

Quarterly Financial Results Report

2022-23

December 2022



2022-23

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Acknowledgement of Country

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

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2022-23

Quarterly Financial Results Report

Six Months Ended 31 December 2022

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Foreword

This *Quarterly Financial Results Report* (QFRR) provides financial results for the Western Australian public sector for the six months to 31 December 2022.

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

The presentation in this report is consistent with that used in the 2022-23 State Budget (presented to the Legislative Assembly on 12 May 2022) and the 2022-23 *Government Mid-year Financial Projections Statement*, released on 15 December 2022.

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

In addition to the financial statements in Appendix 1 and details of operating revenue in Appendix 2, this report includes:

- Appendix 3: *Public Ledger*, which summarises information on the Consolidated Account, Treasurer's Special Purpose Accounts and the Treasurer's Advance;
- Appendix 4: *Special Purpose Accounts*, which details movements in balances for a number of Special Purpose Accounts established for the delivery of key Government policy outcomes; and
- Appendix 5: *General Government Salaries*, which summarises interim salaries spending by general government sector agencies.

Information presented in this QFRR is not audited.

Statement of Responsibility

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

In our opinion, the statements are a true and fair presentation of the operating statements and cash flows of these sectors for the six months ended 31 December 2022 and of the balance sheets of these reporting entities at 31 December 2022. The statements have been prepared in accordance with applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and, where there is no conflict with these standards, they are also consistent with the Australian Bureau of Statistics' *Government Finance Statistics Concepts, Sources and Methods 2015*.

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



MICHAEL COURT
DEPUTY UNDER TREASURER



MAGDALENA WITTEK
MANAGER
FINANCIAL REPORTING

24 February 2023

Overview

Summary

The general government sector recorded a \$2.5 billion operating surplus for the six months to 31 December 2022. This is \$2.3 billion lower than the surplus reported for the same period in 2021-22.

- General government revenue for the first six months of 2022-23 was \$455 million lower than the same period last year. This is mainly driven by the combined impact of lower royalty income (down \$560 million), higher taxation revenue (up \$503 million), and lower dividends from public corporations (down \$437 million).
- General government expenses were \$1.8 billion higher than the same period in 2021-22. This increase was largely due to higher salaries expenditure in key frontline service delivery agencies (up \$577 million) and higher current and capital transfers (up \$446 million).

Infrastructure investment of \$4 billion during the six months to 31 December 2022 was \$686 million higher than the same period in 2021-22. Total public sector net debt was \$28.4 billion at 31 December 2022, \$807 million lower than the \$29.2 billion outcome recorded at 30 June 2022.

KEY AGGREGATES Western Australia

Table 1

| | 2022-23 | | 2021-22 | |
|----------------------------------|-----------------------------|-----------------------------------|-----------------------------|------------------------------|
| | Six Months to 31 Dec \$m | Budget Year ^(a) \$m | Six Months to 31 Dec \$m | Actual ^(b) \$m |
| GENERAL GOVERNMENT SECTOR | | | | |
| Net Operating Balance (\$m) | 2,499 | 1,844 | 4,751 | 6,019 |
| Revenue (\$m) | 21,377 | 40,682 | 21,832 | 41,658 |
| Revenue Growth (%) | -2.1 | -2.3 | 14.0 | 3.8 |
| Expenses (\$m) | 18,878 | 38,838 | 17,081 | 35,638 |
| Expense Growth (%) | 10.5 | 9.0 | 5.4 | 3.9 |
| TOTAL PUBLIC SECTOR | | | | |
| Net Debt (\$m) | 28,399 | 29,560 | 28,422 | 29,206 |
| Asset Investment Program (\$m) | 3,988 | 8,911 | 3,302 | 7,181 |
| Cash Surplus/Deficit (\$m) | 1,188 | -306 | 4,764 | 4,655 |

(a) Revised estimated outcome published in the Mid-year Review, released on 15 December 2022.

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

Results Compared to Prior Year

General Government Sector

The general government sector recorded an operating surplus of \$2.5 billion for the six months to 31 December 2022. This was \$2.3 billion lower than the operating surplus reported for the same period in 2021-22.

SUMMARY OF GENERAL GOVERNMENT SECTOR FINANCES
Western Australia

Table 2

| | 2022-23 | | | 2021-22 | | |
|---------------------------|-------------------------------|-----------------------------|-----------------------------------|-------------------------------|-----------------------------|------------------------------|
| | Three Months to 31 Dec \$m | Six Months to 31 Dec \$m | Budget Year ^(a) \$m | Three Months to 31 Dec \$m | Six Months to 31 Dec \$m | Actual ^(b) \$m |
| Net operating balance | 1,021 | 2,499 | 1,844 | 348 | 4,751 | 6,019 |
| Net worth | | 136,000 | 136,688 | | 118,866 | 131,984 |
| Movement in cash balances | -303 | -629 | -3,064 | 1,325 | 4,173 | 3,094 |
| <i>Memorandum items</i> | | | | | | |
| Net lending | 626 | 1,906 | 380 | -33 | 4,116 | 4,151 |
| Net debt | | 18,630 | 20,634 | | 18,105 | 19,269 |
| Cash surplus/-deficit | 960 | 1,720 | 1,577 | 2,217 | 5,230 | 5,240 |

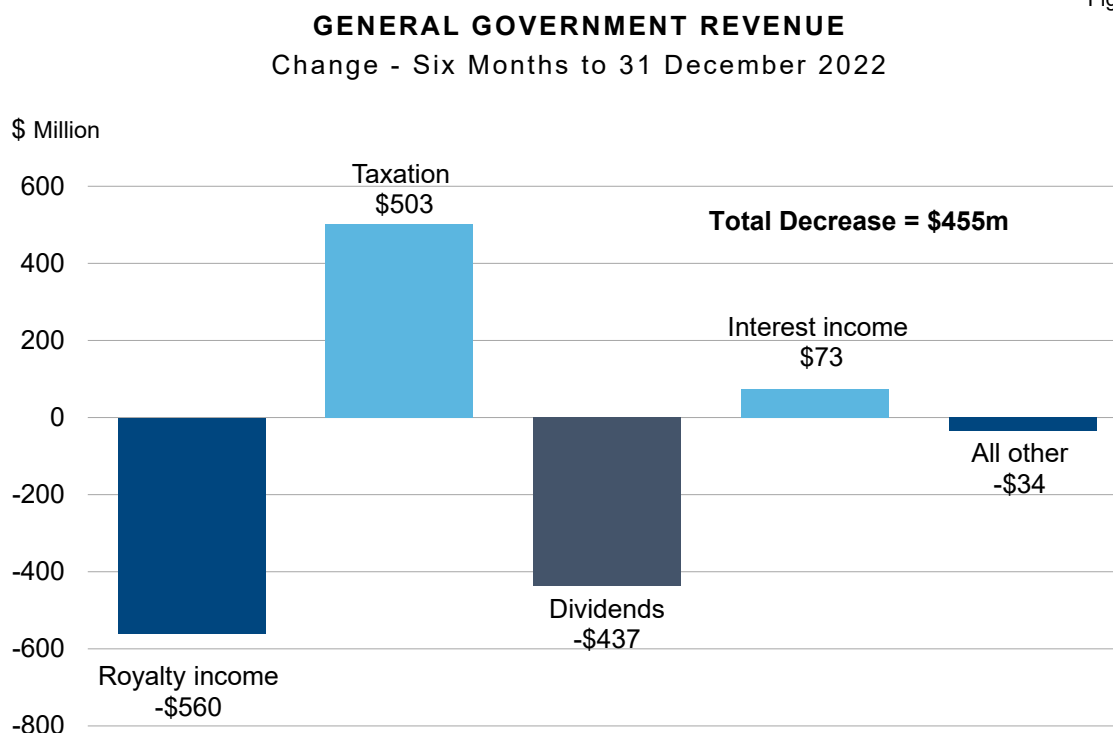
(a) Revised estimated outcome published in the Mid-year Review, released on 15 December 2022.

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

Revenue

Revenue for the six months to 31 December 2022 totalled \$21,377 million, \$455 million lower than the same period last year.

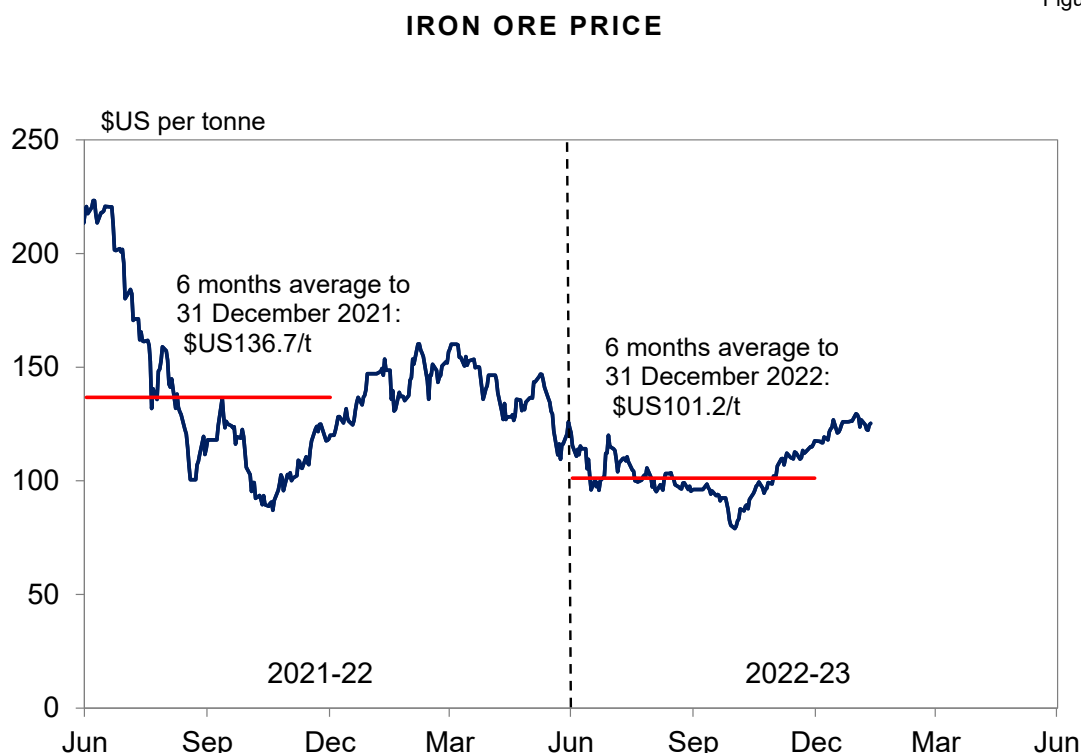
Figure 1



The lower revenue outcome for the six months to 31 December 2022 primarily reflects:

- lower royalty income (down \$560 million), as lower iron ore royalties (down \$921 million) were partly offset by higher lithium royalties (up \$307 million). This mainly reflects:
 - lower iron ore prices - the benchmark iron ore price averaged \$US101.2 per tonne over the six months to 31 December 2022, compared to an average price of \$US136.7 per tonne in the same period in 2021-22; partly offset by
 - a lower \$US/\$A exchange rate - the exchange rate averaged \$US67 cents in the six months to 31 December 2022, compared to an average of \$US73.2 cents for the same period last year; and
 - a threefold increase in lithium prices relative to last year;

Figure 2

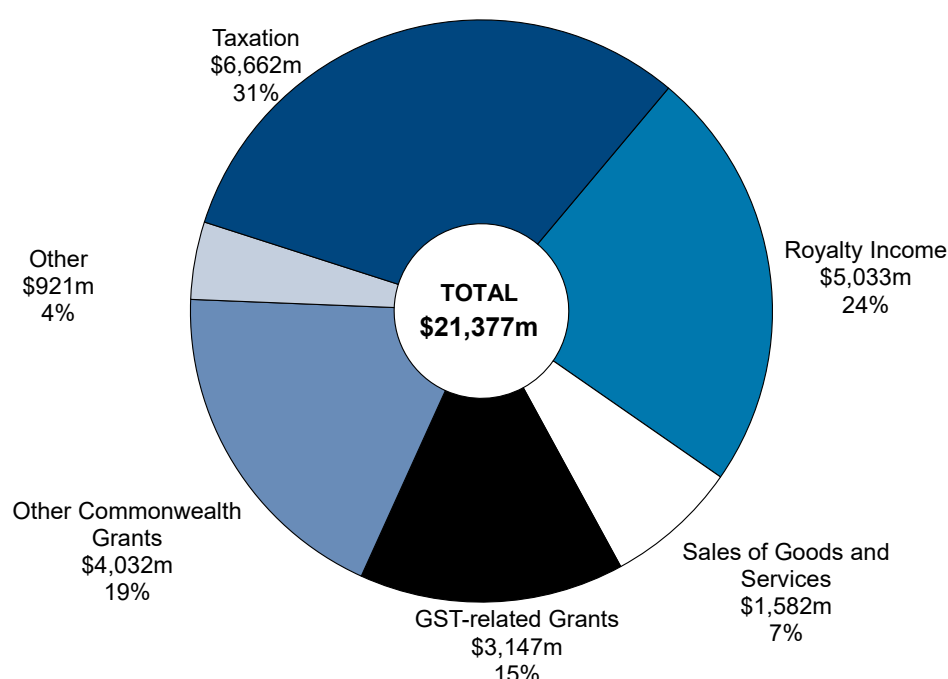


- higher taxation revenue (up \$503 million), largely due to:
 - higher payroll tax collections (up \$305 million), mainly due to higher wage values, particularly in the mining and professional service industries, and the impact of higher bonus payments;
 - higher insurance duty (up \$74 million), in line with higher premiums in the insurance market compared to the same period in 2021-22, along with additional collections from compliance activity by RevenueWA;
 - lower transfer duty (down \$57 million), reflecting an easing in residential property transactions as interest rates have impacted consumer confidence;
 - higher motor vehicle registrations (up \$37 million), largely due to increased fees for vehicle registrations in 2022-23, and growth in the number of registered vehicles; and
 - higher landholder duty (up \$37 million), reflecting a higher value and number of commercial landholder transactions;

- lower dividend income (down \$437 million), mainly due to the timing of the Insurance Commission of Western Australia's final dividend in December 2021 (which included proceeds from the Bell Group settlement which were transferred to the Consolidated Account and applied to debt repayment during 2021-22); and
- higher interest income (up \$73 million), driven by higher interest rates and Public Bank Account cash investment balances.

