

Part 3

Financial Administration

Introduction

The Financial Administration portfolio is responsible for assisting the development of the Government's fiscal strategy, with the principal goal of sustainable finances through responsible financial management. It provides financial and economic advice, assesses value for money in service delivery and ensures transparency in public sector finances and performance by reporting to the Government, Parliament and the public.¹

Summary of Recurrent and Asset Investment Expenditure

Agency	2019-20 Actual ^(a) \$'000	2020-21 Budget Estimate \$'000
Treasury		
– Total Cost of Services	56,777	55,958
– Asset Investment Program	631	1,025
Western Australian Treasury Corporation		
– Asset Investment Program	1,180	485
Office of the Auditor General		
– Total Cost of Services	31,945	37,758
– Asset Investment Program	42	879
Finance		
– Total Cost of Services	1,312,314	1,484,536
– Asset Investment Program	128,335	116,693
Insurance Commission of Western Australia		
– Asset Investment Program	2,355	4,040
Gold Corporation		
– Asset Investment Program	19,827	26,526

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

¹ The emergence of the COVID-19 pandemic has resulted in the deferral of the *Our Priorities* program, which was reported in the 2019-20 Budget Statements.

Ministerial Responsibilities

Minister	Agency	Services
Treasurer; Minister for Finance; Aboriginal Affairs; Lands	Treasury	<ol style="list-style-type: none"> 1. Financial Management and Reporting 2. Economic and Revenue Forecasts and Policy Development 3. Evaluation and Planning of Government Services Delivery and Infrastructure Provision
Treasurer; Minister for Finance; Aboriginal Affairs; Lands	Western Australian Treasury Corporation	n/a
	Office of the Auditor General	1. Public Sector Auditing
	Finance	<ol style="list-style-type: none"> 1. Revenue Assessment and Collection, and Grants and Subsidies Administration 2. Development and Management of Common Use Contract Arrangements, State Fleet Leasing and Disposal, and Providing Facilitation Services for Agency Specific Contracts 3. Corporate Services to Client Agencies 4. Leads the Management of Government Buildings Including Planning, Project Delivery, and Maintenance thereof
	Insurance Commission of Western Australia	n/a
Premier; Minister for Public Sector Management; State Development, Jobs and Trade; Federal-State Relations	Gold Corporation	n/a

Division 12 Treasury

Part 3 Financial Administration

Appropriations, Expenses and Cash Assets ^(a)

	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual ^(b) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 15 Net amount appropriated to deliver services.....	48,679	56,417	50,495	48,707	41,711	41,163	41,238
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	1,382	1,101	1,101	1,101	1,108	1,120	1,127
Total appropriations provided to deliver services	50,061	57,518	51,596	49,808	42,819	42,283	42,365
ADMINISTERED TRANSACTIONS							
<i>Operating Subsidy Payments</i>							
Item 16 Bunbury Water Corporation	738	708	768	726	742	757	773
Item 17 Busselton Water Corporation	593	566	563	670	687	704	722
Item 18 Electricity Generation and Retail Corporation (Synergy).....	113,901	129,942	573,131	890,989	231,788	232,492	233,285
Item 19 Forest Products Commission	1,667	200	200	200	200	220	-
Item 20 Kimberley Ports Authority.....	-	-	-	2,706	600	-	-
Item 21 Public Transport Authority.....	829,702	872,019	901,584	1,088,211	959,891	900,680	884,676
Item 22 Regional Power Corporation (Horizon Power)	11,030	18,862	36,385	40,174	12,462	13,289	12,894
Item 23 Southern Ports Authority	15,725	27,789	30,373	21,529	8,078	-	-
Item 24 Water Corporation of Western Australia	420,050	261,324	239,441	216,924	225,779	231,232	233,487
Item 25 Western Australian Land Authority (DevelopmentWA)	47,828	79,114	59,063	328,241	141,195	76,508	65,197
Item 26 Western Australian Land Authority (DevelopmentWA) - Perth City Deal ^(c)	-	-	-	50,000	-	-	-
Mid West Ports Authority.....	2,377	-	-	-	-	-	-
<i>Grants, Subsidies and Transfer Payments</i>							
Item 27 Department of Justice ^(d)	-	-	-	6,375	4,434	4,213	4,043
Item 28 Gaming and Wagering Commission ^(e)	-	5,200	5,200	3,800	3,900	4,000	4,100
Item 29 Goods and Services Tax (GST) Administration Costs	62,034	66,600	66,440	70,700	69,800	69,200	69,400
Item 30 Department of Jobs, Tourism, Science and Innovation ^(f)	-	5,710	4,610	4,110	4,104	1,200	1,200
Item 31 Resolution of Native Title in the South West of Western Australia (Settlement) ^(g)	-	60,000	-	60,000	87,085	76,902	75,611
Item 32 Provision for Business Case Development Fund ^(h)	-	-	-	13,002	-	-	-
Item 33 Provision for Unfunded Liabilities in the Government Insurance Fund	5,045	5,000	3,900	15,000	3,481	3,670	3,219
Item 34 Provision for Voluntary Targeted Separation Scheme ⁽ⁱ⁾	-	15,520	-	25,640	5,820	-	-
Item 35 Refund of Past Years Revenue Collections - Public Corporations	6,845	10,000	7,131	10,000	10,000	10,000	10,000
Item 36 Royalties for Regions ^(j)	429,321	795,656	661,305	761,645	883,447	919,501	863,426
Item 37 State Property - Emergency Services Levy	18,945	19,663	19,235	19,249	19,349	19,814	20,307
Item 38 WA Health ^(k)	-	900	3,700	957	3,959	4,096	4,097

	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual ^(b) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Item 39 All Other Grants, Subsidies and Transfer Payments ^(l)	5,452	6,632	3,529	3,610	19,250	36,003	47,813
<i>Comprising:</i>							
Acts of Grace	-	300	-	300	300	300	300
Incidentals	77	240	-	240	240	240	240
Interest on Public Moneys Held in Participating Trust Fund Accounts	4,605	5,260	2,519	2,150	17,800	34,500	46,350
Administration Costs - National Tax Equivalent Regime Scheme	47	100	114	100	100	100	100
Western Australian Land Information Authority - Valuation Services	-	-	156	170	160	213	173
Western Australian Treasury Corporation Management Fees	723	732	740	650	650	650	650
Department of Finance ^(m)	-	-	-	-	1,823	-	-
Metropolitan Redevelopment Authority (DevelopmentWA)	40,754	20,925	21,292	-	-	-	-
Minerals Research Institute ⁽ⁿ⁾	-	1,500	1,500	-	-	-	-
National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account	153,039	-	-	-	-	-	-
Provision for Perth City Deal ^(o)	-	-	-	-	100,000	-	-
Western Australia Police Force ^(p)	-	3,634	-	-	-	-	-
<i>Authorised by Other Statutes</i>							
Judges' Salaries and Pensions Act 1950	16,484	17,889	16,623	18,913	20,565	22,304	24,135
<i>Comprising:</i>							
Benefit Payments	16,293	17,669	16,423	18,674	20,319	22,052	23,875
Administration Expenses ^(q)	191	220	200	239	246	252	260
Parliamentary Superannuation Act 1970	9,207	9,465	8,989	11,421	10,114	10,360	10,622
<i>Comprising:</i>							
Benefit Payments	8,979	9,206	8,751	11,140	9,826	10,064	10,317
Administration Expenses ^(q)	228	259	238	281	288	296	305
State Superannuation Act 2000	583,859	602,111	477,451	551,563	488,917	486,011	468,641
<i>Comprising:</i>							
Pension Scheme	175,374	167,295	168,357	159,135	150,399	141,649	133,206
<i>Comprising:</i>							
Benefit Payments	173,791	165,479	166,276	157,632	148,996	140,321	131,950
Administration Expenses ^(q)	1,583	1,816	2,081	1,503	1,403	1,328	1,256
Gold State Super	349,602	376,196	250,459	334,076	338,518	344,362	335,435
<i>Comprising:</i>							
Benefit Payments	344,310	371,084	245,722	328,765	333,510	339,527	330,771
Administration Expenses ^(q)	4,965	4,682	4,313	4,696	4,378	4,189	4,001
Government Services ^(r)	327	430	423	615	630	646	663
West State Super	58,883	58,620	58,635	58,352	-	-	-
Western Australian Health Promotion Foundation Act 2016	24,204	23,064	23,064	23,421	23,949	24,497	25,057
Betting Tax Act 2018	7,140	23,520	22,860	24,810	26,220	27,660	27,526
Unclaimed Money Act 1990	1,748	2,000	641	2,000	2,000	2,000	2,000
Loan Acts - Interest	802,567	770,000	721,970	634,000	607,000	606,000	602,000
Western Australian Future Health Research and Innovation Fund Act 2012...	50,600	63,700	63,700	82,900	57,300	58,300	58,000
TOTAL RECURRENT ADMINISTERED	3,660,855	3,919,213	3,974,648	4,983,486	4,033,939	3,841,613	3,752,231
CAPITAL							
Item 101 Capital Appropriation	-	329	32	69	67	67	52
<i>Government Equity Contributions</i>							
Item 102 Animal Resources Authority	1,322	800	1,306	1,521	-	-	-
Item 103 Department of Biodiversity, Conservation and Attractions ^(s)	-	1,800	1,200	3,700	6,950	2,500	-
Item 104 Department of Education ^(t)	26,900	22,000	20,970	14,040	34,920	59,190	9,950
Item 105 Department of Justice ^(u)	29,218	65,030	72,258	713	-	-	-
Item 106 Department of Transport ^(v)	-	20,220	2,920	15,000	-	-	-
Item 107 Electricity Networks Corporation (Western Power)	110,672	100,525	33,106	166,338	87,827	88,981	88,113
Item 108 Kimberley Ports Authority	2,500	5,900	9,150	4,000	3,000	-	-
Item 109 Metropolitan Redevelopment Authority (DevelopmentWA)	166,867	59,293	56,716	211,539	-	2,420	-
Item 110 Pilbara Ports Authority	25,084	51,412	45,888	28,117	26,000	-	-
Item 111 Royalties for Regions ^(j)	221,075	267,458	220,771	251,864	191,709	115,334	75,525
Item 112 Southern Ports Authority	2,489	1,624	1,624	640	-	-	-
Item 113 WA Health ^(w)	10,426	54,872	8,050	30,239	15,698	29,825	24,943

	2018-19	2019-20	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Actual ^(b)	Budget	Forward	Forward	Forward
	\$'000	\$'000	\$'000	Estimate	Estimate	Estimate	Estimate
				\$'000	\$'000	\$'000	\$'000
Item 114 Western Australian Land Authority (DevelopmentWA)	4,355	-	-	34,800	50,653	-	-
Department of Finance ^(m)	200	5,000	-	-	-	-	-
Western Australian Land Information Authority ^(x)	-	7,490	5,000	-	-	-	-
Racing and Wagering Western Australia ^(y)	-	148	148	-	-	-	-
Regional Power Corporation (Horizon Power)	1,118	18,168	17,050	-	-	-	-
Department of Communities ^(z)	-	-	-	-	2,000	20,000	13,000
<i>Other</i>							
Item 115 Debt Reduction Account	-	-	-	1,546,593	1,848,919	-	-
Perth Stadium Account	739	-	-	-	-	-	-
<i>Authorised by Other Statutes</i>							
Loans (Co-operative Companies) Act 2004	10,727	-	6,688	6,000	-	-	-
Loan Acts - Repayment of Borrowings	436,732	1,327,361	1,317,624	-	-	6,863	15,846
TOTAL CAPITAL ADMINISTERED	1,050,424	2,009,101	1,820,469	2,315,104	2,267,676	325,113	227,377
GRAND TOTAL	4,761,340	5,986,161	5,846,745	7,348,467	6,344,501	4,209,076	4,022,025
EXPENSES							
Total Cost of Services	56,664	63,443	56,777	55,958	48,907	48,231	48,308
Net Cost of Services ^(aa)	56,332	62,828	56,477	54,823	48,485	47,925	48,033
CASH ASSETS ^(ab)	14,261	10,438	12,330	12,730	13,149	13,568	13,987

- (a) The 2018-19 Actual, 2019-20 Budget and 2019-20 Actual have been recast, for comparability purposes, to account for Machinery of Government changes that took effect from 5 September 2019.
- (b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.
- (c) An operating subsidy provision is included for land contributions anticipated to be made by DevelopmentWA as part of the Perth City Deal.
- (d) Reflects an increase in recurrent expenditure for the Department of Justice to cover transition costs and additional operational costs associated with public operation of Melaleuca Prison. Funding is to be released to the Department of Justice upon the Expenditure Review Committee's approval of an operating model for Melaleuca.
- (e) Funding provided to the Sports Wagering Account at the Gaming and Wagering Commission of Western Australia associated with the introduction of the Point of Consumption Tax in January 2019. The funding is indexed annually by the Perth Consumer Price Index, and will be ongoing in the years beyond 2023-24 and provided for in future budgets.
- (f) Provision for the National Collaborative Research Infrastructure Strategy (\$3 million) and Future Energy Exports Cooperative Research Centre (\$1.1 million), pending the finalisation of agreements between the respective parties.
- (g) Funding held as a provision until the finalisation of the settlement, which is expected in 2020-21. Funding will then be transferred to relevant parties to execute the agreement.
- (h) The business case development fund has been established to accelerate the development and completion of business cases and project definition plans. This is an enabler for infrastructure project development in support of economic recovery.
- (i) Separation costs for a forecast total of 390 separations in disability services over the period 2019-20 to 2021-22 are provisioned in this item, with actual drawdown on the funding dependent on the timing of the ongoing transition to the Commonwealth-run National Disability Insurance Scheme. A total of 89 separations were funded in 2019-20.
- (j) Appropriations to the Royalties for Regions Special Purpose Account are split between payments for recurrent and capital purposes (based on project information). Further detail on the Royalties for Regions program is available in Budget Paper No. 3: Economic and Fiscal Outlook.
- (k) Includes provision to fund ten additional inpatient palliative care beds in the northern metropolitan suburbs as part of expanding and enhancing palliative care service.
- (l) All other items includes all Administered Grants, Subsidies and Transfers not covered elsewhere by individual Acts.
- (m) A provision of \$5 million allocated for the procurement of an asset management information system to manage office accommodation reform was not drawn down by the Department of Finance. Instead, recurrent appropriations of \$3.2 million were allocated to the Department over 2019-20 and 2020-21 for the development of an asset management platform. The balance of \$1.8 million has been reallocated to recurrent administered appropriations to the Department in 2021-22, pending an assessment of the asset management platform.
- (n) Reflects funding to the Minerals Research Institute of Western Australia (MRIWA) to support the Commonwealth's Future Battery Industry Cooperative Research Centre headquarters to be located in Perth. Funding was released in 2019-20 directly to MRIWA, following the State succeeding in its bid and finalisation of the agreement. Funding from 2020-21 was transferred to the Department of Mines, Industry Regulation and Safety as administered appropriation and will be paid to MRIWA as a grant.
- (o) Provision for State assistance towards the establishment of inner-city university campuses as part of the Perth City Deal, dependent on the progress of negotiations with both Murdoch University and Curtin University.
- (p) This item reflects a provision that was included in the 2019-20 Budget for the purchase of personal issue body armour for operational police officers. This funding was subsequently provided directly to the Western Australia Police Force following an evaluation of body armour units.
- (q) Superannuation scheme administration expense reflects the costs of administering an unfunded defined benefit superannuation/pension scheme by an appropriation from the Consolidated Account.
- (r) Reflects the costs for regulatory support of State superannuation schemes where the Government Employees Superannuation Board or Treasury incurs these costs on behalf of the Government.

