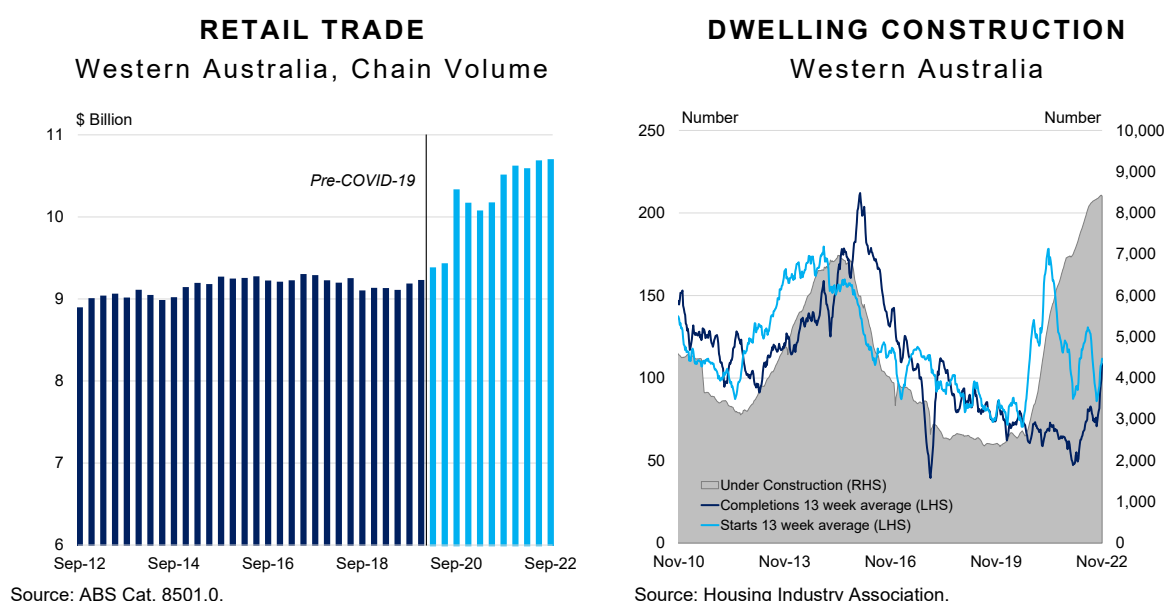
Nonetheless, growth in household spending is expected to ease to 2.5% in 2022-23 and to 2% in 2023-24, reflecting the lagged impact of recent interest rate increases. While the rate of growth is forecast to moderate, household spending is expected to remain at a high level, supported by rising incomes and significant savings buffers built up through the pandemic. The State's gross household saving ratio was 28.2% in 2021-22, the highest in the country and well above the 21.8% national average.

Household consumption is forecast to grow by 2.5% per annum over the remaining outyears, supported in part by higher population growth.

Dwelling investment increased by 2.2% in 2021-22, well below the 12.75% growth projected at Budget, with significant delays in completing the high number of dwellings currently under construction due to ongoing labour shortages and supply disruptions. These delays have shifted work into later periods, leading to an upward revision to growth in both 2022-23 and 2023-24 relative to Budget. The backlog of work is expected to sustain the overall level of dwelling investment in the near term, despite a substantial fall in the lead indicators of new dwelling investment following the cessation of the Commonwealth and State COVID-19 stimulus grants and significant increases in interest rates since May 2022.

Dwelling investment is expected to contract in 2024-25 as the current backlog of work is completed, with a forecast recovery in 2025-26 supported by sustained activity in the broader economy and a lift in population growth.

Figure 2



Following an increase of 4% in 2021-22, **business investment** has been revised upwards across the whole forecast period, reflecting a raft of new investments announced since Budget. This includes resource projects across a range of commodities, such as the Crux LNG, Western Range Iron Ore and West Musgrave Copper/Nickel projects, along with projects in the non-mining sector (such as CBH's Network Infrastructure and Assets project).

Due to this new investment, along with a ramp-up in existing large projects (most notably, the Scarborough LNG project), growth in business investment is expected to lift to 9.75% in 2022-23 and 6.25% in 2023-24 (up from 8.25% and 4% respectively at Budget).

While growth in investment is forecast to moderate thereafter, investment levels are expected to remain robust, supported by recent commitments by major mining companies to decarbonisation and investment to sustain current operations.

Government consumption, which averaged growth of 6.1% per annum in the past three years, is expected to increase by 3.75% in 2022-23 as COVID-related spending by all levels of Government begins to wind down. Government consumption is expected to moderate further in 2023-24 as post-pandemic spending continues to normalise.

Government investment also recorded a boost from COVID-related response and recovery spending, increasing by 11.5% in 2021-22, with a further substantial increase of 16.5% forecast for 2022-23. The rate of growth in Government investment is expected to ease to 7.5% in 2023-24 and moderate further in 2024-25 and 2025-26.

Merchandise exports declined by 2.9% in 2021-22, due to weaker iron ore lump and gold volumes. Growth is expected to resume at 3% in 2022-23 (up from 1% at Budget) supported by a recovery in these commodities, as well as an increase in agricultural exports as a result of good growing conditions in 2022. Merchandise exports are expected to grow by just 0.25% in 2023-24, in the context of softer global conditions and key producers operating at close to capacity.

Beyond 2023-24, growth in merchandise exports is expected to lift slightly relative to Budget, including from additional iron ore exports anticipated in 2024-25 from the newly announced Mineral Resources' Onslow project. Sustained demand for critical minerals (particularly for use in batteries) is also anticipated to support growth in lithium and other mineral exports. This, together with continued strength in grains exports, is expected to more than offset a depletion of LNG over the outyears (with a pick-up in production from the Scarborough project expected to commence beyond the forecast period).

Merchandise imports are estimated to grow by 3.25% in 2022-23 following a decline of 1.9% in 2021-22. Growth in imports is expected to moderate from 2023-24 in line with a levelling-off in business investment.

Following two years of declines, **services exports** are anticipated to rebound strongly from 2022-23, as inbound education, tourism and business-related travel continue to recover. However, continued COVID-related restrictions in some countries and ongoing aviation capacity constraints have delayed the expected recovery in services exports to pre-pandemic levels to 2024-25 (one year later than expected at Budget).

Services imports are anticipated to recover faster than services exports and to exceed pre-pandemic levels in 2023-24. Indeed, imports have already started to increase, up by 20.5% in 2021-22, surpassing Budget expectations and supported by pent-up demand from Western Australians for international travel. Growth is forecast to moderate in the last two outyears as outbound travel returns to more normal patterns.

Labour Market

Labour market conditions in Western Australia have remained strong since Budget, though employment levels have stabilised in recent months. Job vacancies remain elevated, but have eased slightly from a historic peak in June 2022. The stabilisation of employment in recent months may indicate that much of the pool of available labour has been exhausted, consistent with the annual average unemployment rate falling to just 3.4% in October 2022, the lowest in over 13 years and the lowest of all States.

Compositionally, there has been a trend towards full-time employment, which grew by a strong 7.3% in annual average terms in October 2022, while part-time employment declined by 0.8% over the same period. This reflects that limited spare capacity and strong labour demand has led to more people working full-time. In line with this, total hours worked annually in Western Australia rose to a record level in October 2022, while the underemployment rate has been on a steady decline.

Reflecting a slower hiring pace in recent months, **employment** is forecast to grow by 1.75% in 2022-23 (below the Budget forecast of 2%), with growth primarily supported by continued strong activity in the resources sector. This builds on the 5.4% employment growth in 2021-22, the strongest annual growth in a decade. In 2023-24 and beyond, employment growth is forecast to ease to 1.25% per year, in line with slower growth in the domestic economy.

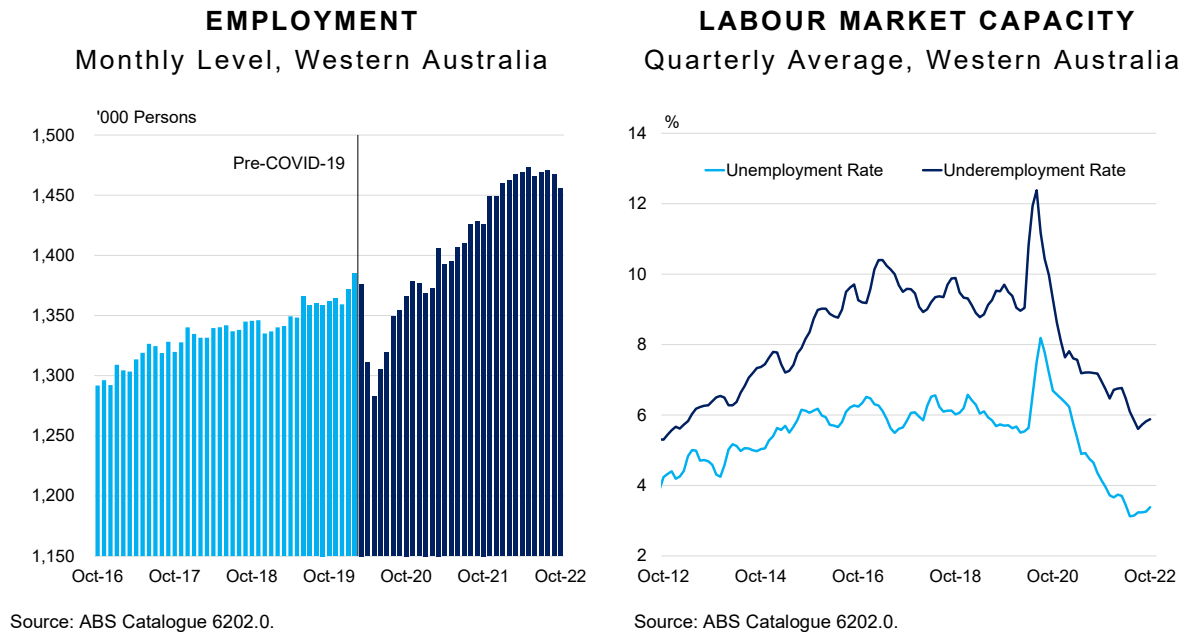
Consistent with recent trends, the **unemployment rate** is forecast to average 3.5% in 2022-23, lower than the Budget forecast of 3.75%. The unemployment rate is forecast to gradually rise thereafter, reaching 4.25% by 2025-26 as labour supply improves on the back of rising overseas migration. Even so, the unemployment rate is anticipated to remain well below the decade average of 5.5%.

Strong job prospects are buoying the **participation rate**, which averaged 69.3% in 2021-22, the equal strongest annual rate on record, with female participation reaching a record high. Workforce participation has eased slightly since but is still expected to average a very high 69.1% in 2022-23 and 2023-24, before gradually easing to 68.4% by 2025-26.

Population has been revised since Budget to reflect preliminary rebased population estimates from the 2021 Census. As part of the Australian Bureau of Statistics (ABS) rebasing process, the State's population was revised up by 67,470 persons between September 2016 and June 2021, with growth in each year around 0.5 percentage points higher than previously reported. While the ABS cannot attribute the source of growth, these revised estimates have contributed to upward revisions to population growth since Budget.

Western Australia's population growth is now expected to be 1.1% in 2021-22 (up from 0.9% at Budget), before picking up strongly to 1.5% in 2022-23 (up from 1.2% at Budget) as overseas migration continues to recover.

Figure 3



Strong labour market conditions are now flowing through to higher wages in both Western Australia and nationally. The **Wage Price Index (WPI)** grew by 1.4% in the September quarter 2022 (the strongest quarterly growth in over a decade), and by 2.5% in annual average terms. This was partly due to higher minimum wages and modern award increases boosting quarterly wage growth in 'retail' (2.5%) and 'administrative and support services' (2.2%).

Reflecting strength in wages to date, along with sustained demand for labour, WPI growth has been revised up to 3.5% in 2022-23 and 3.75% in 2023-24. WPI growth is estimated to slow slightly in the remaining outyears, as labour demand eases somewhat and labour supply improves on the back of rising overseas migration.

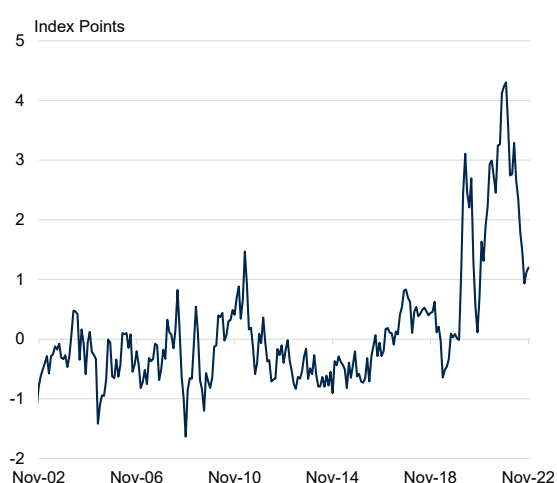
Consumer Price Index

Consumer price pressures have been stronger than originally anticipated, with a number of global and domestic factors contributing to price growth in Perth and nationally. New dwelling purchase prices and high automotive fuel prices, together with global supply chain pressures and adverse weather events in the Eastern States, have supported price growth over 2022.

However, global supply pressures are now moderating (see following charts), and the pace of price growth, particularly for new dwelling purchases, is expected to ease through 2022-23. Growth in Perth's Consumer Price Index (CPI) is now projected at 5.25% through the year to the June quarter 2023, slightly lower than the latest forecasts published by the Commonwealth Treasury (5.75%) and the Reserve Bank of Australia (6.25%) for national inflation, which is being pushed up by higher retail electricity and gas prices on the East Coast.

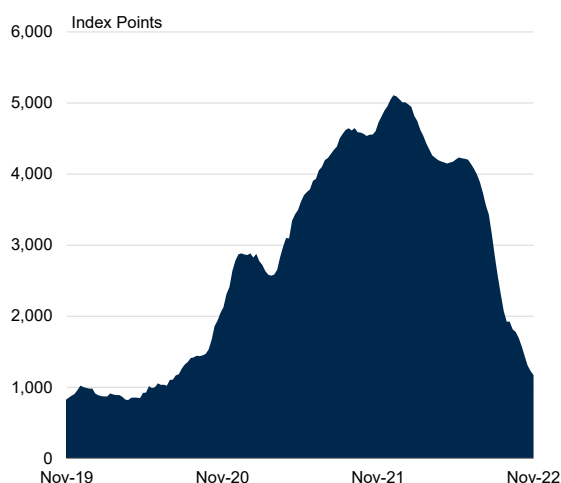
Figure 4

GLOBAL SUPPLY CHAIN PRESSURE Index



Source: Federal Reserve Bank of New York.

CONTAINERISED FREIGHT COST Shanghai Index



Source: Macrobond.

CPI growth is expected to moderate to 3.25% in 2023-24 as aggregate demand continues to normalise and as global supply chain pressures are increasingly resolved. Inflation is forecast to further moderate to 2.5% by 2024-25, consistent with the mid-point of the Reserve Bank of Australia's target band.

Housing Market

Activity in the established housing market remains elevated but has recently begun to ease, likely reflecting the significant increase in lending rates over the past eight months. While demand is anticipated to be lower over the rest of 2022-23, the impact on the median house price is expected to be offset by constrained housing supply in the short-term.

The balance between demand and supply is expected to remain tight, supporting modest increases in house prices over the forward estimates period. In particular, while the completion of the large stock of homes currently under construction expands supply, demand is also expected to lift, underpinned by a rise in population growth.

Risks

While this Mid-year Review presents a solid set of projections for Western Australia's domestic economy, the risks to overall growth are on the downside.

In particular, there is an increasing likelihood of a global recession in 2023. This represents a significant risk to the forecasts, including through lower demand for key commodities.

Global Outlook

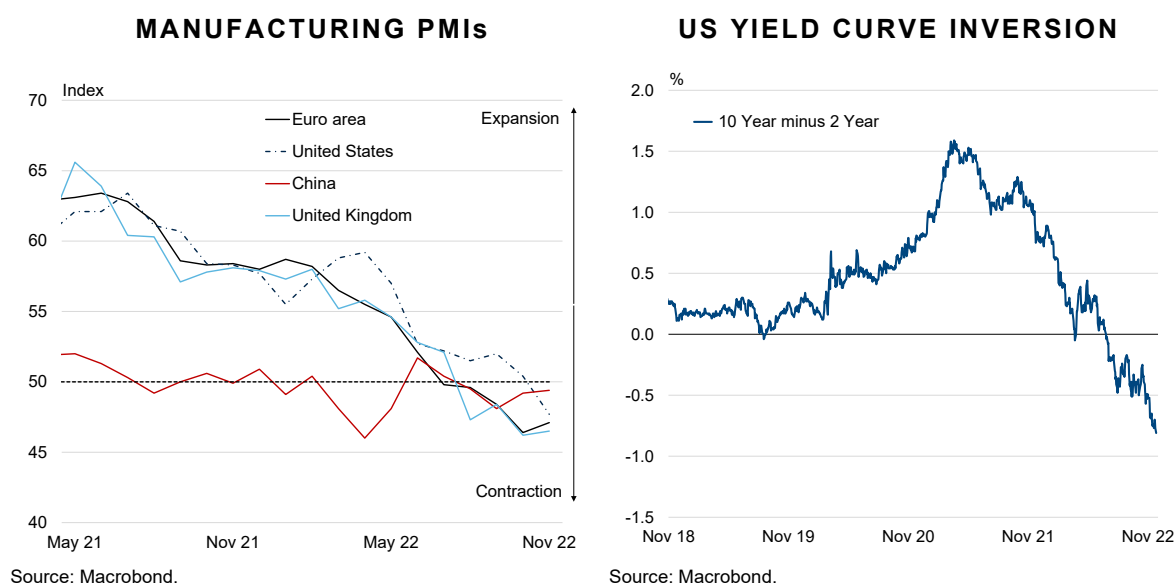
Global economic activity is experiencing a broad-based and sharper than expected slowdown. Risks are elevated with a growing likelihood of a global recession in 2023. Recent growth trends are worrying, with the United States experiencing negative GDP growth in the March and June quarters, slowing growth across European economies, and China seeing negative growth in the June quarter. Moreover, Manufacturing Purchasing Managers Indexes (PMIs) for major economies have turned contractionary (see figure below, left-hand panel).

Accordingly, major international institutions are revising down their medium-term growth forecasts. The International Monetary Fund (IMF) has revised down its 2023 global growth forecasts from 3.8% (at January 2022) to 2.7% (at October 2022). In 2023, it expects GDP per capita to contract in Germany, Italy and the United Kingdom. Similarly, the Organisation for Economic Co-operation and Development has revised down its 2023 global growth forecast from 3.2% (at December 2021) to 2.2% (at November 2022).

The IMF attributes the slowdown to a combination of factors, including inflation being at its highest point in several decades, sharply higher energy costs, restrictive monetary policy taken to combat inflation, and the uncertainty caused by Russia's invasion of Ukraine. It notes that the global economy is in a tenuous position, with future growth hinging on the careful calibration of monetary policy to control inflation without overly depressing the economy, the course of the war in Ukraine, and the potential for further pandemic-related supply disruptions particularly as China deals with COVID-19.

Deutsche Bank expects mild recessions in Europe and the United States in 2023, a prolonged recession in the United Kingdom, and quarterly contractions during 2023 in both Japan and South Korea.

Figure 5

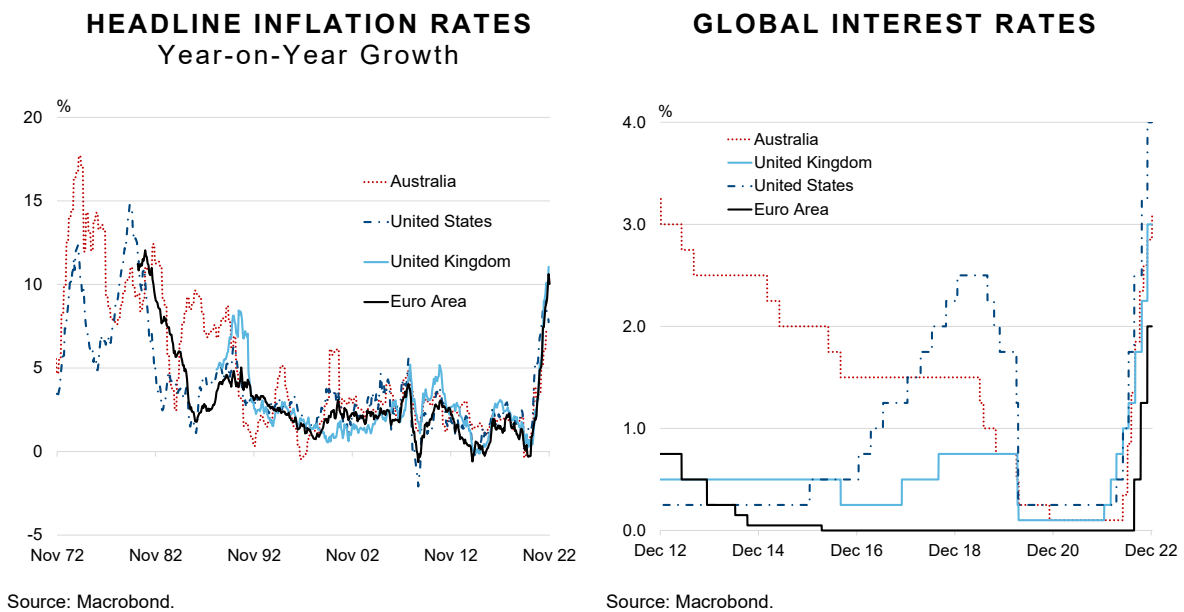


Another indicator of the likelihood of a recession in the world's largest economy is the inversion of the US yield curve. Every US recession in the past 45 years was preceded by the inversion of the interest rate yield curve (10-year yield minus 2-year yield curves). When investors want a safe long-term investment they move towards less risky assets, such as 10-year bonds, which drives their yields down and potentially below the 2-year bond, causing an 'inverted' curve. The US yield curve briefly inverted in April and has consistently been inverted since July (see figure above, right-hand panel), signalling a possible US recession in 2023.

Across advanced economies, headline inflation has reached its highest level in 40 years (see figure below, left-hand panel) and core inflation rates, which remove volatile items such as energy and food, have also reached highs not seen for decades, highlighting that there are strong underlying price pressures. This rapid and broad-based rise in global inflation has been caused by:

- the accommodative monetary and fiscal policies during the pandemic;
- supply chain disruptions that occurred due to lockdowns; and
- Russia's invasion of Ukraine, which has driven up the cost of energy and food globally.

Figure 6



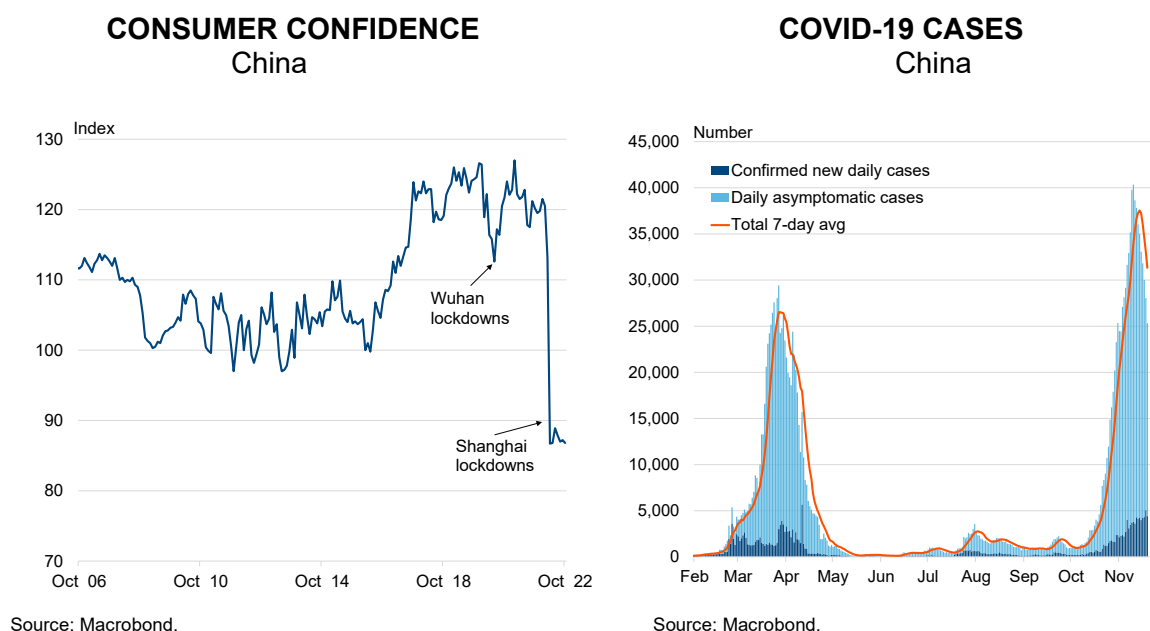
High consumer prices, particularly energy costs, are causing households and businesses in many countries to pull back on discretionary spending and investment decisions, which is acting as a handbrake on economic growth.

To control inflation, many central banks have been sharply increasing interest rates (see figure above, right-hand panel). Although necessary to control inflation, higher rates put already financially stressed households and businesses under more pressure. Monetary policy is treading a thin line, and needs to be calibrated carefully so that it controls inflation, but doesn't tighten too much and drive economies into recession. This is particularly challenging given the lagged impact of monetary policy on economic activity, which means it takes several quarters for any rate increase to fully flow through to activity.

In previous global downturns (during 2008-09 and 2020), Western Australia's economy performed relatively strongly, largely because of China's strong demand for our commodity exports (especially iron ore). However, there is a significant risk that the Chinese demand that supported Western Australia in previous global downturns will not be as strong heading into 2023.

China faces the challenge of rising COVID-19 case numbers while remaining committed to its restrictive response to outbreaks and ongoing weakness in its property sector. This has impacted consumer confidence and economic activity more broadly. Consumer confidence has fallen drastically and is near record lows (see figure below, left-hand panel). Low confidence has weighed on domestic demand, particularly retail spending and housing investment.

Figure 7



In response to the ongoing weakness in the economy, in early November 2022, China announced a softening in its COVID-zero related policies and a package of measures to support its property sector. This buoyed commodity markets, but it remains to be seen how these changes will be implemented.

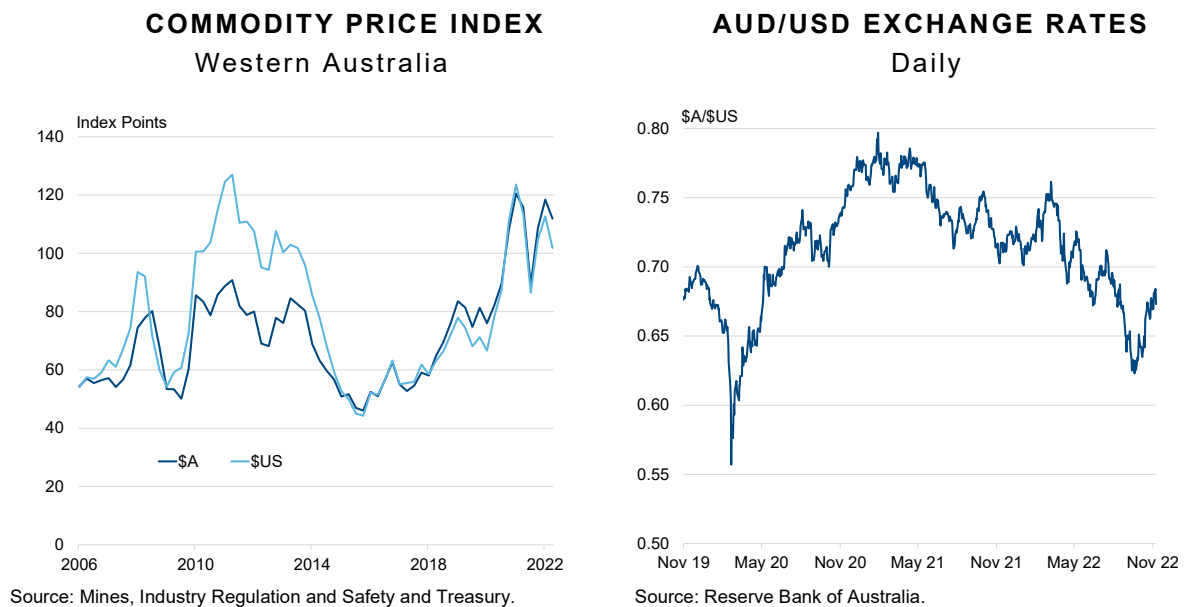
Commodity Markets

Commodity prices peaked earlier in 2022 in the aftermath of a post-pandemic demand surge and supply shock from Russia's invasion of Ukraine. Most prices have since retreated as global growth has slowed and recessionary fears have intensified, particularly energy (e.g. oil and LNG), metals (e.g. copper) and bulks (e.g. iron ore). However, prices for commodities involved in battery production (e.g. lithium) continue to trend higher on strong demand.

The Western Australian commodity price index¹ has fallen since Budget (see figure below, left-hand panel). However, a stronger US dollar due to rising fears of a global recession and aggressive tightening by the US Federal Reserve has resulted in a depreciation of the Australian dollar (see figure below, right-hand panel). This has partially offset the impact of falling commodity prices on export revenue, as most commodities are priced in US dollars.

¹ The commodity price index is a weighted index of those commodity prices most relevant to the Western Australian economy, including iron ore, gold, oil, condensate, LNG, copper, nickel, zinc, alumina, and lithium.

Figure 8

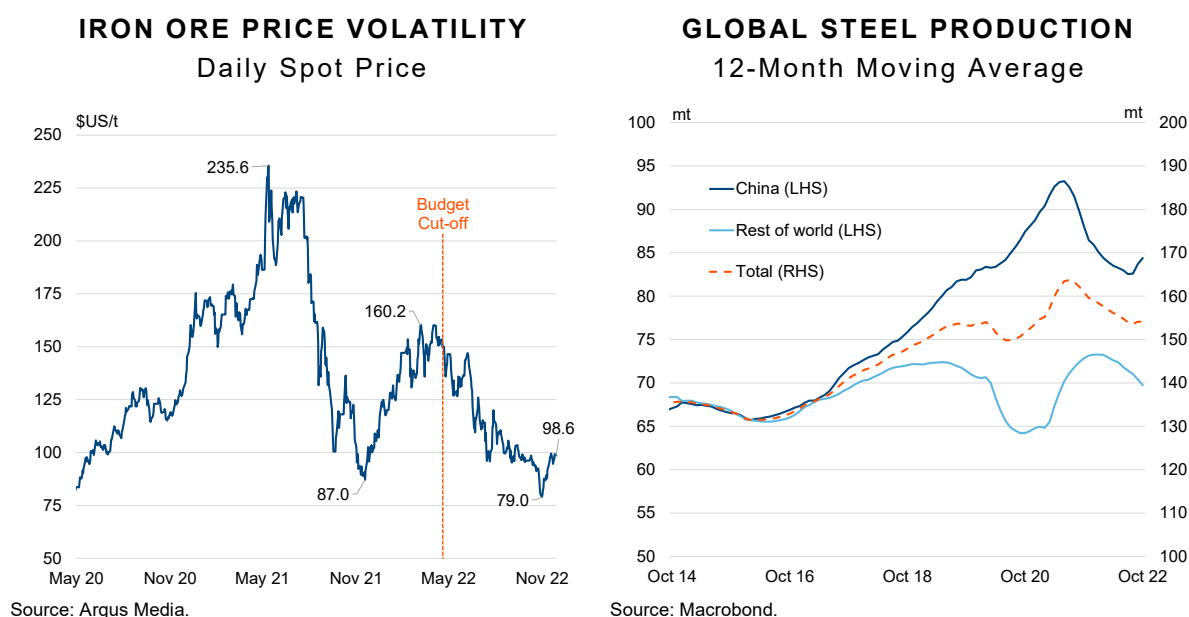


Iron Ore Market

Iron ore market conditions have remained volatile since release of the 2022-23 Budget. The iron ore price has fallen from \$US160 per tonne in early April 2022 to a near two-year low of \$US79 per tonne in late October, before recovering to around \$US100 per tonne at Mid-year Review cut-off (see below figure, left-hand panel). Despite the large decline since April, the iron ore price has averaged \$US99.3 per tonne from 1 July to 28 November 2022 (the Mid-year Review cut-off date), higher than the Budget assumption of \$US77.5 per tonne for 2022-23.

The price correction mainly reflects weaker steel demand in China, with activity constrained by frequent COVID-19 lockdowns and an ongoing downturn in its property sector. This has been exacerbated by slowing demand across several other major steel producing countries this year, owing to high energy prices, rising interest rates, and falling confidence (see below figure, right-hand panel).