Figure 3

GENERAL GOVERNMENT REVENUE (a)
Six Months to 31 December 2022



(a) Segments may not add due to rounding.

Expenses

Expenses for the six months to 31 December 2022 totalled \$18,878 million, up \$1,797 million on the same period in 2021-22. This increase mainly reflects:

- higher salaries spending (up \$577 million), primarily due to increases in salary rates in the health sector and an increase in FTEs across the health and education sectors. This follows the settlement of a number of industrial agreements during the period, which included cost of living and back-payment clauses, in line with the Government's revised Wages Policy;
- higher current and capital transfers (up \$446 million), largely for the combined effect of:
 - higher operating subsidy payments (up \$412 million), primarily to administer the Government's \$400 Household Electricity Credit (a key cost-of-living initiative announced as part of the 2022-23 Budget);

- the carryover of Small Business Hardship Grants and Tenant Rent Relief Scheme payments from 2021-22 (\$211 million);
- lower State-funded Building Bonus grants (down \$220 million) and Commonwealth-funded HomeBuilder grants (down \$208 million), as these stimulus schemes are winding down;
- a demand-driven increase in the State’s contribution to the National Disability Insurance Agency (up \$84 million), and higher costs of emergency placements within the out-of-home care system (up \$40 million); and
- timing of appropriations to the Housing Authority (up \$41 million);
- higher ‘other’ gross operating expenses (up \$277 million), largely due to higher COVID-19 and other patient support costs in the health sector, and higher insurance premiums across general government agencies; and
- higher services and contract expenses’ (up \$233 million), mainly due to higher health contract costs and an increase in road maintenance expenditure.

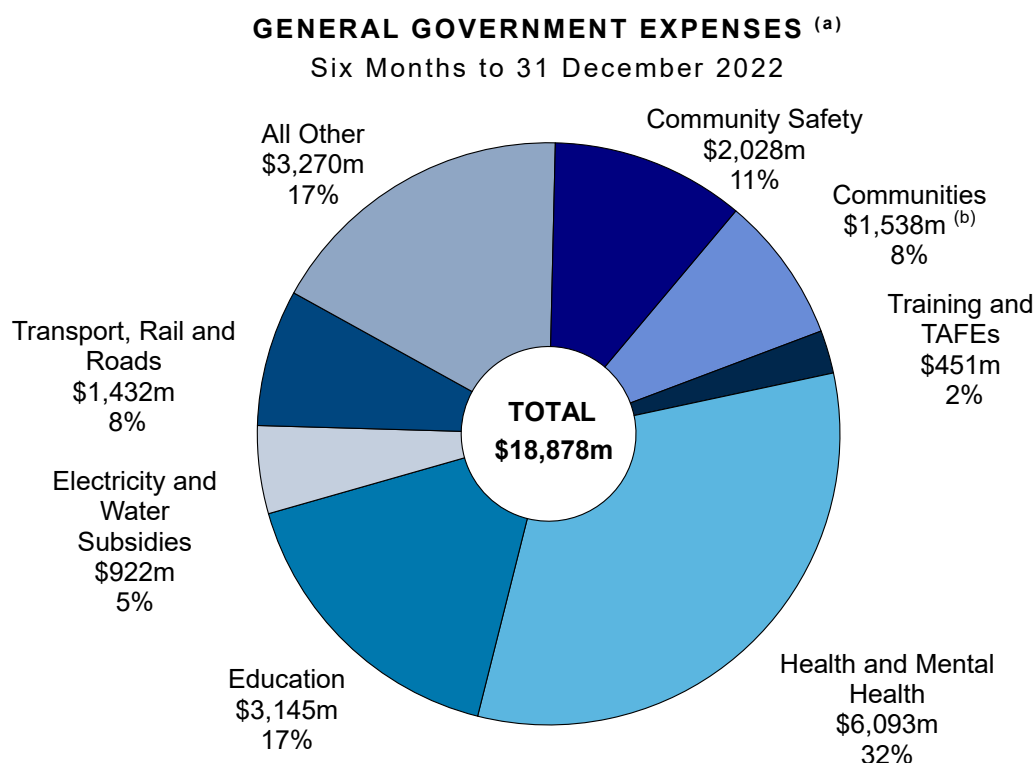


Figure 4

(a) Segments may not add due to rounding.

(b) The \$1.5 billion for Communities 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 for whole-of-government reporting).

Balance Sheet

General government sector net worth increased by an estimated \$4 billion during the six months to 31 December 2022, to stand at \$136 billion¹. This increase mainly reflects the combined impact of:

- an increase in the value of equity in public corporations (up \$2 billion), mainly reflecting an increase in the value of physical assets;
- a \$1.4 billion decrease in Consolidated Account borrowings following debt repayments funded from the higher than expected general government operating surplus;
- a net \$1.3 billion increase in general government sector physical assets (reflecting the net impact of valuation changes, depreciation charges, disposal of used assets and investment in new infrastructure); and
- lower liquid assets (down \$716 million), mainly due to the timing of cash receipts and payments through the Public Bank Account.

Cash Flow

A cash surplus of \$1,720 million was recorded by the general government sector for the six months to 31 December 2022, a decrease of \$3,510 million compared to the cash surplus reported for the same period in 2021-22. This largely reflects the impact on cash of the operating surplus detailed earlier and \$141 million increase in asset investment (discussed later in this chapter).

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

Total Public Sector

Operating Statement

The total public sector recorded an operating surplus of \$2.6 billion for the six months to 31 December 2022, \$2.2 billion lower than the operating surplus recorded in the same period a year earlier.

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES
Western Australia

Table 3

| | 2022-23 | | | 2021-22 | | |
|---------------------------|----------------------------------|--------------------------------|--------------------------------------|----------------------------------|--------------------------------|------------------------------|
| | Three Months to 31 Dec \$m | Six Months to 31 Dec \$m | Budget Year ^(a) \$m | Three Months to 31 Dec \$m | Six Months to 31 Dec \$m | Actual ^(b) \$m |
| Net operating balance | 1,416 | 2,632 | 2,001 | 508 | 4,794 | 6,419 |
| Net worth | | 136,000 | 136,688 | | 118,866 | 131,984 |
| Movement in cash balances | -618 | -830 | -2,895 | 1,596 | 3,509 | 2,750 |
| <i>Memorandum items</i> | | | | | | |
| Net lending | -601 | 1,153 | -1,375 | -816 | 3,315 | 3,052 |
| Net debt | | 28,399 | 29,560 | | 28,422 | 29,206 |
| Cash surplus/-deficit | 522 | 1,188 | -306 | 1,604 | 4,764 | 4,655 |

(a) Revised estimated outcome published in the Mid-year Review, released on 15 December 2022.

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

The total public sector operating surplus for the six months to 31 December 2022 incorporates:

- the \$2,499 million operating surplus for the general government sector outlined earlier;
- an operating deficit of \$246 million for the public non-financial corporations sector, \$466 million lower than the surplus recorded in the same period in 2021-22. This is mainly due to higher depreciation costs associated with upward valuation of assets across a number of agencies and higher operating costs for the Public Transport Authority; and
- an operating surplus of \$457 million for the public financial corporations sector, \$119 million higher than the surplus reported in the same period in 2021-22, mainly due to higher profitability for the Insurance Commission of Western Australia, in particular flowing from lower motor vehicle injury insurance claims expenses.

Table 4

TOTAL PUBLIC SECTOR OPERATING BALANCE By Sector

| | 2022-23 | | | 2021-22 | | |
|--|-------------------------------|-----------------------------|-----------------------------------|-------------------------------|-----------------------------|------------------------------|
| | Three Months to 31 Dec \$m | Six Months to 31 Dec \$m | Budget Year ^(a) \$m | Three Months to 31 Dec \$m | Six Months to 31 Dec \$m | Actual ^(b) \$m |
| Net Operating Balance | | | | | | |
| General government sector | 1,021 | 2,499 | 1,844 | 348 | 4,751 | 6,019 |
| Public non-financial corporations sector | 438 | -246 | 154 | 248 | 219 | 714 |
| Public financial corporations sector | 36 | 457 | 95 | -88 | 338 | 437 |
| <i>less</i> | | | | | | |
| General government dividend revenue | 79 | 79 | 47 | - | 516 | 612 |
| Public non-financial corporations dividend revenue ^(c) | - | - | 48 | - | - | 142 |
| Agency depreciation costs on right of use assets leased from other government sectors ^(d) | -1 | -1 | -2 | -1 | -2 | -3 |
| Total public sector net operating balance | 1,416 | 2,632 | 2,001 | 508 | 4,794 | 6,419 |

(a) Revised estimated outcome published in the Mid-year Review, released on 15 December 2022.

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

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

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

Balance Sheet

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

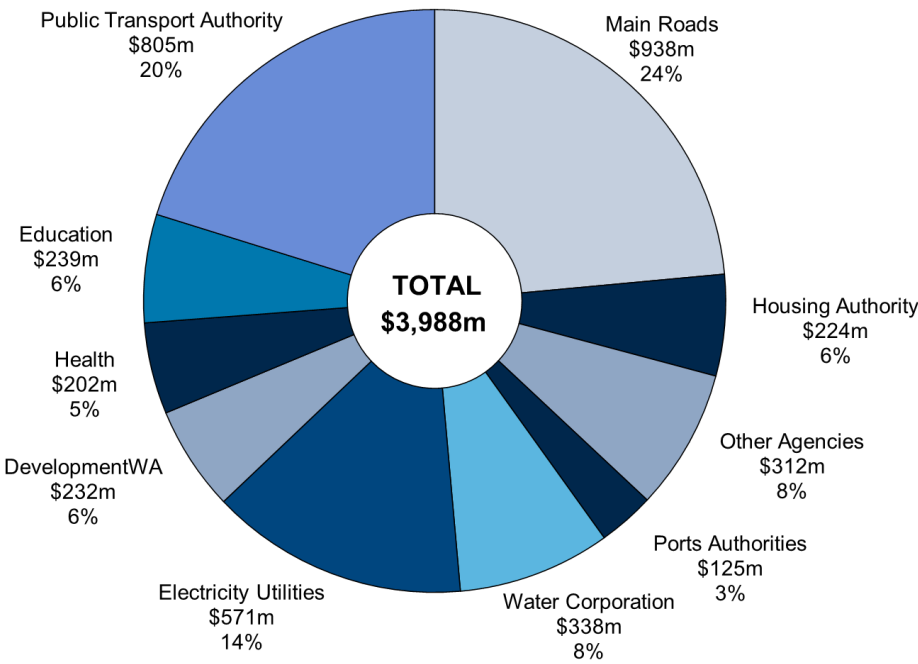
Total public sector net debt decreased by \$807 million during the six months to 31 December 2022 to stand at \$28.4 billion. This mainly reflects the cash surplus recorded in the six months to 31 December 2022 (see below).

Cash Flow

A cash surplus of \$1,188 million was recorded for the total public sector for the six months to 31 December 2022, \$3,576 million lower than the surplus recorded for the same period in 2021-22. This mainly reflects the lower general government cash outcome noted earlier. Asset investment spending for the six months to 31 December 2022 totalled \$4 billion, \$686 million higher than the same period in 2021-22. The higher investment spending is mainly due to an increase in spending on METRONET and higher spending on community housing and health infrastructure.

Figure 5

ASSET INVESTMENT PROGRAM (a)
Six Months to 31 December 2022



(a) Segments may not add due to rounding.

APPENDIX 1

Interim Financial Statements

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Introduction

Financial information presented in this appendix has been prepared in accordance with Australian Accounting Standards and pronouncements, including AASB 134: *Interim Financial Reporting*, AASB 1049: *Whole of Government and General Government Sector Financial Reporting*, and requirements under section 16 of the *Government Financial Responsibility Act 2000*. To facilitate comparisons between estimates and outturns, the formats used in this report are the same as those used in the Western Australian Government's 2022-23 Budget Papers, presented to the Legislative Assembly on 12 May 2022 and the 2022-23 *Government Mid-year Financial Projections Statement*, released on 15 December 2022.

The Operating Statement, Balance Sheet and Cash Flow Statement information also comply with Uniform Presentation Framework (UPF) disclosure requirements. Other supporting information is included in the *Overview* in this report, the notes to the financial statements at the end of this appendix, and in the other Appendices of this report.