- (s) Funding for the Rottnest Island Authority's proposed Jetty Upgrades (Main Jetty, Barge Landing and Cargo Facilities). Funding will be released following Government approval of a business case.
- (t) Reflects funding to be applied to the Department of Education's Asset Investment Program primarily for construction of the Stage 2 expansion of Bob Hawke College and Stage 1 of a new secondary school located in Piara Waters following the Government's approval of project definition plans.
- (u) Funding to be applied to the Department of Justice's Broome Regional Prison Upgrade under the Custodial Infrastructure Program.
- (v) Reflects a \$15 million provision for the future operational costs of managing the Port Hedland Marina.
- (w) Reflects funding applied to major health initiatives as part of WA Health's Asset Investment Program. WA Health is required to submit business cases or project definition plans for Government approval to access these funds.
- (x) Reflects capital funding provided in 2019-20 for the *Strata Titles Act 1985* reform program following the provision of work orders to the Department of Treasury.
- (y) To reimburse stamp duty costs associated with the transfer of the Mandurah racetrack from the Western Australian Greyhound Racing Association to Racing and Wagering Western Australia.
- (z) Reflects funding to be applied to the Department of Communities' Asset Investment Program for the Common Ground Project, following Government approval of a business case.
- (aa) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (ab) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on Treasury's Income Statement since presentation of the 2019-20 Budget to Parliament on 9 May 2019, are outlined below:

	2019-20 Actual ^(a) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
New Initiatives					
Other COVID-19 - Support for COVID-19 Economic Recovery ^(b)	116	393	-	-	-
State Contribution to the Board of Treasurers Secretariat	112	113	114	115	116
Other					
Energy Policy WA	(22,861)	(19,399)	(17,267)	(15,640)	(15,758)
Landgate Partial Commercialisation					
Savings	(1,056)	-	-	-	-
Success Fee	5,177	-	-	-	-
Revision to Indexation for Non-Salary Expenses	-	-	-	-	67
Strategic Alliance Fund Projects	-	82	137	94	63
Streamlined Budget Process Incentive Funding	-	401	-	-	-

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(b) Existing agency spending has been reprioritised to meet some or all of the costs of this initiative.

Significant Issues Impacting the Agency

Economic Outlook

1. The COVID-19 pandemic has had a severe and widespread impact on global health outcomes and economic conditions. While Australia has fared better than most other developed nations (in terms of containing the spread of the virus), there have been significant economic costs involved in doing so.
2. In Western Australia, the outbreak of COVID-19 halted momentum that was building in the State's economy prior to the pandemic. The resulting restrictions led to steep falls in confidence, spending and jobs, especially during the height of the restrictions in April 2020. However, due to the successful containment of COVID-19 cases, Western Australia lifted restrictions earlier than anticipated and before most other Australian jurisdictions. Assisted by Government stimulus, the State's economy has been quick to respond, with some indicators (such as retail trade and job advertisements) already having recovered to pre-COVID levels.
3. In addition to the early removal of restrictions, Western Australia has been assisted by its strong mining presence, which has been a stand-out sector amidst the pandemic. Both the construction of new mines and export production have continued strongly to date, with iron ore exports reaching a record high in the June quarter 2020. Better health outcomes and an industry structure geared towards mining are expected to see Western Australia's economy fare better than nationally through the pandemic.

4. Nonetheless, the outlook for the Western Australian economy has softened since the onset of COVID-19. The State's domestic economy (measured by State Final Demand) contracted by 6% in the June quarter 2020, the largest decline on record. Despite this decline, State Final Demand grew by 1.1% in 2019-20 (the only State to record positive growth over 2019-20). Growth in the total economy (measured by Gross State Product) is projected at 1.25% in 2020-21, down from forecast growth of 2.5% at the time of the 2019-20 Mid-year Review.
5. Economic growth thereafter is expected to gather pace as remaining restrictions are removed and as population growth slowly strengthens. However, there is a large degree of uncertainty surrounding these assumptions, given the unpredictable nature of how COVID-19 will impact economic and population growth at a State, national and global level. The highly uncertain and dynamic economic environment has made forecasting particularly challenging, and means that the pace and shape of the recovery may differ substantially to Treasury's projections if risks materialise.
6. A key risk is the potential for a second wave of COVID-19 in Western Australia, similar to what has occurred in Victoria. Such an outbreak could propel the economy into a deeper and longer-lasting contraction. Another risk is that the unwinding of Federal Government support initiatives (such as JobKeeper) is not smooth and could result in more subdued activity in some sectors. As such, there is a risk to the economic recovery once this support ceases if underlying demand is not sufficient to sustain activity.
7. Given the risks and potential for conditions to change rapidly, Treasury will continue to closely monitor the economic impacts of COVID-19 and advise the State Government accordingly.

Economic Response and Recovery

8. Treasury has played a leading role in providing advice to the Government on economic and fiscal policy measures to restart and stimulate the economy. This has included supporting the State Recovery Controller and the Government in formulating the \$5.5 billion WA Recovery Plan, which was released on 26 July 2020. The Plan has a strong focus on fast-tracking infrastructure projects, including new and expanded trade training facilities, schools, police stations, and other community infrastructure.
9. Treasury will continue to work closely with the State Recovery Controller and the Departments of the Premier and Cabinet and Finance to monitor implementation of the Plan and to assess how the economy is responding.
10. At the same time, Treasury will provide advice on regulatory and other reforms to support sustained growth and job opportunities. This will include supporting the Government implement its Streamline WA initiative to encourage investment and make it easier to do business through improved regulation and its administration. It also includes Treasury working with other departments to improve the efficiency and resilience of supply chains throughout the State, and consider other longer-term reforms to support the economy.

State Finances

11. A primary focus of Treasury is supporting the Government in managing the impacts of the COVID-19 pandemic on the State's finances. In response to the pandemic, the Government has revised the whole-of-government financial targets framework (discussed in Budget Paper No. 3). The revised framework has a focus on the achievement of operating surpluses as a funding source for new infrastructure investment, rather than a means of paying down debt.
12. This is reflected in forecast whole-of-government outcomes in this Budget, with general government operating surpluses projected in 2020-21 (\$1.2 billion) and in each year of the forward estimates period. While a significant downward revision from the surpluses forecast in the 2019-20 Mid-year Review, these surpluses are a key source of funding for the record \$27.1 billion four-year Asset Investment Program, which is a key lever in supporting the State's economic recovery.
13. Total public sector net debt is now forecast to rise to \$42.8 billion by 30 June 2024. This includes funding in support of the \$5.5 billion WA Recovery Plan, and support of the broader Asset Investment Program.
14. While the pandemic represents a considerable challenge to the financial outlook, Western Australia's balance sheet remains strong. The State's credit rating is currently assessed as Aa1 ('stable' outlook) by Moody's and AA+ ('stable' outlook) by S&P Global. These are high ratings by international standards.
15. An additional priority for the Department later this year will be to support the coming State election. This includes the preparation of the 2020-21 Pre-election Financial Projections Statement (a requirement of the *Government Financial Responsibility Act 2000*), the provision of election commitment costings, and advice to the incoming Government for the new Parliamentary term.

Commonwealth-State Financial Relations

16. Treasury is supporting the Treasurer in addressing issues that are tasked to the Council on Federal Financial Relations (CFFR) by National Cabinet. This includes providing advice on potential national reforms to support economic recovery across Australia and ensuring that the CFFR effectively undertakes its new ‘gatekeeper’ role for new Commonwealth funding agreements. This involves working closely with the Department of the Premier and Cabinet and line agencies to strengthen processes for a whole-of-State approach to Commonwealth funding agreement negotiations.

Financial Management Training and Reform

17. Consistent with the recommendations of the Special Inquiry into Government Programs and Projects, Treasury has provided financial management awareness training to nearly 700 public servants (face-to-face). Due to the impact of COVID-19, this training is now being rolled out to the sector via online learning.
18. Treasury and the Department of Finance have enhanced collaboration on asset management matters to progress reforms and to ensure more seamless support and advice is provided to agencies. Looking forward, this will include collaboration with the newly established Infrastructure Delivery Unit in the Department of Finance to deliver infrastructure initiatives within the WA Recovery Plan.
19. Treasury continues to lead the GTE Reform Program to implement a governance framework that addresses the accountability and oversight requirements of the Government while at the same time not hampering GTEs’ operational activities or Board autonomy. A key aspect of the reform program is to progress legislation to consolidate the governance requirements of GTEs, with drafting and introduction of the legislation to be managed in accordance with COVID-19 related priorities.

Commercial Reforms

20. The *TAB (Disposal) Act 2019* was passed by Parliament on 4 September 2019, providing the necessary framework for the Government to dispose of TAB assets and introduce a new wagering licence regime. An open market process commenced on 27 September 2019, which was subsequently interrupted by the COVID-19 pandemic, with all parties agreeing to disengage from the process until market conditions stabilise. In the meantime, Racing and Wagering Western Australia will continue to actively manage and drive performance within the Western Australian TAB business in the long-term interests of the local racing industry. The Government will consider the status of the sale process in the second half of 2020-21.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

Outcomes, Services and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency’s services and desired outcomes, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government Goal	Desired Outcomes	Services
Sustainable Finances: Responsible financial management and better service delivery.	Sustainable and transparent public sector finances.	1. Financial Management and Reporting
	A strong and competitive State economy.	2. Economic and Revenue Forecasts and Policy Development
	Value for money outcomes in service delivery and infrastructure provision.	3. Evaluation and Planning of Government Service Delivery and Infrastructure Provision

Service Summary

Expense	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual ^(a) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
1. Financial Management and Reporting	9,950	11,054	9,195	10,257	9,650	9,459	9,435
2. Economic and Revenue Forecasts and Policy Development	11,253	12,663	11,584	13,599	12,893	12,739	12,772
3. Evaluation and Planning of Government Service Delivery and Infrastructure Provision	35,461	39,726	35,998	32,102	26,364	26,033	26,101
Total Cost of Services	56,664	63,443	56,777	55,958	48,907	48,231	48,308

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

Outcomes and Key Effectiveness Indicators ^(a)

	2018-19 Actual	2019-20 Budget	2019-20 Actual ^(b)	2020-21 Budget Target	Note
Outcome: Sustainable and transparent public sector finances:					
Status of the State's credit rating	AA+/Aa1	AA+/Aa2	AA+/Aa1	AA+/Aa1	1
Unqualified audit opinion on the Annual Report on State Finances	Yes	Yes	Yes	Yes	
Percentage of financial reports released as per agreed timeframes ^(c)	100%	100%	100%	100%	
Outcome: A strong and competitive State economy:					
Accuracy of key general government revenue forecasts:					
Tax revenue ^(d)	-1.5%	+/-5%	-0.1%	+/-5%	2
Royalty revenue ^(e)	32.7%	n/a	32.6%	+/-5%	
Accuracy of key economic forecasts (percentage point difference):					
Employment growth ^(f)	-0.6	+/-0.5	-1.7	+/-0.5	3
Real State Final Demand (SFD) growth ^(f)	-0.5	+/-2	-1.9	+/-2	
Outcome: Value for money outcomes in service delivery and infrastructure provision:					
Percentage of advice provided to the Expenditure Review Committee at least 5 working days prior to their consideration	66%	90%	61%	90%	4
Percentage of Ministerially endorsed Strategic Asset Plans (SAPs) for the upcoming year received and reviewed by Treasury before the commencement of the Budget bilateral process ^(g)	n/a	n/a	n/a	100%	

(a) Further detail in support of the key effectiveness indicators is provided in Treasury's Annual Report.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(c) Following a review of the Department's Outcome Based Management Structure, this indicator has been reclassified from a key efficiency indicator to a key effectiveness indicator.

(d) For comparison purposes, the 2018-19 Actual (used in the calculation of the KPI for 2018-19) have been adjusted to account for the reclassification of revenue from motor vehicle recording fees from taxation to sale of goods and services revenue, and the reclassification of tax fines from taxation to sale of goods and services revenue.

(e) Following a review of the Department's Outcome Based Management Structure, this key effectiveness indicator has been revised to measure the accuracy of royalty income forecasts (rather than mining revenue forecasts). Budget Papers include forecasts of royalty income but not mining revenue. The actual result for 2018-19 has been backcast, for comparability purposes.

(f) Actuals for employment and SFD growth are subject to revisions by the Australian Bureau of Statistics and can differ from previous publications.

(g) Following a review of the Department's Outcome Based Management Structure, this key effectiveness indicator has been introduced to replace 'Percentage of highest value agencies complying with the Strategic Asset Management Framework or equivalent accredited mechanism'. Results for 2018-19 and 2019-20 have not been backcast as full data for these years is not available and it is impracticable to recreate the comparative information.

Explanation of Significant Movements

(Notes)

1. Despite the challenges created by the COVID-19 pandemic in the June quarter 2020, Western Australia's public sector finances remained in a positive position in 2019-20, reflecting the impact of recent Budget repair measures, sustainable expenditure settings and the impact of a higher than expected iron ore price on State royalty collections. Moody's upgraded Western Australia's credit rating from Aa2 to Aa1 in June 2019 and reaffirmed this assessment in April 2020. S&P Global reaffirmed Western Australia's AA+ credit rating assessment in October 2018 and revised the outlook from 'Negative' to 'Stable' at that time, confirming this assessment again in October 2019.
2. Royalty revenue was significantly higher in 2019-20 than forecast due to a higher than anticipated iron ore price. Iron ore supply has remained constrained following a tailings dam disaster in Brazil and the subsequent COVID-19 pandemic, and there has been strong Chinese demand for iron ore. China's stimulus in response to COVID-19 has supported the commodity-intensive sectors of its economy.
3. Employment growth in 2019-20 was significantly weaker than anticipated, due to the onset of COVID-19 and the associated restrictions put in place. Employment levels fell by 103,700 persons between February and May 2020, the largest three-monthly decline on record. However, employment has subsequently increased by 73,450 over June to August 2020.
4. The 2019-20 Actual for advice provided to the Expenditure Review Committee is lower than expected due to late submissions/adjustments being made in a rapidly evolving environment as the Government responded to the onset of COVID-19. Additionally, some matters were very complex (requiring advice from the State Solicitor's Office and/or input from external agencies), leading to late deliveries.

Services and Key Efficiency Indicators**1. Financial Management and Reporting ^(a)**

This service involves the provision of advice on the Government's fiscal strategy, advice on the legislative framework underpinning financial management and accountability in the Western Australian public sector, the preparation and publication of regular reports on the State's finances, and maintenance of the Public Ledger.

