

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.

Summary of Recurrent and Asset Investment Expenditure

Agency	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000
Treasury		
– Total Cost of Services	50,772	58,003
– Asset Investment Program	810	615
Western Australian Treasury Corporation		
– Asset Investment Program	485	565
Office of the Auditor General		
– Total Cost of Services	37,184	38,298
– Asset Investment Program	642	1,319
Finance		
– Total Cost of Services	1,378,478	1,549,169
– Asset Investment Program	90,580	108,611
Insurance Commission of Western Australia		
– Asset Investment Program	4,040	4,494
Gold Corporation		
– Asset Investment Program	24,633	32,008

Ministerial Responsibilities

Minister	Agency	Services
Premier; Treasurer; Minister for Public Sector Management; Federal-State Relations	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
	Western Australian Treasury Corporation	n/a
	Office of the Auditor General	1. Public Sector Auditing
	Insurance Commission of Western Australia	n/a
Minister for Mines and Petroleum; Energy; Corrective Services	Gold Corporation	n/a
Minister for Finance; Lands; Sport and Recreation; Citizenship and Multicultural Interests	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

Division 11 Treasury

Part 3 Financial Administration

Appropriations, Expenses and Cash Assets ^(a)

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 14 Net amount appropriated to deliver services.....	50,495	48,707	43,569	50,128	44,471	43,756	44,102
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	1,101	1,101	1,101	1,108	1,120	1,127	1,137
Total appropriations provided to deliver services	51,596	49,808	44,670	51,236	45,591	44,883	45,239
ADMINISTERED TRANSACTIONS							
<i>Operating Subsidy Payments</i>							
Item 15 Bunbury Water Corporation	768	726	786	798	814	830	847
Item 16 Busselton Water Corporation	563	670	670	768	707	721	742
Item 17 Electricity Generation and Retail Corporation (Synergy).....	573,131	890,989	878,683	386,669	331,088	325,544	302,218
Item 18 Forest Products Commission	200	200	200	200	220	-	-
Item 19 Kimberley Ports Authority	-	2,706	2,706	3,100	2,500	2,500	2,500
Item 20 Public Transport Authority	901,584	1,088,211	1,031,800	984,070	977,409	970,847	926,487
Item 21 Regional Power Corporation (Horizon Power)	36,385	40,174	47,090	8,298	8,307	9,628	10,856
Item 22 Southern Ports Authority	30,373	21,529	21,529	8,078	-	-	-
Item 23 Water Corporation of Western Australia	239,441	216,924	218,579	364,349	416,260	448,984	392,669
Item 24 Western Australian Land Authority (DevelopmentWA)	59,063	328,241	265,931	249,783	166,557	108,081	94,607
Western Australian Land Authority (DevelopmentWA) Perth City Deal ^(b)	-	50,000	50,000	-	-	-	-
<i>Grants, Subsidies and Transfer Payments</i>							
Item 25 Gaming and Wagering Commission ^(c)	5,200	3,800	3,800	3,900	4,000	4,100	4,200
Item 26 Goods and Services Tax (GST) Administration Costs	66,440	70,700	64,500	71,200	71,000	71,000	71,000
Item 27 Department of Jobs, Tourism, Science and Innovation ^(d)	4,610	4,110	4,010	18,924	11,380	1,200	1,200
Item 28 Metropolitan Redevelopment Authority (DevelopmentWA)	21,292	-	-	866	-	-	-
Item 29 Provision for Aboriginal Community Controlled Sector Development ^(e)	-	-	-	1,017	713	1,658	-
Item 30 Provision for Perth City Deal ^(f)	-	-	-	100,000	-	-	-
Item 31 Provision for Unfunded Liabilities in the Government Insurance Fund	3,900	15,000	12,259	17,944	18,300	3,459	3,016
Item 32 Provision for Voluntary Targeted Separation Scheme ^(g)	-	25,640	-	10,076	-	-	-
Item 33 Refund of Past Years Revenue Collections - Public Corporations	7,131	10,000	14,994	10,000	10,000	10,000	10,000
Item 34 Royalties for Regions ^(h)	661,305	761,645	761,645	873,230	863,119	758,895	850,173
Item 35 State Property - Emergency Services Levy	19,235	19,249	18,075	19,064	20,021	21,022	21,631
Item 36 WA Health ⁽ⁱ⁾	3,700	957	150	11,985	20,884	16,242	11,802

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
Item 37 All Other Grants, Subsidies and Transfer Payments ⁽ⁱ⁾	3,529	3,610	1,606	4,805	2,525	2,505	7,535
<i>Comprising:</i>							
Acts of Grace	-	300	-	300	300	300	300
Commonwealth Pandemic Leave Disaster Payment	-	-	-	2,300	-	-	-
Incidentals	-	240	-	240	240	240	240
Interest on Public Moneys Held in Participating Trust Fund Accounts	2,519	2,150	715	1,055	1,055	1,065	6,080
Administration Costs - National Tax Equivalent Regime Scheme	114	100	68	100	100	100	100
Western Australian Land Information Authority - Valuation Services	156	170	105	120	140	110	125
Western Australian Treasury Corporation Management Fees	740	650	718	690	690	690	690
Department of Communities ^(k)	-	-	-	-	5,679	4,341	59,475
Department of Finance ^(l)	-	-	-	-	1,823	-	-
Department of Justice ^(m)	-	6,375	-	-	-	-	-
Minerals Research Institute ⁽ⁿ⁾	1,500	-	-	-	-	-	-
Noongar Land Fund Account	-	-	-	-	5,600	5,600	5,600
Provision for Aboriginal Cultural Heritage Bill ^(o)	-	-	-	-	2,500	2,500	2,500
Provision for Resolution of Native Title in the South West of Western Australia (Settlement) ^(p)	-	60,000	-	-	-	-	-
Provision for Business Case Development Fund ^(q)	-	13,002	-	-	-	-	-
<i>Authorised by Other Statutes</i>							
Judges' Salaries and Pensions Act 1950	16,623	18,913	17,375	18,907	20,557	22,297	24,126
<i>Comprising:</i>							
Benefit Payments	16,423	18,674	17,160	18,674	20,319	22,052	23,875
Administration Expenses ^(r)	200	239	215	233	238	245	251
Parliamentary Superannuation Act 1970	8,989	11,421	9,824	11,414	10,106	10,351	10,612
<i>Comprising:</i>							
Benefit Payments	8,751	11,140	9,539	11,140	9,826	10,064	10,317
Administration Expenses ^(r)	238	281	285	274	280	287	295
State Superannuation Act 2000	477,451	551,563	406,653	440,919	435,986	424,104	418,230
<i>Comprising:</i>							
Pension Scheme	168,357	159,135	158,874	152,895	144,189	135,748	128,099
<i>Comprising:</i>							
Benefit Payments	166,276	157,632	157,356	151,437	142,842	134,469	126,886
Administration Expenses ^(r)	2,081	1,503	1,518	1,458	1,347	1,279	1,213
Gold State Super	250,459	334,076	189,412	288,024	291,797	288,356	290,131
<i>Comprising:</i>							
Benefit Payments	245,723	328,765	184,294	282,768	286,984	283,727	285,682
Administration Expenses ^(r)	4,313	4,696	4,777	4,638	4,181	3,982	3,786
Government Services ^(s)	423	615	341	618	632	647	663
West State Super	58,635	58,352	58,367	-	-	-	-
Western Australian Health Promotion Foundation Act 2016	23,064	23,421	23,421	23,949	24,497	25,057	25,520
Betting Tax Act 2018	22,860	24,810	33,255	24,300	26,550	29,196	30,072
Unclaimed Money Act 1990	641	2,000	1,448	2,000	2,000	2,000	2,000
Loan Acts - Interest	721,970	634,000	629,277	578,000	545,000	536,000	525,000
Western Australian Future Health Research and Innovation Fund Act 2012	63,700	82,900	82,900	101,400	59,400	60,200	59,900
TOTAL RECURRENT ADMINISTERED	3,974,648	4,983,486	4,603,166	4,350,013	4,065,502	3,878,862	3,874,518
CAPITAL							
Item 100 Capital Appropriation	32	69	72	67	67	68	68
<i>Government Equity Contributions</i>							
Item 101 Animal Resources Authority	1,306	1,521	336	6,130	-	-	-
Item 102 Electricity Generation and Retail Corporation (Synergy)	-	-	-	170,202	20,800	3,000	1,000
Item 103 Electricity Networks Corporation (Western Power)	33,106	166,338	133,528	170,146	92,316	91,255	90,326
Item 104 Kimberley Ports Authority	9,150	4,000	4,000	3,500	500	500	500
Item 105 Metropolitan Redevelopment Authority (DevelopmentWA)	56,716	211,539	211,539	1,600	2,420	-	-

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Item 106 Pilbara Ports Authority	45,888	28,117	4,151	50,041	25,533	17,070	27,418
Item 107 Regional Power Corporation (Horizon Power)	17,050	-	-	24,016	-	-	-
Item 108 Royalties for Regions ^(h)	220,771	251,864	192,879	226,312	318,287	220,735	50,603
Item 109 WA Health ⁽ⁱ⁾	8,050	30,239	22,610	26,960	36,500	31,522	143,731
Item 110 Western Australian Land Authority (DevelopmentWA)	-	34,800	15,000	40,500	29,953	-	-
Bunbury Water Corporation	-	-	11,900	-	664	-	-
Department of Biodiversity, Conservation and Attractions ^(u)	1,200	3,700	-	-	-	-	-
Department of Communities ^(v)	-	-	-	-	21,600	32,600	6,800
Department of Education ^(w)	20,970	14,040	13,400	-	-	-	-
Department of Justice ^(x)	72,255	713	12,335	-	-	-	-
Department of Transport ^(y)	2,920	15,000	15,000	-	596	16,218	19,492
Racing and Wagering Western Australia ^(z)	148	-	-	-	-	-	-
Southern Ports Authority	1,624	640	640	-	-	-	-
Western Australian Land Information Authority ^(aa)	5,000	-	-	-	-	-	-
<i>Other</i>							
Item 111 Debt Reduction Fund	-	1,546,593	1,546,593	2,115,221	-	-	-
Item 112 Climate Action Fund	-	-	-	168,000	-	-	-
Item 113 Digital Capability Fund	-	-	-	500,000	-	-	-
Item 114 Social Housing Investment Fund...	-	-	-	750,000	-	-	-
Item 115 Softwood Plantation Expansion Fund	-	-	-	350,000	-	-	-
Item 116 Women and Newborn Health Service Relocation Account	-	-	-	1,787,000	-	-	-
<i>Authorised by Other Statutes</i>							
Loans (Co-operative Companies) Act 2004	6,688	6,000	6,000	-	-	-	-
Loan Acts - Repayment of Borrowings	1,317,624	-	-	587,480	-	1,803	18,480
TOTAL CAPITAL ADMINISTERED	1,820,466	2,315,104	2,189,911	6,977,108	549,169	414,703	358,350
GRAND TOTAL	5,846,742	7,348,467	6,837,819	11,378,424	4,660,329	4,338,516	4,278,175
EXPENSES							
Total Cost of Services	56,777	55,958	50,772	58,003	52,339	50,826	51,182
Net Cost of Services ^(bb) ^(cc)	56,477	55,220	50,714	57,943	52,279	50,766	51,122
CASH ASSETS ^(dd)	12,330	12,730	6,730	7,149	7,568	7,987	8,406

- (a) The 2019-20 Actual has been recast, for comparability purposes, to account for Machinery of Government changes that took effect from 5 September 2019.
- (b) Reflects an operating subsidy paid to DevelopmentWA in 2020-21 for land contributions as part of the Perth City Deal.
- (c) 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.
- (d) Provision for the Aviation Recovery Fund (\$15 million), National Collaborative Research Infrastructure Strategy (\$2.7 million) and Future Energy Exports Cooperative Research Centre (\$1.1 million), pending the finalisation of agreements between the respective parties.
- (e) An amount of \$3.4 million has been provisioned to be allocated as grants to build the capacity of the Aboriginal Community Controlled Organisations linked to priorities under the National Agreement on Closing the Gap. Release of funding is subject to the finalisation of Sector Strengthening Plans and Government consideration of funding proposals.
- (f) 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.
- (g) Separation costs for any remaining employees who choose to leave the sector as the ongoing transition to the Commonwealth-run National Disability Insurance Scheme and Department of Communities Machinery of Government changes continue to be progressed. The drawdown of this funding will be dependent on the timing of any further employee exits. A total of 89 separations (82 FTE) were funded in 2019-20 with a further 251 (224 FTE) funded in 2020-21.
- (h) 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.

- (i) Includes a provision to fund the plan for the Peel Health Campus transition back into the public sector and address cost pressures relating to WA Country Health Service, including the operation of the residential aged care facility and the Multipurpose Services site as well as delivery of renal services in the Kimberley.
- (j) All other items includes all Administered Grants, Subsidies and Transfers not covered elsewhere by individual Acts.
- (k) Reflects \$10 million of funding held for the Boorloo Bidee Mia homelessness facility and \$59.5 million for Department of Communities' housing functions.
- (l) 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 2022-23, pending an assessment of the asset management platform.
- (m) This item reflects recurrent expenditure for the Department of Justice to cover transition costs and additional operational costs associated with public operation of Melaleuca Prison. Following consideration of the operating model the funding has been released to the Department of Justice.
- (n) Reflects funding to the Minerals Research Institute of Western Australia (MRIWA) to support the 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 one-off establishment, administration and capacity building funding for Local Aboriginal Cultural Heritage Services, expected to be established through the proposed new legislation for Aboriginal cultural heritage protection and management in Western Australia. A further \$2.5 million is provisioned for this purpose in 2025-26.
- (p) The 2020-21 Budget included a provision for the resolution of Native Title in the South West of Western Australia. Funding has since been allocated directly to agencies.
- (q) The 2020-21 Budget included a provision for a business case development fund to accelerate the development and completion of business cases and project definition plans. Funding has since been allocated directly to agencies.
- (r) Superannuation scheme administration expense reflects the costs of administering an unfunded defined benefit superannuation/pension scheme by an appropriation from the Consolidated Account.
- (s) Reflects the costs for regulatory support of State superannuation schemes where GESB or Treasury incurs these costs on behalf of the Government.
- (t) 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.
- (u) Funding for the Rottnest Island Authority's proposed Jetty Upgrades (Main Jetty, Barge Landing and Cargo Facilities). Funding was released following Government approval of supporting business cases.
- (v) Reflects funding to be applied to the Department of Communities' Asset Investment Program for the Common Ground project, following Government approval of a project definition plan.
- (w) Reflects funding 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.
- (x) Reflects funding to be applied to the Department of Justice's Broome Regional Prison Upgrade under the Custodial Infrastructure Program (\$73 million), an equity injection to maintain positive cash (\$9 million) and reimbursement of Melaleuca Prison transition costs incurred during 2019-20 (\$2.6 million).
- (y) Reflects a \$15 million provision for the future operational costs of managing the Port Hedland Marina and \$36.3 million for a new boating facility in Broome.
- (z) 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.
- (aa) 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.
- (bb) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* since the 2020-21 Budget may have increased the Net Cost of Services compared to previously published Budgets.
- (cc) 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.
- (dd) 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 2020-21 Budget to Parliament on 8 October 2020, are outlined below:

	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
New Initiatives					
Aboriginal Community Connectors Program - Evaluation	-	33	198	-	-
Sustainable Health Review - Funding and Commissioning	-	598	602	-	-
Ongoing Initiatives					
Resourcing to Support Government Priorities	-	2,280	2,301	2,322	2,343
Sale of Western Australian TAB	-	2,000	210	-	-

Significant Issues Impacting the Agency

Economic Outlook

1. Western Australia's domestic economy (as measured by State Final Demand (SFD)) rebounded strongly in the second half of 2020, following the largest contraction on record in the June quarter 2020 caused by the imposition of restrictions to contain the spread of COVID-19. This momentum has continued into 2021, with a number of key indicators now surpassing pre-pandemic levels.
2. The State's domestic economy is estimated to have grown by 4.5% in 2020-21 and is forecast to grow by a further 5% in 2021-22 - well above decade-average growth of just 1% per annum. Dwelling and public investment are expected to be particularly strong in 2021-22, supported by the Government's Building Bonus grants and a significant lift in the Asset Investment Program. Business investment and household spending are also expected to be solid.
3. Western Australia's total economy (as measured by Gross State Product) is estimated to have grown by 3.25% in 2020-21 and is forecast to grow by 3.5% in 2021-22. This is up significantly from growth of 1.4% in 2019-20.
4. Economic growth is expected to moderate from 2022-23, as stimulus-induced activity unwinds, with net exports (including services trade) also becoming a drag on growth. The expected gradual reopening of international borders (assumed to occur from the September quarter 2022) is expected to result in a larger lift in spending by Western Australians overseas than international visitors and students spending in the State, thereby increasing services imports and detracting from net exports.
5. Nonetheless, current strong domestic conditions are expected to create an additional 34,000 jobs in 2021-22, with the unemployment rate forecast to fall to 4.5% by 2022-23 - well below the average 5.5% unemployment rate over the last decade.
6. Despite current strong conditions, the economic outlook remains exposed to various risks. A key risk remains the threat of a larger COVID-19 outbreak and prolonged lockdown, similar to that currently being experienced in New South Wales. Even if Western Australia remains relatively virus-free, there is a risk that an accumulation of cases across the rest of the country may dent local confidence levels and potentially disrupt supply chains. A second key risk relates to skills shortages and capacity constraints, which could impact investment in the near term. Treasury is working with the Department of Training and Workforce Development and other agencies to identify initiatives to help mitigate this risk.

Economic Response and Diversification

7. Treasury continues to play a lead role in providing advice to Government on the State's economic response to the impacts of COVID-19. This includes regular advice on the performance of the economy, working with agencies to optimise the timing and delivery of various infrastructure and related recovery projects, and providing advice on the economic impacts of various restrictions used to manage outbreaks of the virus, along with advice on business assistance measures.
8. Treasury continues to work with the Department of Jobs, Tourism, Science and Innovation and other agencies to support the Government's economic diversification and development objectives to ensure a strong, resilient economy over the longer term.
9. Treasury is also assisting in the delivery of several important regulatory reforms. These include implementing reforms to the State's rail access regime, enabling improved occupational mobility through a new national Automatic Mutual Recognition scheme, and supporting a significant investment in approvals delivery and reform as part of the Government's Streamline WA program.

State Finances

10. Treasury has played a lead role in the preparation of the 2021-22 Budget, which is focused on delivering the Government's election commitments, the continuing response to COVID-19, and applying the State's improved fiscal capacity to initiatives that respond to current and emerging priorities, including health and mental health, social housing and climate change.

11. Western Australia is the only Australian jurisdiction forecasting general government operating surpluses across the entire Budget period. In addition, projected growth in Western Australia's net debt levels is relatively flat, in contrast to the steep growth forecast in other States. This outlook is expected to support Western Australia's very high credit rating assessments (AA+ with a 'stable' outlook and Aa1 with a 'stable' outlook from S&P Global and Moody's respectively, just one 'notch' below triple-A assessments).
12. Key areas of focus for Treasury during 2021-22 will be to support the passage of the 2021-22 Budget through the Parliamentary process; analysis and review of submissions that emerge for the 2021-22 Mid-year Review and 2022-23 Budget processes; and assisting the public sector to progress implementation of the Government's election commitments and other priority initiatives in the 2021-22 Budget.

Commonwealth-State Financial Relations

13. Treasury is supporting the Treasurer in addressing issues that are considered by the Council on Federal Financial Relations (CFFR) and the Board of Treasurers. This includes providing advice on potential national reforms to support economic recovery across Australia and ensuring that the CFFR effectively undertakes its 'gatekeeper' role for new Commonwealth funding agreements. This involves working closely with the Department of the Premier and Cabinet and line agencies to agree a whole-of-government approach to Commonwealth funding agreement negotiations.
14. Treasury is also assisting the Treasurer in defending the GST distribution reforms amidst ongoing attacks from other States. This includes engaging with the Commonwealth Treasury to reaffirm that the reasons for the reforms have not changed, supporting the Treasurer's engagement in interjurisdictional meetings, and ongoing engagement with the Commonwealth Grants Commission to ensure better recognition of Western Australia's spending needs when calculating the State's GST share.