Figure 9

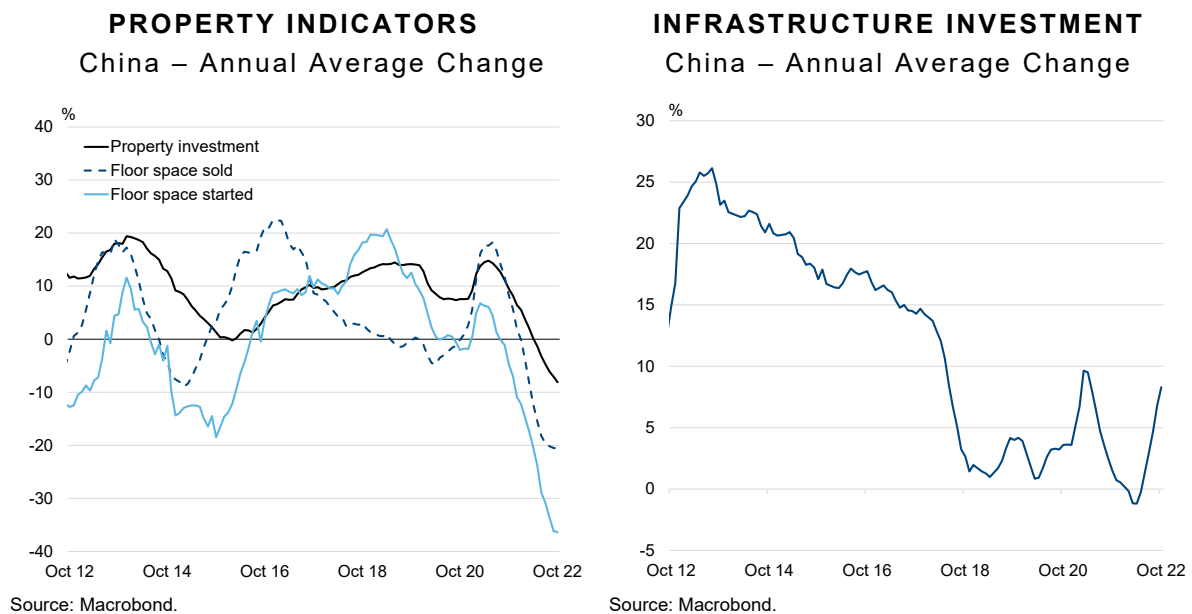


Conditions in China's property sector, which accounts for 25-35% of China's steel demand, remain weak, with new home sales and construction starts falling by double digits in the year to October 2022 (figure below, left-hand panel). Fewer property sales have intensified liquidity concerns for Chinese property developers, contributing to significant delays in the construction and completion of some housing projects. This, in turn, has resulted in weaker sentiment across China with some homebuyers refusing to pay mortgages before their homes are completed (a common feature of the Chinese property market), which has added further strain on property developers. Reflecting the overall state of the housing market, house prices in China have declined in each of the past 14 months. As the property sector is China's single largest consumer of steel, the sharper than expected downturn has weighed heavily on steel markets, and hence iron ore.

However, the weak outlook for China's property market may be improved by recent announcements of several new measures to support the sector. In particular, policymakers have stepped up assistance for property developers, asking banks to extend outstanding loans to developers and builders, as well as creating mechanisms to support bond-financing needs and setting up interest-free loans to finish stalled projects. While the likelihood of a rapid rebound in the sector is unlikely, these measures (in combination with prior policy actions such as mortgage rate cuts, relief programmes and tax rebates) may help to restore confidence and stabilise the market through 2023.

China's infrastructure sector, which accounts for about 30% of China's steel demand, has partially offset some of the weakness in its property sector. More than RMB 7 trillion (\$US1 trillion) has been set aside for infrastructure projects in 2022. This has seen infrastructure investment increase by 8% in annual average terms to October 2022 (figure below, right-hand panel). The infrastructure boost is expected to continue to support construction activity and steel demand as more funds are allocated and projects commence.

Figure 10



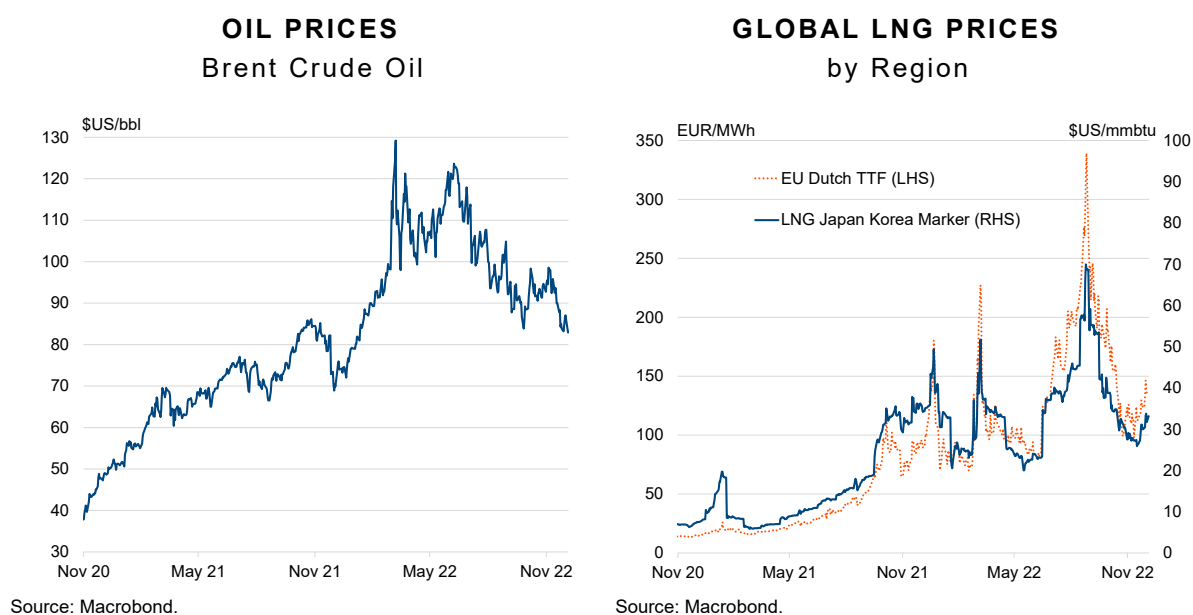
The uneven performance across steel-intensive sectors, combined with frequent COVID-19 lockdowns, has resulted in pronounced fluctuations in China's steel production. Output is expected to remain subdued in the near term due to winter steel output curbs, but depleted steel inventories and low iron ore stocks at steel mills should result in restocking in the new year, leading to a pick-up in iron ore demand. On the other hand, COVID-19 lockdowns, combined with risks of a more protracted downturn in the property sector and weakening global demand for Chinese exports, have tilted risks for demand to the downside.

The iron ore price assumption in the Mid-year Review for 2022-23 has been revised up to \$US87.4 per tonne, with prices now assumed to fall to the long-run average of \$US66 per tonne by June 2023 (previously November 2022). This is a very similar approach to that adopted by the Commonwealth Government in its October 2022 Budget, which (on a cost and freight inclusive basis) is based on an assumed iron ore price of \$US83.3 per tonne in 2022-23 and \$US64.2 per tonne from 2023-24 onwards.

Oil and LNG Markets

Even though the oil price remains above pre-pandemic levels, it has weakened since Budget (see figure below, left-hand panel), averaging \$US95.3 per barrel in 2022-23 to the 28 November 2022 Mid-year Review cut-off date (compared to the 2022-23 Budget forecast of \$US97.7 per barrel). The lower oil price reflects weaker demand as global growth has slowed. However, OPEC+ supply cuts are acting to limit downward pressure on prices. There are also risks to Russian supply from European Union sanctions, but so far Russian oil sales have proven resilient with only a slight decline as it reroutes flows to China, India and Turkey.

Figure 11



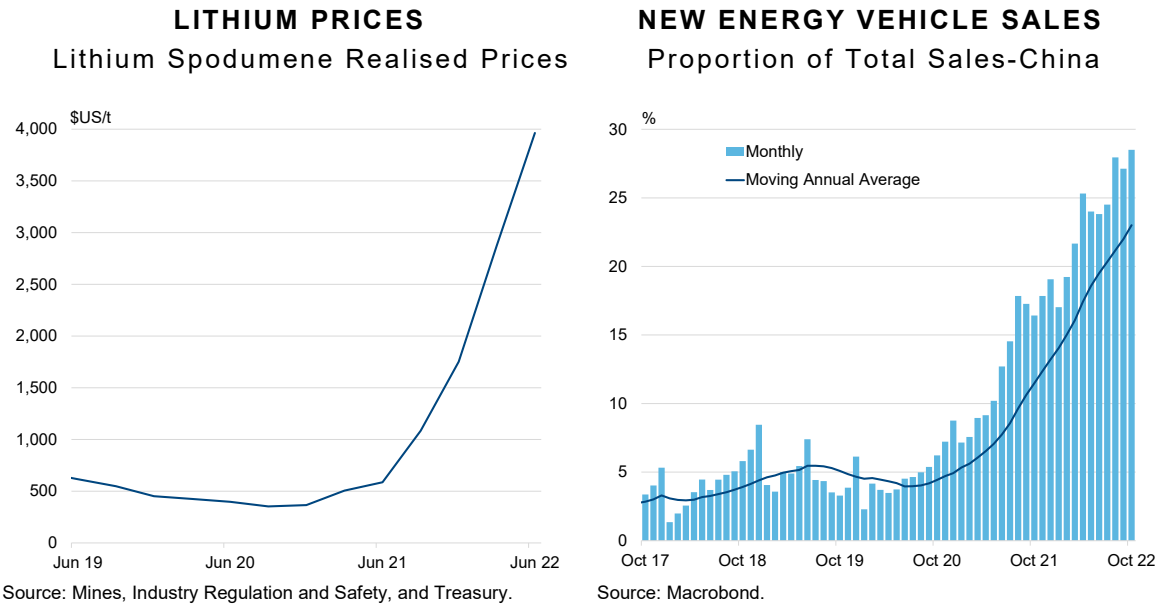
European LNG hub prices reached record levels in August as Europe sought to replace Russian pipeline gas supply (see figure above, right-hand panel). Asian spot LNG prices also reached record levels in August as its markets faced fierce competition for cargoes from Europe. However, prices subsequently fell as Europe reached 80% of its storage capacity in late August. Europe's storage peaked at over 95% in mid-November. Gas prices are still elevated and may again rise in 2023 as Europe seeks to restock post winter, which will be more challenging without Russian gas.

Lithium Market

Lithium has become a key commodity for State revenue, with lithium prices continuing to increase sharply since Budget (see figure below, left-hand panel). Demand has continued to outstrip supply, supported by Government policies – particularly in China – to encourage sales of electric vehicles (see figure below, right-hand panel).

Lithium royalty revenue is now forecast to reach \$953 million in 2022-23 (up from \$261 million in 2021-22), making lithium the third largest source of mining revenue after iron ore and LNG.

Figure 12



2022-23 Government Mid-year Financial Projections Statement

Investing in Regional Western Australia

HIGHLIGHTS

- The State Government is committed to promoting stronger regional communities and economies, with the Royalties for Regions program totalling \$4.2 billion over 2022-23 to 2025-26, including an estimated \$1.1 billion to be spent in 2022-23.
- The Government is investing heavily in a record \$12 billion regional infrastructure program, with new investment approved in this Mid-year Review including \$365.8 million for wind farm developments, \$77.1 million for irrigated agriculture in the Kimberley and \$13.3 million for Standalone Power Systems in the Esperance region.
- In addition, funding of \$215 million over 2022-23 to 2025-26 has been allocated to initiatives to support new industries and create local jobs in the Collie region, while a further \$28.8 million has been approved to progress the Government's Plan for Our Parks initiative.
- This Mid-year Review also includes additional investment of \$56 million to progress the Pilbara and Mid West Hydrogen Hubs.

Since the 2022-23 Budget, new spending approved for regional initiatives includes:

- \$483.2 million in regional power and water infrastructure, including:
 - \$299.2 million to develop the Flat Rocks Wind Farm Stage 2, which will assist the Water Corporation to meet its renewable energy needs;
 - \$77.1 million over 2022-23 to 2025-26 to upgrade and expand the Ord M1 Channel, which will enable development of the Knox Plain in the Ord Irrigation Area (with an additional \$2 million to be spent in 2022-23 to progress the detailed engineering design for the project);
 - \$66.6 million in 2022-23 on preliminary works associated with the development of Synergy's King Rocks Wind Farm;

2022–23 Government Mid-year Financial Projections Statement

- \$17.2 million over 2022-23 to 2024-25 for the Water Corporation to upgrade the Ulster Road pressure sewer main in Albany;
- \$13.3 million in 2022-23 to deliver 50 Standalone Power Systems in the Esperance region by the end of 2023;
- \$7.6 million in 2022-23 to augment and extend Horizon Power's existing 33kV transmission line on the Burrup Peninsula;
- \$1.4 million in 2022-23 for Horizon Power to acquire land to build a solar farm to continue power supply in Ardyaloon, Bidyadanga, Beagle Bay, Djarindjin-Lombadina and Warmun; and
- \$830,000 in 2022-23 for Synergy to install battery storage and/or solar panel technology at seven schools across Geraldton, Kalbarri and Kalgoorlie;
- the allocation of \$350 million from the Remote Communities Fund to improve services and facilities in remote and town-based Aboriginal communities, comprising:
 - \$200 million to the Water Corporation and Horizon Power over 2022-23 to 2025-26 to upgrade essential water and power services in remote Aboriginal communities. This spending is on top of the \$176.9 million in funding that will be transferred from the Department of Communities to Horizon Power and the Water Corporation from the existing Royalties for Regions program (which accompanies the change in responsibility for delivering these services); and
 - \$150 million to the Department of Communities over 2022-23 to 2025-26 to undertake high priority refurbishments and upgrades of houses in remote and town-based Aboriginal communities;
- an additional \$215 million over 2022-23 to 2025-26 has been allocated to initiatives within the Collie Transition Package, comprising:
 - \$200 million to establish the Collie Industrial Transition Fund, which will support sustainable jobs in Collie by attracting new industries and the activation of industrial land;
 - \$9 million to provide fee-free skills assessments, expand the Jobs and Skills Centre, and establish the Collie Futures Curriculum Fund;
 - \$4.4 million to expand and extend the existing Collie Delivery Unit; and
 - \$2 million to continue the Collie Futures Small Grants Program, which provides grants of up to \$100,000 to projects that are expected to provide an economic benefit and create new jobs in Collie;
- an additional \$77.8 million over 2026-27 and 2027-28 for the Bunbury Hospital Redevelopment project, bringing the estimated total cost to \$277.9 million, which provides for expanded maternity, neonatal and other essential services;

- an additional \$52 million has been approved for port and related infrastructure, including:
 - \$36 million in 2024-25 for a central access road and services corridor at Lumsden Point, a key part of the Pilbara Hydrogen Hub;
 - \$8 million over 2022-23 and 2023-24 for the planning and construction of common user infrastructure (primarily roads) at Broome Port;
 - \$5 million in 2024-25 to complete the construction of the new inner harbour access road and bridge to provide safe public access to amenities at Turkey Point, and to support future developments at Bunbury Port;
 - \$1.8 million in 2022-23 to complete the Stage 2 upgrade of the Esperance Port Berth 2 to enable the installation of a first flush tank and filtration system; and
 - \$1.5 million in 2022-23 to deliver the Eastern Breakwater Jetty in Geraldton to a design suitable for cyclonic wave conditions;
- \$28.8 million over 2022-23 to 2025-26 to progress the Government's Plan for Our Parks initiative, comprising:
 - \$17.3 million for joint management arrangements with the Nanda Aboriginal Corporation and Malgana Aboriginal Corporation (Traditional Owners), including the employment of 12 Aboriginal rangers, for the proposed Shark Bay terrestrial reserve; and
 - \$11.5 million for joint management arrangements with the Yinggarda Aboriginal Corporation (the Traditional Owner), including the employment of six Aboriginal rangers, for the proposed Kennedy Range National Park and Pimbee National Park;
- \$25.7 million to community housing providers over 2022-23 to 2025-26 for the construction of new social housing in regional locations under a second round of New Build Grants under the Social Housing Economic Recovery Package;
- \$14.9 million over 2022-23 to 2025-26 for the extension of water and electricity services and the construction of a heavy vehicle access intersection as part of the development of Lot 505, Great Eastern Highway, Kalgoorlie;
- \$14.8 million for the design and installation of air-conditioning at Roebourne Regional Prison's main accommodation units;
- to attract and retain teachers across 48 regional and remote public schools, \$12.4 million over 2022-23 and 2023-24 will be spent to provide temporary employee incentives;
- \$12.3 million over 2022-23 to 2025-26 has been approved for a range of planning activities and studies to progress development of the Pilbara and Mid West Hydrogen Hubs;

2022–23 Government Mid-year Financial Projections Statement

- an additional \$7 million will be spent in 2023-24 on the Oakajee Strategic Industrial Area access road, taking the Government's total commitment to the project to \$14.5 million. This spending will meet the cost of upgrades to the North West Coastal Highway as part of its intersection with the access road;
- in preparation for the Total Solar Eclipse event in April 2023, \$6.7 million will be spent in 2022-23 for water infrastructure upgrades in Exmouth (\$5 million) and event management (\$1.7 million). This brings the Government's total expenditure to support the Total Solar Eclipse event to \$30.4 million;
- \$6.1 million over the forward estimates to accelerate planning of the five Strategic Industrial Areas located in the Pilbara region;
- \$5.9 million over 2023-24 to 2025-26 to expand the enhanced Family and Domestic Violence Response Team model into regional Western Australia, which will see 18 Family Service Officers joining police and child protection workers to help manage high-risk perpetrators and support victim-survivors;
- \$5.3 million in 2022-23, funded from the Mining Rehabilitation Fund, to address critical safety and remediation issues at the Ellendale Diamond Mine site;
- \$3.4 million will be spent in 2022-23 on the purchase of infrastructure and hardware to facilitate the implementation of a system for the electronic identification of sheep and goats in Western Australia by 2025;
- \$2.8 million has been approved over 2022-23 to 2024-25 to support the Kununurra Police and Community Youth Centre in delivering engagement and diversionary programs for at-risk youth;
- \$2.3 million in 2022-23 for two truck wash down facilities, one in the Kimberley and one in the south of the State, to enhance Western Australia's preparedness for a potential emergency animal disease incursion; and
- \$2.5 million in 2022-23 to continue upgrading air conditioning and undertaking related works in regional schools.

Spending under the Royalties for Regions program is estimated at \$1.1 billion in 2022-23 and a total of \$4.2 billion over the four years to 2025-26, as detailed in the following table.

Table 1

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	Total Four Years
	Actual	Budget Estimate	Mid-Year Revision	Outyear	Outyear	Outyear	
	\$m	\$m	\$m	\$m	\$m	\$m	
INVESTING IN JOBS							
Aboriginal Pastoral Training Program	0.4	0.7	0.7	0.7	0.6	-	2.0
Aboriginal Ranger Program	5.7	11.1	12.2	13.8	19.6	16.5	62.1
Aboriginal Tourism Fund	1.2	3.7	3.7	3.7	3.6	-	10.9
Agricultural Sciences Research and Development Fund	1.4	-	0.1	-	-	-	0.1
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	0.7	-	1.1	-	-	-	1.1
Albany Wave Energy Demonstration	-	0.5	1.3	0.3	-	-	1.6
Albany Wave Energy Project	- (a)	-	-	-	-	-	- (a)
Aquaculture Development Zones	0.1	0.6	0.8	0.7	0.6	-	2.1
Boost to Food Industry Innovation	- (a)	1.3	1.5	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	5.6	7.9	6.5	8.3	7.7	7.7	30.2
Building Western Australian Grains Research and Development Capacity	10.2	12.9	13.6	12.1	11.4	10.0	47.1
Collie Adventure Trails	2.6	3.8	3.4	0.8	-	-	4.2
Collie Delivery Unit	0.5	0.8	1.2	1.0	0.5	0.5	3.3
Collie Eco-Concrete Processing Plant	0.3	-	-	-	-	-	0.3
Collie Emergency Services Vehicle Manufacturing	-	-	- (a)	-	-	-	- (a)
Collie Futures Fund	2.6	7.0	10.1	3.1	-	-	13.3
Collie Replica Mine Upgrade Project	0.2	-	0.1	-	-	-	0.1
Collie Tourism Readiness and Economic Stimulation	0.7	1.1	1.7	-	-	-	1.7
Collie Visitor's Centre Upgrade Project	-	0.5	0.5	-	-	-	0.5
Country Firefighters Recruitment	-	3.0	3.2	4.6	4.6	5.0	17.5
Develop Serviced Land at Kemerton and Shotts Strategic Industrial Areas, and Support Broader Collie Industrial Investigations	0.1	1.7	2.3	-	-	-	2.3
Feasibility Study for AMTECH for Bunbury Geopraphe	- (a)	1.5	1.2	0.8	-	-	2.0
Food Industry Export Assistance	-	0.4	-	-	-	-	-
Food Industry Innovation	1.0	1.8	1.6	2.0	1.9	1.5	7.0
Geraldton Marine Finfish Nursery Facility	0.1	0.1	0.1	6.4	-	-	6.5
Goldfields Major Solar Feasibility	-	0.1	0.1	0.3	-	-	0.4
Help Grain Growers to Better Manage Risk (e-Connected Grainbelt)	2.1	2.6	2.4	2.4	2.1	2.1	9.0
Implementation of Sheep and Goat Electronic Identification	-	-	3.4	-	-	-	3.4
Industry Attraction and Development Fund – Collie	0.1	26.5	26.9	5.4	6.0	-	38.2
Industry Growth Partnership Processed Oats Industry	0.1	4.8	4.8	2.6	2.6	-	10.0
Industry Growth Partnership Wine Export	0.4	0.4	0.4	0.4	0.4	-	1.1
Kariyarra Indigenous Land Use Agreement	0.1	-	-	-	-	-	-
Koolinup Emergency Services Centre – Collie	3.3	0.8	1.0	-	-	-	1.0
Kununurra Cotton Gin Infrastructure Support Package	-	3.5	3.5	-	-	-	3.5
Lake Kepwari	0.8	0.3	0.4	-	-	-	0.4
Mount Augustus Tourism Infrastructure	0.1	0.9	1.3	3.6	5.0	-	9.9
Myalup-Wellington Water for Growth	0.3	25.6	0.6	2.5	10.0	20.2	33.2
Northern Beef Industry Strategy	1.1	1.4	1.4	1.9	-	-	3.3
Ord Channel Upgrade	0.8	0.4	0.4	-	-	-	0.4
Ord Channel Upgrade – Knox Development	-	-	4.2	28.7	28.9	17.3	79.0

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2021-22 Actual	2022-23 Budget Estimate	2022-23 Mid-Year Revision	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Ord-East Kimberley Expansion Project	2.9	2.0	4.0	-	-	-	4.0
Peel-Harvey Catchment Council's Water Research Infrastructure Project	0.2	0.4	0.3	- (a)	-	-	0.3
Plan for Our Parks – Indigenous Land Use Agreements	- (a)	0.2	0.3	0.2	-	-	0.5
Port Hedland Waterfront Revitalisation – Spoilbank Marina	23.1	23.3	31.6	26.2	-	-	57.8
Regional Accommodation and Travel Support Scheme	1.2	-	-	-	-	-	-
Regional Local Content Initiative	- (a)	0.1	0.2	-	-	-	0.2
Regional Natural Resource Management – State Barrier Fence	0.1	2.0	3.2	-	-	-	3.2
Regional Telecommunications Project	3.0	12.4	6.8	8.1	8.1	-	23.0
Science and Agribusiness Connect Program	0.3	0.2	0.2	- (a)	-	-	0.2
South Coast Aquaculture Development Zone	0.2	0.5	0.4	-	-	-	0.4
Southern Forests Irrigation Scheme	0.3	2.2	2.4	1.7	-	11.9	16.1
Southern Rangelands Restoration Project	0.1	0.1	0.3	-	-	-	0.3
Special Regional Event Sponsorship	-	0.3	0.3	-	-	-	0.3
State Agricultural Telecommunications Infrastructure Improvement Fund	2.5	7.9	5.9	5.1	1.2	-	12.1
Strategic Industrial Areas	-	-	1.6	1.7	-	-	3.3
Sustainable Development of the Abrolhos Islands	4.3	1.9	4.6	-	-	-	4.6
Total Solar Eclipse	-	2.4	4.7	0.7	-	-	5.4
Transform Peel – Phase 1	0.5	7.4	9.1	0.6	-	-	9.7
Transforming Agriculture in the Pilbara	1.3	0.8	1.0	-	-	-	1.0
Transforming Bunbury's Waterfront – Stages 1 and 2	4.9	1.0	4.2	-	-	-	4.2
Transforming Bunbury's Waterfront – Stage 3 (Phase 1)	0.6	4.6	4.6	20.1	37.2	17.3	79.1
Water for Food West Kimberley	-	-	0.5	-	-	-	0.5
Water Smart Farms Project	0.1	0.9	1.3	-	-	-	1.3
Wellington Dam Mural and Collie Art Trail	-	-	0.1	-	-	-	0.1
Western Australian Regional Digital Connectivity Program	-	4.8	4.8	4.8	4.7	0.3	14.5
Western Australian Screen Fund	6.4	4.0	4.0	1.6	4.0	4.0	13.6
Western Australian Wine Industry Export Growth Partnership	0.4	0.4	0.4	0.4	0.3	-	1.0
Wild Dogs Action Plan	3.6	5.5	6.1	3.4	3.4	3.4	16.2
Yawuru Strategic Economic Development	- (a)	0.3	0.3	0.3	-	-	0.7
TOTAL – INVESTING IN JOBS	104.1	222.8	228.7	192.2	184.3	112.6	717.8
PUTTING PATIENTS FIRST							
Digital Innovation, Transport and Access to Care	70.3	66.9	66.9	64.3	63.9	63.9	258.9
Emergency and Acute Workforce	21.8	21.3	21.3	21.3	20.5	20.5	83.5
Health Services							
Albany Radiation Oncology	5.2	3.8	5.9	0.2	-	-	6.1
Albany General Dental Clinic	-	2.2	1.0	9.7	1.0	1.4	13.0
Find Cancer Early	0.4	0.4	0.4	0.4	0.4	0.4	1.6
Meet and Greet Service	0.3	0.6	0.8	0.5	0.5	0.5	2.2
Paid Paramedics for the Regions	-	5.5	2.7	9.5	8.9	9.0	30.1
Pilbara Health Initiatives	3.5	6.5	6.5	2.7	2.4	1.8	13.5
Regional Renal Support Teams	0.5	0.6	0.6	0.5	0.3	0.3	1.8
Renal Dialysis	3.4	4.3	4.0	3.7	3.4	3.4	14.5
Residential Aged and Dementia Care Investment Program	1.1	-	0.2	-	-	-	0.2

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2021-22 Actual	2022-23 Budget Estimate	2022-23 Mid-Year Revision	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Health Infrastructure							
Bunbury Hospital	8.5	14.5	14.5	2.0	-	-	16.5
Carnarvon Residential Aged Care Facility	7.6	1.4	1.8	-	-	-	1.8
Collie Hospital Upgrade	3.1	7.2	8.5	2.1	-	-	10.6
Community Alcohol and Other Drug Integrated Services in the South Metropolitan Health Service Region (Peel)	0.2	2.6	2.2	2.2	2.3	2.3	9.0
Derby Community Health Service	3.0	-	0.1	-	-	-	0.1
District Hospital Investment Program	1.0	-	- (a)	-	-	-	- (a)
Dongara Aged Care	-	2.5	2.0	1.3	-	-	3.3
Geraldton Health Campus Redevelopment	1.1	27.9	5.0	31.5	11.2	12.1	59.9
Geraldton Hospital Co-location	0.2	1.5	0.5	1.3	-	-	1.8
Karratha Health Campus	0.2	1.2	1.1	-	-	-	1.1
Kimberley Mobile Dialysis Unit	0.1	-	0.4	-	-	-	0.4
Meekatharra Hospital	- (a)	0.9	0.8	4.2	10.7	33.3	49.0
Newman Health Service Redevelopment Project	28.9	6.0	5.6	0.5	-	-	6.1
Nickol Bay Hospital Site	- (a)	-	-	-	-	-	-
Onslow Health Service Redevelopment Project	- (a)	-	-	-	-	-	-
Primary Health Centres Demonstration Program	4.8	7.8	-	6.3	-	-	6.3
Remote Indigenous Health Clinics	0.6	1.3	1.2	-	-	-	1.2
Tom Price Hospital Redevelopment	0.2	4.6	0.2	4.7	-	-	4.9
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	-	1.2	0.4	0.8	0.8	1.7	3.6
Mental Health Programs							
Aboriginal Social and Emotional Wellbeing	0.7	6.5	6.5	6.7	3.6	-	16.8
Geraldton Step Up/Step Down Facilities	1.8	2.5	2.5	2.5	2.5	2.5	9.9
Mental Health Anti-Ligature Works at Regional Hospitals	0.3	0.7	1.4	-	-	-	1.4
Mental Health Step Up/Step Down Facilities – Kalgoorlie/Goldfields 10 Beds	1.8	2.6	2.8	2.6	2.6	2.6	10.6
Methamphetamine Action Plan – South West Alcohol and Other Drugs Residential Rehabilitation and Treatment Service	2.8	2.8	2.8	2.9	2.9	2.9	11.6
North West Drug and Alcohol Support Program – Kimberley	6.7	6.9	6.9	7.1	7.1	7.1	28.1
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	-	2.1	-	-	-	-	-
Sub-acute Mental Health Services in Bunbury	1.6	2.3	2.3	2.3	2.3	2.3	9.1
Sub-acute Mental Health Services in Karratha	0.1	0.8	3.8	4.2	2.7	2.7	13.4
Sub-acute Mental Health Services in South Hedland	0.1	1.6	1.6	5.3	7.8	3.8	18.5
TOTAL – PUTTING PATIENTS FIRST	182.7	222.8	186.1	205.8	158.5	175.1	725.5

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2021-22 Actual	2022-23 Budget Estimate	2022-23 Mid-Year Revision	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear	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	0.1	-	-	-	-	-	-
Albany Senior High School	-	0.4	0.4	5.9	2.2	-	8.5
Baler Primary School	-	0.2	0.2	3.1	0.2	-	3.5
Baynton West Primary School	0.3	4.1	4.2	1.0	0.1	-	5.2
Better Beginnings – Early Literacy	0.2	0.3	0.3	0.3	0.3	0.3	1.0
Broome Senior High School	0.5	0.6	0.9	3.0	1.1	-	5.0
Bunbury Senior High School – Upgrades	0.1	0.3	0.2	-	-	-	0.2
Cassia Primary School	0.1	3.6	2.0	1.5	0.8	-	4.4
Clontarf Colleges	1.5	1.5	1.5	1.5	1.5	1.5	6.2
Dampier Primary School	-	0.1	0.1	0.8	0.1	-	1.0
Donnybrook District High School	0.1	0.8	0.2	0.5	0.2	-	0.9
Eaton Community College	0.1	2.1	1.4	4.9	0.6	-	6.9
Eaton Community College – New Facilities	– (a)	-	-	-	-	-	-
Feasibility Study Residential Colleges for Aboriginal Students in Newman	-	0.1	0.1	-	-	-	0.1
Halls Creek District High School	0.1	1.8	0.3	7.7	1.9	-	9.9
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	0.4	1.6	4.2	-	-	-	4.2
Kimberley Schools Project	5.1	4.7	4.6	3.9	3.9	3.9	16.2
Margaret River Senior High School	0.6	0.2	0.2	-	-	-	0.2
Mental Health Support	0.4	0.8	0.8	0.8	0.8	1.2	3.6
Puntuturnu Aboriginal Medical Service Jiji Program	-	0.8	0.8	-	-	-	0.8
Put Education Assistants Back in the Classroom	9.1	9.1	9.1	9.1	9.1	9.1	36.6
Regional Learning Specialists	1.3	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	79.9	319.7
South Bunbury Education Support Centre	0.1	2.6	1.8	0.7	0.4	-	2.9
Tambrey Primary School	– (a)	0.7	0.7	-	-	-	0.7
Vocational Education Regional Subsidies	45.4	45.4	45.4	45.4	45.4	45.4	181.6
Western Australian College of Agriculture – Kimberley	-	1.0	0.9	0.1	-	-	1.0
TOTAL – INVESTING IN OUR CHILDREN'S EDUCATION	152.3	171.4	169.1	179.0	157.3	150.1	655.4
INVESTING IN OUR COMMUNITIES							
Aboriginal Governance and Leadership Development Program	0.4	1.6	1.6	1.3	1.3	1.4	5.6
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	0.4	-	0.1	-	-	-	0.1
Albany Entertainment Centre	0.5	0.5	0.5	0.5	0.5	0.5	2.0
Albany Trails	-	3.2	0.2	3.0	-	-	3.2
Batavia Coast Marina Stage 2	0.7	-	0.2	-	-	-	0.2
Beach Emergency Numbering System	– (a)	0.3	0.4	0.1	-	-	0.5
Bridge St. Affordable Housing Project – Donnybrook	0.5	-	-	-	-	-	-
Broome Aboriginal Short Stay Accommodation Facility	3.1	2.9	2.9	2.9	2.9	2.8	11.5