Table 1.1

GENERAL GOVERNMENT OPERATING STATEMENT

| | | 2022-23 | | | 2021-22 | | |
|---|------|---------------------------|-------------------------|-------------------------------|---------------------------|-------------------------|-----------------------|
| | Note | Three Months to 31 Dec | Six Months to 31 Dec | Budget Year ^(a) | Three Months to 31 Dec | Six Months to 31 Dec | Actual ^(b) |
| | | \$m | \$m | \$m | \$m | \$m | \$m |
| RESULTS FROM TRANSACTIONS | | | | | | | |
| REVENUE | | | | | | | |
| Taxation | | 2,985 | 6,662 | 11,982 | 3,048 | 6,159 | 11,634 |
| Current grants and subsidies | | 3,424 | 6,645 | 12,704 | 2,454 | 6,697 | 11,946 |
| Capital grants | | 287 | 534 | 2,196 | 388 | 605 | 1,515 |
| Sales of goods and services | | 792 | 1,582 | 3,002 | 787 | 1,519 | 3,027 |
| Interest Income | | 70 | 129 | 222 | 34 | 56 | 127 |
| Revenue from public corporations | | | | | | | |
| Dividends from other sectors | | 79 | 79 | 47 | - | 516 | 612 |
| Tax equivalent income | | 195 | 342 | 698 | 179 | 334 | 906 |
| Royalty income | | 2,503 | 5,033 | 9,109 | 2,025 | 5,593 | 11,091 |
| Other | | 181 | 371 | 721 | 172 | 353 | 799 |
| Total | 3 | 10,516 | 21,377 | 40,682 | 9,085 | 21,832 | 41,658 |
| EXPENSES | | | | | | | |
| Salaries | | 3,942 | 7,663 | 15,328 | 3,574 | 7,086 | 14,279 |
| Superannuation | | | | | | | |
| Concurrent costs | | 448 | 831 | 1,673 | 394 | 738 | 1,469 |
| Superannuation interest cost | | 48 | 92 | 206 | 26 | 46 | 75 |
| Other employee costs | | 97 | 177 | 362 | 94 | 196 | 327 |
| Depreciation and amortisation | | 487 | 977 | 1,948 | 452 | 890 | 1,846 |
| Services and contracts | | 744 | 1,487 | 3,818 | 601 | 1,254 | 2,877 |
| Other gross operating expenses | | 1,493 | 3,317 | 6,036 | 1,537 | 3,040 | 6,337 |
| Interest | | | | | | | |
| Interest on leases | | 41 | 74 | 133 | 33 | 66 | 133 |
| Other interest | | 192 | 365 | 787 | 158 | 316 | 646 |
| Current transfers | 4 | 1,940 | 3,770 | 7,875 | 1,547 | 2,844 | 6,662 |
| Capital transfers | 4 | 63 | 125 | 674 | 322 | 604 | 988 |
| Total | | 9,495 | 18,878 | 38,838 | 8,737 | 17,081 | 35,638 |
| NET OPERATING BALANCE | | 1,021 | 2,499 | 1,844 | 348 | 4,751 | 6,019 |
| Other economic flows - included in the operating result | | | | | | | |
| Net gains on assets/liabilities | | -24 | -29 | -138 | 3 | 7 | -149 |
| Provision for doubtful debts | | -2 | -2 | -14 | 1 | -2 | -9 |
| Changes in accounting policy/adjustments of prior periods | | -48 | -17 | - | -37 | -271 | -379 |
| Total other economic flows | | -74 | -48 | -152 | -34 | -265 | -537 |
| OPERATING RESULT | | 947 | 2,450 | 1,692 | 314 | 4,485 | 5,482 |
| All other movements in equity | | | | | | | |
| Items that will not be reclassified to operating result | | | | | | | |
| Revaluations | | 66 | 165 | 1,327 | 35 | -580 | 6,379 |
| Net actuarial gains/-loss - superannuation | | 158 | 170 | -190 | 160 | 173 | 769 |
| Gains recognised directly in equity | | 10 | - | -43 | 3 | 3 | - |
| Change in net worth of the public corporations sectors | | 446 | 1,232 | 1,918 | 1,676 | 2,203 | 6,771 |
| All other | | - | - | - | - | - | - |
| Total all other movements in equity | | 680 | 1,566 | 3,012 | 1,873 | 1,799 | 13,919 |
| TOTAL CHANGE IN NET WORTH | | 1,627 | 4,017 | 4,704 | 2,187 | 6,284 | 19,402 |
| KEY FISCAL AGGREGATES | | | | | | | |
| NET OPERATING BALANCE | | 1,021 | 2,499 | 1,844 | 348 | 4,751 | 6,019 |
| Less Net acquisition of non-financial assets | | | | | | | |
| Purchase of non-financial assets | | 920 | 1,710 | 3,805 | 846 | 1,569 | 3,308 |
| Changes in inventories | | -30 | -113 | -336 | 13 | 14 | 421 |
| Other movement in non-financial assets | | -1 | 7 | 5 | 2 | 2 | 94 |
| less: | | | | | | | |
| Sales of non-financial assets | | 7 | 34 | 62 | 27 | 59 | 110 |
| Depreciation | | 487 | 977 | 1,948 | 452 | 890 | 1,846 |
| Total net acquisition of non-financial assets | | 394 | 593 | 1,464 | 381 | 635 | 1,868 |
| NET LENDING/-BORROWING | | 626 | 1,906 | 380 | -33 | 4,116 | 4,151 |

(a) Revised estimated outcome published in the Mid-year Review, released on 15 December 2022.

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

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

Table 1.2

GENERAL GOVERNMENT BALANCE SHEET

| | Note | For the period ending | | | |
|---|------|-----------------------|---------------------|----------------|---------------------|
| | | 31 Dec | 30 June | 31 Dec | 30 June |
| | | 2022 | 2023 ^(a) | 2021 | 2022 ^(b) |
| | | \$m | \$m | \$m | \$m |
| ASSETS | | | | | |
| <i>Financial assets</i> | | | | | |
| Cash and deposits | | 3,295 | 1,916 | 8,624 | 5,603 |
| Advances paid | | 710 | 702 | 731 | 708 |
| Investments, loans and placements | 5 | 6,250 | 5,615 | 2,603 | 4,659 |
| Receivables | 6 | 5,263 | 4,127 | 4,412 | 5,568 |
| Shares and other equity | | | | | |
| Investments in other public sector entities - equity method | | 50,584 | 51,270 | 44,784 | 49,353 |
| Investments in other public sector entities - direct injections | | 13,661 | 15,220 | 12,153 | 12,934 |
| Investments in other entities | | 51 | 34 | 30 | 34 |
| Other financial assets | | 9 | 9 | 8 | 9 |
| Total financial assets | | 79,822 | 78,894 | 73,346 | 78,868 |
| <i>Non-financial assets</i> | | | | | |
| Land | | 39,853 | 40,970 | 37,222 | 39,714 |
| Property, plant and equipment | | 54,256 | 55,808 | 47,851 | 53,231 |
| Right-of-use assets | | 2,538 | 2,281 | 2,361 | 2,452 |
| Service concession assets | | 910 | 866 | 782 | 892 |
| Biological assets | | 14 | 14 | 54 | 14 |
| Inventories | | | | | |
| Land inventories | | - | - | - | - |
| Other inventories | | 487 | 264 | 192 | 600 |
| Intangibles | | 600 | 599 | 577 | 595 |
| Assets classified as held for sale | | 44 | 31 | 79 | 57 |
| Investment property | | - | - | 7 | - |
| Other | | 421 | 407 | 483 | 440 |
| Total non-financial assets | | 99,124 | 101,241 | 89,607 | 97,995 |
| TOTAL ASSETS | | 178,946 | 180,134 | 162,954 | 176,863 |
| LIABILITIES | | | | | |
| Deposits held | | 1,250 | 1,639 | 1,076 | 1,271 |
| Advances received | | 291 | 273 | 309 | 291 |
| Borrowings | | | | | |
| Lease liabilities | | 2,910 | 2,669 | 2,727 | 2,818 |
| Service concession liabilities | | - | - | 3 | - |
| Other borrowings | | 24,433 | 24,287 | 25,948 | 25,858 |
| Unfunded superannuation | | 4,405 | 4,589 | 5,242 | 4,524 |
| Other employee benefits | | 4,198 | 4,134 | 4,010 | 4,101 |
| Payables | | 2,392 | 2,777 | 2,112 | 2,841 |
| Other liabilities | | 3,067 | 3,078 | 2,661 | 3,174 |
| TOTAL LIABILITIES | | 42,945 | 43,446 | 44,087 | 44,879 |
| NET ASSETS | | 136,000 | 136,688 | 118,866 | 131,984 |
| <i>Of which:</i> | | | | | |
| Contributed equity | | - | - | - | - |
| Accumulated surplus | | 23,175 | 23,285 | 18,906 | 20,557 |
| Other reserves | | 112,826 | 113,403 | 99,960 | 111,427 |
| NET WORTH | | 136,000 | 136,688 | 118,866 | 131,984 |
| MEMORANDUM ITEMS | | | | | |
| <i>Net financial worth</i> | | <i>36,877</i> | <i>35,447</i> | <i>29,259</i> | <i>33,989</i> |
| <i>Net financial liabilities</i> | | <i>27,368</i> | <i>31,043</i> | <i>27,679</i> | <i>28,298</i> |
| <i>Net debt</i> | | | | | |
| Gross debt liabilities | | 28,884 | 28,868 | 30,063 | 30,239 |
| less: liquid financial assets | | 10,254 | 8,234 | 11,958 | 10,970 |
| Net debt | | 18,630 | 20,634 | 18,105 | 19,269 |

(a) Revised estimated outcome published in the Mid-year Review, released on 15 December 2022.

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

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

Table 1.3

GENERAL GOVERNMENT STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2022

| | Asset Revaluation Surplus \$m | investments in other sector entities \$m | Accumulated net gain on equity Surplus/deficit \$m | Total Equity \$m |
|------------------------------------|--|---|--|------------------------|
| <i>Balance at 1 July 2022</i> | 62,075 | 49,353 | 20,557 | 131,984 |
| Operating result | - | - | 2,450 | 2,450 |
| All other movements in equity | 167 | 1,232 | 167 | 1,566 |
| <i>Total change in net worth</i> | 167 | 1,232 | 2,618 | 4,017 |
| Balance at 31 December 2022 | 62,242 | 50,584 | 23,175 | 136,000 |

For the six months ended 31 December 2021

| | Asset Revaluation Surplus \$m | investments in other sector entities \$m | Accumulated net gain on equity Surplus/deficit \$m | Total Equity \$m |
|------------------------------------|--|---|--|------------------------|
| <i>Balance at 1 July 2021</i> | 55,702 | 42,581 | 14,298 | 112,582 |
| Operating result | - | - | 4,485 | 4,485 |
| All other movements in equity | -526 | 2,203 | 122 | 1,799 |
| <i>Total change in net worth</i> | -526 | 2,203 | 4,607 | 6,284 |
| Balance at 31 December 2021 | 55,176 | 44,784 | 18,906 | 118,866 |

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

Table 1.4

GENERAL GOVERNMENT CASH FLOW STATEMENT

| | 2022-23 | | | 2021-22 | | |
|--|------------------------|----------------------|----------------------------|------------------------|----------------------|-----------------------|
| | Three Months to 31 Dec | Six Months to 31 Dec | Budget Year ^(a) | Three Months to 31 Dec | Six Months to 31 Dec | Actual ^(b) |
| | \$m | \$m | \$m | \$m | \$m | \$m |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| <i>Cash received</i> | | | | | | |
| Taxes received | 3,444 | 6,540 | 11,995 | 3,108 | 5,722 | 11,332 |
| Grants and subsidies received | 4,071 | 7,677 | 16,927 | 3,320 | 8,086 | 15,637 |
| Receipts from sales of goods and services | 693 | 1,551 | 2,959 | 651 | 1,474 | 3,007 |
| Interest receipts | 63 | 108 | 222 | 22 | 42 | 111 |
| Dividends and tax equivalents | 377 | 570 | 939 | 839 | 1,034 | 1,544 |
| Other | 3,173 | 6,928 | 12,227 | 4,174 | 8,637 | 14,271 |
| Total cash received | 11,821 | 23,375 | 45,269 | 12,114 | 24,995 | 45,903 |
| <i>Cash paid</i> | | | | | | |
| Wages, salaries and supplements, and superannuation | -4,083 | -8,447 | -17,253 | -3,700 | -7,829 | -15,848 |
| Payments for goods and services | -2,494 | -5,285 | -9,978 | -2,336 | -4,850 | -9,876 |
| Interest paid | -214 | -403 | -860 | -186 | -371 | -752 |
| Grants and subsidies paid | -2,572 | -4,647 | -10,203 | -2,325 | -4,138 | -8,852 |
| Dividends and tax equivalents | - | - | - | - | - | - |
| Other | -585 | -1,196 | -1,655 | -531 | -1,067 | -2,136 |
| Total cash paid | -9,949 | -19,978 | -39,949 | -9,079 | -18,254 | -37,464 |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 1,873 | 3,396 | 5,320 | 3,035 | 6,741 | 8,439 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| <i>Cash flows from investments in non-financial assets</i> | | | | | | |
| Purchase of non-financial assets | -920 | -1,710 | -3,805 | -846 | -1,569 | -3,308 |
| Sales of non-financial assets | 7 | 34 | 62 | 27 | 59 | 110 |
| Total cash flows from investments in non-financial assets | -913 | -1,676 | -3,743 | -819 | -1,510 | -3,199 |
| <i>Cash flows from investments in financial assets</i> | | | | | | |
| <i>Cash received</i> | | | | | | |
| For policy purposes | 6 | 95 | 10 | 5 | 9 | 18 |
| For liquidity purposes | 11 | 23 | 48 | 21 | 48 | 93 |
| <i>Cash paid</i> | | | | | | |
| For policy purposes | -332 | -811 | -2,694 | -297 | -398 | -1,208 |
| For liquidity purposes | -35 | -50 | -10 | -24 | -38 | -70 |
| Total cash flows from investments in financial assets | -350 | -743 | -2,647 | -295 | -378 | -1,168 |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | -1,263 | -2,419 | -6,389 | -1,114 | -1,889 | -4,366 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| <i>Cash received</i> | | | | | | |
| Advances received | - | - | 18 | - | - | 18 |
| Borrowings | 19 | 30 | 153 | 22 | 31 | 57 |
| Deposits received | - | - | - | - | - | - |
| Other financing receipts | 46 | 80 | 18 | 43 | 56 | 195 |
| Total cash received | 65 | 110 | 188 | 65 | 87 | 270 |
| <i>Cash paid</i> | | | | | | |
| Advances paid | - | - | -18 | - | - | -18 |
| Borrowings repaid | -825 | -1,440 | -1,715 | -517 | -528 | -646 |
| Deposits paid | - | - | - | - | - | - |
| Other financing payments | -153 | -277 | -449 | -144 | -239 | -585 |
| Total cash paid | -979 | -1,717 | -2,183 | -661 | -767 | -1,248 |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | -913 | -1,607 | -1,994 | -596 | -680 | -978 |
| Net increase in cash and cash equivalents | -303 | -629 | -3,064 | 1,325 | 4,173 | 3,094 |
| Cash and cash equivalents at the beginning of the year | 9,711 | 10,037 | 10,037 | 9,790 | 6,943 | 6,943 |
| Cash and cash equivalents at the end of the year | 9,408 | 9,408 | 6,974 | 11,116 | 11,116 | 10,037 |
| KEY FISCAL AGGREGATES | | | | | | |
| Net cash flows from operating activities | 1,873 | 3,396 | 5,320 | 3,035 | 6,741 | 8,439 |
| Net cash flows from investing in non-financial assets | -913 | -1,676 | -3,743 | -819 | -1,510 | -3,199 |
| Cash surplus/-deficit | 960 | 1,720 | 1,577 | 2,217 | 5,230 | 5,240 |

(a) Revised estimated outcome published in the Mid-year Review, released on 15 December 2022.