Financial Management and Reporting

15. The Financial Legislation Amendment Bill 2021 (the Bill) arises from two statutory reviews of the *Financial Management Act 2006* and is aimed at providing a more effective financial management framework for the sector that is also contemporary and fit-for-purpose. The Bill focuses on strengthening governance and accountability and improving efficiency and effectiveness in the management of public finances. The Bill has passed both Houses, and received Royal Assent on 24 August 2021. The *Financial Legislation Amendment Act 2021* comes into effect on 21 September 2021.
16. Consistent with the recommendations of the Western Australian Climate Change Policy, Treasury and the Department of Water and Environmental Regulation are developing a framework to monitor, assess and report on the implications of climate change on the State's finances, infrastructure and service delivery. Current effort is focused on developing guidance material to build climate risk competency in the sector and incorporating climate risk as part of the financial management framework.

Commercial Advisory

17. Treasury is leading the examination of options in relation to the future of the TAB, following suspension of the previous market process in 2020. Any potential sale will only proceed if it is in the best interests of both taxpayers and the racing industry.
18. Treasury continues to support the Department of Finance in the oversight and implementation of the Market-led Proposals (MLP) Policy. The MLP Policy enables the private sector to submit unsolicited proposals to Government seeking to build and/or finance infrastructure, provide goods or services, utilise Government-owned land, etc. Treasury has a central role in the process through representation on the MLP Steering Committee, as well as providing support for the evaluation and implementation of significant proposals.

Wages Policy

19. Treasury will continue to work with the Government Sector Labour Relations (GSLR) directorate at the Department of Mines, Industry Regulation and Safety to monitor expiring public sector industrial agreements and maintain outcomes consistent with the Government's Wages Policy.
20. To manage existing and emerging financial and economic risks from COVID-19, the Government advised public sector unions in late-2020 that the \$1,000 Wages Policy would continue for another two years to May 2023 and, subject to a review of the economic circumstances at the time, a CPI-based Wages Policy would then be implemented.

21. This review will now commence after the release of the 2021-22 Budget and is anticipated to be finalised by the end of 2021. Review outcomes, including decisions on any new Wages Policy setting, will be implemented in early 2022. Treasury will work closely with GSLR throughout the review process.

Health Funding Arrangements

22. Treasury is working closely with WA Health and the Mental Health Commission to progress key reforms to enhance the State's health and mental health funding arrangements. This includes partnering with both agencies in the implementation of Sustainable Health Review recommendations to improve the funding and commissioning of services. Treasury is also working with both agencies to negotiate national funding arrangements for mental health services through the proposed National Agreement on Mental Health and Suicide Prevention.

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 Treasury's services, the desired outcomes and the relevant Government Goal. 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
Strong and Sustainable Finances: Responsible, achievable, affordable 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	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
1. Financial Management and Reporting.....	9,195	10,257	9,858	9,955	9,672	9,631	9,698
2. Economic and Revenue Forecasts and Policy Development.....	11,584	13,599	13,524	12,763	12,703	12,711	12,802
3. Evaluation and Planning of Government Service Delivery and Infrastructure Provision.....	35,998	32,102	27,390	35,285	29,964	28,484	28,682
Total Cost of Services.....	56,777	55,958	50,772	58,003	52,339	50,826	51,182

Outcomes and Key Effectiveness Indicators ^(a)

	2019-20 Actual	2020-21 Budget	2020-21 Estimated Actual	2021-22 Budget Target	Note
Outcome: Sustainable and transparent public sector finances:					
Status of the State's credit rating.....	AA+/Aa1	AA+/Aa1	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 ^(b)	100%	100%	100%	100%	
Outcome: A strong and competitive State economy:					
Accuracy of key general government revenue forecasts:					
Tax revenue ^(c)	-0.1%	+/-5%	15.2%	+/-5%	2
Royalty revenue.....	32.6%	+/-5%	46.6%	+/-5%	3
Accuracy of key economic forecasts (percentage point difference):					
Employment growth ^(d)	-1.3	+/-0.5	+2	+/-0.5	4
Real SFD growth ^{(d) (e)}	-2.1	+/-2	+4	+/-2	5
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.....	61%	90%	60%	90%	6
Percentage of Ministerially endorsed Strategic Asset Plans for the upcoming year received and reviewed by Treasury before the commencement of the Budget bilateral process ^(f)	n/a	100%	82%	100%	

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

(b) Includes financial reports prepared by Treasury to meet the requirements of the *Government Financial Responsibility Act 2000*.

(c) For consistency with the scope of relevant Budget taxation forecasts, the Budget estimate for each financial year has been adjusted to account for tax reclassifications on the advice of the Australian Bureau of Statistics.

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

(e) SFD growth in 2020-21 is the estimated actual as at the 2021-22 Budget cut-off which is based on the latest data available when the forecasts were finalised on 9 August 2021.

(f) Following a review of Treasury's Outcome Based Management Structure in 2020-21, this key effectiveness indicator was introduced to replace 'Percentage of highest value agencies complying with the Strategic Asset Management Framework or equivalent accredited mechanism'. The 2019-20 Actual has not been backcast as full data for this year is not available and it is impracticable to recreate the comparative information.

Explanation of Significant Movements**(Notes)**

- Moody's upgraded Western Australia's credit rating from Aa2 to Aa1 in June 2019. S&P Global revised the outlook for Western Australia's AA+ credit rating from 'Negative' to 'Stable' in October 2018. Both credit rating agencies last reaffirmed these ratings on 29 October 2020. Western Australia's assessments are just one 'notch' below triple-A for both credit rating agencies.
- Tax revenue is estimated to be higher in the 2020-21 Estimated Actual than forecast in the 2020-21 Budget. This reflects stronger than anticipated activity in a number of sectors in the Western Australian economy, including residential and commercial property, mining and the vehicle market, flowing through to the State's tax base in the form of payroll tax and transfer duties.
- Royalty revenue was significantly higher in the 2020-21 Estimated Actual than forecast in the 2020-21 Budget primarily due to a higher than anticipated iron ore price. Global iron ore supply has been slow to recover from the January 2019 tailings dam disaster in Brazil and there has been strong Chinese demand for iron ore. China's stimulus in response to the COVID-19 pandemic has supported the commodity-intensive sectors of its economy.
- Employment growth in the 2020-21 Estimated Actual is significantly higher than the 2020-21 Budget due to a faster than expected recovery in the domestic economy and a sharp rise in demand for labour, including for many of the industries impacted at the onset of the pandemic. In addition, there has been robust activity in the mining and residential construction sectors.

5. Real SFD growth in the 2020-21 Estimated Actual is higher than the 2020-21 Budget, reflecting strong rates of business investment, dwelling investment and public investment, in part fuelled by substantial Commonwealth and State Government stimulus.
6. The 2020-21 Estimated Actual is lower than the 2020-21 Budget due to a number of late submissions/adjustments and, some matters being 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

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.

	2019-20 Actual ^(a)	2020-21 Budget	2020-21 Estimated Actual	2021-22 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	9,195	10,257	9,858	9,955	
Less Income ^(b)	11	692	9	12	
Net Cost of Service	9,184	9,565	9,849	9,943	
Employees (Full-Time Equivalents)	46	48	49	49	
Efficiency Indicators					
Average cost of financial reports released ^(c)	\$262,652	\$261,565	\$247,502	\$291,486	1

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

(b) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* since the 2020-21 Budget have reclassified all sources of revenue from Government from the Net Cost of Service calculation. Accordingly, Net Cost of Service may be higher compared with previous Budget Papers.

(c) Following a review of Treasury'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 (including 2020-21) this indicator includes the cost of preparing a Pre-election Financial Projections Statement as part of the average cost calculation. The 2019-20 Actual 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. Relative to the 2019-20 Actual, the average cost of financial reports declined slightly in 2020-21. This mainly reflects a reduction to the actual timeframe applicable to the preparation of some reports, and the inclusion of an additional report (the Pre-election Financial Projections Statement) in the calculation for 2020-21. The forecast increase for 2021-22 reflects the impact on the average calculation of one less report in 2021-22, and the forecast cost applicable for the preparation of reports with lower vacancies expected during the Budget year.

2. Economic and Revenue Forecasts and Policy Development

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.

	2019-20 Actual ^(a)	2020-21 Budget	2020-21 Estimated Actual	2021-22 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	11,584	13,599	13,524	12,763	
Less Income ^(b)	8	8	11	13	
Net Cost of Service	11,576	13,591	13,513	12,750	
Employees (Full-Time Equivalents)	60	67	67	63	
Efficiency Indicators					
Cost of providing Government with economic and revenue forecasting advice and policy development per economic paper ^(c)	\$40,032	\$53,963	\$46,922	\$48,710	1

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

(b) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* since the 2020-21 Budget have reclassified all sources of revenue from Government from the Net Cost of Service calculation. Accordingly, Net Cost of Service may be higher compared with previous Budget Papers.

(c) 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 2020-21 Estimated Actual is higher than the 2019-20 Actual and lower than the 2020-21 Budget. A total of 279 papers were prepared in 2020-21, compared to 288 in 2019-20. The slight reduction was partly due to the impact of the caretaker period. The number of economic papers is expected to slightly decrease in 2021-22 based on the long-term average.

3. Evaluation and Planning of Government Service Delivery and Infrastructure Provision

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.

	2019-20 Actual ^(a)	2020-21 Budget	2020-21 Estimated Actual	2021-22 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	35,998	32,102	27,390	35,285	1
Less Income ^(b)	281	38	38	35	
Net Cost of Service	35,717	32,064	27,352	35,250	
Employees (Full-Time Equivalents)	134	137	132	149	
Efficiency Indicators					
Cost of providing Government with service delivery and infrastructure advice per paper produced ^(c)	\$40,088	\$46,420	\$43,308	\$48,440	2

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

(b) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* since the 2020-21 Budget have reclassified all sources of revenue from Government from the Net Cost of Service calculation. Accordingly, Net Cost of Service may be higher compared with previous Budget Papers.

(c) 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 decrease from the 2020-21 Budget to the 2020-21 Estimated Actual is largely reflective of the TAB sale process being placed on hold in 2020 due to the COVID-19 pandemic.
2. The cost of service delivery per paper produced is forecast to increase in the 2021-22 Budget Target, reflecting the allocation of additional resources to this service for the evaluation and implementation of Government priority projects and programs.

Asset Investment Program

1. In addition to upgrades to the Strategic Information Management System (\$0.4 million), Treasury expects to spend \$0.2 million on the development of a Cash Disbursement Module to automate the disbursement of appropriations to agencies.
2. The Cash Disbursement Module project and the Unclaimed Monies System Digitalisation project were funded from the Strategic Alliance Fund which is available through the Government banking contract with the Commonwealth Bank of Australia.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-21 \$'000	2020-21 Estimated Expenditure \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
WORKS IN PROGRESS							
Cash Disbursement Module	301	86	86	215	-	-	-
COMPLETED WORKS							
Information and Communications Technology (ICT)							
Replacement/Upgrade - 2020-21 Program	400	400	400	-	-	-	-
Unclaimed Monies System Digitalisation	324	324	324	-	-	-	-
NEW WORKS							
ICT - Replacement/Upgrade							
2021-22 Program	400	-	-	400	-	-	-
2022-23 Program	400	-	-	-	400	-	-
2023-24 Program	400	-	-	-	-	400	-
2024-25 Program	400	-	-	-	-	-	400
Total Cost of Asset Investment Program	2,625	810	810	615	400	400	400
FUNDED BY							
Drawdowns from the Holding Account			400	400	400	400	400
Other			410	215	-	-	-
Total Funding			810	615	400	400	400

Financial Statements

Income Statement

Expenses

1. Employee benefits expense increases in the 2021-22 Budget Estimate, reflecting the allocation of additional resources for the evaluation and implementation of Government priority projects and programs and to strengthen financial management across the public sector, along with finite resources for the Sustainable Health Review and the Western Australian TAB project.
2. Supplies and services expense of \$5.1 million has been repositioned from 2020-21 to 2021-22 to align with the timing of expenditure predominantly related to the Western Australian TAB project and advice on Market-led Proposals. In addition, \$1.6 million of additional funding was approved in 2021-22 for the Western Australian TAB project.

Income

3. Other revenues from State Government are expected to increase from \$0.8 million in 2020-21 to \$1.3 million in 2021-22, due to the repositioning of funding received from the Strategic Alliance Fund for the Cash Disbursement Module project (\$0.2 million), along with additional funding received from WA Health relating to Treasury support on the implementation of recommendations from the Sustainable Health Review.

Statement of Financial Position

4. Cash assets reduced substantially between the 2020-21 Budget and the 2020-21 Estimated Actual, reflecting the return of \$6 million in surplus cash to the Consolidated Account in June 2021.

INCOME STATEMENT ^(a)
(Controlled)

	2019-20 Actual ^(b) \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(c)	33,364	35,715	35,715	37,295	37,445	36,844	37,320
Grants and subsidies ^(d)	164	163	163	164	165	166	167
Supplies and services	16,604	13,826	8,638	14,067	8,795	7,908	7,786
Accommodation	3,908	3,654	3,654	3,804	3,960	4,140	4,140
Depreciation and amortisation	1,132	1,254	1,257	1,325	626	421	422
Finance and interest costs	4	6	5	8	8	7	7
Other expenses	1,601	1,340	1,340	1,340	1,340	1,340	1,340
TOTAL COST OF SERVICES	56,777	55,958	50,772	58,003	52,339	50,826	51,182
Income							
Other revenue	300	738	58	60	60	60	60
Total Income	300	738	58	60	60	60	60
NET COST OF SERVICES ^(e)	56,477	55,220	50,714	57,943	52,279	50,766	51,122
INCOME FROM STATE GOVERNMENT							
Service appropriations	51,596	49,808	44,670	51,236	45,591	44,883	45,239
Resources received free of charge	6,158	5,925	5,925	5,951	5,927	5,953	5,953
Royalties for Regions Fund:							
Regional and state-wide services	133	115	115	134	134	134	134
Other revenues	-	397	814	1,256	1,046	215	215
TOTAL INCOME FROM STATE GOVERNMENT	57,887	56,245	51,524	58,577	52,698	51,185	51,541
SURPLUS/(DEFICIENCY) FOR THE PERIOD	1,410	1,025	810	634	419	419	419

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

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

(c) The full-time equivalents for 2019-20 Actual, 2020-21 Estimated Actual and 2021-22 Budget Estimate are 240, 248 and 261 respectively.

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

(e) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* since the 2020-21 Budget have moved all revenue received from Government out of the calculation of Net Cost of Services and into Income from State Government. This may have increased the Net Cost of Services compared to previously published Budgets.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 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	114	115	116	117
Donations/Sponsorships	3	-	-	-	-	-	-
TOTAL	164	163	163	164	165	166	167

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2019-20 Actual ^(b) \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	11,914	12,214	6,214	6,512	6,808	7,102	7,394
Restricted cash.....	19	-	-	-	-	-	-
Holding account receivables.....	1,764	1,764	1,764	1,764	1,764	1,764	1,764
Receivables.....	323	320	320	320	320	320	320
Other.....	349	349	349	349	349	349	349
Total current assets.....	14,369	14,647	8,647	8,945	9,241	9,535	9,827
NON-CURRENT ASSETS							
Holding account receivables.....	11,164	12,018	12,021	12,946	13,172	13,193	13,215
Property, plant and equipment.....	135	147	174	214	183	159	167
Intangibles.....	3,361	3,210	2,995	2,354	2,196	2,243	2,290
Restricted cash.....	397	516	516	637	760	885	1,012
Total non-current assets.....	15,057	15,891	15,706	16,151	16,311	16,480	16,684
TOTAL ASSETS	29,426	30,538	24,353	25,096	25,552	26,015	26,511
CURRENT LIABILITIES							
Employee provisions.....	8,102	8,102	8,102	8,102	8,102	8,101	8,101
Payables.....	698	698	698	698	698	698	698
Borrowings and leases.....	49	49	57	70	63	60	69
Total current liabilities.....	8,849	8,849	8,857	8,870	8,863	8,859	8,868
NON-CURRENT LIABILITIES							
Employee provisions.....	1,774	1,774	1,774	1,774	1,774	1,774	1,774
Borrowings and leases.....	48	66	86	115	92	88	88
Total non-current liabilities.....	1,822	1,840	1,860	1,889	1,866	1,862	1,862
TOTAL LIABILITIES	10,671	10,689	10,717	10,759	10,729	10,721	10,730
EQUITY							
Contributed equity.....	41,083	41,152	35,154	35,221	35,288	35,340	35,408
Accumulated surplus/(deficit).....	(22,328)	(21,303)	(21,518)	(20,884)	(20,465)	(20,046)	(19,627)
Total equity	18,755	19,849	13,636	14,337	14,823	15,294	15,781
TOTAL LIABILITIES AND EQUITY	29,426	30,538	24,353	25,096	25,552	26,015	26,511

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

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

STATEMENT OF CASHFLOWS (a) (b)
(Controlled)

	2019-20 Actual ^(c) \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	50,433	48,554	43,413	49,911	44,965	44,462	44,817
Capital appropriation.....	32	69	72	67	67	68	68
Holding account drawdowns.....	400	400	400	400	400	400	400
Royalties for Regions Fund:							
Regional and State-wide Initiatives	133	115	115	134	134	134	134
Receipts paid into Consolidated Account	-	-	(6,000)	-	-	-	-
Other.....	218	397	814	1,256	1,046	215	215
Net cash provided by State Government	51,216	49,535	38,814	51,768	46,612	45,279	45,634
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(33,732)	(35,715)	(35,715)	(37,295)	(37,445)	(36,844)	(37,320)
Grants and subsidies	(152)	(163)	(163)	(164)	(165)	(166)	(167)
Supplies and services.....	(12,901)	(7,983)	(2,795)	(8,198)	(2,950)	(2,037)	(1,915)
Accommodation.....	(4,373)	(3,654)	(3,654)	(3,804)	(3,960)	(4,140)	(4,140)
GST payments.....	(2,036)	(2,281)	(2,281)	(2,281)	(2,281)	(2,281)	(2,281)
Finance and interest costs.....	(4)	(6)	(5)	(8)	(8)	(7)	(7)
Other payments	(1,765)	(1,340)	(1,340)	(1,340)	(1,340)	(1,340)	(1,340)
Receipts ^(d)							
GST receipts.....	2,244	2,281	2,281	2,281	2,281	2,281	2,281
Other receipts	278	820	140	142	142	142	142
Net cash from operating activities.....	(52,441)	(48,041)	(43,532)	(50,667)	(45,726)	(44,392)	(44,747)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(631)	(1,025)	(810)	(615)	(400)	(400)	(400)
Net cash from investing activities	(631)	(1,025)	(810)	(615)	(400)	(400)	(400)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases.....	(75)	(69)	(72)	(67)	(67)	(68)	(68)
Net cash from financing activities	(75)	(69)	(72)	(67)	(67)	(68)	(68)
NET INCREASE/(DECREASE) IN CASH HELD.....	(1,931)	400	(5,600)	419	419	419	419
Cash assets at the beginning of the reporting period	14,261	12,330	12,330	6,730	7,149	7,568	7,987
Cash assets at the end of the reporting period	12,330	12,730	6,730	7,149	7,568	7,987	8,406

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

(b) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* implemented since the 2020-21 Budget have reclassified revenue received from Government from the Cashflows from Operating Activities category to the Cashflows from State Government category. This may have changed the Net cash provided by State Government and Net cash from operating activities compared to previously published Budgets.

(c) The 2019-20 Actual has been recast, for comparability purposes, to account for Machinery of Government changes that took effect from 5 September 2019.

(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)

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
GST Receipts							
GST Input Credits	2,198	2,281	2,191	2,281	2,281	2,281	2,281
GST Receipts on Sales	46	-	90	-	-	-	-
Other Receipts							
Aboriginal Community Connectors Program - Evaluation	-	-	-	33	198	-	-
Other Receipts ^(b)	94	82	100	82	82	82	82
Receipts from the Department of Communities for the Target 120 Program ...	256	347	229	286	165	165	165
Receipts from the Department of Justice for the Justice Pipeline Model	100	50	118	50	50	50	50
Senior Officer Vehicle Scheme Receipts	48	58	49	60	60	60	60
Strategic Alliance Fund Receipts	-	680	458	289	31	-	-
Sustainable Health Review - Funding and Commissioning	-	-	-	598	602	-	-
TOTAL	2,742	3,498	3,235	3,679	3,469	2,638	2,638

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

(b) Other Receipts includes Commonwealth paid parental leave receipts and other refunds and recoveries.

