

GOVERNMENT OF
WESTERN AUSTRALIA

Western Australia
State Budget
2021-22

Budget Paper No. 3
Economic and Fiscal Outlook

2021-22 Budget Paper set includes:

Budget Paper No. 1 – Treasurer’s Speech

Budget Paper No. 2 – Budget Statements (Volumes 1–2)

Budget Paper No. 3 – Economic and Fiscal Outlook

Reader’s Guide to the 2021-22 Budget Statements (available electronically from www.ourstatebudget.wa.gov.au)



2021-22 B U D G E T

E C O N O M I C A N D F I S C A L O U T L O O K

Budget Paper No. 3

**PRESENTED TO THE LEGISLATIVE ASSEMBLY
ON 9 SEPTEMBER 2021**

2021-22 Economic and Fiscal Outlook

(Budget Paper No. 3)

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Acknowledgement of Country

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

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2021-22 BUDGET

ECONOMIC AND FISCAL OUTLOOK

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Under Treasurer's Certification

The *Government Financial Responsibility Act 2000* (GFRA) requires that the Treasurer release a Government Financial Strategy Statement at least once every year (section 11), and a Government Financial Projections Statement when the Budget Papers are tabled in the Legislative Assembly (section 12). The required content of these statements is detailed in sections 11 and 12 of the GFRA.

For the purposes of these GFRA requirements:

- the Government Financial Strategy Statement and associated financial targets disclosures are detailed in Chapter 3: *Fiscal Outlook and Strategy* in this Budget Paper;
- Chapters 1 to 7 and Appendix 1 in this Budget Paper, and the Government's summary Budget strategy detailed in Budget Paper No 1: *Treasurer's Speech*, together form the 2021-22 Government Financial Projections Statement required by sections 12(1) and (2) of the GFRA. In particular:
 - Appendix 1 details the projections required by section 12(2)(a) of the GFRA;
 - Chapters 1, 2 and 3 detail the economic and other assumptions underlying the Budget projections (section 12(2)(b));
 - Chapter 3 details the compliance of the projections with the Government's financial targets (section 12(2)(c)); and
 - the Statement of Risks in Chapter 3 details the sensitivity of the projections to various economic and financial assumptions and other risks (sections 12(2)(d) and (e)); and
- this certification gives effect to the requirements of sections 12(2)(f) and 12(8).

The Government Financial Projections Statement presented in this Budget is based upon Government decisions that I was aware of or that were made available to me by the Treasurer, together with other relevant information known to Treasury, on or before the Budget planning cut-off date of 9 August 2021 and which have a material effect on the State's financial projections.

2021–22 Economic and Fiscal Outlook

It has been prepared in accordance with applicable Australian Accounting Standards and Government Finance Statistics principles, and is based on the economic forecasts and assumptions outlined in Chapter 1: *Overview*, Chapter 2: *Economic Outlook* and Chapter 3: *Fiscal Outlook and Strategy*. These assumptions were finalised by Treasury, under my direction, on 9 August 2021.

Forecasts for 2020-21 to 2024-25 included in this Budget are based on estimates prepared by agencies. Final outcomes for 2020-21 will be available in the *Annual Report on State Finances*, to be released by 28 September 2021.



Michael Barnes PSM
UNDER TREASURER

9 September 2021

Overview

HIGHLIGHTS

- Western Australia's recovery from the initial impacts of COVID-19 has been quicker and stronger than expected, with the State's economy now forecast to grow by 3.5% in 2021-22 – the fastest rate of growth since 2013-14.
- Our strong economy, combined with the Government's and industry's efforts to keep the mining sector operating safely throughout the pandemic, has significantly boosted the State's fiscal capacity.
 - Following a record general government operating surplus estimated at \$5.6 billion in 2020-21, a \$2.8 billion operating surplus is forecast for 2021-22.
- The 2021-22 Budget uses this fiscal capacity to continue to respond to COVID-19 and address current and emerging priorities, including:
 - a \$1.9 billion investment in the State's health and mental health systems;
 - a \$750 million package of climate action initiatives;
 - creation of a \$750 million Social Housing Investment Fund and a \$500 million Digital Capability Fund;
 - investment of \$400 million towards the Westport project; and
 - additional expenditure to support economic development and jobs creation, including \$120 million to speed up project approvals and \$100 million to establish an Investment Attraction and New Industries Fund.
- The Government's Asset Investment Program totals a record \$30.7 billion over the next four years, building critical infrastructure for the future and supporting local jobs. This includes a record \$9.1 billion for regional infrastructure.
- In addition, this Budget sets aside \$4.4 billion to pre-fund future strategic infrastructure, including \$1.8 billion for the new Women and Babies Hospital, and \$1.4 billion for the State's next desalination plant.
- Despite this record investment, total public sector net debt is forecast to remain relatively flat over the forward estimates period, at around 11.5% of Gross State Product. This is in stark contrast to the rapidly growing debt profiles of other States.