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2021-22 Actual	2022-23 Budget Estimate	2022-23 Mid-Year Revision	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Broome Aboriginal-led Specialist Family Violence Court	- ^(a)	3.3	1.6	2.1	0.7	0.7	5.1
Bunbury Regional Prison	0.2	-	-	-	-	-	-
Bunbury Regional Prison Alcohol and Other Drug Unit	-	2.5	2.7	3.5	2.5	2.5	11.2
Capel Police Station	0.2	-	0.2	-	-	-	0.2
Carnarvon One Mile Jetty	-	3.2	4.5	-	-	-	4.5
Carnarvon One Mile Jetty – Partial Demolition of Jetty	3.4	-	0.8	-	-	-	0.8
Collie Mineworkers Memorial Pool Enclosure	-	0.9	0.9	-	-	-	0.9
Community Chest Grants Scheme	-	-	0.1	-	-	-	0.1
Community Resource Centres	12.7	13.2	13.2	13.4	13.6	13.8	54.0
Community Safety Network	6.9	8.5	8.5	8.8	8.8	8.5	34.6
Country Age Pension Fuel Card	30.4	30.5	32.5	33.0	33.5	34.0	133.0
Country Water Pricing Subsidy	126.0	54.0	54.0	-	-	-	54.0
Culturally Appropriate Services to Victims of Domestic Violence	0.1	0.1	0.1	-	-	-	0.1
Dalyellup Family Centre	0.4	0.3	0.2	0.3	0.3	0.2	1.0
Dampier Peninsula Activation	1.0	1.4	2.4	-	-	-	2.4
East Kimberley Transitional Housing	0.8	0.9	0.9	0.9	0.9	1.1	3.9
Emu Point Boat Harbour – Jetty B Remediation	-	1.0	1.0	-	-	-	1.0
Enhanced Driver Training and Education for Regional and Remote Communities	1.6	1.5	1.7	1.4	1.4	1.4	5.8
Essential and Municipal Services Improvement in Remote Aboriginal Communities	9.6	15.0	15.6	14.2	1.8	-	31.7
Family and Domestic Violence Counselling Services – Peel	0.3	-	-	-	-	-	-
Family Domestic Violence Refuge – Peel	1.4	1.2	1.2	1.2	1.2	1.2	4.7
Foot and Mouth Disease	-	-	3.1	-	-	-	3.1
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
Gwoonwardu Mia Aboriginal Heritage and Cultural Centre – Carnarvon	1.8	1.2	1.4	0.9	-	-	2.3
Halls Creek Town Development Masterplan – State Contribution	-	3.5	0.5	3.0	-	-	3.5
Harvey Trail Precinct	-	0.1	0.1	-	-	-	0.1
Hedland Transitional Housing	0.4	0.8	1.3	1.8	0.9	-	10.0
Indigenous Visitor Hostels	2.8	2.5	2.5	2.5	2.5	2.5	10.0
Jalbi Jiya (Your Home) Program	0.4	0.3	0.4	0.4	0.6	0.2	1.5
Kalgoorlie Career Fire and Rescue Service Station Upgrade	- ^(a)	-	1.2	-	-	-	1.2
Kalgoorlie Motorsports Precinct	-	1.0	2.0	-	-	-	2.0
Kimberley Aboriginal Law and Culture Centre to Document and Teach Traditional Languages	0.1	0.1	0.1	-	-	-	0.1
Kimberley Community Action Fund	-	1.0	1.0	1.0	-	-	2.0
Kimberley Juvenile Justice Strategy	0.3	-	-	-	-	-	-
Koombana Bay Park Facilities	0.8	0.4	1.8	-	-	-	1.8
Laverton Visitor Centre	0.3	-	-	-	-	-	-
Leonora Ageing in Place Project	1.3	0.5	1.7	-	-	-	1.7
Leedal – Fitzroy Affordable Housing Project	-	5.0	5.0	5.7	3.1	2.9	16.7
Mandurah Eastern Foreshore Redevelopment	1.5	-	-	-	-	-	-
Mira Mar Landslip	-	-	0.7	-	-	-	0.7
Motorplex Complex Albany	1.4	-	4.1	-	-	-	4.1

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2021-22 Actual	2022-23 Budget Estimate	2022-23 Mid-Year Revision	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Multi-functional Policing Facilities							
Air-Conditioning System Replacement	2.4	1.2	3.5	0.6	-	-	4.1
North West Aboriginal Housing Initiative	-	4.7	4.2	9.1	18.5	7.5	39.3
On-Country Residential Youth Facilities	-	2.8	3.0	5.0	5.0	2.5	15.5
Olabud Doogethu Halls Creek Youth Justice Reinvestment Project	-	0.6	0.8	0.3	0.3	-	1.5
Peel Regional Trails	0.5	1.5	1.4	0.2	-	-	1.5
Pilbara Town Based Reserves	2.5	7.6	7.6	6.8	1.4	-	15.7
Police Radio Network	0.5	0.5	1.1	0.7	-	-	1.8
Regional Arts and Cultural Investment Program	4.6	4.9	5.3	4.9	4.9	4.9	20.0
Regional Athlete Support Program	0.9	1.1	1.4	-	-	-	1.4
Regional Centres Development Plan	-	2.5	-	-	-	-	-
Regional COVID-19 Response Provision	-	0.1	-	- (a)	-	-	- (a)
Regional Economic Development Grants	4.6	5.0	12.0	5.0	5.0	5.0	27.0
Regional Enforcement Unit	5.1	5.5	5.5	5.5	5.5	5.5	21.9
Regional Exhibition Touring Boost	2.1	1.5	1.5	2.0	2.0	2.0	7.5
Regional Grants Scheme	-	-	0.6	-	-	-	0.6
Regional Investment Initiative	-	0.2	-	-	-	-	-
Regional Museum Grants – Regional Collections Development Program	0.4	0.2	0.3	0.2	0.2	0.2	0.9
Regional Police Incentives	2.5	2.5	2.5	2.5	2.5	2.5	10.0
Regional Renewal Program	2.0	9.4	9.4	8.6	-	-	18.0
Regional Taxi Transition Fund	0.1	-	-	-	-	-	-
Regional Workers Campaign	0.5	-	-	-	-	-	-
Regional Youth Justice Services	5.5	5.6	5.6	5.7	5.8	5.8	22.9
Remote Aboriginal Communities	51.5	77.7	62.2	67.3	71.0	74.9	275.4
Remote Aboriginal Communities COVID-19 Emergency Relief Fund	0.5	1.1	1.6	-	-	-	1.6
Remote Essential and Municipal Services	56.0	56.0	56.0	56.0	56.0	56.0	224.0
Remote Swimming Pools	0.6	0.8	0.8	0.6	0.6	0.6	2.6
Respectful Relationship Programs in Schools	0.1	-	-	-	-	-	-
Riverview Residence – Upgrade to Over 55's Estate	-	2.0	1.6	0.4	-	-	2.0
Rural, Regional and Remote Network	-	0.2	0.2	0.1	-	-	0.3
South Hedland and CBD Revitalisation – Stage 2	0.1	-	0.9	-	-	-	0.9
Southern Forests Food Council	-	0.4	-	0.4	-	-	0.4
Stockton Lake	- (a)	- (a)	0.3	-	-	-	0.3
Ulster Road Pressure Sewer Main Upgrade	-	-	1.0	7.3	0.4	-	8.6
Upgrades to Hay Park – Bunbury	-	-	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	0.2	0.5	0.7	0.5	-	-	1.3
Yindjibarndi Ganjalili Accommodation and Transitional Housing Program	1.4	3.5	4.7	0.2	-	-	4.9
Yura Yungi Employee Accommodation and Career Development Program	0.1	2.4	3.1	0.1	-	-	3.2
TOTAL – INVESTING IN OUR COMMUNITIES	358.8	367.0	377.8	294.5	258.3	243.5	1,174.7
INVESTING IN OUR ROADS AND PORTS							
AgLime Routes	- (a)	-	0.4	-	-	-	0.4
Albany Ring Road – Design, Preconstruction and Construction Activities	10.6	6.1	3.7	2.4	-	-	6.1
Broome Boating Facilities Upgrade	1.0	-	-	-	-	-	-

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2021-22 Actual	2022-23 Budget Estimate	2022-23 Mid-Year Revision	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Broome Marina Planning	- (a)	-	0.3	-	-	-	0.3
Bunbury Port – Inner Harbour Access Bridge	0.3	13.7	3.3	8.5	8.2	-	20.0
Chidlow-York Road and Forrest Street Intersection Upgrade	-	0.1	0.1	0.2	0.7	-	1.0
Collie Preston Region – Upgrades Over Multiple Local Roads	5.9	0.1	2.9	-	-	-	2.9
Coolgardie-Esperance Highway (Goldfields) – Widen, Overlay and Reconstruction	1.0	-	-	-	-	-	-
Covalent Lithium Mine Access Road	-	7.0	2.0	10.0	-	-	12.0
Derby-Broome Air Service	0.3	-	0.7	-	-	-	0.7
Dongara Road Alignment	0.2	-	0.2	-	-	-	0.2
Duncan Road and Gordon Downs Road Upgrade	2.2	-	-	-	-	-	-
Forrest Highway (Vittoria Road)	-	1.0	0.1	0.9	3.0	-	4.0
Grain Freight Upgrades	-	7.0	10.0	12.0	-	-	22.0
Great Eastern Highway – Walgoolan to Southern Cross and Coates Gully	3.6	-	-	-	-	-	-
Great Eastern Highway Upgrades – Ghooli to Benari	1.5	6.8	5.5	7.2	8.4	11.2	32.3
Great Northern Highway – Broome to Kununurra – Nellie Springs to Sally Downs Well and Arthur Creek	- (a)	1.0	1.0	1.0	2.0	3.5	7.5
Great Northern Highway – Newman to Port Hedland – Overtaking Lanes	-	-	1.4	2.5	2.5	2.5	8.9
Greenbushes Lithium Supply Chain	-	3.8	-	3.8	-	-	3.8
Indian Ocean Drive – Jurien Bay to Brand Highway	0.2	3.0	1.3	6.7	2.8	-	10.8
Karratha-Tom Price Road – Sealing of 50 km to Millstream	5.4	19.0	11.1	2.8	-	17.2	31.1
Koojan Downs Road Upgrade	-	0.4	1.0	-	-	-	1.0
Land Acquisition and Road Improvements	0.1	4.0	7.9	-	-	-	7.9
Local Government Commodity Freight Roads Fund	0.2	-	- (a)	-	-	-	- (a)
Mandurah Estuary Bridge Duplication	0.9	7.5	6.4	42.7	5.0	-	54.1
Mandurah Train Station – New Parking Bays	4.7	-	1.3	-	-	-	1.3
Marble Bar Road Upgrade	0.5	6.0	8.5	3.0	-	-	11.5
Mid West and Great Southern Secondary Freight Network Program	-	3.6	3.9	3.3	-	-	7.2
Moonamang Road	12.7	-	1.6	-	-	-	1.6
Oakajee Strategic Industrial Area Access Road	1.0	6.5	6.5	7.0	-	-	13.5
Outback Way (Laverton to WA Border)	-	15.0	-	-	-	-	-
Outback Way – Seal Priority Sections	4.0	-	-	-	-	-	-
Pinjarra Heavy Haulage Deviation	0.1	0.5	0.4	0.1	1.0	0.2	1.7
Rail Future Fund	-	3.3	6.8	15.1	-	-	21.9
Regional Airfare Zone Cap for Regional Residents	- (a)	6.6	13.1	6.5	0.2	-	19.8
Regional Blackspot Program	2.3	4.9	7.6	4.9	-	-	12.5
Regional Road Safety Improvement Program	4.0	-	-	-	-	-	-
South Coast Highway – Widening from Pfeiffer Road Manypeaks to Jerramungup Road	2.7	-	-	-	-	-	-
Square Kilometre Array Roads	- (a)	5.0	5.0	5.0	10.2	5.0	25.1
Tanami Road	-	1.0	-	-	0.2	4.0	4.2
Toodyay Road Upgrade – Dryandra to Toodyay	0.1	0.2	2.4	5.0	4.1	3.9	15.5

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2021-22 Actual	2022-23 Budget Estimate	2022-23 Mid-Year Revision	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Truck Rest Stops	-	1.3	0.5	1.5	1.5	1.5	5.0
Western Australian Agricultural Supply Chain Improvements	-	-	-	1.5	7.6	9.0	18.0
TOTAL – INVESTING IN OUR ROADS AND PORTS	62.0	134.2	114.3	153.6	57.3	58.1	383.2
INVESTING IN OUR ENVIRONMENT							
Bushfire Mitigation on Crown Land							
Regional Townsites	3.7	3.8	3.9	3.8	-	-	7.6
Carnarvon Flood Mitigation Works – Stage 2	0.1	2.5	2.6	-	-	-	2.6
Climate Resilience Fund	0.6	4.0	4.4	3.8	3.5	2.8	14.4
Dampier Peninsula and Buccaneer Archipelago Visitor Plan	- ^(a)	0.3	0.2	0.1	-	-	0.4
Dampier Peninsula Project	-	0.2	0.3	0.2	-	-	0.5
Danggu Geikie Gorge Upgrades	0.6	0.8	0.9	0.2	-	-	1.1
Drummond Cove Coastal Erosion Project and Boat Launching Facility	-	0.5	0.6	1.1	1.5	-	3.2
Dwellingup Gap Trails Project	0.5	1.5	1.8	0.3	-	-	2.2
Enhanced Prescribed Burning Program	5.5	5.5	5.5	5.5	5.5	5.5	22.0
Fitzroy River Catchment	-	-	-	0.1	-	-	0.1
Fitzroy River Management Plan	0.4	0.3	0.3	0.3	-	-	0.6
Healthy Estuaries WA	5.8	6.8	6.2	6.3	2.9	-	15.3
Implementing the Peel-Harvey Estuary Protection Plan	0.6	1.3	1.0	1.3	1.3	0.9	4.4
Kalbarri Island Rock	- ^(a)	0.2	0.2	-	-	-	0.2
Kalgulup Regional Park	1.5	6.3	3.6	4.4	1.4	1.4	10.8
Karijini National Park Upgrades	0.7	1.0	1.0	13.3	1.0	-	15.3
Kimberley Wilderness Walk, Wunaamin Miliwundi Ranges	0.1	0.3	0.4	0.3	0.2	-	0.8
Managing Western Australia's Natural Resources: Supporting Community Involvement	-	0.1	0.1	-	-	-	0.1
Marine Parks Management	0.7	0.5	0.5	0.5	-	-	1.1
Murujuga Joint Management	1.0	1.1	1.1	1.1	1.1	1.0	4.3
Murujuga National Park (Conzinc Bay)	0.1	2.7	1.2	3.7	-	-	4.9
Natural Resource Management Program	6.5	7.3	8.5	6.6	6.3	6.2	27.7
Ngari Capes Marine Park	1.3	1.2	1.2	1.2	1.2	1.2	4.6
Ningaloo Coastal Reserve	1.7	1.8	2.0	1.3	1.3	1.3	5.9
Northern Native Seed Initiative	-	2.2	2.6	0.9	0.6	0.4	4.4
Peel Harvey Estuary 1 FTE	0.1	0.1	0.1	0.1	0.1	0.1	0.5
Pilbara Hydrogen Hub	-	17.7	18.1	17.7	17.7	16.9	70.4
Plan for Our Parks – Indigenous Land Use Agreement	0.5	2.2	3.1	1.6	-	-	4.6
Renewable Hydrogen Strategy	0.4	4.4	4.7	-	-	-	4.7
Rural Water Planning	0.2	3.1	4.8	2.5	2.9	-	10.3
Torndirrup National Park, The Gap	- ^(a)	0.3	0.4	2.9	-	-	3.3
Watering Western Australia	0.3	0.5	0.8	-	-	-	0.8
William Bay National Park Infrastructure Project	0.2	0.2	0.5	-	-	-	0.5
Yawuru Conservation Park	0.2	1.8	0.4	2.7	1.3	-	4.3
Yawuru Joint Management	1.1	1.1	1.1	1.1	1.1	1.1	4.5
TOTAL – INVESTING IN OUR ENVIRONMENT	34.6	83.3	84.0	84.8	50.8	38.8	258.3
ADMINISTRATION AND ADMINISTERED ITEMS							
Administration ^(b)	81.1	90.9	84.6	86.6	87.6	87.9	346.3
Administered Items ^(c)	-	42.4	42.6	45.5	58.9	34.9	181.9

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE							
INITIATIVE	2021-22 Actual	2022-23 Budget Estimate	2022-23 Mid-Year Revision	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
TOTAL – ADMINISTRATION AND ADMINISTERED ITEMS	81.1	133.3	126.8	132.1	146.5	122.8	528.2
Underspend Provision	-	78.8	140.0	86.9	-	-	226.9
TOTAL – ROYALTIES FOR REGIONS FUND	975.4	1,256.1	1,147.2	1,155.0	1,013.0	900.9	4,216.1
Regional Reform Fund Special Purpose Account Transfer ^(d)	-	-	4.0	15.0	7.5	4.5	31.0

(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	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
		Actual	Budget	Mid-year			
		\$m	Year	Revision	Outyear	Outyear	Outyear
			\$m	\$m	\$m	\$m	\$m
<i>Results from Transactions</i>							
REVENUE							
Taxation		11,634	11,111	11,982	11,815	11,979	12,388
Current grants and subsidies		11,946	11,850	12,704	13,068	13,103	13,895
Capital grants		1,515	2,285	2,196	2,290	1,426	930
Sales of goods and services		3,027	3,050	3,002	3,041	3,022	3,072
Interest income		127	133	222	255	262	311
Revenue from public corporations							
Dividends from other sector entities	4	612	1,476	47	1,458	1,529	1,538
Tax equivalent income	4	906	779	698	801	798	800
Royalty income		11,091	7,093	9,109	6,914	6,638	6,497
Other		799	652	721	929	751	612
Total	3	41,658	38,428	40,682	40,572	39,508	40,043
EXPENSES							
Salaries		14,279	14,713	15,328	15,314	15,842	16,350
Superannuation							
Concurrent costs		1,469	1,569	1,673	1,735	1,879	2,027
Superannuation interest cost		75	181	206	200	203	212
Other employee costs		327	348	362	352	353	356
Depreciation and amortisation		1,846	1,978	1,948	1,979	2,014	2,002
Services and contracts		2,877	3,502	3,818	3,229	3,121	3,159
Other gross operating expenses		6,337	5,952	6,036	5,676	5,794	5,924
Interest							
Interest on leases		133	127	133	123	121	117
Other interest		646	636	787	794	777	802
Current transfers	5	6,662	7,092	7,875	6,300	6,069	5,834
Capital transfers	5	988	737	674	533	242	181
Total	6	35,638	36,836	38,838	36,234	36,416	36,965
NET OPERATING BALANCE		6,019	1,592	1,844	4,338	3,092	3,078
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		-149	-112	-138	-74	-77	-23
Provision for doubtful debts		-9	-17	-14	-14	-14	-15
Changes in accounting policy/adjustment of prior periods		-379	-	-	-	-	-
Total other economic flows		-537	-129	-152	-89	-91	-38
OPERATING RESULT		5,482	1,463	1,692	4,249	3,001	3,040
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		6,379	1,615	1,327	1,341	1,143	851
Net actuarial gains/-loss - superannuation		769	-111	-190	-175	-168	-161
Gains recognised directly in equity		-	-43	-43	-43	-44	-44
Change in net worth of the public corporations sectors		6,771	765	1,918	243	144	34
All other		-	-	-	-	-	-
Total all other movements in equity		13,919	2,226	3,012	1,366	1,075	681
TOTAL CHANGE IN NET WORTH		19,402	3,690	4,704	5,615	4,076	3,721
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE		6,019	1,592	1,844	4,338	3,092	3,078
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets	6	3,308	3,623	3,805	3,490	4,188	3,839
Changes in inventories		421	-297	-336	-	-	-
Other movement in non-financial assets		94	4	5	246	136	-
Less:							
Sales of non-financial assets		110	68	62	76	80	80
Depreciation		1,846	1,978	1,948	1,979	2,014	2,002
Total net acquisition of non-financial assets		1,868	1,284	1,464	1,681	2,228	1,757
NET LENDING/-BORROWING		4,151	308	380	2,656	864	1,321

Note: Columns may not add due to rounding.

Table 1.2

GENERAL GOVERNMENT
Balance Sheet at 30 June

	2022	2023	2023	2024	2025	2026
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	5,603	5,338	1,916	1,324	1,273	1,505
Advances paid	708	760	702	795	890	898
Investments, loans and placements	4,659	4,134	5,615	5,363	4,125	3,873
Receivables	5,568	3,597	4,127	3,999	3,882	3,799
Shares and other equity						
Investments in other public sector entities - equity method	49,353	44,729	51,270	51,513	51,658	51,692
Investments in other public sector entities - direct injections	12,934	14,962	15,220	18,146	19,951	20,919
Investments in other entities	34	30	34	34	34	34
Other financial assets	9	9	9	9	10	-
Total financial assets	78,868	73,560	78,894	81,185	81,822	82,720
<i>Non-financial assets</i>						
Land	39,714	39,982	40,970	42,085	42,989	43,727
Property, plant and equipment	53,231	54,560	55,808	57,833	60,420	62,621
Right-of-use assets	2,452	2,226	2,281	2,278	2,271	2,187
Service concession assets	892	749	866	849	820	803
Biological assets	14	54	14	14	14	14
Inventories						
Land inventories	-	-	-	-	-	-
Other inventories	600	247	264	264	264	264
Intangibles	595	611	599	627	668	706
Non-current assets held for sale	57	72	31	31	31	31
Investment property	-	7	-	-	-	-
Other	440	318	407	423	456	483
Total non-financial assets	97,995	98,825	101,241	104,404	107,933	110,836
TOTAL ASSETS	176,863	172,385	180,134	185,589	189,755	193,555
LIABILITIES						
Deposits held	1,271	3,159	1,639	1,560	1,657	1,641
Advances received	291	328	273	365	457	461
Borrowings						
Lease liabilities	2,818	2,614	2,669	2,682	2,695	2,635
Service concession liabilities	-	5	-	-	-	-
Other borrowings	25,858	24,675	24,287	24,255	24,219	24,218
Unfunded superannuation	4,524	4,570	4,589	4,555	4,567	4,795
Other employee benefits	4,101	4,021	4,134	4,169	4,221	4,292
Payables	2,841	2,593	2,777	2,729	2,667	2,586
Other liabilities	3,174	2,375	3,078	2,970	2,894	2,826
TOTAL LIABILITIES	44,879	44,340	43,446	43,286	43,376	43,455
NET ASSETS	131,984	128,045	136,688	142,303	146,379	150,100
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	20,557	23,820	23,285	27,316	30,106	32,941
Other reserves	111,427	104,225	113,403	114,987	116,273	117,159
NET WORTH	131,984	128,045	136,688	142,303	146,379	150,100
MEMORANDUM ITEMS						
<i>Net financial worth</i>	33,989	29,220	35,447	37,899	38,446	39,264
<i>Net financial liabilities</i>	28,298	30,472	31,043	31,761	33,163	33,347
<i>Net debt</i>						
Gross debt liabilities	30,239	30,781	28,868	28,862	29,027	28,956
Less : liquid financial assets	10,970	10,232	8,234	7,483	6,288	6,276
Net debt	19,269	20,549	20,634	21,379	22,739	22,680

Note: Columns may not add due to rounding.

Table 1.3

GENERAL GOVERNMENT

Cash Flow Statement

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	11,332	11,128	11,995	11,832	11,996	12,404
Grants and subsidies received	15,637	16,087	16,927	17,721	16,997	17,310
Receipts from sales of goods and services	3,007	2,983	2,959	3,029	2,984	3,016
Interest receipts	111	130	222	255	263	311
Dividends and tax equivalents	1,544	2,298	939	2,240	2,387	2,416
Other receipts	14,271	10,497	12,227	8,938	8,537	8,377
<i>Total cash received</i>	<i>45,903</i>	<i>43,123</i>	<i>45,269</i>	<i>44,015</i>	<i>43,163</i>	<i>43,835</i>
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-15,848	-16,539	-17,253	-17,297	-17,944	-18,523
Payments for goods and services	-9,876	-9,624	-9,978	-9,343	-9,317	-9,485
Interest paid	-752	-730	-860	-897	-885	-905
Grants and subsidies paid	-8,852	-9,416	-10,203	-8,857	-8,431	-8,143
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-2,136	-1,686	-1,655	-1,636	-1,700	-1,731
<i>Total cash paid</i>	<i>-37,464</i>	<i>-37,995</i>	<i>-39,949</i>	<i>-38,030</i>	<i>-38,277</i>	<i>-38,788</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	8,439	5,127	5,320	5,985	4,887	5,048
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-3,308	-3,623	-3,805	-3,490	-4,188	-3,839
Sales of non-financial assets	110	68	62	76	80	80
<i>Total cash flows from investments in non-financial assets</i>	<i>-3,199</i>	<i>-3,555</i>	<i>-3,743</i>	<i>-3,415</i>	<i>-4,107</i>	<i>-3,759</i>
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	18	10	10	10	10	10
For liquidity purposes	93	44	48	13	11	8
<i>Cash paid</i>						
For policy purposes	-1,208	-2,257	-2,694	-2,944	-1,815	-977
For liquidity purposes	-70	-1	-10	-	-1	-1
<i>Total cash flows from investments in financial assets</i>	<i>-1,168</i>	<i>-2,203</i>	<i>-2,647</i>	<i>-2,921</i>	<i>-1,794</i>	<i>-960</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-4,366	-5,758	-6,389	-6,336	-5,902	-4,720
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	18	18	18	18	25	32
Borrowings	57	127	153	91	87	118
Deposits received	-	-	-	-	-	-
Other financing receipts	195	20	18	4	4	4
<i>Total cash receipts from financing activities</i>	<i>270</i>	<i>165</i>	<i>188</i>	<i>113</i>	<i>117</i>	<i>154</i>
<i>Cash paid</i>						
Advances paid	-18	-18	-18	-18	-25	-32
Borrowings repaid	-646	-1,310	-1,715	-112	-112	-107
Deposits paid	-	-	-	-	-	-
Other financing payments	-585	-459	-449	-396	-351	-346
<i>Total payments for financing activities</i>	<i>-1,248</i>	<i>-1,787</i>	<i>-2,183</i>	<i>-526</i>	<i>-488</i>	<i>-485</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	-978	-1,622	-1,994	-413	-371	-331
Net increase in cash and cash equivalents	3,094	-2,252	-3,064	-763	-1,386	-4
Cash and cash equivalents at the beginning of the year	6,943	9,571	10,037	6,974	6,210	4,824
Cash and cash equivalents at the end of the year	10,037	7,319	6,974	6,210	4,824	4,820
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	8,439	5,127	5,320	5,985	4,887	5,048
Net cash flows from investing in non-financial assets	-3,199	-3,555	-3,743	-3,415	-4,107	-3,759
Cash surplus/-deficit	5,240	1,573	1,577	2,571	779	1,288

Note: Columns may not add due to rounding.

Table 1.4

PUBLIC NON-FINANCIAL CORPORATIONS
Operating Statement

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Current grants and subsidies	2,820	3,394	3,449	2,765	2,682	2,589
Capital grants	150	269	215	306	123	50
Sales of goods and services	33,224	36,710	36,876	38,444	39,111	39,422
Interest income	88	79	171	165	157	170
Other	525	493	440	450	499	503
Total	36,806	40,945	41,152	42,130	42,572	42,733
EXPENSES						
Salaries	1,199	1,400	1,423	1,419	1,444	1,451
Superannuation						
Concurrent costs	123	149	155	161	171	180
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	72	32	32	33	34	34
Depreciation and amortisation	2,924	2,637	2,968	3,040	3,121	3,218
Services and contracts	1,048	944	1,024	860	845	835
Other gross operating expenses	28,285	31,811	32,265	33,281	33,787	33,919
Interest						
Interest on leases	70	77	77	71	64	58
Other interest	419	426	682	666	670	742
Tax equivalents	704	745	666	763	759	763
Current transfers	1,224	1,652	1,665	1,240	1,245	1,222
Capital transfers	23	34	41	-	-	-
Total	36,092	39,907	40,998	41,533	42,139	42,422
NET OPERATING BALANCE	714	1,037	154	597	433	312
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-235	-56	-80	-29	9	25
Provision for doubtful debts	-6	-33	-43	-33	-42	-40
Changes in accounting policy/adjustment of prior periods	333	-	-	-	-	-
Total other economic flows	92	-89	-123	-63	-33	-15
OPERATING RESULT	806	949	31	535	400	297
<i>Other non-owner movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	6,723	1,096	1,619	967	1,062	1,058
Net actuarial gains/-loss - superannuation	-23	3	2	2	2	2
Gains recognised directly in equity	-3	-1	-1	-1	-1	-1
All other	-	-	-	-	-	-
Total other non-owner movements in equity	6,698	1,098	1,620	969	1,063	1,059
<i>Movements in owner equity</i>						
Dividends	-23	-1,395	-	-1,382	-1,452	-1,458
Capital injections	1,185	2,086	2,336	2,928	1,806	968
Total movements in owner equity	1,161	691	2,336	1,546	354	-489
TOTAL CHANGE IN NET WORTH	8,665	2,738	3,986	3,049	1,818	867
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	714	1,037	154	597	433	312
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	3,964	5,251	5,102	5,547	4,848	4,165
Changes in inventories	881	41	68	92	145	-8
Other movement in non-financial assets	93	152	151	124	129	130
<i>Less:</i>						
Sales of non-financial assets	518	470	442	536	578	662
Depreciation	2,924	2,637	2,968	3,040	3,121	3,218
Total net acquisition of non-financial assets	1,495	2,338	1,911	2,187	1,423	408
NET LENDING/-BORROWING	-781	-1,300	-1,757	-1,590	-990	-97

Note: Columns may not add due to rounding.

Table 1.5

PUBLIC NON-FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2022	2023	2023	2024	2025	2026
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	3,502	2,660	3,815	3,664	3,913	4,108
Advances paid	-	-	-	-	-	-
Investments, loans and placements	4,661	5,617	3,851	3,948	4,239	4,624
Receivables	1,755	1,538	1,444	1,376	1,394	1,411
Shares and other equity						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	36	23	33	31	29	29
Other financial assets	378	225	235	147	117	92
Total financial assets	10,331	10,063	9,380	9,166	9,691	10,264
<i>Non-financial assets</i>						
Land	8,899	7,437	9,256	9,257	9,351	9,446
Property, plant and equipment	63,357	62,516	65,972	69,055	71,411	72,970
Right-of-use assets	447	542	396	350	312	268
Service concession assets	2,233	1,977	2,214	2,195	2,176	2,157
Biological assets	198	215	204	218	229	240
Inventories						
Land inventories	1,590	1,610	1,685	1,723	1,669	1,833
Other inventories	6,806	6,098	6,874	6,965	7,110	7,102
Intangibles	401	479	421	454	528	488
Non-current assets held for sale	10	5	10	10	10	10
Investment property	14	16	14	14	14	14
Other	186	189	195	228	242	242
Total non-financial assets	84,141	81,083	87,240	90,467	93,052	94,768
TOTAL ASSETS	94,472	91,146	96,620	99,633	102,743	105,033
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	291	328	273	365	457	461
Borrowings						
Lease liabilities	831	841	750	679	604	530
Service concession liabilities	325	327	335	329	323	315
Other borrowings	21,623	22,629	20,394	20,359	21,508	23,057
Unfunded superannuation	74	62	76	79	89	106
Other employee benefits	468	435	431	433	437	438
Payables	8,454	7,431	8,030	8,177	8,314	8,275
Other liabilities	2,336	1,873	2,276	2,107	2,090	2,062
TOTAL LIABILITIES	34,404	33,927	32,565	32,529	33,821	35,244
NET ASSETS	60,069	57,220	64,055	67,104	68,922	69,788
<i>Of which:</i>						
Contributed equity	13,186	15,215	15,522	18,450	20,256	21,224
Accumulated surplus	17,318	18,589	18,791	17,916	16,833	15,638
Other reserves	29,564	23,416	29,742	30,738	31,833	32,927
NET WORTH	60,069	57,220	64,055	67,104	68,922	69,788
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-24,072</i>	<i>-23,863</i>	<i>-23,185</i>	<i>-23,363</i>	<i>-24,130</i>	<i>-24,980</i>
<i>Net debt</i>						
Gross debt liabilities	23,071	24,125	21,752	21,732	22,892	24,363
Less : liquid financial assets	8,163	8,277	7,667	7,612	8,152	8,732
Net debt	14,908	15,847	14,086	14,120	14,740	15,631

Note: Columns may not add due to rounding.