	2018-19 Actual	2019-20 Budget	2019-20 Actual ^(b)	2020-21 Budget Target	Note
Total Cost of Service	\$'000 9,950	\$'000 11,054	\$'000 9,195	\$'000 10,257	
Less Income	10	12	11	692	1
Net Cost of Service	9,940	11,042	9,184	9,565	
Employees (Full-Time Equivalents)	47	49	46	48	
Efficiency Indicators					
Average cost of financial reports released ^(c)	\$251,956	n/a	\$262,652	\$261,565	2

(a) The 2018-19 Actual, 2019-20 Budget and 2019-20 Actual have been recast, for comparability purposes, to account for Machinery of Government changes that took effect from 5 September 2019.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(c) Following a review of the Department's Outcome Based Management Structure, this key efficiency indicator has been introduced to measure the cost of producing whole-of-government financial reports. These reports include the Annual Report on State Finances, Quarterly Financial Results Reports and the Government Mid-year Financial Projections Statement. Every fourth year the Pre-election Financial Projections Statement is included. The actual result for 2018-19 has been backcast, for comparability purposes. The former key efficiency indicator 'Percentage of financial reports released as per agreed timeframes' has been reclassified as a key effectiveness indicator.

Explanation of Significant Movements

(Notes)

1. The increased Income in the 2020-21 Budget Target is due to funding received from the Strategic Alliance Fund for the Cash Disbursement Module project and Unclaimed Monies System Digitalisation project.
2. The average cost of financial reports released increased by 4% between 2018-19 and 2019-20, predominantly due to an increase in the cost of Landgate valuation services.

2. Economic and Revenue Forecasts and Policy Development ^(a)

This service involves analysis and advice on economic and revenue policy issues, including Commonwealth-State financial relations, the development of forecasts for each of the State's major revenue sources, and the provision of advice on economic reform.

	2018-19 Actual	2019-20 Budget	2019-20 Actual ^(b)	2020-21 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	11,253	12,663	11,584	13,599	
Less Income	8	11	8	8	
Net Cost of Service	11,245	12,652	11,576	13,591	
Employees (Full-Time Equivalents)	52	63	60	67	
Efficiency Indicators					
Cost of providing Government with economic and revenue forecasting advice and policy development per economic paper ^{(c) (d)}	\$47,345	n/a	\$40,032	\$53,963	1

(a) The 2018-19 Actual, 2019-20 Budget and 2019-20 Actual have been recast, for comparability purposes, to account for Machinery of Government changes that took effect from 5 September 2019.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(c) Following a review of the Department's Outcome Based Management Structure, this key efficiency indicator has been introduced to replace 'Number of Ministerials, briefings or reports provided on economic issues'. The actual result for 2018-19 has been backcast for comparability purposes. The former key efficiency indicator 'Percentage of Regulatory Impact Statements assessed within agreed timeframes' has been discontinued.

(d) This key efficiency indicator is measured by dividing the number of economic papers (including Ministerials, briefing notes, responses to Parliamentary Questions and Expenditure Review Committee submissions) by the total cost of economic and revenue forecasting and policy development activities during the year (including corporate overhead costs).

Explanation of Significant Movements

(Notes)

1. The 2019-20 Actual is lower than both the 2018-19 Actual and the 2020-21 Budget Target due to a comparatively higher number of economic papers prepared in 2019-20. A total of 288 papers were prepared in 2019-20, compared to 218 papers in 2018-19, with the increase driven by a significant number of queries relating to COVID-19. The number of economic papers is expected to reduce in 2020-21 as a result of the upcoming State election and preceding caretaker period.

3. Evaluation and Planning of Government Service Delivery and Infrastructure Provision ^(a)

This service involves investigating agencies' operations in respect of efficiency and effectiveness and advising Government on the allocation of taxpayer resources. It includes the analysis, evaluation and planning of government services to ensure value for money outcomes in key areas like Health, Education, Justice and infrastructure delivery. It also includes Treasury's advisory role with respect to asset commercialisation.

	2018-19 Actual	2019-20 Budget	2019-20 Actual ^(b)	2020-21 Budget Target	Note
Total Cost of Service	\$'000 35,461	\$'000 39,726	\$'000 35,998	\$'000 32,102	1
Less Income	314	592	281	435	2
Net Cost of Service	35,147	39,134	35,717	31,667	
Employees (Full-Time Equivalents)	124	143	134	137	
Efficiency Indicators					
Cost of providing Government with service delivery and infrastructure advice per paper produced ^{(c) (d)}	\$40,533	n/a	\$40,088	\$46,420	3

(a) The 2018-19 Actual, 2019-20 Budget and 2019-20 Actual have been recast, for comparability purposes, to account for Machinery of Government changes that took effect from 5 September 2019.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(c) Following a review of the Department's Outcome Based Management Structure, this key efficiency indicator has been introduced to replace 'Number of Expenditure Review Committee papers on service delivery and infrastructure advice'. The actual result for 2018-19 has been backcast, for comparability purposes.

(d) This key efficiency indicator is measured by dividing the number of papers relating to government service delivery and infrastructure provision (including Ministerials, briefing notes, responses to Parliamentary Questions and Expenditure Review Committee submissions) by the total cost of associated policy activities during the year (including corporate overhead costs).

Explanation of Significant Movements

(Notes)

1. The 2019-20 Actual is less than the 2019-20 Budget due to lower than anticipated costs for the Landgate Partial Commercialisation project, and the deferral of various programs as a result of the COVID-19 pandemic (including the TAB Privatisation project and State Banking Contract tender process). The 2020-21 Budget Target is lower than both the 2019-20 Budget and the 2019-20 Actual, primarily due to the conclusion of the Landgate Partial Commercialisation project in 2019-20.
2. The 2019-20 Actual is lower than the 2019-20 Budget due to the repositioning of funding (and associated expenditure) for the Target 120 project, as well as lower than anticipated funding (and associated expenditure) for the Justice Pipeline Model project.
3. It is anticipated that the number of papers prepared on service delivery and infrastructure provision will reduce in 2020-21, as a result of the upcoming State election and preceding caretaker period. This reduction is expected to increase the cost per paper produced.

Asset Investment Program

1. The Department's Asset Investment Program has been expanded in 2020-21. In addition to upgrades to the Strategic Information Management System (\$0.4 million), the Department expects to spend \$0.3 million on the development of a Cash Disbursement Module to automate the disbursement of appropriations to agencies and \$0.3 million on an enhanced Unclaimed Monies System.
2. Both the Cash Disbursement Module project and the Unclaimed Monies System Digitalisation project will be funded from the Strategic Alliance Fund that is available through the State Government Banking Contract with the Commonwealth Bank of Australia.

	Estimated Total Cost \$'000	Actual Expenditure to 30-6-20 \$'000	2019-20 ^(a) Expenditure \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
COMPLETED WORKS							
Information and Communications Technology (ICT)							
Replacement/Upgrade - 2019-20 Program	631	631	631	-	-	-	-
NEW WORKS							
Cash Disbursement Module	301	-	-	301	-	-	-
ICT Replacement/Upgrade							
2020-21 Program	400	-	-	400	-	-	-
2021-22 Program	400	-	-	-	400	-	-
2022-23 Program	400	-	-	-	-	400	-
2023-24 Program	400	-	-	-	-	-	400
Unclaimed Monies System Digitalisation	324	-	-	324	-	-	-
Total Cost of Asset Investment Program	2,856	631	631	1,025	400	400	400
FUNDED BY							
Drawdowns from the Holding Account			400	400	400	400	400
Internal Funds and Balances			231	-	-	-	-
Strategic Alliance Fund			-	625	-	-	-
Total Funding			631	1,025	400	400	400

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared

Financial Statements

Income Statement

Expenses

1. Employee benefits expenses were \$1.9 million lower than budgeted in 2019-20, due to staff vacancies over the course of the year. Expenditure is expected to increase in 2020-21, reflecting the filling of vacant positions and the repositioning of salary expenditure associated with the TAB Privatisation project.
2. Supplies and services expenses reduced by \$2.8 million between 2019-20 Budget and 2019-20 Actual. This result was largely due to the deferral of programs impacted by the COVID-19 pandemic (including the TAB Privatisation project and the State Banking Contract tender process), as well as \$1 million in savings associated with the now completed Landgate Partial Commercialisation project. The reduction was partly offset by the success fee paid to the lead commercial advisor for the Landgate Partial Commercialisation (\$5.2 million). Expenditure will reduce further in 2020-21, due to the finalisation of the Landgate Partial Commercialisation project in the preceding year.
3. The accounting treatment for office accommodation changed during 2019-20. This change means that Government Office Accommodation inter-agency memorandum of understanding arrangements are now out of scope of AASB 16: *Leases* and therefore are no longer reported on the Statement of Financial Position. This resulted in higher than usual depreciation and interest costs, and lower than usual accommodation expenses, being reported in the income statement for the 2019-20 Budget.

Income

4. Income is expected to increase from \$0.3 million in 2019-20 to \$1.1 million in 2020-21, predominantly due to funding received from the Strategic Alliance Fund for the Cash Disbursement Module project (\$0.3 million) and the Unclaimed Monies System Digitalisation project (\$0.3 million), as well as the repositioning of around \$0.1 million associated with the Target 120 program.

Statement of Financial Position

5. Total assets and total liabilities reduced substantially between 2019-20 Budget and 2019-20 Actual, reflecting a change in the accounting treatment of Government Office Accommodation leases held by agencies following publication of the 2019-20 Budget. This change means that the Government Office Accommodation inter-agency memorandum of understanding arrangements are now out of scope of AASB 16 and therefore are no longer reported on the Statement of Financial Position.

INCOME STATEMENT ^{(a) (b)}
(Controlled)

	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual ^(c) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(d)	30,796	35,279	33,364	35,715	33,964	34,266	34,522
Grants and subsidies ^(e)	52	50	164	163	164	165	166
Supplies and services	18,493	19,385	16,604	13,826	8,299	7,863	7,708
Accommodation	4,565	679	3,908	3,654	3,804	3,960	4,140
Depreciation and amortisation	1,001	3,460	1,132	1,254	1,326	627	422
Finance and interest costs	-	3,378	4	6	10	10	10
Other expenses	1,757	1,212	1,601	1,340	1,340	1,340	1,340
TOTAL COST OF SERVICES	56,664	63,443	56,777	55,958	48,907	48,231	48,308
Income							
Other revenue	332	615	300	1,135	422	306	275
Total Income	332	615	300	1,135	422	306	275
NET COST OF SERVICES	56,332	62,828	56,477	54,823	48,485	47,925	48,033
INCOME FROM STATE GOVERNMENT							
Service appropriations	50,061	57,518	51,596	49,808	42,819	42,283	42,365
Resources received free of charge	7,529	5,594	6,158	5,925	5,951	5,927	5,953
Royalties for Regions Fund: Regional and state-wide initiatives	130	133	133	115	134	134	134
TOTAL INCOME FROM STATE GOVERNMENT	57,720	63,245	57,887	55,848	48,904	48,344	48,452
SURPLUS/(DEFICIENCY) FOR THE PERIOD	1,388	417	1,410	1,025	419	419	419

(a) Full audited financial statements are published in Treasury's Annual Report.

(b) The 2018-19 Actual, 2019-20 Budget and 2019-20 Actual have been recast, for comparability purposes, to account for Machinery of Government changes that took effect from 5 September 2019.

(c) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(d) The full-time equivalents for 2018-19 Actual, 2019-20 Actual and 2020-21 Budget Estimate are 223, 240 and 252 respectively.

(e) Refer to the Details of Controlled Grants and Subsidies table below for further information.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual ^(a) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Contributions to the Australian Accounting Standards Board	49	50	49	50	50	50	50
Contributions to the Board of Treasurers Secretariat	-	-	112	113	114	115	116
Donations/Sponsorships	3	-	3	-	-	-	-
TOTAL	52	50	164	163	164	165	166

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

STATEMENT OF FINANCIAL POSITION ^{(a) (b)}
(Controlled)

	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual ^(c) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	13,897	9,976	11,914	12,214	12,512	12,808	13,102
Restricted cash.....	11	-	19	-	-	-	-
Holding account receivables.....	1,001	400	1,764	1,764	1,764	1,764	1,764
Receivables.....	992	678	323	320	320	320	320
Other.....	17	39	349	349	349	349	349
Total current assets.....	15,918	11,093	14,369	14,647	14,945	15,241	15,535
NON-CURRENT ASSETS							
Holding account receivables.....	11,164	15,706	11,164	12,018	12,944	13,171	13,193
Property, plant and equipment.....	52	64,919	135	147	206	175	157
Intangibles.....	3,803	3,379	3,365	3,210	2,354	2,196	2,243
Restricted cash.....	353	462	397	516	637	760	885
Total non-current assets.....	15,372	84,466	15,061	15,891	16,141	16,302	16,478
TOTAL ASSETS.....	31,290	95,559	29,430	30,538	31,086	31,543	32,013
CURRENT LIABILITIES							
Employee provisions.....	6,903	6,507	8,102	8,102	8,102	8,102	8,101
Payables.....	4,267	1,318	698	698	698	698	698
Borrowings and leases.....	-	-	49	49	49	49	49
Total current liabilities.....	11,170	7,825	8,849	8,849	8,849	8,849	8,848
NON-CURRENT LIABILITIES							
Employee provisions.....	1,737	1,732	1,774	1,774	1,774	1,774	1,774
Borrowings and leases.....	-	67,851	48	66	128	99	99
Total non-current liabilities.....	1,737	69,583	1,822	1,840	1,902	1,873	1,873
TOTAL LIABILITIES.....	12,907	77,408	10,671	10,689	10,751	10,722	10,721
EQUITY							
Contributed equity.....	42,117	42,446	41,083	41,152	41,219	41,286	41,338
Accumulated surplus/(deficit).....	(23,734)	(24,295)	(22,324)	(21,299)	(20,880)	(20,461)	(20,042)
Total equity.....	18,383	18,151	18,759	19,853	20,339	20,825	21,296
TOTAL LIABILITIES AND EQUITY.....	31,290	95,559	29,430	30,542	31,090	31,547	32,017

(a) Full audited financial statements are published in Treasury's Annual Report.

(b) The 2018-19 Actual, 2019-20 Budget and 2019-20 Actual have been recast, for comparability purposes, to account for Machinery of Government changes that took effect from 5 September 2019.