DETAILS OF ADMINISTERED TRANSACTIONS

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
INCOME							
Commonwealth Grants							
Compensation for Crude Oil Excise							
Condensate	20,624	14,445	16,510	26,550	24,428	21,244	16,321
GST Grants	3,466,337	2,321,568	3,006,193	3,304,175	5,536,304	5,785,297	6,521,844
Commonwealth-Funded 70% Floor	814,168	1,546,593	1,546,593	2,115,221	-	-	-
North West Shelf Grants	628,727	361,124	412,754	663,753	610,697	531,111	408,033
Other	36,712	383,301	252,392	1,335,964	835,018	1,348,580	188,850
Total Commonwealth Grants	4,966,568	4,627,031	5,234,442	7,445,663	7,006,447	7,686,232	7,135,048
GOVERNMENT ENTERPRISES							
Dividends							
Bunbury Water Corporation	2,614	1,840	2,110	-	3,370	1,632	1,901
Busselton Water Corporation	1,017	1,125	757	-	562	725	733
Electricity Generation and Retail Corporation (Synergy)	2,820	22,600	-	-	-	-	-
Electricity Networks Corporation (Western Power)	80,492	491,311	299,599	-	301,215	295,081	267,758
Forest Products Commission	-	-	-	-	-	-	815
Fremantle Port Authority	12,796	57,172	34,686	-	34,853	35,727	34,823
Gold Corporation	5,959	23,450	23,450	-	10,896	11,605	12,301
Insurance Commission of Western Australia	207,531	490,428	-	572,133	58,740	61,798	65,143
Kimberley Ports Authority	-	-	-	-	-	428	1,117
Land Information Authority	995,605	-	-	-	-	-	-
Mid West Ports Authority	4,124	22,121	11,627	-	24,467	28,743	29,140
Pilbara Ports Authority	31,678	190,365	111,913	-	168,884	182,785	194,431
Regional Power Corporation (Horizon Power)	2,424	13,586	4,206	-	7,214	8,924	9,864
Southern Ports Authority	6,365	55,991	38,982	-	22,223	22,390	25,334
Water Corporation of Western Australia	3,767	1,258,331	642,412	-	737,220	789,428	799,460
Western Australian Land Authority (DevelopmentWA) ^(a)	28,612	150,607	192,678	-	27,662	38,181	41,585
Western Australian Treasury Corporation ...	21,902	16,480	21,355	15,347	17,292	17,471	17,895
Total Dividends	1,407,706	2,795,407	1,383,775	587,480	1,414,598	1,494,918	1,502,300

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income Tax Equivalent Regime							
Bunbury Water Corporation	1,275	986	840	1,687	833	966	1,124
Busselton Water Corporation	1,091	517	868	551	647	613	601
Chemistry Centre (WA)	-	-	60	-	-	-	-
Electricity Generation and Retail Corporation (Synergy)	47	-	-	-	-	-	-
Electricity Networks Corporation (Western Power)	98,944	115,827	115,251	105,463	120,582	127,780	103,234
Forest Products Commission	-	-	-	-	912	1,549	1,189
Fremantle Port Authority	19,887	18,771	23,295	19,895	22,519	22,436	21,724
Gold Corporation	15,369	5,867	17,154	6,227	6,632	7,029	7,373
Insurance Commission of Western Australia	110,182	226,049	276,827	27,486	35,776	43,785	46,635
Kimberley Ports Authority	-	-	-	-	-	254	577
Land Information Authority	431,559	-	-	-	1,334	-	-
Mid West Ports Authority	4,967	5,106	6,402	8,942	15,659	16,680	16,643
Pilbara Ports Authority	56,460	80,629	71,130	91,976	103,175	108,787	114,745
Regional Power Corporation (Horizon Power)	2,666	5,386	2,901	2,232	4,026	4,830	5,964
Southern Ports Authority	18,331	13,341	17,748	13,316	12,493	12,894	15,005
Water Corporation of Western Australia	366,070	341,778	373,534	371,019	406,760	432,532	438,971
Western Australian Land Authority (DevelopmentWA) (a)	12,726	62,440	14,655	15,283	21,820	23,739	18,158
Western Australian Treasury Corporation	12,339	10,054	8,770	9,881	9,983	10,226	10,170
Total Income Tax Equivalent Regime	1,151,913	886,751	929,435	673,958	763,151	814,100	802,113
Local Government Rates Equivalent Regime							
Bunbury Water Corporation	84	83	84	86	88	90	92
Busselton Water Corporation	63	61	61	61	66	67	69
Electricity Generation and Retail Corporation (Synergy)	740	1,027	660	1,027	1,028	1,028	1,028
Electricity Networks Corporation (Western Power)	1,462	1,761	1,761	1,805	1,651	1,692	1,734
Forest Products Commission	389	76	114	255	390	529	670
Fremantle Port Authority	685	627	627	698	705	713	720
Gold Corporation	158	523	160	161	163	164	166
Kimberley Ports Authority	124	140	124	140	141	143	144
Mid West Ports Authority	868	899	872	919	940	961	983
Pilbara Ports Authority	2,760	2,747	2,809	2,897	2,972	3,060	3,128
Regional Power Corporation (Horizon Power)	252	685	685	695	704	722	736
Southern Ports Authority	790	713	808	786	797	810	823
Water Corporation of Western Australia	6,833	7,845	7,784	8,021	8,202	8,386	8,575
Western Australian Land Authority (DevelopmentWA)	7,488	8,560	9,332	8,149	8,355	8,484	8,715
Total Local Government Rates Equivalent Regime	22,696	25,747	25,881	25,700	26,202	26,849	27,583
Total Government Enterprises	2,582,315	3,707,905	2,339,091	1,287,138	2,203,951	2,335,867	2,331,996
Other							
Consolidated Account Revenue Received from Agencies	17,140,979	17,360,473	20,231,963	22,195,081	15,554,788	15,896,585	16,263,645
Gold State Superannuation Reimbursement	93,513	79,053	88,472	86,846	76,707	68,582	52,294
Interest	72,238	52,542	54,661	53,759	43,177	40,647	39,319
Loan Guarantee Fees	158,411	134,826	135,214	144,451	148,992	150,573	150,724
Pension Recoups	12,411	11,135	10,137	10,880	11,042	10,206	10,446
Other Revenue	81,986	47,468	51,322	63,215	38,236	38,174	38,113
Total Other Revenue	17,559,538	17,685,497	20,571,769	22,554,232	15,872,942	16,204,767	16,554,541
TOTAL ADMINISTERED INCOME	25,108,421	26,020,433	28,145,302	31,287,033	25,083,340	26,226,866	26,021,585

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
EXPENSES							
Superannuation	259,833	198,695	199,220	235,345	246,447	253,394	263,034
Interest.....	721,023	640,150	627,692	581,655	556,655	546,065	540,580
Appropriations for:							
Operating Subsidies.....	1,841,508	2,653,774	2,561,496	2,006,113	1,903,862	1,867,135	1,730,926
Services	17,017,065	17,805,017	18,515,747	18,631,273	18,371,373	18,581,329	18,998,412
Salaries and Allowances.....	104,960	107,263	108,613	110,188	111,396	114,288	117,337
Other Appropriations.....	2,487,074	2,760,045	2,796,125	3,566,044	2,329,522	2,320,029	2,504,302
Total Appropriations	21,450,607	23,326,099	23,981,981	24,313,618	22,716,153	22,882,781	23,350,977
All Other Expenses							
Royalties for Regions.....	738,360	821,360	818,621	860,541	845,095	756,751	848,165
Other Expenses	12,086	99,372	94,846	290,346	279,429	224,739	204,972
Total All Other Expenses	750,446	920,732	913,467	1,150,887	1,124,524	981,490	1,053,137
TOTAL ADMINISTERED EXPENSES	23,181,909	25,085,676	25,722,360	26,281,505	24,643,779	24,663,730	25,207,728

(a) The 2019-20 Actual, 2020-21 Budget and 2020-21 Estimated Actual have been recast for comparative purposes due to Machinery of Government changes to transfer the Department of Communities' land development and related commercial functions into DevelopmentWA on 1 July 2021.

Western Australian Treasury Corporation

Part 3 Financial Administration

Interactions with the Consolidated Account, Dividend Payout Ratio and Government Trading Enterprise Information

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax.....	12,339	10,054	8,770	9,881	9,983	10,226	10,170
Dividends ^(a)	21,902	16,480	21,355	15,347	17,292	17,471	17,895
RATIOS							
Dividend Payout Ratio (%)	75	75	75	75	75	75	75
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	1,324,658	1,452,727	1,174,406	1,197,339	1,229,911	1,249,294	1,256,468
Total Expenses ^(b)	1,283,977	1,418,706	1,145,174	1,164,402	1,196,633	1,215,207	1,222,568
NET PROFIT AFTER TAX	28,473	23,967	20,462	23,056	23,295	23,861	23,730
CASH ASSETS ^(c)	1,083,170	1,091,522	1,082,595	1,090,717	1,097,494	1,103,475	1,109,481

(a) In determining the dividend payment to general government, Net Profit After Tax may be adjusted based on other factors as permitted by relevant legislation.

(b) Excludes current tax expense, deferred tax expense and dividends.

(c) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Corporation's Income Statement since presentation of the 2020-21 Budget to Parliament on 8 October 2020, are outlined below:

	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
Key Adjustments					
Flow-on Impact of Updated Borrowing Requirements and Market Conditions on Investment Revenue	3,591	(2,686)	(1,654)	(2,363)	(5,693)

Significant Issues Impacting the Government Trading Enterprise

1. The Corporation is the State's central financial services provider, working with its public sector clients to achieve sound financial outcomes. The Corporation's principal activities involve funding and debt management, asset and investment management, financial advisory services, financial risk management and treasury management services and systems.

Financial Market and Economic Conditions

2. Financial market conditions will continue to shape the Corporation's ability to deliver its core outcome of meeting the State's borrowing needs. The Corporation funds the borrowing requirements of the Consolidated Account, Government Trading Enterprises (GTEs), local government authorities, universities and the Corporation's liquidity management requirements. Debt management includes the refinancing of \$6-7 billion of maturing debt per annum.

3. Central banks, including the Reserve Bank of Australia (RBA), have cut interest rates to record lows and injected a large amount of liquidity into the global financial system through the purchase of government bonds and other policies. This has pushed money market interest rates and bond yields to very low levels. With the RBA not expected to raise the cash rate until 2023 at the earliest, money market interest rates, which are directly influenced by expected changes in policy interest rates, remain at record lows.
4. While the historically low level of interest rates means the Corporation and other State Central Borrowing Authorities are able to borrow on favourable terms, the impact of international markets, particularly the United States, on longer dated bond yields provides a degree of volatility to market conditions that the Corporation will need to navigate when raising debt.
5. The low interest environment is impacting the returns achieved by the Corporation on investments. The Corporation manages funds on behalf of the Public Bank Account, Lotterywest, Landgate and its own balance sheet, which total approximately \$9 billion at 30 June 2021. With the large amount of liquidity in the system through the accommodative monetary policy, finding low-risk, positive-returning investments will remain a focus over the coming year.
6. The State's finances are benefitting from elevated iron ore prices, strong revenue growth and the Government's success in minimising disruption due to the COVID-19 pandemic, with operating surpluses forecast across the forward estimates period. The State's strong Budget position has reduced the amount of new funding the Corporation will need to raise in the financial markets in the coming years.
7. In contrast, the Corporation's Central Borrowing Authority peers are increasing their borrowing programs and new issuance is forecast to increase materially over coming years, increasing competition for the semi-government investor pool. Under its unconventional monetary policy, the RBA is expected to continue buying semi-government debt. As at 30 June 2021, the RBA holds approximately 15% of the Corporation's bonds, with the amount expected to grow over the coming year.

COVID-19

8. The COVID-19 pandemic has impacted significantly on financial markets and the global, Australian and Western Australian economies. For the Corporation, these impacts are felt principally via adjustments to the State's borrowing requirements, the material increase in the size of sovereign and semi-government debt and the impact of central bank measures to stabilise markets and support economic growth. All of this has increased volatility in financial markets. This volatile and uncertain market environment has required the Corporation to be more flexible in delivering the borrowing program than would be the case in normal market conditions.
9. In this environment, investor engagement remains critical, with onshore and offshore marketing crucial to ensure investors are informed of Western Australia's economic and fiscal position, and the associated funding needs of the Corporation. With international travel not an option, there is a need to imagine new ways of engaging with key stakeholders, through forums, seminars, online presentations and one-on-one virtual meetings.
10. During 2020-21, the Corporation developed and managed a new lending facility to support Western Australian local governments and universities impacted by reduced revenue due to COVID-19. The Short Term Lending Facility (the Facility) had a cap of \$100 million and six applications, valued at \$23.5 million, were approved throughout the year. In a reflection of the faster than anticipated economic recovery in Western Australia, no funds were actually required to be drawn down from the Facility and the Facility is now closed.

Environmental, Social and Governance (ESG) Considerations

11. The demand by investors for debt issuers to meet ESG standards is growing rapidly. This has the potential to impact on the Corporation's debt issuing programs in the future. A number of the Corporation's peers have developed and issued ESG bond programs, broadening their investor bases. The Corporation is currently coordinating the development of an information pack of the State's ESG credentials in support of the Corporation's ongoing bond issuance, as a precursor to developing an ESG framework and funding strategy.

Statement of Corporate Intent

The following performance information (financial and non-financial) is the subject of a Statement of Corporate Intent, signed by the Board, Minister and Treasurer.

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at GTE level by objectives and outcomes. The following table illustrates the relationship between the GTE's objectives and outcomes and the Government Goal it contributes to. The key performance indicators measure the extent of the impact of desired outcomes on the achievement of the GTE objectives.

Government Goal	Strategic Objectives	Desired Outcomes
Strong and Sustainable Finances: Responsible, achievable, affordable service delivery.	Provide high quality, cost-effective products and services to the Western Australian public sector.	1. Achieve interest rate savings for clients 2. Deliver scale benefits to the State by keeping administrative expenses in proportion to revenue
	Maintain ready access to domestic and international capital markets to ensure funds are raised to finance client borrowing needs in a cost effective manner.	3. Deliver valued financial solutions to clients
	Optimise the performance of the Corporation in accordance with the <i>Western Australian Treasury Corporation Act 1986</i> and the risk appetite of the Corporation's Board.	4. Maintain an adequate profit 5. Continual improvement of employee engagement

Outcomes and Key Performance Indicators

	2019-20 Actual	2020-21 Budget	2020-21 Estimated Actual	2021-22 Budget Target	Note
Outcome: Achieve interest rate savings for clients:					
Estimated interest rate savings	>0.00%	>0.00%	>0.00%	>0.00%	1
Outcome: Deliver scale benefits to the State by keeping administrative expenses in proportion to revenue:					
Administration cost ratio	0.038%	<0.05%	0.04%	<0.05%	
Outcome: Deliver valued financial solutions to clients:					
Assessment of client satisfaction.....	100%	90%	100%	90%	
Outcome: Maintain an adequate profit:					
Pre-tax profit.....	\$40.7 million	\$34 million	\$29.2 million	\$32.9 million	
Outcome: Continual improvement of employee engagement:					
Staff engagement	n/a	>65%	60%	>65%	2

Explanation of Significant Movements

(Notes)

- Actual interest rate savings to clients in 2019-20 ranged between 0.13% and 0.84%. Full details are available within the Corporation's Annual Report.
- In light of the disruptions caused by COVID-19, the deployment of the staff engagement survey was delayed until July 2020.

Asset Investment Program

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

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-21 \$'000	2020-21 Estimated Expenditure \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
COMPLETED WORKS							
Computer Hardware and Software - 2020-21 Program.....	485	485	485	-	-	-	-
NEW WORKS							
Computer Hardware and Software							
2021-22 Program.....	565	-	-	565	-	-	-
2022-23 Program.....	358	-	-	-	358	-	-
2023-24 Program.....	967	-	-	-	-	967	-
2024-25 Program.....	445	-	-	-	-	-	445
Total Cost of Asset Investment Program	2,820	485	485	565	358	967	445
FUNDED BY							
Internal Funds and Balances.....			485	565	358	967	445
Total Funding.....			485	565	358	967	445

Financial Statements

1. The Corporation's borrowings and client lendings have been updated to reflect the whole-of-State consolidated position at the 9 August 2021 Budget cut-off date. Consequential changes may be required to the interest expense, interest revenue from clients and administration margin at the 2021-22 Mid-year Review to reflect the allocation of debt against individual client debt portfolios.
2. The Corporation presents its valuations based on a mark-to-market basis under AASB 9: *Financial Instruments*. Other agencies prepare forecasts on a face value basis. As most agency borrowings are raised by the Corporation, these differences are removed on consolidation for the State's whole-of-government financial forecasts.

Income Statement

Revenue

3. The 2020-21 Estimated Actual Finance and interest revenue is \$278.3 million below the 2020-21 Budget, reflecting the lower borrowing needs of clients and lower interest rates. Revenue includes interest from client authorities and interest earned on investments, with movements reflecting changes to the underlying client debt, and assumptions on investment returns across the forward estimates.

Expenses

4. The 2020-21 Estimated Actual Finance and interest cost is \$270.7 million below the 2020-21 Budget, reflecting lower interest rates and lower new funding requirements.

Statement of Financial Position

5. Lending assets include Loans to authorities (Government, local government and universities). Borrowings reflect liabilities owed to third parties to fund client lendings, plus a portion for the Corporation's liquidity management. Estimates are based on the latest approved borrowing requirements of the State.

Statement of Cashflows

6. Cashflows from investing activities reflect receipts from the maturities of investments and payments for new investments. Estimates are based on investments remaining constant over the year with similar within-year activity.
7. Cashflows from financing activities reflect new funds raised (refinancing, new money and short-term debt) for the year, plus the repayment of client loans, almost fully matched by funds repaid to the market (as debt matures and as short-term debt is rolled off or refinanced with term debt).