Economic and Fiscal Outlook

Western Australia's economy has rebounded strongly from the initial impacts of COVID-19. The implementation of short and sharp lockdowns has successfully contained any substantial outbreak of the virus, enabling a quick return to levels of activity that now exceed pre-COVID levels.

Household and business confidence have remained robust, which is reflected in elevated consumer spending and strong business investment and hiring intentions. Job vacancies are at levels not seen since the last mining investment boom in 2012.

Following growth of 1.4% in 2019-20, Gross State Product (GSP) is estimated to have grown by 3.25% in 2020-21 and is forecast to grow by a further 3.5% in 2021-22 – the strongest rate of growth since 2013-14.

Employment is expected to increase by around 34,000 jobs in 2021-22, with the unemployment rate forecast to fall to 4.5% by 2022-23 – well below the decade-average unemployment rate of 5.5%.

Consumer price and wage growth are expected to remain relatively modest, although labour market tightness is anticipated to see a slight lift in wages growth over 2021-22 (to 2.25%, up from 1.5% in 2020-21).

Notwithstanding current strong conditions, economic growth is expected to moderate from 2022-23, with GSP projected to grow by around 1.25% per annum. This primarily reflects an unwinding of stimulus-induced activity and a lift in services imports (particularly tourism) associated with the gradual reopening of international borders, detracting from net exports.

The economic outlook also remains exposed to various risks. This includes the threat of a larger COVID-19 outbreak and prolonged lockdown, and even without a virus outbreak here, the risk that accumulated cases in the rest of the country may dent confidence levels in Western Australia and potentially disrupt supply chains.

The economic assumptions underpinning the 2021-22 Budget are outlined in the following table.

Table 1

KEY BUDGET ASSUMPTIONS
Western Australia

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate
Real Gross State Product growth (%) ^(a)	1.4	3.25	3.5	1.0	1.25	1.5
Real State Final Demand growth (%) ^(a)	0.9	4.5	5.0	1.25	2.25	2.25
Employment growth (%)	0.4	1.7	2.5	1.5	1.25	1.25
Unemployment rate (%) ^(b)	6.1	6.1	4.75	4.5	4.5	4.5
Wage Price Index growth (%)	1.7	1.5	2.25	2.25	2.5	2.5
Perth Consumer Price Index growth (%) ^(c)	1.3	1.6	1.75	1.75	2.0	2.0
Iron ore price, \$US/t, CFR ^{(b)(d)}	92.9	154.5	121.3	66.0	66.0	66.0
Iron ore volumes (million tonnes)	837	840	858	870	877	870
Crude oil price (\$US per barrel) ^(b)	51.3	54.6	71.0	66.7	63.3	60.8
Exchange rate (US cents) ^(b)	67.1	74.7	73.8	73.6	73.3	73.0
Population growth (%)	1.5	0.8	0.7	0.8	1.1	1.3
Interest rate assumptions (%) ^(b)						
– Public Bank Account interest earnings	1.1	0.5	0.4	0.5	0.6	0.7
– Consolidated Account borrowings	2.8	2.4	2.3	2.2	2.2	2.1

(a) Based on 2019-20 annual State Accounts data, updated with the latest State Final Demand and Balance of Payments data for the March quarter 2021, the latest data available when the forecasts were finalised on 9 August 2021.

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

(c) The CPI growth rate in 2021-22 is based on the total index excluding the electricity sub-index.

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

Western Australia's robust economy, coupled with elevated commodity prices, has flowed through to a significant improvement in the State's fiscal outlook. A record general government operating surplus of \$5.6 billion is now expected in 2020-21, with an operating surplus of \$2.8 billion forecast for 2021-22. Surpluses are also expected across the remainder of the forward estimates period.