Table 1.6

PUBLIC NON-FINANCIAL CORPORATIONS
Cash Flow Statement

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Grants and subsidies received	2,946	3,684	3,688	3,055	2,810	2,647
Receipts from sales of goods and services	25,396	25,485	25,874	26,786	27,210	27,465
Interest receipts	80	78	173	164	157	170
Dividends and tax equivalents	156	129	142	48	48	67
Other receipts	1,683	1,478	1,496	1,512	1,449	1,492
<i>Total cash received</i>	<i>30,260</i>	<i>30,854</i>	<i>31,373</i>	<i>31,565</i>	<i>31,673</i>	<i>31,840</i>
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-1,334	-1,544	-1,588	-1,569	-1,594	-1,605
Payments for goods and services	-19,870	-20,146	-20,705	-20,767	-20,861	-21,177
Interest paid	-508	-478	-705	-685	-705	-769
Grants and subsidies paid	-759	-808	-831	-786	-783	-743
Tax equivalents	-727	-722	-731	-702	-776	-798
Other payments	-3,768	-3,721	-4,077	-3,644	-3,597	-3,603
<i>Total cash paid</i>	<i>-26,966</i>	<i>-27,419</i>	<i>-28,637</i>	<i>-28,153</i>	<i>-28,316</i>	<i>-28,696</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,294	3,435	2,736	3,412	3,357	3,144
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-3,964	-5,251	-5,102	-5,547	-4,848	-4,165
Sales of non-financial assets	518	470	442	536	578	662
<i>Total cash flows from investments in non-financial assets</i>	<i>-3,445</i>	<i>-4,781</i>	<i>-4,660</i>	<i>-5,012</i>	<i>-4,270</i>	<i>-3,503</i>
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	24	59	59	63	48	5
<i>Cash paid</i>						
For policy purposes	-10	-14	-14	-	-	-
For liquidity purposes	-77	-69	-69	-73	-65	-48
<i>Total cash flows from investments in financial assets</i>	<i>-63</i>	<i>-23</i>	<i>-24</i>	<i>-10</i>	<i>-17</i>	<i>-43</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-3,508	-4,804	-4,684	-5,022	-4,287	-3,546
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	54	-	109	117	37
Borrowings	3,612	4,886	3,694	3,664	4,778	4,275
Deposits received	-	-	-	-	-	-
Other financing receipts	1,300	2,400	2,827	3,022	1,835	992
<i>Total cash received</i>	<i>4,912</i>	<i>7,340</i>	<i>6,521</i>	<i>6,796</i>	<i>6,730</i>	<i>5,303</i>
<i>Cash paid</i>						
Advances paid	-18	-18	-18	-18	-25	-32
Borrowings repaid	-4,105	-4,774	-4,063	-3,747	-3,884	-3,030
Deposits paid	-	-	-	-	-	-
Other financing payments	-200	-195	-196	-194	-187	-187
Dividends paid	-23	-1,395	-	-1,382	-1,452	-1,458
<i>Total cash paid</i>	<i>-4,346</i>	<i>-6,382</i>	<i>-4,277</i>	<i>-5,340</i>	<i>-5,549</i>	<i>-4,706</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	566	958	2,244	1,456	1,181	597
Net increase in cash and cash equivalents	353	-411	297	-154	251	195
Cash and cash equivalents at the beginning of the year	3,373	3,344	3,725	4,022	3,868	4,119
Cash and cash equivalents at the end of the year	3,725	2,933	4,022	3,868	4,119	4,314
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	3,294	3,435	2,736	3,412	3,357	3,144
Net cash flows from investing in non-financial assets	-3,445	-4,781	-4,660	-5,012	-4,270	-3,503
Dividends paid	-23	-1,395	-	-1,382	-1,452	-1,458
Cash surplus/-deficit	-174	-2,741	-1,924	-2,981	-2,365	-1,817

Note: Columns may not add due to rounding.

Table 1.7

TOTAL NON-FINANCIAL PUBLIC SECTOR
Operating Statement

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Taxation	11,069	10,552	11,426	11,249	11,398	11,796
Current grants and subsidies	11,946	11,850	12,704	13,068	13,103	13,895
Capital grants	1,515	2,285	2,196	2,290	1,426	930
Sales of goods and services	35,476	39,030	39,238	40,842	41,490	41,830
Interest income	197	196	363	385	386	449
Royalty income	11,091	7,093	9,109	6,914	6,638	6,497
Dividend and tax equivalents	932	215	127	161	184	195
Other	1,110	999	1,062	1,287	1,140	994
<i>Total</i>	<i>73,336</i>	<i>72,220</i>	<i>76,227</i>	<i>76,196</i>	<i>75,765</i>	<i>76,587</i>
EXPENSES						
Salaries	15,478	16,113	16,751	16,733	17,286	17,801
Superannuation						
Concurrent costs	1,592	1,718	1,829	1,896	2,050	2,206
Superannuation interest cost	75	181	206	200	203	212
Other employee costs	315	289	304	293	293	296
Depreciation and amortisation	4,767	4,613	4,913	5,017	5,133	5,217
Services and contracts	3,913	4,454	4,848	4,096	3,973	4,001
Other gross operating expenses	33,644	36,879	37,506	38,157	38,773	39,009
Interest						
Interest on leases	203	204	209	193	184	175
Other interest	1,048	1,047	1,439	1,426	1,415	1,514
Current transfers	4,737	4,984	5,723	4,404	4,258	4,088
Capital transfers	852	502	498	227	119	131
<i>Total</i>	<i>66,623</i>	<i>70,983</i>	<i>74,227</i>	<i>72,641</i>	<i>73,689</i>	<i>74,652</i>
NET OPERATING BALANCE	6,713	1,237	2,000	3,555	2,076	1,935
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-384	-168	-218	-104	-68	2
Provision for doubtful debts	-15	-50	-57	-47	-56	-55
Changes in accounting policy/adjustment of prior periods	-43	-	-	-	-	-
<i>Total other economic flows</i>	<i>-442</i>	<i>-217</i>	<i>-275</i>	<i>-151</i>	<i>-124</i>	<i>-53</i>
OPERATING RESULT	6,270	1,020	1,725	3,404	1,952	1,883
<i>All other movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	13,102	2,712	3,047	2,310	2,206	1,910
Net actuarial gains/-loss - superannuation	747	-108	-188	-173	-166	-159
Gains recognised directly in equity	-6	-46	-46	-46	-47	-47
Change in net worth of the PFC sector	-712	112	166	120	131	134
All other	-	-	-	-	-	-
<i>Total all other movements in equity</i>	<i>13,132</i>	<i>2,670</i>	<i>2,979</i>	<i>2,211</i>	<i>2,124</i>	<i>1,838</i>
TOTAL CHANGE IN NET WORTH	19,402	3,690	4,704	5,615	4,076	3,721
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	6,713	1,237	2,000	3,555	2,076	1,935
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	7,172	8,873	8,904	9,035	9,035	8,004
Changes in inventories	1,302	-256	-269	92	145	-8
Other movement in non-financial assets	187	157	157	369	265	130
<i>Less:</i>						
Sales of non-financial assets	528	538	501	609	658	741
Depreciation	4,767	4,613	4,913	5,017	5,133	5,217
<i>Total net acquisition of non-financial assets</i>	<i>3,366</i>	<i>3,623</i>	<i>3,377</i>	<i>3,870</i>	<i>3,653</i>	<i>2,169</i>
NET LENDING/-BORROWING	3,346	-2,387	-1,377	-315	-1,577	-233

Note: Columns may not add due to rounding.

Table 1.8

TOTAL NON-FINANCIAL PUBLIC SECTOR
Balance Sheet at 30 June

	2022	2023	2023	2024	2025	2026
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	7,858	5,155	4,119	3,457	3,559	4,004
Advances paid	416	433	429	430	433	437
Investments, loans and placements	9,223	9,678	9,370	9,214	8,266	8,399
Receivables	7,213	4,980	5,544	5,285	5,203	5,174
Shares and other equity						
Investments in other public sector entities - equity method	2,218	2,472	2,435	2,555	2,687	2,822
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	70	53	67	65	62	62
Other financial assets	9	9	9	9	10	-
Total financial assets	27,007	22,780	21,973	21,016	20,221	20,900
<i>Non-financial assets</i>						
Land	48,613	47,419	50,227	51,342	52,340	53,172
Property, plant and equipment	116,589	117,077	121,780	126,888	131,831	135,591
Right-of-use assets	2,899	2,776	2,677	2,626	2,586	2,461
Service concession assets	3,125	2,725	3,080	3,044	2,996	2,960
Biological assets	212	269	218	231	243	254
Inventories						
Land inventories	1,590	1,610	1,685	1,723	1,669	1,833
Other inventories	7,406	6,345	7,137	7,229	7,374	7,366
Intangibles	997	1,090	1,020	1,081	1,196	1,194
Non-current assets held for sale	66	77	41	41	41	41
Investment property	14	22	14	14	14	14
Other	626	504	603	652	698	724
Total non-financial assets	182,136	179,914	188,482	194,870	200,988	205,609
TOTAL ASSETS	209,143	202,693	210,454	215,886	221,208	226,509
LIABILITIES						
Deposits held	23	314	25	26	28	31
Advances received	291	328	273	365	457	461
Borrowings						
Lease liabilities	3,554	3,392	3,325	3,264	3,206	3,074
Service concession liabilities	325	247	335	329	323	315
Other borrowings	47,482	47,390	44,680	44,614	45,727	47,275
Unfunded superannuation	4,598	4,632	4,665	4,635	4,656	4,902
Other employee benefits	4,569	4,456	4,565	4,602	4,658	4,731
Payables	11,186	9,870	10,780	10,818	10,910	10,828
Other liabilities	5,131	4,020	5,117	4,929	4,864	4,793
TOTAL LIABILITIES	77,159	74,648	73,766	73,583	74,829	76,409
NET ASSETS	131,984	128,045	136,688	142,303	146,379	150,100
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	37,882	42,416	42,083	45,240	46,946	48,586
Other reserves	94,102	85,629	94,606	97,064	99,433	101,514
NET WORTH	131,984	128,045	136,688	142,303	146,379	150,100
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-50,152</i>	<i>-51,869</i>	<i>-51,793</i>	<i>-52,567</i>	<i>-54,609</i>	<i>-55,509</i>
<i>Net financial liabilities</i>	<i>52,370</i>	<i>54,340</i>	<i>54,229</i>	<i>55,122</i>	<i>57,296</i>	<i>58,332</i>
<i>Net debt</i>						
Gross debt liabilities	51,675	51,670	48,638	48,599	49,741	51,156
Less : liquid financial assets	17,498	15,266	13,918	13,101	12,259	12,841
Net debt	34,177	36,404	34,720	35,498	37,482	38,315

Note: Columns may not add due to rounding.

Table 1.9

TOTAL NON-FINANCIAL PUBLIC SECTOR
Cash Flow Statement

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	10,764	10,574	11,446	11,265	11,415	11,812
Grants and subsidies received	15,637	16,087	16,927	17,721	16,997	17,310
Receipts from sales of goods and services	27,518	27,681	28,136	29,116	29,495	29,762
Interest receipts	173	193	365	385	387	450
Dividends and tax equivalents	950	310	350	205	207	228
Other receipts	15,521	11,584	13,328	10,027	9,582	9,454
<i>Total cash received</i>	<i>70,564</i>	<i>66,429</i>	<i>70,551</i>	<i>68,719</i>	<i>68,082</i>	<i>69,015</i>
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-17,182	-18,083	-18,841	-18,866	-19,538	-20,128
Payments for goods and services	-28,526	-28,687	-29,690	-29,084	-29,168	-29,622
Interest paid	-1,243	-1,193	-1,535	-1,548	-1,558	-1,642
Grants and subsidies paid	-6,636	-6,512	-7,314	-6,559	-6,378	-6,214
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-5,332	-4,852	-5,182	-4,712	-4,716	-4,741
<i>Total cash paid</i>	<i>-58,919</i>	<i>-59,328</i>	<i>-62,562</i>	<i>-60,770</i>	<i>-61,357</i>	<i>-62,347</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	11,645	7,101	7,989	7,949	6,725	6,668
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-7,172	-8,873	-8,904	-9,035	-9,035	-8,004
Sales of non-financial assets	528	538	501	609	658	741
<i>Total cash flows from investments in non-financial assets</i>	<i>-6,644</i>	<i>-8,336</i>	<i>-8,402</i>	<i>-8,426</i>	<i>-8,377</i>	<i>-7,263</i>
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	18	10	10	10	10	10
For liquidity purposes	117	103	106	76	58	12
<i>Cash paid</i>						
For policy purposes	-21	-60	-10	-10	-10	-10
For liquidity purposes	-147	-69	-78	-73	-65	-48
<i>Total cash flows from investments in financial assets</i>	<i>-33</i>	<i>-15</i>	<i>28</i>	<i>3</i>	<i>-6</i>	<i>-36</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-6,677	-8,351	-8,374	-8,423	-8,383	-7,299
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	54	-	109	117	37
Borrowings	3,669	5,013	3,847	3,755	4,865	4,392
Deposits received	-	-	-	-	-	-
Other financing receipts	191	56	4	4	4	4
<i>Total cash received</i>	<i>3,860</i>	<i>5,123</i>	<i>3,851</i>	<i>3,869</i>	<i>4,986</i>	<i>4,433</i>
<i>Cash paid</i>						
Advances paid	-18	-18	-18	-18	-25	-32
Borrowings repaid	-4,751	-6,084	-5,779	-3,859	-3,996	-3,137
Deposits paid	-	-	-	-	-	-
Other financing payments	-613	-435	-436	-435	-442	-441
<i>Total cash paid</i>	<i>-5,381</i>	<i>-6,537</i>	<i>-6,233</i>	<i>-4,312</i>	<i>-4,463</i>	<i>-3,610</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	-1,521	-1,414	-2,382	-443	523	823
Net increase in cash and cash equivalents	3,447	-2,663	-2,767	-917	-1,136	191
Cash and cash equivalents at the beginning of the year	10,315	12,914	13,762	10,995	10,077	8,942
Cash and cash equivalents at the end of the year	13,762	10,251	10,995	10,077	8,942	9,133
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	11,645	7,101	7,989	7,949	6,725	6,668
Net cash flows from investing in non-financial assets	-6,644	-8,336	-8,402	-8,426	-8,377	-7,263
Cash surplus/-deficit	5,001	-1,234	-413	-477	-1,652	-595

Note: Columns may not add due to rounding.

Table 1.10

PUBLIC FINANCIAL CORPORATIONS
Operating Statement

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Current grants and subsidies	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Sales of goods and services	1,422	1,366	1,365	1,417	1,477	1,540
Interest income	1,257	1,281	1,691	1,740	1,729	1,767
Other	188	133	133	151	162	173
Total	2,867	2,780	3,188	3,308	3,368	3,481
EXPENSES						
Salaries	63	70	72	73	75	77
Superannuation						
Concurrent costs	6	7	8	8	9	10
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	298	252	252	263	279	292
Depreciation and amortisation	8	9	9	10	10	9
Services and contracts	12	13	13	13	14	14
Other gross operating expenses	886	1,169	1,169	1,263	1,322	1,391
Interest						
Interest on leases	1	-	-	-	-	-
Other interest	947	1,061	1,526	1,567	1,538	1,569
Tax equivalents	202	34	32	38	39	38
Current transfers	4	5	5	5	5	5
Capital transfers	4	8	8	9	8	5
Total	2,430	2,628	3,093	3,248	3,298	3,409
NET OPERATING BALANCE	437	152	95	60	69	72
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-629	200	200	226	242	259
Provision for doubtful debts	-	-	-	-	-	-
Changes in accounting policy/adjustment of prior periods	213	-	-	-	-	-
Total other economic flows	-416	200	200	226	242	259
OPERATING RESULT	21	352	296	286	312	330
<i>Other non-owner movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	-3	-57	67	-42	-34	-37
Net actuarial gains/-loss - superannuation	-	-	-	-	-	-
Gains recognised directly in equity	3	-	-	-	-	-
All other	-	-	-	-	-	-
Total other non-owner movements in equity	-	-57	67	-41	-34	-37
<i>Movements in owner equity</i>						
Dividends	-731	-182	-95	-124	-145	-158
Capital injections	-1	-1	-50	-1	-1	-1
Total movements in owner equity	-732	-183	-145	-124	-146	-159
TOTAL CHANGE IN NET WORTH	-711	113	217	120	132	135
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	437	152	95	60	69	72
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	9	7	8	7	7	7
Changes in inventories	-	-	-	-	-	-
Other movement in non-financial assets	-	-	-	-	-	-
Less:						
Sales of non-financial assets	-	-	-	-	-	-
Depreciation	8	9	9	10	10	9
Total net acquisition of non-financial assets	1	-2	-2	-3	-3	-3
NET LENDING/-BORROWING	437	154	97	63	72	74

Note: Columns may not add due to rounding.

Table 1.11

PUBLIC FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2022	2023	2023	2024	2025	2026
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	529	147	347	351	358	364
Advances paid	4,009	5,099	3,251	3,298	3,565	3,895
Investments, loans and placements	55,533	61,291	53,413	54,413	55,859	57,751
Receivables	881	689	894	907	920	934
Shares and other equity						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	2,232	2,817	2,382	2,564	2,751	2,948
Other financial assets	7	-	7	7	7	7
Total financial assets	63,192	70,044	60,294	61,540	63,460	65,898
<i>Non-financial assets</i>						
Land	-	-	-	-	-	-
Property, plant and equipment	4	6	5	5	6	6
Right-of-use assets	16	13	13	9	5	2
Service concession assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Inventories						
Land inventories	-	-	-	-	-	-
Other inventories	-	-	-	-	-	-
Intangibles	11	9	13	13	14	15
Non-current assets held for sale	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
Other	3	3	4	4	3	4
Total non-financial assets	35	32	34	31	28	26
TOTAL ASSETS	63,227	70,076	60,328	61,570	63,488	65,924
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	3	3	3	3	3	2
Borrowings						
Lease liabilities	20	16	16	12	7	4
Service concession liabilities	-	-	-	-	-	-
Other borrowings	55,078	61,219	51,831	52,597	54,008	55,901
Unfunded superannuation	4	4	4	3	3	3
Other employee benefits	16	17	17	17	18	18
Payables	241	189	146	141	122	129
Other liabilities	5,646	6,157	5,877	6,242	6,640	7,044
TOTAL LIABILITIES	61,008	67,604	57,893	59,015	60,801	63,102
NET ASSETS	2,218	2,472	2,435	2,555	2,687	2,822
<i>Of which:</i>						
Contributed equity	-252	-253	-302	-303	-304	-305
Accumulated surplus	2,448	2,852	2,656	2,784	2,914	3,047
Other reserves	23	-128	82	74	77	80
NET WORTH	2,218	2,472	2,435	2,555	2,687	2,822
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>2,183</i>	<i>2,440</i>	<i>2,401</i>	<i>2,525</i>	<i>2,659</i>	<i>2,796</i>
<i>Net debt</i>						
Gross debt liabilities	55,101	61,238	51,850	52,612	54,018	55,908
Less: liquid financial assets	60,072	66,537	57,011	58,062	59,782	62,010
Net debt	-4,971	-5,299	-5,161	-5,451	-5,764	-6,102

Note: Columns may not add due to rounding.

Table 1.12

PUBLIC FINANCIAL CORPORATIONS
Cash Flow Statement

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>						
<i>Cash received</i>						
Grants and subsidies received	-	5	5	5	5	5
Receipts from sales of goods and services	1,565	1,523	1,522	1,667	1,743	1,817
Interest receipts	1,286	1,281	1,691	1,740	1,729	1,767
Dividends and tax equivalents	-	-	-	-	-	-
Other receipts	187	188	189	199	208	217
<i>Total cash received</i>	<i>3,039</i>	<i>2,997</i>	<i>3,406</i>	<i>3,610</i>	<i>3,685</i>	<i>3,806</i>
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-69	-77	-79	-81	-83	-85
Payments for goods and services	-988	-1,137	-1,137	-1,211	-1,281	-1,345
Interest paid	-1,190	-1,061	-1,529	-1,567	-1,538	-1,569
Grants and subsidies paid	-	-	-	-	-	-
Tax equivalents	-205	-101	-161	-81	-82	-81
Other payments	-181	-197	-197	-207	-217	-226
<i>Total cash paid</i>	<i>-2,632</i>	<i>-2,574</i>	<i>-3,103</i>	<i>-3,147</i>	<i>-3,200</i>	<i>-3,306</i>
<i>NET CASH FLOWS FROM OPERATING ACTIVITIES</i>	<i>407</i>	<i>424</i>	<i>303</i>	<i>463</i>	<i>485</i>	<i>501</i>
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-9	-7	-8	-7	-7	-7
Sales of non-financial assets	-	-	-	-	-	-
<i>Total cash flows from investments in non-financial assets</i>	<i>-9</i>	<i>-7</i>	<i>-7</i>	<i>-6</i>	<i>-7</i>	<i>-6</i>
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	10,746	8,275	9,699	8,620	8,490	8,607
<i>Cash paid</i>						
For policy purposes	-	-1	-1	-1	-1	-1
For liquidity purposes	-8,562	-8,764	-9,066	-8,965	-9,059	-9,221
<i>Total cash flows from investments in financial assets</i>	<i>2,184</i>	<i>-489</i>	<i>632</i>	<i>-346</i>	<i>-570</i>	<i>-615</i>
<i>NET CASH FLOWS FROM INVESTING ACTIVITIES</i>	<i>2,175</i>	<i>-496</i>	<i>625</i>	<i>-352</i>	<i>-577</i>	<i>-622</i>
<i>CASH FLOWS FROM FINANCING ACTIVITIES</i>						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	27,214	25,658	23,511	26,336	26,986	26,990
Deposits received	-	-	-	-	-	-
Other financing receipts	-	-	-	-	-	-
<i>Total cash received</i>	<i>27,215</i>	<i>25,658</i>	<i>23,511</i>	<i>26,336</i>	<i>26,986</i>	<i>26,990</i>
<i>Cash paid</i>						
Advances paid	-	-	-	-	-	-
Borrowings repaid	-29,744	-25,371	-24,374	-26,288	-26,731	-26,684
Deposits paid	-	-	-	-	-	-
Other financing payments	-5	-4	-4	-5	-5	-4
Dividends paid	-745	-209	-189	-124	-125	-147
<i>Total cash paid</i>	<i>-30,493</i>	<i>-25,584</i>	<i>-24,567</i>	<i>-26,417</i>	<i>-26,861</i>	<i>-26,835</i>
<i>NET CASH FLOWS FROM FINANCING ACTIVITIES</i>	<i>-3,279</i>	<i>74</i>	<i>-1,056</i>	<i>-81</i>	<i>125</i>	<i>155</i>
Net increase in cash and cash equivalents	-697	1	-128	30	33	34
Cash and cash equivalents at the beginning of the year	2,287	2,139	1,591	1,463	1,493	1,526
Cash and cash equivalents at the end of the year	1,591	2,140	1,463	1,493	1,526	1,560
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	407	424	303	463	485	501
Net cash flows from investing in non-financial assets	-9	-7	-7	-6	-7	-6
Dividends paid	-745	-209	-189	-124	-125	-147
Cash surplus/-deficit	-346	207	107	332	353	347

Note: Columns may not add due to rounding.

Table 1.13

TOTAL PUBLIC SECTOR **Operating Statement**

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Taxation	11,065	10,547	11,422	11,244	11,393	11,791
Current grants and subsidies	11,946	11,850	12,704	13,068	13,103	13,895
Capital grants	1,515	2,285	2,196	2,290	1,426	930
Sales of goods and services	36,437	39,934	40,139	41,774	42,458	42,837
Interest income	445	391	550	564	585	648
Royalty income	11,091	7,093	9,109	6,914	6,638	6,497
Other	1,276	1,132	1,195	1,437	1,301	1,166
<i>Total</i>	<i>73,776</i>	<i>73,230</i>	<i>77,316</i>	<i>77,291</i>	<i>76,904</i>	<i>77,763</i>
EXPENSES						
Salaries	15,540	16,183	16,823	16,806	17,361	17,878
Superannuation						
Concurrent costs	1,598	1,726	1,836	1,904	2,059	2,216
Superannuation interest cost	75	181	206	200	203	212
Other employee costs	612	541	555	556	573	588
Depreciation and amortisation	4,775	4,622	4,922	5,027	5,143	5,226
Services and contracts	3,925	4,454	4,848	4,096	3,973	4,001
Other gross operating expenses	34,049	37,598	38,224	38,947	39,599	39,879
Interest						
Interest on leases	203	204	210	193	185	175
Other interest	986	1,022	1,462	1,431	1,422	1,514
Current transfers	4,737	4,984	5,723	4,404	4,258	4,088
Capital transfers	856	510	506	236	127	136
<i>Total</i>	<i>67,357</i>	<i>72,024</i>	<i>75,315</i>	<i>73,799</i>	<i>74,903</i>	<i>75,914</i>
NET OPERATING BALANCE	6,419	1,206	2,001	3,492	2,000	1,849
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-1,013	33	-18	123	174	261
Provision for doubtful debts	-15	-50	-57	-47	-56	-55
Changes in accounting policy/adjustment of prior periods	167	-	-	-	-	-
<i>Total other economic flows</i>	<i>-861</i>	<i>-17</i>	<i>-75</i>	<i>75</i>	<i>118</i>	<i>206</i>
OPERATING RESULT	5,558	1,190	1,926	3,567	2,118	2,055
<i>All other movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	13,099	2,654	3,012	2,267	2,170	1,872
Net actuarial gains/-loss - superannuation	747	-108	-188	-173	-166	-159
Gains recognised directly in equity	-2	-46	-46	-46	-47	-47
All other	-	-	-	-	-	-
<i>Total all other movements in equity</i>	<i>13,844</i>	<i>2,500</i>	<i>2,779</i>	<i>2,048</i>	<i>1,958</i>	<i>1,666</i>
TOTAL CHANGE IN NET WORTH	19,402	3,690	4,704	5,615	4,076	3,721
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	6,419	1,206	2,001	3,492	2,000	1,849
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	7,181	8,880	8,911	9,042	9,042	8,011
Changes in inventories	1,302	-256	-269	92	145	-8
Other movement in non-financial assets	187	157	157	369	265	130
<i>Less:</i>						
Sales of non-financial assets	529	538	502	609	658	742
Depreciation	4,775	4,622	4,922	5,027	5,143	5,226
<i>Total net acquisition of non-financial assets</i>	<i>3,367</i>	<i>3,621</i>	<i>3,376</i>	<i>3,867</i>	<i>3,651</i>	<i>2,166</i>
NET LENDING/-BORROWING	3,052	-2,415	-1,375	-375	-1,650	-317

Note: Columns may not add due to rounding.

Table 1.14

TOTAL PUBLIC SECTOR
Balance Sheet at 30 June

	2022	2023	2023	2024	2025	2026
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	8,384	5,300	4,461	3,801	3,908	4,357
Advances paid	4,423	5,529	3,677	3,726	3,996	4,330
Investments, loans and placements	13,752	19,310	15,431	16,280	15,394	15,554
Receivables	7,264	5,111	5,836	5,595	5,520	5,503
Equity - Investments in other entities	2,302	2,871	2,449	2,628	2,814	3,010
Other financial assets	16	9	16	16	17	7
Total financial assets	36,139	38,130	31,870	32,047	31,648	32,761
<i>Non-financial assets</i>						
Land	48,613	47,419	50,227	51,342	52,340	53,172
Property, plant and equipment	116,593	117,083	121,785	126,893	131,837	135,597
Right-of-use assets	2,915	2,789	2,690	2,634	2,591	2,463
Service concession assets	3,125	2,725	3,080	3,044	2,996	2,960
Biological assets	212	269	218	231	243	254
Inventories						
Land inventories	1,590	1,610	1,685	1,723	1,669	1,833
Other inventories	7,406	6,345	7,137	7,229	7,374	7,366
Intangibles	1,007	1,099	1,033	1,095	1,210	1,208
Non-current assets held for sale	66	77	41	41	41	41
Investment property	14	22	14	14	14	14
Other	599	507	576	625	671	698
Total non-financial assets	182,140	179,945	188,485	194,870	200,986	205,605
TOTAL ASSETS	218,280	218,075	220,355	226,917	232,634	238,366
LIABILITIES						
Deposits held	19	312	19	19	19	19
Advances received	291	328	273	365	457	461
Borrowings						
Lease liabilities	3,574	3,408	3,341	3,276	3,213	3,078
Service concession liabilities	325	332	335	329	323	315
Other borrowings	51,555	56,864	49,160	49,865	51,004	52,580
Unfunded superannuation	4,603	4,636	4,669	4,638	4,659	4,904
Other employee benefits	4,585	4,473	4,582	4,619	4,676	4,749
Payables	11,119	9,858	10,786	10,820	10,901	10,832
Other liabilities	10,225	9,819	10,501	10,683	11,003	11,327
TOTAL LIABILITIES	86,296	90,030	83,667	84,614	86,255	88,266
NET ASSETS	131,984	128,045	136,688	142,303	146,379	150,100
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	40,329	45,268	44,738	48,024	49,860	51,633
Other reserves	91,654	82,777	91,950	94,279	96,519	98,467
NET WORTH	131,984	128,045	136,688	142,303	146,379	150,100
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-50,157</i>	<i>-51,900</i>	<i>-51,797</i>	<i>-52,567</i>	<i>-54,607</i>	<i>-55,505</i>
<i>Net financial liabilities</i>	<i>50,157</i>	<i>51,900</i>	<i>51,797</i>	<i>52,567</i>	<i>54,607</i>	<i>55,505</i>
<i>Net debt</i>						
Gross debt liabilities	55,765	61,244	53,129	53,854	55,016	56,453
Less: liquid financial assets	26,558	30,139	23,569	23,807	23,298	24,240
Net debt	29,206	31,105	29,560	30,047	31,718	32,213

Note: Columns may not add due to rounding.

Table 1.15

TOTAL PUBLIC SECTOR
Cash Flow Statement

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	10,760	10,565	11,436	11,255	11,405	11,802
Grants and subsidies received	15,637	16,087	16,927	17,721	16,997	17,310
Receipts from sales of goods and services	28,674	28,742	29,194	30,297	30,728	31,045
Interest receipts	440	395	592	565	586	650
Dividends and tax equivalents	-	-	-	-	-	-
Other	15,696	11,771	13,516	10,225	9,789	9,670
Total cash received	71,208	67,560	71,664	70,063	69,505	70,477
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-17,251	-18,161	-18,920	-18,947	-19,621	-20,214
Payments for goods and services	-29,104	-29,363	-30,363	-29,810	-29,939	-30,433
Interest paid	-1,413	-1,176	-1,600	-1,556	-1,565	-1,644
Grants and subsidies paid	-6,636	-6,507	-7,309	-6,554	-6,373	-6,209
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-5,497	-5,039	-5,368	-4,909	-4,922	-4,956
Total cash paid	-59,901	-60,245	-63,561	-61,775	-62,420	-63,456
NET CASH FLOWS FROM OPERATING ACTIVITIES	11,307	7,316	8,104	8,288	7,085	7,021
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-7,181	-8,880	-8,911	-9,042	-9,042	-8,011
Sales of non-financial assets	529	538	502	609	658	742
Total cash flows from investments in non-financial assets	-6,653	-8,342	-8,410	-8,433	-8,384	-7,269
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	18	10	10	10	10	10
For liquidity purposes	10,863	8,378	9,805	8,696	8,548	8,618
<i>Cash paid</i>						
For policy purposes	-21	-60	-10	-10	-10	-10
For liquidity purposes	-8,709	-8,832	-9,144	-9,038	-9,123	-9,269
Total cash flows from investments in financial assets	2,151	-504	661	-342	-575	-651
NET CASH FLOWS FROM INVESTING ACTIVITIES	-4,502	-8,846	-7,749	-8,775	-8,960	-7,920
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	54	-	109	117	37
Borrowings	22,466	19,576	17,735	22,479	22,987	23,855
Deposits received	-	-	-	-	-	-
Other financing receipts	191	55	3	3	3	3
Total cash received	22,658	19,685	17,738	22,592	23,108	23,894
<i>Cash paid</i>						
Advances paid	-18	-18	-18	-18	-25	-32
Borrowings repaid	-26,077	-20,360	-20,529	-22,535	-21,863	-22,293
Deposits paid	-	-	-	-	-	-
Other financing payments	-618	-439	-441	-439	-447	-445
Total cash paid	-26,713	-20,817	-20,988	-22,992	-22,335	-22,770
NET CASH FLOWS FROM FINANCING ACTIVITIES	-4,055	-1,132	-3,250	-400	772	1,124
Net increase in cash and cash equivalents	2,750	-2,662	-2,895	-887	-1,102	225
Cash and cash equivalents at the beginning of the year	12,600	15,051	15,351	12,456	11,569	10,467
Cash and cash equivalents at the end of the year	15,351	12,389	12,456	11,569	10,467	10,692
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	11,307	7,316	8,104	8,288	7,085	7,021
Net cash flows from investing in non-financial assets	-6,653	-8,342	-8,410	-8,433	-8,384	-7,269
Cash surplus/-deficit	4,655	-1,027	-306	-145	-1,299	-248

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 *2021-22 Annual Report on State Finances* (ARSF), which are described in detail in Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2021-22 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						
	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
<i>Dividends</i>						
From public non-financial corporations	23	1,395	-	1,382	1,452	1,458
From public financial corporations	589	81	47	76	78	80
<i>Total dividends</i>	612	1,476	47	1,458	1,529	1,538
<i>Tax equivalent income</i>						
From public non-financial corporations	704	745	666	763	759	763
From public financial corporations	202	34	32	38	39	38
<i>Total tax equivalent income</i>	906	779	698	801	798	800
Total revenue from public corporations	1,518	2,255	745	2,259	2,327	2,338

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						
	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year			
	\$m	Year	Revision	Outyear	Outyear	Outyear
		\$m	\$m	\$m	\$m	\$m
CURRENT TRANSFERS						
Local government	382	366	427	387	408	328
Private and not-for-profit sector	1,975	2,321	2,699	2,090	1,907	1,812
Other sectors of government	4,304	4,405	4,748	3,823	3,753	3,695
<i>Total Current Transfers</i>	<i>6,662</i>	<i>7,092</i>	<i>7,875</i>	<i>6,300</i>	<i>6,069</i>	<i>5,834</i>
CAPITAL TRANSFERS						
Local government	93	172	130	155	34	31
Private and not-for-profit sector	745	296	329	72	85	100
Other sectors of government	150	269	215	306	123	50
<i>Total Capital Transfers</i>	<i>988</i>	<i>737</i>	<i>674</i>	<i>533</i>	<i>242</i>	<i>181</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

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
<i>Expenses</i>						
General public services	1,387	1,576	1,775	1,593	1,621	1,687
Public order and safety	4,102	4,164	4,330	4,096	4,155	4,203
Economic affairs	1,572	2,337	2,922	1,808	1,603	1,463
Environmental protection	439	563	577	521	494	478
Housing and community amenities	2,052	1,895	1,891	1,488	1,459	1,374
Health	11,726	11,496	11,941	11,238	11,600	12,031
Recreation, culture and religion	992	1,030	1,081	994	878	870
Education	7,137	7,365	7,647	7,699	7,931	8,110
Social protection	3,350	2,891	3,154	2,860	2,904	2,993
Transport	2,882	3,229	3,250	3,240	3,103	2,958
Provisions not allocated ^(b)	-	288	270	697	668	798
Total General Government Expenses	35,638	36,836	38,838	36,234	36,416	36,965
<i>Purchases of new non-financial assets</i>						
General public services	92	103	116	118	95	85
Public order and safety	205	259	264	259	182	83
Economic affairs	28	76	82	105	132	121
Environmental protection	74	132	133	117	93	44
Housing and community amenities	163	139	140	87	114	109
Health	380	677	697	539	335	158
Recreation, culture and religion	73	136	166	143	152	40
Education	485	692	692	666	433	237
Social protection	5	8	4	4	3	3
Transport	1,803	2,079	2,221	1,960	1,850	1,439
Provisions not allocated ^(b)	-	-679	-712	-508	797	1,520
Total Purchases of Non-financial Assets	3,308	3,623	3,805	3,490	4,188	3,839

(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

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	4,415	4,590	5,008	5,028	5,181	5,337
Property taxes						
<i>Land tax</i>	756	798	786	786	793	801
Transfer duty	2,336	1,940	1,962	1,802	1,808	1,958
Foreign Buyers surcharge	22	20	23	23	25	27
Landholder duty	278	118	218	118	118	118
<i>Total duty on transfers</i>	2,637	2,078	2,202	1,943	1,951	2,103
Other stamp duties	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)
Metropolitan Region Improvement Tax	85	88	91	91	92	92
Perth Parking Levy	55	58	58	61	62	64
Emergency Services Levy	375	398	398	424	441	459
Loan Guarantee Fees	131	137	130	137	139	140
Building and Construction Industry Training Fund Levy	39	41	41	41	42	42
<i>Total other property taxes</i>	684	722	719	754	776	797
Taxes on provision of goods and services						
Lotteries Commission	218	178	178	181	190	195
Video lottery terminals	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)
Casino tax	49	53	53	54	54	54
Point of Consumption Tax	121	96	125	116	106	108
<i>Total taxes on gambling</i>	388	327	356	351	350	358
Insurance duty	823	808	931	989	1,018	1,047
Other	22	21	21	22	22	22
<i>Total taxes on insurance</i>	845	830	952	1,011	1,040	1,069
<i>On-demand Transport Levy</i>	38	-	-	-	-	-
Taxes on use of goods and performance of activities						
Vehicle licence duty	579	440	629	556	439	409
Permits - oversize vehicles and loads	10	8	8	8	8	8
Motor vehicle registrations	1,120	1,169	1,169	1,229	1,291	1,355
Other vehicle taxes	37	32	36	32	33	33
<i>Total motor vehicle taxes</i>	1,747	1,648	1,841	1,825	1,770	1,805
<i>Mining Rehabilitation Levy</i>	38	35	35	35	35	35
<i>Landfill Levy</i>	86	83	83	83	83	83
Total Taxation	11,634	11,111	11,982	11,815	11,979	12,388

Note: Columns may not add due to rounding.