INCOME STATEMENT ^(a)
(Controlled)

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
REVENUE							
Revenue from operations							
Finance and interest revenue	1,322,174	1,450,751	1,172,430	1,195,346	1,227,900	1,247,264	1,254,419
Other revenue	2,484	1,976	1,976	1,993	2,011	2,030	2,049
TOTAL REVENUE	1,324,658	1,452,727	1,174,406	1,197,339	1,229,911	1,249,294	1,256,468
Expenses							
Employee benefits ^(b)	12,295	13,144	12,787	13,787	14,250	14,803	15,306
Supplies and services	4,814	4,891	4,891	5,354	5,447	5,582	5,724
Accommodation	853	532	1,002	986	1,018	1,051	1,085
Depreciation and amortisation	1,046	1,354	807	982	1,136	558	616
Finance and interest costs	1,262,674	1,393,703	1,122,969	1,138,061	1,169,395	1,187,757	1,194,315
Other expenses	2,295	5,082	2,718	5,232	5,387	5,456	5,522
TOTAL EXPENSES	1,283,977	1,418,706	1,145,174	1,164,402	1,196,633	1,215,207	1,222,568
NET PROFIT/(LOSS) BEFORE TAX	40,681	34,021	29,232	32,937	33,278	34,087	33,900
National Tax Equivalent Regime							
Current tax equivalent expense	12,339	10,054	8,770	9,881	9,983	10,226	10,170
Deferred tax equivalent expense	(131)	-	-	-	-	-	-
NET PROFIT/(LOSS) AFTER TAX	28,473	23,967	20,462	23,056	23,295	23,861	23,730
Dividends	21,902	16,480	21,355	15,347	17,292	17,471	17,895

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

(b) The full-time equivalents for 2019-20 Actual, 2020-21 Estimated Actual and 2021-22 Budget Estimate are 71, 74 and 80 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	1,083,170	1,091,522	1,082,595	1,090,717	1,097,494	1,103,475	1,109,481
Receivables.....	274,956	274,956	250,454	250,458	250,437	250,437	250,437
Assets held for sale.....	847,183	847,183	847,183	847,183	847,183	847,183	847,183
Other investments.....	2,786,170	2,786,170	2,787,389	2,787,389	2,787,389	2,787,389	2,787,389
Government securities.....	3,550,816	3,550,816	2,723,022	2,723,022	2,723,022	2,723,022	2,723,022
Loans to authorities.....	8,129,759	8,459,303	5,990,449	6,100,970	5,747,707	5,359,256	5,421,807
Other.....	3,219	3,219	3,219	3,219	3,219	3,219	3,219
Total current assets.....	16,675,273	17,013,169	13,684,311	13,802,958	13,456,451	13,073,981	13,142,538
NON-CURRENT ASSETS							
Property, plant and equipment.....	211	175	276	429	437	402	438
Intangibles.....	2,002	1,169	1,614	1,044	283	727	520
Loans to authorities.....	47,979,787	49,924,670	49,604,494	50,887,158	51,571,245	51,998,800	51,998,800
Other.....	1,183	1,183	1,183	1,183	1,183	1,183	1,183
Total non-current assets.....	47,983,183	49,927,197	49,607,567	50,889,814	51,573,148	52,001,112	52,000,941
TOTAL ASSETS	64,658,456	66,940,366	63,291,878	64,692,772	65,029,599	65,075,093	65,143,479
CURRENT LIABILITIES							
Employee provisions.....	3,349	3,349	3,349	3,349	3,349	3,349	3,349
Payables.....	3,427,329	3,427,329	2,576,251	2,576,255	2,576,235	2,576,235	2,576,235
Interest payable.....	573,571	573,571	573,571	573,571	573,571	573,571	573,571
Borrowings.....	9,256,413	9,604,388	7,132,500	7,255,177	6,908,397	6,523,998	6,586,549
Total current liabilities.....	13,260,662	13,608,637	10,285,671	10,408,352	10,061,552	9,677,153	9,739,704
NON-CURRENT LIABILITIES							
Employee provisions.....	595	595	595	595	595	595	595
Borrowings and leases.....	27	23	23	19	39	39	39
Borrowings.....	51,245,107	53,171,559	52,854,417	54,124,925	54,802,529	55,226,032	55,226,032
Other.....	5	5	5	5	5	5	5
Total non-current liabilities.....	51,245,734	53,172,182	52,855,040	54,125,544	54,803,168	55,226,671	55,226,671
TOTAL LIABILITIES	64,506,396	66,780,819	63,140,711	64,533,896	64,864,720	64,903,824	64,966,375
NET ASSETS	152,060	159,547	151,167	158,876	164,879	171,269	177,104
EQUITY							
Accumulated surplus/(deficit).....	152,060	159,547	151,167	158,876	164,879	171,269	177,104
TOTAL EQUITY	152,060	159,547	151,167	158,876	164,879	171,269	177,104

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

STATEMENT OF CASHFLOWS (a)
(Controlled)

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
GST receipts.....	395	-	-	-	-	-	-
Finance and interest receipts.....	1,455,206	1,450,751	1,172,430	1,195,346	1,227,900	1,247,264	1,254,419
Other receipts.....	2,656	1,976	1,976	1,993	2,011	2,030	2,049
Payments							
Employee benefits.....	(11,846)	(13,144)	(12,787)	(13,787)	(14,250)	(14,803)	(15,306)
Supplies and services.....	(4,055)	(4,449)	(4,449)	(4,879)	(4,937)	(5,582)	(5,724)
Accommodation.....	(853)	(532)	(1,002)	(986)	(1,018)	(1,051)	(1,085)
GST payments.....	(433)	-	-	-	-	-	-
Finance and interest costs.....	(1,578,000)	(1,393,703)	(1,122,969)	(1,138,061)	(1,169,395)	(1,187,757)	(1,194,315)
Other payments.....	(2,294)	(5,082)	(2,718)	(5,232)	(5,387)	(5,456)	(5,522)
Net cash from operating activities.....	(139,224)	35,817	30,481	34,394	34,924	34,645	34,516
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from sale of non-current assets.....	2	-	-	-	-	-	-
Other receipts.....	6,489,919	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Payments							
Purchase of non-current assets.....	(1,180)	(485)	(485)	(565)	(358)	(967)	(445)
Other payments.....	(7,697,320)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Net cash from investing activities.....	(1,208,579)	(485)	(485)	(565)	(358)	(967)	(445)
CASHFLOWS FROM FINANCING ACTIVITIES							
Receipts							
Proceeds from borrowings.....	20,284,049	17,274,427	14,485,397	16,393,185	15,330,824	15,039,104	15,062,551
Other proceeds.....	6,747,631	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Payments							
Repayment of borrowings and leases.....	(24,984,416)	(27,274,873)	(24,485,843)	(26,393,664)	(25,331,338)	(25,039,104)	(25,062,551)
Net cash from financing activities.....	2,047,264	(446)	(446)	(479)	(514)	-	-
CASHFLOWS FROM STATE GOVERNMENT							
Payments							
Dividends to government.....	(21,902)	(16,480)	(21,355)	(15,347)	(17,292)	(17,471)	(17,895)
National Tax Equivalent Regime - income tax ...	-	(10,054)	(8,770)	(9,881)	(9,983)	(10,226)	(10,170)
Net cash provided to State Government.....	21,902	26,534	30,125	25,228	27,275	27,697	28,065
NET INCREASE/(DECREASE) IN CASH HELD.....	677,559	8,352	(575)	8,122	6,777	5,981	6,006
Cash assets at the beginning of the reporting period.....	405,611	1,083,170	1,083,170	1,082,595	1,090,717	1,097,494	1,103,475
Cash assets at the end of the reporting period.....	1,083,170	1,091,522	1,082,595	1,090,717	1,097,494	1,103,475	1,109,481

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

Division 12 Office of the Auditor General

Part 3 Financial Administration

Appropriations, Expenses and Cash Assets

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 38 Net amount appropriated to deliver services	8,363	10,573	10,321	10,687	11,209	11,380	11,521
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	753	811	811	813	815	817	819
Total appropriations provided to deliver services	9,116	11,384	11,132	11,500	12,024	12,197	12,340
CAPITAL							
Item 117 Capital Appropriation	300	348	348	347	347	347	300
TOTAL APPROPRIATIONS	9,416	11,732	11,480	11,847	12,371	12,544	12,640
EXPENSES							
Total Cost of Services	31,945	37,758	37,184	38,298	39,075	39,432	39,808
Net Cost of Services ^{(a) (b)}	24,917	28,125	29,206	28,333	29,005	29,277	29,564
CASH ASSETS ^(c)	5,449	5,150	5,969	5,359	5,394	5,448	5,457

(a) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* since the 2020-21 Budget may have increased the Net Cost of Services compared to previously published Budgets.

(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 Office's Income Statement since presentation of the 2020-21 Budget to Parliament on 8 October 2020, are outlined below:

	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
2021-22 Streamlined Budget Process Incentive Funding.....	-	99	-	-	-

Significant Issues Impacting the Agency

Capability and Resourcing

1. Following a four year transition period, the Office is now responsible for all 148 local government (LG) financial audits, an increase of 80% in the number of public entities audited by the Office. Prior to this transition, audit staff would traditionally use the period between the Western Australian Government and tertiary education sector audit seasons to conduct focus audits, which use information from the financial audits to further examine common business practices and controls across a sample of entities. The introduction of the LG sector to the audit program now limits these opportunities, as the audit cycles for all three sectors effectively overlap.
2. Given current demands for audit, accounting, and information and communications technology skills in the private sector, as well as border closures, the Office may see attrition rise and certain key specialist skills difficult to attract (e.g. financial and information systems auditors and data scientists). To address these issues, the Office is exploring more innovative recruitment approaches, as well as looking at ways to support improved LG financial reporting maturity and consequent audit efficiency for that sector.

LG Audit Delays

3. Retrospective amendments to the Local Government (Financial Management) Regulations 1996 were gazetted in November 2020, resulting in almost half of the audited LGs needing to submit revised 2020 financial reports for auditing. This impacted the Office's ability to complete audits by the 31 December 2020 deadline for those entities, meaning that many LG audits ran over into the next audit season. LG audit finalisation is also delayed at some entities due to poor financial report quality, requiring significant engagement by the Office staff to get these LG entities' accounts to a standard that can be signed off.

Technology Transformation

4. The Office's extensive program of technology transformation is continuing, seeking greater efficiencies, improved audit quality and robust information security. Some projects, including a new network configuration and audit tool and methodology, may result in additional resourcing requirements.

Forensic Audit Unit Establishment

5. The Forensic Audit unit is now relatively well-established and moving into its operational phase, carrying out targeted analyses and supporting the Office's various audit functions. The Office commissioned two internal reviews on the establishment of the branch and on how the Office gathers, uses and shares information and intelligence, which are guiding its future approach. Recruitment to this branch continues, with the aim to be at full capacity by the end of the 2021-22 financial year. The first forensic audit results will be reported to Parliament by December 2021.

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 and community on public sector accountability and performance.	1. Public Sector Auditing

Service Summary

Expense	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
1. Public Sector Auditing	31,945	37,758	37,184	38,298	39,075	39,432	39,808
Total Cost of Services.....	31,945	37,758	37,184	38,298	39,075	39,432	39,808

Outcomes and Key Effectiveness Indicators ^(a)

	2019-20 Actual	2020-21 Budget	2020-21 Estimated Actual	2021-22 Budget Target	Note
Outcome: An informed Parliament and community 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:					1
Service Delivery - reports tabled.....	5	14	7	8	
Economic Development - reports tabled.....	2	9	3	4	
Social and Environment - reports tabled.....	1	8	3	4	
Governance - reports tabled ^(b)	20	2	20	12	
TOTAL	28	33	33	28	

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

(b) Lower estimated report delivery reflects expectations of a lower level of section 82 notifications on which to form an opinion, and the impact of implementing a new audit tool and methodology on audit team capacity.

Explanation of Significant Movements

(Notes)

1. The Office aims to provide Parliament with advice and assurance across all four categories of public sector activity. An element of the Office's key effectiveness indicator is the establishment of a three year total reporting target, broken down by aspirational targets for each category of report. These category targets are one factor in the selection of audit topics. Other factors include the significance of issues identified in audit work and regard for matters referred to the Office by Parliament and the community. For this reason, category targets may not always be met in any one year. The table below shows the number of reports the Office tabled in the last three year Key Performance Indicator (KPI) period (2018-19 to 2020-21) against its nominated targets across each category. The table below also contains nominated targets for the next three year KPI period (2021-22 to 2023-24).

	2018-19 to 2020-21 Three Year Estimated Actual	2018-19 to 2020-21 Three Year Budget Target	2021-22 to 2023-24 Three Year Budget Target
Reports Tabled:			
Service Delivery	14	21	22
Economic Development	6	12	13
Social and Environment	7	12	13
Governance.....		45	36
<i>Reports on Section 82 Opinions</i>	28	-	-
<i>Other</i>	35	-	-
TOTAL	90	90	84

As this table shows, the Office delivers the majority of its reports under the 'Governance' category, which includes its work providing reports for opinions on section 82 ministerial notifications. The Office's section 82 work is a legislated obligation. It is always difficult to accurately forecast the number of section 82 notifications the Office may receive in a year, as these notifications arise out of parliamentary proceedings. While the section 82 work is again expected to result in a high relative number of reports within the Governance category over the next three year period, current audit program planning aims towards higher numbers of reports in the other categories. A lower overall target over the next three years, however, reflects the significant diversion of audit resources across all audit divisions for:

- implementing a new audit tool and methodology for which extensive consultation, adaptation to the Western Australian public sector environment, piloting and training of staff and contractors is required; and
- critical, but time-consuming investment in consolidating the transition of all 148 LG entities into the Office's audit responsibility.

Services and Key Efficiency Indicators

1. Public Sector Auditing

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.

	2019-20 Actual	2020-21 Budget	2020-21 Estimated Actual	2021-22 Budget Target	Note
Total Cost of Service	\$'000 31,945	\$'000 37,758	\$'000 37,184	\$'000 38,298	1
Less Income ^(a)	7,028	9,633	7,978	9,965	1
Net Cost of Service	24,917	28,125	29,206	28,333	
Employees (Full-Time Equivalents)	153	186	182	193	1
Efficiency Indicators					
Total audit cost per \$ million of gross government expenditure	\$476	\$560	\$491	\$527	2
Attest audit cost per \$ million of gross government expenditure	\$369	\$449	\$399	\$384	2
Performance audit cost per \$ million of gross government expenditure	\$107	\$110	\$92	\$142	2
Average number of days taken after balance date to issue financial audit opinions ^(b)	67	68	79	68	

(a) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* since the 2020-21 Budget have reclassified all sources of revenue from Government from the Net Cost of Service calculation. Accordingly, Net Cost of Service may be higher compared with previous Budget Papers.

(b) 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.

Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service between the 2020-21 Estimated Actual and the 2021-22 Budget Target 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 2020-21 Estimated Actual audit cost per million of gross government expenditure was less than budgeted due to an increase in gross government expenditure for the same period. The increase between the 2019-20 Actual and the 2020-21 Budget audit cost per million is related to an increase in Total Cost of Service, with no commensurate increase in government expenditure.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-21 \$'000	2020-21 Estimated Expenditure \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
WORKS IN PROGRESS							
Computer Hardware and Software							
2019-20 Program.....	162	42	-	120	-	-	-
2020-21 Program.....	1,151	642	642	509	-	-	-
NEW WORKS							
Computer Hardware and Software							
2021-22 Program.....	690	-	-	690	-	-	-
2022-23 Program.....	690	-	-	-	690	-	-
2023-24 Program.....	690	-	-	-	-	690	-
2024-25 Program.....	690	-	-	-	-	-	690
Total Cost of Asset Investment Program	4,073	684	642	1,319	690	690	690
FUNDED BY							
Capital Appropriation.....			300	300	300	300	300
Drawdowns from the Holding Account			390	390	390	390	390
Internal Funds and Balances.....			(48)	629	-	-	-
Total Funding.....			642	1,319	690	690	690

Financial Statements

Income Statement

Expenses

1. Total Cost of Services is estimated to increase by \$5 million compared to the 2019-20 Actual. This is mainly due to an increase in service delivery for LG financial and information systems audits, forensic audits and the replacement of core information systems.

Income

2. The increase in Total Income reflects the final transition of remaining LG entities and a proportion of the cost of information systems upgrades that is recovered through audit fees revenue in line with the Office's current strategic resourcing mix. The allocation between other revenue (LG financial audit fees) and State Government revenue will be reviewed at the 2021-22 Mid-year Review to confirm cost recovery allocation remains appropriate.

INCOME STATEMENT ^(a)
(Controlled)

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	19,109	23,573	21,432	24,112	24,561	24,886	25,225
Supplies and services	9,685	10,580	12,154	10,554	10,817	10,846	10,880
Accommodation	1,693	1,242	1,242	1,242	1,242	1,242	1,242
Depreciation and amortisation	369	771	766	765	765	764	763
Finance and interest costs	2	4	2	6	5	6	5
Other expenses	1,087	1,588	1,588	1,619	1,685	1,688	1,693
TOTAL COST OF SERVICES	31,945	37,758	37,184	38,298	39,075	39,432	39,808
Income							
Other revenue	7,028	9,633	7,978	9,965	10,070	10,155	10,244
Total Income	7,028	9,633	7,978	9,965	10,070	10,155	10,244
NET COST OF SERVICES ^(c)	24,917	28,125	29,206	28,333	29,005	29,277	29,564
INCOME FROM STATE GOVERNMENT							
Service appropriations	9,116	11,384	11,132	11,500	12,024	12,197	12,340
Resources received free of charge	426	467	467	467	467	467	467
Other revenues	16,318	16,304	18,221	16,402	16,551	16,692	16,838
TOTAL INCOME FROM STATE GOVERNMENT	25,860	28,155	29,820	28,369	29,042	29,356	29,645
SURPLUS/(DEFICIENCY) FOR THE PERIOD	943	30	614	36	37	79	81

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

(b) The full-time equivalents for 2019-20 Actual, 2020-21 Estimated Actual and 2021-22 Budget Estimate are 153, 182 and 193 respectively.

(c) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* since the 2020-21 Budget have moved all revenue received from Government out of the calculation of Net Cost of Services and into Income from State Government. This may have increased the Net Cost of Services compared to previously published Budgets.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	5,187	4,818	5,637	4,957	4,932	4,986	4,995
Holding account receivables.....	390	390	390	390	390	390	390
Receivables.....	9,877	10,828	10,369	10,390	10,531	10,526	10,567
Other.....	577	577	577	577	577	577	577
Total current assets.....	16,031	16,613	16,973	16,314	16,430	16,479	16,529
NON-CURRENT ASSETS							
Holding account receivables.....	4,160	4,541	4,541	4,921	5,301	5,680	6,042
Property, plant and equipment.....	181	263	230	649	714	729	766
Intangibles.....	11	140	(19)	200	200	200	90
Restricted cash.....	262	332	332	402	462	462	462
Total non-current assets.....	4,614	5,276	5,084	6,172	6,677	7,071	7,360
TOTAL ASSETS.....	20,645	21,889	22,057	22,486	23,107	23,550	23,889
CURRENT LIABILITIES							
Employee provisions.....	3,014	3,084	3,084	3,154	3,224	3,224	3,224
Payables.....	594	1,335	935	899	1,079	1,079	1,079
Borrowings and leases.....	36	36	39	44	40	46	43
Other.....	1,160	1,160	1,160	1,160	1,160	1,160	1,160
Total current liabilities.....	4,804	5,615	5,218	5,257	5,503	5,509	5,506
NON-CURRENT LIABILITIES							
Employee provisions.....	1,019	1,019	1,019	1,019	1,019	1,019	1,019
Borrowings and leases.....	42	97	78	85	76	87	48
Total non-current liabilities.....	1,061	1,116	1,097	1,104	1,095	1,106	1,067
TOTAL LIABILITIES.....	5,865	6,731	6,315	6,361	6,598	6,615	6,573
EQUITY							
Contributed equity.....	9,231	9,579	9,579	9,926	10,273	10,620	10,920
Accumulated surplus/(deficit).....	5,549	5,579	6,163	6,199	6,236	6,315	6,396
Total equity.....	14,780	15,158	15,742	16,125	16,509	16,935	17,316
TOTAL LIABILITIES AND EQUITY.....	20,645	21,889	22,057	22,486	23,107	23,550	23,889

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

STATEMENT OF CASHFLOWS (a) (b)
(Controlled)

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	8,395	10,613	10,361	10,730	11,254	11,428	11,588
Capital appropriation.....	300	348	348	347	347	347	300
Holding account drawdowns	323	390	390	390	390	390	390
Other.....	16,467	15,986	17,903	16,087	16,236	16,377	16,838
Net cash provided by State Government	25,485	27,337	29,002	27,554	28,227	28,542	29,116
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(18,968)	(23,486)	(21,345)	(24,026)	(24,476)	(24,801)	(25,225)
Supplies and services.....	(8,640)	(8,812)	(10,386)	(9,154)	(9,416)	(9,474)	(9,840)
Accommodation.....	(1,267)	(1,242)	(1,242)	(1,242)	(1,242)	(1,242)	(1,242)
GST payments.....	(2,643)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)
Finance and interest costs.....	(2)	(4)	(2)	(6)	(5)	(6)	(5)
Other payments.....	(1,774)	(2,166)	(2,166)	(2,204)	(2,254)	(2,253)	(2,266)
Receipts (c)							
GST receipts.....	2,631	1,800	1,800	1,800	1,800	1,800	1,800
Other receipts	6,587	9,001	7,346	9,829	9,934	10,019	10,203
Net cash from operating activities	(24,076)	(26,709)	(27,795)	(26,803)	(27,459)	(27,757)	(28,375)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(42)	(879)	(642)	(1,319)	(690)	(690)	(690)
Net cash from investing activities	(42)	(879)	(642)	(1,319)	(690)	(690)	(690)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases.....	(46)	(48)	(45)	(42)	(43)	(41)	(42)
Net cash from financing activities	(46)	(48)	(45)	(42)	(43)	(41)	(42)
NET INCREASE/(DECREASE) IN CASH HELD.....	1,321	(299)	520	(610)	35	54	9
Cash assets at the beginning of the reporting period	4,128	5,449	5,449	5,969	5,359	5,394	5,448
Cash assets at the end of the reporting period	5,449	5,150	5,969	5,359	5,394	5,448	5,457

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

(b) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* implemented since the 2020-21 Budget have reclassified revenue received from Government from the Cashflows from Operating Activities category to the Cashflows from State Government category. This may have changed the Net cash provided by State Government and Net cash from operating activities compared to previously published Budgets.

(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 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)

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
GST Receipts							
GST Input Credits.....	332	170	170	170	170	170	170
GST Receipts on Sales	2,299	1,630	1,630	1,630	1,630	1,630	1,630
Other Receipts							
Audit Fees	23,054	24,987	25,249	25,916	26,170	26,396	27,041
TOTAL	25,685	26,787	27,049	27,716	27,970	28,196	28,841

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

Division 13 Finance

Part 3 Financial Administration

Appropriations, Expenses and Cash Assets

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 39 Net amount appropriated to deliver services.....	168,179	219,458	219,458	225,976	199,525	196,088	195,320
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	1,601	1,601	1,601	1,607	1,612	1,617	1,622
Total appropriations provided to deliver services	169,780	221,059	221,059	227,583	201,137	197,705	196,942
ADMINISTERED TRANSACTIONS							
Item 40 Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....	176,298	526,327	533,917	1,008,355	223,210	229,335	247,210
Amount Authorised by Other Statutes							
- First Home Owner Grant Act 2000	52,761	82,254	95,718	95,385	26,374	41,149	65,693
- Petroleum (Submerged Lands) Act 1982 ...	-	351	159	446	273	194	114
CAPITAL							
Item 118 Capital Appropriation	5,265	7,711	7,711	6,181	16,380	4,310	760
TOTAL APPROPRIATIONS	404,104	837,702	858,564	1,337,950	467,374	472,693	510,719
EXPENSES							
Total Cost of Services	1,312,314	1,484,536	1,378,478	1,549,169	1,759,434	1,402,626	1,211,187
Net Cost of Services ^{(a) (b)}	1,299,250	1,465,814	1,352,738	1,530,921	1,741,498	1,384,878	1,193,431
CASH ASSETS ^(c)	83,417	96,537	135,738	128,916	141,182	139,303	142,567

(a) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* since the 2020-21 Budget may have increased the Net Cost of Services compared to previously published Budgets.