The improved fiscal outlook has enabled the Government to fund current and emerging priorities, including election commitments (totalling \$2.7 billion in net debt terms), additional hospital capacity and mental health services, further COVID-19 response and preparedness initiatives, and new investments in climate change, social housing, digital capability and Westport. At the same time, the Government will repay \$587 million in Consolidated Account debt in 2021-22 (see feature box below).

In addition, the Budget invests a record \$30.7 billion in infrastructure over the four years to 2024-25, with the aim of building critical infrastructure for the future and supporting local jobs. This includes a massive \$13 billion investment in road, rail and transport projects, with a further \$817 million in this Budget for the Government's METRONET program of works.

Total public sector net debt is expected to fall for a third consecutive year to \$32.1 billion in 2021-22 and remain relatively stable at \$36 billion by 30 June 2025. This compares to the \$40.2 billion (at 30 June 2024) forecast in the Pre-election Financial Projections Statement (PFPS), and is in stark contrast to the steep increases in net debt projected by the Commonwealth and other States.

The following table outlines the key fiscal aggregates for the 2021-22 Budget.

Table 2

KEY BUDGET AGGREGATES
Western Australia

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forward	Forward	Forward
		Actual	Estimate	Estimate	Estimate	Estimate
GENERAL GOVERNMENT SECTOR						
Net Operating Balance (\$m)	1,669	5,625	2,791	1,990	2,871	1,576
Revenue (\$m)	32,162	40,175	38,297	34,867	36,061	35,615
Revenue Growth (%)	5.9	24.9	-4.7	-9.0	3.4	-1.2
Expenses (\$m)	30,493	34,550	35,506	32,877	33,189	34,039
Expense Growth (%)	5.0	13.3	2.8	-7.4	1.0	2.6
TOTAL PUBLIC SECTOR						
Net Debt at 30 June (\$m)	35,449	33,541	32,062	34,432	35,251	35,995
Net Debt as a Share of GSP (%)	11.2	9.1	9.0	11.5	11.5	11.4
Asset Investment Program (\$m)	5,188	5,993	8,021	8,424	7,867	6,402
Cash Surplus/Deficit (\$m)	2,217	2,634	1,756	-2,168	-601	-456

APPLICATION OF HIGHER OPERATING SURPLUSES

Since the Pre-election Financial Projections Statement (PFPS, released on 8 February 2021), the estimated general government operating surplus for 2020-21 has been revised up by \$2.5 billion, due largely to a higher than assumed iron ore price and stronger than expected taxation collections as a result of the rebounding State economy. These factors have also increased the operating surplus for 2021-22 relative to the PFPS forecast.

As part of this Budget, the Government has applied short-term increases in the general government operating surpluses in 2020-21 and 2021-22 to initiatives that will provide longer-term benefits to the Western Australian community. This follows the 2020-21 Mid-year Review decision to allocate \$1.787 billion from stronger than expected revenue to fully fund construction of a new Women and Babies Hospital.

Application of the 2020-21 Operating Surplus

The general government sector operating surplus for 2020-21 is estimated to be \$5.6 billion, up from the \$3.1 billion operating surplus forecast in the PFPS.

In this Budget, the Government has allocated the increase in the 2020-21 operating surplus to:

- creation of a \$750 million Climate Action Fund, comprising:
 - \$350 million for expansion of the State’s softwood plantation estate;
 - \$206 million for various renewable energy initiatives, comprising \$150 million for standalone power stations, \$35 million for clean energy in schools, \$12 million for refurbishment of Denham Power Station, \$8 million for wind turbine manufacturing, and a \$1 million State contribution for green steel investigation;
 - \$50 million to support the development of the renewable hydrogen industry in Western Australia (with spending provisioned in this Budget to be released to specific projects as business cases are approved);
 - \$26 million for Coast WA Coastal Erosion Hotspots (\$15 million) and the Carbon Innovation Grants Program (\$11 million); and
 - \$118 million provisioned for future responses to emerging climate-related initiatives (with funding to be released upon approval of business cases considered as part of future Budgets);
- establishment of a \$750 million Social Housing Investment Fund for new dwelling construction projects and other initiatives that will increase social housing supply. This increases the total investment in social housing to \$2.1 billion in this Budget which will fund around 3,300 homes;
- establishment of a \$500 million Digital Capability Fund to upgrade ICT systems to improve government service delivery, enhance cyber security and mitigate operational risks, with \$200 million of the Fund set aside for health sector ICT projects; and
- establishment of a new Special Purpose Account to support strategic land acquisition for the Westport project (\$400 million).