Table 2.1 (cont.)

OPERATING REVENUE
General Government

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST grants	3,369	5,872	6,351	6,482	7,177	8,048
Commonwealth-funded 70% floor	2,115	-	-	-	-	-
North West Shelf grants	1,024	885	1,055	692	554	432
Commonwealth compensation for changed crude oil excise arrangements	32	35	42	28	22	17
National Specific Purpose Payment Agreement Grants						
Skills and Workforce Development	165	168	168	171	174	176
National Housing and Homelessness Agreement	175	178	178	172	174	177
National Schools Reform Agreement - Quality Schools	1,021	1,117	1,132	1,217	1,275	1,334
National Health Reform Agreement	2,668	2,820	2,722	2,984	3,159	3,333
National Partnerships/Other Grants						
Health	921	183	292	121	101	91
Transport	158	143	211	227	296	143
Disability Services	3	222	222	785	-	-
Other	295	227	332	190	170	144
Total Current Grants and Subsidies	11,946	11,850	12,704	13,068	13,103	13,895
CAPITAL GRANTS						
National Partnerships/Other Grants						
Transport	1,040	2,080	1,940	2,223	1,425	927
Other	475	205	256	67	1	2
Total Capital Grants	1,515	2,285	2,196	2,290	1,426	930

Note: Columns may not add due to rounding.

Table 2.1 (cont.)

OPERATING REVENUE
General Government

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
SALES OF GOODS AND SERVICES						
WA Health	750	840	851	862	867	884
Department of Transport	278	276	275	272	285	289
Department of Education	198	214	215	219	224	231
State Training Providers/TAFE Colleges	103	96	93	89	93	102
Department of Training and Workforce Development	19	20	17	24	33	37
Western Australian Land Information Authority	88	89	89	76	80	95
Department of Biodiversity, Conservation and Attractions	118	121	121	122	122	123
Department of Justice	155	156	156	170	174	177
Department of Mines, Industry Regulation and Safety	156	167	165	167	168	169
All Other	1,162	1,069	1,020	1,040	976	966
Total Sale of Goods and Services	3,027	3,050	3,002	3,041	3,022	3,072
INTEREST INCOME	127	133	222	255	262	311
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	612	1,476	47	1,458	1,529	1,538
Tax Equivalent Regime	906	779	698	801	798	800
Total Revenue from Public Corporations	1,518	2,255	745	2,259	2,327	2,338
ROYALTY INCOME	11,091	7,093	9,109	6,914	6,638	6,497
Iron ore	9,917	5,645	7,147	5,202	5,167	5,149
Other	1,173	1,448	1,962	1,712	1,470	1,348
OTHER						
Lease rentals	185	143	143	143	143	143
Fines	235	213	216	217	218	218
Revenue not elsew here counted	380	296	362	570	390	251
Total Other	799	652	721	929	751	612
TOTAL REVENUE	41,658	38,428	40,682	40,572	39,508	40,043

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

Note: Columns may not add due to rounding.

Major Spending Changes

Changes to general government expenses and total public sector asset investment spending detailed in this Appendix include:

- all material decisions made between the 11 April 2022 cut-off date for the 2022-23 Budget and the 28 November 2022 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.

Infrastructure Cost Pressures

Delivery of the Government's record Asset Investment Program (AIP) is being impacted by the volume of projects entering construction, and labour and materials shortages in the construction market, particularly for non-residential buildings. Key construction inputs such as steel and timber have experienced substantial price growth over the last twelve months.

In recognition of this, the 2022-23 Budget included a \$350 million cost escalation provision for potential higher project costs. To date, the Government has allocated \$203.5 million from the provision, with the allocation to individual projects detailed in the relevant tables of this Appendix.

In addition to providing a dedicated funding source for cost escalation on projects, the Government has also responded by increasing the focus on robust project planning, strengthening project governance and reporting, risk sharing with contractors, and ongoing review of the schedule of project tenders to better align with construction industry capacity.

Public Sector Wages Policy

The following major spending changes tables contain the allocation to agencies where an industrial agreement has been settled and funded from the Public Sector Wages Policy provision. Further information is provided in the Public Sector Wages Policy feature box in Chapter 1.

GOVERNMENT ADMINISTRATION

MAJOR SPENDING CHANGES

Table 3.1

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
PREMIER AND CABINET				
Expenses				
Telethon Donation	5.0	-	-	-
Collie Transition Package – Collie Delivery Unit	0.7	0.9	1.4	1.4
Closing the Gap – Aboriginal Community Controlled Organisation Sector Strengthening Grants	3.4	-	-	-
Digital Capability Fund – ServiceWA App	1.5	1.4	-	-
Digital Capability Fund – ICT Delivery Unit	0.5	0.9	0.9	0.5
Perth Casino Royal Commission Response	1.9	-	-	-
Aircraft Maintenance	1.5	-	-	-
'Build a Life in WA' Media Campaign Expansion to UK and Ireland	1.5	-	-	-
Intergovernmental Relations Directorate	-	-	0.5	0.5
Tjivarl Indigenous Land Use Agreement	– (a)	– (a)	– (a)	– (a)
Asset Investment				
Cybersecurity Team Accommodation – Dumas House Fit-Out	1.6	0.7	0.7	-

(a) Not able to be disclosed until the confidentiality of the Settlement mediation is lifted in accordance with Federal Court orders.

Premier and Cabinet

Expenses

Telethon Donation

The Government's annual donation to Telethon was increased to a record total of \$11 million in 2022-23, up from \$10 million in 2021-22.

Collie Transition Package – Collie Delivery Unit

See Department of Jobs, Tourism, Science and Innovation later in this Appendix.

Closing the Gap – Aboriginal Community Controlled Organisation Sector Strengthening Grants

Reflecting the Government's commitment to progress priorities under the National Agreement on Closing the Gap, \$3.4 million will be spent in 2022-23 to provide grants to build and strengthen the capacity of the Aboriginal community-controlled sector.

Digital Capability Fund – ServiceWA App

The Government will invest a total of \$8.8 million over 2022-23 and 2023-24 to expand and improve the ServiceWA app, which will allow Western Australians to access government services in a single digital location. Of this total amount, the Department of the Premier and Cabinet will spend \$2.9 million, with the balance expended by the Departments of Mines, Industry Regulation and Safety (\$2.9 million) and Transport (\$2.9 million).

Digital Capability Fund – ICT Delivery Unit

Expenditure of \$2.8 million from the Digital Capability Fund has been approved over 2022-23 to 2025-26 to establish an ICT delivery unit within the Office of Digital Government. The new unit will perform assurance and project co-delivery activities across the sector, allowing specialised resources to be temporarily embedded in agency project teams to assist with delivering critical stages of ICT projects.

Perth Casino Royal Commission Response

The Department will spend \$1.9 million in 2022-23 developing the Government's response to the Final Report of the Perth Casino Royal Commission and will be responsible for the implementation of approved recommendations.

Aircraft Maintenance

To maintain airworthiness and comply with Civil Aviation Safety Authority regulations, a total of \$1.5 million will be spent on the mandated 16-year maintenance check of the Government's Hawker 850XP jet aircraft.

'Build a Life in WA' Media Campaign Expansion to UK and Ireland

The 'Build a Life in WA' workforce media campaign has been expanded to the UK and Ireland at a cost of \$1.5 million in 2022-23. The campaign aims to attract skilled workers to Western Australia to address workforce shortages across key industries.

Intergovernmental Relations Directorate

Reflecting the Commonwealth Government's announced reform and policy agenda, \$1 million will be spent over 2024-25 and 2025-26 to enable the Department's Intergovernmental Relations Directorate to continue to provide advice and promote the State's interests in its interactions with the Commonwealth.

Tjiwarl Indigenous Land Use Agreement

Indicative costs for the Tjiwarl Indigenous Land Use Agreement (ILUA) have been included in the forward estimates for a number of agencies. The terms and quantum of the ILUA are being finalised with Traditional Owners prior to submission to the Federal Court, and therefore cannot be disclosed at this time.

Asset Investment

Cybersecurity Team Accommodation – Dumas House Fit-Out

Capital expenditure of \$2.9 million over 2022-23 to 2024-25 will be incurred to provide secure facilities for the Department's Cybersecurity team at Dumas House.

FINANCIAL ADMINISTRATION

MAJOR SPENDING CHANGES

Table 3.2

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
TREASURY				
Expenses				
Small Business Hardship Program (Administered)	273.8	-	-	-
Pandemic Leave Disaster Payments (Administered)	60.6	-	-	-
FINANCE				
Expenses				
Final Settlement of the Perth Children's Hospital Litigation	38.0	-	-	-
Royalties Management System Transition	-	0.3	0.5	0.2
First Home Owner Grant Scheme (Administered)	8.4	-10.7	-13.1	-7.2
Asset Investment				
Government Office Accommodation – May Holman Building – Fire Safety Upgrades	-	1.2	1.0	-
Royalties Management System Transition	0.7	0.8	-	-
Cost Increase				
Government Office Accommodation – 1 Midland Square, Midland	-	7.8	-	-
Government Office Accommodation – Parliamentary Precinct	3.4	1.1	-	-

Treasury

Expenses

Small Business Hardship Program (Administered)

In April 2022, the Government announced eligibility changes to the Small Business Hardship Program, which generated a significant increase in the number of applications lodged by 30 June 2022, which were processed and paid in 2022-23 (resulting in an expenditure increase of \$273.8 million in 2022-23, with \$87.6 million of this carried over from 2021-22).

Pandemic Leave Disaster Payments (Administered)

The State is providing a \$60.6 million contribution to the Commonwealth for Pandemic Leave Disaster Payments, which ceased on 14 October 2022 following a decision by National Cabinet.

Finance

Expenses

Final Settlement of the Perth Children's Hospital Litigation

The final settlement of the Perth Children's Hospital litigation with construction firm John Holland was reached in November 2022, resulting in expenditure of \$38 million in 2022-23 as disclosed in Parliament by the Minister for Finance. This spending is partially offset through the avoidance of expenditure previously approved for litigation on this issue.

Royalties Management System Transition

To finalise the transition of the Royalties Management System from the Department of Mines, Industry Regulation and Safety, a total of \$2.5 million will be spent by the Department of Finance (\$1 million in recurrent and \$1.5 million in capital expenditure). A further \$854,000 will be spent by the Department of Mines, Industry Regulation and Safety (see below).

First Home Owner Grant Scheme (Administered)

Estimated expenditure on the First Home Owner Grant scheme has been revised down by a net \$22.6 million over 2022-23 to 2025-26, reflecting a weaker than previously expected outlook for first home buyer demand.

Asset Investment

Government Office Accommodation – May Holman Building – Fire Safety Upgrades

The fire system in the May Holman Building will be upgraded at a cost of \$2.2 million over 2023-24 and 2024-25 in order to comply with the Department's obligations and responsibilities under the *Work Health and Safety Act 2020*.

Royalties Management System Transition

See above.

JOBS AND ECONOMIC DEVELOPMENT

MAJOR SPENDING CHANGES

Table 3.3

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
JOBS, TOURISM, SCIENCE AND INNOVATION				
Expenses				
Collie Transition Package - Collie Futures Small Grants Program	5.0	65.0	65.0	65.0
Investment Attraction Fund	105.0	-	-	-
Ashburton North Infrastructure Funds (Administered)	-3.3	26.4	3.5	-
New Major Tourism Events	3.2	8.9	10.0	-
International Education	15.4	-	-	-
Hydrogen Hubs	9.4	2.0	0.5	0.5
Hydrogen Fuelled Transport	3.5	2.0	4.5	-
Orbital Corporation Ltd	4.5	1.5	2.5	-
Oakajee Strategic Industrial Area Access Road	-	7.0	-	-
Total Solar Eclipse	6.7	-	-	-
Pilbara Strategic Industrial Areas	1.9	2.5	0.8	0.8
Tourism Workforce Development	2.0	1.9	-	-
PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT				
Expenses				
West Coast Demersal Scalefish Resource – Recovery Support Package	1.3	6.8	1.9	-
New Externally Funded Research and Development Programs	4.7	-	-	-
Declared Pest Account	1.1	1.1	1.2	1.2
National Water Grid Fund	3.2	0.5	0.2	-
Implementation of Sheep and Goat Electronic Identification (eID)	3.4	-	-	-
Collie Transition Package – Collie Futures Small Grants Program	-	0.3	1.0	0.7
Ord Channel Upgrade – Knox Development	2.0	-	-	-
Australian Marine Parks – Electronic and Vessel Monitoring Systems Assistance Program	1.1	-	-	-
Marine Park Compliance Services	0.5	0.5	-	-
Enhancing National Pest Animal and Weed Management – Tranche 2	0.4	– ^(a)	0.4	-
Regional Telecommunications Project	0.9	-	-	-
Biosecurity Communications Campaign	0.8	-	-	-
Mira Mar Landslide Phase 3	0.7	-	-	-
Japanese Encephalitis Response Program	0.7	-	-	-
Pilbara Hydrogen Hub – Hydrogen Training Centre	0.5	-	-	-
Marlamanu On-Country Residential Youth Justice Program	0.3	-	-	-
Tjiwarl Indigenous Land Use Agreement	– ^(b)	– ^(b)	– ^(b)	– ^(b)
Yamatji Tourism and Business Development Impacts	-4.4	0.1	– ^(a)	– ^(a)
Cost Increase				
Ravenswood Community Centre	0.6	-	-	-
South West Ageing in Place	0.4	-	-	-
Bridgetown-Greenbushes Town Hall and Civic Centre	0.1	-	-	-

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

(b) Not able to disclosed until the confidentiality of the Settlement mediation is lifted in accordance with Federal Court orders.

Table 3.3 (cont.)

MAJOR SPENDING CHANGES

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT				
Asset Investment				
New Metropolitan Facility ^(a)	1.7	46.7	86.8	112.0
Truck Wash Down Facilities	2.3	-	-	-
Small Boats and Trailers Program ^(b)	0.7	-	-	-
Cost Increase				
Albany Shellfish Hatchery ^(c)	1.2	-	-	-
Frank Wise Tropical Research Institute Refurbishment	0.6	-	-	-
MINES, INDUSTRY REGULATION AND SAFETY				
Expenses				
Home Indemnity Insurance Reform (Administered)	2.8	5.0	5.2	5.6
Energy Safety Business Plan	-	4.1	4.4	4.8
Mental Awareness Respect and Safety Program	-1.0	6.2	6.2	-
Mining Rehabilitation Fund – Abandoned Mines Program	5.3	-	-	-
Digital Capability Fund – ServiceWA App Expansion	0.9	0.4	-	-
Royalties Management System Transition	0.4	0.4	- ^(d)	-
Tjivarl Indigenous Land Use Agreement (ILUA)	- ^(e)	- ^(e)	- ^(e)	- ^(e)
Asset Investment				
Building Safety Remediation Works	2.4	0.4	-	-
Digital Capability Fund – ServiceWA App Expansion	0.9	0.7	-	-
SMALL BUSINESS DEVELOPMENT CORPORATION				
Expenses				
Small Business Hardship Grants Program	1.4	-	-	-
BURSWOOD PARK BOARD				
Asset Investment				
Cost Increase				
Hydraulic Sewer Project	0.3	-	-	-
Principal Shared Path Project	0.3	-	-	-

(a) An amount of \$71 million is allocated in 2026-27 and \$843,000 in 2027-28 to total \$320 million over 2022-23 to 2027-28.

(b) This project has been funded from the internal reallocation of recurrent funds.

(c) This project has been partially funded from the reprioritisation of other AIP projects.

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

(e) Not able to be disclosed until the confidentiality of the Settlement mediation is lifted in accordance with Federal Court orders.

Jobs, Tourism, Science and Innovation

Expenses

Collie Transition Package - Collie Futures Small Grants Program

The Collie Transition Package will support the diversification of Collie's economy from its dependence on the coal industry. The two remaining coal-fired power stations in Collie will be retired by 2030, and in preparation for this a number of initiatives have been approved to support new and emerging industries and create local jobs in the Collie region. The following spending initiatives form part of the Government's Collie Transition Package:

- \$200 million over the forward estimates to establish the Collie Industrial Transition Fund. This Fund will support sustainable jobs in Collie by attracting new industries (largely through a competitive grant program) and the activation of industrial land;
- \$9 million over the forward estimates for the TAFE Colleges to provide fee-free skills assessments, expand the Jobs and Skills Centre, and establish the Collie Futures Curriculum Fund (to support the development of industry specific training by registered training organisations);
- \$4.4 million over the forward estimates to expand and extend the existing Collie Delivery Unit within the Department of the Premier and Cabinet. This unit oversees the delivery of the Government's key priorities in Collie; and
- \$2 million over 2023-24 to 2025-26 for the Department of Primary Industries and Regional Development to continue the Collie Futures Small Grants Program. This program provides grants of up to \$100,000 to projects that are expected to provide an economic benefit and create new jobs in Collie.

Investment Attraction Fund

To boost the existing Investment Attraction Fund, the Government has allocated an additional \$105 million in 2022-23, increasing the Fund to a total of \$285 million. This Fund is a key enabler for investment attraction in new and emerging industries, helping to further diversify the State's economy.

Ashburton North Infrastructure Funds (Administered)

As part of the Ashburton North State Development Agreement, Chevron Australia Pty Ltd makes financial contributions to the State to support the upgrade of critical services and social infrastructure in the Onslow region. A total of \$26.6 million will be spent over 2022-23 to 2024-25 on water supply upgrades and town master planning.

New Major Tourism Events

An additional \$22.1 million will be spent over 2022-23 to 2024-25 to develop and deliver new major tourism events, including the new free community AC/DC inspired 'High Voltage' event scheduled for 7 May 2023. These events will support the tourism industry through attracting out-of-State visitors and media coverage.

International Education

To continue supporting the recovery of the international education sector, the Department will spend \$15.4 million in 2022-23 on a range of initiatives, including the extension of the International Student Accommodation Subsidy and the English Language Intensive Course for Overseas Students Bursary through to Semester 1 2023.

Hydrogen Hubs

The development of the Pilbara and Mid West Hydrogen Hubs will be progressed with additional spending of \$12.3 million over the forward estimates on a range of planning activities and studies.

Hydrogen Fuelled Transport

As part of the Government's Hydrogen Fuelled Transport Program, a grant of \$10 million will be provided to Woodside Energy Group Ltd for its Hydrogen Refueller @H2Perth project. The project will establish a renewable hydrogen production, storage and refuelling facility in Kwinana.

Orbital Corporation Ltd

The Government has approved expenditure of \$8.5 million over 2022-23 to 2024-25 to forgo the remaining balance of an interest-free loan that was provided to Orbital Corporation Ltd in 1989. The waiver of the loan repayments is subject to Orbital achieving agreed milestones.

Oakajee Strategic Industrial Area Access Road

An additional \$7 million will be spent in 2023-24 on the Oakajee Strategic Industrial Area access road, taking the Government's total commitment to the project to \$14.5 million. This spending will meet the cost of upgrades to the North West Coastal Highway as part of its intersection with the access road.

Total Solar Eclipse

Preparations for the Total Solar Eclipse event in April 2023 require additional expenditure of \$6.7 million in 2022-23 to meet the cost of water infrastructure upgrades in Exmouth (\$5 million) and event management (\$1.7 million). This brings the total amount of spending approved to support the Total Solar Eclipse event to \$30.4 million.

Pilbara Strategic Industrial Areas

The development of Western Australia's Strategic Industrial Areas is a key enabler of the State's economic diversification agenda. An amount of \$6.1 million will be spent over the forward estimates to accelerate planning of the five Strategic Industrial Areas located in the Pilbara region.

Tourism Workforce Development

A total of \$3.9 million will be spent over 2022-23 and 2023-24 to deliver the Tourism Workforce Development Program. This program aims to assist with addressing the labour shortages currently faced by the tourism and hospitality sectors. It includes the expansion of Tourism WA's Job Connect Program, additional marketing activities and initiatives that promote careers in the tourism sector to school students.

Primary Industries and Regional Development

Expenses

West Coast Demersal Scalefish Resource – Recovery Support Package

The West Coast Demersal Scalefish Resource – Recovery Support Package has been allocated funding of \$10 million over 2022-23 to 2024-25. The funding will assist in rebuilding stocks to sustainable levels for commercial, charter and recreational fishers and is in response to the announced 50% reduction to catch limits in the fishery.

New Externally Funded Research and Development Programs

The Department will spend \$4.7 million in 2022-23 on 13 new research and development programs funded by organisations such as the Grains Research and Development Corporation, Horticulture Innovation Australia and Meat and Livestock Australia. The programs will focus on a number of areas, including crop protection, dryland farming systems and livestock research.

Declared Pest Account

In accordance with the requirements of the *Biosecurity and Agriculture Management Act 2007*, expenditure of \$4.6 million over 2022-23 to 2025-26 has been approved to reflect updated rates levied on properties for declared pest control activities.

National Water Grid Fund

Under the National Water Grid Fund Commonwealth Agreement, \$3.9 million will be spent over 2022-23 to 2024-25 (funded by the Commonwealth) to manage water quality to enable future irrigation development in the Kimberley region and to deliver the Managed Aquifer Recharge Pilot in Myalup.

Implementation of Sheep and Goat Electronic Identification (eID)

To support Western Australia meeting the National Livestock Traceability Performance Standards and significantly improve the integrity of the traceability system, an initial \$3.4 million will be spent in 2022-23 to commence implementation of eID of sheep and goats in Western Australia. This will enable the rapid response and management of any emergency animal disease incursion and support continued market access.

Collie Transition Package – Collie Futures Small Grants Program

See Department of Jobs, Tourism, Science and Innovation.

Ord Channel Upgrade – Knox Development

An amount of \$2 million in 2022-23 will be spent to progress the detailed engineering design for upgrades to the Ord River Channel to support the Knox development. An additional \$77 million in capital expenditure has also been approved for the upgrade (see Water Corporation later in this Appendix).

Australian Marine Parks – Electronic and Vessel Monitoring Systems Assistance Program

Commercial fishing vessel operators in Western Australia will receive assistance to acquire electronic monitoring equipment, which will increase the number of commercial vessels able to be monitored for compliance purposes, with the Department spending an additional \$1.1 million in 2022-23 (funded by the Commonwealth).

Regional Telecommunications Project

The Government has approved expenditure of \$881,000 in 2022-23 for the continuation of the Regional Telecommunications Project. This will allow the State to execute Funding Agreements with Telstra and Optus and progress delivery of infrastructure under the Mobile Network Hardening Program Stage 2.

Biosecurity Communications Campaign

An amount of \$800,000 in 2022-23 will be spent on delivering a Biosecurity Communications Campaign to inform the community about the potential impacts of a Foot and Mouth Disease and Lumpy Skin Disease outbreak in Western Australia, including actions that can be taken to reduce biosecurity risks.

Mira Mar Landslide Phase 3

An additional \$749,000 in 2022-23 will be spent to identify long-term remediation options, and to undertake further temporary remedial works at the Mira Mar Landslip zone in Albany.

Pilbara Hydrogen Hub – Hydrogen Training Centre

An amount of \$500,000 will be spent in 2022-23 to progress the business case and undertake detailed planning for the proposed hydrogen training centre. This centre will form part of the proposed Pilbara Hydrogen Hub, that will produce renewable hydrogen for both domestic consumption and export, creating local jobs and assisting to reduce the emissions of carbon-intensive sectors.

Marlamanu On-Country Residential Youth Justice Program

Planning and infrastructure design for the Marlamanu On-Country Residential Youth Justice Program is progressing, with approved spending of \$300,000 in 2022-23.

Asset Investment

New Metropolitan Facility

To better support and protect the State's primary industries, a new facility will be built at a total cost of \$320 million (\$247.1 million over 2022-23 to 2025-26) on Murdoch University's Perth campus. The facility will accommodate the Department's critical biosecurity diagnostics and laboratory services, and primary industries research and development functions, which are currently delivered from the agency's out-dated Kensington facilities.

Truck Wash Down Facilities

To enhance Western Australia's preparedness for a potential emergency animal disease incursion, \$2.3 million will be spent in 2022-23 to develop two truck washdown facilities, one in the Kimberley and one in the south of the State.

Mines, Industry Regulation and Safety

Expenses

Home Indemnity Insurance Reform (Administered)

Forecast expenditure from the Home Indemnity Insurance (HII) Scheme has been revised upwards by \$18.6 million over 2022-23 to 2025-26, following the Government's decision to increase the maximum payouts available to consumers protected under the scheme to \$40,000 for loss of a deposit, and \$200,000 in the event of a builder insolvency. The Government has fully underwritten the HII in Western Australia since 2013-14.

Energy Safety Business Plan

The Department will spend \$13.3 million over 2023-24 to 2025-26 (funded from the Energy Safety Levy) to deliver the energy safety compliance obligations and activities under the Energy Safety Business Plan.

Mental Awareness Respect and Safety Program

The Department will spend \$12.4 million over 2023-24 and 2024-25 on a program of mental health and mine safety initiatives to address mental health issues, workplace culture, mine safety and sexual harassment and assaults in the workplace. A further \$1.6 million will be spent by the Mental Health Commission and Department of Communities.

Mining Rehabilitation Fund – Abandoned Mines Program

Critical safety and remediation issues at the Ellendale Diamond Mine site will be addressed with spending of \$5.3 million in 2022-23 from the Mining Rehabilitation Fund.

Digital Capability Fund – ServiceWA App Expansion

See Department of the Premier and Cabinet.

Royalties Management System Transition

To complete the transfer of the royalty administration and collection functions to the Department of Finance, which includes the decommissioning and creation of new interagency information transfer mechanisms, \$854,000 will be spent over 2022-23 to 2024-25. A further \$2.5 million will be spent by the Department of Finance (see earlier in this Appendix).

Asset Investment

Building Safety Remediation Works

The Department will spend \$2.8 million over 2022-23 and 2023-24 to undertake urgent high-risk remediation works to address safety and health compliance issues at Mineral House, including works on fire safety and air-conditioning systems. An air-conditioning system upgrade will also be completed at the Kalgoorlie complex.

Digital Capability Fund – ServiceWA App Expansion

See Department of the Premier and Cabinet.

Small Business Development Corporation

Expenses

Small Business Hardship Grants Program

To provide assistance to over 30,000 small businesses affected by the COVID-related public health measures, an additional \$1.4 million will be spent on increased administration costs in 2022-23.

HEALTH

MAJOR SPENDING CHANGES

Table 3.4

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
WA HEALTH				
Expenses				
Future Health Research and Innovation Fund	16.7	19.6	20.2	27.7
Microsoft Enterprise Agreement	16.0	16.2	16.3	16.5
Commonwealth Agreements	55.2	4.8	-	-
COVID-19 Response	42.0	-	-	-
Emergency Department Reform Initiatives	15.3	11.3	-	-
WA Country Health Service Staffing Costs	24.0	-	-	-
Vaccination Programs	19.8	-	-	-
Public Sector Wages Policy	17.2	-	-	-
Digital Medical Records System – Single Sign-on	0.5	0.9	0.9	0.9
Country Connect Service	0.5	1.0	0.4	0.4
Critical Health ICT Infrastructure Program	- ^(a)	1.9	-	-
Asset Investment				
Critical Health ICT Infrastructure Program	3.6	2.1	-	-
Digital Medical Records – Single Sign-on	3.7	-	-	-
Bunbury Hospital Redevelopment ^(b)	-	-	-	-
Cost Increase				
Sir Charles Gairdner Hospital – Emergency Department Upgrade and Behavioural Assessment Urgent Care Clinic	-	6.9	2.2	-
Laverton Hospital	-	4.5	-	-
Royal Perth Hospital Aseptic Unit	1.5	-	-	-
Sir Charles Gairdner Hospital – GMP Laboratories and Cyclotron	0.6	-	-	-
Sir Charles Gairdner Hospital – 24 Hospital Beds	0.3	-	-	-
MENTAL HEALTH COMMISSION				
Expenses				
National Mental Health and Suicide Prevention Agreement – Bilateral Schedule	0.6	4.7	2.8	3.0
Increased Mental Health In-reach to Banksia Hill	1.1	2.0	2.1	2.3
Community Contracts Uplift	4.7	-	-	-
Public Sector Wages Policy	0.1	0.1	0.2	0.3

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

(b) An additional \$77.8 million (\$50.1 million in 2026-27 and \$27.7 million in 2027-28) has been allocated to the Bunbury Hospital Redevelopment project, bringing the estimated total cost to \$277.9 million.

WA Health

Expenses

Future Health Research and Innovation Fund

An additional \$84.2 million will be spent on medical research, innovation and commercialisation over 2022-23 to 2025-26. This reflects the Government's decision to top-up the Future Health Research and Innovation Fund (FHRIF) by \$16.7 million in 2022-23, as well as the impact of higher interest rates and a revised investment strategy on FHRIF investment returns.

Microsoft Enterprise Agreement

To meet contracted costs associated with the upgrade of its Microsoft 365 Enterprise Agreement licences, the Government has allocated \$65.1 million over 2022-23 to 2025-26 to WA Health. This will also assist with better leveraging data to inform operations and improve cyber security management capabilities.

Commonwealth Agreements

Under various Commonwealth funding agreements, a further \$60 million will be spent over 2022-23 and 2023-24. This includes:

- \$39 million under the Multi-Purpose Services Program to continue to provide integrated health and aged care services to regional and remote communities, including minor capital works;
- \$10.4 million related to the cost of blood and blood products under the National Blood Agreement; and
- \$7.8 million on the Indigenous Australians' Health Program.

COVID-19 Response

The Government has approved additional COVID-19 expenditure of \$42 million in 2022-23, primarily for WA Health to continue to provide public health and system support services whilst it transitions from direct COVID-19 response activities to its post-pandemic operating environment.

Emergency Department Reform Initiatives

On top of the Government's investment in Emergency Department initiatives over the last two Budgets (totalling \$352 million), a further \$26.6 million will be spent over 2022-23 and 2023-24 on the following Emergency Department initiatives:

- \$19 million for a 12-month pilot program to increase the number of patients discharges including on weekends (when clinically appropriate), in order to improve patient flow and hospital capacity;
- \$2.9 million on a 12-month pilot of a grants program to support aged care facilities to provide temporary respite care for long stay patients awaiting permanent placement; and
- \$4.7 million will be provided over 2022-23 and 2023-24 for Disability Transition Care initiatives, including to:
 - extend a pilot by 12 months (to November 2023) to provide community-based accommodation and supports for patients to fast-track hospital discharge at the East Metropolitan Health Service; and
 - expand two pilots by 12 months (for the North and South Metropolitan Health Services) to support the discharge of patients with higher-level care requirements.