(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 2020-21 Budget to Parliament on 8 October 2020, are outlined below:

	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
COVID-19 Response					
COVID-19 Masks Purchase	5,000	-	-	-	-
Home Building Grants Administration.....	1,094	5,208	4,639	-	-
Household Electricity Credit Administration.....	1,111	-	-	-	-
Off-the-Plan Transfer Duty Rebate.....	-	-	-	48	48
Small Business and Charities Electricity Credit Scheme.....	-	2,010	-	-	-

	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
New Initiatives					
Major Projects Directorate	-	2,877	7,851	7,924	7,998
Solsan Development and Commercialisation	1,000	500	-	-	-
State Electric Vehicles Strategy - Charging Infrastructure	-	300	250	250	-
Transfer of the Royalties Collection and Administration Function from the Department of Mines, Industry Regulation and Safety	-	1,466	1,484	1,503	1,521
Ongoing Initiatives					
Aboriginal Business Capability Building Program Extension	-	500	500	500	-
South West Native Title Settlement	(1,373)	6,801	-	-	-
Revised Capital Works Turnover	-	(3,000)	388,000	347,000	156,000
Other					
Government Office Accommodation	(1,195)	2,871	4,627	3,921	345
Government Regional Officer Housing	(2)	1	3	11	11
Land Tax Liability Enquiry Fees	-	103	103	(97)	(97)
Perth Children's Hospital - Contractual Entitlement Resolution ^(a)	-	-	-	-	-
Stabilising Western Australia's Revenue Collection System	-	1,800	187	189	191

(a) 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 Department continues to play a key role in the implementation of the COVID-19 Response by supporting the creation of Western Australian jobs through the delivery of 108 projects and programs with a collective value in excess of \$1.2 billion, which includes 59 regional projects across the State worth \$490 million. In addition to stimulus projects, the Department is responsible for delivering 146 infrastructure projects, worth \$865 million, committed to as part of the 2021 election. These projects primarily support improved health and education outcomes for the community.
2. In 2020, the Government established the Infrastructure Delivery Unit within the Department to oversee the delivery of the COVID-19 Response projects and subsequently the entire State's \$30.7 billion Asset Investment Program involving more than 1,400 projects. In addition, the Government has committed to the creation of a dedicated Major Projects Directorate to bolster the State's ability to deliver new major infrastructure projects for the Western Australian community.
3. The WA Procurement Framework and Procurement Rules went live on 1 June 2021. It is underpinned by the *Procurement Act 2020* which makes procurement simpler by bringing together goods, services and works procurement. The next major step in the reform process will be the implementation of a debarment regime.
4. Aboriginal Procurement Policy has been extended for three years, with an increased target to award 4% of contracts to Aboriginal businesses by 2023-24. In support of this program, funding of \$1.5 million over three years was approved for an extension of the Aboriginal Business Capability Building Program.
5. Development of the State Commissioning Strategy is currently continuing to ensure a coordinated approach to procuring community services over the next five years to provide an opportunity to improve the way community services are delivered in Western Australia and ensure a sustainable service system.
6. Considerable activity has occurred on assessing 30 Market-led Proposals (MLP), plus issuing seven Problem and Opportunity Statements which seek innovative solutions from the private sector. Two proposals have been finalised under the MLP process, including delivering a pilot for locally-manufactured commercial hand sanitiser dispensers (Solsan), and the commissioning of the Mako surgical robot.
7. RevenueWA administers payments of the State's Building Bonus and the Commonwealth's HomeBuilder grants. Application numbers were higher than anticipated and processing times longer than expected, primarily due to a significant number of incomplete applications and the Commonwealth's more complex criteria. Three criminal prosecutions were secured in relation to the supply of false information and a number of other applications are under investigation.

8. In 2021-22, emergency relief powers will be introduced to allow the Treasurer, in consultation with the Minister for Finance, to declare emergency measures considered necessary to provide relief from the economic or financial impacts of a declared emergency. This will allow land tax exemptions to continue for up to two years for eligible properties, such as those destroyed by the Wooroloo bushfire and Severe Tropical Cyclone Seroja natural disasters.
9. Effective 1 October 2021, the royalties collection and administration function will transfer from the Department of Mines, Industry Regulation and Safety (DMIRS) to RevenueWA.
10. A 12 month ServiceWA trial centre launched on 30 October 2020 in Bunbury, providing citizens in the South West with access to more than 80 services from five government agencies. Customers have indicated exceptional levels of satisfaction. A digital transformation works package has also been established in partnership with the Office of Digital Government, enabling all agencies to transition services online to deliver a better digital experience for citizens.
11. Over \$20 million of savings was achieved as part of the Government Office Accommodation Reform Program in 2020-21, taking the total savings since it was approved in 2017 to approximately \$165 million. Through efficient and innovative fit-outs, such as co-working and activity-based workplaces, continued cost reductions have been demonstrated while maximising space utilisation within the portfolio. This focus will continue during 2021-22.
12. To assist the development of an Asset Management Reform Program which extracts maximum value from Government-owned non-residential building assets, a whole-of-government Building Asset Management Framework (the Framework) has been developed. Supported by an asset information strategy and a suite of core data standards, the Framework provides clarity on the Strategic Asset Management Framework and assists in its application within the Government-owned non-residential building asset portfolio.
13. Finance is responsible for delivering two components of the State Electric Vehicles (EV) Strategy for Western Australia implementing a minimum 25% EV target for eligible vehicles by 2025-26 and overseeing \$800,000 of investment to install EV charging stations in Government-occupied buildings.

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 Department's services, the desired outcomes and the relevant Government Goal. 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
Strong and Sustainable Finances: Responsible, achievable, affordable 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	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
1. Revenue Assessment and Collection, and Grants and Subsidies Administration.....	62,295	65,502	67,752	79,046	74,075	69,694	70,292
2. Development and Management of Common Use Contract Arrangements, State Fleet Leasing and Disposal, and Providing Facilitation Service for Agency-specific Contracts	72,527	79,321	86,940	68,887	67,338	67,488	67,080
3. Corporate Services to Client Agencies	6,352	6,049	5,977	6,434	6,012	5,925	5,969
4. Leads the Management of Government Buildings Including Planning, Project Delivery, and Maintenance Thereof.....	1,171,140	1,333,664	1,217,809	1,394,802	1,612,009	1,259,519	1,067,846
Total Cost of Services.....	1,312,314	1,484,536	1,378,478	1,549,169	1,759,434	1,402,626	1,211,187

Outcomes and Key Effectiveness Indicators ^(a)

	2019-20 Actual	2020-21 Budget	2020-21 Estimated Actual	2021-22 Budget Target	Note
Outcome: Due and payable revenue is collected and eligible grants, subsidies and rebates paid:					
Debt as a percentage of revenue raised ^(b)	0.53%	0.49%	0.3%	0.41%	1
Extent to which correct grants, subsidies and rebates are paid ^(b)	100%	100%	100%	100%	
Outcome: Value for money from public sector procurement:					
Average annual vehicle net capital cost:					
Per passenger vehicle	\$4,361	\$4,800	\$3,856	\$4,600	2
Per commercial vehicle.....	\$5,021	\$5,000	\$3,738	\$4,800	2
Extent to which client agencies agree that their agency contracts and common use arrangements achieved value for money	95%	92%	96%	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.....	94%	100%	100%	100%	
Average office accommodation floor space per work point	14.07	13.9	13.74	13.7	

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

(b) This indicator has been backcast for comparative purposes to include royalties collection and determinations following the transfer of responsibility from DMIRS to RevenueWA from 1 October 2021.

Explanation of Significant Movements

(Notes)

- The decrease in the 2020-21 Estimated Actual compared to the 2019-20 Actual and 2020-21 Budget is due to higher royalties revenue with low levels of corresponding debt. The increase in the 2021-22 Budget Target compared to the 2020-21 Estimated Actual is primarily due to lower debt for payroll tax in 2020-21 as part of a range of measures for the COVID-19 Response.
- A one-off lower cost in the 2020-21 Estimated Actual compared to the 2020-21 Budget and 2019-20 Actual is mainly due to a combination of agencies deferring their vehicle replacement programs and higher than anticipated sales proceeds on vehicle disposals as a result of supply chain issues arising from the COVID-19 pandemic in 2020-21.

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, mining royalties 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.

	2019-20 Actual	2020-21 Budget	2020-21 Estimated Actual	2021-22 Budget Target	Note
Total Cost of Service	\$'000 62,295	\$'000 65,502	\$'000 67,752	\$'000 79,046	1
Less Income ^(a)	2,735	3,897	4,299	4,000	
Net Cost of Service	59,560	61,605	63,453	75,046	
Employees (Full-Time Equivalents)	333	364	389	447	1
Efficiency Indicators					
Average cost per tax or duty determination ^(b)	\$32.14	\$33.20	\$30.08	\$30.99	
Average cost per grant or subsidy determination	\$10.83	\$9.47	\$16.94	\$25.54	1

(a) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* since the 2020-21 Budget have reclassified all sources of revenue from Government from the Net Cost of Service calculation. Accordingly, Net Cost of Service may be higher compared with previous Budget Papers.

(b) This indicator has been backcast for comparative purposes to include royalties collection and administration following the transfer of responsibility from DMIRS to RevenueWA from 1 October 2021.

Explanation of Significant Movements

(Notes)

1. The increase between the 2020-21 Budget, 2020-21 Estimated Actual and 2021-22 Budget Target reflects approved expenditure and Full-Time Equivalents increases for RevenueWA for a range of initiatives including the State's Building Bonus and the Commonwealth's HomeBuilder grants, and the royalties collection and administration function transferred from DMIRS.

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.

	2019-20 Actual	2020-21 Budget	2020-21 Estimated Actual	2021-22 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	72,527	79,321	86,940	68,887	1
Less Income ^(a)	4,167	8,177	11,962	7,865	2
Net Cost of Service	68,360	71,144	74,978	61,022	
Employees (Full-Time Equivalents)	188	211	206	211	
Efficiency Indicators					
Cost of facilitating the development and management of agency-specific contracts as a percentage of the contract award value.....	0.9%	1%	1.3%	1.2%	3
Average administrative cost per vehicle for financing and managing the State Fleet service	\$115	\$114	\$122	\$114	
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%	1%	0.9%	0.9%	

(a) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* since the 2020-21 Budget have reclassified all sources of revenue from Government from the Net Cost of Service calculation. Accordingly, Net Cost of Service may be higher compared with previous Budget Papers.

Explanation of Significant Movements

(Notes)

1. The decrease between the 2020-21 Estimated Actual and the 2021-22 Budget Target is largely due to the purchase of personal protective equipment during 2020-21 as part of the COVID-19 Response.
2. The increase in Income in the 2020-21 Estimated Actual compared to the 2020-21 Budget and the 2021-22 Budget Target reflects the higher than anticipated sale proceeds on vehicle disposals in 2020-21 through State Fleet.
3. The higher 2020-21 Estimated Actual compared to the 2020-21 Budget Target is due to the total contract award value being less than forecast, partly due to some high value contracts previously forecast for 2020-21 now scheduled to be delivered in 2021-22.

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.

	2019-20 Actual	2020-21 Budget	2020-21 Estimated Actual	2021-22 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	6,352	6,049	5,977	6,434	
Less Income ^(a)	356	325	290	300	
Net Cost of Service	5,996	5,724	5,687	6,134	
Employees (Full-Time Equivalents)	23	25	24	25	

(a) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* since the 2020-21 Budget have reclassified all sources of revenue from Government from the Net Cost of Service calculation. Accordingly, Net Cost of Service may be higher compared with previous Budget Papers.

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.

	2019-20 Actual	2020-21 Budget	2020-21 Estimated Actual	2021-22 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	1,171,140	1,333,664	1,217,809	1,394,802	1
Less Income ^(a)	5,806	6,323	9,189	6,083	
Net Cost of Service	1,165,334	1,327,341	1,208,620	1,388,719	
Employees (Full-Time Equivalents)	372	464	416	500	1
Efficiency Indicators					
Percentage of new building projects, valued over \$5 million, delivered by the approved timeframes	83%	100%	97%	100%	
Percentage of high-priority breakdown repairs completed within agreed timeframes	74%	80%	76%	75%	
The cost of managing government buildings including the planning, project delivery, and maintenance thereof, as a percentage of services delivered	8.82%	8.82%	9.33%	8.87%	

(a) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* since the 2020-21 Budget have reclassified all sources of revenue from Government from the Net Cost of Service calculation. Accordingly, Net Cost of Service may be higher compared with previous Budget Papers.

Explanation of Significant Movements

(Notes)

- The reduction from the 2020-21 Budget to the 2020-21 Estimated Actual reflects the additional capacity for capital works turnover and FTEs included in the Department's budget to provide flexibility in meeting the demand in delivery of COVID-19 Response measures which were not required. The increase from the 2020-21 Estimated Actual to the 2021-22 Budget Target is due to additional capital works turnover in 2021-22 to deliver projects and additional resources following the creation of the Major Projects Directorate.

Asset Investment Program

- The Department's Asset Investment Program in 2021-22 is \$108.6 million, comprising mainly of:
 - office fit-outs, associated with government office accommodation leases, funded through lease incentives from landlords;
 - maintaining effective RevenueWA systems through the Digital Transformation Project and ongoing software upgrades to support implementation of initiatives; and
 - the Vehicle Acquisition Program, managed by State Fleet, which facilitates the purchase, servicing and disposal of vehicles for the Government.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-21 \$'000	2020-21 Estimated Expenditure \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
WORKS IN PROGRESS							
Accommodation Fit-out Projects							
55 St Georges Terrace - Office Fit-out.....	2,034	1,646	1,646	388	-	-	-
Government Office Accommodation - The Quarter Karratha Office Fit-out.....	1,786	132	132	1,654	-	-	-
Lease Incentive Funded Office Fit-outs	160,721	126,762	14,025	17,208	6,751	5,000	5,000
New Public Sector Offices for Fremantle	34,278	29,678	1,010	4,600	-	-	-
Government Office Accommodation Reform Program ..	11,083	9,733	2,832	1,350	-	-	-
Software Development							
Digital Transformation Project	19,916	5,610	3,475	4,691	4,650	3,695	1,270
Off-the-Plan Transfer Duty Rebate System Upgrade	1,389	589	389	800	-	-	-
COMPLETED WORKS							
COVID-19 Response							
Software Development - Small Business Electricity Credit	534	534	534	-	-	-	-
Other Completed Works							
Accommodation Fit-out Projects							
Albert Facey House	245	245	147	-	-	-	-
Albert Facey House Fit-out	500	500	500	-	-	-	-
Information and Communication Technology (ICT) Replacement - 2020-21 Program.....	109	109	109	-	-	-	-
Procurement Systems Replacement							
2019-20 Program.....	431	431	111	-	-	-	-
2020-21 Program.....	191	191	191	-	-	-	-
Software Development							
Electronic Conveyancing Transformation	1,148	1,148	787	-	-	-	-
Housing Construction Support Measures System Upgrade	748	748	650	-	-	-	-
Payroll Tax Exemption System Upgrade	2,155	2,155	893	-	-	-	-
Strata Title Implementation.....	1,174	1,174	149	-	-	-	-
Vehicle Acquisitions - 2020-21 Program	63,000	63,000	63,000	-	-	-	-
NEW WORKS							
COVID-19 Response							
Accommodation Fit-out Projects - Parliamentary Precinct Office Accommodation.....	13,800	-	-	690	4,000	7,730	1,380
Other New Works							
Accommodation Fit-out Projects							
Bunbury Tower Fit-out	230	-	-	230	-	-	-
Governor Stirling House Shared Areas Fit-out	150	-	-	150	-	-	-
Kununurra Fit-out.....	70	-	-	70	-	-	-
ICT Replacement							
2021-22 Program.....	109	-	-	109	-	-	-
2022-23 Program.....	109	-	-	-	109	-	-
2023-24 Program.....	109	-	-	-	-	109	-
2024-25 Program.....	109	-	-	-	-	-	109
Procurement Systems Replacement							
2021-22 Program.....	671	-	-	671	-	-	-
2022-23 Program.....	431	-	-	-	431	-	-
2023-24 Program.....	431	-	-	-	-	431	-
2024-25 Program.....	431	-	-	-	-	-	431
Vehicle Acquisitions							
2021-22 Program.....	76,000	-	-	76,000	-	-	-
2022-23 Program.....	76,000	-	-	-	76,000	-	-
2023-24 Program.....	76,000	-	-	-	-	76,000	-
2024-25 Program.....	76,000	-	-	-	-	-	76,000
Total Cost of Asset Investment Program	622,092	244,385	90,580	108,611	91,941	92,965	84,190
FUNDED BY							
Asset Sales			45,700	43,379	43,379	43,379	43,379
Capital Appropriation.....			7,711	6,181	16,380	4,310	760
Drawdowns from the Holding Account			517	540	540	540	540
Internal Funds and Balances.....			36,652	58,511	31,642	44,736	39,511
Total Funding.....			90,580	108,611	91,941	92,965	84,190

Financial Statements

Income Statement

Expenses

1. The increase in Employee benefits between the 2020-21 Estimated Actual and the 2021-22 Budget Estimate includes additional funding to deliver economic stimulus projects and support the Building Bonus and HomeBuilder grants programs.
2. The increases in Grants and subsidies from the 2020-21 Estimated Actual to the 2021-22 Budget Estimates and the subsequent reductions from 2022-23 onwards reflects the finalisation of the South West Native Title Settlement.
3. The increases in Supplies and services from the 2020-21 Estimated Actual through to the 2022-23 Forward Estimate reflects additional capital works turnover approved under the COVID-19 pandemic response.

Income

4. The one-off increase in Other revenue in the 2020-21 Estimated Actual reflects an increase in the sale proceeds from motor vehicles in 2020-21 due to supply chain issues caused by the COVID-19 pandemic.
5. The increase in Other revenues (Income from State Government) between the 2020-21 Estimated Actual and the 2022-23 Forward Estimate reflects income collected from other government agencies due to increased capital works turnover as part of the economic stimulus.

Statement of Cashflows

6. Movements in the Purchase of non-current assets are reflective of the Asset Investment Program.
7. Other proceeds from financing activities in the 2019-20 Actual includes the recognition of lease incentives.

INCOME STATEMENT (a)
(Controlled)

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	109,075	122,453	122,345	136,928	133,595	130,914	132,542
Grants and subsidies ^(c)	1,519	2,323	950	6,801	-	-	-
Supplies and services	867,175	1,008,995	919,278	1,054,893	1,275,747	922,481	731,040
Accommodation	36,101	33,840	32,457	33,409	34,512	35,764	34,073
Depreciation and amortisation	237,460	252,837	239,592	253,948	254,810	255,895	255,894
Finance and interest costs	53,933	57,403	57,171	56,527	54,064	50,831	50,855
Other expenses	7,051	6,685	6,685	6,663	6,706	6,741	6,783
TOTAL COST OF SERVICES	1,312,314	1,484,536	1,378,478	1,549,169	1,759,434	1,402,626	1,211,187
Income							
Sale of goods and services	443	5,640	5,658	4,959	4,865	4,668	4,668
Grants and subsidies	5,454	4,700	4,700	4,928	4,700	4,700	4,700
Other revenue	7,167	8,382	15,382	8,361	8,371	8,380	8,388
Total Income	13,064	18,722	25,740	18,248	17,936	17,748	17,756
NET COST OF SERVICES ^(d)	1,299,250	1,465,814	1,352,738	1,530,921	1,741,498	1,384,878	1,193,431
INCOME FROM STATE GOVERNMENT							
Service appropriations	169,780	221,059	221,059	227,583	201,137	197,705	196,942
Resources received free of charge	13,065	14,676	14,676	14,676	14,676	14,676	14,676
Royalties for Regions Fund:							
Regional Community Services Fund	1,644	90	105	90	90	90	90
Other appropriations	-	-	-	-	1,823	-	-
Other revenues	1,110,744	1,242,095	1,138,926	1,301,412	1,540,055	1,189,961	999,386
TOTAL INCOME FROM STATE GOVERNMENT	1,295,233	1,477,920	1,374,766	1,543,761	1,757,781	1,402,432	1,211,094
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(4,017)	12,106	22,028	12,840	16,283	17,554	17,663

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

(b) The full-time equivalents for 2019-20 Actual, 2020-21 Estimated Actual and 2021-22 Budget Estimate are 916, 1,035 and 1,183 respectively.