These allocations represent a responsible use of short-term revenue gains to provide long-term benefits to the Western Australian community.

Application of the 2021-22 Operating Surplus

The flow-on effect of higher than expected iron ore royalties and stronger taxation collections also impacts the Government’s fiscal capacity in 2021-22.

The prospect of a higher operating surplus in 2021-22 (relative to expectations in the PFPS) has allowed the Government to:

- provide capacity to fund future strategic infrastructure projects by allowing Government Trading Enterprises to retain \$2.4 billion in dividend payments in 2021-22 and quarantine this cash for future infrastructure investment. This includes \$1.4 billion to be retained by the Water Corporation for investment in the State's next desalination plant;
- continue Budget repair by allocating the 2021-22 dividend payments by the Insurance Commission of Western Australia (\$572 million) and the Western Australian Treasury Corporation (\$15 million), which have no material infrastructure programs, to the repayment of Consolidated Account borrowings; and
- provide for additional recurrent spending that may be required to respond to the ongoing impacts of COVID-19 and other unforeseen expenditure that may arise during the course of 2021-22, by allocating \$800 million to a general government spending provision (with \$240 million of this set aside for the public hospital system).

These decisions balance responding to the uncertainty created by COVID-19, creating future financial capacity and investing to support the State's future growth.

Budget Objectives

Strong and sustainable finances: responsible, achievable, affordable service delivery

The Government has adopted a disciplined approach to financial management since it came to office in 2017, with the general government operating balance returning to a surplus position in 2018-19 after four years of deficits. This in turn has enabled the Government to respond decisively to manage the impacts of the pandemic, with a total of nearly \$9 billion committed to COVID-19 response initiatives.

By repairing the State's finances and keeping Western Australians safe from the virus, the Government has been able to make significant new investments in this Budget to meet increasing demand for key services and reform service delivery, including in our public hospitals, mental health services, social housing and regulatory approvals.

WA Jobs Plan: local manufacturing and production, creating Western Australian jobs and training for the jobs of the future

The Government is creating more job opportunities for Western Australians by funding initiatives that encourage new industries and innovation, promote a more diversified economy and provide training opportunities. Key initiatives in this Budget include:

- \$105 million to plan and build a state-of-the-art film studio and screen production facility at Victoria Quay in Fremantle, with \$20 million also being provided over 2021-22 to 2024-25 to establish a Screen Production Attraction Fund;

- \$100 million over 2021-22 to 2024-25 to establish an Investment Attraction and New Industries Fund to support economic diversification;
- \$50 million over the forward estimates period to establish an Industrial Land Development Fund to remove barriers to industrial development for projects of strategic importance to Western Australia;
- \$20 million over the forward estimates period to implement the Jina: Western Australian Aboriginal Tourism Action Plan 2021-2025;
- \$15 million allocated over 2021-22 and 2022-23 to establish a Local Manufacturing Investment Fund;
- \$8 million of capital and recurrent expenditure to support the development of a wind turbine manufacturing industry in Western Australia; and
- an additional \$4 million to expand the Food Industry Innovation Program to continue to support the food processing industry in the State.

Opportunities in education and training are also being addressed through initiatives including:

- \$80 million over the forward estimates period to enhance Science, Technology, Engineering and Mathematics in secondary schools and science learning infrastructure in primary schools across the State;
- \$49 million to expand the number of Vocational Education and Training places by 8,000 for Year 11 and 12 school students, and to deliver a variety of short courses to Year 9 students at TAFE Colleges;
- \$32 million to subsidise wages for 300 apprentices and trainees employed by Group Training Organisations; and
- \$5.2 million to support 200 mature age apprentices through an incentive payment to employers that covers 100% of the wage gap between adult and junior apprentices.