(c) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

STATEMENT OF CASHFLOWS ^{(a) (b)}
(Controlled)

	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual ^(c) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	49,060	54,058	50,433	48,554	41,493	41,656	41,943
Capital appropriation	-	329	32	69	67	67	52
Holding account drawdowns	800	400	400	400	400	400	400
Royalties for Regions Fund:							
Regional and state-wide initiatives	130	133	133	115	134	134	134
Net cash provided by State Government	49,990	54,920	50,998	49,138	42,094	42,257	42,529
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(30,469)	(35,279)	(33,732)	(35,715)	(33,964)	(34,266)	(34,522)
Grants and subsidies	(50)	(50)	(152)	(163)	(164)	(165)	(166)
Supplies and services	(9,493)	(13,873)	(12,901)	(7,983)	(2,430)	(2,018)	(1,837)
Accommodation	(4,425)	(679)	(4,373)	(3,654)	(3,804)	(3,960)	(4,140)
GST payments	(1,926)	(2,281)	(2,036)	(2,281)	(2,281)	(2,281)	(2,281)
Finance and interest costs	-	(3,378)	(4)	(6)	(10)	(10)	(10)
Other payments	(1,579)	(1,212)	(1,765)	(1,340)	(1,340)	(1,340)	(1,340)
Receipts ^(d)							
GST receipts	1,691	2,281	2,244	2,281	2,281	2,281	2,281
Other receipts	1,485	697	496	1,217	504	388	357
Net cash from operating activities	(44,766)	(53,774)	(52,223)	(47,644)	(41,208)	(41,371)	(41,658)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(564)	(400)	(631)	(1,025)	(400)	(400)	(400)
Net cash from investing activities	(564)	(400)	(631)	(1,025)	(400)	(400)	(400)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	(329)	(75)	(69)	(67)	(67)	(52)
Net cash from financing activities	-	(329)	(75)	(69)	(67)	(67)	(52)
NET INCREASE/(DECREASE) IN CASH HELD	4,660	417	(1,931)	400	419	419	419
Cash assets at the beginning of the reporting period	9,601	10,021	14,261	12,330	12,730	13,149	13,568
Cash assets at the end of the reporting period	14,261	10,438	12,330	12,730	13,149	13,568	13,987

(a) Full audited financial statements are published in Treasury's Annual Report.

(b) The 2018-19 Actual, 2019-20 Budget and 2019-20 Actual have been recast, for comparability purposes, to account for Machinery of Government changes that took effect from 5 September 2019.

(c) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(d) A determination by the Treasurer, pursuant to section 23 of the *Financial Management Act 2006*, provides for the retention of some cash receipts by Treasury. Refer to the Net Appropriation Determination table below for further information. Other receipts are retained under the authority of other relevant Acts of Parliament.

NET APPROPRIATION DETERMINATION ^(a)

	2018-19	2019-20	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Actual ^(b)	Budget	Forward	Forward	Forward
	\$'000	\$'000	\$'000	Estimate	Estimate	Estimate	Estimate
				\$'000	\$'000	\$'000	\$'000
GST Receipts							
GST Input Credits	1,660	2,281	2,198	2,281	2,281	2,281	2,281
GST Receipts on Sales	31	-	46	-	-	-	-
Other Receipts							
Senior Officer Vehicle Scheme Receipts	41	58	46	58	60	60	60
Receipts from the Department of Communities for the Target 120 Program	-	387	256	347	238	165	165
Receipts from the Department of Justice for the Justice Pipeline Model	135	170	100	50	50	50	50
Strategic Alliance Fund Receipts	-	-	-	680	74	31	-
GST Refund Payable to Treasury Administered ^(c)	1,237	-	-	-	-	-	-
Other Receipts ^(d)	72	82	94	82	82	82	82
TOTAL	3,176	2,978	2,740	3,498	2,785	2,669	2,638

(a) The moneys received and retained are to be applied to Treasury's services as specified in the Budget Statements.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(c) A GST refund of \$1.2 million was received from the Australian Taxation Office in June 2019, on behalf of Treasury Administered. Due a delay in receiving the refund, it was not transferred to Treasury Administered until July 2019 (after the end of the financial year).

(d) Other Receipts includes Commonwealth paid parental leave receipts, Freedom of Information fees, and other refunds and recoveries.

DETAILS OF ADMINISTERED TRANSACTIONS

	2018-19	2019-20	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Actual ^(a)	Budget	Forward	Forward	Forward
	\$'000	\$'000	\$'000	Estimate	Estimate	Estimate	Estimate
				\$'000	\$'000	\$'000	\$'000
INCOME							
Commonwealth Grants							
Compensation for Crude Oil Excise							
Condensate	29,829	44,922	20,624	14,445	14,682	11,704	10,195
GST Grants	3,199,673	3,581,300	3,466,337	2,321,568	2,553,796	4,848,820	5,091,285
Commonwealth-Funded 70% Floor	434,000	814,200	814,168	1,546,593	1,848,919	-	-
Local Government (Financial Assistance Grants)	180,637	-	-	-	-	-	-
Local Government (Road Funding)	117,661	-	-	-	-	-	-
Non-Government Schools	1,340,627	-	-	-	-	-	-
North West Shelf Grants	886,467	816,771	628,727	361,124	367,059	292,595	254,881
Other	2,390,616	2,955,581	36,712	383,301	917,709	570,971	1,116,318
Total Commonwealth Grants	8,579,510	8,212,774	4,966,568	4,627,031	5,702,165	5,724,090	6,472,679
GOVERNMENT ENTERPRISES							
Dividends							
Bunbury Water Corporation	1,940	1,845	2,614	1,840	1,509	897	1,169
Busselton Water Corporation	1,540	1,187	1,017	1,125	536	535	686
Electricity Generation and Retail Corporation (Synergy)	18,200	2,820	2,820	22,600	-	-	-
Electricity Networks Corporation (Western Power)	297,527	277,046	80,492	491,311	323,737	303,723	279,507
Forest Products Commission	1,044	250	-	-	-	-	2,458
Fremantle Port Authority	34,837	36,428	12,796	57,172	29,978	28,131	30,542
Gold Corporation	4,989	7,123	5,959	23,450	10,243	10,897	11,605
Insurance Commission of Western Australia	102,561	73,166	207,531	490,428	46,620	51,290	56,744
Kimberley Ports Authority	-	-	-	-	-	515	1,202
Land Information Authority	144,596	6,472	995,605	-	-	-	-
Mid West Ports Authority	12,416	14,071	4,124	22,121	6,330	8,957	10,379
Pilbara Ports Authority	150,883	98,154	31,678	190,365	128,370	132,098	135,199
Regional Power Corporation (Horizon Power)	36,596	11,938	2,424	13,586	11,854	8,221	8,471
Southern Ports Authority	26,239	32,282	6,365	55,991	25,925	28,480	30,437
Water Corporation of Western Australia	604,623	620,136	3,767	1,258,331	704,089	759,884	798,945
Western Australian Land Authority	37,869	10,080	8,443	131,403	71,939	72,598	15,511
Western Australian Treasury Corporation	18,267	16,202	21,902	16,480	17,594	18,060	19,022
Total Dividends	1,494,127	1,209,200	1,387,537	2,776,203	1,378,724	1,424,286	1,401,877

	2018-19	2019-20	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Actual ^(a)	Budget	Forward	Forward	Forward
	\$'000	\$'000	\$'000	Estimate	Estimate	Estimate	Estimate
Income Tax Equivalent Regime							
Bunbury Water Corporation	1,610	1,004	1,282	986	830	991	1,108
Busselton Water Corporation	1,180	784	1,091	517	527	630	607
Electricity Generation and Retail Corporation (Synergy)	(141)	-	47	-	-	-	-
Electricity Networks Corporation (Western Power)	79,131	100,789	98,944	115,827	121,999	117,317	117,382
Forest Products Commission	2,899	-	-	-	-	2,908	3,265
Fremantle Port Authority	24,817	24,225	19,920	18,771	19,486	17,682	20,351
Gold Corporation	4,417	5,573	15,369	5,867	6,241	6,646	7,044
Insurance Commission of Western Australia	52,231	32,694	110,182	226,049	34,962	43,444	50,430
Kimberley Ports Authority	-	-	-	-	-	392	785
Land Information Authority	54,174	8,299	425,187	-	-	-	-
Mid West Ports Authority	6,265	5,949	4,967	5,106	4,096	7,546	7,515
Pilbara Ports Authority	53,990	56,340	56,460	80,629	80,000	82,816	84,002
Regional Power Corporation (Horizon Power)	10,873	6,228	2,666	5,386	7,233	5,066	4,768
Southern Ports Authority	10,499	14,491	18,331	13,341	13,821	17,089	17,491
Water Corporation of Western Australia	353,628	354,047	366,069	341,778	384,352	400,679	423,809
Western Australian Land Authority	3,370	4,290	1,201	51,466	5,131	2,457	5,939
Western Australian Treasury Corporation	12,636	9,465	12,339	10,054	10,320	10,869	11,038
Total Income Tax Equivalent Regime	671,579	624,178	1,134,055	875,777	688,998	716,532	755,534
Local Government Rates Equivalent Regime							
Bunbury Water Corporation	81	82	84	83	85	87	89
Busselton Water Corporation	60	61	63	61	62	64	65
Electricity Generation and Retail Corporation (Synergy)	686	1,644	740	1,027	1,027	1,028	1,028
Electricity Networks Corporation (Western Power)	1,437	1,710	1,462	1,761	1,805	1,651	1,692
Forest Products Commission	392	338	389	76	84	93	101
Fremantle Port Authority	591	642	685	627	645	665	685
Gold Corporation	1,152	1,238	158	523	539	555	572
Kimberley Ports Authority	157	152	124	140	141	143	144
Mid West Ports Authority	862	873	868	899	922	945	968
Pilbara Ports Authority	2,634	4,250	2,760	2,747	2,815	2,886	2,958
Regional Power Corporation (Horizon Power)	478	676	252	685	695	704	722
Southern Ports Authority	743	648	790	713	729	744	759
Water Corporation of Western Australia	7,067	6,796	6,833	7,845	8,021	8,202	8,386
Western Australian Land Authority	7,780	6,025	7,488	8,560	7,377	7,583	7,712
Total Local Government Rates Equivalent Regime	24,120	25,135	22,696	25,747	24,947	25,350	25,881
Total Government Enterprises	2,189,826	1,858,513	2,544,288	3,677,727	2,092,669	2,166,168	2,183,292
Other							
Consolidated Account Revenue Received from Agencies	14,123,005	15,528,461	17,140,979	17,360,473	15,048,228	14,936,689	15,293,544
Gold State Superannuation Reimbursement	100,142	87,793	93,513	79,053	69,564	61,851	54,993
Interest	120,361	111,146	72,238	52,542	59,859	50,127	54,397
Loan Guarantee Fees	153,173	161,259	158,411	134,826	138,079	141,542	143,214
Pension Recoups	12,735	10,433	12,411	11,135	11,301	11,473	10,645
Other Revenue	76,966	18,766	81,986	47,468	51,067	24,963	24,901
Total Other Revenue	14,586,382	15,917,858	17,559,538	17,685,497	15,378,098	15,226,645	15,581,694
TOTAL ADMINISTERED INCOME	25,355,718	25,989,145	25,070,394	25,990,255	23,172,932	23,116,903	24,237,665
EXPENSES							
Superannuation	1,140,889	246,348	259,833	198,695	208,194	233,928	289,347
Interest	865,209	828,010	721,023	640,150	643,100	656,000	660,050
Appropriations for:							
Operating Subsidies	1,445,880	1,382,912	1,841,508	2,653,774	1,581,422	1,455,882	1,431,034
Services	16,277,810	16,779,852	17,017,082	17,805,017	17,430,383	17,673,662	17,969,530
Salaries and Allowances	104,454	105,653	104,960	107,263	106,135	108,193	110,378
Other Appropriations	2,131,991	2,514,414	2,487,080	2,760,045	2,463,305	2,275,582	2,292,686
Total Appropriations	19,960,135	20,782,831	21,450,630	23,326,099	21,581,245	21,513,319	21,803,628

	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual ^(a) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
All Other Expenses							
Commonwealth Grants on-Passed to Agencies	2,359,184	2,436,252	-	-	-	-	-
Local Government Financial Assistance Grants	180,637	-	-	-	-	-	-
Local Government Road Funding	117,661	-	-	-	-	-	-
Non-Government Schools	1,340,627	-	-	-	-	-	-
Royalties for Regions	482,255	811,060	739,075	821,360	872,646	917,271	862,549
Other Expenses	4,277	82,016	12,086	99,372	121,117	98,578	98,728
TOTAL ADMINISTERED EXPENSES	26,450,874	25,186,517	23,182,647	25,085,676	23,426,302	23,419,096	23,714,302

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

Western Australian Treasury Corporation

Part 3 Financial Administration

Asset Investment Program

1. The Corporation's Asset Investment Program encompasses an ongoing program to update information and communications technology that supports the delivery of its services.

	Estimated Total Cost \$'000	Actual Expenditure to 30-6-20 \$'000	2019-20 ^(a) Expenditure \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
COMPLETED WORKS							
Computer Hardware/Software - 2019-20 Program	1,180	1,180	1,180	-	-	-	-
NEW WORKS							
Computer Hardware/Software							
2020-21 Program	485	-	-	485	-	-	-
2021-22 Program	445	-	-	-	445	-	-
2022-23 Program	550	-	-	-	-	550	-
2023-24 Program	366	-	-	-	-	-	366
Total Cost of Asset Investment Program	3,026	1,180	1,180	485	445	550	366
FUNDED BY							
Internal Funds and Balances			1,180	485	445	550	366
Total Funding			1,180	485	445	550	366

- (a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

Division 13 Office of the Auditor General

Part 3 Financial Administration

Appropriations, Expenses and Cash Assets

	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual ^(a) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 40 Net amount appropriated to deliver services.....	6,958	7,763	8,363	10,573	10,588	11,209	11,380
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	753	753	753	811	813	815	817
Total appropriations provided to deliver services	7,711	8,516	9,116	11,384	11,401	12,024	12,197
CAPITAL							
Item 116 Capital Appropriation ^(b)	300	300	300	348	347	347	347
TOTAL APPROPRIATIONS	8,011	8,816	9,416	11,732	11,748	12,371	12,544
EXPENSES							
Total Cost of Services	29,624	34,779	31,945	37,758	38,205	39,082	39,439
Net Cost of Services ^(c)	8,703	9,028	8,599	11,821	11,838	12,461	12,592
CASH ASSETS ^(d)	4,128	3,995	5,449	5,150	5,163	5,192	5,192

- (a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.
- (b) Additional capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program table.
- (c) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (d) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Office's Income Statement since presentation of the 2019-20 Budget to Parliament on 9 May 2019, are outlined below:

	2019-20 Actual ^(a) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
New Initiative					
Data Analytics and Forensic Auditing Program	579	2,494	2,542	3,077	3,077
Other					
Deputy Auditor General Position Reclassification	-	58	58	58	58
Streamlined Budget Process Incentive Funding	-	83	-	-	-

- (a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

Significant Issues Impacting the Agency

Impact of COVID-19 Responses on the State Government Audit Program

1. The impacts of COVID-19 responses on both our own operations and those of our audited entities have meant that a number of audits have been delayed, put on hold, or had their scope and timing amended. In the coming year, the Office's performance audit branch will increase its focus on the State's COVID-19 response, including issues such as health-sector preparedness and administration of COVID-19 stimulus measures. These audits aim to provide assurance and transparency to Parliament on the planning, recovery and stimulus stages of the State's response to the COVID-19 pandemic.
2. The financial audit program's immediate focus is the Annual Report on State Finances, noting there is more to examine in most entities for the 2019-20 audits due to the level of disruption during the period. Our auditors have sought to work flexibly with entities, aware of the pressures they face to deliver urgent COVID-19 support measures of high value. But we remain alert to an increased risk of inefficiency, waste, fraud and other unforeseen outcomes. Faced with such challenges, we expect delays in some entities due in part to an increased number of audit issues.