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

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

Table 1.5

TOTAL PUBLIC SECTOR OPERATING STATEMENT

| | | 2022-23 | | | 2021-22 | | |
|--|----------|---------------------------|-------------------------|-------------------------------|---------------------------|-------------------------|-----------------------|
| | Note | Three Months to 31 Dec | Six Months to 31 Dec | Budget Year ^(a) | Three Months to 31 Dec | Six Months to 31 Dec | Actual ^(b) |
| | | \$m | \$m | \$m | \$m | \$m | \$m |
| <i>Results from Transactions</i> | | | | | | | |
| REVENUE | | | | | | | |
| Taxation | | 2,848 | 6,392 | 11,422 | 2,922 | 5,910 | 11,065 |
| Current grants and subsidies | | 3,424 | 6,645 | 12,704 | 2,454 | 6,697 | 11,946 |
| Capital grants | | 287 | 534 | 2,196 | 388 | 605 | 1,515 |
| Sales of goods and services | | 8,834 | 18,551 | 40,139 | 7,846 | 17,258 | 36,437 |
| Interest income | | 197 | 366 | 550 | 114 | 218 | 445 |
| Royalty income | | 2,503 | 5,033 | 9,109 | 2,025 | 5,593 | 11,091 |
| Other | | 287 | 591 | 1,195 | 291 | 581 | 1,276 |
| Total | 3 | 18,379 | 38,113 | 77,316 | 16,040 | 36,861 | 73,776 |
| EXPENSES | | | | | | | |
| Salaries | | 4,308 | 8,389 | 16,823 | 3,891 | 7,721 | 15,540 |
| Superannuation | | | | | | | |
| Concurrent costs | | 490 | 910 | 1,836 | 427 | 803 | 1,598 |
| Superannuation interest cost | | 48 | 92 | 206 | 26 | 46 | 75 |
| Other employee costs | | 158 | 298 | 555 | 201 | 293 | 612 |
| Depreciation and amortisation | | 1,093 | 2,697 | 4,922 | 1,144 | 2,313 | 4,775 |
| Services and contracts | | 1,033 | 2,035 | 4,848 | 888 | 1,763 | 3,925 |
| Other gross operating expenses | | 8,133 | 17,261 | 38,224 | 7,394 | 15,968 | 34,049 |
| Interest | | | | | | | |
| Interest on leases | | 58 | 111 | 210 | 50 | 101 | 203 |
| Other interest | | 361 | 676 | 1,462 | 244 | 489 | 986 |
| Other property expenses | | - | - | - | - | - | - |
| Current transfers | 4 | 1,211 | 2,875 | 5,723 | 994 | 2,020 | 4,737 |
| Capital transfers | 4 | 69 | 138 | 506 | 272 | 551 | 856 |
| Total | | 16,962 | 35,481 | 75,315 | 15,531 | 32,068 | 67,357 |
| NET OPERATING BALANCE | | 1,416 | 2,632 | 2,001 | 508 | 4,794 | 6,419 |
| <i>Other economic flows - included in the operating result</i> | | | | | | | |
| Net gains on assets/liabilities | | 190 | 60 | -18 | 127 | 221 | -1,013 |
| Provision for doubtful debts | | -6 | -7 | -57 | -10 | -15 | -15 |
| Changes in accounting policy/adjustment of prior periods | | 8 | 34 | - | 532 | 167 | 167 |
| Total other economic flows | | 192 | 87 | -75 | 649 | 374 | -861 |
| OPERATING RESULT | | 1,609 | 2,718 | 1,926 | 1,157 | 5,168 | 5,558 |
| <i>All other movements in equity</i> | | | | | | | |
| <i>Items that will not be reclassified to operating result</i> | | | | | | | |
| Revaluations | | -125 | 1,152 | 3,012 | 872 | 1,017 | 13,099 |
| Net actuarial gains/-loss - superannuation | | 159 | 174 | -188 | 161 | 175 | 747 |
| Gains recognised directly in equity | | -17 | -27 | -46 | -3 | -76 | -2 |
| All other | | - | - | - | - | - | - |
| Total all other movements in equity | | 18 | 1,298 | 2,779 | 1,030 | 1,117 | 13,844 |
| TOTAL CHANGE IN NET WORTH | | 1,627 | 4,017 | 4,704 | 2,187 | 6,284 | 19,402 |
| KEY FISCAL AGGREGATES | | | | | | | |
| NET OPERATING BALANCE | | 1,416 | 2,632 | 2,001 | 508 | 4,794 | 6,419 |
| <i>Less Net acquisition of non-financial assets</i> | | | | | | | |
| Purchase of non-financial assets | | 2,205 | 3,988 | 8,911 | 1,816 | 3,302 | 7,181 |
| Changes in inventories | | 959 | 331 | -269 | 742 | 638 | 1,302 |
| Other movement in non-financial assets | | 30 | 72 | 157 | 23 | 48 | 187 |
| <i>less:</i> | | | | | | | |
| Sales of non-financial assets | | 83 | 216 | 502 | 113 | 197 | 529 |
| Depreciation | | 1,093 | 2,697 | 4,922 | 1,144 | 2,313 | 4,775 |
| Total net acquisition of non-financial assets | | 2,018 | 1,478 | 3,376 | 1,325 | 1,479 | 3,367 |
| NET LENDING-/BORROWING | | -601 | 1,153 | -1,375 | -816 | 3,315 | 3,052 |

(a) Revised estimated outcome published in the Mid-year Review, released on 15 December 2022.

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

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

Table 1.6

TOTAL PUBLIC SECTOR BALANCE SHEET

| | Note | For the period ending | | | |
|--|------|-----------------------|--------------------------------|----------------|--------------------------------|
| | | 31 Dec 2022 | 30 June 2023 ^(a) | 31 Dec 2021 | 30 June 2022 ^(b) |
| | | \$m | \$m | \$m | \$m |
| ASSETS | | | | | |
| <i>Financial assets</i> | | | | | |
| Cash and deposits | | 5,937 | 4,461 | 10,890 | 8,384 |
| Advances paid | | 3,706 | 3,677 | 4,974 | 4,423 |
| Investments, loans and placements | 5 | 15,029 | 15,431 | 14,165 | 13,752 |
| Receivables | 6 | 6,734 | 5,836 | 5,862 | 7,264 |
| Equity - investments in other entities | | 2,384 | 2,449 | 2,553 | 2,302 |
| Other financial assets | | 16 | 16 | 9 | 16 |
| Total financial assets | | 33,806 | 31,870 | 38,454 | 36,139 |
| <i>Non-financial assets</i> | | | | | |
| Land | | 48,118 | 50,227 | 44,604 | 48,613 |
| Property, plant and equipment | | 119,697 | 121,785 | 106,941 | 116,593 |
| Right-of-use assets | | 2,990 | 2,690 | 2,798 | 2,915 |
| Service concession assets | | 3,124 | 3,080 | 2,793 | 3,125 |
| Biological assets | | 211 | 218 | 255 | 212 |
| Inventories | | | | | |
| Land inventories | | 1,717 | 1,685 | 1,982 | 1,590 |
| Other inventories | | 7,737 | 7,137 | 6,742 | 7,406 |
| Intangibles | | 1,053 | 1,033 | 1,109 | 1,007 |
| Assets classified as held for sale | | 50 | 41 | 79 | 66 |
| Investment property | | 14 | 14 | 24 | 14 |
| Other | | 680 | 576 | 694 | 599 |
| Total non-financial assets | | 185,390 | 188,485 | 168,021 | 182,140 |
| TOTAL ASSETS | | 219,196 | 220,355 | 206,474 | 218,280 |
| LIABILITIES | | | | | |
| Deposits held | | 25 | 19 | 18 | 19 |
| Advances received | | 291 | 273 | 309 | 291 |
| Borrowings | | | | | |
| Lease liabilities | | 3,629 | 3,341 | 3,417 | 3,574 |
| Service concession liabilities | | 317 | 335 | 337 | 325 |
| Other borrowings | | 48,809 | 49,160 | 54,371 | 51,555 |
| Unfunded superannuation | | 4,475 | 4,669 | 5,316 | 4,603 |
| Other employee benefits | | 4,693 | 4,582 | 4,485 | 4,585 |
| Payables | | 10,725 | 10,786 | 9,747 | 11,119 |
| Other liabilities | | 10,231 | 10,501 | 9,608 | 10,225 |
| TOTAL LIABILITIES | | 83,196 | 83,667 | 87,608 | 86,296 |
| NET ASSETS | | 136,000 | 136,688 | 118,866 | 131,984 |
| <i>Of which:</i> | | | | | |
| Contributed equity | | - | - | - | - |
| Accumulated surplus | | 43,189 | 44,738 | 39,322 | 40,329 |
| Other reserves | | 92,812 | 91,950 | 79,545 | 91,654 |
| NET WORTH | | 136,000 | 136,688 | 118,866 | 131,984 |
| MEMORANDUM ITEMS | | | | | |
| <i>Net financial worth</i> | | <i>-49,390</i> | <i>-51,797</i> | <i>-49,154</i> | <i>-50,157</i> |
| <i>Net financial liabilities</i> | | <i>49,390</i> | <i>51,797</i> | <i>49,154</i> | <i>50,157</i> |
| <i>Net debt</i> | | | | | |
| Gross debt liabilities | | 53,072 | 53,129 | 58,452 | 55,765 |
| less: liquid financial assets | | 24,673 | 23,569 | 30,030 | 26,558 |
| Net debt | | 28,399 | 29,560 | 28,422 | 29,206 |

(a) Revised estimated outcome published in the Mid-year Review, released on 15 December 2022.

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

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

Table 1.7

TOTAL PUBLIC SECTOR STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2022

| | Asset Revaluation Surplus | Accumulated Surplus/deficit | Total Equity |
|------------------------------------|---------------------------------|--------------------------------|-----------------|
| | \$m | \$m | \$m |
| <i>Balance at 1 July 2022</i> | 91,654 | 40,329 | 131,984 |
| Operating result | - | 2,718 | 2,718 |
| All other movements in equity | 1,157 | 141 | 1,298 |
| <i>Total change in net worth</i> | 1,157 | 2,859 | 4,017 |
| Balance at 31 December 2022 | 92,812 | 43,189 | 136,000 |

For the six months ended 31 December 2021

| | Asset Revaluation Surplus | Accumulated Surplus/deficit | Total Equity |
|------------------------------------|---------------------------------|--------------------------------|-----------------|
| | \$m | \$m | \$m |
| <i>Balance at 1 July 2021</i> | 78,464 | 34,118 | 112,582 |
| Operating result | - | 5,168 | 5,168 |
| All other movements in equity | 1,080 | 36 | 1,117 |
| <i>Total change in net worth</i> | 1,080 | 5,204 | 6,284 |
| Balance at 31 December 2021 | 79,545 | 39,322 | 118,866 |

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

Table 1.8

TOTAL PUBLIC SECTOR CASH FLOW STATEMENT

| | 2022-23 | | | 2021-22 | | |
|--|----------------------------|--------------------------|--------------------------------|----------------------------|--------------------------|---------------------------|
| | Three Months to 31 Dec \$m | Six Months to 31 Dec \$m | Budget Year ^(a) \$m | Three Months to 31 Dec \$m | Six Months to 31 Dec \$m | Actual ^(b) \$m |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| <i>Cash received</i> | | | | | | |
| Taxes received | 3,347 | 6,353 | 11,436 | 3,038 | 5,570 | 10,760 |
| Grants and subsidies received | 4,072 | 7,677 | 16,927 | 3,320 | 8,086 | 15,637 |
| Receipts from sales of goods and services | 4,450 | 14,220 | 29,194 | 6,088 | 13,177 | 28,674 |
| Interest receipts | 195 | 345 | 592 | 111 | 229 | 440 |
| Other receipts | 3,530 | 7,621 | 13,516 | 4,507 | 9,347 | 15,696 |
| Total cash received | 15,593 | 36,217 | 71,664 | 17,063 | 36,409 | 71,208 |
| <i>Cash paid</i> | | | | | | |
| Wages, salaries and supplements, and superannuation | -4,483 | -9,256 | -18,920 | -4,042 | -8,540 | -17,251 |
| Payments for goods and services | -4,829 | -14,724 | -30,363 | -6,328 | -13,281 | -29,104 |
| Interest paid | -445 | -799 | -1,600 | -358 | -744 | -1,413 |
| Grants and subsidies paid | -1,627 | -3,185 | -7,309 | -1,659 | -3,225 | -6,636 |
| Other payments | -1,565 | -3,292 | -5,368 | -1,369 | -2,750 | -5,497 |
| Total cash paid | -12,949 | -31,257 | -63,561 | -13,756 | -28,540 | -59,901 |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 2,644 | 4,960 | 8,104 | 3,307 | 7,869 | 11,307 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| <i>Cash flows from investments in non-financial assets</i> | | | | | | |
| Purchase of non-financial assets | -2,205 | -3,988 | -8,911 | -1,816 | -3,302 | -7,181 |
| Sales of non-financial assets | 83 | 216 | 502 | 113 | 197 | 529 |
| Total cash flows from investments in non-financial assets | -2,122 | -3,772 | -8,410 | -1,703 | -3,105 | -6,653 |
| <i>Cash flows from investments in financial assets</i> | | | | | | |
| <i>Cash received</i> | | | | | | |
| For policy purposes | 6 | 95 | 10 | 5 | 9 | 18 |
| For liquidity purposes | 3,747 | 5,277 | 9,805 | 1,701 | 6,181 | 10,863 |
| <i>Cash paid</i> | | | | | | |
| For policy purposes | -7 | -88 | -10 | -4 | -8 | -21 |
| For liquidity purposes | -1,947 | -4,433 | -9,144 | -1,374 | -3,634 | -8,709 |
| Total cash flows from investments in financial assets | 1,799 | 851 | 661 | 328 | 2,548 | 2,151 |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | -323 | -2,921 | -7,749 | -1,375 | -556 | -4,502 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| <i>Cash received</i> | | | | | | |
| Advances received | - | - | - | - | - | - |
| Borrowings | 4,473 | 8,423 | 17,735 | 4,381 | 9,855 | 22,466 |
| Deposits received | - | - | - | - | - | - |
| Other financing receipts | 46 | 81 | 3 | 45 | 60 | 191 |
| Total cash received | 4,519 | 8,505 | 17,738 | 4,425 | 9,915 | 22,658 |
| <i>Cash paid</i> | | | | | | |
| Advances paid | - | - | -18 | - | - | -18 |
| Borrowings repaid | -7,297 | -11,064 | -20,529 | -4,602 | -13,441 | -26,077 |
| Deposits paid | - | - | - | - | - | - |
| Other financing payments | -162 | -309 | -441 | -160 | -278 | -618 |
| Total cash paid | -7,458 | -11,373 | -20,988 | -4,761 | -13,719 | -26,713 |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | -2,939 | -2,869 | -3,250 | -336 | -3,803 | -4,055 |
| Net increase in cash and cash equivalents | -618 | -830 | -2,895 | 1,596 | 3,509 | 2,750 |
| Cash and cash equivalents at the beginning of the year | 15,139 | 15,351 | 15,351 | 14,513 | 12,600 | 12,600 |
| Cash and cash equivalents at the end of the year | 14,521 | 14,521 | 12,456 | 16,109 | 16,109 | 15,351 |
| KEY FISCAL AGGREGATES | | | | | | |
| Net cash flows from operating activities | 2,644 | 4,960 | 8,104 | 3,307 | 7,869 | 11,307 |
| Net cash flows from investing in non-financial assets | -2,122 | -3,772 | -8,410 | -1,703 | -3,105 | -6,653 |
| Cash surplus/-deficit | 522 | 1,188 | -306 | 1,604 | 4,764 | 4,655 |

(a) Revised estimated outcome published in the Mid-year Review, released on 15 December 2022.