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

(d) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* since the 2020-21 Budget have moved all revenue received from Government out of the calculation of Net Cost of Services and into Income from State Government. This may have increased the Net Cost of Services compared to previously published Budgets.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
Capacity Building Grant Programs	1,519	950	950	-	-	-	-
South West Native Title Settlement	-	1,373	-	6,801	-	-	-
TOTAL	1,519	2,323	950	6,801	-	-	-

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	81,848	94,571	133,772	126,548	138,414	136,135	139,399
Restricted cash.....	141	138	138	140	140	140	140
Holding account receivables.....	540	1,796	540	540	540	540	540
Receivables.....	65,753	64,218	64,218	64,218	64,218	64,218	64,218
Other.....	58,945	56,800	56,800	56,800	56,800	56,800	56,800
Assets held for sale.....	200	200	200	200	200	200	200
Total current assets.....	207,427	217,723	255,668	248,446	260,312	258,033	261,297
NON-CURRENT ASSETS							
Holding account receivables.....	615,325	683,733	684,989	755,326	823,019	888,402	953,603
Property, plant and equipment.....	2,169,813	2,143,831	2,109,361	2,055,252	1,918,782	1,804,139	1,761,105
Receivables.....	391	391	391	391	391	391	391
Intangibles.....	37,505	37,990	38,014	38,544	38,034	37,767	29,741
Restricted cash.....	1,428	1,828	1,828	2,228	2,628	3,028	3,028
Other.....	238	238	238	238	238	238	238
Total non-current assets.....	2,824,700	2,868,011	2,834,821	2,851,979	2,783,092	2,733,965	2,748,106
TOTAL ASSETS	3,032,127	3,085,734	3,090,489	3,100,425	3,043,404	2,991,998	3,009,403
CURRENT LIABILITIES							
Employee provisions.....	27,358	27,430	27,430	27,430	27,430	27,430	27,336
Payables.....	64,556	68,857	68,857	69,463	70,069	70,675	71,291
Borrowings and leases.....	168,224	168,227	168,182	168,424	168,587	168,828	168,990
Other.....	75,314	75,314	75,314	75,314	75,314	75,314	75,314
Total current liabilities.....	335,452	339,828	339,783	340,631	341,400	342,247	342,931
NON-CURRENT LIABILITIES							
Employee provisions.....	4,928	4,924	4,924	4,920	4,920	4,920	4,920
Borrowings and leases.....	1,566,309	1,583,989	1,576,018	1,548,056	1,449,473	1,376,002	1,374,300
Other.....	3,328	3,472	3,472	3,328	3,328	3,328	3,328
Total non-current liabilities.....	1,574,565	1,592,385	1,584,414	1,556,304	1,457,721	1,384,250	1,382,548
TOTAL LIABILITIES	1,910,017	1,932,213	1,924,197	1,896,935	1,799,121	1,726,497	1,725,479
EQUITY							
Contributed equity.....	1,041,906	1,061,211	1,064,060	1,088,418	1,112,928	1,116,592	1,117,352
Accumulated surplus/(deficit).....	80,204	92,310	102,232	115,072	131,355	148,909	166,572
Total equity	1,122,110	1,153,521	1,166,292	1,203,490	1,244,283	1,265,501	1,283,924
TOTAL LIABILITIES AND EQUITY	3,032,127	3,085,734	3,090,489	3,100,425	3,043,404	2,991,998	3,009,403

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

STATEMENT OF CASHFLOWS (a) (b)
(Controlled)

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	137,643	150,878	150,878	156,706	132,904	131,782	131,201
Capital appropriation.....	5,265	7,711	7,711	6,181	16,380	4,310	760
Holding account drawdowns.....	517	517	517	540	540	540	540
Royalties for Regions Fund:							
Regional Community Services Fund.....	94	1,640	1,655	90	90	90	90
Other.....	1,095,452	1,247,264	1,159,723	1,310,210	1,548,761	1,198,667	1,008,094
Administered appropriations	-	-	-	-	1,823	-	-
Net cash provided by State Government	1,238,971	1,408,010	1,320,484	1,473,727	1,700,498	1,335,389	1,140,685
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(107,644)	(122,385)	(122,277)	(136,932)	(133,599)	(130,918)	(132,636)
Grants and subsidies	(1,519)	(2,323)	(950)	(6,801)	-	-	-
Supplies and services.....	(781,395)	(925,103)	(835,386)	(971,001)	(1,191,761)	(838,667)	(647,226)
Accommodation.....	(35,198)	(34,684)	(33,301)	(34,253)	(35,356)	(36,608)	(34,917)
GST payments.....	(129,880)	(133,858)	(133,858)	(133,858)	(133,858)	(133,858)	(133,858)
Finance and interest costs.....	(52,711)	(56,426)	(56,194)	(55,669)	(53,353)	(50,294)	(50,318)
Other payments	(116,690)	(87,968)	(89,263)	(104,946)	(104,995)	(105,030)	(105,072)
Receipts (c)							
Grants and subsidies	7,226	4,700	4,700	4,928	4,700	4,700	4,700
Sale of goods and services.....	443	4,302	4,700	4,000	4,000	3,800	3,800
GST receipts.....	129,431	134,464	134,464	134,464	134,464	134,464	134,464
Other receipts	4,209	11,397	7,397	7,376	7,386	7,395	7,403
Net cash from operating activities.....	(1,083,728)	(1,207,884)	(1,119,968)	(1,292,692)	(1,502,372)	(1,145,016)	(953,660)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(128,335)	(116,693)	(90,580)	(108,611)	(91,941)	(92,965)	(84,190)
Proceeds from sale of non-current assets	33,517	45,700	52,700	43,379	43,379	43,379	43,379
Other receipts	-	9,401	11,991	15,140	6,353	5,000	5,000
Net cash from investing activities	(94,818)	(61,592)	(25,889)	(50,092)	(42,209)	(44,586)	(35,811)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases.....	(146,808)	(141,939)	(140,685)	(145,731)	(149,327)	(152,809)	(153,093)
Other proceeds	86,307	16,525	18,379	7,966	5,676	5,143	5,143
Net cash from financing activities	(60,501)	(125,414)	(122,306)	(137,765)	(143,651)	(147,666)	(147,950)
NET INCREASE/(DECREASE) IN CASH HELD.....	(76)	13,120	52,321	(6,822)	12,266	(1,879)	3,264
Cash assets at the beginning of the reporting period	83,493	83,417	83,417	135,738	128,916	141,182	139,303
Cash assets at the end of the reporting period	83,417	96,537	135,738	128,916	141,182	139,303	142,567

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

(b) Changes to Treasurer's instruction 1102: *Statements of Comprehensive Income* implemented since the 2020-21 Budget have reclassified revenue received from Government from the Cashflows from Operating Activities category to the Cashflows from State Government category. This may have changed the Net cash provided by State Government and Net cash from operating activities compared to previously published Budgets.

(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)

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Subsidies							
Indian Ocean Territories Commonwealth							
Grant.....	7,226	4,700	4,700	4,700	4,700	4,700	4,700
National Partnership on COVID-19							
Response.....	-	-	-	228	-	-	-
Sale of Goods and Services							
Contract Services	774,619	916,936	826,111	970,633	1,208,094	857,771	667,153
ICT Services to Government	305	-	-	-	-	-	-
Land Tax Liability Enquiry Fee	2,576	2,800	4,212	3,200	3,200	3,000	3,000
Merchant Fees.....	443	1,097	379	800	800	800	800
GST Receipts							
GST Input Credits	6,967	12,374	12,374	12,374	12,374	12,374	12,374
GST Receipts on Sales	122,464	122,090	122,090	122,090	122,090	122,090	122,090
Other Receipts							
Corporate Services Cost Recoup	356	460	440	480	480	480	480
Government Office Accommodation Lease							
Receipts	265,575	272,405	270,884	276,241	277,331	277,560	277,605
Other Receipts.....	2,165	13,877	12,469	13,365	13,365	13,365	13,365
Paid Parental Leave Receipts	311	-	575	500	500	500	500
Procurement Services	3,276	2,800	4,195	2,800	2,800	2,800	2,800
Receipt of Employee Contributions - Housing							
Leased from Government Regional Officer							
Housing.....	142	148	148	127	137	146	154
Revenues from Executive Vehicle Scheme...	66	100	67	100	100	100	100
State Fleet Revenue	50,270	52,340	52,340	53,340	53,340	53,340	53,340
TOTAL	1,236,761	1,402,127	1,310,984	1,460,978	1,699,311	1,349,026	1,158,461

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

DETAILS OF ADMINISTERED TRANSACTIONS (a)

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
INCOME							
Taxation							
Insurance Duty	694,863	678,133	727,537	771,189	782,757	806,240	830,427
Land Tax	793,263	771,325	755,990	763,651	765,146	772,339	787,191
Metropolitan Region Improvement Tax	87,863	86,769	84,744	83,897	83,880	84,462	85,896
Payroll Tax	3,645,535	3,569,495	3,749,400	4,060,351	4,263,417	4,293,988	4,465,753
Point of Consumption Tax	76,893	84,492	113,699	83,082	90,775	99,822	102,816
Transfer Duty	1,189,923	1,121,351	1,862,365	1,581,067	1,410,289	1,537,344	1,626,803
Foreign Buyers Surcharge Duty	19,039	18,562	17,263	17,120	20,336	23,068	24,543
Landholder Duty	121,612	120,537	225,291	155,616	119,904	119,904	119,904
Total Duty on Transfers	1,330,574	1,260,450	2,104,919	1,753,803	1,550,529	1,680,316	1,771,250
Vehicle Licence Duty	375,364	380,213	514,293	397,233	368,006	373,433	378,610
Other Duties	2	1	-	-	-	-	-
Commonwealth Mirror Taxes	44,616	45,577	46,417	51,527	53,989	54,355	56,536
Royalties							
Alumina	104,659	89,220	91,591	96,989	98,224	102,691	106,227
Copper	59,140	62,149	67,333	87,067	51,860	40,602	40,256
Gold	388,487	455,413	408,375	418,134	401,830	393,994	351,279
Iron Ore	7,632,428	7,391,448	11,331,976	9,193,180	5,020,511	5,090,956	5,078,842
Lithium	58,913	47,307	38,322	83,764	86,857	100,920	113,443
Nickel	77,624	95,792	88,310	122,565	127,936	133,300	127,493
Other	121,913	140,931	117,048	134,111	144,606	150,868	150,392
Petroleum - State Component	6,648	4,394	3,751	9,143	7,022	4,791	17,670
Other Revenue							
Office Lease Rental Revenue	38,402	39,700	39,447	39,700	39,700	39,700	39,700
Other Income	52,142	56,377	57,146	62,057	66,043	67,303	68,283
Appropriations							
First Home Owner Grant Act 2000	52,761	82,254	95,718	95,385	26,374	41,149	65,693
Petroleum (Submerged Lands) Act 1982	-	351	159	446	273	194	114
Administered Grants and Transfer Payments ...	176,298	526,327	533,917	1,008,355	223,210	229,335	247,210
TOTAL ADMINISTERED INCOME	15,818,388	15,868,118	20,970,092	19,315,629	14,252,945	14,560,758	14,885,081
EXPENSES							
Grants and Subsidies							
Building Bonus Homebuyers Grant	-	147,000	133,380	392,620	-	-	-
Energy Concession Extension Scheme	3,305	4,720	2,223	2,275	2,350	2,450	2,500
Energy Concessions - \$500 Small Business and Charities Electricity Credit for Non-Synergy and Horizon Customers	-	-	-	24,500	-	-	-
Energy Concessions - \$600 Household Electricity Credit for Non-Synergy and Horizon Power Customers	-	-	10,117	-	-	-	-
First Home Owner Scheme	52,761	82,254	95,718	95,385	26,374	41,149	65,693
Life Support Equipment Subsidy Scheme ...	1,285	1,500	1,224	1,350	1,400	1,450	1,500
National Partnership on Homebuilder	-	70,590	118,975	387,025	-	-	-
Off the Plan Duty Rebate Scheme	-	3,700	1,759	15,400	17,000	14,800	18,200
Payroll Tax Rebates Scheme	40	50	6	50	50	50	50
Pensioner Concessions - Emergency Services Levy	21,901	25,200	20,661	23,500	25,500	27,500	29,500
Pensioner Concessions - Local Government Rates	102,235	117,400	105,537	110,500	119,000	128,000	138,000
Petroleum (Submerged Lands) Act 1982	-	351	159	446	273	194	114
Small Business Payroll Tax Grant	-	107,000	106,523	-	-	-	-
South West Native Title Settlement Agreement - Cultural Centre	-	-	-	-	5,000	-	-
Thermoregulatory Dysfunction Energy Subsidy	1,972	2,100	1,868	2,200	2,250	2,300	2,400
Other Expenses							
Refund of Past Years Tax Revenue	45,560	45,107	29,684	46,975	48,700	50,825	53,100
Refunds of Past Years Royalties Revenues ...	-	1,960	1,960	1,960	1,960	1,960	1,960
Doubtful Debts Expense	2,205	-	-	-	-	-	-
Expected Credit Losses Expense	11,815	-	-	-	-	-	-
Other Expenses	52,142	56,377	57,146	62,057	66,043	67,303	68,283
Payments to Consolidated Account	15,617,142	15,860,875	18,605,285	20,550,090	13,918,575	14,202,768	14,514,057
TOTAL ADMINISTERED EXPENSES	15,912,363	16,526,184	19,292,225	21,716,333	14,234,475	14,540,749	14,895,357

(a) A Machinery of Government change has transferred the royalty collection and administration function from DMIRS. For comparability purposes, past years royalty collection data is reflected in this table of administered transactions.

Insurance Commission of Western Australia

Part 3 Financial Administration

Interactions with the Consolidated Account, Dividend Payout Ratio and Government Trading Enterprise Information

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
INSURANCE COMMISSION OF WESTERN AUSTRALIA REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax.....	110,182	226,049	276,827	27,486	35,776	43,785	46,635
Dividends ^(a)	207,531	490,428	- ^(b)	572,133	58,740	61,798	65,143
RATIOS							
Dividend Payout Ratio (%) ^(c)	75	75	75	75	75	75	75
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	784,314	1,872,784	2,484,263	1,208,689	1,296,835	1,370,147	1,421,581
Total Expenses ^(d)	800,822	1,044,645	946,329	1,055,992	1,098,081	1,126,889	1,162,493
NET PROFIT AFTER TAX ^(e)	(2,135)	576,200	1,076,555	106,888	139,128	170,282	181,363
CASH ASSETS ^(f)	693,945	733,237	897,659	877,580	938,247	1,003,187	1,067,994
RISKCOver FUND GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	332,855	366,854	480,679	401,965	429,236	452,327	474,495
Total Expenses.....	384,069	336,993	444,022	379,044	395,949	416,617	438,275
NET PROFIT	(51,214)	29,861	36,657	22,921	33,287	35,710	36,220
CASH ASSETS ^(f)	14,158	1	3	5	11	9	8
Distribution of Equity to the General Government Sector ^(g)	69,457	-	-	-	-	1,803	18,480

(a) In determining the dividend payment to general government, Net Profit After Tax may be adjusted based on other factors as permitted by relevant legislation.

(b) The 2020-21 Estimated Actual reflects the deferral of the 2020-21 interim dividend to 2021-22.

(c) The dividend payout ratio is adjusted based on the need to maintain appropriate capital adequacy and other factors or circumstances taken into account by the Board of the Commission.

(d) Excludes current tax expense, deferred tax expense and dividends.

(e) The 2019-20 Actual result differs from the Commission's Annual Report due to the treatment of Transfers to Reserves.

(f) As at 30 June each financial year.

(g) Surplus funds in the RiskCover Fund in excess of the agreed solvency target is returned to the Consolidated Account and quarantined for the purpose of repaying debt.

Financial Changes

Net operating balance adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Commission's Income Statement since presentation of the 2020-21 Budget to Parliament on 8 October 2020, are outlined below:

	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
Key Adjustments					
2021-22 Tariff, Fees and Charges (Household Model) - Motor Injury					
Insurance Premiums.....	-	(437)	(1,921)	(3,537)	(5,245)
Investment and Other Activities - Investment Assets and Related Income					
Forecasts.....	4,881	32,425	(3,927)	(2,245)	(6,805)
Underwriting Activities - Revised Claims Expense Forecasts ^(a)	32,062	5,476	5,628	4,189	5,263

(a) Based on valuations provided by the independent actuary (dated October 2020).

Significant Issues Impacting the Government Trading Enterprise

1. The Commission seeks to price its insurance products to reflect the full cost of claims and scheme running costs, and to minimise reliance on subsidisation from investment returns.
2. Motor injury insurance premiums in Western Australia remain affordable at \$416 (including GST, and \$458 including insurance duty) for a family vehicle. This compares favourably to premiums that range up to \$576 for motor vehicle owners in other parts of Australia.
3. Premium rates, claims estimates and investment returns have major impacts on the Commission's profit, solvency and capital adequacy. Actuarial and investment forecasts are both highly sensitive to external influences outside the direct control of the Commission. Economic factors can materially affect both investment returns and claims liabilities.
4. In determining the amount of any recommended dividend or capital return, the Commission's Board takes into account its capital adequacy position and the extent to which the organisation has the liquidity to support those payments.
5. The Commission's strong financial performance forecast for 2020-21 includes the Bell Group settlement amount of \$655.4 million received on 11 September 2020. The 2020-21 interim dividend of \$477.6 million (including the Bell Group settlement proceeds) has been deferred to be paid in 2021-22.
6. Effective 1 July 2018, the *Civil Liability Act 2002* was amended to remove the statute of limitations for child sexual abuse claims. The Commission and the RiskCover Fund continue to be exposed to current and future claims arising from this legislative change. Settled claims are paid on an emerging basis by the Commission and recouped from the Consolidated Account via an item included in Division 11 - Treasury.
7. Global reinsurance and insurance market conditions are challenging in terms of capacity and pricing. There has been a withdrawal of capacity as reinsurers' appetite for certain types of business has deteriorated. This has resulted in increasingly difficult insurance and reinsurance market conditions. The outlook for the immediate future is for those conditions to continue. Natural disasters globally and across Australia and the COVID-19 pandemic have resulted in significant increases in the costs of reinsurance. These costs will put pressure on the RiskCover Fund premiums.
8. Government workers' compensation claim frequency, severity and duration have continued to rise over prior years. This trend is expected to continue over the forward estimates period resulting in forecast increases to RiskCover Fund agency premiums. The Commission is working with agencies to reduce claims.

Statement of Corporate Intent

The following performance information (financial and non-financial) is the subject of a Statement of Corporate Intent, signed by the Board, Minister and Treasurer.

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at Government Trading Enterprise (GTE) level by objectives and outcomes. The following table illustrates the relationship between the GTE's objectives and outcomes and the Government Goal it contributes to. The key performance indicators measure the extent of the impact of desired outcomes on the achievement of the GTE objectives.

Government Goal	Strategic Objectives	Desired Outcomes
Strong and Sustainable Finances: Responsible, achievable, affordable service delivery.	Deliver sustainable financial performance.	1. Sustainable financial resources to meet our objectives. 2. Fully-funded Third Party Insurance Fund (TPIF), Motor Vehicle (Catastrophic Injuries) Fund (MVCIF) and RiskCover Fund.
	Provide quality and affordable insurance products and services. Operate effectively and efficiently. Develop a high performance culture.	3. Provide efficient, timely and affordable insurance services that deliver care and compensation to claimants and agencies.