Impact of COVID-19 Responses on the Local Government Audit Program

3. The four-year transition of 148 Local Government (LG) audits to the Office's jurisdiction will be complete in 2020-21. These audits continue to take more time than similarly sized State sector audits, more so this year as LGs respond to the impacts of the COVID-19 pandemic. In addition, the OAG auditors were impacted by COVID-19 restrictions such as regional border closures. While the Office needs to recover the costs of its financial audits through audit fees, there is pressure from LGs, and a commitment from our Office, to maintain these fees at the same level as last year where possible. Furthermore, recruitment toward full staffing levels, including for auditing, was delayed during the key months of the COVID-19 response.

Forensic Audit Business Unit

4. The Office is in the process of establishing a Forensic Audit Branch from 2019-20 to conduct targeted forensic audits supported by advanced data analytics of State sector entities' accounts and matters related to public money. Early progress is pleasing, however COVID-19 has impacted the ability to progress planned recruitment, on-boarding and training of skilled and experienced staff in 2019-20.
5. In addition to its main focus, the Forensic Audit Branch will augment the capabilities of existing Office staff with tailored data analytics training and tools to help identify indicators of misappropriation in an entity. The Branch will partner with private sector firms to provide additional forensic capability, system enhancements and staff training and commenced an intensive product evaluation and selection process during 2020-21.

Increased Program of Information Systems Audits

6. The Office has expanded its General Computer Controls (GCC) audit program to include the LG sector. Our pilot of 10 LG entities, tabled in June 2020, reported a number of significant findings and recommendations around information security practices and capability maturity. These audits will increase in significance as entities employ remote working technology, deliver more public services online, and swiftly implement system and security changes in response to emerging issues. This enhanced GCC audit program is only possible by recovering costs from audit clients.

Technology Transformation Project

7. The procurement of a Financial Management Information System (FMIS) and an Audit Methodology and Tool (AMT) to replace legacy systems are just two of the many technology projects the Office has advanced. We are negotiating with a potential supplier for an FMIS, with a view to implementing the new system in October 2020. Following consultation with other audit offices and leading service providers, we have revised the requirements for a new AMT specific to our needs and are preparing to undertake an expression of interest process to inform our procurement approach. This will require extensive change and risk management and staff training associated with the transfer to the new audit methodology but will support improved efficiency with our increasing auditing demands and use of data analytics.

Outcomes, Services and Key Performance Information

Relationship to Government Goals

The Office is a public sector entity established to support the Auditor General. The Auditor General is an independent officer of the Parliament and as such reports directly to Parliament and ultimately the people of Western Australia, providing assurance about the efficient and effective delivery of services and the responsible management of the State's finances.

Desired Outcome	Service
An informed Parliament on public sector accountability and performance.	1. Public Sector Auditing

Service Summary

Expense	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual ^(a) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
1. Public Sector Auditing	29,624	34,779	31,945	37,758	38,205	39,082	39,439
Total Cost of Services.....	29,624	34,779	31,945	37,758	38,205	39,082	39,439

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

Outcomes and Key Effectiveness Indicators ^(a)

	2018-19 Actual	2019-20 Budget	2019-20 Actual ^(b)	2020-21 Budget Target	Note
Outcome: An informed Parliament on public sector accountability and performance:					
The extent that the Office is effective in informing the Parliament about the public sector accountability and performance is measured by the number of tabled reports compared to targets for each of the following categories of audit matter:					
Service Delivery - reports tabled.....	2	8	5	14	1
Economic Development - reports tabled.....	1	4	2	9	
Social and Environment - reports tabled.....	3	7	1	8	
Governance - reports tabled	23	12	20	2	
TOTAL	29	31	28	33	

(a) Further detail in support of the key effectiveness indicators is provided in the Office's Annual Report.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

Explanation of Significant Movements

(Notes)

- The Office aims to provide Parliament with advice and assurance across all four categories of public sector activity. An element of the key effectiveness indicator is the establishment of a three-year target for each category of report. Targets are one factor in the selection of audit topics. Other factors include the significance of identified issues and regard for matters referred to the Office by Parliament and the community and identified through our audit work. For this reason, category targets may not always be met in any one year. Accordingly, individual targets must be considered in conjunction with the three-year target.

The current target over three years encompasses the 2018-19 to 2020-21 cycles.

	2015-16 to 2017-18 Three-year Actual	2015-16 to 2017-18 Three-year Budget Target	2018-19 to 2020-21 Three-year Estimated Actual	2018-19 to 2020-21 Three-year Budget Target
Reports Tabled:				
Service Delivery	15	15	21	21
Economic Development	7	9	12	12
Social and Environment	9	9	12	12
Governance.....	51	42	45	45
TOTAL	82	75	90	90

Section 82 work, included as tabled reports in the Governance category, is a legislated obligation and results in a diversion of resources from the Performance Audit Program. Consequently, the mix of tabled reports between the 2019-20 Budget and the 2019-20 Actual is modified.

Services and Key Efficiency Indicators

1. Public Sector Auditing ^(a)

The Office is responsible for undertaking the external audit of the Western Australian public sector, including LG entities. This is done through audits where relevant of controls, financial statements, key performance indicators, efficiency and effectiveness, and the tabling of reports thereon to Parliament.

	2018-19 Actual	2019-20 Budget	2019-20 Actual ^(b)	2020-21 Budget Target	Note
Total Cost of Service	\$'000 29,624	\$'000 34,779	\$'000 31,945	\$'000 37,758	1
Less Income	20,921	25,751	23,346	25,937	
Net Cost of Service	8,703	9,028	8,599	11,821	
Employees (Full-Time Equivalents)	158	173	153	186	
Efficiency Indicators					
Total audit cost per \$ million of gross government expenditure.....	575	661	476	560	2
Attest audit cost per \$ million of gross government expenditure	431	484	369	449	2
Performance audit cost per \$ million of gross government expenditure	144	177	107	110	2
Average number of days taken after balance date to issue financial audit opinions	66	68	67	68	

(a) Efficiency indicators are based on the average number of days taken after balance date to issue financial audit opinions and gross government expenditure for State agencies only. Targets incorporating LGs will be developed once all financial audits for the sector have transitioned to the Auditor General.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service between the 2019-20 Actual and the 2020-21 Budget is primarily due to the continued extension of service delivery with the introduction of data analytics and forensic auditing, an increased program of LG auditing and information systems audits and the upgrade of core information systems.
2. The reduction in audit cost per million of gross government expenditure between the 2019-20 Actual and the 2019-20 Budget is primarily due to a large increase in gross government expenditure. The forecast increase in the audit cost per million of gross government expenditure between the 2019-20 Actual and the 2020-21 Budget reflects growth in the Total Cost of Service with no change in anticipated gross government expenditure. The projected increase in the Total Cost of Service is mainly due to intended increase in service delivery for LG financial, information systems and forensic audits.

Asset Investment Program

	Estimated Total Cost \$'000	Actual Expenditure to 30-6-20 \$'000	2019-20 ^(a) Expenditure \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
WORKS IN PROGRESS							
Computer Hardware and Software - 2019-20 Program	231	42	42	189	-	-	-
NEW WORKS							
2020-21 Program	690	-	-	690	-	-	-
2021-22 Program	690	-	-	-	690	-	-
2022-23 Program	690	-	-	-	-	690	-
2023-24 Program	690	-	-	-	-	-	690
Total Cost of Asset Investment Program	2,991	42	42	879	690	690	690
FUNDED BY							
Capital Appropriation			300	300	300	300	300
Drawdowns from the Holding Account			323	390	390	390	390
Internal Funds and Balances ^(b)			(581)	189	-	-	-
Total Funding			42	879	690	690	690

- (a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.
- (b) The Office has retained \$0.6 million of cash asset at 30 June 2020 as a result of the Capital Appropriation and Holding Account drawdowns that was not utilised in 2019-20. This balance includes \$0.2 million required to complete the 2019-20 Program. The requirement for the remainder of the cash asset will be reviewed as part of the 2020-21 Mid-year Review process.

Financial Statements

1. The 2019-20 Budget reflects the treatment of Government Office Accommodation (GOA) inter-agency leasing arrangements in accordance with AASB 16: *Leases*. Subsequent to the release of the 2019-20 Budget, it was determined that GOA inter-agency leasing arrangements were outside the scope of AASB 16 and therefore not required to be reported on the Statement of Financial Position. GOA leasing arrangements are now expensed as incurred and reflected as such from 2019-20 Actual onwards.

Income Statement

Expenses

2. The Total Cost of Services is forecast to increase by \$5.8 million between the 2019-20 Actual and the 2020-21 Budget. This is mainly due to an increase in service delivery for LG financial and information systems and forensic audits.

Income

3. Consistent with the movement in the Total Cost of Services, income from the State Government is anticipated to increase by \$2.3 million between the 2019-20 Actual and the 2020-21 Budget, mainly due the establishment of a Data Analytics and Forensic Audit branch.
4. Income from audit fees is anticipated to increase by \$2.6 million in 2020-21 compared to the 2019-20 Actual, reflecting the expanded audit client base and the recovery of the cost of the LG financial audit program and program of information systems audits. In addition, a proportion of the cost of information systems upgrades is recovered through audit fees revenue in line with the Office's current strategic resourcing mix.

Statement of Financial Position

5. The 2019-20 Budget anticipated an increase in receivables and payables from the introduction of LG audits. With a four-year transition to local government audits, levels of receivables and payables for 2019-20 Actuals are below the 2019-20 Budget and have remained consistent with prior years.

INCOME STATEMENT ^(a)
(Controlled)

	2018-19	2019-20	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Actual ^(b)	Budget	Forward	Forward	Forward
	\$'000	\$'000	\$'000	Estimate	Estimate	Estimate	Estimate
				\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(c)	18,440	21,624	19,109	23,573	24,013	24,561	24,886
Supplies and services	7,199	9,634	9,685	10,580	10,554	10,817	10,846
Accommodation ^(d)	2,199	-	1,693	1,242	1,242	1,242	1,242
Depreciation and amortisation ^(d)	577	1,946	369	771	770	770	769
Finance and interest costs ^(d)	-	151	2	4	7	7	8
Other expenses	1,209	1,424	1,087	1,588	1,619	1,685	1,688
TOTAL COST OF SERVICES	29,624	34,779	31,945	37,758	38,205	39,082	39,439
Income							
Other revenue	20,921	25,751	23,346	25,937	26,367	26,621	26,847
Total Income	20,921	25,751	23,346	25,937	26,367	26,621	26,847
NET COST OF SERVICES	8,703	9,028	8,599	11,821	11,838	12,461	12,592
INCOME FROM STATE GOVERNMENT							
Service appropriations	7,711	8,516	9,116	11,384	11,401	12,024	12,197
Resources received free of charge	440	467	426	467	467	467	467
TOTAL INCOME FROM STATE GOVERNMENT	8,151	8,983	9,542	11,851	11,868	12,491	12,664
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(552)	(45)	943	30	30	30	72

(a) Full audited financial statements are published in the Office's Annual Report.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(c) The full-time equivalents for 2018-19 Actual, 2019-20 Actual and 2020-21 Budget Estimate are 158, 153 and 186 respectively.

(d) The variance between the 2019-20 Budget and the 2019-20 Actual reflects the revised accounting treatment of GOA inter-agency leasing arrangements.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual ^(b) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	3,940	3,750	5,187	4,818	4,761	4,730	4,730
Holding account receivables.....	323	390	390	390	390	390	390
Receivables.....	9,591	12,352	9,877	10,828	11,279	11,730	11,771
Other.....	394	474	577	577	577	577	577
Total current assets.....	14,248	16,966	16,031	16,613	17,007	17,427	17,468
NON-CURRENT ASSETS							
Holding account receivables.....	3,829	4,160	4,160	4,541	4,921	5,301	5,680
Property, plant and equipment ^(c)	325	3,854	181	263	269	331	344
Intangibles.....	72	399	11	140	110	-	-
Restricted cash.....	188	245	262	332	402	462	462
Total non-current assets.....	4,414	8,658	4,614	5,276	5,702	6,094	6,486
TOTAL ASSETS	18,662	25,624	20,645	21,889	22,709	23,521	23,954
CURRENT LIABILITIES							
Employee provisions.....	3,047	3,321	3,014	3,084	3,154	3,224	3,224
Payables.....	470	2,858	594	1,335	1,699	2,079	2,079
Borrowings and leases.....	-	-	36	36	36	36	36
Other.....	743	605	1,160	1,160	1,160	1,160	1,160
Total current liabilities.....	4,260	6,784	4,804	5,615	6,049	6,499	6,499
NON-CURRENT LIABILITIES							
Employee provisions.....	865	773	1,019	1,019	1,019	1,019	1,019
Borrowings and leases ^(c)	-	3,693	42	97	106	91	105
Total non-current liabilities.....	865	4,466	1,061	1,116	1,125	1,110	1,124
TOTAL LIABILITIES	5,125	11,250	5,865	6,731	7,174	7,609	7,623
EQUITY							
Contributed equity.....	8,931	9,231	9,231	9,579	9,926	10,273	10,620
Accumulated surplus/(deficit).....	4,606	5,143	5,549	5,579	5,609	5,639	5,711
Total equity	13,537	14,374	14,780	15,158	15,535	15,912	16,331
TOTAL LIABILITIES AND EQUITY	18,662	25,624	20,645	21,889	22,709	23,521	23,954

(a) Full audited financial statements are published in the Office's Annual Report.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(c) The variance between the 2019-20 Budget and the 2019-20 Actual reflects the revised accounting treatment of GOA inter-agency leasing arrangements.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual ^(b) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	6,990	7,795	8,395	10,613	10,631	11,254	11,428
Capital appropriation	300	300	300	348	347	347	347
Holding account drawdowns	240	323	323	390	390	390	390
Net cash provided by State Government	7,530	8,418	9,018	11,351	11,368	11,991	12,165
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(18,399)	(21,537)	(18,968)	(23,486)	(23,927)	(24,476)	(24,801)
Supplies and services	(7,123)	(7,835)	(8,640)	(8,812)	(9,154)	(9,416)	(9,474)
Accommodation ^(c)	(1,933)	-	(1,267)	(1,242)	(1,242)	(1,242)	(1,242)
GST payments	(2,307)	(1,800)	(2,643)	(1,800)	(1,800)	(1,800)	(1,800)
Finance and interest costs ^(c)	-	(151)	(2)	(4)	(7)	(7)	(8)
Other payments	(1,022)	(1,993)	(1,774)	(2,166)	(2,204)	(2,254)	(2,253)
Receipts ^(d)							
GST receipts	2,396	1,800	2,631	1,800	1,800	1,800	1,800
Other receipts	19,804	24,529	23,054	24,987	25,916	26,170	26,396
Net cash from operating activities	(8,584)	(6,987)	(7,609)	(10,723)	(10,618)	(11,225)	(11,382)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(58)	(623)	(42)	(879)	(690)	(690)	(690)
Net cash from investing activities	(58)	(623)	(42)	(879)	(690)	(690)	(690)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases ^(c)	-	(1,157)	(46)	(48)	(47)	(47)	(93)
Net cash from financing activities	-	(1,157)	(46)	(48)	(47)	(47)	(93)
NET INCREASE/(DECREASE) IN CASH HELD	(1,112)	(349)	1,321	(299)	13	29	-
Cash assets at the beginning of the reporting period	5,240	4,344	4,128	5,449	5,150	5,163	5,192
Cash assets at the end of the reporting period	4,128	3,995	5,449	5,150	5,163	5,192	5,192

(a) Full audited financial statements are published in the Office's Annual Report.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(c) The variance between the 2019-20 Budget and the 2019-20 Actual reflects the revised accounting treatment of GOA inter-agency leasing arrangements.