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

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

Notes to the Interim Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

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

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

(b) The Reporting Entity

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

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

(c) Basis of Preparation

The financial statements for the six months ended 31 December 2022 have been prepared in accordance with Australian Accounting Standards, in particular AASB 134: *Interim Financial Reporting*, and AASB 1049: *Whole of Government and General Government Sector Financial Reporting* and other authoritative pronouncements of the AASB.

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

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

(d) Unaudited Data

The Interim Financial Statements are not audited.

NOTE 2: CONVERGENCE DIFFERENCES

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

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

The following outlines the key convergence differences.

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

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

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

NOTE 3: OPERATING REVENUE

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

NOTE 4: TRANSFER EXPENSES

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

TRANSFER EXPENSES (a)

| General Government | | | | | | |
|-----------------------------------|------------------------|----------------------|-----------------|------------------------|----------------------|--------------|
| | 2022-23 | | | 2021-22 | | |
| | Three Months to 31 Dec | Six Months to 31 Dec | Budget Year (b) | Three Months to 31 Dec | Six Months to 31 Dec | Actual (c) |
| | \$m | \$m | \$m | \$m | \$m | \$m |
| CURRENT TRANSFERS | | | | | | |
| Local government | 63 | 178 | 427 | 71 | 174 | 382 |
| Private and not-for-profit sector | 553 | 1,186 | 2,699 | 474 | 964 | 1,975 |
| Other sectors of government | 1,323 | 2,406 | 4,748 | 1,002 | 1,706 | 4,304 |
| Total Current Transfers | 1,940 | 3,770 | 7,875 | 1,547 | 2,844 | 6,662 |
| CAPITAL TRANSFERS | | | | | | |
| Local government | 29 | 44 | 130 | 4 | 16 | 93 |
| Private and not-for-profit sector | 30 | 76 | 329 | 268 | 528 | 745 |
| Other sectors of government | 4 | 5 | 215 | 51 | 61 | 150 |
| Total Capital Transfers | 63 | 125 | 674 | 322 | 604 | 988 |
| Total Public Sector | | | | | | |
| | 2022-23 | | | 2021-22 | | |
| | Three Months to 31 Dec | Six Months to 31 Dec | Budget Year (b) | Three Months to 31 Dec | Six Months to 31 Dec | Actual (c) |
| | \$m | \$m | \$m | \$m | \$m | \$m |
| CURRENT TRANSFERS | | | | | | |
| Local government | 63 | 178 | 427 | 71 | 174 | 383 |
| Private and not-for-profit sector | 847 | 2,122 | 4,037 | 677 | 1,374 | 3,380 |
| Other sectors of government | 300 | 575 | 1,259 | 245 | 472 | 974 |
| Total Current Transfers | 1,211 | 2,875 | 5,723 | 994 | 2,020 | 4,737 |
| CAPITAL TRANSFERS | | | | | | |
| Local government | 29 | 44 | 130 | 4 | 16 | 93 |
| Private and not-for-profit sector | 40 | 94 | 376 | 268 | 536 | 763 |
| Total Capital Transfers | 69 | 138 | 506 | 272 | 551 | 856 |

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

(b) Revised estimated outcome published in the Mid-year Review, released on 15 December 2022.

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

Note: Columns may not add due to rounding.

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

| General Government | | | | |
|--|-----------------------|---------------------------------------|-----------------------|---------------------------------------|
| | 2022-23 | | 2021-22 | |
| | 31 Dec 2022 \$m | 30 June 2023 ^(a) \$m | 31 Dec 2021 \$m | 30 June 2022 ^(b) \$m |
| <i>Investments</i> | | | | |
| Term deposits | 6,247 | 5,609 | 2,599 | 4,654 |
| Government securities | 1 | 1 | 1 | 1 |
| Total | 6,248 | 5,610 | 2,601 | 4,655 |
| <i>Loans and advances</i> | | | | |
| Loans | 2 | 3 | 3 | 3 |
| Financial Assets held for trading/available for sale | - | 2 | - | 2 |
| Total | 2 | 5 | 3 | 5 |
| Total | 6,250 | 5,615 | 2,603 | 4,659 |
| Total Public Sector | | | | |
| | 2022-23 | | 2021-22 | |
| | 31 Dec 2022 \$m | 30 June 2023 ^(a) \$m | 31 Dec 2021 \$m | 30 June 2022 ^(b) \$m |
| <i>Investments</i> | | | | |
| Term deposits | 13,050 | 13,019 | 9,158 | 11,735 |
| Government securities | 1,878 | 1,906 | 2,162 | 1,899 |
| Total | 14,928 | 14,925 | 11,320 | 13,633 |
| <i>Loans and advances</i> | | | | |
| Loans | 45 | 440 | 2,220 | 52 |
| Financial Assets held for trading/available for sale | 57 | 67 | 625 | 67 |
| Total | 102 | 506 | 2,845 | 119 |
| Total | 15,029 | 15,431 | 14,165 | 13,752 |

(a) Revised estimated outcome published in the Mid-year Review, released on 15 December 2022.

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

Note: Columns may not add due to rounding.

NOTE 6: RECEIVABLES

| General Government | | | | |
|---|-----------------------|---------------------------------------|-----------------------|---------------------------------------|
| | 2022-23 | | 2021-22 | |
| | 31 Dec 2022 \$m | 30 June 2023 ^(a) \$m | 31 Dec 2021 \$m | 30 June 2022 ^(b) \$m |
| Accounts Receivable | 5,433 | 4,307 | 4,596 | 5,748 |
| Provision for impairment of receivables | -170 | -179 | -184 | -180 |
| Total | 5,263 | 4,127 | 4,412 | 5,568 |
| Total Public Sector | | | | |
| | 2022-23 | | 2021-22 | |
| | 31 Dec 2022 \$m | 30 June 2023 ^(a) \$m | 31 Dec 2021 \$m | 30 June 2022 ^(b) \$m |
| Accounts Receivable | 7,065 | 6,194 | 6,207 | 7,593 |
| Provision for impairment of receivables | -332 | -358 | -345 | -329 |
| Total | 6,734 | 5,836 | 5,862 | 7,264 |

(a) Revised estimated outcome published in the Mid-year Review, released on 15 December 2022.

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

Note: Columns may not add due to rounding.

NOTE 7: DETAILS OF AGENCIES CONSOLIDATED

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

NOTE 8: CONTINGENT ASSETS AND LIABILITIES

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

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

The dispute related to a State Agreement originally made in 2002 and the subsequent impact of Ministerial decisions. The entities were claiming compensation of around \$28 billion (including interest penalties). However, legislation was enacted in 2020 which terminated the claims for compensation.

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

Other actions commenced by Mineralogy and International Minerals in the Federal Court of Australia and in the Supreme Court of Queensland were adjourned pending the High Court outcome. The action in the Federal Court of Australia was subsequently discontinued by Mineralogy and International Minerals on 13 December 2021. The Queensland Court of Appeal has reserved its decision following an appeal hearing in mid-April 2022.

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

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

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

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

Gold Corporation

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

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

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

The Government has approved 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.

APPENDIX 2

Operating Revenue

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

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

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

Table 2.1

GENERAL GOVERNMENT

Operating Revenue

| | 2022-23 | | | 2021-22 | | |
|--|---------------------------|-------------------------|-------------------------------|---------------------------|-------------------------|-----------------------|
| | Three Months to 31 Dec | Six Months to 31 Dec | Budget Year ^(a) | Three Months to 31 Dec | Six Months to 31 Dec | Actual ^(b) |
| | \$m | \$m | \$m | \$m | \$m | \$m |
| TAXATION | | | | | | |
| Taxes on employers' payroll and labour force | | | | | | |
| <i>Payroll tax</i> | 1,226 | 2,529 | 5,008 | 1,099 | 2,224 | 4,415 |
| Property taxes | | | | | | |
| <i>Land tax</i> | 58 | 722 | 786 | 250 | 692 | 756 |
| Transfer Duty | 554 | 1,078 | 1,962 | 614 | 1,135 | 2,336 |
| Foreign Buyers Surcharge | 7 | 14 | 23 | 5 | 12 | 22 |
| Landholder Duty | 69 | 100 | 218 | 43 | 63 | 278 |
| <i>Total duty on transfers</i> | 631 | 1,192 | 2,202 | 662 | 1,210 | 2,637 |
| Other stamp duties | — ^(c) | — ^(c) | — ^(c) | — ^(c) | — ^(c) | — ^(c) |
| Metropolitan Region Improvement Tax | 19 | 88 | 91 | 49 | 83 | 85 |
| Perth Parking Levy | 36 | 48 | 58 | 35 | 51 | 55 |
| Emergency Services Levy | 135 | 264 | 398 | 151 | 248 | 375 |
| Loan guarantee fees | 31 | 64 | 130 | 32 | 65 | 131 |
| Building and Construction Industry Training Fund Levy | 22 | 40 | 41 | 7 | 17 | 39 |
| <i>Total other property taxes</i> | 243 | 504 | 719 | 274 | 464 | 684 |
| Taxes on provision of goods and services | | | | | | |
| Government Lotteries | 47 | 92 | 178 | 38 | 76 | 218 |
| Video lottery terminals | — ^(c) | — ^(c) | — ^(c) | — ^(c) | — ^(c) | — ^(c) |
| Casino Tax | 14 | 24 | 53 | 14 | 27 | 49 |
| Point of Consumption Tax | 36 | 66 | 125 | 32 | 62 | 121 |
| <i>Total taxes on gambling</i> | 98 | 182 | 356 | 84 | 166 | 388 |
| Insurance Duty | 252 | 517 | 931 | 228 | 443 | 823 |
| Other | 5 | 11 | 21 | 5 | 10 | 22 |
| <i>Total taxes on insurance</i> | 257 | 528 | 952 | 233 | 453 | 845 |
| <i>On-demand Transport Levy</i> | — | — ^(c) | — | 11 | 17 | 38 |
| Taxes on use of goods and performance of activities | | | | | | |
| Vehicle Licence Duty | 156 | 310 | 629 | 134 | 279 | 579 |
| Permits - Oversize Vehicles and Loads | 2 | 4 | 8 | 2 | 5 | 10 |
| Motor Vehicle registrations | 283 | 588 | 1,169 | 266 | 551 | 1,120 |
| Other Vehicle Taxes | 9 | 19 | 36 | 10 | 19 | 37 |
| <i>Total motor vehicle taxes</i> | 450 | 921 | 1,841 | 411 | 854 | 1,747 |
| <i>Mining Rehabilitation Levy</i> | — ^(c) | 41 | 35 | — ^(c) | 38 | 38 |
| <i>Landfill Levy</i> | 23 | 43 | 83 | 22 | 42 | 86 |
| Total Taxation | 2,985 | 6,662 | 11,982 | 3,048 | 6,159 | 11,634 |
| CURRENT GRANTS AND SUBSIDIES | | | | | | |
| <i>General Purpose Grants</i> | | | | | | |
| GST grants | 1,680 | 3,147 | 6,351 | 951 | 1,741 | 3,369 |
| Commonwealth-funded 70% floor | — | — | — | — | 2,115 | 2,115 |
| North West Shelf grants | 460 | 846 | 1,055 | 296 | 463 | 1,024 |
| Compensation for Commonwealth crude oil excise arrangements | 17 | 94 | 42 | 8 | 13 | 32 |
| <i>National Specific Purpose Payment Agreement Grants</i> | | | | | | |
| National Agreement for Skills and Workforce Development | 43 | 85 | 168 | 41 | 82 | 165 |
| National Disability Agreement | — | — | — | — | — | — |
| National Housing and Homelessness Agreement | 46 | 90 | 178 | 46 | 87 | 175 |
| <i>National School Reform Agreement - Quality Schools</i> | 276 | 539 | 1,132 | 257 | 495 | 1,021 |
| <i>National Health Reform Agreement</i> | 702 | 1,404 | 2,722 | 654 | 1,301 | 2,668 |
| <i>Other Grants/National Partnerships</i> | | | | | | |
| Health | 78 | 212 | 292 | 80 | 192 | 921 |
| Transport | 58 | 86 | 211 | 33 | 65 | 158 |
| Disability Services | 1 | 1 | 222 | — | 1 | 3 |
| Other | 63 | 141 | 332 | 88 | 140 | 295 |
| Total Current Grants and Subsidies | 3,424 | 6,645 | 12,704 | 2,454 | 6,697 | 11,946 |

Table 2.1 (cont.)