Outcomes and Key Performance Indicators ^(a)

	2019-20 Actual	2020-21 Budget	2020-21 Estimated Actual	2021-22 Budget Target	Note
Outcome: Sustainable financial resources to meet our objectives:					
Investment rolling 7 year return	6.5%	5.1%	7.1%	4.5%	
Main Fund					
Annual investment rate of return	(2.6%)	5.2%	16.5%	4.2%	1
Investment management expense ratio	0.47%	0.57%	0.57%	0.58%	
MVCIF					
Annual investment rate of return	(2.5%)	5.5%	17%	4.6%	1
Investment management expense ratio	0.5%	0.6%	0.6%	0.56%	
Solvency level	126.7%	126.3%	145.2%	133.9%	2
Outcome: Fully-funded TPIF, MVCIF and RiskCover Fund:					
TPIF					
Solvency levels	136.1%	136.4%	161.3%	143%	3
Net loss ratio	78.7%	91.1%	93.4%	92%	
Net expense ratio	7.7%	7.4%	7.4%	7.6%	
Net combined ratio	86.4%	98.5%	100.8%	99.6%	
MVCIF					
Solvency levels	116.5%	103%	134%	128%	4
Net loss ratio	74.8%	121.4%	35.5%	106.1%	
Net expense ratio	5.4%	6.2%	5.7%	5.7%	
Net combined ratio	80.2%	127.6%	41.2%	111.8%	4
RiskCover Fund					
Solvency levels	129.8%	133.4%	130.4%	132.3%	
Net loss ratio	98.2%	94.1%	119.4%	94.8%	
Net expense ratio	10.7%	11.5%	10.1%	10.6%	
Net combined ratio	108.9%	105.6%	129.5%	105.4%	5
Outcome: Provide efficient, timely and affordable insurance services that deliver care and compensation to claimants and agencies:					
Motor Injury Insurance					
Affordability index	24.1%	30%	30%	30%	
Proportion of claims payments made for the direct benefits of claimants	94.6%	94.5%	94.5%	94.5%	
Timeliness of liability determination	79.2%	75%	75%	80%	
Claim administration costs as a ratio of gross claims paid	6.1%	6.6%	6.5%	6.4%	
Customer satisfaction ^(b)	n/a	60%	60%	65%	
Median claim duration ^(b)	n/a	17.5 months	17.5 months	17.5 months	
RiskCover Fund					
Affordability index	1.4%	1.42%	1.5%	1.68%	
Proportion of claims payments made for the direct benefits of claimants	91.7%	90%	90%	90%	
Timeliness of liability determination	96.5%	90%	90%	90%	
Claim administration costs as a ratio of gross claims paid	12.4%	12.9%	11.7%	11.9%	
Customer satisfaction ^(b)	n/a	75%	75%	75%	
Median claim duration ^(b)	n/a	4.8 months	4.8 months	4.8 months	

(a) Further details in support of the key performance indicators are provided in the Commission's Annual Report.

(b) New key performance indicator implemented in 2020-21.

Explanation of Significant Movements

(Notes)

1. In 2019-20, the Commission incurred negative investment returns of -2.6% and -2.5% for the Main Fund and MVCIF respectively. Both Funds' performance was due to the negative impact on asset prices of the COVID-19 pandemic and resultant economic shutdowns. The Commission's investments portfolio rebounded from the pandemic and performed very strongly in 2020-21. The 2021-22 Budget Target has been prepared using the investment long-term targets of CPI +3% (4.2%) for the Main Fund and CPI +3.25% (4.6%) for MVCIF.
2. The solvency level for the Commission increased in 2020-21. This result is predominantly due to an increase in investment assets driven by the strong investment performance and receipt of the Bell Group settlement proceeds in 2020.
3. The TPIF's solvency level forecast of 161.3% in 2020-21 reflects very strong investment returns and the Bell Group settlement proceeds received during the year. The solvency level is forecast to decrease to 143% following planned dividend payments of \$572.1 million in 2021-22 (including the deferred 2020-21 interim dividend of \$477.6 million).
4. The solvency level forecast of 134% in 2020-21 for the MVCIF is higher than 2019-20, reflecting the MVCIF's better than expected underwriting performance and strong investment returns in 2020-21. The positive underwriting result is mainly arising from lower claims costs driven by an increase in long-term discount rates (based on Government Bond rates) and fewer new MVCIF scheme participants than anticipated. The MVCIF's combined ratio of 41.2% reflects the large underwriting profit forecast for the year. As the MVCIF continues to grow, claim costs are expected to increase resulting in a solvency level target of 128% for 2021-22.
5. The RiskCover Fund is forecast to deliver a net combined ratio of 129.5% in 2020-21, reflecting an underwriting loss for the year. The loss is largely attributable to higher-than-expected claims costs driven by the increase in the number of claims and average claim size, mainly in the Liability and Workers' Compensation classes.

Asset Investment Program

1. The Commission's Asset Investment Program for 2021-22 and across the forward estimates period totals \$20.1 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 infrastructure, desktop workstations, storage, ICT security and enhanced disaster recovery capability catering for operational capacity requirements.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-21 \$'000	2020-21 Estimated Expenditure \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
COMPLETED WORKS							
ICT Hardware - 2020-21 Program	630	630	630	-	-	-	-
ICT Software - 2020-21 Program	2,250	2,250	2,250	-	-	-	-
Motor Vehicles - 2020-21 Program	885	885	885	-	-	-	-
Plant and Equipment - 2020-21 Program	275	275	275	-	-	-	-
NEW WORKS							
ICT Hardware							
2021-22 Program	955	-	-	955	-	-	-
2022-23 Program	1,285	-	-	-	1,285	-	-
2023-24 Program	960	-	-	-	-	960	-
2024-25 Program	935	-	-	-	-	-	935
ICT Software							
2021-22 Program	2,950	-	-	2,950	-	-	-
2022-23 Program	2,920	-	-	-	2,920	-	-
2023-24 Program	3,345	-	-	-	-	3,345	-
2024-25 Program	3,020	-	-	-	-	-	3,020
Motor Vehicles							
2021-22 Program	199	-	-	199	-	-	-
2022-23 Program	800	-	-	-	800	-	-
2023-24 Program	800	-	-	-	-	800	-
2024-25 Program	800	-	-	-	-	-	800
Plant and Equipment							
2021-22 Program	390	-	-	390	-	-	-
2022-23 Program	330	-	-	-	330	-	-
2023-24 Program	200	-	-	-	-	200	-
2024-25 Program	200	-	-	-	-	-	200
Total Cost of Asset Investment Program	24,129	4,040	4,040	4,494	5,335	5,305	4,955
FUNDED BY							
Internal Funds and Balances			4,040	4,494	5,335	5,305	4,955
Total Funding			4,040	4,494	5,335	5,305	4,955

Financial Statements

Income Statement

Revenue

1. Total Revenue is forecast to increase by \$1.7 billion in the 2020-21 Estimated Actual compared to the 2019-20 Actual, and to then decrease by \$1.3 billion in the 2021-22 Budget Estimate.
2. An investment loss of \$137.5 million eventuated in 2019-20 due to the negative impact of the COVID-19 shutdowns on investment values.
3. The 2020-21 Estimated Actual reflects higher investment assets being held than originally forecast, primarily due to the unexpected receipt of the Bell Group settlement proceeds, combined with exceptionally strong investments returns in 2020-21.
4. The projected decrease in the 2021-22 Budget Estimate is due to a downward revision to investment income forecasts for 2021-22 resulting from the decline in Consumer Price Index (CPI) projection. Investment income is based on forecast returns of CPI +3% for the Main Investment Fund and CPI +3.25% for the Motor Vehicle (Catastrophic Injuries) Fund.

Expenses

5. Total Expenses are estimated to increase by \$145.5 million in the 2020-21 Estimated Actual compared to the 2019-20 Actual, and a further \$109.7 million in the 2021-22 Budget Estimate. These movements are mainly due to higher investment returns payable to the RiskCover Fund in the 2020-21 Estimated Actual (compared to a return due to investment loss in the 2019-20 Actual) and higher actuarially projected claims expenses in the 2021-22 Budget Estimate.

Statement of Financial Position

6. Total Equity is forecast to increase by \$1.1 billion in the 2020-21 Estimated Actual compared to the 2019-20 Actual, and to then decrease by \$465.2 million in the 2021-22 Budget Estimate.
7. These movements reflect a projected increase in total investment assets, largely due to exceptionally strong investment returns and the Bell Group settlement proceeds reflected in the 2020-21 Estimated Actual. This increase is then offset by dividend payments of \$572.1 million, and an increase in outstanding claims liabilities forecast in the 2021-22 Budget Estimate.

Statement of Cashflows

8. The 2021-22 Budget Estimate closing cash assets balance of \$877.6 million represents an increase of \$183.7 million in comparison to the 2019-20 Actual and a decrease of \$20.1 million from the 2020-21 Estimated Actual.
9. These movements are predominantly attributed to movements in returns from investing activities, partly offset by increased dividend payments included in the 2021-22 Budget Estimate.

INCOME STATEMENT ^(a)
(Controlled)

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
REVENUE							
Revenue from operations							
Premium revenue	831,672	842,859	851,325	889,823	925,368	960,799	989,197
Other revenue	(47,358)	1,029,925	1,632,938	318,866	371,467	409,348	432,384
TOTAL REVENUE	784,314	1,872,784	2,484,263	1,208,689	1,296,835	1,370,147	1,421,581
Expenses							
Claims expense	675,235	849,016	677,647	874,082	904,046	924,888	954,077
Employee benefits ^(b)	40,681	43,727	41,900	44,498	45,445	46,563	47,288
Grants and subsidies	106	200	200	-	-	-	-
Accommodation	289	340	289	300	305	311	318
Depreciation and amortisation	5,509	5,750	5,643	5,341	6,508	6,904	7,110
Finance and interest costs	513	46,505	131,168	40,767	49,691	54,292	56,483
Other expenses	78,489	99,107	89,482	91,004	92,086	93,931	97,217
TOTAL EXPENSES	800,822	1,044,645	946,329	1,055,992	1,098,081	1,126,889	1,162,493
NET PROFIT/(LOSS) BEFORE TAX	(16,508)	828,139	1,537,934	152,697	198,754	243,258	259,088
National Tax Equivalent Regime							
Current tax equivalent expense	110,182	226,049	276,827	27,486	35,776	43,785	46,635
Deferred tax equivalent expense	(124,555)	25,890	184,552	18,323	23,850	29,191	31,090
NET PROFIT/(LOSS) AFTER TAX ^(c)	(2,135)	576,200	1,076,555	106,888	139,128	170,282	181,363
Dividends	207,531	490,428	-	572,133	58,740	61,798	65,143

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

(b) The full-time equivalents, including the RiskCover Fund, for 2019-20 Actual, 2020-21 Estimated Actual and 2021-22 Budget Estimate are 393, 421 and 421 respectively.

(c) The 2019-20 Actual results differ to the Commission's Annual Report due to the treatment of Transfers to Reserves.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets	693,945	733,237	897,659	877,580	938,247	1,003,187	1,067,994
Receivables	62,251	61,178	62,194	62,131	62,071	61,601	61,186
Other Investments	3,894,475	4,267,123	5,067,168	4,951,611	5,300,587	5,674,125	6,046,886
Government Securities	4,503	3,987	4,734	4,626	4,953	5,303	5,651
Other	6,851	6,850	6,850	6,850	6,850	6,850	6,850
Total current assets	4,662,025	5,072,375	6,038,605	5,902,798	6,312,708	6,751,066	7,188,567
NON-CURRENT ASSETS							
Property, plant and equipment	19,198	16,616	16,925	14,467	12,022	9,111	6,116
Intangibles	4,522	5,032	4,830	6,353	7,328	8,378	8,922
Receivables	295,520	301,147	296,253	309,316	322,452	332,382	342,443
Other Investments	756,757	829,034	984,564	962,099	1,029,941	1,102,558	1,175,023
Other	667	-	-	-	-	-	-
Total non-current assets	1,076,664	1,151,829	1,302,572	1,292,235	1,371,743	1,452,429	1,532,504
TOTAL ASSETS	5,738,689	6,224,204	7,341,177	7,195,033	7,684,451	8,203,495	8,721,071
CURRENT LIABILITIES							
Outstanding claims	546,364	546,364	546,364	546,364	546,364	546,364	546,364
Employee provisions	5,983	5,979	5,972	5,985	5,998	6,011	6,024
Payables	181,202	131,043	206,030	131,043	131,043	131,043	131,043
Borrowings and leases	3,073	-	3,288	3,460	3,679	3,943	2,784
Other	1,096,448	1,172,948	1,237,445	1,290,799	1,357,889	1,433,343	1,496,573
Total current liabilities	1,833,070	1,856,334	1,999,099	1,977,651	2,044,973	2,120,704	2,182,788
NON-CURRENT LIABILITIES							
Outstanding claims	2,670,290	3,021,429	2,849,508	3,175,115	3,496,584	3,806,072	4,116,955
Employee provisions	8,243	8,328	8,300	8,358	8,417	8,477	8,538
Borrowings and leases	17,037	17,069	13,781	10,342	6,672	2,762	-
Other	-	25,223	183,885	202,208	226,058	255,249	286,339
Total non-current liabilities	2,695,570	3,072,049	3,055,474	3,396,023	3,737,731	4,072,560	4,411,832
TOTAL LIABILITIES	4,528,640	4,928,383	5,054,573	5,373,674	5,782,704	6,193,264	6,594,620
NET ASSETS	1,210,049	1,295,821	2,286,604	1,821,359	1,901,747	2,010,231	2,126,451
EQUITY							
Accumulated surplus/(deficit)	1,187,347	1,273,119	2,263,902	1,798,657	1,879,045	1,987,529	2,103,749
Reserves	22,702	22,702	22,702	22,702	22,702	22,702	22,702
TOTAL EQUITY	1,210,049	1,295,821	2,286,604	1,821,359	1,901,747	2,010,231	2,126,451

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Premium receipts.....	935,405	947,899	951,082	992,127	1,034,425	1,076,750	1,110,230
GST receipts.....	125,099	116,012	116,724	122,511	128,070	135,295	139,882
Other receipts.....	182,741	868,542	1,522,017	206,491	238,133	264,388	278,245
Payments							
Claims paid	(490,971)	(507,745)	(498,427)	(548,475)	(582,577)	(615,400)	(643,194)
Employee benefits	(38,771)	(43,623)	(41,831)	(44,427)	(45,373)	(46,490)	(47,214)
Accommodation.....	(317)	(340)	(289)	(300)	(305)	(311)	(318)
GST payments.....	(123,955)	(116,012)	(116,724)	(122,511)	(128,070)	(135,295)	(139,882)
Finance and interest costs.....	(513)	(46,505)	(131,168)	(40,767)	(49,691)	(54,292)	(56,483)
Other payments.....	(159,213)	(193,243)	(193,789)	(189,291)	(194,593)	(200,633)	(207,206)
Net cash from operating activities.....	429,505	1,024,985	1,607,595	375,358	400,019	424,012	434,060
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from sale of non-current assets	117	395	395	89	296	296	296
Other receipts	4,999,353	1,677,871	2,289,464	2,311,037	2,435,240	2,559,705	2,670,386
Payments							
Purchase of non-current assets	(2,355)	(4,040)	(4,040)	(4,494)	(5,335)	(5,305)	(4,955)
Other payments	(5,657,499)	(1,890,209)	(3,434,627)	(2,024,197)	(2,671,586)	(2,804,505)	(2,919,281)
Net cash from investing activities	(660,384)	(215,983)	(1,148,808)	282,435	(241,385)	(249,809)	(253,554)
CASHFLOWS FROM FINANCING ACTIVITIES							
Payments							
Repayment of borrowings and leases.....	(2,870)	(3,074)	(3,074)	(3,266)	(3,451)	(3,680)	(3,921)
Net cash from financing activities	(2,870)	(3,074)	(3,074)	(3,266)	(3,451)	(3,680)	(3,921)
CASHFLOWS FROM STATE GOVERNMENT							
Payments							
Dividends to government.....	(207,531)	(490,428)	-	(572,133)	(58,740)	(61,798)	(65,143)
National Tax Equivalent Regime - Income tax...	(65,130)	(276,208)	(251,999)	(102,473)	(35,776)	(43,785)	(46,635)
Net cash provided to State Government	272,661	766,636	251,999	674,606	94,516	105,583	111,778
NET INCREASE/(DECREASE) IN CASH HELD.....	(506,410)	39,292	203,714	(20,079)	60,667	64,940	64,807
Cash assets at the beginning of the reporting period	1,200,355	693,945	693,945	897,659	877,580	938,247	1,003,187
Cash assets at the end of the reporting period	693,945	733,237	897,659	877,580	938,247	1,003,187	1,067,994

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

RiskCover Fund**Income Statement***Expenses*

1. Total Expenses are estimated to increase by \$60 million in the 2020-21 Estimated Actual compared to the 2019-20 Actual, and to then decrease by \$65 million in the 2021-22 Budget Estimate.
2. These movements reflect higher than expected claims costs in the 2020-21 Estimated Actual, due to an increase in the number and cost of new claims in the Liability and Workers' Compensation classes, whilst the 2021-22 Budget Estimate reflects lower projected claims costs by the Commission's actuary.

Income

3. Total revenue is forecast to increase by \$147.8 million in the 2020-21 Estimated Actual compared to the 2019-20 Actual, and to then decrease by \$78.7 million in the 2021-22 Budget Estimate.
4. The RiskCover Fund is forecast to receive an investment return of \$130.7 million in the 2020-21 Estimated Actual, compared to an investment loss of \$24.2 million in the 2019-20 Actual. The 2021-22 Budget Estimate includes an investment return of \$40.4 million.

Statement of Financial Position

5. Total Equity is forecast to increase by \$36.7 million in the 2020-21 Estimated Actual compared to the 2019-20 Actual, and a further \$22.9 million in the 2021-22 Budget Estimate.
6. These movements reflect a projected increase in investment assets resulting from strong investment returns, partially offset by increases in outstanding claims liabilities reflected in both the 2020-21 Estimated Actual and 2021-22 Budget Estimate.

INCOME STATEMENT ^(a)
(Controlled)

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
REVENUE							
Revenue from operations							
Premium revenue	325,074	314,083	344,244	352,965	369,947	387,928	407,141
Other revenue	7,781	52,771	136,435	49,000	59,289	64,399	67,354
TOTAL REVENUE	332,855	366,854	480,679	401,965	429,236	452,327	474,495
Expenses							
Claims expense	306,237	278,251	383,960	313,531	326,023	341,072	357,359
Finance and interest costs	24,172	-	-	-	-	-	-
Other expenses	53,660	58,742	60,062	65,513	69,926	75,545	80,916
TOTAL EXPENSES	384,069	336,993	444,022	379,044	395,949	416,617	438,275
NET PROFIT/(LOSS) BEFORE TAX	(51,214)	29,861	36,657	22,921	33,287	35,710	36,220

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

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	14,518	1	3	5	11	9	8
Receivables.....	9,166	8,938	31,820	31,354	31,667	31,922	32,276
Other Investments	760,078	825,449	895,542	944,879	1,005,419	1,071,624	1,123,810
Other.....	-	-	3,127	3,127	3,127	3,127	3,127
Total current assets.....	783,762	834,388	930,492	979,365	1,040,224	1,106,682	1,159,221
NON-CURRENT ASSETS							
Receivables.....	52,573	52,573	52,573	52,573	52,573	52,573	52,573
Total non-current assets.....	52,573	52,573	52,573	52,573	52,573	52,573	52,573
TOTAL ASSETS	836,335	886,961	983,065	1,031,938	1,092,797	1,159,255	1,211,794
CURRENT LIABILITIES							
Outstanding claims	242,786	242,786	242,786	242,786	242,786	242,786	242,786
Payables.....	38,242	38,242	38,241	38,241	40,044	56,721	60,839
Total current liabilities.....	281,028	281,028	281,027	281,027	282,830	299,507	303,625
NON-CURRENT LIABILITIES							
Outstanding claims	363,051	383,816	473,125	499,077	526,649	559,200	593,999
Total non-current liabilities.....	363,051	383,816	473,125	499,077	526,649	559,200	593,999
TOTAL LIABILITIES	644,079	664,844	754,152	780,104	809,479	858,707	897,624
NET ASSETS	192,256	222,117	228,913	251,834	283,318	300,548	314,170
EQUITY							
Contributed Equity	(379,021)	(379,021)	(379,021)	(379,021)	(380,824)	(399,304)	(421,902)
Accumulated surplus/(deficit).....	571,277	601,138	607,934	630,855	664,142	699,852	736,072
TOTAL EQUITY	192,256	222,117	228,913	251,834	283,318	300,548	314,170

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Premium receipts.....	257,905	314,083	316,304	352,965	369,947	387,928	407,141
GST receipts.....	31,247	41,389	42,194	46,799	49,223	51,822	54,617
Other receipts.....	4,377	51,974	135,889	48,187	57,485	62,442	65,104
Payments							
Claims paid	(261,886)	(257,486)	(273,885)	(287,579)	(298,451)	(308,520)	(322,560)
GST payments.....	(31,353)	(41,389)	(42,194)	(46,799)	(49,222)	(51,823)	(54,617)
Finance and interest costs.....	(24,172)	-	-	-	-	-	-
Other payments	(53,660)	(57,717)	(57,359)	(64,234)	(68,436)	(73,843)	(79,020)
Net cash from operating activities	(77,542)	50,854	120,949	49,339	60,546	68,006	70,665
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Other receipts	148,371	-	-	-	-	-	-
Payments							
Other payments	-	(65,371)	(135,464)	(49,337)	(60,540)	(66,205)	(52,186)
Net cash from investing activities	148,371	(65,371)	(135,464)	(49,337)	(60,540)	(66,205)	(52,186)
CASHFLOWS FROM STATE GOVERNMENT							
Payments							
Receipts paid into Consolidated Account	(69,457)	-	-	-	-	(1,803)	(18,480)
Net cash provided to State Government	69,457	-	-	-	-	1,803	18,480
NET INCREASE/(DECREASE) IN CASH HELD.....	1,372	(14,517)	(14,515)	2	6	(2)	(1)
Cash assets at the beginning of the reporting period	13,146	14,518	14,518	3	5	11	9
Cash assets at the end of the reporting period	14,518	1	3	5	11	9	8

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

Gold Corporation

Part 3 Financial Administration

Interactions with the Consolidated Account, Dividend Payout Ratio and Government Trading Enterprise Information

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax...	15,369	5,867	17,154	6,227	6,632	7,029	7,373
Local Government Rates Equivalent	158	523	160	161	163	164	166
Dividends ^{(a) (b)}	5,959	23,450	23,450	-	10,896	11,605	12,301
RATIOS							
Dividend Payout Ratio (%)	75	75	75	75	75	75	75
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	23,867,597	30,302,173	24,914,864	24,591,567	24,793,631	25,315,626	25,991,685
Total Expenses ^(c)	23,820,051	30,282,664	24,857,686	24,570,812	24,771,527	25,292,195	25,967,106
NET PROFIT AFTER TAX	31,266	13,656	40,024	14,528	15,472	16,402	17,206
CASH ASSETS ^(d)	127,082	95,718	118,266	110,547	119,223	130,131	143,543

(a) In determining the dividend payment to general government, Net Profit After Tax may be adjusted based on other factors as permitted by relevant legislation.