Safe, strong and fair communities: developing healthy and resilient communities

The Budget includes a \$1.9 billion boost to health and mental health spending to enhance capacity in the Western Australian health system, including a record level of funding for the Mental Health Commission (see feature box in Chapter 5: *General Government Expenses*). This includes:

- \$895 million for a public hospital investment package, to provide an additional 332 beds (223 general health and 109 mental health) as well as additional funding for more staff and important infrastructure upgrades;
- \$274 million of mental health election commitments, primarily in community-based accommodation and supports for youth and Alcohol and Other Drug initiatives; and

2021-22 Economic and Fiscal Outlook

- \$487 million of additional COVID-19 response measures (outlined below).

To keep the Western Australian community safe during the COVID-19 pandemic and to support the State's economy, the Government has approved additional COVID-19 response spending of \$1 billion in the 2021-22 Budget. This includes:

- \$487 million over 2020-21 and 2021-22 for WA Health including quarantine and repatriation, implementation of the vaccine program, additional personal protective equipment, Public Health Emergency Operation Centre and State Health Incident Coordination Centre operations, and additional pathology costs;
- a further \$136 million for the State-funded Building Bonus scheme to meet higher than expected demand for new home construction;
- \$59 million over 2020-21 and 2021-22 to meet claims under the Small Business Lockdown Assistance Grants program that has aided small businesses in Perth, Peel and regional Western Australia in the sectors most severely impacted by recent lockdowns and subsequent restrictions;
- \$56 million for the Western Australia Police Force's operational costs to support the State's emergency response to COVID-19, including processing international and interstate travellers, the G2G Pass application, enhanced cleaning and personal protective equipment, the pandemic call centre, and overtime and shift allowances for police officers; and
- \$39 million over 2020-21 and 2021-22 to continue enhanced cleaning on public transport services and in schools.

As part of the \$750 million Social Housing Investment Fund (see feature box earlier in this chapter), the Government has committed \$228 million to specific initiatives to immediately support the delivery, operation and maintenance of social housing dwellings. This includes:

- \$143 million to convert properties from the Department of Communities' Affordable Housing and shared equity programs to social housing;
- \$55 million to retain stock and provide restorative works to the Department's housing stock in 2021-22;
- \$13 million to improve the asset management of the State's social housing portfolio; and
- \$6 million to extend the life of 120 social housing dwellings which were slated for demolition.

Building on its previous initiatives in relation to family and domestic violence (FDV), the Government has committed:

- \$27 million over 2021-22 to 2024-25 for initiatives to prevent and support survivors of FDV. This includes \$3.4 million to expand the capacity of the FDV refuges in Peel and Kwinana, \$3.4 million to develop a FDV primary prevention framework to guide prevention activities and support capacity building and training, and \$3.3 million on a Rapid Rehousing Pilot program to support women and children to leave refuges with improved access to the private rental market;
- \$8 million over the forward estimates period to support those seeking violence restraining orders, by extending the shuttle conferencing mediation service to the Magistrates Courts in Armadale, Broome and Bunbury, and building and security modifications to the Bunbury Magistrates Court;
- \$6 million to establish and operate a new specialist Family Violence Court in Broome to support Aboriginal women who have experienced domestic violence, and provide interventions for perpetrators of violence; and
- \$4.5 million over 2021-22 to 2024-25 to establish a pilot forensic service providing specific diagnosis and assessments for victims of FDV.

Growing our communities: protecting our environment and supporting thriving suburbs and regions

The Government has made further significant investments in road and rail transport in this year's Budget, including:

- a \$496 million additional investment in road infrastructure over 2021-22 to 2024-25 for 18 road projects (with \$292.5 million funded by the Commonwealth, \$144 million funded by the State and \$60 million in third party funding). A further \$631 million will be invested beyond 2024-25 for these projects, including a \$407 million contribution from the Commonwealth;
- \$229 million of additional spending on the METRONET High Capacity Signalling program of works over the four years from 2021-22 to increase the capacity on the rail network, improving safety and allowing trains to operate more efficiently;
- \$200 million to improve the State's agricultural supply chain in the Wheatbelt, Mid West, Great Southern and Goldfields-Esperance regions, by delivering upgrades to transport infrastructure to improve the performance of the freight network; and
- \$52.7 million over 2021-22 to 2024-25 to provide an additional 3.8 million bus service kilometres to expand services surrounding new train stations built as part of the Forrestfield-Airport Link, Yanchep Rail Extension, Thornlie-Cockburn Link and Lakelands Station.