GENERAL GOVERNMENT
Operating Revenue

| | 2022-23 | | | 2021-22 | | |
|---|----------------------------------|--------------------------------|--------------------------------------|----------------------------------|--------------------------------|------------------------------|
| | Three Months to 31 Dec \$m | Six Months to 31 Dec \$m | Budget Year ^(a) \$m | Three Months to 31 Dec \$m | Six Months to 31 Dec \$m | Actual ^(b) \$m |
| CAPITAL GRANTS | | | | | | |
| <i>Other Grants/National Partnerships</i> | | | | | | |
| Transport | 270 | 484 | 1,940 | 167 | 304 | 1,040 |
| Other | 16 | 50 | 256 | 221 | 301 | 475 |
| Total Capital Grants | 287 | 534 | 2,196 | 388 | 605 | 1,515 |
| SALES OF GOODS AND SERVICES | 792 | 1,582 | 3,002 | 787 | 1,519 | 3,027 |
| INTEREST INCOME | 70 | 129 | 222 | 34 | 56 | 127 |
| REVENUE FROM PUBLIC CORPORATIONS | | | | | | |
| Dividends | 79 | 79 | 47 | - | 516 | 612 |
| Tax Equivalent Regime | 195 | 342 | 698 | 179 | 334 | 906 |
| Total Revenue from Public Corporations | 273 | 421 | 745 | 179 | 849 | 1,518 |
| ROYALTY INCOME | | | | | | |
| Iron ore | 2,073 | 4,234 | 7,147 | 1,797 | 5,154 | 9,917 |
| Other | 430 | 800 | 1,962 | 228 | 439 | 1,173 |
| Total Royalty Income | 2,503 | 5,033 | 9,109 | 2,025 | 5,593 | 11,091 |
| OTHER | | | | | | |
| Lease Rentals | 41 | 77 | 143 | 46 | 113 | 185 |
| Fines | 53 | 114 | 216 | 64 | 121 | 235 |
| Revenue not elsewhere counted | 88 | 179 | 362 | 61 | 119 | 380 |
| Total Other | 181 | 371 | 721 | 172 | 353 | 799 |
| GRAND TOTAL | 10,516 | 21,377 | 40,682 | 9,085 | 21,832 | 41,658 |

(a) Revised estimated outcome published in the Mid-year Review, released on 15 December 2022.

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

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

Note: Columns may not add due to rounding.

Table 2.2

TOTAL PUBLIC SECTOR Operating Revenue

| | 2022-23 | | | 2021-22 | | |
|--|----------------------------------|--------------------------------|--------------------------------------|----------------------------------|--------------------------------|------------------------------|
| | Three Months to 31 Dec \$m | Six Months to 31 Dec \$m | Budget Year ^(a) \$m | Three Months to 31 Dec \$m | Six Months to 31 Dec \$m | Actual ^(b) \$m |
| TAXATION | | | | | | |
| Taxes on employers' payroll and labour force | | | | | | |
| <i>Payroll tax</i> | 1,198 | 2,473 | 4,902 | 1,074 | 2,174 | 4,313 |
| Property taxes | | | | | | |
| <i>Land tax</i> | 40 | 687 | 682 | 233 | 657 | 688 |
| Transfer Duty | 554 | 1,078 | 1,962 | 614 | 1,135 | 2,336 |
| Foreign Buyers surcharge | 7 | 14 | 23 | 5 | 12 | 22 |
| Landholder Duty | 69 | 100 | 218 | 43 | 63 | 278 |
| <i>Total duty on transfers</i> | 631 | 1,192 | 2,202 | 662 | 1,210 | 2,637 |
| Other stamp duties | -(c) | -(c) | -(c) | -(c) | -(c) | -(c) |
| Metropolitan Region Improvement Tax | 19 | 88 | 91 | 49 | 83 | 85 |
| Perth Parking Levy | 36 | 48 | 58 | 35 | 51 | 55 |
| Emergency Services Levy | 135 | 264 | 392 | 151 | 248 | 371 |
| Loan guarantee fees | -(c) | 3 | 6 | -(c) | 3 | 6 |
| Building and Construction Industry Training Fund Levy | 22 | 40 | 41 | 7 | 17 | 39 |
| <i>Total other property taxes</i> | 212 | 443 | 589 | 242 | 402 | 555 |
| Taxes on provision of goods and services | | | | | | |
| Video lottery terminals | -(c) | -(c) | -(c) | -(c) | -(c) | -(c) |
| Casino Tax | 14 | 24 | 53 | 14 | 27 | 49 |
| Point of Consumption tax | 23 | 40 | 81 | 18 | 36 | 70 |
| <i>Total taxes on gambling</i> | 37 | 64 | 134 | 32 | 63 | 120 |
| Insurance Duty | 252 | 517 | 931 | 228 | 443 | 823 |
| Other | 5 | 11 | 21 | 5 | 10 | 22 |
| <i>Total taxes on insurance</i> | 257 | 528 | 952 | 233 | 453 | 845 |
| <i>On-demand Transport Levy</i> | - | -(c) | - | 11 | 17 | 38 |
| Taxes on use of goods and performance of activities | | | | | | |
| Vehicle Licence Duty | 156 | 310 | 629 | 134 | 279 | 579 |
| Permits - Oversize Vehicles and Loads | 2 | 4 | 8 | 2 | 5 | 10 |
| Motor Vehicle registrations | 283 | 588 | 1,169 | 266 | 551 | 1,120 |
| Other Vehicle taxes | 9 | 19 | 36 | 10 | 19 | 37 |
| <i>Total motor vehicle taxes</i> | 450 | 921 | 1,841 | 411 | 854 | 1,747 |
| <i>Mining Rehabilitation Levy</i> | -(c) | 41 | 35 | -(c) | 38 | 38 |
| <i>Landfill Levy</i> | 23 | 43 | 83 | 22 | 42 | 86 |
| Total Taxation | 2,848 | 6,392 | 11,422 | 2,922 | 5,910 | 11,065 |
| CURRENT GRANTS AND SUBSIDIES | | | | | | |
| <i>General Purpose Grants</i> | | | | | | |
| GST grants | 1,680 | 3,147 | 6,351 | 951 | 1,741 | 3,369 |
| Commonwealth-funded 70% floor grant | - | - | - | - | 2,115 | 2,115 |
| North West Shelf grants | 460 | 846 | 1,055 | 296 | 463 | 1,024 |
| Compensation for Commonwealth crude oil excise arrangements | 17 | 94 | 42 | 8 | 13 | 32 |
| <i>National Specific Purpose Payment Agreement Grants</i> | | | | | | |
| National Agreement for Skills and Workforce Development | 43 | 85 | 168 | 41 | 82 | 165 |
| National Disability Agreement | - | - | - | - | - | - |
| National Housing and Homelessness Agreement | 46 | 90 | 178 | 46 | 87 | 175 |
| <i>National School Reform Agreement Quality Schools</i> | 276 | 539 | 1,132 | 257 | 495 | 1,021 |
| <i>National Health Reform</i> | 702 | 1,404 | 2,722 | 654 | 1,301 | 2,668 |
| <i>Other Grants\National Partnerships</i> | | | | | | |
| Health | 78 | 212 | 292 | 80 | 192 | 921 |
| Transport | 58 | 86 | 211 | 33 | 65 | 158 |
| Disability Services | 1 | 1 | 222 | - | 1 | 3 |
| Other | 63 | 141 | 332 | 88 | 140 | 295 |
| Total Current Grants and Subsidies | 3,424 | 6,645 | 12,704 | 2,454 | 6,697 | 11,946 |

Table 2.2 (cont.)

TOTAL PUBLIC SECTOR
Operating Revenue

| | 2022-23 | | | 2021-22 | | |
|---|----------------------------------|--------------------------------|--------------------------------------|----------------------------------|--------------------------------|------------------------------|
| | Three Months to 31 Dec \$m | Six Months to 31 Dec \$m | Budget Year ^(a) \$m | Three Months to 31 Dec \$m | Six Months to 31 Dec \$m | Actual ^(b) \$m |
| CAPITAL GRANTS | | | | | | |
| <i>Other Grants/National Partnerships</i> | | | | | | |
| Transport | 270 | 484 | 1,940 | 167 | 304 | 1,040 |
| Other | 16 | 50 | 256 | 221 | 301 | 475 |
| Total Capital Grants | 287 | 534 | 2,196 | 388 | 605 | 1,515 |
| SALES OF GOODS AND SERVICES | 8,834 | 18,551 | 40,139 | 7,846 | 17,258 | 36,437 |
| INTEREST INCOME | 197 | 366 | 550 | 114 | 218 | 445 |
| ROYALTY INCOME | | | | | | |
| Iron ore | 2,073 | 4,234 | 7,147 | 1,797 | 5,154 | 9,917 |
| Other | 430 | 800 | 1,962 | 228 | 439 | 1,173 |
| Total Royalty Income | 2,503 | 5,033 | 9,109 | 2,025 | 5,593 | 11,091 |
| OTHER | | | | | | |
| Lease Rentals | 41 | 77 | 143 | 46 | 113 | 185 |
| Fines | 54 | 115 | 216 | 65 | 123 | 235 |
| Revenue not elsewhere counted | 192 | 399 | 836 | 179 | 345 | 857 |
| Total Other | 287 | 591 | 1,195 | 291 | 581 | 1,276 |
| GRAND TOTAL | 18,379 | 38,113 | 77,316 | 16,040 | 36,861 | 73,776 |

(a) Revised estimated outcome published in the Mid-year Review, released on 15 December 2022.

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

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

Note: Columns may not add due to rounding.

APPENDIX 3

Public Ledger

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

| PUBLIC LEDGER BALANCES AT 31 DECEMBER | | | | Table 3.1 |
|--|--------------|---------------|-----------------|-----------|
| | 2022 \$m | 2021 \$m | Variance \$m | |
| THE PUBLIC LEDGER | | | | |
| Consolidated Account ^(a) | -24,907 | -15,385 | -9,522 | |
| Treasurer's Special Purpose Accounts | 25,541 | 18,991 | 6,551 | |
| Treasurer's Advance Account – Net Recoverable Advances | -11 | -8 | -2 | |
| TOTAL | 623 | 3,597 | -2,974 | |
| Agency Special Purpose Accounts | 8,827 | 7,739 | 1,088 | |
| TOTAL PUBLIC BANK ACCOUNT | 9,450 | 11,336 | -1,886 | |

(a) The balance of the Consolidated Account at 31 December 2022 includes non-cash appropriations of \$17.8 billion (31 December 2021: \$16.4 billion), representing the accumulated non-cash cost of agency services since accrual appropriations were introduced at 1 July 2001. These appropriations are credited to agency Holding Accounts that are included in the TSPAs balance. In cash terms, the Consolidated Account recorded a deficit of \$7.1 billion at 31 December 2022 (compared with a cash surplus position of \$989 million at 31 December 2021).

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

Consolidated Account

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

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

The Consolidated Account was in an accumulated accrual deficit position of \$24.9 billion at 31 December 2022 (see following Table 3.2). This included \$17.8 billion associated with accrual (non-cash) appropriations for depreciation and leave entitlements, matched by equivalent non-cash TSPA balances in agency Holding Accounts (see Table 3.3).

In cash terms, the Consolidated Account recorded a deficit balance of \$7.1 billion at 31 December 2022.

Receipts totalled \$16.6 billion in the six months to 31 December 2022, down \$4.1 billion on the same time last year, mainly due to:

- a \$1.8 billion reduction in Other Receipts from Agencies, mainly relating to iron ore royalties; and
- reduced Transfers from the Debt Reduction Account (down \$2.1 billion, reflecting the use of the State's 2021-22 70% GST floor grant to avoid new borrowings last year, matched by an equivalent financing payment).

Appropriations for recurrent and investing purposes (including accrual appropriations and other cash transactions) totalled \$18.9 billion in the six months to 31 December 2022, an increase of \$3.5 billion compared with the same period last year. This was mainly due to:

- higher recurrent appropriations to Health and Education (up \$1.1 billion);
- one-off appropriations reflected in the 2022-23 Budget to top-up the Climate Action Fund (\$500 million) and Digital Capability Fund (\$400 million) as well as to establish the Remote Communities Fund (\$350 million);
- higher capital contributions to Main Roads and the Public Transport Authority for transport projects (up \$463 million); and
- recurrent and capital payments charged to the Treasurer's Advance (\$371 million), detailed later in this appendix.

A total of \$1.6 billion was drawn from the Consolidated Account for debt repayment purposes during the six months to 31 December 2022. This reflects the Government's 2022-23 Budget decision to apply \$1.2 billion to debt repayment, and the 2022-23 Mid-year Review decision to apply a further \$400 million to reduce State borrowings. Of this amount, \$1.4 billion in borrowings was repaid to the end of December 2022, with a residual \$181 million held in the Debt Reduction Account to be paid out in the March 2023 quarter (see Appendix 4: *Special Purpose Accounts*).

Reflecting debt repayments, central borrowings stood at \$23.6 billion at 31 December 2022 (down from \$25 billion at 30 June 2022). For Loan Act purposes, gross proceeds from borrowings (i.e. excluding repayments of borrowings) stood at \$27.5 billion at 31 December 2022. This remains below the \$34.5 billion cumulative limit approved by the *Loan Act 2017* and preceding Loan Acts¹.