In addition, WA Health will undertake a 12-month pilot of a new Emergency Care Navigator at the North Metropolitan Health Service that will directly connect patients with urgent complex care needs with same-day or next-day specialist care.

WA Country Health Service Staffing Costs

To address staffing cost pressures being experienced by the Western Australian Country Health Service given high rates of staff furlough and increasing reliance on agency nursing staff, the Government will spend \$24 million in 2022-23.

Vaccination Programs

The Government will spend \$19.8 million in 2022-23 for costs associated with the provision of vaccination programs. This comprises \$7.3 million for the 2022 free flu vaccination program, an additional \$7.7 million to provide another free flu vaccination program in 2023, and \$4.8 million for the procurement and delivery of Monkeypox vaccinations.

Digital Medical Records – Single Sign-on

The Government has invested a further \$6.9 million over 2022-23 to 2025-26 (\$3.2 million recurrent expenditure and \$3.7 million asset investment) to implement single sign-on functionality at Digital Medical Records project sites. This will address inefficiencies of logging into multiple applications with each sign-in, and enable clinicians to spend more time focussed on patient care.

Country Connect Service

A new service will be established at a cost of \$2.2 million over 2022-23 to 2025-26 to provide immediate assistance to vulnerable regional health patients at risk of sleeping rough in the Perth CBD during travel for medical care.

Critical Health ICT Infrastructure Program

To implement risk mitigation measures to address critical cyber-security risks, the Government has allocated \$7.6 million to WA Health over 2022-23 and 2023-24 (\$1.9 million recurrent expenditure and \$5.7 million asset investment).

Asset Investment

Critical Health ICT Infrastructure Program

See above.

Digital Medical Records System – Single Sign-on

See above.

Bunbury Hospital Redevelopment

The Government will invest a further \$77.8 million over 2026-27 and 2027-28 for the Bunbury Hospital Redevelopment project, bringing the estimated total cost to \$277.9 million. This includes expanded maternity, neonatal and other essential services, and addresses cost escalation and current pressures being experienced in the construction market.

Mental Health Commission

Expenses

National Mental Health and Suicide Prevention Agreement – Bilateral Schedule

Under the Bilateral Schedule to the National Mental Health and Suicide Prevention Agreement, the Government has approved spending of \$11.2 million over 2022-23 to 2025-26 (\$8.6 million Commonwealth and \$2.6 million State), primarily to deliver an eating disorders service in the East Metropolitan Region.

Increased Mental Health In-reach to Banksia Hill

See Department of Justice later in this Appendix.

Community Contracts Uplift

The commissioning of critical mental health and alcohol and other drug community services has required additional spending of \$4.7 million in 2022-23.

EDUCATION AND TRAINING

MAJOR SPENDING CHANGES

Table 3.5

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
EDUCATION				
Expenses				
Public Sector Wages Policy	274.5	163.1	216.6	265.3
National School Reform Agreement Update	14.9	19.6	28.8	47.2
COVID-19 Cleaning in Schools	18.9	-	-	-
Temporary Regional Incentive for Teachers	3.1	9.3	-	-
Provision of Menstrual Products in Schools	1.1	1.2	1.3	1.3
Western Suburbs Business Case ^(a)	0.5	-	-	-
Asset Investment				
Shenton College – Additional Classroom Block ^(a)	0.7	13.0	1.3	-
School Ventilation Program	11.6	-	-	-
Cost Increase				
Alkimos College Stage 2 ^(a)	4.5	6.2	-	-
Brabham Primary School	-	-	9.7	-
Roebourne District High School ^(a)	-	7.0	0.5	0.5
Derby District High School	2.4	2.4	-	-
Caversham Primary School	-	-	2.9	-
Harrisdale Primary School	-	-	2.1	-
Greenwood College	-	1.8	-	-
Baynton West Primary School	-	1.7	-	-
Wattleup East Primary School	-	1.0	-	-
Kelmscott Senior High School	-	1.0	-	-
Scarborough Primary School	-	0.9	-	-
Henley Brook Primary School	-	0.8	-	-
TRAINING AND WORKFORCE DEVELOPMENT/TAFE COLLEGES				
Expenses				
Public Sector Wages Policy	17.7	12.5	16.6	20.9
2023 Interim National Skills Agreement	9.8	16.1	8.9	4.0
Collie Transition Package – Training and Workforce Initiatives	1.6	2.8	2.7	1.9
Subsidised Training for Ukraine and Afghanistan Humanitarian Migrants ^(a)	0.5	1.2	1.2	-
Skilled Migration Visa Fee Waiver	2.0	-	-	-
Asset Investment				
2023 Interim National Skills Agreement – TAFE Technology Fund	0.3	1.3	2.8	3.8
Cost Increase				
Pundulmurra Trade Expansion (South Hedland)	4.2	8.0	-	-
Balga Campus – Specialist Teaching Block ^(a)	7.9	-	-	-
Armadale Training Campus ^(a)	5.2	-	-	-
Albany Trade Workshop ^(a)	1.7	-	-	-
Broome Hospitality and Student Services Centre ^(a)	0.2	-	-	-

(a) Expenditure has been reprioritised from within the Department's existing budget to support part or all of this initiative.

Education

Expenses

National School Reform Agreement Update

Reflecting updated student growth forecasts and indexation parameters under the National School Reform Agreement, an additional \$110.5 million will be allocated to public and non-government schools over 2022-23 to 2025-26.

COVID-19 Cleaning in Schools

As part of the Government's ongoing management of the COVID-19 pandemic, a further \$18.9 million has been allocated in 2022-23 to maintain enhanced cleaning in all public schools, community kindergartens and residential colleges in Terms 3 and 4 of 2022.

Temporary Regional Incentive for Teachers

To attract and retain teachers across 48 regional and remote public schools in 2023, the Government will spend \$12.4 million over 2022-23 and 2023-24 to provide temporary employee incentives at these locations.

Provision of Menstrual Products in Schools

To support student engagement and welfare, \$5 million will be spent over 2022-23 to 2025-26 to provide free menstrual products to secondary students in all public schools from Term 1, 2023.

Western Suburbs Business Case

In response to projected enrolment growth for secondary education across the western suburbs and inner city, the Department has reprioritised existing expenditure of \$500,000 in 2022-23 to develop a business case to assess infrastructure options.

Asset Investment

Shenton College – Additional Classroom Block

To accommodate a projected increase in enrolments at Shenton College, the Government will invest \$15 million (including \$2.7 million internally reprioritised) to deliver a two-storey, modular classroom block for 300 students. This bespoke solution is designed to minimise the infrastructure footprint and preserve open space for students at the college.

School Ventilation Program

The Government will increase its investment in the School Ventilation Program, with \$11.6 million to be spent in 2022-23 on replacing air filters, repairing mechanical air systems, installing window screens, and upgrading power supply infrastructure.

Training and Workforce Development/TAFE Colleges

Expenses

2023 Interim National Skills Agreement

The State Government signed the 2023 Interim National Skills Agreement on 15 November 2022, which will result in additional spending of \$38.8 million over 2022-23 to 2025-26. The Agreement supports priority sectors, including aged care, childcare and digital skills, and will deliver fee-free TAFE courses for all students across 58 qualifications and 56 skill sets.

Collie Transition Package – Training and Workforce Initiatives

See Department of Jobs, Tourism, Science and Innovation.

Subsidised Training for Ukraine and Afghanistan Humanitarian Migrants

The Government is extending access to subsidised training in 2023 and 2024 for refugees and asylum seekers from Ukraine and Afghanistan at a cost of \$2.9 million. These groups will have access to free and low-fee skill areas to help them gain skills and sustainable employment.

Skilled Migration Visa Fee Waiver

Following the Government's announcement in August 2022 of a package of initiatives to attract more skilled migrants, including a temporary waiver on the \$200 application fee, an additional \$2 million will be spent in 2022-23 on resources to process applications for the State Nominated Migration Program.

Asset Investment

2023 Interim National Skills Agreement – TAFE Technology Fund

The Interim National Skills Agreement (see above) includes the establishment of the TAFE Technology Fund, under which there will be an initial investment of \$8.2 million across three projects located in Western Australia. The final scope, timing and detail of these projects will be specified through implementation plans agreed with the Commonwealth in 2023.

COMMUNITY SAFETY

Table 3.6

MAJOR SPENDING CHANGES

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
WESTERN AUSTRALIA POLICE FORCE				
Expenses				
Kununurra Police and Community Youth Centre	0.9	0.9	1.0	-
Living Safe Together Intervention Program Expansion National Partnership	0.7	0.7	0.7	-
National Anti-Gangs Squad Coordination	1.7	-	-	-
DEPARTMENT OF JUSTICE				
Expenses				
Banksia Hill Detention Centre	6.2	1.0	1.0	1.0
Public Sector Wages Policy	0.2	0.3	0.4	0.6
Asset Investment				
Banksia Hill Detention Centre – Infrastructure	14.9	11.0	0.5	-
Roebourne Regional Prison Air-Conditioning	0.8	14.0	-	-
OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS				
Expenses				
Mental Health and Wellbeing Strategy	0.9	1.3	1.1	1.4
FIRE AND EMERGENCY SERVICES				
Expenses				
Australian Fire Danger Rating System	1.9	-	-	-
Consolidated Emergency Services Act Project	0.8	-	-	-
Cost Increase				
Aviation Services	2.2	1.3	1.2	1.2
Asset Investment				
Cost Increase				
Volunteer Fire and Rescue Service (VFRS)/Volunteer Fire and Emergency Service (VFES) Facilities Upgrades and Modifications	0.9	3.5	-	-
VFRS/VFES Replacement Program	0.2	0.9	0.3	-
CHEMISTRY CENTRE (WA)				
Expenses				
Implementing a New Human Identification Forensic Technique	0.5	1.6	1.1	1.1
Asset Investment				
Implementing a New Human Identification Forensic Technique	-	0.2	0.2	-
CORRUPTION AND CRIME COMMISSION				
Expenses				
Unexplained Wealth Function	-	2.9	3.0	3.1

Western Australia Police Force

Expenses

Kununurra Police and Community Youth Centre (PCYC)

The Government will provide \$2.8 million over 2022-23 to 2024-25 to support the Kununurra PCYC in delivering engagement and diversionary programs for at-risk youth.

Living Safe Together Intervention Program Expansion National Partnership

As part of the new Federation Funding Agreement to expand the Living Safe Together Intervention Program, \$2.2 million will be spent over 2022-23 to 2024-25 on awareness and intervention programs to prevent violent extremism, including in regional and remote areas.

Department of Justice

Expenses

Banksia Hill Detention Centre

To improve services and conditions at the Banksia Hill Detention Centre, the Government has committed an additional \$62.8 million over the forward estimates, consisting of:

- \$30.9 million over 2022-23 to 2024-25 for infrastructure upgrades and other site improvements to improve safety and security, including enhancements to accommodation and education units;
- \$21.8 million for a staged expansion in staffing to support a new service model; and
- \$10.1 million for expanded mental health services, comprising a multi-disciplinary team of psychiatrists, psychologists and other health professionals to assist detainees, and to extend existing enrichment and support programs.

Asset Investment

Banksia Hill Detention Centre – Infrastructure

See above.

Roebourne Regional Prison Air-Conditioning

To ensure the welfare of prisoners at Roebourne Regional Prison, the Government will invest \$14.8 million on the design and installation of air-conditioning across the facility's accommodation units.

Fire and Emergency Services

Expenses

Australian Fire Danger Rating System (AFDRS)

An additional \$1.9 million will be spent in 2022-23 implementing the nationally consistent fire danger rating system in Western Australia, which has reduced risk categories from six to four (Moderate, High, Extreme, and Catastrophic). The AFDRS implementation is funded by the Commonwealth.

Consolidated Emergency Services (CES) Act Project

The new CES Act is expected to remove ambiguities and inconsistencies between the *Fire Brigades Act 1942*, *Bush Fires Act 1954*, and *Fire and Emergency Services Act 1998* and better reflect current emergency services practices. An additional \$802,000 will be spent in 2022-23 to continue development of the new Act.

Chemistry Centre (WA)

Expenses

Implementing a New Human Identification Forensic Technique

To test and implement a new forensic technique that is expected to achieve human identification from a single hair shaft and allow identification in cases where DNA is insufficient or has degraded, the Government has approved spending of \$4.6 million over 2022-23 to 2025-26 (\$4.3 million in recurrent expenditure and \$430,000 in asset investment)

Asset Investment

Implementing a New Human Identification Forensic Technique

See above.

Corruption and Crime Commission

Expenses

Unexplained Wealth Function

The Government has approved additional expenditure of \$9 million over 2023-24 to 2025-26 for the Commission's Unexplained Wealth Function, which seeks to deter crime (particularly organised crime) by investigating and confiscating assets from individuals whose wealth exceeds the value of what has been lawfully acquired.

COMMUNITY SERVICES

MAJOR SPENDING CHANGES

Table 3.7

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
COMMUNITIES				
Expenses				
National Disability Insurance Scheme Contributions	232.4	-	-	-
Remote Communities – Transfer of Essential Services ^(a)	-13.0	-53.5	-54.5	-55.9
National Partnership Agreement for Family Domestic and Sexual Violence Responses 2021 to 2023	22.6	-	-	-
State Emergency Welfare Response	2.8	5.7	5.6	5.4
Family and Domestic Violence Response Team Enhancement	-	2.1	3.4	5.6
Sector Transition Fund – Australian Disability Enterprises	4.0	-	-	-
Home Safe Trial	0.7	-	-	-
Asset Investment				
Increase to the Spot Purchasing Program	60.1	-	-	-
Immediate Response to Rough Sleepers	10.0	10.0	-	-
Cost Increase				
East Perth Common Ground	-	13.8	2.7	-
Geraldton Aboriginal Short Stay Accommodation	0.3	2.1	8.1	-
LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES				
Expenses				
Lotteries Commission Act 1990 Grants	8.9	8.7	7.0	3.5
Art Gallery of Western Australia Adjustments	4.7	5.3	5.3	5.3
Office of the Independent Monitor, Perth Casino	4.0	7.9	4.0	-
City Activation Grants and Activate Perth	5.0	-	-	-
Perth Casino Royal Commission Response	2.9	-	-	-
Cockburn Aquatic and Recreation Centre	2.5	-	-	-
Public Sector Wages Policy – Culture and the Arts Venue Management	0.7	0.5	0.5	0.6
Establishment of a Western Australian Games and Interactive Fund	1.0	1.0	-	-
Public Sector Wages Policy – Regional Cemetery Boards (Administered)	0.2	0.2	0.2	0.2
Sri Lanka Crisis Relief	0.5	-	-	-
Perth Glory Financial Assistance for the 2022-23 Season	0.5	-	-	-
Commercial Sports COVID-19 Support	0.4	-	-	-
Financial Assistance to Pet Rescue Organisations	0.3	-	-	-
Cost Increase				
Bunbury Hands Oval Pavilion Redevelopment	3.0	-	-	-
Maccabi WA Inc – Jewish Community Centre and Holocaust Museum	0.5	-	-	-
Fremantle City Football Club	0.2	-	-	-
Mow anjum Community Change Rooms	0.2	-	-	-
Asset Investment				
State Hockey Centre Development	2.8	-	-	-
State Football Centre – Five-a-Side	2.1	-	-	-
Cost Increase				
State Football Centre	4.3	-	-	-

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

Table 3.7 (cont.)

MAJOR SPENDING CHANGES

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
WESTERN AUSTRALIAN SPORTS CENTRE TRUST				
Expenses				
Revised Financial Forecasts	14.3	-	-	-
Optus Stadium Design, Build, Finance and Maintain Contract - Update	9.8	-	-	-
Public Sector Wages Policy	2.5	1.8	2.1	2.4
Asset Investment				
Cost Increase				
HBF Arena Public Amenity Block	0.5	-	-	-
METROPOLITAN CEMETERIES BOARD				
Public Sector Wages Policy ^(a)	0.4	-	-	-

(a) Funding for the one-off Cost of Living Payment in 2022-23, with the award component self-funded across the forward estimates.

Communities**Expenses*****National Disability Insurance Scheme (NDIS) Contributions***

The Government will contribute an additional \$232.4 million in 2022-23 to meet higher than forecast growth in the number of Western Australians with a disability joining the National scheme. Western Australia's total contributions to the NDIS in 2022-23 are now expected to be \$1.2 billion, up from \$956.8 million in 2021-22.

Remote Communities – Transfer of Essential Services

Responsibility for the provision of essential services in remote Aboriginal communities will be transferred from the Department of Communities to the Water Corporation and Horizon Power. This will result in a reduction in spending by the Department totalling \$176.9 million (currently funded from the Royalties for Regions program). Of this funding, the Water Corporation will receive \$75.7 million and Horizon Power will receive \$101.2 million.

The Government will also increase spending on remote essential services through the allocation of \$200 million from the Remote Communities Fund to the Water Corporation and Horizon Power from 2022-23 to 2025-26. The transfer of responsibility and the increase in funding will support progress towards improved living standards in remote communities under the National Agreement on Closing the Gap.

In total the Water Corporation and Horizon Power will receive \$400.9 million for remote essential services over 2022-23 to 2025-26. Of this amount, the Water Corporation will receive \$228.5 million (both capital and recurrent) for the provision and upgrade of water and wastewater services and increased water testing across remote communities, and Horizon Power will receive \$172.4 million (both capital and recurrent) for the upgrade of power services in these communities.

National Partnership Agreement for Family Domestic and Sexual Violence Responses 2021 to 2023

Under the National Partnership Agreement for Family Domestic and Sexual Violence Responses with the Commonwealth, Communities will spend \$22.6 million in 2022-23 to boost services provided by community service organisations to support survivors of family, domestic and sexual violence.

State Emergency Welfare Response

To support the establishment of an enhanced service delivery model, the Government will invest a further \$19.5 million over 2022-23 to 2025-26 for emergency welfare response. The increased spending will enable an increase in staff resources allocated to emergency welfare response, planning, and coordination.

Family and Domestic Violence Response Team Enhancement

As part of the staged expansion of the enhanced Family and Domestic Violence Response Team Model, Communities will spend an additional \$11 million over 2023-24 to 2025-26 to boost frontline resourcing, improve capacity for high-risk case management and provide intensive support for survivors of family and domestic violence.

Sector Transition Fund – Australian Disability Enterprises

Communities will spend an additional \$4 million in 2022-23 to continue the Government's Sector Transition Fund to support Australian Disability Enterprises move to a more contemporary, sustainable funding and service model.

Home Safe Trial

To support the Government's Home Safe trial, \$739,000 will be spent in 2022-23 for an interim response to reduce the number of unsupervised children under the age of 16 years in Northbridge at night.

Asset Investment

Increase to the Spot Purchasing Program

In response to a tight construction market, and with a view to boosting social housing in the immediate term, the Government will invest an additional \$60.1 million in 2022-23 from the Social Housing Investment Fund, to further expand the social housing spot purchasing program.

Immediate Response to Rough Sleepers

In recognition of the growing demand for low barrier social housing for rough sleepers with complex needs, the Government will invest \$20 million through the Social Housing Investment Fund, to purchase 50 new dwellings to support the expansion of the Supportive Landlord Model, which in partnership with a community housing provider will deliver up to 100 new dwellings in total. This is part of the Government's \$24.2 million investment in reform initiatives to support rough sleepers through providing additional accommodation and wrap-around supports.

Local Government, Sport and Cultural Industries

Expenses

Lotteries Commission Act 1990 Grants

Grants made to the Arts and Sports sectors under the *Lotteries Commission Act 1990* will increase by \$28.1 million over 2022-23 to 2025-26. These grants will be funded from accumulated fund balances as well as a forecast increase in annual funding provisions from the Lotteries Commission.

Art Gallery of Western Australia (AGWA) Adjustments

The AGWA will spend \$20.5 million over 2022-23 to 2025-26 to meet costs associated with a forecast increase in visitation following completion of the rooftop facility, as well as increased costs associated with the storage of the State Art Collection. The increase in operating costs will be largely met through an increase in visitation revenue (\$16.9 million).

Office of the Independent Monitor, Perth Casino

Additional expenditure of \$15.8 million over three years has been approved for the establishment of an Office of the Independent Monitor (OIM) in line with the recommendations of the Final Report of the Perth Casino Royal Commission. The OIM is expected to operate for a period of two years (spread across three financial years) with all costs to be recouped from the Perth Casino licensee.

City Activation Grants and Activate Perth

The Department will spend \$5 million in 2022-23 to support Activate Perth and the Perth CBD Revitalisation Grant Program to bring people back into the Perth CBD.

Perth Casino Royal Commission Response

Increased expenditure of \$2.9 million in 2022-23 has been approved to develop the Government's response to the Perth Casino Royal Commission and to meet implementation costs for one year.

Cockburn Aquatic and Recreation Centre

The Government will provide a contribution of \$2.5 million in 2022-23 towards the \$12 million expansion of the Cockburn Aquatic and Recreation Centre, which will include female and community changerooms.

Establishment of a Western Australian Games and Interactive Fund

Additional expenditure totalling \$2 million has been approved over 2022-23 and 2023-24 to establish a Games and Interactive Fund to support the development of the sector in Western Australia. The expenditure will be funded from the Screen Production Incentive Fund.

Sri Lanka Crisis Relief

An amount of \$500,000 in 2022-23 has been approved for relief initiatives in Sri Lanka in response to the country's severe economic crisis.

Perth Glory Financial Assistance for the 2022-23 Season

To allow for the completion of upgrade works at HBF Park in advance of the 2023 FIFA Women's World Cup, the Perth Glory Football Club is required to shift home matches to Macedonia Park. An amount of \$500,000 will be provided to the Club to assist with the impacts of the temporary relocation.

Commercial Sports COVID-19 Support

One-off payments totalling \$441,000 will be made to the Perth Scorchers, Perth Heat and Perth Glory in 2022-23 to assist with the impact of restrictions associated with managing the COVID-19 pandemic.

Financial Assistance to Pet Rescue Organisations

Additional expenditure of \$300,000 has been approved in 2022-23 to provide a one-off relief payment to six animal shelter organisations in response to the significant increase in demand for their services throughout the COVID-19 pandemic.

Asset Investment

State Hockey Centre Development

The Department will invest \$2.8 million in 2022-23 to progress design and tender documentation for the proposed new State Hockey Centre.

State Football Centre – Five-a-Side

The new State Football Centre will include three five-a-side pitches at an additional cost of \$2.1 million in 2022-23, bringing the total cost to \$46 million.

TRANSPORT

Table 3.8

MAJOR SPENDING CHANGES

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
TRANSPORT				
Expenses				
Tow Truck Industry Reform	0.8	0.9	0.8	0.7
Digital Capability Fund – ServiceWA Digital Application Expansion	1.1	1.9	-	-
Contribution to the Office of the National Rail Safety Regulator (ONSR)	-	0.5	0.6	0.6
METRONET – Replacement Services for Armadale Rail Line Shutdown	0.1	0.8	-	-
Westport Feasibility Studies	0.4	0.2	-	-
Cost Increase				
Geraldton Cycling Network	0.7	-	-	-
Asset Investment				
Cost Increase				
Maritime Facilities Program	2.5	1.7	-	-
WA Recovery Plan Projects	0.6	0.6	-	-
COMMISSIONER OF MAIN ROADS				
Expenses				
Outback Way and Tanami Road Sealing Projects	-80.0	-110.0	-129.0	-125.0
Extension of Funding for Joint State and Commonwealth Funded Programs	9.7	13.3	7.7	2.7
Asset Investment				
Updates to Joint State and Commonwealth Funded Projects	192.6	13.2	-19.1	-198.9
Westport Land Acquisition	20.0	30.0	-	-
Extension of Funding for Joint State and Commonwealth Funded Programs	3.4	6.3	2.2	-
METRONET – Replacement Services for Armadale Rail Line Shutdown	10.3	-	-	-
Election Commitment – Morley Drive and Bath Road Intersection Upgrade	3.1	2.4	-	-
Cost Increase				
Minor Projects	4.2	0.3	-	-
PUBLIC TRANSPORT AUTHORITY				
Expenses^(a)				
Interest Expenses	24.7	31.5	27.8	24.9
METRONET – Replacement Services for Armadale Rail Line Shutdown	-	-	23.0	-
METRONET – Lakelands Station Operating Costs	1.1	4.7	4.2	4.4
Public Sector Wages Policy	1.9	2.0	2.8	3.4
Urban Railcar Drivers	-	-	2.5	2.5
Asset Investment				
METRONET – High Capacity Signalling (HCS) Program of Works	-3.4	97.8	12.3	6.6
Updates to Joint State and Commonwealth Funded Projects	-	-	-55.7	-56.9
METRONET – Replacement Services for Armadale Rail Line Shutdown	4.9	-	-	-

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

MAJOR SPENDING CHANGES

Table 3.8 (cont.)

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
KIMBERLEY PORTS AUTHORITY				
Asset Investment				
Supply Base – Common User Infrastructure	4.0	4.0	-	-
MID WEST PORTS AUTHORITY				
Asset Investment				
Eastern Breakwater Jetty	1.5	-	-	-
PILBARA PORTS AUTHORITY				
Asset Investment				
Lumsden Point Road and Intersection Upgrades	-	-	36.0	-
SOUTHERN PORTS AUTHORITY				
Expenses ^(a)				
Mineral Resources Limited Government Support Package	4.4	-	-	-
Asset Investment				
Cost Increase				
Election Commitment – Inner Harbour Access Bridge	-	-	5.0	-
Esperance Berth 2 Hardstand and Stormwater System Stage 2 Works	1.8	-	-	-
FREMANTLE PORTS AUTHORITY				
Asset Investment				
Cost Increase				
Material Handling Infrastructure and Import System	3.6	21.0	-	-

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

Transport

Expenses

Tow Truck Industry Reform

The Department will spend \$3.2 million over four years to deliver the second stage of towing industry reforms aimed at protecting consumers, including maximum fees for crash towing and storage, safety management, banning spotting fees, and occupational authorisation for drivers, assistants, businesses and storage yards.

Digital Capability Fund – ServiceWA App Expansion

See Department of the Premier and Cabinet.

Contribution to the Office of the National Rail Safety Regulator (ONRSR)

A total of \$1.7 million will be spent over 2023-24 to 2025-26 to fund Western Australia's annual contributions to the ONRSR for the regulatory oversight of rail lines and assets associated with the tourism and heritage sector.

METRONET – Replacement Services for Armadale Rail Line Shutdown

See Public Transport Authority.

Commissioner of Main Roads

Expenses

Outback Way and Tanami Road Sealing Projects

As reflected in the Commonwealth's October 2022 Budget, expenditure on the Outback Way and Tanami Road sealing projects has been reprofiled to reflect updated project delivery timeframes, resulting in \$444 million in expenditure being moved beyond the current forward estimates period.

Extension of Funding for Joint State and Commonwealth Funded Programs

Main Roads will spend an additional \$33.4 million over 2022-23 to 2025-26 across its Bridges Renewal, Heavy Vehicle Safety and Productivity and National Land Transport Network Maintenance programs, of which \$3.5 million will be funded by the State Government. These programs deliver vital works across the State, including through the upgrade and replacement of bridges and by maintaining nationally important roads. A further \$11.8 million in capital expenditure will also be spent.

Asset Investment

Updates to Joint State and Commonwealth Funded Projects

Reflecting the impact of the Commonwealth's October 2022 Budget, transport portfolio capital expenditure will reduce by a total of \$322.6 million over the forward estimates as a result of the deferral of expenditure for the following jointly funded projects that are currently in planning:

- Pinjarra Heavy Haulage Deviation (–\$137 million);
- Canning Bridge Bus Interchange (–\$112.6 million);
- Perth Airport Precinct – Northern Access (–\$52 million); and
- Reid Highway Interchange – West Swan Road (–\$21 million).

The Mid-year Review also reflects additional funding for a number of existing projects that are in delivery and experiencing cost pressures as a result of market conditions and unexpected input cost escalation.

Westport Land Acquisition

Main Roads has been allocated \$50 million over 2022-23 and 2023-24 from the Westport Special Purpose Account to progress strategic land acquisitions for key freight routes identified through the project planning phase.

Extension of Funding for Joint State and Commonwealth Funded Programs

Main Roads will invest a further \$11.8 million into the Heavy Vehicle Safety and Productivity and Bridge Renewal programs over the period 2022-23 to 2024-25 (with \$2.4 million funded by the State Government), following agreement with the Commonwealth to increase expenditure on the jointly funded programs.

METRONET – Replacement Services for Armadale Rail Line Shutdown

See Public Transport Authority.

Election Commitment – Morley Drive and Bath Road Intersection Upgrade

The Government has approved additional expenditure of \$5.5 million over 2022-23 and 2023-24 to install a roundabout at Morley Drive and Bath Road. This election commitment will improve safety and reduce congestion at the intersection.

Public Transport Authority**Expenses*****Interest Expenses***

The operating subsidy paid to the Authority will increase by \$108.9 million over 2022-23 to 2025-26 as a result of higher interest rates and changes in the timing of asset investment expenditure.

METRONET – Replacement Services for Armadale Rail Line Shutdown

The Government will spend a total of \$83.8 million over 2022-23 to 2024-25 to prepare for and deliver the additional replacement bus services that will be provided during the 18-month closure of the Armadale rail line. New recurrent funding of \$23.9 million has been provided:

- to the Public Transport Authority for the delivery of the additional services, which will result in a total of 6.8 million bus service kilometres being provided during the shutdown (\$3.2 million on top of the \$60 million that was provisioned in the 2022-23 Budget for this purpose);
- for the costs of related recruitment, security, insurance, maintenance and communications costs to facilitate the additional bus services (\$19.8 million); and
- to the Department of Transport to promote alternative transport options (through its Active Transport Program) to schools that will be impacted by the rail line closure (\$838,000).

A further \$15.2 million in related capital expenditure is detailed below.

METRONET – Lakelands Station Operating Costs

The Authority will receive an additional operating subsidy totalling \$14.4 million over 2022-23 to 2025-26 for the operating costs for the new Lakelands Station, which is scheduled to open in mid-2023. These costs include additional railcar drivers, transit officers and ticketing and customer service assistants.

Urban Railcar Drivers

To give effect to the findings of an independent review into the work value of urban railcar drivers, which increased base salaries, the Authority will spend an additional \$5 million over 2024-25 and 2025-26.

Asset Investment

METRONET – High Capacity Signalling (HCS) Program of Works

An amount of \$113.4 million (\$105.2 million from the Provision for METRONET Projects Under Development and \$8.2 million brought forward from outside the forward estimates period) has been allocated to projects within the HCS Program of Works. HCS will increase the capacity and safety of the rail network once delivered.

Updates to Joint State and Commonwealth Funded Projects

See Commissioner of Main Roads.

METRONET – Replacement Services for Armadale Rail Line Shutdown

In addition to the \$14.7 million provided at the 2022-23 Budget, a further \$15.2 million will be invested in 2022-23 on a number of initiatives that will improve traffic flow and convenience for patrons during the shutdown of the Armadale rail line, comprising:

- Main Roads constructing bus priority lanes on Shepperton Road, queue jumps on Albany Highway and Welshpool Road, and implementing intelligent transport system infrastructure, at a cost of \$10.3 million; and
- the Public Transport Authority installing a temporary bus interchange and carpark at Victoria Park Station and upgrading several bus shelters along the replacement bus service routes, which will cost \$4.9 million.

Kimberley Ports Authority

Asset Investment

Supply Base – Common User Infrastructure

The Authority is expected to spend \$8 million over 2022-23 and 2023-24 for the construction and upgrade of common user infrastructure (primarily access roads) at Broome Port, with the expenditure contingent on a contractual commitment by a third party to move a supply base to Broome.

Mid West Ports Authority

Asset Investment

Eastern Breakwater Jetty

The Authority will spend an additional \$1.5 million in 2022-23 on the Eastern Breakwater Jetty project to deliver a design suitable for cyclonic wave conditions.

Pilbara Ports Authority

Asset Investment

Lumsden Point Road and Intersection Upgrades

The Authority will spend \$36 million in 2024-25 for a central access road and services corridor at Lumsden Point, which forms a key part of the proposed Pilbara Hydrogen Hub.

Southern Ports Authority

Expenses

Mineral Resources Limited Government Support Package

An additional operating subsidy of \$4.4 million will be provided to the Authority in 2022-23 to recognise the increase in indirect and variable costs arising from higher iron ore trade than previously forecast.

ENVIRONMENT

Table 3.9

MAJOR SPENDING CHANGES

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
BIODIVERSITY, CONSERVATION AND ATTRACTIONS				
Expenses				
Plan for Our Parks				
Joint Management of the Shark Bay Terrestrial Reserve	0.4	4.4	4.4	4.5
Joint Management of the Kennedy Range National Park and Pimbee National Park	0.6	3.0	2.8	2.9
Public Sector Wages Policy	0.3	0.2	0.2	0.3
Tjijw arl Indigenous Land Use Agreement	_(a)	_(a)	_(a)	_(a)
Asset Investment				
Plan for Our Parks				
Joint Management of the Shark Bay Terrestrial Reserve	-	1.5	1.8	0.2
Joint Management of the Kennedy Range National Park and Pimbee National Park	-	1.1	1.0	0.2
Tjijw arl Indigenous Land Use Agreement	_(a)	_(a)	_(a)	_(a)
Cost Increase				
Rottnest Island Authority – South Thomson Accommodation Refurbishment	1.6	-	-	-
Rottnest Island Authority – Water Infrastructure Recovery Projects	1.1	-	-	-

(a) Not able to be disclosed until the confidentiality of the Settlement mediation is lifted in accordance with Federal Court orders.