(b) Most Government Trading Enterprises (GTEs) will retain 2021-22 dividend payments to instead contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise and to Budget Paper No. 3 for further detail.

(c) Excludes current tax expense, deferred tax expense and dividends.

(d) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the GTE's Income Statement since presentation of the 2020-21 Budget to Parliament on 8 October 2020, are outlined below:

	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
Key Adjustments					
2021-22 Dividend Retention	-	(30,019)	-	-	-
Install Solar Arrays at the Refinery	-	135	371	371	371
Refinery Equipment Upgrade	-	219	676	880	1,085
Replace Manufacturing Equipment	-	-	310	852	852
Other					
Trade Update	10,924	19,030	(1,764)	(2,526)	(2,746)

Significant Issues Impacting the Government Trading Enterprise

Economic Environment

1. The state of the global economy impacts on the Corporation, through the international supply and demand for precious metals. As gold is a safe haven asset, demand for many of the Corporation's products and services tends to be inversely correlated with worldwide economic sentiment. The global impact of the COVID-19 pandemic gave rise to unusually volatile trading conditions which, in turn, heightened demand for precious metal products. While it is difficult to estimate when conditions will begin to normalise, historically precious metal markets reverse strongly when global equities rebound after periods of significant instability. The 2021-22 Budget has therefore been prepared on the assumption that overall market conditions will normalise early in the period as the vaccines are rolled out, restrictions globally begin to ease and sentiment improves.

Environmental, Social and Governance (ESG) and Sustainability

2. The ever-increasing focus on ESG and Sustainability from suppliers, customers, regulators, employees and the broader community is both a challenge and an opportunity impacting the Corporation. In response to the evolving ESG landscape, the Corporation will continue to actively pursue a number of sustainability focused initiatives, including the development of the Corporation's roadmap to net-zero carbon emissions.

Retained Dividends

3. The Corporation will retain its forecast 2021-22 dividend payment of \$30 million to instead contribute to funding future infrastructure investment. The funds will be quarantined until the Government approves business cases for the strategic infrastructure requirements of the Corporation.

Statement of Corporate Intent

The following performance information (financial and non-financial) is the subject of a Statement of Corporate Intent, signed by the Board, Minister and Treasurer.

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at GTE level by objectives and outcomes. The following table illustrates the relationship between the GTE's objectives and outcomes and the Government Goal it contributes to. The key performance indicators measure the extent of the impact of desired outcomes on the achievement of the GTE objectives.

Government Goals	Strategic Objectives	Desired Outcomes
Strong and Sustainable Finances: Responsible, achievable, affordable service delivery.	Earn a commercial return on capital.	1. Maximisation of the value added to, and income derived from, precious metal coins and other products and services
Growing Our Communities: Protecting our environment with thriving suburbs and regions.	Promote Western Australia's heritage and maintain The Perth Mint's position as a premier tourist destination.	2. Preservation and promotion of The Perth Mint's heritage assets and history

Outcomes and Key Performance Indicators

	2019-20 Actual	2020-21 Budget	2020-21 Estimated Actual	2021-22 Budget Target	Note
Outcome: Maximisation of the value added to, and income derived from, precious metal coins and other products and services:					
Global market share of Australian gold bullion coins ^(a)	7%	12%	11%	12%	
Coins and bars:					
Total premium income ^(b)	\$84.9 million	\$61.8 million	\$111 million	\$63.9 million	1
Premiums as a percentage of precious metal value ^(b)	3.9%	4.4%	3.3%	4.2%	2
Estimated % of Australian gold doré production refined ^(c)	87%	90%	83%	80%	
Return on equity ^(d)	31.1%	11.8%	33.6%	13.7%	3
Outcome: Preservation and promotion of The Perth Mint's heritage assets and history:					
Visitors to Perth Mint Exhibition ^(e)	60,000	35,000	12,000	75,000	4
Visitors' satisfaction level ^(f)	99.5%	99.9%	97.9%	99.9%	

(a) The figures are based on Gold Fields Mineral Services data for the previous calendar year.

(b) The calculation is the total premium income (amount of income received above metal cost) for all legal tender coins and bar sales, which is expressed as a percentage of the precious metal value of the coins and bars. The key effectiveness indicator includes all Australian legal tender coins and bars, as well as coins produced for other countries.

(c) This calculation is based on the refinery's audited records as a percentage of total Australian gold doré production from publicly available data.

(d) The percentages show the Corporation's return on equity for each respective financial year, based on ordinary activities before income tax (and excluding profit attributable to non-controlling interests). This performance measure is referred to in the *Gold Corporation Act 1987*.

(e) Total number of visitors (to nearest thousand) to the Exhibition annually, based on recorded daily visitor traffic.

(f) Satisfaction levels are derived from surveys completed by visitors to The Perth Mint.

Explanation of Significant Movements

(Notes)

1. The high premium income in the 2019-20 Actual and the 2020-21 Estimated Actual is a result of additional demand for the Corporation's products due to uncertainty arising from the COVID-19 pandemic. The 2021-22 Budget Target is expected to be lower relative to the 2019-20 Actual and the 2020-21 Estimated Actual as overall market conditions are expected to normalise over the period.
2. The low premium as a percentage of precious metal in the 2019-20 Actual and the 2020-21 Estimated Actual is a result of a product mix during the period which favoured lower margin bullion coins. The 2021-22 Budget Target is higher than the 2020-21 Estimated Actual as the product mix is expected to normalise over the period.
3. The high return on equity in the 2019-20 Actual and the 2020-21 Estimated Actual is a result of ongoing additional demand for the Corporation's products due to uncertainty arising from the COVID-19 pandemic. The 2021-22 Budget Target is expected to be lower relative to the 2019-20 Actual and the 2020-21 Estimated Actual as overall market conditions are expected to normalise over the period.
4. The low visitor numbers in the 2019-20 Actual and the 2020-21 Estimated Actual is due to the ongoing closures and visitor restrictions as a result of the COVID-19 pandemic. The 2021-22 Budget Target expects a return to pre-COVID-19 pandemic levels.

Asset Investment Program

Computer Software Replacement Program

1. This program involves a number of initiatives, including:
 - 1.1. an upgrade to the security systems to ensure the Corporation continues to have state of the art security arrangements in place. With more than \$5 billion worth of precious metal on site, security upgrades are of critical importance to the organisation; and
 - 1.2. ongoing uplift of existing business technology infrastructure and platforms in order to further improve security, reduce risks, facilitate automations and associated cost savings, centralise information and improve the customer experience.

One-Future Program

2. The replacement of the Enterprise Resource Planning system, which is the Corporation's core financial computer system, and the development of a front-end customer-facing e-commerce platform are nearing completion. Growth in the business has resulted in current systems being at the limit of their performance, making them unsuitable for delivering the next stage of the strategic initiatives to increase profitability.

Plant and Equipment Replacement Program

3. This program involves a number of initiatives, including:
 - 3.1. installation of solar arrays at the refinery site to reduce reliance on carbon-based electricity. This will reduce electricity expenditure at the Corporation's refinery and support the Government's net zero emissions target;
 - 3.2. a number of key capital projects required at the Corporation's refinery. This includes a bar inline caster to reduce silver impurity, a chlorine generator to allow the Corporation to manufacture chlorine required for refining processes and some process automations. These projects are expected to create efficiencies and result in future cost savings;
 - 3.3. a number of key capital projects are required at the Corporation's manufacturing facility. The manufacturing operations are constrained due to the age of the current equipment. The addition of new manufacturing plant (such as continuous casters) will replace equipment at the end of its economic life and increase the capacity of the manufacturing operations through the plan period; and
 - 3.4. other routine capital expenditure throughout the business which is managed in terms of a rolling 10 year plan. This contains replacement of equipment due to wear and tear, technology upgrades, efficiency improvements, waste reduction and safety and security enhancements.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-21 \$'000	2020-21 Estimated Expenditure \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
WORKS IN PROGRESS							
Computer Software Replacement Program.....	10,176	6,367	1,815	2,614	325	310	560
One-Future Program	54,437	42,843	15,220	11,594	-	-	-
Plant and Equipment Replacement Program	94,714	52,640	7,598	17,800	10,518	8,411	5,345
Total Cost of Asset Investment Program	159,327	101,850	24,633	32,008	10,843	8,721	5,905
FUNDED BY							
Internal Funds and Balances.....			24,633	32,008	10,843	8,721	5,905
Total Funding.....			24,633	32,008	10,843	8,721	5,905

Financial Statements

Income Statement

Expenses

1. The movement between the 2020-21 Budget and the 2020-21 Estimated Actual Sale of goods and services is almost entirely driven by gold and silver price assumptions, with the underlying volumes expected to remain broadly consistent over the forward estimates period.
2. The increase in Employee benefits in the 2020-21 Estimated Actual compared to the 2020-21 Budget and 2019-20 Actual is reflective of the additional headcount required to meet the high demand experienced throughout 2020. This is expected to normalise and return to levels consistent with the 2019-20 Actual over the forward estimates period.
3. The movement between the 2020-21 Budget and 2020-21 Estimated Actual Supplies and services is almost entirely driven by gold and silver price assumptions, with the underlying volumes expected to remain broadly consistent across the forward estimates period.
4. The 2020-21 Estimated Actual increase in the National Tax Equivalent Regime - Current tax equivalent expense compared to the 2020-21 Budget reflects movements in underlying profitability. As indicated in the Significant Issues Impacting the Government Trading Enterprise, it is expected that the current strong profitability will normalise from 2021-22 onwards.

Statement of Financial Position

5. The movement in cash assets between the 2019-20 Actual, 2020-21 Budget and 2020-21 Estimated Actual is explained in the Statement of Cashflows.
6. The movement between the 2020-21 Estimated Actual and the 2021-22 Budget for Inventories - Precious Metals reflects changing gold and silver price assumptions.
7. The movement in Property plant and equipment and intangibles across the 2019-20 Actual, 2020-21 Budget and 2020-21 Estimated Actual reflect capital expenditure, offset by depreciation and amortisation. For more information on this movement, refer to the Asset Investment Program.
8. The lower 2020-21 Estimated Actual Borrowings and leases (current) compared to the 2020-21 Budget is a result of gold and silver price assumptions. The movement is almost entirely comprised of precious metal borrowings.

Statement of Cashflows

9. The movement between the receipts from the Sale of goods and services between the 2020-21 Budget and the 2021-22 Budget Estimate is due to gold and silver price assumptions, with the underlying volumes expected to remain broadly consistent from 2021-22.
10. The movements across the payments for Supplies and services from the 2020-21 Budget and 2021-22 Budget Estimate are almost entirely driven by gold and silver price assumptions, with the underlying volumes expected to remain broadly consistent across the forward estimates period.
11. The movement in the Purchase of non-current assets between the 2021-22 Budget Estimate and the 2022-23 Forward Estimate onwards is explained in the Asset Investment Program.
12. The 2020-21 Estimated Actual increase in the National Tax Equivalent Regime - Income tax compared to the 2020-21 Budget reflect movements in underlying profitability. As indicated in the Significant Issues Impacting the Government Trading Enterprise, it is expected that the current strong profitability will normalise from 2021-22 onwards.

INCOME STATEMENT ^(a)
(Controlled)

	2019-20 Actual \$'000	2020-21 Budget \$'000	2020-21 Estimated Actual \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
REVENUE							
Revenue from operations							
Sale of goods and services.....	23,860,292	30,289,368	24,908,794	24,590,367	24,792,419	25,314,402	25,990,449
Other revenue.....	7,305	12,805	6,070	1,200	1,212	1,224	1,236
TOTAL REVENUE	23,867,597	30,302,173	24,914,864	24,591,567	24,793,631	25,315,626	25,991,685
Expenses							
Employee benefits ^(b)	43,828	39,372	50,108	42,285	42,543	43,154	43,779
Supplies and services.....	23,720,829	30,189,276	24,743,782	24,466,352	24,665,084	25,184,953	25,859,182
Accommodation.....	3,591	4,551	4,046	3,636	3,673	3,709	3,746
Depreciation and amortisation	9,492	14,124	9,886	14,547	15,857	15,600	15,209
Finance and interest costs	4,042	6,964	5,557	1,957	1,926	1,899	1,871
Other expenses	38,269	28,377	44,307	42,035	42,444	42,880	43,319
TOTAL EXPENSES	23,820,051	30,282,664	24,857,686	24,570,812	24,771,527	25,292,195	25,967,106
NET PROFIT/(LOSS) BEFORE TAX	47,546	19,509	57,178	20,755	22,104	23,431	24,579
National Tax Equivalent Regime							
Current tax equivalent expense	15,369	5,867	17,154	6,227	6,632	7,029	7,373
Deferred tax equivalent expense	911	(14)	-	-	-	-	-
NET PROFIT/(LOSS) AFTER TAX	31,266	13,656	40,024	14,528	15,472	16,402	17,206
Dividends	5,959	23,450	23,450	-	10,896	11,605	12,301

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

(b) The full-time equivalents for 2019-20 Actual, 2020-21 Estimated Actual and 2021-22 Budget Estimate are 453, 538 and 500 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	127,082	95,718	118,266	80,528	89,204	100,112	113,524
Cash assets - Retained dividends	-	-	-	30,019	30,019	30,019	30,019
Receivables.....	886,760	903,233	332,905	321,002	323,093	325,781	328,619
Inventories - Precious Metals	5,637,038	5,766,432	5,652,832	5,433,845	5,465,814	5,506,917	5,550,303
Other.....	21,625	22,082	19,810	20,009	20,209	20,412	20,615
Total current assets.....	6,672,505	6,787,465	6,123,813	5,885,403	5,928,339	5,983,241	6,043,080
NON-CURRENT ASSETS							
Property, plant and equipment.....	110,070	116,009	108,757	117,199	117,407	115,456	110,613
Intangibles	23,750	30,212	35,895	44,915	39,692	34,764	30,304
Other.....	354	368	354	354	354	354	354
Total non-current assets.....	134,174	146,589	145,006	162,468	157,453	150,574	141,271
TOTAL ASSETS	6,806,679	6,934,054	6,268,819	6,047,871	6,085,792	6,133,815	6,184,351
CURRENT LIABILITIES							
Employee provisions.....	5,435	5,486	5,489	5,544	5,600	5,656	5,713
Payables.....	214,951	207,402	200,381	200,121	200,263	200,405	200,544
Borrowings and leases	6,399,731	6,545,117	5,861,883	5,630,998	5,664,885	5,708,674	5,754,950
Other.....	4,960	4,968	3,500	-	-	-	-
Total current liabilities.....	6,625,077	6,762,973	6,071,253	5,836,663	5,870,748	5,914,735	5,961,207
NON-CURRENT LIABILITIES							
Employee provisions.....	555	558	561	567	573	579	585
Borrowings and leases	19,295	18,478	18,591	17,610	16,774	15,916	14,977
Other.....	8,799	8,886	8,887	8,976	9,066	9,157	9,249
Total non-current liabilities.....	28,649	27,922	28,039	27,153	26,413	25,652	24,811
TOTAL LIABILITIES	6,653,726	6,790,895	6,099,292	5,863,816	5,897,161	5,940,387	5,986,018
NET ASSETS	152,953	143,159	169,527	184,055	188,631	193,428	198,333
EQUITY							
Contributed Equity	31,603	31,603	31,603	31,603	31,603	31,603	31,603
Accumulated surplus/(deficit).....	105,893	96,099	122,467	136,995	141,571	146,368	151,273
Reserves	15,457	15,457	15,457	15,457	15,457	15,457	15,457
TOTAL EQUITY	152,953	143,159	169,527	184,055	188,631	193,428	198,333

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Sale of goods and services.....	14,660,292	15,640,840	15,120,254	14,838,471	14,960,091	15,274,373	15,681,401
Other receipts	34,837	34,057	30,967	26,346	26,609	26,875	27,144
Payments							
Employee benefits	(40,999)	(39,317)	(49,744)	(45,724)	(42,482)	(43,093)	(43,716)
Supplies and services.....	(14,577,805)	(15,560,518)	(14,980,141)	(14,739,601)	(14,858,154)	(15,170,576)	(15,576,043)
Accommodation ^(b)	(3,433)	(4,028)	(3,886)	(3,475)	(3,510)	(3,545)	(3,580)
Finance and interest costs.....	(3,949)	(6,964)	(5,557)	(1,957)	(1,926)	(1,899)	(1,871)
Other payments	(38,271)	(28,377)	(44,307)	(42,035)	(42,444)	(42,880)	(43,319)
Net cash from operating activities	30,672	35,693	67,586	32,025	38,184	39,255	40,016
CASHFLOWS FROM INVESTING ACTIVITIES							
Payments							
Purchase of non-current assets.....	(19,827)	(26,526)	(24,633)	(32,008)	(10,843)	(8,721)	(5,905)
Net cash from investing activities	(19,827)	(26,526)	(24,633)	(32,008)	(10,843)	(8,721)	(5,905)
CASHFLOWS FROM FINANCING ACTIVITIES							
Payments							
Repayment of borrowings and leases.....	(892)	(768)	(912)	(976)	(1,008)	(861)	(887)
Net cash from financing activities	(892)	(768)	(912)	(976)	(1,008)	(861)	(887)
CASHFLOWS FROM STATE GOVERNMENT							
Payments							
Dividends to government.....	(5,959)	(23,450)	(23,450)	-	(10,896)	(11,605)	(12,301)
National Tax Equivalent Regime - Income tax ...	-	(15,790)	(27,247)	(6,599)	(6,598)	(6,996)	(7,345)
Local Government Rates Equivalent	(158)	(523)	(160)	(161)	(163)	(164)	(166)
Net cash provided to State Government	(6,117)	(39,763)	(50,857)	(6,760)	(17,657)	(18,765)	(19,812)
NET INCREASE/(DECREASE) IN CASH HELD.....	3,836	(31,364)	(8,816)	(7,719)	8,676	10,908	13,412
Cash assets at the beginning of the reporting period	123,246	127,082	127,082	118,266	110,547	119,223	130,131
Cash assets at the end of the reporting period	127,082	95,718	118,266	110,547	119,223	130,131	143,543

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

(b) Payment of Local Government Rates Equivalent is included within Accommodation expense on the Income Statement, however within the Statement of Cashflows this is recorded as a payment to State Government and not as a payment from operating activities.