(d) A determination by the Treasurer, pursuant to section 23 of the *Financial Management Act 2006*, provides for the retention of some cash receipts by the Office. Refer to the Net Appropriation Determination table below for further information. Other receipts are retained under the authority of other relevant Acts of Parliament.

NET APPROPRIATION DETERMINATION (a)

	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual ^(b) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
GST Receipts							
GST Input Credits	355	170	332	170	170	170	170
GST Receipts on Sales	2,041	1,630	2,299	1,630	1,630	1,630	1,630
Other Receipts							
Audit Fees	19,804	24,529	23,054	24,987	25,916	26,170	26,396
TOTAL	22,200	26,329	25,685	26,787	27,716	27,970	28,196

(a) The moneys received and retained are to be applied to the Office's services as specified in the Budget Statements.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

Division 14 Finance

Part 3 Financial Administration

Appropriations, Expenses and Cash Assets

	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual ^(a) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 41 Net amount appropriated to deliver services.....	152,799	168,291	168,179	219,458	190,395	185,075	186,311
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	1,601	1,601	1,601	1,601	1,607	1,612	1,617
Total appropriations provided to deliver services	154,400	169,892	169,780	221,059	192,002	186,687	187,928
ADMINISTERED TRANSACTIONS							
Item 42 Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....	150,761	188,739	176,298	524,367	222,525	238,350	242,775
Amount Authorised by Other Statutes							
- First Home Owner Grant Act 2000	56,540	55,695	52,761	82,254	41,986	42,326	53,439
CAPITAL							
Item 117 Capital Appropriation	12,020	5,265	5,265	7,711	5,381	16,380	4,310
TOTAL APPROPRIATIONS	373,721	419,591	404,104	835,391	461,894	483,743	488,452
EXPENSES							
Total Cost of Services	1,267,835	1,270,972	1,312,314	1,484,536	1,508,901	1,348,967	1,041,377
Net Cost of Services ^(b)	132,635	175,253	188,506	223,719	191,430	183,953	184,829
CASH ASSETS ^(c)	83,493	158,945	83,417	96,537	101,854	107,266	111,739

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(b) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(c) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Department's Income Statement since presentation of the 2019-20 Budget to Parliament on 9 May 2019, are outlined below:

	2019-20 Actual ^(a) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
COVID-19 WA Recovery Plan					
Administration of Commonwealth and State Building Grant Programs	-	693	-	-	-
Infrastructure Delivery Unit.....	-	4,328	5,385	-	-
Parliamentary Precinct Development	190	240	58	106	2,498
Payroll Tax Stimulus Measures	170	192	-	-	-
ServiceWA.....	-	2,551	(77)	-	-
New Initiatives					
Other COVID-19 - Masks Purchase	-	11,850	-	-	-
Ongoing Initiatives					
Perth Children's Hospital - Contractual Entitlement Resolution ^(b)	-	-	-	-	-
Revised Capital Works Turnover.....	-	327,000	461,000	309,000	-
State Revenue Systems Development and Upgrades	-	158	363	363	267

	2019-20 Actual ^(a) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Other					
Government Asset Management Platform.....	131	2,560	2,309	-	-
Government Office Accommodation					
Business Cases.....	600	-	-	-	-
Department of Primary Industries and Regional Development Relocation	-	2,295	4,821	4,815	4,808
Reform Program	948	2,272	2,884	2,866	2,871
Royalties for Regions District Allowances	(16)	(16)	(16)	(16)	90

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(b) Commercial-in-confidence. The amount of funding is not disclosed in order to avoid prejudicing the State's position.

Significant Issues Impacting the Agency

1. The One Finance organisational transformation program has delivered a full review and realignment of the Department's structure, positioning the Department to be a cohesive and high performing central agency. The Department has moved to an interim structure to realise the benefits of aligning the structure with the functional model. The 2020-21 focus is on delivering the full transformation and implementing a culture strategy to support the One Finance Program's objectives.
2. In 2020-21, RevenueWA will progress amendments for proposed changes announced by the Minister for Finance to duty concessions and land tax exemptions. RevenueWA will also continue to progress measures to improve the efficiency of the State's tax legislation, assist in implementing Government reforms and support the digitalisation of government services.
3. In 2019-20, the Department successfully completed the Government Office Accommodation Reform Program (Reform Program), exceeding the five-year savings target of \$143 million within the first three years. The Reform Program initiatives included the renegotiation of existing long-term leases, backfill of vacant/underutilised space and implementation of flexible working environments, all reducing the cost and size of the government accommodation portfolio. In 2020-21, the Department will continue to reduce cost and maximise space utilisation within the portfolio through efficient and innovative fit-outs, including co-working hubs and activity-based workplaces.
4. As recommended by the Service Priority Review, the Department has commenced planning to implement a pilot that seeks to improve asset management maturity and practices within the government non-residential building asset portfolio. The two-year pilot will see the Department partnering with some of the larger building asset-owning agencies. In consultation with the Department of Treasury, strategies and initiatives will be developed to enhance data/information capture and analysis as well as the sector's overall asset management capability. This will enable better utilisation and value to be extracted for non-residential public buildings across the State. The pilot is expected to deliver benefits as well as cement the Department's functional leadership role in the area of strategic asset management.
5. The Department is leading the Procurement Reform Project which is now entering its next phase and aims to deliver a suite of initiatives over the next 12 to 18 months, underpinning legislative change. These changes will introduce a new procurement framework, guide ethical procurement, better contract management and a consistent approach to procurement across the public sector that makes it easier for all participants in Government contracts to understand.
6. In this challenging economic climate, the Department has implemented temporary changes to the State Supply Commission Open and Effective Competition and the Procurement Planning, Evaluation Reports and Contract Management policies to support the State's post-COVID 19 economic recovery for purchases from local businesses. In this regard, the Department has signed the State's first Buy Local Implementation Agreement.
7. The Department will continue to support agencies and Aboriginal businesses to achieve outcomes consistent with the intent of the Aboriginal Procurement Policy (APP) as the targets increase in the third year of the policy. The Department has commenced an Impact Review of the APP during its third year of application and will make recommendations to Government for a new term of the policy.

8. In addition to stimulus projects the Department will also deliver key infrastructure commitments as part of its non-residential building program including:
 - 8.1. the 2021 new schools program;
 - 8.2. fire and emergency projects including the Bushfire Centre of Excellence, the Cockburn and Kensington Career Fire and Rescue Service fire stations; and
 - 8.3. an additional 344 beds at Casuarina Prison as part of the expansion of the State's custodial estate.
9. The significant increase in capital works responsibilities will necessitate the establishment of a new Infrastructure Delivery Unit within the Department to coordinate and oversee agency expenditure of a large portion of the State's Asset Investment Program.

WA Recovery Plan

10. RevenueWA has a key role in administering the Western Australian Government COVID-19 relief and economic recovery measures to support businesses and vulnerable Western Australians. This includes:
 - 10.1. bringing forward the \$1 million payroll tax threshold by six months to 1 July 2020;
 - 10.2. waiving payroll tax for March to June 2020 for businesses with Australia-wide wages less than \$7.5 million in 2019-20;
 - 10.3. a \$17,500 grant for businesses with a payroll between \$1 million and \$4 million; and
 - 10.4. a one-off bonus payment to double the Energy Assistance Payment (through the Energy Concession Extension Scheme).
11. RevenueWA led implementation of the State's Building Bonus grant and the Commonwealth Government's HomeBuilder grant for eligible building contracts entered into between 4 June and 31 December 2020. These grants aim to promote investment in Western Australia's residential market and stimulate jobs in the housing and construction industry. Additionally, the off-the-plan duty rebate for apartments in multi-tiered developments was extended to include apartments under construction between 4 June and 31 December 2020.
12. The Department will continue its work towards meeting the Government's commitment to delivering a ServiceWA pilot. It will allow citizens residing in the south-west of the State to access the Western Australian Government services and transactions under one roof in Bunbury. There are 83 services included in this face-to-face pilot and following a delay of the launch due to COVID-19, it will open later this year until 30 June 2021. The services will include driver and vehicle licensing; paying fines and infringements; and seniors' cards and other similar transactional services. The ServiceWA pilot will be located in the existing Department of Transport's Bunbury service centre. In parallel, the Department will work across the sector to further develop a strategy for the digitally focused rollout of ServiceWA, aligning Western Australia to other jurisdictions.
13. The Department is leading the regional component of the Government's \$5.5 billion recovery plan that aims to stimulate the Western Australian economy after the impacts of the COVID-19 pandemic. The regional component will involve the Department working together with a number of agencies who have a strong regional presence as well as those agencies responsible for the infrastructure and economic, industry, social and health pillars. The Department will provide oversight of the implementation of the regional recovery aspects which aim to achieve the key outcomes of attracting people to work and holiday in the regions, supplying a regional workforce, developing online capability, supporting health and wellbeing, diversifying the economy, buying local, and investing in regional Western Australia and remote Aboriginal communities.
14. As a result of the COVID-19 pandemic, staff from the Department were deployed to, and remain with, the State Health Incident Coordination Centre to assist with emergency purchases such as the procurement of accommodation for emergency responders and health care workers and hotel quarantine for returning travellers.
15. The State Disaster Council approved the Department to undertake whole-of-government procurement arrangements for non-health personal protective equipment (PPE) supplies for government agencies, Western Australian local government entities and the community services sector. This central procurement approach avoids competition between agencies for PPE supplies, and ensures the efficient allocation and tracking of state-wide supplies.

16. In 2020-21, the Department will play a key role in supporting the implementation of the WA Recovery Plan, including oversight of the \$1.5 billion infrastructure stimulus program. The Department will be responsible for delivering some 100 additional projects and programs (with a collective value in excess of \$750 million), as part of the Government's social and economic response to COVID-19. Through delivery of this program, the Department will aim to maximise employment opportunities, particularly for local and Aboriginal business.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

Outcomes, Services and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcomes, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government Goal	Desired Outcomes	Services
Sustainable Finances: Responsible financial management and better service delivery.	Due and payable revenue is collected, and eligible grants, subsidies and rebates paid.	1. Revenue Assessment and Collection, and Grants and Subsidies Administration
	Value for money from public sector procurement.	2. Development and Management of Common Use Contract Arrangements, State Fleet Leasing and Disposal, and Providing Facilitation Service for Agency Specific Contracts
	Efficient and effective Corporate Services to Client Agencies.	3. Corporate Services to Client Agencies
	Value for money from the management of the Government's non-residential buildings and public works.	4. Leads the Management of Government Buildings Including Planning, Project Delivery, and Maintenance Thereof

Service Summary

Expense	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual ^(a) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
1. Revenue Assessment and Collection, and Grants and Subsidies Administration.....	60,062	67,793	62,295	65,502	65,672	66,172	66,653
2. Development and Management of Common Use Contract Arrangements, State Fleet Leasing and Disposal, and Providing Facilitation Service for Agency Specific Contracts.....	79,805	76,906	72,527	79,321	65,249	65,532	65,862
3. Corporate Services to Client Agencies	6,364	5,855	6,351	6,049	6,198	6,208	6,253
4. Leads the Management of Government Buildings Including Planning, Project Delivery, and Maintenance thereof	1,121,604	1,120,418	1,171,141	1,333,664	1,371,782	1,211,055	902,609
Total Cost of Services.....	1,267,835	1,270,972	1,312,314	1,484,536	1,508,901	1,348,967	1,041,377

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

Outcomes and Key Effectiveness Indicators ^(a)

	2018-19 Actual	2019-20 Budget	2019-20 Actual ^(b)	2020-21 Budget Target	Note
Outcome: Due and payable revenue is collected, and eligible grants, subsidies and rebates paid:					
Debt as a percentage of revenue raised	1.11%	0.93%	1.08%	1.08%	1
Extent to which correct grants, subsidies and rebates are paid.....	100%	100%	100%	100%	
Outcome: Value for money from public sector procurement:					
Average annual vehicle net capital cost:					
Per passenger vehicle	\$4,995	\$5,000	\$4,361	\$4,800	2
Per commercial vehicle.....	\$4,823	\$4,905	\$5,021	\$5,000	
Extent to which client agencies agree that their agency contracts and common use arrangements achieved value for money	96%	92%	95%	92%	
Outcome: Value for money from the management of the Government's non-residential buildings and public works:					
Percentage of new building projects, valued over \$5 million, delivered within the approved budget.....	100%	100%	94%	100%	3
Average office accommodation floor space per work point	14.42	14.35	14.07	13.9	4

(a) Further detail in support of the key effectiveness indicators is provided in the Department's Annual Report.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

Explanation of Significant Movements

(Notes)

1. The increase in 2019-20 Actual compared to 2019-20 Budget is due to lower than budgeted payroll tax revenue as a result of COVID-19 measures and larger than budgeted outstanding land tax debt.
2. The difference between 2019-20 Budget and 2019-20 Actual is largely due to lower vehicle usage levels leading to higher than anticipated resale values combined with extended lease terms.
3. A total of 17 of the 18 new buildings projects within the Building Management and Works program were delivered within budget.
4. Over the past 12 months the Department has implemented a significant relocation program across the office accommodation portfolio, including an increase in work points across existing owned and leased office buildings.

Services and Key Efficiency Indicators

1. Revenue Assessment and Collection, and Grants and Subsidies Administration

The assessment and collection of a range of statutory based revenue, including duties, land tax, payroll tax and betting tax, and those that are collected on behalf of other agencies (for example, Perth Parking Licence fees on behalf of the Department of Transport) or other jurisdictions (for example, collection of a range of taxes for the Commonwealth in the Indian Ocean Territories). State Revenue is also involved in the assessment and payment of a range of grants and subsidies under both statutory and administrative schemes. The major payments relate to the First Home Owner Grant scheme, as well as concessions on water rates, local government rates and the emergency services levy for pensioners and seniors.

	2018-19 Actual	2019-20 Budget	2019-20 Actual ^(a)	2020-21 Budget Target	Note
Total Cost of Service	\$'000 60,062	\$'000 67,793	\$'000 62,295	\$'000 65,502	
Less Income	4,028	3,866	3,952	3,589	
Net Cost of Service	56,034	63,927	58,343	61,913	
Employees (Full-Time Equivalents)	322	363	335	364	
Efficiency Indicators					
Average cost per tax or duty determination	\$30.54	\$33.22	\$31.27	\$32.35	1
Average cost per grant or subsidy determination	\$10.76	\$11.22	\$10.90	\$9.53	

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

Explanation of Significant Movements

(Notes)

- The 2018-19 Actual and 2019-20 Budget have been recast due to changes in the data collection methodology resulting in a decrease in land tax determinations and an increase in offline duties determinations. The better than budgeted result in 2019-20 is due to delays in recruiting full-time equivalents to support the Digital Transformation Project.