Biodiversity, Conservation and Attractions

Expenses

Plan for Our Parks – Joint Management of the Shark Bay Terrestrial Reserve

As part of the Plan for Our Parks (PfOP) initiative, the Government has approved additional spending of \$13.8 million over 2022-23 to 2025-26 to implement and support joint management arrangements with the Nanda Aboriginal Corporation and Malgana Aboriginal Corporation (the Traditional Owners) for the proposed Shark Bay terrestrial reserve. Under these joint management arrangements, the Department will employ 12 Aboriginal rangers as well as operations officers and administration officers for on ground operational works and to support the Traditional Owners. Additional capital investment of \$3.5 million has also been approved, primarily for start-up infrastructure and project management.

Plan for Our Parks – Joint Management of the Kennedy Range National Park and Pimbee National Park

As part of the PfOP initiative, the Government has approved an additional \$9.2 million over 2022-23 to 2025-26 to implement and support joint management arrangements with the Yinggarda Aboriginal Corporation (the Traditional Owner) for the proposed Kennedy Range National Park and Pimbee National Park. Under these arrangements, the Department will employ six Aboriginal rangers as well as operations officers and a regional training officer to provide support for the Traditional Owner and to manage the reserves. Additional capital investment of \$2.3 million has also been approved, primarily for start-up infrastructure.

Asset Investment

Plan for Our Parks – Joint Management of the Shark Bay Terrestrial Reserve

See above.

Plan for Our Parks – Joint Management of the Kennedy Range National Park and Pimbee National Park

See above.

PLANNING AND LAND USE

Table 3.10

MAJOR SPENDING CHANGES				
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
PLANNING, LANDS AND HERITAGE				
Expenses				
Tjiwarl Indigenous Land Use Agreement	– (a)	– (a)	– (a)	– (a)
Asset Investment				
Tjiwarl Indigenous Land Use Agreement	– (a)	– (a)	– (a)	– (a)
WESTERN AUSTRALIAN LAND INFORMATION AUTHORITY (LANDGATE)				
Expenses				
Workforce Requirements	–	3.5	3.7	4.5
DEVELOPMENTWA				
Expenses^(b)				
Yagan Square Market Hall Consideration	1.7			
Asset Investment				
Lot 505, Great Eastern Highway, Kalgoorlie – Industrial Development	-9.5	10.8	11.2	2.4
Coastal Pool – Ocean Reef Marina	–	–	7.0	–
Cost Increase				
Ocean Reef Marina	10.0	22.0	20.0	7.0

(a) Not able to be disclosed until the confidentiality of the Settlement mediation is lifted in accordance with Federal Court orders.

(b) Represented in general government expenses as grants and subsidies, sourced from the Consolidated Account or a Treasurer's Special Purpose Account and paid through the Department of Treasury.

DevelopmentWA

Expenses

Yagan Square Market Hall Consideration

An equity contribution of \$1.7 million will be provided in 2022-23 to enable lease negotiations to be finalised with the preferred proponent to activate Yagan Square's Market Hall rooftop area.

Asset Investment

Lot 505, Great Eastern Highway, Kalgoorlie – Industrial Development

Capital expenditure of \$14.9 million will be provided over 2022-23 to 2025-26 to fund the extension of water and electricity services and the construction of a heavy vehicle access intersection in order to facilitate the development of Lot 505, Great Eastern Highway, Kalgoorlie.

Ocean Reef Marina Coastal Pool

To enhance amenity at the Ocean Reef Marina Coastal Pool, an additional \$7 million will be spent in 2024-25 on custom shade structures and seating, a larger pool deck to accommodate events, pool management services and change facilities.

UTILITIES

Table 3.11

MAJOR SPENDING CHANGES

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
SYNERGY				
Expenses ^(a)				
Decarbonisation of the South West Interconnected System	15.1	-	-	-
Asset Investment				
Decarbonisation of the South West Interconnected System	112.6	-	-	-
Firewater Containment System	10.9	-	-	-
Big Battery	7.9	-	-	-
Virtual Power Plant for Schools (Stage 2)	0.8	-	-	-
WESTERN POWER				
Asset Investment				
Cook Street Substation	3.7	-	-	-
HORIZON POWER				
Expenses ^(a)				
Remote Communities – Transfer of Essential Services	11.8	40.0	40.7	40.5
Operating Subsidy	21.0	-	-	-
Asset Investment				
Remote Communities – Transfer of Essential Services	-	7.5	17.5	14.4
Standalone Power Systems	13.3	-	-	-
Remote Communities Land Acquisition	1.4	-	-	-
Burrup Transmission Line Augmentation	7.6	-	-	-
Update to Asset Investment Program	5.8	2.3	4.0	4.3
WATER CORPORATION				
Expenses ^(a)				
Remote Communities – Transfer and Upgrade of Essential Services	9.8	34.3	41.2	48.3
Decarbonisation of the South West Interconnected System	0.2	2.8	7.5	12.4
Ord M1 Channel Expansion	0.2	2.2	4.4	6.6
Asset Investment				
Decarbonisation of the South West Interconnected System	16.0	188.7	94.4	-
Remote Communities – Transfer and Upgrade of Essential Services	1.4	19.3	35.0	39.2
Ord M1 Channel Expansion	2.2	28.7	28.9	17.3
Ulster Road Pressure Sewer Main Upgrade	0.9	7.3	0.4	-
Desalination Plant Planning Funding	4.7	-	-	-
Total Solar Eclipse	1.9	-	-	-
Cost Increase				
Various Projects	-	32.9	-	-

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

Synergy

Expenses

Decarbonisation of the South West Interconnected System

In 2022-23, Synergy will be provided a \$15.1 million operating subsidy to undertake feasibility studies on renewable wind generation and battery storage projects. These projects will help deliver the Government's target for decarbonising the South West electricity system.

Asset Investment

Decarbonisation of the South West Interconnected System

In June 2022, the Government announced that an estimated \$3.8 billion will be invested in renewable wind generation and storage projects to ensure the continued security and reliability of the South West electricity system, as the State's coal-fired power stations are gradually retired by 2030.

Synergy will spend \$112.6 million in 2022-23 on preliminary works associated with the development of the King Rocks Wind Farm and to place pre-orders on batteries (and associated componentry). These projects represent initial, important steps to achieve the Government's decarbonisation targets and assist the State's transition away from coal-fired generation.

Firewater Containment System

Synergy will invest \$10.9 million in 2022-23 on a firewall containment system at its Big Battery project in Kwinana. The system will be used to collect both stormwater (for normal operations and firewater) and toxic firewater runoff in the event of a battery fire.

Big Battery

In 2022-23, an additional \$7.9 million will be spent on the Big Battery project resulting from the discovery and rectification of contaminated foundation materials at the battery site.

Virtual Power Plant for Schools (Stage 2)

This project will install battery storage and/or solar panel technology at seven schools across Geraldton, Kalbarri and Kalgoorlie. Synergy will spend an additional \$830,000 in 2022-23, primarily to expand Stage 2 of the Virtual Power Plant for Schools project.

Western Power

Asset Investment

Cook Street Substation

An additional allocation of \$3.7 million will be made by Western Power on network investments, including enhancement works to the Cook Street substation in West Perth.

Horizon Power

Expenses

Remote Communities – Transfer of Essential Services

See Department of Communities.

Asset Investment

Remote Communities – Transfer and Essential Services

See Department of Communities.

Standalone Power Systems

To deliver 50 Standalone Power Systems (out of the 150 Standalone Power Systems election commitment) in the Esperance region by the end of 2023, Horizon Power will increase its capital expenditure by \$13.3 million in 2022-23.

Remote Communities Land Acquisition

Horizon Power will spend \$1.4 million in 2022-23 to acquire land to build a solar farm to continue power supply in Ardyaloon, Bidyadanga, Beagle Bay, Djarindjin-Lombadina and Warmun.

Burrup Transmission Line Augmentation

Horizon Power will spend \$7.6 million in 2022-23 to augment and extend its existing 33kV transmission line on the Burrup Peninsula. This is an interim solution as it investigates options for a larger capacity transmission line.

Water Corporation

Expenses

Remote Communities – Transfer and Upgrade of Essential Services

See Department of Communities.

Decarbonisation of the South West Interconnected System

The operating subsidy paid to the Water Corporation will increase by up to \$12.4 million per annum from 2022-23. This reflects the impact of transitioning to renewable energy sources over the forward estimates period.

Ord M1 Channel Expansion

An increase in the Water Corporation's operating subsidy of \$13.4 million over 2022-23 to 2025-26 will be required to compensate for flow-on costs that arise from the Corporation receiving an equity contribution to fund the Ord M1 Channel expansion.

Asset Investment

Decarbonisation of the South West Interconnected System

Up to \$299.2 million will be spent to develop the Flat Rocks Wind Farm Stage 2, which will assist the Water Corporation to meet its renewable energy needs.

Remote Communities – Transfer and Upgrade of Essential Services

See Department of Communities.

Ord M1 Channel Expansion

Under the Royalties for Regions program, the Water Corporation will receive \$77 million to upgrade and expand the existing Ord M1 Channel. This will enable sufficient water to be provided to Knox Plain to support the construction and operation of a cotton gin.

Ulster Road Pressure Sewer Main Upgrade

Under the Royalties for Regions program, \$8.6 million will be provided to the Water Corporation to upgrade the Ulster Road pressure sewer main in Albany.

Desalination Plant Planning Funding

A further \$4.7 million will be drawn from the Water Corporation's 2021-22 retained dividend for ongoing planning and enabling works on Perth's next Seawater Desalination Plant project.

Total Solar Eclipse

As part of planning for the Total Solar Eclipse event, a grant of \$1.9 million will be provided to the Water Corporation to install a 6 megalitre temporary non-potable water tank to supply the Welch Street campground and reinstate overflow pond embankments at the Exmouth wastewater treatment plant, to assist in accommodating the expected number of tourists in the area.

PROVISIONS

MAJOR SPENDING CHANGES

Table 3.12

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
PROVISIONS				
Expenses				
Public Sector Wages Policy – Revised Policy	547.4	276.4	310.3	322.8
Public Sector Wages Policy – Allocations for Settled Industrial Agreements	-318.9	-183.8	-243.3	-297.6
Climate Action Fund	-18.6	-14.9	-15.0	-
Digital Capability Fund	-	-2.4	-2.5	-1.4
Road Trauma Trust Account Spending	-	5.0	5.0	4.9
COVID-19 Test Isolation Payment	-48.1	-	-	-
Myalup-Wellington Project	-46.7	-46.7	-46.7	-
Temporary Regional Incentive for Public Sector Workforce	6.9	0.7	-	-
Banksia Hill Detention Centre – New Service Model	-	3.9	7.8	8.1
Commercial Settlement ^(a)	-	-	-	-
Ronald McDonald House – Additional Accommodation ^(b)	-	-	-	-
Asset Investment				
Asset Investment Program Smoothing Provision	-	-500.0	-250.0	750.0
Climate Action Fund	-2.5	-	-235.0	-96.0
Digital Capability Fund	-	-10.8	-	-
Cost Escalation	-203.5	-	-	-
Remote Communities Fund	-50.0	-100.0	-100.0	-100.0
Westport Project	-50.4	-0.2	-	-
Social Housing Investment Fund	-	-50.6	-33.6	-33.4
Provision for METRONET Projects Under Development	-18.3	65.1	-12.1	-91.0

(a) The settlement amount is commercial-in-confidence.

(b) The funding amounts are not being disclosed reflecting ongoing negotiations.

Expenses

Public Sector Wages Policy

A further \$1.4 billion has been added as part of this Mid-year Review to the \$1.9 billion Budget-time provision to reflect the Government's revised Wages Policy for public sector employees (see feature box in Chapter 1). This takes the total provision to \$3.3 billion. Of this amount, \$1 billion has been allocated for industrial agreements that have been settled, leaving a residual \$2.3 billion in this provision.

Climate Action Fund

Since the 2022-23 Budget, a total of \$382 million has been allocated from the Climate Action Fund (\$48.5 million for recurrent spending and \$333.5 million for capital investment, including retiming between years and reclassification of recurrent and capital spending). Material new initiatives funded from these allocations include the works to decarbonise the South West Interconnected System, the Collie Transition Package and renewable hydrogen initiatives. A total of \$173 million of recurrent and capital expenditure remains provisioned in the Climate Action Fund for future climate-related initiatives.

Digital Capability Fund

A total of \$17 million has been allocated from the Digital Capability Fund in this Mid-year Review (\$6.2 million for recurrent purposes and \$10.8 million for capital investment). This includes funding for the Departments of the Premier and Cabinet; Transport; Mines, Industry Regulation and Safety; and WA Health over 2022-23 to 2025-26. A total of \$321 million of recurrent and capital expenditure remains provisioned in the Digital Capability Fund for future projects.

Road Trauma Trust Account Spending

The 2022-23 Budget included a provision of \$7.9 million for anticipated Road Trauma Trust Account spending over the forward estimates. Reflecting unspent program funding and additional revenue received in 2021-22, the provision will be increased by \$14.9 million, resulting in a balance of \$22.8 million by the end of 2025-26.

COVID-19 Test Isolation Payment (TIP)

An \$80 million provision for a COVID-19 TIP (and its administration) was included in the 2021-22 Mid-year Review, with \$31.9 million of this amount allocated to the Department of Communities in the 2022-23 Budget.

Reflecting a significantly lower than expected uptake for these payments, the remaining \$48.1 million in the provision has been allocated to help fund payments under the Small Business Hardship Grants Program in this Mid-year Review.

Myalup-Wellington Project

Following release of the Commonwealth's Budget in October 2022, the previous provision held for the Myalup-Wellington project has been removed.

Temporary Regional Incentive for Public Sector Workforce

The Government has provisioned \$20 million across 2022-23 and 2023-24 to retain and attract frontline workers in regional areas to address critical service needs. Of this amount, \$12.4 million has been allocated to the Department of Education to provide temporary incentives to attract and retain teachers across regional and remote public schools in 2023. The balance remains in this provision.

Commercial Settlement

The Government has settled a commercial dispute for an undisclosed amount.

Ronald McDonald House – Additional Accommodation

WA Health is negotiating with Ronald McDonald House for additional temporary accommodation for families of sick children. As at the 28 November 2022 cut-off date for this Mid-year Review, negotiations were still proceeding. Accordingly, the financial implications cannot be disclosed at this time.

Asset Investment

Asset Investment Program Smoothing Provision

A revised provision for yet-to-be identified rescheduling of asset investment has been included in this Mid-year Review. The provision is net debt neutral across the forward estimates period.

Climate Action Fund

See above.

Digital Capability Fund

See above.

Cost Escalation

The 2022-23 Budget included a provision of \$350 million for potential higher project costs as a result of current construction market conditions. A total of \$203.5 million has been allocated to agencies in this Mid-year Review, leaving a remaining provision of \$116.5 million (with \$30 million also set aside for a Head Contractor Relief Scheme).

Remote Communities Fund

The 2022-23 Budget included a \$350 million provision for the Remote Communities Fund for the regularisation of water and electricity services and new and refurbished housing in remote Aboriginal communities. This provision has been fully allocated as part of this Mid-year Review, with:

- \$150 million to be spent by the Department of Communities (Housing Services), primarily to undertake high priority refurbishments and upgrades of houses in remote and town based Aboriginal communities. This investment supports the Government's commitment to the National Agreement on Closing the Gap, which includes ensuring Aboriginal and Torres Strait Islander people can secure appropriate and affordable housing; and
- \$200 million by the Water Corporation and Horizon Power (discussed with other remote community spending changes under the Department of Communities).

Westport Project

A \$381.5 million provision was reflected in the 2022-23 Budget for anticipated spending to facilitate strategic land acquisition to enable the Westport project. An allocation of \$50.5 million has been made to Main Roads for land acquisitions and the Department of Transport for feasibility studies. A residual balance of \$331 million remains in the provision.

Social Housing Investment Fund (SHIF)

The 2021-22 Budget included a provision for the SHIF for future dwelling construction projects and other initiatives that increase social housing supply. An allocation of \$117.6 million has been made to the Department of Communities (Housing Services) for expansion of the social housing spot purchasing program (\$60.1 million), further grants to Community Housing Providers to deliver social housing dwellings (\$37.5 million towards the total grant disbursement of \$43.5 million), and new dwellings to support the expansion of the Supportive Landlord Model for rough sleepers (\$20 million). The remaining balance in the provision is \$377.1 million.

Provision for METRONET Projects Under Development

A number of changes have resulted in a net reduction in provisioned investment of \$56.2 million over 2022-23 to 2025-26. These revisions include:

- an additional \$175 million being provisioned for the removal of the William Street level crossing and the elevation of Beckenham Station, with this joint State and Commonwealth-funded project to increase safety for motorists and provide improved access to public transport at Beckenham;
- an allocation of \$105.2 million to the Public Transport Authority's High Capacity Signalling Program of Works (as detailed in the section above); and
- the deferral of \$126 million for the Morrison Road Level Crossing Removal project to beyond the forward estimates.

Provisioned expenditure will continue to be transferred to delivery agencies' budgets upon completion of detailed costings and final investment decisions.

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 in a \$7.1 billion overdraft position at 30 June 2023, a \$617 million increase on the \$6.5 billion cash deficit balance projected in the 2022-23 Budget. This primarily reflects the higher deficit outturn at 30 June 2022 reported in the 2021-22 *Annual Report on State Finances*. The cash deficit position is expected to narrow to a forecast \$4.4 billion by 30 June 2026, as appropriations for short-term initiatives (such as pandemic response and recovery measures) ease back from current high levels.

Further discussion of spending forecasts is available in Chapter 1 and Appendix 3 of this Mid-year Review.

Reflecting the Government's decision to repay \$1.2 billion of debt in the Budget, and a further \$400 million in this Mid-year Review, State borrowings held by the Consolidated Account are forecast to decrease by \$1.6 billion to a projected \$23.4 billion at 30 June 2023. No new Consolidated Account borrowings are expected across the forward estimates period. This level of borrowings 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.

2022-23 Government Mid-year Financial Projections Statement

Table 4.1

CONSOLIDATED ACCOUNT TRANSACTIONS

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	\$m	\$m	\$m	\$m
REVENUE						
<i>Operating Activities</i>						
Taxation	9,176	8,957	9,889	9,538	9,620	9,957
Commonwealth Grants	7,157	7,951	8,617	9,143	8,240	8,612
Government Enterprises	1,537	2,298	939	2,240	2,387	2,416
Revenue from other agencies	13,433	10,197	11,834	8,745	8,421	8,291
Other	660	493	609	473	469	461
<i>Total Operating Activities</i>	31,963	29,896	31,888	30,139	29,137	29,737
<i>Financing Activities</i>						
Transfers from the Debt Reduction Account	2,115	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Other Receipts	8	1	10	1	1	- (a)
<i>Total Financing Activities</i>	2,123	1	10	1	1	- (a)
TOTAL REVENUE	34,086	29,896	31,898	30,140	29,138	29,738
EXPENDITURE						
<i>Recurrent</i>						
Authorised by Other Statutes	2,666	2,429	2,633	2,654	2,766	2,918
Appropriation Act (No. 1)	23,234	25,159	25,040	23,792	24,060	24,273
Recurrent Expenditure under the Treasurer's Advance	1,379	-	1,506	-	-	-
<i>Total Recurrent Expenditure</i>	27,279	27,587	29,179	26,446	26,827	27,191
<i>Investing Activities</i>						
Authorised by Other Statutes	291	405	321	438	404	316
Appropriation Act (No. 2)	6,417	5,170	5,034	4,519	3,110	1,594
Investing Expenditure under the Treasurer's Advance	235	-	323	-	-	-
<i>Total Investing Activities</i>	6,943	5,575	5,678	4,957	3,514	1,910
<i>Financing Activities</i>						
Loan repayments	589	1,200	1,600	-	-	-
Appropriation Act (No. 2)	2,115	-	-	-	-	-
Other financing	7	-	10	-	-	-
<i>Total Financing Activities</i>	2,711	1,200	1,610	-	-	-
TOTAL EXPENDITURE	36,933	34,363	36,467	31,402	30,341	29,101
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-2,847	-4,466	-4,569	-1,262	-1,203	637
Consolidated Account Balance						
Opening balance at 1 July	-18,130	-20,508	-20,977	-25,546	-26,808	-28,011
Closing balance at 30 June	-20,977	-24,974	-25,546	-26,808	-28,011	-27,375
<i>Of which:</i>						
Appropriations payable	-17,054	-18,458	-18,412	-19,879	-21,444	-22,991
Cash balance at 30 June	-3,923	-6,516	-7,134	-6,929	-6,567	-4,384
Memorandum item: Consolidated Account Borrowings	24,987	23,787	23,387	23,387	23,387	23,387

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

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 the revised estimates included in this Mid-year Review, the total amount forecast to be drawn against recoverable advances, excesses and new items in 2022-23 is \$1,848.5 million, which exceeds the \$977.5 million limit for 2022-23 authorised by the FMA². Accordingly, approval of the Parliament will be required to increase the amount of the Treasurer's Advance for 2022-23 to accommodate any spending that exceeds \$977.5 million.

To 28 November 2022, the cut-off date for this Mid-year Review, \$212.9 million has been drawn down for excesses or new items. A \$20 million allowance is included for net recoverable advances that may be in place at 30 June 2023.

Table 4.2 shows the projected position of the Treasurer's Advance at 30 June 2023.

TREASURER'S ADVANCE			Table 4.2
	2021-22 Actual ^(a)	2022-23 Projection ^(b)	
	\$m	\$m	
AUTHORISED LIMIT	2,320.5	977.5	
<i>Total projected to be drawn against Treasurer's Advance authorisation</i>	1,638.1	1,848.5	
Comprising			
Net recoverable advances as at 30 June	24.3	20.0	
Overdraw n Special Purpose Accounts	-	-	
Excesses and New Items			
- recurrent	1,379.2	1,505.9	
- capital	234.7	322.6	

(a) The original \$820.5 million authority was increased by \$1,500 million through the passage of the *Treasurer's Advance Authorisation Act 2022*.

(b) Detailed disclosure of the final audited outcome for 2022-23 will be available in the 2022-23 *Annual Report on State Finances*, due to be released by 28 September 2023.

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 2022-23 and the expected impact of these on the Treasurer's Advance under the authority of section 27 of the FMA.

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 2022-23, the \$977.5 million limit represents 3% of the total \$32.6 billion appropriated by Appropriation Bills 1 and 2 in the 2021-22 Budget.

2022-23 Government Mid-year Financial Projections Statement

The projections shown in Table 4.3 are subject to movements in agencies' appropriations through the remainder of 2022-23. 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 2023.

Table 4.3

2022-23 TRANSFERS, EXCESSES AND NEW ITEMS

Item	Treasurer's Advance					Revised Appropriation Limit \$m	Draw n Against Treasurer's Advance to Date ^(b) \$m
	Budget	Transfers ^(a)	New Items	Excesses			
	\$m	\$m	\$m	\$m	\$m		
Recurrent Appropriations							
Premier and Cabinet							
Item 5: Delivery of Services	167.9	0.7	-	11.3	179.8	-	-
Item 6: Administered Grants, Subsidies and Other Transfer Payments	79.0	-	-	28.2	107.2	-	-
Commissioner for Children and Young People							
Item 11: Delivery of Services	2.9	-	-	_(c)	2.9	-	-
Treasury							
Item 14: Delivery of Services	49.4	-	-	0.4	49.8	-	-
Item 15: Bunbury Water Corporation	1.2	-	-	_(c)	1.2	-	-
Item 16: Busselton Water Corporation	0.7	-	-	_(c)	0.7	-	-
Item 17: Electricity Generation and Retail Corporation (Synergy)	763.3	-	-	60.5	823.8	-	-
Item 21: Public Transport Authority of Western Australia	1,006.8	-	-	7.6	1,014.5	-	-
Item 23: Regional Pow er Corporation (Horizon Pow er)	35.5	-	-	21.0	56.6	-	-
Item 24: Southern Ports Authority	5.6	-	-	4.4	10.0	-	-
Item 25: Water Corporation of Western Australia	472.0	-	-	0.6	472.7	-	-
Item 26: Western Australian Land Authority (DevelopmentWA)	269.9	-	-	17.0	286.9	-	-
Item 28: Goods and Services Tax (GST) Administration Costs	71.2	-	-	0.9	72.1	-	-
Item 32: Provision for Aboriginal Community Controlled Sector Development	0.7	-0.7	-	-	-	-	-
Item 33: Provision for <i>Aboriginal Cultural Heritage Act 2021</i>	2.5	-2.5	-	-	-	-	-
Item 39: WA Health	23.0	-	-	1.5	24.4	-	-
Item 40: All Other Grants, Subsidies and Transfer Payments	2.8	-	-	356.7	359.5	212.9	-
New Item: Metropolitan Redevelopment Authority (DevelopmentWA)							
New Item: Metropolitan Cemeteries Board	-	-	0.4	-	0.4	-	-
Finance							
Item 42: Delivery of Services	223.7	-	-	27.7	251.4	-	-
Item 43: Administered Grants, Subsidies and Other Transfer Payments	343.7	-	-	59.9	403.6	-	-
Jobs, Tourism, Science and Innovation							
Item 44: Delivery of Services	453.5	-	-	117.3	570.8	-	-
Mines, Industry Regulation and Safety							
Item 48: Delivery of Services	177.0	-	-	3.5	180.5	-	-
WA Health							
Item 54: Delivery of Services	5,951.0	-	-	213.0	6,164.0	-	-
Mental Health Commission							
Item 55: Delivery of Services	938.9	-	-	13.5	952.4	-	-
Education							
Item 60: Delivery of Services	4,429.2	-	-	268.9	4,698.0	-	-
Item 61: Administered Grants, Subsidies and Other Transfer Payments	442.3	-	-	2.6	444.9	-	-
Training and Workforce Development							
Item 62: Delivery of Services	457.8	-	-	24.0	481.8	-	-

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

2022-23 TRANSFERS, EXCESSES AND NEW ITEMS

Table 4.3 (cont.)

Item	Treasurer's Advance					Revised Appropriation Limit \$m	Drawn Against Treasurer's Advance to Date ^(b) \$m
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Excesses \$m			
Western Australia Police Force							
Item 63: Delivery of Services	1,566.2	-	-	0.5	1,566.7	-	-
Justice							
Item 64: Delivery of Services	1,381.7	-	-	11.3	1,393.0	-	-
Fire and Emergency Services							
Item 66: Delivery of Services	58.6	-	-	2.7	61.2	-	-
Office of the Director of Public Prosecutions							
Item 68: Delivery of Services	46.4	-	-	0.2	46.7	-	-
Chemistry Centre (WA)							
Item 70: Delivery of Services	6.9	-	-	0.5	7.4	-	-
Communities							
Item 73: Delivery of Services	2,089.9	-	-	214.0	2,303.9	-	-
Local Government, Sport and Cultural Industries							
Item 75: Administered Grants, Subsidies and Other Transfer Payments	43.2	-	-	7.4	50.6	-	-
Item 76: Art Gallery of Western Australia	8.6	-	-	0.5	9.1	-	-
Item 79: Perth Theatre Trust	10.8	-	-	0.7	11.4	-	-
Western Australian Sports Centre Trust							
Item 81: Delivery of Services	89.5	-	-	19.3	108.9	-	-
Commissioner of Main Roads							
Item 84: Delivery of Services	444.7	-	-	1.3	446.0	-	-
Biodiversity, Conservation and Attractions							
Item 86: Delivery of Services	300.5	-	-	2.1	302.6	-	-
Planning, Lands and Heritage							
Item 87: Delivery of Services	121.8	2.5	-	1.1	125.4	-	-
Western Australian Land Information Authority							
Item 89: Delivery of Services	36.6	-	-	2.9	39.5	-	-
Total Recurrent		-	1.0	1,504.9			212.9
Capital Appropriations							
Treasury							
Item 106: Department of Justice	0.2	-	-	0.4	0.6	-	-
Item 108: Electricity Generation and Retail Corporation (Synergy)	33.3	-	-	7.2	40.5	-	-
Item 109: Electricity Networks Corporation (Western Power)	93.8	-	-	22.1	115.9	-	-
Item 110: Kimberley Ports Authority	5.5	-	-	7.4	12.9	-	-
Item 111: Metropolitan Redevelopment Authority (DevelopmentWA)	2.4	-	-	1.7	4.1	-	-
Item 112: Pilbara Ports Authority	41.5	-	-	36.2	77.7	-	-
Item 115: WA Health	73.8	-	-	4.8	78.6	-	-
Item 116: Western Australian Land Authority (DevelopmentWA)	30.0	-	-	4.7	34.7	-	-
New Item: Mid West Ports Authority	-	-	1.5	-	1.5	-	-
New Item: Water Corporation of Western Australia	-	-	4.4	-	4.4	-	-
Finance							
Item 122: Capital Appropriation	9.3	-	-	5.1	14.4	-	-

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

Table 4.3 (cont.)

2022-23 TRANSFERS, EXCESSES AND NEW ITEMS

Item	Treasurer's Advance				Revised Appropriation Limit \$m	Drawn Against Treasurer's Advance to Date ^(b) \$m
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Excesses \$m		
Primary Industries and Regional Development Item 124: Capital Appropriation	28.1	-	-	2.8	30.9	-
Mines, Industry Regulation and Safety Item 125: Capital Appropriation	1.6	-	-	2.4	3.9	-
Mental Health Commission Item 128: Capital Appropriation	18.4	-	-	0.9	19.4	-
Training and Workforce Development Item 131: Capital Appropriation	64.4	-	-	8.8	73.2	-
State Solicitor's Office Item 134: Capital Appropriation	0.1	-	-	-(c)	0.1	-
Fire and Emergency Services Item 135: Capital Appropriation	1.8	-	-	1.1	2.9	-
Corruption and Crime Commission Item 137: Capital Appropriation	0.7	-	-	-(c)	0.7	-
Commissioner of Main Roads Item 145: Capital Appropriation	78.1	-	-	211.0	289.1	-
Planning, Lands and Heritage Item 150: Capital Appropriation	5.9	-	-	-(c)	5.9	-
Total Capital		-	5.9	316.7		-
TOTAL		-	6.9	1,821.6		212.9

(a) Authorised under section 25 of the FMA.

(b) Mid-year Review cut-off date, 28 November 2022.

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

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

Transfers

Section 25 of the FMA allows appropriation originally allocated in the 2022-23 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 2022-23 Budget include:

- \$2.5 million from the appropriation for the *Aboriginal Cultural Heritage Act 2021* (provisionally allocated to an appropriation administered by Treasury) to the Department of Planning, Lands and Heritage for readiness and capacity building grants to Local Aboriginal Cultural Heritage Services; and
- \$713,000 of appropriation for the Aboriginal Community Controlled Sector Development (which was provisionally allocated to an appropriation administered by Treasury) was transferred to the Department of the Premier and Cabinet to progress the administration of the Aboriginal Community Controlled Organisation Sector Strengthening Grant program.

Excess and New Items

Premier and Cabinet

Item 5: **Delivery of Services** (\$11.3 million), reflecting funding for:

- an increase in the State's annual contribution to Telethon (\$5 million);
- Aboriginal engagement, including funding for the Aboriginal Community Controlled Organisation sector strengthening grants program (\$2.7 million), and for additional implementation costs relating to Native Title settlements (\$38,000);
- costs associated with supporting and expanding the reach of media campaigns, such as the 'Build a Life in WA' campaign, as part of the Reconnect WA Initiative (\$2.5 million); and
- the establishment of the Perth Casino Royal Commission (PCRC) Project Response Team, that will develop the Government's response to the Final Report of the PCRC and will be responsible for implementing approved recommendations (\$1.9 million).

These additional funding requirements are partially offset by a reduction in office accommodation costs in 2022-23 (\$478,000) and lower depreciation costs (\$408,000).

Item 6: **Administered Grants, Subsidies and Other Transfer Payments** (\$28.2 million), reflecting funding required to meet the State's various obligations in relation to Aboriginal Engagement and Native Title matters.

Commissioner for Children and Young People

Item 11: **Delivery of Services** (\$4,000), reflecting an increase in lease costs for office accommodation.

Treasury

Item 14: **Delivery of Services** (\$445,000), for the creation of a new Assistant Under Treasurer position and associated support costs.

Item 15: **Bunbury Water Corporation** (\$42,000), reflecting higher than expected pensioner and senior's concessions claims for the year.

Item 16: **Busselton Water Corporation** (\$12,000), reflecting higher than expected pensioner and senior's concessions claims for the year.

Item 17: **Electricity Generation and Retail Corporation (Synergy)** (\$60.5 million), to fund costs primarily associated with undertaking feasibility studies on renewable wind generation and battery storage projects to help deliver the Government's target for decarbonising the South West electricity system. The increase also reflects a reclassification of funding for Synergy's Customer Engagement Platform project (CX360) from equity (Item 108) to an operating subsidy (Item 17) due to a change in accounting standards.