2021–22 Economic and Fiscal Outlook

The 2021-22 Budget includes \$4.2 billion for the Royalties for Regions program over 2021-22 to 2024-25, which accommodates a range of new initiatives, including:

- \$55 million towards the duplication of the Mandurah Estuary Bridge (the Commonwealth has also allocated \$55 million towards this project);
- \$45 million of additional spending for the Aboriginal Ranger Program, to expand land and sea management and tourism activities in remote and regional Western Australia;
- \$20 million of additional funding for the Collie Industry Attraction and Development Fund to continue to grow and diversify industry and create new jobs in the Collie region;
- \$20 million to provide a two-zone airfare cap for regional residents, to provide one-way airfare caps of \$199 or \$299 (depending on driving distances from Perth); and
- \$17 million to continue the delivery of regional youth justice services in the Kimberley and Pilbara.

In addition to the \$750 million Climate Action Fund, the Budget also includes the following initiatives to support a greener future:

- \$21 million to construct an electric vehicle fast charging network to facilitate travel north from Perth to Kununurra, along the South West coast to Esperance, and east to Kalgoorlie;
- \$15 million for the establishment of a new Agriculture Climate Resilience Fund to help Western Australian farmers respond to the challenges of climate change; and
- \$14 million over 2021-22 to 2024-25 to implement a ban on e-waste entering landfill, which includes \$10.1 million for a grant funding program to support capital infrastructure required to manage materials previously sent to landfill.

Economic Outlook

HIGHLIGHTS

- Western Australia's economic recovery from COVID-19 has been stronger than expected, and continues to gain momentum.
- Following growth of 1.4% in 2019-20, the State's economy is estimated to have grown by 3.25% in 2020-21 and is forecast to grow by a further 3.5% in 2021-22. This is the strongest rate of growth since 2013-14.
- A sharp rebound in retail trade, combined with strong growth in business, dwelling and public investment, is driving strong demand for labour.
 - Employment is expected to increase by around 34,000 jobs in 2021-22, with the unemployment rate forecast to fall to 4.5% by 2022-23 – well below the decade-average unemployment rate of 5.5%.
- Economic growth is expected to moderate from 2022-23, as current levels of stimulus-induced activity unwind, and as services imports lift with the gradual reopening of international borders (detracting from net exports).
- Consumer price and wage growth are expected to remain relatively modest, although labour market tightness is anticipated to see a slight lift in wages growth over 2021-22.

Western Australia

Gross State Product

Western Australia's economy has navigated the COVID-19 pandemic well. The implementation of short and sharp lockdowns has successfully contained any substantial outbreak of the virus, enabling economic activity to return to (or in most cases, exceed) pre-lockdown levels.

Western Australia has also benefitted from an industry structure geared towards mining, with strong investment and production within the mining industry continuing to support the State and national economies throughout the pandemic.

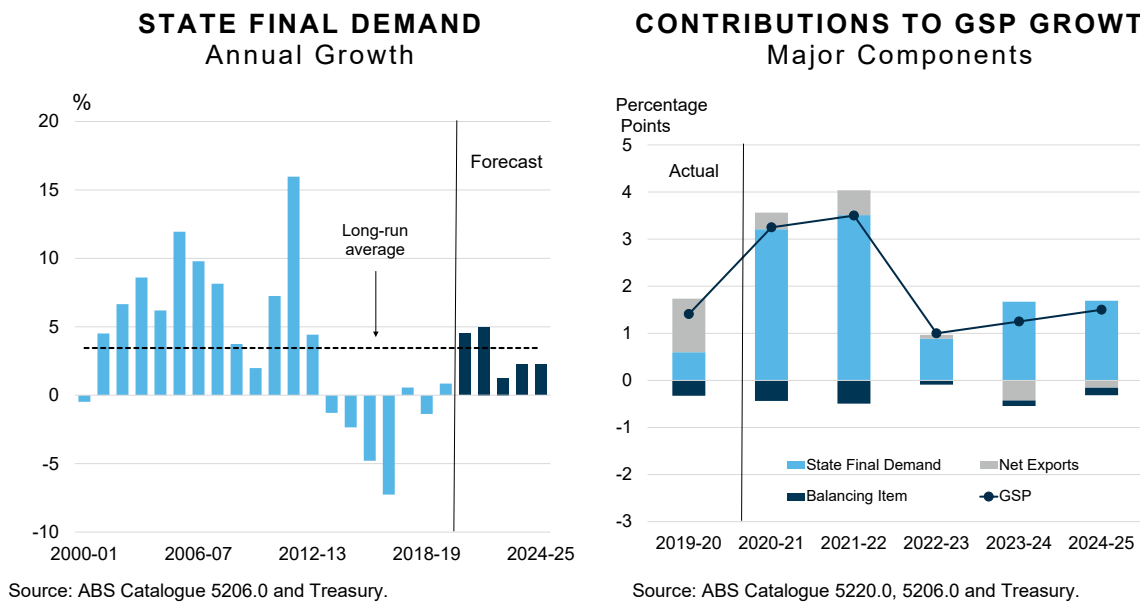
After recovering from an initial shock in 2020, household and business confidence have remained robust, which is reflected in elevated consumer spending and strong business investment and hiring intentions across the board. This has been the case even as substantial fiscal support (such as JobKeeper) was unwound earlier in 2021.