2. Development and Management of Common Use Contract Arrangements, State Fleet Leasing and Disposal, and Providing Facilitation Service for Agency Specific Contracts

The Department provides a whole-of-government approach to procurement that efficiently meets the business needs of Government agencies, manages risk and delivers value-for-money.

	2018-19 Actual	2019-20 Budget	2019-20 Actual ^(a)	2020-21 Budget Target	Note
Total Cost of Service	\$'000 79,805	\$'000 76,906	\$'000 72,527	\$'000 79,321	1
Less Income	64,373	66,996	57,389	53,493	
Net Cost of Service	15,432	9,910	15,138	25,828	
Employees (Full-Time Equivalents)	187	209	185	211	2
Efficiency Indicators					
Cost of facilitating the development and management of agency specific contracts as a percentage of the contract award value.....	2%	1.3%	0.9%	1%	3
Average administrative cost per vehicle for financing and managing the state fleet service.....	\$110	\$120	\$115	\$114	4
Cost of developing and managing whole-of-government common use contract arrangements as a percentage of the total annual value of purchases through the arrangements	1.6%	1.4%	1%	1%	5

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

Explanation of Significant Movements

(Notes)

1. The increase in the 2020-21 Budget Target Total Cost of Service compared to the 2019-20 Actual is due to the expense associated with COVID-19 Preparedness-Masks Purchase, which is partially offset by the decrease in expenditure for GovNext-ICT infrastructure.
2. The 2019-20 Actual Employees includes normal vacancy levels as a result of gaps in position occupancy due to staff turnover and leave, while the 2020-21 Budget Target assumes full occupancy of all budgeted positions.
3. The 2019-20 Actual result is better than the 2019-20 Budget due to a number of high value contracts scheduled to be delivered in 2018-19 instead being delivered in 2019-20.
4. The 2019-20 Actual result is lower than the 2019-20 Budget due to both the operational costs and the fleet size remaining more stable than anticipated.
5. The 2019-20 Actual result is better than the 2019-20 Budget due to the earlier than anticipated decommissioning of the Government Campus Network and ServiceNet services, slightly lower than anticipated operating costs, and higher Common Use Arrangements turnover.

3. Corporate Services to Client Agencies

These services include corporate services directly provided by the Department to support the outcomes and activities of the Department of Treasury, the Government Employee Superannuation Board and Energy Policy WA.

	2018-19 Actual	2019-20 Budget	2019-20 Actual ^(a)	2020-21 Budget Target	Note
Total Cost of Service	\$'000 6,364	\$'000 5,855	\$'000 6,351	\$'000 6,049	
Less Income	345	460	374	403	
Net Cost of Service	6,019	5,395	5,977	5,646	
Employees (Full-Time Equivalents)	22	29	24	25	

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

4. Leads the Management of Government Buildings Including Planning, Project Delivery, and Maintenance thereof

Leads the planning, delivery and management of a property portfolio that supports the delivery of government services to the community; including the delivery of new building works, maintenance programs for existing buildings and office accommodation.

	2018-19 Actual	2019-20 Budget	2019-20 Actual ^(a)	2020-21 Budget Target	Note
Total Cost of Service	\$'000 1,121,604	\$'000 1,120,418	\$'000 1,171,141	\$'000 1,333,664	1
Less Income	1,066,454	1,024,397	1,062,093	1,203,332	1
Net Cost of Service	55,150	96,021	109,048	130,332	
Employees (Full-Time Equivalents)	388	436	383	464	1
Efficiency Indicators					
Percentage of new building projects, valued over \$5 million, delivered by the approved timeframes	76%	100%	83%	100%	2
Percentage of high priority breakdown repairs completed within agreed timeframes	75%	80%	74%	80%	3
The cost of managing government buildings including the planning, project delivery, and maintenance thereof, as a percentage of services delivered	7.5%	8.6%	8.82%	8.82%	

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service, Income and Employees 2020-21 Budget Targets have increased from 2019-20 Actual as a result of activity related to the WA Recovery Plan.
2. A total of 15 of the 18 new building projects within the Building Management and Works program were delivered by the approved handover date. Of the remaining three projects, one was delivered within five weeks of the approved handover date whilst the remaining two projects for the Northam and Narrogin Health Services Redevelopments experienced construction delays leading to the projects being delivered late by some 14 months and seven months respectively.
3. The 2019-20 Actual was impacted by a number of severe weather events across the State during the period. This increased the number of high priority jobs and reduced capacity to complete those jobs within the targeted time.

Asset Investment Program

1. The Department's Asset Investment Program (AIP) in 2020-21 is \$116.7 million comprising mainly of:
 - 1.1. office fit-outs, associated with government office accommodation leases, funded through lease incentives from landlords;
 - 1.2. finalisation of the public sector offices in Fremantle;
 - 1.3. finalisation of the Government Office Accommodation Reform Program;
 - 1.4. maintaining effective RevenueWA systems through the Digital Transformation Project and ongoing software upgrades to support implementation of initiatives; and
 - 1.5. the Vehicle Acquisition Program, managed by State Fleet, which facilitates the purchase, servicing and disposal of vehicles for the Western Australian Government.

WA Recovery Plan

2. A total of \$13.8 million will be spent over three years on capital costs related to new office accommodation in the Parliamentary Precinct.

	Estimated Total Cost \$'000	Actual Expenditure to 30-6-20 \$'000	2019-20 ^(a) Expenditure \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
WORKS IN PROGRESS							
Accommodation Fit-out Projects							
Albert Facey House	742	98	98	644	-	-	-
Lease Incentive Funded Office Fit-outs	140,923	112,737	23,762	13,186	5,000	5,000	5,000
New Public Sector Offices for Fremantle	39,469	28,668	27,671	10,801	-	-	-
Government Office Accommodation Reform Program	12,551	6,901	3,634	5,650	-	-	-
Procurement Systems Replacement 2019-20 Program	431	320	320	111	-	-	-
Software Development							
Digital Transformation Project	19,956	2,135	2,135	4,025	4,691	4,650	3,695
Electronic Conveyancing Transformation	1,168	361	361	807	-	-	-
Housing Construction Support Measures System Upgrade	708	98	98	610	-	-	-
Off the Plan Transfer Duty Rebate System Upgrade	615	200	200	415	-	-	-
Payroll Tax Exemption System Upgrade	2,050	1,262	1,262	788	-	-	-
Strata Title Implementation	1,215	1,025	1,025	190	-	-	-
COMPLETED WORKS							
Accommodation Fit-out Projects							
Decentralisation of Office Accommodation to Joondalup	17,326	17,326	503	-	-	-	-
Master Planning Strategy - Government Office Accommodation	223,013	223,013	3	-	-	-	-
St Georges Cathedral Heritage Precinct - Office	36,596	36,596	37	-	-	-	-
Information and Communications Technology (ICT) Replacement - 2019-20 Program	109	109	109	-	-	-	-
Software Development Revenue Systems Consolidation and Enhancement	33,757	33,757	1,137	-	-	-	-
Vehicle Acquisitions - 2019-20 Program	65,980	65,980	65,980	-	-	-	-
NEW WORKS							
COVID-19 WA Recovery Plan							
Accommodation Fit-out Projects							
Parliamentary Precinct Office Accommodation	13,800	-	-	-	690	11,730	1,380
Other New Works							
55 St Georges Terrace - Office Fit-out	640	-	-	640	-	-	-
Albert Facey House Fit-out	500	-	-	500	-	-	-
Government Office Accommodation Reform The Quarter Karratha Office Fit-out	1,786	-	-	1,786	-	-	-
ICT Replacement							
2020-21 Program	109	-	-	109	-	-	-
2021-22 Program	109	-	-	-	109	-	-
2022-23 Program	109	-	-	-	-	109	-
2023-24 Program	109	-	-	-	-	-	109

	Estimated Total Cost \$'000	Actual Expenditure to 30-6-20 \$'000	2019-20 ^(a) Expenditure \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Procurement Systems Replacement							
2020-21 Program.....	431	-	-	431	-	-	-
2021-22 Program.....	431	-	-	-	431	-	-
2022-23 Program.....	431	-	-	-	-	431	-
2023-24 Program.....	431	-	-	-	-	-	431
Vehicle Acquisitions							
2020-21 Program.....	76,000	-	-	76,000	-	-	-
2021-22 Program.....	76,000	-	-	-	76,000	-	-
2022-23 Program.....	76,000	-	-	-	-	76,000	-
2023-24 Program.....	76,000	-	-	-	-	-	76,000
Total Cost of Asset Investment Program	919,495	530,586	128,335	116,693	86,921	97,920	86,615
FUNDED BY							
Capital Appropriation.....			5,265	7,711	5,381	16,380	4,310
Drawdowns from the Holding Account			517	517	540	540	540
Asset Sales			33,517	45,700	43,379	43,379	43,379
Internal Funds and Balances.....			89,036	62,765	37,621	37,621	38,386
Total Funding.....			128,335	116,693	86,921	97,920	86,615

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared

Financial Statements

Income Statement

Expenses

1. The increase in employee benefits between the 2019-20 Actual and the 2020-21 Budget Estimate includes additional expenditure for the newly created Infrastructure Delivery Unit.
2. Increases in Supplies and Services between the 2019-20 Actual and the 2020-21 Budget Estimate and the 2021-22 Forward Estimate reflect additional capital works turnover approved as part of the WA Recovery Plan.
3. The increase in depreciation between the 2019-20 Budget and the 2019-20 Actual through to the 2023-24 Forward Estimate is due to changes in the application of the accounting standard AASB 16: *Leases* for whole of sector government office accommodation.

Income

4. The increase in sale of goods and services between the 2019-20 Actual and the 2020-21 Budget Estimate and the 2021-22 Forward Estimate mostly reflects income from other agencies associated with increased capital works turnover.
5. The rise in service appropriations in the 2020-21 Budget Estimate is mainly due to the approval of funding for initiatives as part of the WA Recovery Plan as well as impacts from the application of the accounting standard AASB 16.

Statement of Financial Position

6. Increases in total assets and total liabilities from the 2018-19 Actual onwards are reflective of the recognition of right of use assets and associated lease liabilities for government office accommodation due to the application of accounting standard AASB 16.

Statement of Cashflows

7. The increase in service appropriations between the 2019-20 Actual and the 2020-21 Budget Estimate is largely as a result of funding approved for initiatives as part of the WA Recovery Plan.
8. Movements in capital appropriation reflect changes in the Asset Investment Program. The increase in 2022-23 is primarily related to the Parliamentary Precinct Office Accommodation project.
9. Increases in supplies and services and sale of goods and services are consistent with movements described in the Income Statement.

INCOME STATEMENT ^(a)
(Controlled)

	2018-19	2019-20	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Actual ^(b)	Budget	Forward	Forward	Forward
	\$'000	\$'000	\$'000	Estimate	Estimate	Estimate	Estimate
				\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(c)	105,144	118,249	109,075	122,453	123,890	121,182	122,779
Grants and subsidies ^(d)	529	2,323	1,519	2,323	-	-	-
Supplies and services	1,034,583	943,071	867,175	1,008,995	1,037,588	882,638	573,619
Accommodation	46,423	35,981	36,101	33,840	31,984	32,300	34,224
Depreciation and amortisation	68,160	85,596	237,460	252,837	252,636	252,640	253,725
Finance and interest costs	7,362	76,027	53,933	57,403	56,140	53,501	50,289
Other expenses	5,634	9,725	7,051	6,685	6,663	6,706	6,741
TOTAL COST OF SERVICES	1,267,835	1,270,972	1,312,314	1,484,536	1,508,901	1,348,967	1,041,377
Income							
Sale of goods and services	786,035	884,125	790,792	920,794	973,715	821,079	512,427
Grants and subsidies	6,596	4,700	5,454	4,700	4,700	4,700	4,700
Other revenue	342,569	206,894	327,562	335,323	339,056	339,235	339,421
Total Income	1,135,200	1,095,719	1,123,808	1,260,817	1,317,471	1,165,014	856,548
NET COST OF SERVICES	132,635	175,253	188,506	223,719	191,430	183,953	184,829
INCOME FROM STATE GOVERNMENT							
Service appropriations	154,400	169,892	169,780	221,059	192,002	186,687	187,928
Resources received free of charge	13,512	14,676	13,065	14,676	14,676	14,676	14,676
Royalties for Regions Fund:							
Regional Community Services Fund	90	106	1,644	90	90	90	90
Other appropriations	-	-	-	-	1,823	-	-
TOTAL INCOME FROM STATE GOVERNMENT	168,002	184,674	184,489	235,825	208,591	201,453	202,694
SURPLUS/(DEFICIENCY) FOR THE PERIOD	35,367	9,421	(4,017)	12,106	17,161	17,500	17,865

(a) Full audited financial statements are published in the Department's Annual Report.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(c) The full-time equivalents for 2018-19 Actual, 2019-20 Actual and 2020-21 Budget Estimate are 919, 927 and 1,064 respectively.