Item 21: **Public Transport Authority of Western Australia** (\$7.6 million), mainly for higher interest expenses as a result of interest rate rises (\$24.7 million), partially offset by the timing changes for other expenses to later years.

Item 23: **Regional Power Corporation (Horizon Power)** (\$21 million), largely reflecting higher diesel prices (\$9 million), the costs of upgrading and undertaking maintenance on billing and safety systems (\$1.8 million), and updated expense forecasts based on the latest CPI and public sector wages policy (\$10.2 million).

Item 24: **Southern Ports Authority** (\$4.4 million), reflecting an increase in the operating subsidy to recognise increased indirect and variable costs arising from higher volumes of iron ore trade in 2022-23 for the Mineral Resources Limited Government Support Package for Koolyanobbing Iron Ore.

Item 25: **Water Corporation of Western Australia** (\$637,000), an increase in the Water Corporation's 2022-23 operating subsidy reflects the upgrade of the Ulster Road sewer main (\$68,000), expansion of the Ord M1 Channel (\$157,000), the transfer of water services provision in remote communities from the Department of Communities to the Water Corporation (\$164,000) and the transition of electricity contracts to renewable energy sources (\$248,000).

Item 26: **Western Australian Land Authority (DevelopmentWA)** (\$17 million), mainly reflecting funds that were not drawn in 2021-22 due to project delays as a consequence of supply chain constraints (\$19.6 million), and cost escalation for the Ocean Reef Marina project (\$5.3 million). These increases are partly offset by the recashflow of operating subsidies from 2022-23 to 2023-24 in line with forecast development expenditure for industrial land development works (\$10 million).

Item 28: **Goods and Services Tax (GST) Administration Costs** (\$900,000), due to an increase in Western Australia's share of GST administration costs as result of an upward revision to Western Australia's expected population share (reflecting rebased population estimates in the 2021 Census). This has been partially offset by an expected refund of costs from 2021-22, due to lower administration costs for the Australian Taxation Office (ATO), and a downward revision of ATO cost estimates for 2022-23.

Item 39: **WA Health** (\$1.5 million), related to the carryover of expenditure and funding for the Peel Health Campus Transition from 2021-22 to 2022-23.

Item 40: **All Other Grants, Subsidies and Transfer Payments** (\$356.7 million), mainly due to the carryover of higher than expected costs for the Small Business Hardship Grants Program and other pandemic support packages. In April 2022, the Government announced eligibility changes to the Small Business Hardship Program, which generated a significant increase in the number of applications lodged by 30 June 2022, and processed and paid in 2022-23 (resulting in an increase of \$274 million). The State is also providing a \$61 million contribution to the Commonwealth for Pandemic Leave Disaster Payments. This item also includes supplementary funding for the impact of higher interest rates (\$22 million) paid to participating trusts and a once-off \$16.7 million top-up for the Western Australian Future Health Research and Innovation Fund. At the time of the Mid-year Review cut-off date, \$212.9 million of the total increase had been drawn.

New Item: **Metropolitan Redevelopment Authority (DevelopmentWA)** (\$573,000), for work to be undertaken at Mardalup Park to ensure compliance with environmental standards, originally expected to be drawn in 2021-22.

New Item: **Metropolitan Cemeteries Board** (\$417,000), to meet the cost of living component of the Government's new wages offer announced in September 2022.

Item 106: **Department of Justice** (\$400,000), reflecting funding for the planning and design of air-conditioning in Roebourne Prison.

Item 108: **Electricity Generation and Retail Corporation (Synergy)** (\$7.2 million), primarily to install a firewater containment system at Synergy's Big Battery project in Kwinana, partially offset by the reclassification of funding for Synergy's Customer Engagement Platform project (CX360) from equity (Item 108) to an operating subsidy (Item 17).

Item 109: **Electricity Networks Corporation (Western Power)** (\$22.1 million), to deliver network investments in the Perth CBD and to offset the impact on cash for an increase in Western Power's tax liability (as a consequence of higher than expected residential capital contributions) and dividends paid on land sales.

Item 110: **Kimberley Ports Authority** (\$7.4 million), reflecting additional funding of \$4 million for the construction and upgrade of common use infrastructure at Broome Port, return of a dividend of \$1.9 million as an equity injection, and the carryover of \$1.5 million of financial support not drawn down in 2021-22.

Item 111: **Metropolitan Redevelopment Authority (DevelopmentWA)** (\$1.7 million), relating to costs incurred to activate the Market Hall rooftop area at Yagan Square.

Item 112: **Pilbara Ports Authority** (\$36.2 million), reflecting the delayed on-passing of a contribution from the Town of Port Hedland for the Spoilbank Marina, forecast to be paid in 2021-22 but now expected to be paid in 2022-23.

Item 115: **WA Health** (\$4.8 million), due to the retiming of expenditure for the Bunbury Hospital Redevelopment project (bringing forward \$8.2 million into 2022-23), partially offset by a net deferral of \$3.4 million in appropriation in other capital projects.

Item 116: **Western Australian Land Authority (DevelopmentWA)** (\$4.7 million), for an equity contribution to fund a cost increase for the Ocean Reef Marina project.

New Item: **Mid West Ports Authority** (\$1.5 million), reflecting an increase in the cost of delivering the Eastern Breakwater Jetty in Geraldton to a design suitable for cyclonic wave conditions.

New Item: **Water Corporation of Western Australia** (\$4.4 million), to fund increased interest costs associated with a Northern Australia Infrastructure Fund loan which partly funds the expansion of the Burrup Seawater Supply Scheme (which supports the Perdaman Urea Project).

Finance

Item 42: **Delivery of Services** (\$27.7 million), mainly reflecting additional expenditure on the final settlement of the Perth Children's Hospital litigation with construction firm John Holland, partially offset by lower than forecast legal costs.

Item 43: **Administered Grants, Subsidies and Other Transfer Payments** (\$59.9 million), reflecting the impact of increased activity in the housing construction sector on construction supported by the Commonwealth funded HomeBuilder and the State funded Building Bonus schemes, with delays from 2021-22 in achieving the milestones that trigger these payments.

Item 122: **Capital Appropriation** (\$5.1 million), reflecting additional expenditure to complete the Parliamentary Precinct project and for the accommodation fit-out of the Office of the Director of Public Prosecutions.

Jobs, Tourism, Science and Innovation

Item 44: **Delivery of Services** (\$117.3 million), largely consisting of a \$105 million boost to the Investment Attraction Fund, \$6.7 million to support the Total Solar Eclipse event and \$5.2 million for tourism initiatives. These increases are partially offset by \$1 million to reflect the Reconnect WA Skilled Worker Attraction initiative now being delivered by the Department of the Premier and Cabinet.

Mines, Industry Regulation and Safety

Item 48: **Delivery of Services** (\$3.5 million), mainly to meet payment obligations relating to the Home Buyers Assistance Grant Scheme (\$5 million), completion of the transfer of the royalty administration and collection functions to the Department of Finance (\$387,000), and an update of Government Regional Officer Housing tenant rent costs (\$55,000). These additional funding requirements are partially offset by changes to the timing of spending for the Exploration Incentive Scheme (\$1 million) and the Household Energy Efficiency Scheme (\$1 million).

Item 125: **Capital Appropriation** (\$2.4 million) for fire safety and air conditioning remediation works at Mineral House and an air-conditioning upgrade at the Department's Kalgoorlie complex.

WA Health

Item 54: **Delivery of Services** (\$213 million), primarily for additional State funding to supplement an equivalent decrease in Commonwealth funding related to the 2021-22 reconciliation under the National Health Reform Agreement (\$98.1 million), COVID-19 expenditure for WA Health to continue to provide public health and system support services (\$26.1 million), vaccination programs (\$19.8 million), additional salaries expenditure related to the Public Sector Wages Policy (\$17.1 million), costs associated with the upgrade of WA Health's Microsoft 365 Enterprise Agreement Licence (\$16 million), emergency department reform initiatives (\$15.3 million), and the State's contribution to various Commonwealth/State co-funded programs (\$11.6 million).

Mental Health Commission

Item 55: **Delivery of Services** (\$13.5 million), mainly reflecting \$4.7 million to support the commissioning of community mental health, and alcohol and other drug service contracts, \$5 million for a change in funding source to State Appropriation (relating to the National Mental Health and Suicide Prevention Agreement Bilateral Schedule and Royalties for Regions initiatives), \$2 million for an uplift to the Non-government Human Services Sector indexation rate, and \$1.1 million for increased mental health in-reach services at Banksia Hill Detention Centre.

Item 128: **Capital Appropriation** (\$937,000), for the transfer of the Youth Mental Health and Alcohol and Other Drug Homelessness facility to the Department of Communities, offset by an equivalent reduction in capital appropriation in 2023-24.

Education

Item 60: **Delivery of Services** (\$268.9 million), mainly for the registration of new industrial agreements for Teachers and Administrators, Education Assistants and Government Services Employees under the Government's wages policy (\$274.5 million), COVID-19 school cleaning for terms 3 and 4 of 2022 (\$18.9 million), revisions to student enrolments and cost parameters (\$5.6 million), temporary attraction and retention incentives to attract teachers to regional and remote public schools (\$3.1 million), ensuring continuity of swimming and water safety programs (\$1.6 million), provision of menstrual products in public schools from 2023 (\$1.1 million) and maintaining subsidised interest rates for Low Interest Loans Scheme loans (\$1.1 million). These increases are partly offset by a downward revision to depreciation expenses following a revaluation of asset values in 2021-22 (\$33.6 million), and reduced interest expense as a result of refinancing gains under the Western Australian schools public-private partnership (\$2.5 million).

Item 61: **Administered Grants, Subsidies and Other Transfer Payments** (\$2.6 million), reflecting up to date cost and demand parameters underpinning the State's funding obligations to the non-government schools sector under the National School Reform Agreement.

Training and Workforce Development

Item 62: **Delivery of Services** (\$24 million), primarily attributable to the new TAFE lecturers industrial agreement (\$18.4 million), increased resourcing for the State Nominated Skilled Migration Program (\$2.4 million), and higher depreciation expenses (\$3.6 million, mainly related to the Student Management System). These increases are partly offset by retimed costs for the Defence Industry workforce initiatives.

Item 131: **Capital Appropriation** (\$8.8 million), reflecting cost increases for priority projects including the Pundulmurra Trade Expansion (\$4.2 million) and project reflows in line with up to date delivery schedules including the bring forward of \$6.2 million for the Investing in Modern Equipment for TAFE program.

Western Australia Police Force

Item 63: **Delivery of Services** (\$542,000), primarily for the continuation of the Government Regional Officer Housing rent freeze for a further 12-month period in 2022-23.

Justice

Item 64: **Delivery of Services** (\$11.3 million), including \$6.3 million for the Banksia Hill detention centre, supporting infrastructure upgrades and other site improvements to improve safety and security, to provide additional mental health services and support programs, and provide funding for recruitment initiatives to improve staffing levels. A further \$5.1 million provides for an increase in non-cash depreciation.

Fire and Emergency Services

Item 66: **Delivery of Services** (\$2.7 million), largely to meet increased operating costs associated with the Emergency Rescue Helicopter Service, Critical Care Paramedics and Air Operation Fleet aviation services contracts (\$2.2 million), and for additional salaries and regional officers accommodation costs (\$492,000).

Item 135: **Capital Appropriation** (\$1.1 million), for cost increases associated with the upgrades, modifications and/or replacement of a number of Volunteer Fire and Rescue Service and Volunteer Fire and Emergency Service facilities.

Office of the Director of Public Prosecutions

Item 68: **Delivery of Services** (\$208,000), for the cost of legal practicing certificates required for government-employed lawyers from 1 July 2022.

Chemistry Centre (WA)

Item 70: **Delivery of Services** (\$508,000), to provide support for a project to test and implement a new forensic technique that will, among other benefits, allow human identification in cases where DNA is insufficient or has degraded.

Communities

Item 73: **Delivery of Services** (\$214 million), primarily for higher than budgeted National Disability Insurance Scheme payments (\$190.4 million), funding to address a range of pressures in service delivery that includes community services and child protection (\$11.8 million), funding to administer phase six of the Disability Sector Transition Fund to provide targeted support to Australian Disability Enterprises (\$4 million), and remaining separation costs of the 2021-22 Voluntary Targeted Separation Scheme (\$3.9 million).

Local Government, Sport and Cultural Industries

Item 75: **Administered Grants, Subsidies and Other Transfer Payments** (\$7.4 million), reflecting an increased forecast in GST Gambling Rebates provided to the Lotteries Commission (\$7.3 million), and the impact of the Government's revised Wages Policy on four regional cemetery boards (\$156,000).

Item 76: **Art Gallery of Western Australia** (\$508,000), for increased costs associated with the immediate relocation and storage of at-risk art works (\$458,000), and increased depreciation costs following the completion of the Elevate Rooftop Facility (\$50,000).

Item 79: **Perth Theatre Trust** (\$657,000), reflecting revised Wages Policy impacts on the Arts and Culture Trust under the Culture and the Arts Venue Management Agreement.

Western Australian Sports Centre Trust

Item 81: **Delivery of Services** (\$19.3 million), primarily to meet higher operating costs across venues (\$14.7 million), higher variable costs associated with the Optus Stadium Design, Build, Finance, and Maintain Contract (\$9.8 million), and for increased wages costs as a result of the finalisation of the VenuesWest General Agreement (\$2.6 million). This expenditure has been partially offset by a reclassification of the 2023 FIFA Women's World Cup modification works at HBF Park from operating expenditure to capital spending (\$7.8 million).

Commissioner of Main Roads

Item 84: **Delivery of Services** (\$1.3 million), reflecting an increase in the State's contribution for the State-Commonwealth funded Bridge Renewal Program.

Item 145: **Capital Appropriation** (\$211 million), primarily reflecting increased funding to address cost pressures for a number of joint State and Commonwealth funded infrastructure projects.

Biodiversity, Conservation and Attractions

Item 86: **Delivery of Services** (\$2.1 million), including \$1.1 million to implement and support joint management arrangements with the Traditional Owners for the proposed Shark Bay terrestrial reserve, Kennedy Range National Park and Pimbee National Park under the Plan for Our Parks initiative, funding required to meet the State's obligations in relation to Native Title matters (\$1 million), additional funding for staff resources for event management activities for the 2023 Total Solar Eclipse event in Exmouth (\$783,000), and expenditure to reflect the financial impact of the Government's revised Wages Policy for employees of the Botanic Gardens and Parks Authority (\$277,000). This additional funding has been partially offset by various minor carryovers from 2022-23 (\$1.1 million).

Planning, Lands and Heritage

Item 87: **Delivery of Services** (\$1.1 million), primarily reflecting funding required to meet the State's obligations in relation to Native Title matters.

Item 150: **Capital Appropriation** (\$5,000), reflecting funding required to meet the State's obligations in relation to Native Title matters.

Western Australian Land Information Authority

Item 89: **Delivery of Services** (\$2.9 million), to meet additional accommodation lease expenses following lease negotiations for the 1 Midland Square facility.

Primary Industries and Regional Development

Item 124: **Capital Appropriation** (\$2.8 million), for preliminary expenditure on the Department's New Metropolitan Facility at Murdoch University's Perth Campus (\$1.7 million), and cost increases for the Albany Shellfish Hatchery (\$1.2 million) and Ravenswood Community Centre (\$567,000) projects. This spending is partially offset by lower spending on the Digital Foundations Program (\$652,000).

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State Solicitor's Office

Item 134: **Capital Appropriation** (\$13,000), for higher than expected vehicle fleet expenditure.

Corruption and Crime Commission

Item 137: **Capital Appropriation** (\$13,000), for higher than anticipated commercial lease expenditure.

Special Purpose Accounts

Special Purpose Accounts (SPAs) are established under various sections of the *Financial Management Act 2006* or by specific legislation (e.g. 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 statement that outlines the purpose of the account.

This Appendix contains information on key SPAs. It is not an exhaustive list of all SPAs, but covers the major/material SPAs in existence at the 28 November 2022 cut-off date for this Mid-year Review. The forecast SPA balances (and transactions in and out of these accounts) form part of the overall consolidated projections outlined elsewhere in this publication.

Climate Action Fund

The Climate Action Fund was established in 2022 to hold funds for future climate action and renewable energy initiatives. Receipts in 2022-23 reflect an additional \$500 million appropriated into the Fund as part of the 2022-23 Budget.

Funds expected to be drawn down in 2022-23 (\$236 million) and across the outyears (a further \$431 million) primarily reflect funding for the following projects and initiatives:

- \$296 million to the Department of Jobs, Tourism, Science and Innovation, mainly for the establishment of the Collie Industrial Transition Fund (\$200 million) as part of the Government's Collie Transition Package. The Package is to support sustainable jobs in Collie through the attraction of new industries and activation of industrial land. A further \$80 million has been allocated for the Native Forest Just Transition Plan and \$16 million for regional hydrogen projects;
- \$113 million has been allocated to Synergy for the Kings Rock Wind Farm Project (\$66 million) and to place pre-orders for the purchase of batteries and battery-related components (\$46 million);
- \$31 million has been allocated across a number of agencies for various climate action initiatives including the development of Sectoral Emissions Reduction Strategies and increasing the capability to estimate, report and manage government emissions to assist in meeting the Government's emissions reduction target; and

- \$13 million for the Department of Training and Workforce Development (\$9 million) and the Department of the Premier and Cabinet (\$4.4 million) for initiatives as part of the Collie Transition Package, including the expansion of the Collie Jobs and Skills Centre, the establishment of the Collie Futures Curriculum Fund, the expansion of the assessment team at the South West Regional TAFE, and the expansion of the Collie Delivery Unit.

CLIMATE ACTION FUND					
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
<i>Opening Balance</i>	-	167	431	313	222
Receipts	168	500	-	-	-
Payments	1	236	119	90	222
Closing Balance	167	431	313	222	-

Note: Columns may not add due to rounding.

Debt Reduction Account

In line with the Government's commitment, a Debt Reduction Account was established in 2017-18 to apply windfall receipts to reduce Consolidated Account borrowings.

A total of \$1.6 billion is expected to flow through the Account in 2022-23. The 2022-23 Budget included \$1.2 billion in debt repayment funded from the larger than expected operating surplus in 2021-22. An additional \$400 million has been allocated in this Mid-year Review, reflecting the Government's decision to repay additional Consolidated Account debt. Debt repayments reduce interest costs as well as the State's exposure to future interest rate increases.

The total expected to flow through the Account since it was established is \$7.7 billion. Receipts and payments for the Account for future years are subject to future Budget decisions.

DEBT REDUCTION ACCOUNT					
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
<i>Opening Balance</i>	-	-	-	-	-
Receipts	2,704	1,600	-	-	-
Payments	2,704	1,600	-	-	-
Closing Balance	-	-	-	-	-

Note: Columns may not add due to rounding.

Digital Capability Fund

The Digital Capability Fund was established in 2021-22 to hold funds for the upgrade of ICT systems, improve government service delivery, enhance cyber security and mitigate operational risks. Originally established with the receipt of \$500 million in the 2021-22 Budget, a further \$400 million has been credited to the Fund in 2022-23.

Payments totalling \$260 million in 2022-23 will be made to 21 agencies. The major recipients for ICT projects in 2022-23 are WA Health (\$121 million), the Western Australia Police Force (\$30 million), the Department of Transport (\$19 million), the Department of Mines, Industry Regulation and Safety (\$19 million), and the Department of the Premier and Cabinet (\$17 million).

A further \$321 million of the Fund remains unallocated but is assumed to be spent over the forward estimates. The funding will be released to agencies upon the approval of business cases as part of future Budget processes.

DIGITAL CAPABILITY FUND

Table 5.3

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
<i>Opening Balance</i>	-	427	567	376	170
Receipts	500	400	-	-	-
Payments	73	260	192	206	170
Closing Balance	427	567	376	170	-

Note: Columns may not add due to rounding.

METRONET Account

This SPA was established in 2017 to support the delivery of METRONET transport infrastructure projects. Forecast receipts for 2022-23 reflect Commonwealth funding (\$784 million), State funding (\$557 million), funding provided through other agencies (\$125 million) and proceeds from land sales (\$2 million).

The funds are to be drawn down as METRONET works are progressed. Forecast payments in 2022-23 will support work on the Morley-Ellenbrook Line, Yanchep Rail Extension, Thornlie-Cockburn Link, Victoria Park-Canning Level Crossing Removal and Byford Rail Extension.

METRONET ACCOUNT

Table 5.4

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
<i>Opening Balance</i>	431	137	30	22	21
Receipts	707	1,468	2,002	846	78
Payments	1,001	1,576	2,010	848	78
Closing Balance	137	30	22	21	21

Note: Columns may not add due to rounding.

METRONET Roads Account

This SPA was established in 2018 to hold funds for METRONET road works, including road projects under development. Receipts in 2022-23 reflect funds transferred from Main Roads. Forecast payments in 2022-23 include those for the Byford Rail Extension, Thornlie-Cockburn Link, Yanchep Rail Extension and Victoria Park-Canning Level Crossing Removal.

Table 5.5

METRONET ROADS ACCOUNT

	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	106	109	91	29	120
Receipts ^(a)	125	142	190	239	287
Payments ^(a)	122	159	253	147	101
Closing Balance	109	91	29	120	307

(a) The receipts and payments for 2021-22 (reported in the 2021-22 *Annual Report on State Finances*) have been restated to reflect changes in accounting treatment. The restatement has no net impact on the opening and closing balances of the account.

Note: Columns may not add due to rounding.

Metropolitan Region Improvement Fund

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 in 2022-23 mainly reflect MRIT collections (\$91 million), rent and interest income (\$10 million) and proceeds from the sale of land and buildings (\$5 million). Payments in 2022-23 are mainly for the acquisition of land for transport infrastructure (\$28 million), the acquisition of other land and buildings (\$61 million), service delivery costs (\$29 million), and works in progress on a range of smaller infrastructure projects (\$10 million).

Table 5.6

METROPOLITAN REGION IMPROVEMENT FUND

	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	443	385	356	377	414
Receipts	111	108	108	111	113
Payments	169	137	87	74	74
Closing Balance	385	356	377	414	453

Note: Columns may not add due to rounding.

Mining Rehabilitation Fund

The Mining Rehabilitation Fund was established in 2013 to hold levy collections under the *Mining Rehabilitation Fund Act 2012*.

Receipts reflect forecast levy contributions from mining operators and interest earned on the Account balance. Funds can be used to undertake rehabilitation activities where a tenement operator fails to meet rehabilitation obligations, and all other options available to recover funds from the operator have been exhausted. Interest earnings are used to support administration of the Fund, and for rehabilitation works at abandoned mine sites.

Table 5.7

MINING REHABILITATION FUND

	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	219	254	279	309	339
Receipts	38	35	35	35	35
Payments	4	10	5	5	5
Closing Balance	254	279	309	339	369

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 2018 to meet the cost of payments associated with the State's participation in the National Redress Scheme, and to meet the cost of civil litigation claims of survivors of institutional child sexual abuse.

Receipts in 2022-23 reflect the Government's decision to allocate an additional \$185 million to this Account as part of the 2022-23 Budget. Forecast payments in 2022-23 and across the forward estimates are to meet scheme payments, civil litigation claims and administration costs.

Table 5.8

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

	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	77	27	123	51	21
Receipts	-	185	-	-	-
Payments	50	89	71	31	20
Closing Balance	27	123	51	21	-(a)

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

Note: Columns may not add due to rounding.

New Women and Babies Hospital Account

This SPA was established with \$1.8 billion in 2021-22, sourced from the better than expected operating surplus in 2020-21. The Account supports the construction of a new Women and Babies Hospital at the Queen Elizabeth II Medical Centre campus.

An allocation of \$10.2 million will be drawn from the Account in 2022-23 for continued development of the business case and Project Definition Plan for the new hospital. Concept design is currently underway. Payments from the Account will be updated as part of future Budget processes following approval of the Project Definition Plan.

Table 5.9

NEW WOMEN AND BABIES HOSPITAL ACCOUNT					
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
<i>Opening Balance</i>	-	1,787	1,777	1,777	1,777
Receipts	1,787	-	-	-	-
Payments	-	10	-	-	-
Closing Balance	1,787	1,777	1,777	1,777	1,777

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

This SPA was established in 1999 to set aside funds to be used to encourage a balanced transport system and improve the amenity of the Perth city area. Receipts consist of licence fees, penalties and money appropriated by Parliament.

Funds drawn from the Account are spent on the Central Area Transit (CAT) bus system, Free Transit Zone public transport services within central Perth, improving public transport access, enhancing the pedestrian environment, supporting bicycle access, improving the amenity and liveability of the Perth city area, and for administration of the *Perth Parking Management Act 1999*. Payments from the Account will be updated as part of future Budget processes.

Table 5.10

PERTH PARKING LICENSING ACCOUNT					
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
<i>Opening Balance</i>	165	192	194	197	236
Receipts	55	58	61	62	64
Payments	27	57	57	23	23
Closing Balance	192	194	197	236	277

Note: Columns may not add due to rounding.

Remote Communities Fund

The Remote Communities Fund was established as part of the 2022-23 Budget with a \$350 million State contribution to support essential infrastructure and services in remote Aboriginal communities in Western Australia.

Payments from the Fund reflect the timing of projects approved as part of this Mid-year Review, including:

- \$200 million to be invested by Horizon Power and the Water Corporation for the provision and upgrade of water and wastewater services and power services over 2022-23 to 2025-26; and
- \$150 million for the Department of Communities to build new houses and refurbish and upgrade existing houses, and to undertake emergency municipal works over 2022-23 to 2025-26.

REMOTE COMMUNITIES FUND					
	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	-	-	334	261	133
<i>Receipts</i>	-	350	-	-	-
<i>Payments</i>	-	16	74	128	133
Closing Balance	-	334	261	133	-

Note: Columns may not add due to rounding.

Road Trauma Trust Account

This Account was established to provide for road safety initiatives. Receipts reflect prescribed penalties paid during the year, other funds collected under the *Road Traffic (Administration) Act 2008*, and interest revenue earned on the Account balance.

Drawdowns from the Account in 2022-23 are mainly for:

- Main Roads' Regional Road Safety Improvements project (\$20 million);
- delivery of camera operations and infringements by the Western Australia Police Force (\$17.7 million);
- Main Roads' Metropolitan Intersections project (\$14.3 million);
- continuation of the Impaired Driving Detection Program delivered by the Western Australia Police Force (\$10.4 million);
- the Road Safety Commission for policy, research and governance (\$8.9 million);
- the Community Education and Engagement program delivered by the Road Safety Commission (\$8.4 million); and
- the Road Safety Commission for the infringement management reform program (\$7.5 million).

Table 5.12

ROAD TRAUMA TRUST ACCOUNT

	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	43	71	53	43	39
Receipts	115	104	104	104	104
Payments	86	121	114	108	112
Closing Balance	71	53	43	39	31

Note: Columns may not add due to rounding.

Royalties for Regions Fund

The Royalties for Regions (RfR) Fund was established in 2008 to set aside a share of the State's annual royalty income to fund investment in regional Western Australia.

Receipts reflect interest on Fund balances, the return of unused funds by agencies, and the statutory funding for the program based on 25% of forecast royalty income at the time of the 2022-23 Budget, adjusted for the \$1 billion legislated cap on the Fund balance. Payments from the Fund include transfers to agencies that deliver RfR projects supporting infrastructure, business, economic development and other regional activities.

Details of the RfR program (and other regional spending) are available in Chapter 3: *Investing in Regional Western Australia*.

Table 5.13

ROYALTIES FOR REGIONS FUND

	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	1,000	1,000	1,000	1,000	1,000
Receipts	961	1,112	1,145	1,013	901
Payments	961	1,112	1,145	1,013	901
Closing Balance	1,000	1,000	1,000	1,000	1,000

Note: Columns may not add due to rounding.

Royalties for Regions Regional Reform Fund

This SPA was approved as part of the 2015-16 Budget to receive \$150 million, transferred from the RfR Fund, commencing in June 2015. The Fund supports strategic reforms in regional Western Australia, with a focus on regional Aboriginal reform initiatives.

Payments of \$39 million in 2022-23 will support the Kimberley on-country residential youth facilities, the Kimberley Schools project, the North West Aboriginal Housing initiative, the Jalbi Jiya (Your Home) program, improvements to essential and municipal services in remote Aboriginal communities, Leedal-Fitzroy Affordable Housing Project, and the East Kimberley and Hedland Transitional Housing projects.

Table 5.14

ROYALITES FOR REGIONS REGIONAL REFORM FUND					
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
<i>Opening Balance</i>	58	52	16	3	1
Receipts	- (a)	4	15	8	5
Payments	7	39	28	9	4
Closing Balance	52	16	3	1	1

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

Social Housing Investment Fund

The \$750 million Social Housing Investment Fund was established as part of the 2021-22 Budget to fund construction projects and other initiatives that increase social housing supply.

In 2022-23, \$331 million is to be drawn from the Fund, to meet the cost of initiatives approved under the Government's Social Housing Strategy, and new initiatives approved as part of this Mid-year Review, including:

- \$60 million to further increase the spot purchase of established dwellings in 2022-23 for the social housing program;
- \$37 million in grants to the community housing sector to deliver social housing dwellings; and
- \$20 million to purchase 50 additional dwellings for the Supportive Landlord Model, to be prioritised for people experiencing prolonged homelessness.

Of the \$750 million provision, a total of \$373 million has been committed to specific social housing projects to be delivered over the forward estimates period. The remaining balance of \$377 million (which is reflected as a spending provision in the forward estimates) is anticipated to be fully allocated to initiatives in future Budget processes.

Table 5.15

SOCIAL HOUSING INVESTMENT FUND					
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
<i>Opening Balance</i>	-	750	419	276	137
Receipts	750	-	-	-	-
Payments	-	331	144	139	136
Closing Balance	750	419	276	137	1

Note: Columns may not add due to rounding.

Softwood Plantation Expansion Fund

This Fund was established in 2021-22 as part of the Government's Climate Action package, with \$350 million set aside to expand the State's softwood plantation estate and support the Western Australian timber and construction industries. Investment from the Fund will support initiatives that offset carbon dioxide production and regional employment. Forecast payments of \$39.4 million in 2022-23 include \$31.7 million for the acquisition of land and \$7.6 million for costs of establishing softwood plantations.

Table 5.16

SOFTWOOD PLANTATION EXPANSION FUND

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
Opening Balance	-	350	311	275	239
Receipts	350	-	-	-	-
Payments	-	39	36	36	33
Closing Balance	350	311	275	239	206

Note: Columns may not add due to rounding.

Waste Avoidance and Resource Recovery Account

The Waste Avoidance and Resource Recovery Account was established in 2008 under section 79 of the *Waste Avoidance and Resource Recovery Act 2007* to hold revenue allocated from the waste levy. The purpose of the Account is to fund nominated programs and other waste management initiatives approved by the Minister for Environment.

Table 5.17

WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
Opening Balance	29	41	26	26	27
Receipts	33	21	21	22	21
Payments	21	36	21	21	21
Closing Balance	41	26	26	27	27

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) Act 2020* 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, this Act applies forecast annual investment income from the new Fund to a new account (administered by the Minister for Health) that provides long-term support for medical and health research, innovation and commercialisation activities in Western Australia.

Forecast annual receipts include 1% of the Budget-time forecast of royalty income (\$70.9 million in 2022-23) and interest earned on the Fund balance (\$49 million in 2022-23).

Table 5.18

**WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH
AND INNOVATION FUND**

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
<i>Opening Balance</i>	1,492	1,597	1,684	1,753	1,820
Receipts	137	120	118	114	108
Payments	32	32	49	48	43
Closing Balance	1,597	1,684	1,753	1,820	1,885

Note: Columns may not add due to rounding.

Payments from the Fund each year reflect the on-passing of budgeted interest earnings to WA Health for medical and health research and innovation (forecast to be \$32.3 million in 2022-23 at the time of the Budget). These funds are held in the Western Australian Future Health Research and Innovation Account administered by the Minister for Health.

Receipts into the Account in 2022-23 (\$49 million) reflect the on-passing of the Budget-time forecast for investment income, and a \$16.7 million additional appropriation approved in this Mid-year Review. Payments are forecast to be drawn from the Account for a range of medical and health research and innovation programs and initiatives. Reflecting the \$16.7 million additional appropriation in 2022-23, higher interest rates and a revised investment strategy, total spending across the forward estimates period on health and medical research, innovation and commercialisation has been revised up by \$84 million relative to the 2022-23 Budget.

Table 5.19

**WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH
AND INNOVATION ACCOUNT**

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
<i>Opening Balance</i>	15	21	17	16	15
Receipts	32	49	49	48	43
Payments	26	53	49	49	57
Closing Balance	21	17	16	15	-

Note: Columns may not add due to rounding.

Westport Account

This SPA was established with a \$400 million contribution as part of the 2021-22 Budget to support the Westport project. The funds are to be drawn down upon approval of relevant Westport enabling works, such as strategic land acquisitions, environmental offsets and feasibility studies.

Draw downs totalling \$38.5 million are forecast in 2022-23 for approved works, including strategic land acquisitions and the development of feasibility studies on the Future of Fremantle, the Kwinana Rail Loop and the possible relocation of the roll-on/roll-off and breakbulk trades.

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Table 5.20

WESTPORT ACCOUNT

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
<i>Opening Balance</i>	-	399	361	203	53
Receipts	400	-	-	-	-
Payments	1	39	158	150	53
Closing Balance	399	361	203	53	-

Note: Columns may not add due to rounding.