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

Table 3.2

CONSOLIDATED ACCOUNT TRANSACTIONS
For the six months ended 31 December

| | 2022 \$m | 2021 \$m | Variance \$m |
|--|---------------|---------------|-----------------|
| REVENUE | | | |
| <i>Operating Activities</i> | | | |
| Taxation | 5,433 | 4,696 | 737 |
| Commonwealth grants | 4,022 | 4,541 | -519 |
| Government enterprises | 569 | 1,036 | -467 |
| Other receipts from agencies | 6,342 | 8,151 | -1,810 |
| Other receipts | 199 | 168 | 31 |
| Total Operating Activities | 16,565 | 18,592 | -2,028 |
| <i>Financing Activities</i> | | | |
| Transfers from the Debt Reduction Account | - | 2,115 | -2,115 |
| Borrowings | - | - | - |
| Other receipts | 10 | 8 | 2 |
| Total Financing Activities | 10 | 2,123 | -2,113 |
| TOTAL REVENUE | 16,575 | 20,716 | -4,141 |
| EXPENDITURE | | | |
| <i>Recurrent</i> | | | |
| Authorised by other statutes | 1,468 | 1,468 | -(a) |
| Appropriation Act (No. 1) | 14,097 | 12,703 | 1,394 |
| Recurrent expenditure under the Treasurer's Advance | 230 | - | 230 |
| Total Recurrent Expenditure | 15,795 | 14,171 | 1,624 |
| <i>Investing Activities</i> | | | |
| Authorised by other statutes | 226 | 249 | -24 |
| Appropriation Act (No. 2) | 2,734 | 926 | 1,808 |
| Investing expenditure under the Treasurer's Advance | 141 | 2 | 139 |
| Total Investing Activities | 3,100 | 1,177 | 1,923 |
| <i>Financing Activities</i> | | | |
| Funding for Loan repayments (through the Debt Reduction Account) | 1,600 | 500 | 1,100 |
| Appropriation Act (No. 2) | - | 2,115 | -2,115 |
| Other financing | 10 | 7 | 3 |
| Total Financing Activities | 1,610 | 2,622 | -1,013 |
| TOTAL EXPENDITURE | 20,505 | 17,970 | 2,535 |
| NET MOVEMENT (REVENUE LESS EXPENDITURE) | -3,930 | 2,745 | -6,675 |
| Consolidated Account Balance | | | |
| Opening balance at 1 July | -20,977 | -18,130 | -2,847 |
| Closing balance at 31 December | -24,907 | -15,385 | -9,522 |
| Of which: | | | |
| Appropriations payable | -17,778 | -16,374 | -1,404 |
| Cash balance at 31 December | -7,129 | 989 | -8,118 |
| Memorandum item: Consolidated Account Borrowings at 31 December | 23,568 | 25,076 | -1,508 |

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

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

Treasurer's Special Purpose Accounts

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

- any account established by the Treasurer as a TSPA for the purposes determined by the Treasurer;
- suspense accounts established for the purposes of section 26 of the FMA;
- any account established to hold money transferred under section 39(5) of the FMA;

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

Relative to 31 December 2021, aggregate TSPA balances were \$6,551 million higher at the end of December 2022, mainly reflecting:

- funding set aside in late 2021-22 to support the cost of constructing the planned New Women and Babies Hospital at the Queen Elizabeth II Medical Centre campus (\$1,787 million);
- higher Holding Account balances for non-cash accrual appropriations credited to agencies for depreciation and accrued leave entitlements (up \$1,404 million);
- the establishment (in the 2021-22 Budget) and top-up (in the 2022-23 Budget) of the Digital Capability Fund to improve digital services and mitigate cyber security risks to government infrastructure (\$797 million, including cash drawdowns from the Fund);
- the establishment as part of the 2021-22 Budget of the Social Housing Investment Fund (\$750 million);
- the establishment (in the 2021-22 Budget) and top-up (in the 2022-23 Budget) of the Climate Action Fund to support the Government's emissions reduction target and other climate-related initiatives (\$627 million, including cash drawn to date);
- the establishment as part of the 2022-23 Budget of the Remote Communities Fund to support investment to upgrade and regularise water and power, provide new and refurbished housing, and improve municipal services and economic participation in remote communities (\$350 million);
- the establishment of the Softwood Plantation Expansion Fund as part of the 2021-22 Budget (\$348 million, including cash drawn to date);
- funding set aside for debt repayments to be made during the 2022-23 financial year (\$181 million, as noted in the Consolidated Account section earlier in this appendix);
- an increase in the National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account (up \$125 million), reflecting an increase of \$185 million appropriated to the Account in the 2022-23 Budget, to fund forecast future payments and administration costs, partly offset by drawdowns made to the Commonwealth to cover the scheme payments, and to State agencies for civil litigation costs and associated administration costs;

- an increase in the balance of the Western Australian Future Health Research and Innovation Fund reflecting appropriation of 1% of forecast annual royalty receipts (\$71 million) and interest earnings on the balance of the Fund over the last 12 months (\$38 million), partly offset by the transfer of \$32 million to the Western Australian Future Health Research and Innovation Account;
- a \$74 million increase on the Public Bank Account Interest Earned Account, mainly reflecting the impact of higher interest rates and higher cash holdings in the Public Bank Account; and
- an increase in the balance of agency accounts that hold cash for the cost of an extra pay period which falls due every 11 years (up \$55 million).

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

TREASURER'S SPECIAL PURPOSE ACCOUNTS

At 31 December

Table 3.3

| | 2022 | 2021 | Variance |
|--|---------------|---------------|--------------|
| | \$m | \$m | \$m |
| New Women and Babies Hospital Account | 1,787 | - | 1,787 |
| Agency Holding Accounts | 17,778 | 16,374 | 1,404 |
| Digital Capability Fund | 797 | - | 797 |
| Social Housing Investment Fund | 750 | - | 750 |
| Climate Action Fund | 627 | - | 627 |
| Remote Communities Fund | 350 | - | 350 |
| Softwood Plantation Expansion Fund | 348 | - | 348 |
| Debt Reduction Account | 181 | - | 181 |
| National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account | 187 | 62 | 125 |
| Western Australian Future Health Research and Innovation Fund | 1,654 | 1,577 | 77 |
| Public Bank Account Interest Earned | 139 | 66 | 74 |
| Accrued Salaries | 307 | 252 | 55 |
| Other Treasurer's Special Purpose Accounts | 636 | 660 | -24 |
| TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 31 DECEMBER | 25,541 | 18,991 | 6,551 |

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

Treasurer's Advance

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

A limit of \$977.5 million is authorised under section 29 of the FMA for the year ended 30 June 2023². A total of \$381.8 million has been allocated from the Treasurer's Account during the six months to 31 December 2022.

| TREASURER'S ADVANCE AT 31 DECEMBER | | | | Table 3.4 |
|--|--------------|--------------|--------------|-----------|
| | 2022 | 2021 | Variance | |
| | \$m | \$m | \$m | |
| AUTHORISED LIMIT | 977.5 | 820.5 | 157.0 | |
| <i>Total Drawn Against Treasurer's Advance Account</i> | <i>381.8</i> | <i>10.4</i> | <i>371.5</i> | |
| Comprising: | | | | |
| <i>Net recoverable advances</i> | <i>10.7</i> | <i>8.3</i> | <i>2.5</i> | |
| Homebuyers Assistant Account | 2.5 | - | 2.5 | |
| Sport and Recreation | - | 1.0 | -1.0 | |
| RevenueWA | -(a) | 0.1 | -0.1 | |
| Petroleum and Geothermal Energy Safety | 2.0 | 2.0 | - | |
| Western Australian Energy Disputes Arbitrator | 0.2 | 0.2 | - | |
| Suitors Fund | 2.5 | 2.5 | - | |
| Sundry Debtors | 3.5 | 2.5 | 1.1 | |
| <i>Excesses and new items</i> | <i>371.1</i> | <i>2.1</i> | <i>369.0</i> | |
| - recurrent | 230.1 | - | 230.1 | |
| - capital | 140.9 | 2.1 | 138.8 | |

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

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

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

Transfers, Excesses and New Items

The following table summarises transfers of appropriations between agencies (and which have no impact on the Treasurer's Advance), and excesses and/or new items approved by the Treasurer under the authority of section 27 of the FMA.

Table 3.5

TRANSFERS, EXCESSES AND NEW ITEMS For the Six Months to 31 December 2022

| | Treasurer's Advance | | | | | Drawn against Treasurer's Advance to 31 December 2022 |
|---|---------------------|---------------------------------|---------------------|-----------------------------|---------------------------------|---|
| | Budget \$m | Transfers ^(a) \$m | New Items \$m | Approved Excesses \$m | Revised Appropriation \$m | \$m |
| Recurrent Appropriations | | | | | | |
| <i>Treasury</i> | | | | | | |
| Item 33: Provision for <i>Aboriginal Cultural Heritage Act 2021</i> | 2.5 | -2.5 | - | - | - | - |
| Item 40: All Other Grants, Subsidies and Transfer Payments | 2.8 | - | - | 280.2 | 283.0 | 230.1 |
| <i>Planning, Lands and Heritage</i> | | | | | | |
| Item 87: Delivery of Services | 121.8 | 2.5 | - | - | 124.3 | - |
| Total Recurrent | | - | - | 280.2 | | 230.1 |
| Capital Appropriations | | | | | | |
| <i>Commissioner of Main Roads</i> | | | | | | |
| Item 145: Capital Appropriation | 78.1 | - | - | 211.0 | 289.1 | 140.9 |
| Total Capital | | - | - | 211.0 | | 140.9 |
| TOTAL | | | | | | 371.1 |

(a) Authorised under section 25 of the FMA.

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

Transfers

Transfers of appropriation funds are for the provision of an approved service which is now delivered by an alternative agency. These transfers are authorised under section 25 of the FMA or by specific enabling legislation, and do not impact the Treasurer's Advance.

In the six months to 31 December 2022, \$2.5 million set aside in Treasury for the *Aboriginal Cultural Heritage Act 2021* was transferred from Treasury to the Department of Planning, Lands and Heritage for readiness and capacity building grants to Local Aboriginal Cultural Heritage Services.

Excesses

Funds drawn against the Treasurer's Advance for excesses were for the following purposes.

Treasury

Item 40: **All Other Grants, Subsidies and Transfer Payments** (\$280.2 million), administered by Treasury, to provide financial assistance to small businesses significantly affected by the COVID-19 pandemic.

Commissioner of Main Roads

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

Special Purpose Accounts

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

This appendix details balances at 31 December 2022 for key SPAs established to deliver specific Government policy outcomes. The focus of this appendix is on major/material SPAs that were in existence at 31 December 2022. The SPA balances, and transactions in and out of these accounts, form part of the overall consolidated outcomes outlined elsewhere in this report. Full-year projections to 30 June 2023, and annual forecasts to 2025-26, are available in Appendix 5 of the 2022-23 Mid-year Review, released on 15 December 2022.

Climate Action Fund

This SPA was established in 2021-22 to hold funds for future climate action and renewable energy initiatives. The balance for the six months to 31 December 2022 reflects funding provisioned for future climate-related initiatives in response to emerging climate issues, to support the development of the renewable hydrogen industries in Western Australia and to support the Government's emissions reduction target. The balance includes \$500 million allocated to the fund as part of the 2022-23 Budget, while funds have been drawn to support costs associated with the transition away from native forestry.

CLIMATE ACTION FUND
At 31 December

Table 4.1

| | 2022 \$m | 2021 \$m |
|--------------------------|-------------|-------------|
| <i>Balance at 1 July</i> | 167 | - |
| Receipts | 500 | - |
| Payments | 40 | - |
| Closing Balance | 627 | - |

Note: Columns may not add due to rounding.

Debt Reduction Account

The Debt Reduction Account was established in 2017-18 and is used to apply funds to the repayment or avoidance of Consolidated Account borrowings.

The 2022-23 Budget included an amount of \$1.2 billion to flow through the Account, reflecting the Government's decision to apply a portion of the stronger than expected general government operating surplus in 2021-22 to repay Consolidated Account borrowings, reducing the State's exposure to future interest rate rises. The 2022-23 Mid-year Review increased this amount by \$400 million, to a total of \$1.6 billion.

At 31 December 2022, \$1.4 billion of Consolidated Account borrowings have been repaid, with the remainder of the total \$1.6 billion scheduled to be repaid later in 2022-23.

DEBT REDUCTION ACCOUNT At 31 December

Table 4.2

| | 2022 \$m | 2021 \$m |
|--------------------------|-------------|-------------|
| <i>Balance at 1 July</i> | - | - |
| Receipts | 1,600 | 2,615 |
| Payments | 1,419 | 2,615 |
| Closing Balance | 181 | - |

Note: Columns may not add due to rounding.

Digital Capability Fund Account

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

Additional appropriation funding totalling \$400 million was approved as part of the 2022-23 Budget. A total \$29.5 million was drawn during the six months to 31 December 2022 to progress a range of approved projects, including \$15.3 million to the Western Australia Police Force, \$4.7 million to the Department of Fire and Emergency Services, \$4.2 million to the Department of Communities, and \$5.3 million across a range of projects in other agencies.

DIGITAL CAPABILITY FUND ACCOUNT At 31 December

Table 4.3

| | 2022 \$m | 2021 \$m |
|--------------------------|-------------|-------------|
| <i>Balance at 1 July</i> | 427 | - |
| Receipts | 400 | - |
| Payments | 30 | - |
| Closing Balance | 797 | - |

Note: Columns may not add due to rounding.

METRONET Account

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

Receipts for the six months ending 31 December 2022 reflect State and Commonwealth funding of \$639.8 million for METRONET projects, and funding in support of the METRONET Office (\$1.1 million).

Payments of \$777 million were for transport infrastructure planning and delivery, and for METRONET Office operating expenses (\$0.7 million).

METRONET ACCOUNT
At 31 December

Table 4.4

| | 2022 \$m | 2021 \$m |
|--------------------------|--------------|-------------|
| <i>Balance at 1 July</i> | 137 | 432 |
| Receipts | 641 | 268 |
| Payments | 778 | 461 |
| Closing Balance | - (a) | 238 |

(a) Amount below \$500,000.

Note: Columns may not add due to rounding.

METRONET Roads Account

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

Receipts are expected to be credited to the Account later in the financial year. Draw downs totalling \$1.1 million were made to support several projects delivered by Main Roads Western Australia.

METRONET ROADS ACCOUNT
At 31 December

Table 4.5

| | 2022 \$m | 2021 \$m |
|--------------------------|-------------|-------------|
| <i>Balance at 1 July</i> | 109 | 106 |
| Receipts | - | - |
| Payments | 1 | 47 |
| Closing Balance | 108 | 59 |

Note: Columns may not add due to rounding.