(d) Refer to the Details of Controlled Grants and Subsidies table below for further information.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2018-19	2019-20	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Actual ^(a)	Budget	Forward	Forward	Forward
	\$'000	\$'000	\$'000	Estimate	Estimate	Estimate	Estimate
				\$'000	\$'000	\$'000	\$'000
Capacity Building Grant Programs	410	950	1,510	950	-	-	-
Other Grants and Subsidies	119	-	9	-	-	-	-
Resolution of Native Title in the South West of Western Australia	-	1,373	-	1,373	-	-	-
TOTAL	529	2,323	1,519	2,323	-	-	-

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2018-19	2019-20	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual \$'000	Budget \$'000	Actual ^(b) \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	82,395	157,485	81,848	94,571	99,486	104,498	108,571
Restricted cash.....	22	841	141	138	140	140	140
Holding account receivables.....	806	806	540	540	540	540	540
Receivables.....	66,612	54,081	65,753	64,218	64,218	64,218	64,218
Other.....	77,622	95,643	58,945	56,800	56,800	56,800	56,800
Assets held for sale.....	-	-	200	200	200	200	200
Total current assets.....	227,457	308,856	207,427	216,467	221,384	226,396	230,469
NON-CURRENT ASSETS							
Holding account receivables.....	583,439	614,889	615,325	684,989	754,851	822,045	887,105
Property, plant and equipment.....	691,919	810,935	2,169,813	2,143,831	2,033,351	1,904,499	1,785,130
Receivables.....	303	1,512,328	391	391	391	391	391
Intangibles.....	36,488	35,407	37,505	37,990	37,480	36,970	36,703
Restricted cash.....	1,076	619	1,428	1,828	2,228	2,628	3,028
Other.....	7,124	4,307	238	238	238	238	238
Total non-current assets.....	1,320,349	2,978,485	2,824,700	2,869,267	2,828,539	2,766,771	2,712,595
TOTAL ASSETS.....	1,547,806	3,287,341	3,032,127	3,085,734	3,049,923	2,993,167	2,943,064
CURRENT LIABILITIES							
Employee provisions.....	26,085	26,748	27,358	27,430	27,430	27,430	27,430
Payables.....	93,851	157,224	64,556	68,857	69,463	70,069	70,675
Borrowings and leases.....	11,487	9,835	168,224	168,227	168,230	168,235	168,182
Other.....	41,625	39,963	75,314	75,314	75,314	75,314	75,314
Total current liabilities.....	173,048	233,770	335,452	339,828	340,437	341,048	341,601
NON-CURRENT LIABILITIES							
Employee provisions.....	4,953	4,856	4,928	4,924	4,920	4,920	4,920
Borrowings and leases.....	50,664	1,645,057	1,566,309	1,583,989	1,519,796	1,422,170	1,349,985
Other.....	176,808	184,896	3,328	3,472	3,328	3,328	3,328
Total non-current liabilities.....	232,425	1,834,809	1,574,565	1,592,385	1,528,044	1,430,418	1,358,233
TOTAL LIABILITIES.....	405,473	2,068,579	1,910,017	1,932,213	1,868,481	1,771,466	1,699,834
EQUITY							
Contributed equity.....	1,068,038	1,161,813	1,041,906	1,061,211	1,071,971	1,094,730	1,098,394
Accumulated surplus/(deficit).....	74,295	56,949	80,204	92,310	109,471	126,971	144,836
Total equity.....	1,142,333	1,218,762	1,122,110	1,153,521	1,181,442	1,221,701	1,243,230
TOTAL LIABILITIES AND EQUITY.....	1,547,806	3,287,341	3,032,127	3,085,734	3,049,923	2,993,167	2,943,064

(a) Full audited financial statements are published in the Department's Annual Report.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

STATEMENT OF CASHFLOWS (a)
(Controlled)

	2018-19 Actual \$'000	2019-20 Budget \$'000	2019-20 Actual (b) \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	93,239	137,538	137,643	150,878	121,600	118,953	122,328
Capital appropriation	12,020	5,265	5,265	7,711	5,381	16,380	4,310
Administered equity contribution	-	5,000	-	-	-	-	-
Holding account drawdowns	779	806	517	517	540	540	540
Royalties for Regions Fund:							
Regional Community Services Fund	90	106	94	1,640	90	90	90
Administered appropriations	-	-	-	-	1,823	-	-
Distribution to Owners	-	-	(31,300)	-	-	-	-
Net cash provided by State Government	106,128	148,715	112,219	160,746	129,434	135,963	127,268
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(105,978)	(118,181)	(107,644)	(122,385)	(123,894)	(121,186)	(122,783)
Grants and subsidies	(521)	(2,323)	(1,519)	(2,323)	-	-	-
Supplies and services	(1,028,314)	(938,243)	(862,094)	(1,005,103)	(1,033,696)	(878,652)	(569,805)
Accommodation	(47,120)	(36,822)	(35,198)	(34,684)	(32,828)	(33,144)	(35,068)
GST payments	(128,015)	(136,248)	(129,880)	(133,858)	(133,858)	(133,858)	(133,858)
Finance and interest costs	(6,237)	(72,277)	(52,711)	(56,426)	(55,282)	(52,790)	(49,752)
Other payments	(8,126)	(10,992)	(4,691)	(7,968)	(24,946)	(24,995)	(25,030)
Receipts (c)							
Grants and subsidies	8,280	4,700	7,226	4,700	4,700	4,700	4,700
Sale of goods and services	783,644	884,172	777,943	920,833	973,758	821,126	512,479
GST receipts	127,771	136,854	129,431	134,464	134,464	134,464	134,464
Other receipts	329,478	213,701	322,161	342,130	345,864	346,043	346,228
Net cash from operating activities	(75,138)	(75,659)	43,024	39,380	54,282	61,708	61,575
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(92,774)	(138,504)	(128,335)	(116,693)	(86,921)	(97,920)	(86,615)
Proceeds from sale of non-current assets	30,379	51,464	33,517	45,700	43,379	43,379	43,379
Other receipts	55,757	50,410	-	9,401	5,000	5,000	5,000
Net cash from investing activities	(6,638)	(36,630)	(94,818)	(61,592)	(38,542)	(49,541)	(38,236)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	(18,922)	(140,620)	(146,808)	(141,939)	(145,000)	(147,861)	(151,277)
Other payments	-	(12,948)	-	-	-	-	-
Proceeds from borrowings	-	6,000	-	-	-	-	-
Other proceeds	438	148,857	86,307	16,525	5,143	5,143	5,143
Net cash from financing activities	(18,484)	1,289	(60,501)	(125,414)	(139,857)	(142,718)	(146,134)
NET INCREASE/(DECREASE) IN CASH HELD	5,868	37,715	(76)	13,120	5,317	5,412	4,473
Cash assets at the beginning of the reporting period	77,625	121,230	83,493	83,417	96,537	101,854	107,266
Cash assets at the end of the reporting period	83,493	158,945	83,417	96,537	101,854	107,266	111,739

(a) Full audited financial statements are published in the Department's Annual Report.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(c) A determination by the Treasurer, pursuant to section 23 of the *Financial Management Act 2006*, provides for the retention of some cash receipts by the Department. Refer to the Net Appropriation Determination table below for further information. Other receipts are retained under the authority of other relevant Acts of Parliament.

NET APPROPRIATION DETERMINATION ^(a)

	2018-19	2019-20	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Budget	Actual ^(b)	Budget	Forward	Forward	Forward
	\$'000	\$'000	\$'000	Estimate	Estimate	Estimate	Estimate
				\$'000	\$'000	\$'000	\$'000
Grants and Subsidies							
Indian Ocean Territories Commonwealth Grant.....	8,280	4,700	7,226	4,700	4,700	4,700	4,700
Sale of Goods and Services							
Contract Services - Building Management and Works.....	772,808	880,275	774,620	916,936	969,861	817,229	508,582
Land Tax Liability Enquiry Fee	2,447	2,800	2,576	2,800	2,800	2,800	2,800
Merchant Fees.....	529	1,097	442	1,097	1,097	1,097	1,097
ICT Services to Government	7,860	-	305	-	-	-	-
GST Receipts							
GST Input Credits.....	6,178	12,374	6,967	12,374	12,374	12,374	12,374
GST Receipts on Sales	121,593	124,480	122,464	122,090	122,090	122,090	122,090
Other Receipts							
Corporate Services Cost Recoup	362	402	460	460	460	460	460
Finance Lease Receipts - Interest.....	24	64,874	13	8	8	8	8
Government Office Accommodation Lease Receipts.....	270,097	78,753	265,575	272,397	275,131	275,310	275,495
Other Receipts.....	3,966	4,116	2,664	13,877	13,877	13,877	13,877
Procurement Services	2,459	12,116	2,971	2,800	2,800	2,800	2,800
Receipt of Employee Contributions							
Housing Leased from Government							
Regional Officer Housing.....	-	-	142	148	148	148	148
Revenues from Executive Vehicle Scheme ...	75	100	66	100	100	100	100
State Fleet Revenue	52,495	53,340	50,270	52,340	53,340	53,340	53,340
TOTAL	1,249,173	1,239,427	1,236,761	1,402,127	1,458,786	1,306,333	997,871

(a) The moneys received and retained are to be applied to the Department's services as specified in the Budget Statements.

(b) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

DETAILS OF ADMINISTERED TRANSACTIONS

	2018-19	2019-20	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual \$'000	Budget \$'000	Actual ^(a) \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
INCOME							
Taxation							
Insurance Duty	644,832	677,174	694,863	678,133	711,768	729,563	751,449
Land Tax	808,097	790,145	793,263	771,325	750,361	747,584	771,623
Metropolitan Region Improvement Tax	89,686	88,971	87,863	86,769	84,227	83,694	86,205
Payroll Tax	3,567,449	3,751,394	3,645,535	3,569,495	3,802,863	3,990,649	4,068,662
Racing and Wagering Western Australia Tax	24,932	-	-	-	-	-	-
Point of Consumption Tax	30,081	78,400	76,893	84,492	81,000	88,500	97,320
Transfer Duty	1,095,309	1,145,146	1,189,929	1,121,351	1,080,652	1,256,799	1,406,969
Foreign Buyers Surcharge Duty ^(b)	5,504	19,000	19,039	18,562	18,403	21,860	24,798
Landholder Duty	33,375	100,000	121,612	120,537	120,493	120,440	120,440
Total Duty on Transfers	1,134,188	1,264,146	1,330,580	1,260,450	1,219,548	1,399,099	1,552,207
Vehicle Licence Duty	363,603	372,760	375,364	380,213	367,932	373,028	378,937
Other Duties	8	1	(4)	1	1	-	-
Commonwealth Mirror Taxes	44,151	47,853	44,616	45,577	48,307	50,584	51,615
Other Revenue							
Office Lease Rental Revenue	39,776	39,700	38,402	39,700	39,700	39,700	39,700
Other Income	64,356	65,251	52,142	56,377	64,281	65,535	66,513
Appropriations							
First Home Owner Grant Act 2000	56,540	55,695	52,761	82,254	41,986	42,326	53,439
Administered Grants and Transfer Payments	150,761	188,739	176,298	524,367	222,525	238,350	242,775
TOTAL ADMINISTERED INCOME	7,018,460	7,420,229	7,368,576	7,579,153	7,434,499	7,848,612	8,160,445
EXPENSES							
Grants and Subsidies							
Building Bonus Grant	-	-	-	147,000	-	-	-
Energy Concession Extension Scheme	1,322	1,700	3,305	4,720	1,700	1,800	1,900
First Home Owner Scheme	56,540	55,695	52,761	82,254	41,986	42,326	53,439
Life Support Equipment Subsidy Scheme	1,223	1,500	1,285	1,500	1,600	1,700	1,800
National Partnership on Homebuilder	-	-	-	70,590	-	-	-
Off the Plan Duty Rebate Scheme	-	-	-	3,700	15,900	17,000	5,200
Payroll Tax Rebates Scheme	-	100	40	50	50	50	50
Pensioner Concessions - Emergency Services Levy	21,593	23,300	21,901	25,200	27,200	29,500	31,900
Pensioner Concessions - Local Government Rates	100,803	116,483	102,235	117,400	126,900	137,300	148,700
Small Business Payroll Tax Grant	-	-	-	107,000	-	-	-
Thermoregulatory Dysfunction Energy Subsidy	1,822	2,500	1,972	2,100	2,200	2,300	2,400
Other Expenses							
Refund of Past Years Revenue	24,026	43,156	45,560	45,107	46,975	48,700	50,825
Doubtful Debts Expense	(27,607)	-	2,205	-	-	-	-
Expected Credit Losses Expense	-	-	11,815	-	-	-	-
Other Expenses	64,355	65,251	52,142	56,377	64,281	65,535	66,513
Payments to the Consolidated Account	7,034,145	7,110,544	7,009,712	6,916,155	7,105,707	7,502,401	7,797,718
TOTAL ADMINISTERED EXPENSES	7,278,222	7,420,229	7,304,933	7,579,153	7,434,499	7,848,612	8,160,445

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(b) Original Budget for Foreign Buyers Surcharge Duty was in Transfer Duty.

Insurance Commission of Western Australia

Part 3 Financial Administration

Asset Investment Program

1. The Commission's Asset Investment Program for 2020-21 and across the forward estimates period totals \$20 million. The major components include:
 - 1.1. information and communications technology (ICT) software incorporating systems developed for use by the Commission's customers, application development software, performance monitoring applications, core insurance system enhancements, general desktop applications and expenditure on the upgrade of a range of systems identified in the Commission's ICT strategic planning; and
 - 1.2. ICT hardware, including network and server infrastructure, desktop workstations, storage, ICT security and enhanced disaster recovery capability catering largely for operational capacity requirements.

	Estimated Total Cost \$'000	Actual Expenditure to 30-6-20 \$'000	2019-20 ^(a) Expenditure \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
COMPLETED WORKS							
ICT Hardware - 2019-20 Program	198	198	198	-	-	-	-
ICT Software - 2019-20 Program	1,949	1,949	1,949	-	-	-	-
Motor Vehicles - 2019-20 Program	206	206	206	-	-	-	-
Plant and Equipment - 2019-20 Program	2	2	2	-	-	-	-
NEW WORKS							
ICT Hardware							
2020-21 Program	630	-	-	630	-	-	-
2021-22 Program	835	-	-	-	835	-	-
2022-23 Program	1,285	-	-	-	-	1,285	-
2023-24 Program	960	-	-	-	-	-	960
ICT Software							
2020-21 Program	2,250	-	-	2,250	-	-	-
2021-22 Program	3,495	-	-	-	3,495	-	-
2022-23 Program	2,920	-	-	-	-	2,920	-
2023-24 Program	3,345	-	-	-	-	-	3,345
Motor Vehicles							
2020-21 Program	885	-	-	885	-	-	-
2021-22 Program	800	-	-	-	800	-	-
2022-23 Program	800	-	-	-	-	800	-
2023-24 Program	800	-	-	-	-	-	800
Plant and Equipment							
2020-21 Program	275	-	-	275	-	-	-
2021-22 Program	200	-	-	-	200	-	-
2022-23 Program	330	-	-	-	-	330	-
2023-24 Program	200	-	-	-	-	-	200
Total Cost of Asset Investment Program	22,365	2,355	2,355	4,040	5,330	5,335	5,305
FUNDED BY							
Internal Funds and Balances			2,355	4,040	5,330	5,335	5,305
Total Funding			2,355	4,040	5,330	5,335	5,305

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

Gold Corporation

Part 3 Financial Administration

Asset Investment Program

1. The Corporation will invest \$49.3 million over the forward estimates period to support the delivery of its services and to update its plant, equipment and computer software rolling programs.
2. The \$26.5 million investment in 2020-21 includes:
 - 2.1. \$8.3 million to upgrade its enterprise resource planning system and its e-Commerce systems (collectively referred to as the One-Future Program). This project supports the Corporation's ongoing operations and the development of new product offerings; and
 - 2.2. \$16.1 million in various plant and equipment upgrades throughout the business to replace equipment that is at the end of its useful life with the aim of enhancing safety, increasing capacity, improving efficiency and reducing waste.

	Estimated Total Cost \$'000	Actual Expenditure to 30-6-20 \$'000	2019-20 ^(a) Expenditure \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
WORKS IN PROGRESS							
Computer Software Replacement Program.....	7,293	4,552	348	2,181	10	500	50
One-Future Program	35,905	27,623	9,209	8,282	-	-	-
Plant and Equipment Replacement Program	83,294	45,042	10,270	16,063	10,320	6,028	5,841
Total Cost of Asset Investment Program	126,492	77,217	19,827	26,526	10,330	6,528	5,891
FUNDED BY							
Internal Funds and Balances.....			19,827	26,526	10,330	6,528	5,891
Total Funding			19,827	26,526	10,330	6,528	5,891

(a) Based on preliminary annual report data for 2019-20. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