Investment in the residential construction sector and public sector has emerged as a key driver of economic activity in 2021-22, spurred by Building Bonus grants and a significant lift in the State's Asset Investment Program (AIP).

Momentum across all domestic sectors is expected to propel growth in the domestic economy (measured by **State Final Demand**, SFD) to 5% in 2021-22, following estimated growth of 4.5% in 2020-21. Growth of this magnitude has not been seen since the last mining investment boom (chart below, left-hand side).

This strength in the domestic economy is expected to underpin total economic growth (measured by **Gross State Product**, GSP), which is forecast to reach 3.5% in 2021-22 (chart below, right-hand side). This is the strongest rate of growth in the Western Australian economy in eight years.

Figure 1



Economic growth over the outyears is expected to ease, averaging around 1.25% per annum. This is consistent with lower population growth and mirrors a moderation in SFD growth as stimulus-induced activity in the residential construction and public sectors unwinds, and as major iron ore backfill projects are completed.

The external sector (including services trade) is expected to detract from GSP growth over the last two outyears. This reflects a combination of an expected levelling-off of merchandise exports and changes in services trade. Iron ore and LNG producers, which account for more than 70% of total exports by value, are expected to be operating at close to capacity levels from 2022-23. At the same time, the gradual reopening of international borders – assumed to be from the September quarter 2022 (in line with the 2021-22 Commonwealth Budget assumption) – will likely see Western Australians spending more on overseas travel than international visitors and students spend in the State.

Overall, the outlook for the State’s economy is favourable, but subject to a number of risks and uncertainties. These are detailed in the *Risks* section later in this chapter.

ECONOMIC FORECASTS
Western Australia, Annual Growth (%)

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate
Demand and Output ^(a)						
Household Consumption	-2.3	2.5	2.5	2.25	2.75	2.5
Dwelling Investment	-13.2	4.75	27.25	-21.75	-3.5	6.0
Business Investment	9.7	8.0	9.75	3.25	1.0	0.5
Government Consumption	4.9	5.25	1.75	1.25	2.5	2.5
Government Investment	-0.1	5.0	17.0	4.5	1.0	-1.5
State Final Demand	0.9	4.5	5.0	1.25	2.25	2.25
Merchandise Exports	0.5	0.5	2.25	1.5	0.5	0.25
Merchandise Imports	1.3	5.25	4.75	2.0	1.5	1.25
Net Exports ^(b)	2.6	0.75	1.25	0.25	-1.0	-0.5
Gross State Product ^(c)	1.4	3.25	3.5	1.0	1.25	1.5
Labour Market						
Employment	0.4	1.7	2.5	1.5	1.25	1.25
Unemployment Rate ^(d)	6.1	6.1	4.75	4.5	4.5	4.5
Participation Rate ^(d)	67.5	68.0	68.2	68.2	68.2	68.1
Population						
Population	1.5	0.8	0.7	0.8	1.1	1.3
Working Age Population (15+)	1.5	1.0	0.8	1.0	1.3	1.6
Prices						
Consumer Price Index ^(e)	1.3	1.6	1.75	1.75	2.0	2.0
Wage Price Index	1.7	1.5	2.25	2.25	2.5	2.5
Perth Median House Price	-2.5	3.5	3.2	0.5	2.4	2.2
Other Key Parameters ^(d)						
Exchange Rate \$US/\$A (US cents)	67.1	74.7	73.8	73.6	73.3	73.0
Iron Ore Price (\$US per tonne) Cost and Freight Inclusive (CFR)	92.9	154.5	121.3	66.0	66.0	66.0
Crude Oil Price (\$US/barrel)	51.3	54.6	71.0	66.7	63.3	60.8