Metropolitan Region Improvement Account

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

Receipts for the six months to the end of December 2022 reflect MRIT collections (\$45.3 million), proceeds from the sale of land and buildings (\$10.5 million), rent revenue (\$3.6 million), interest revenue (\$2.7 million), receipts from the Australian Taxation Office for refunds of GST on purchases (\$1.7 million), and other revenue (\$1.8 million). Draw downs for this period were for the acquisition of land and buildings (\$16.1 million), service delivery costs associated with the Account (\$15.1 million), compensation to landowners for compulsory property acquisitions (\$1.5 million), and funding for a range of smaller infrastructure projects (\$1.1 million).

METROPOLITAN REGION IMPROVEMENT ACCOUNT

Table 4.6

At 31 December

| | 2022 \$m | 2021 \$m |
|--------------------------|-------------|-------------|
| <i>Balance at 1 July</i> | 384 | 443 |
| Receipts | 66 | 52 |
| Payments | 34 | 111 |
| Closing Balance | 415 | 387 |

Note: Columns may not add due to rounding.

Mining Rehabilitation Fund

The Mining Rehabilitation Fund was established in July 2013 to hold levy collections under the *Mining Rehabilitation Fund Act 2012*. Receipts for the six months to 31 December 2022 reflect levy contributions by mining operators. Payments for the year to date were for rehabilitation costs (\$6.7 million) and administrative costs (\$0.3 million).

MINING REHABILITATION FUND

Table 4.7

At 31 December

| | 2022 \$m | 2021 \$m |
|--------------------------|-------------|-------------|
| <i>Balance at 1 July</i> | 255 | 219 |
| Receipts | 42 | 38 |
| Payments | 7 | 1 |
| Closing Balance | 290 | 256 |

Note: Columns may not add due to rounding.

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

This account was established in December 2018 to meet the cost of payments associated with the State's participation in the National Redress Scheme, and for civil litigation claims by victims of historical child sexual abuse. In the 2022-23 Budget, the account was increased by \$185 million to fund revised National Redress Scheme payments, civil litigation claims not covered by other arrangements, and administration costs.

During the six months to 31 December 2022, payments totalling \$25 million were drawn to meet costs associated with the National Redress Scheme and for civil litigation payments.

Table 4.8

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

At 31 December

| | 2022 \$m | 2021 \$m |
|--------------------------|-------------|-------------|
| <i>Balance at 1 July</i> | 27 | 77 |
| Receipts | 185 | - |
| Payments | 25 | 15 |
| Closing Balance | 187 | 62 |

Note: Columns may not add due to rounding.

New Women and Babies Hospital Account

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

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

Table 4.9

NEW WOMEN AND BABIES HOSPITAL ACCOUNT

At 31 December

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

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

This SPA was established in July 1999 to set aside funds to be used to encourage a balanced transport system and improve the amenity of the Perth city area. Money credited to the account reflects licence fees, penalties and funding appropriated by the Parliament for the purposes of the Act.

Funds that are drawn from the Account are spent on the Central Area Transit bus system, the Free Transit Zone public transport services in the Perth Central Business District, improvements to public transport access, enhancements to the pedestrian environment, support for bicycle access, other transport system initiatives and for the administration of the *Perth Parking Management Act 1999*.

PERTH PARKING LICENSING ACCOUNT

At 31 December

Table 4.10

| | 2022 \$m | 2021 \$m |
|--------------------------|-------------|-------------|
| <i>Balance at 1 July</i> | 192 | 165 |
| Receipts | 48 | 51 |
| Payments | 2 | 1 |
| Closing Balance | 238 | 214 |

Note: Columns may not add due to rounding.

Remote Communities Fund

This SPA was established as part of the 2022-23 Budget to support investment to upgrade and regularise water and power, provide new and refurbished housing, and improve municipal services and economic participation in remote communities. Draw downs from the Fund are expected to commence later in 2022-23.

REMOTE COMMUNITIES FUND

At 31 December

Table 4.11

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

Note: Columns may not add due to rounding.

Road Trauma Trust Account

This account was established to provide for road safety initiatives on Western Australian roads. Receipts for the first six months of 2022-23 reflect collections from prescribed penalties (\$60 million), interest revenue on the account balance (\$1 million), and other miscellaneous funds collected under the *Road Traffic (Administration) Act 2008* (\$0.2 million).

Projects funded from the account during the same period include initiatives to:

- reduce the number and rate at which vulnerable road users are killed and seriously injured (\$15.1 million);
- reduce run-off crashes on regional roads by applying treatments such as shoulder sealing, audible edge lines and installing safety barriers (\$11.1 million);
- manage speed on Western Australian roads (\$5.7 million); and
- providing post-crash support (\$0.6 million).

A further \$9.9 million was spent on the operations of the Road Safety Commission, including community education campaigns, community grants, the Infringement Management Reform Program, and a range of other road safety initiatives.

ROAD TRAUMA TRUST ACCOUNT

Table 4.12

At 31 December

| | 2022 \$m | 2021 \$m |
|--------------------------|-------------|-------------|
| <i>Balance at 1 July</i> | 71 | 43 |
| Receipts | 61 | 55 |
| Payments | 42 | 31 |
| Closing Balance | 89 | 67 |

Note: Columns may not add due to rounding.

Royalties for Regions Fund

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

Receipts in the six months to 31 December 2022 reflect interest revenue earned on the account balance (\$4.7 million), and unused funds from associated projects returned to the Fund by agencies (\$1.6 million). Appropriation funding is expected to be credited to the Fund during the second half of 2022-23. A total of \$457 million was disbursed from the Fund to support infrastructure, business and economic development and other regional initiatives (detailed in Chapter 7 of the 2022-23 Budget Paper No. 3).

ROYALTIES FOR REGIONS FUND

Table 4.13

At 31 December

| | 2022 \$m | 2021 \$m |
|--------------------------|-------------|-------------|
| <i>Balance at 1 July</i> | 1,000 | 1,000 |
| Receipts | 6 | 3 |
| Payments | 457 | 469 |
| Closing Balance | 549 | 534 |

Note: Columns may not add due to rounding.

Royalties for Regions Regional Reform Fund

The SPA was established in June 2015 to fund strategic reform initiatives in regional Western Australia. There were no receipts or payments during the first six months of 2022-23.

ROYALTES FOR REGIONS REGIONAL REFORM FUND

Table 4.14

At 31 December

| | 2022 \$m | 2021 \$m |
|--------------------------|-------------|-------------|
| <i>Balance at 1 July</i> | 51 | 57 |
| Receipts | - | -(a) |
| Payments | - | 7 |
| Closing Balance | 51 | 51 |

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

Note: Columns may not add due to rounding.

Social Housing Investment Fund

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

Funds are expected to commence to be drawn from the Fund during the second half of 2022-23.

SOCIAL HOUSING INVESTMENT FUND

Table 4.15

At 31 December

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

Note: Columns may not add due to rounding.

Softwood Plantation Expansion Fund

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

A total \$2.1 million has been drawn down over the six months to 31 December 2022, supporting land purchases in Benjinup and Wilga.

SOFTWOOD PLANTATION EXPANSION FUND

Table 4.16

At 31 December

| | 2022 \$m | 2021 \$m |
|--------------------------|-------------|-------------|
| <i>Balance at 1 July</i> | 350 | - |
| Receipts | - | - |
| Payments | 2 | - |
| Closing Balance | 348 | - |

Note: Columns may not add due to rounding.

Waste Avoidance and Resource Recovery Account

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

Receipts totalling \$10.7 million were paid into the account during the six months to 31 December 2022. This included \$10.4 million in landfill levy collections allocated to the account by Ministerial determination under the Act, and a further \$0.3 million was credited from interest earnings and miscellaneous receipts. Draw downs totalling \$8 million were made for waste programs, payment of administration costs incurred by the Department of Water and Environmental Regulation and costs associated with implementing the Waste Export Ban (\$2.1 million).

| WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT | | | Table 4.17 |
|---|-------------|-------------|------------|
| At 31 December | | | |
| | 2022 \$m | 2021 \$m | |
| <i>Balance at 1 July</i> | 41 | 29 | |
| Receipts | 11 | 18 | |
| Payments | 8 | 8 | |
| Closing Balance | 43 | 40 | |

Note: Columns may not add due to rounding.

Western Australian Future Health Research and Innovation Fund

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

Receipts of \$90 million in the six months to 31 December 2022 included the budgeted annual royalty contribution for 2022-23 (\$70.9 million, equivalent to 1% annual forecast royalty revenue), and interest receipts of \$19 million.

| WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH AND INNOVATION FUND ^(a) | | | Table 4.18 |
|---|--------------|--------------|------------|
| At 31 December | | | |
| | 2022 \$m | 2021 \$m | |
| <i>Balance at 1 July</i> | 1,597 | 1,492 | |
| Receipts | 90 | 118 | |
| Payments | 32 | 32 | |
| Closing Balance | 1,654 | 1,577 | |

(a) The Fund is a Treasurer's Special Purpose Account.

Note: Columns may not add due to rounding.

The Western Australian Future Health Research and Innovation Account received \$32.3 million from the Future Health Research and Innovation Fund in the six months to 31 December 2022 and interest income of \$0.1 million. Health research and innovation grant payments of \$4.4 million were drawn during this period.

Table 4.19

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

At 31 December

| | 2022 | 2021 |
|--------------------------|-----------|-----------|
| | \$m | \$m |
| <i>Balance at 1 July</i> | 24 | 15 |
| Receipts | 32 | 32 |
| Payments | 4 | 1 |
| Closing Balance | 52 | 42 |

(a) The Account is an agency Special Purpose Account administered by the Minister for Medical Research.

Note: Columns may not add due to rounding.

Westport Account

This account was established as part of the 2021-22 Budget to support the Westport projects. Funding of \$7.1 million has been drawn to support land purchases by Main Roads Western Australia.

Table 4.20

WESTPORT ACCOUNT

At 31 December

| | 2022 | 2021 |
|--------------------------|------------|----------|
| | \$m | \$m |
| <i>Balance at 1 July</i> | 399 | - |
| Receipts | - | - |
| Payments | 7 | - |
| Closing Balance | 392 | - |

Note: Columns may not add due to rounding.

General Government Salaries

Introduction

Salaries represent the single largest component of general government sector expenses (at almost 41% for the six months to December 2022, or 45% if concurrent superannuation costs are also included).

General government salaries for the first six months of 2022-23 grew by 8.1% to total \$7,663 million. This includes increases in salary rates and back payments under a number of new industrial agreements, and higher workforce numbers, particularly in the health and education services (these two sectors account for approximately 69% of general government salaries costs in the December quarter).

The following table summarises salaries outcomes for general government agencies for the six months to 31 December 2022.

Table 5.1

SALARIES COSTS
General Government Sector

| | 2022-23 | | 2021-22 | |
|--|--------------------------------|--------------------------------------|--------------------------------|------------------------------|
| | Six Months to 31 Dec \$m | Budget Year ^(a) \$m | Six Months to 31 Dec \$m | Actual ^(b) \$m |
| WA Health | 3,091 | 5,658 | 2,738 | 5,641 |
| Education | 2,170 | 4,256 | 1,981 | 3,977 |
| Western Australia Police Force | 509 | 1,073 | 531 | 1,038 |
| Justice | 381 | 723 | 381 | 750 |
| Communities | 273 | 582 | 266 | 507 |
| Fire and Emergency Services | 107 | 214 | 104 | 206 |
| Biodiversity, Conservation and Attractions | 102 | 208 | 97 | 204 |
| Primary Industries and Regional Development | 96 | 195 | 91 | 189 |
| Mines, Industry Regulation and Safety | 87 | 193 | 86 | 164 |
| Transport | 69 | 163 | 71 | 138 |
| North Metropolitan TAFE | 65 | 128 | 62 | 120 |
| South Metropolitan TAFE | 61 | 120 | 59 | 118 |
| Finance | 57 | 126 | 58 | 109 |
| Water and Environmental Regulation | 51 | 107 | 48 | 93 |
| Local Government, Sport and Cultural Industries | 49 | 103 | 44 | 90 |
| Premier and Cabinet | 48 | 101 | 46 | 92 |
| Planning, Lands and Heritage | 47 | 103 | 45 | 88 |
| Commissioner of Main Roads | 38 | 79 | 34 | 71 |
| WA Sports Centre Trust (Venues West) | 33 | 61 | 27 | 53 |
| Mental Health Commission | 24 | 52 | 23 | 45 |
| Training and Workforce Development | 24 | 54 | 24 | 47 |
| Jobs, Tourism, Science and Innovation | 23 | 51 | 20 | 42 |
| Land Information Authority (Landgate) | 23 | 52 | 24 | 45 |
| South Regional TAFE | 22 | 42 | 21 | 40 |
| Legal Aid Commission of Western Australia | 20 | 48 | 19 | 38 |
| Office of the Director of Public Prosecutions | 19 | 39 | 18 | 35 |
| Central Regional TAFE | 17 | 39 | 19 | 36 |
| State Solicitor's Office | 17 | 41 | 9 | 28 |
| North Regional TAFE | 17 | 40 | 18 | 34 |
| Treasury | 16 | 36 | 16 | 31 |
| Legislative Assembly | 11 | 23 | 11 | 22 |
| Office of the Auditor General | 11 | 25 | 10 | 21 |
| Public Sector Commission | 8 | 19 | 8 | 17 |
| Corruption and Crime Commission | 8 | 18 | 7 | 15 |
| Legislative Council | 8 | 16 | 8 | 15 |
| Chemistry Centre (WA) | 7 | 15 | 7 | 14 |
| WorkCover WA Authority | 7 | 15 | 7 | 14 |
| Parliamentary Services | 5 | 11 | 6 | 11 |
| All other agencies (with annual salaries costs below \$10 million) | 38 | 78 | 42 | 81 |
| Provisions | - | 419 | - | - |
| Total salaries | 7,663 | 15,328 | 7,086 | 14,279 |

(a) Consistent with the revised estimate outcome published in the 2022-23 Mid-year Review, released on 15 December 2022.

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

Note: Columns may not add due to rounding.