(a) Based on 2019-20 annual State Accounts data, updated with the latest State Final Demand and Balance of Payments data for the March quarter 2021, the latest data available when the forecasts were finalised on 9 August 2021.

(b) Net exports include international trade in both goods and services.

(c) Forecasts for ownership transfer costs, international trade in services and the balancing item are not separately reported.

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

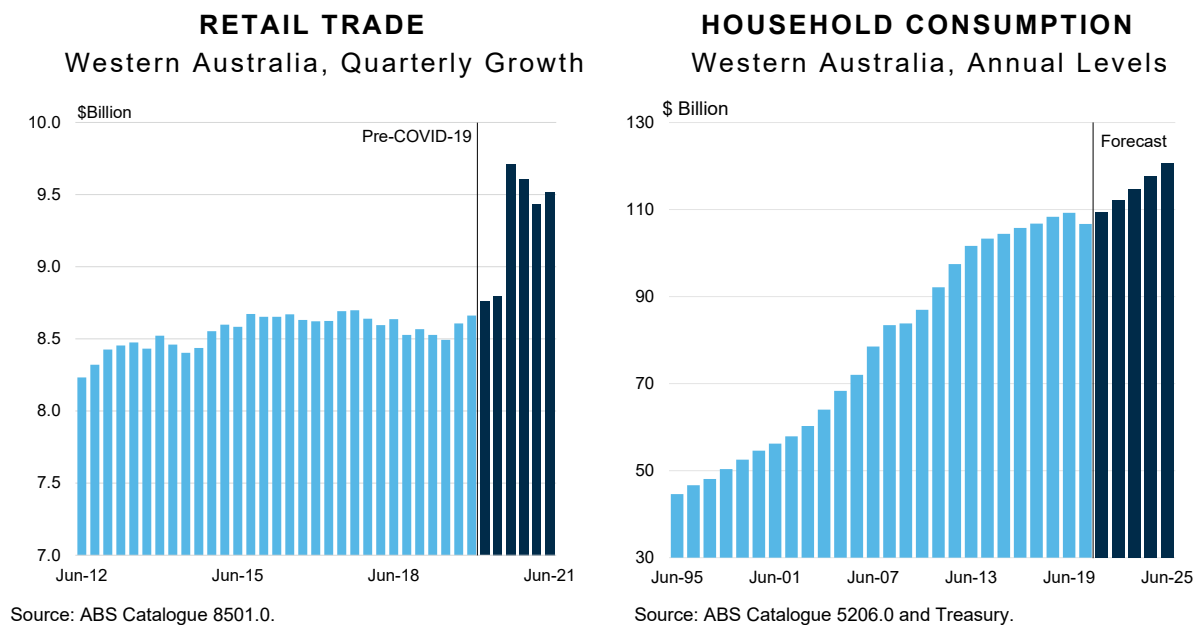
(e) The CPI growth rate in 2021-22 is based on the total index excluding the electricity sub-index.

Household consumption has made a remarkable recovery following a record COVID-19-related downturn in the June quarter 2020, and continues to outperform expectations. In 2020-21, household consumption is estimated to have increased by 2.5%, more than offsetting a record 2.3% decline recorded the previous year.

Western Australian household spending on goods and domestic retailing (such as vehicle purchases and household furnishings) has boosted the economic recovery, buoyed by Government stimulus measures and households substituting away from overseas travel spending towards spending within the State. This retail spending momentum is expected to continue to support growth of 2.5% in household consumption in 2021-22.

Growth in household spending is expected to peak at 2.75% in 2023-24, underpinned by solid growth in employment and wages, with growth of 2.5% forecast in 2024-25 as consumption patterns normalise.

Figure 2

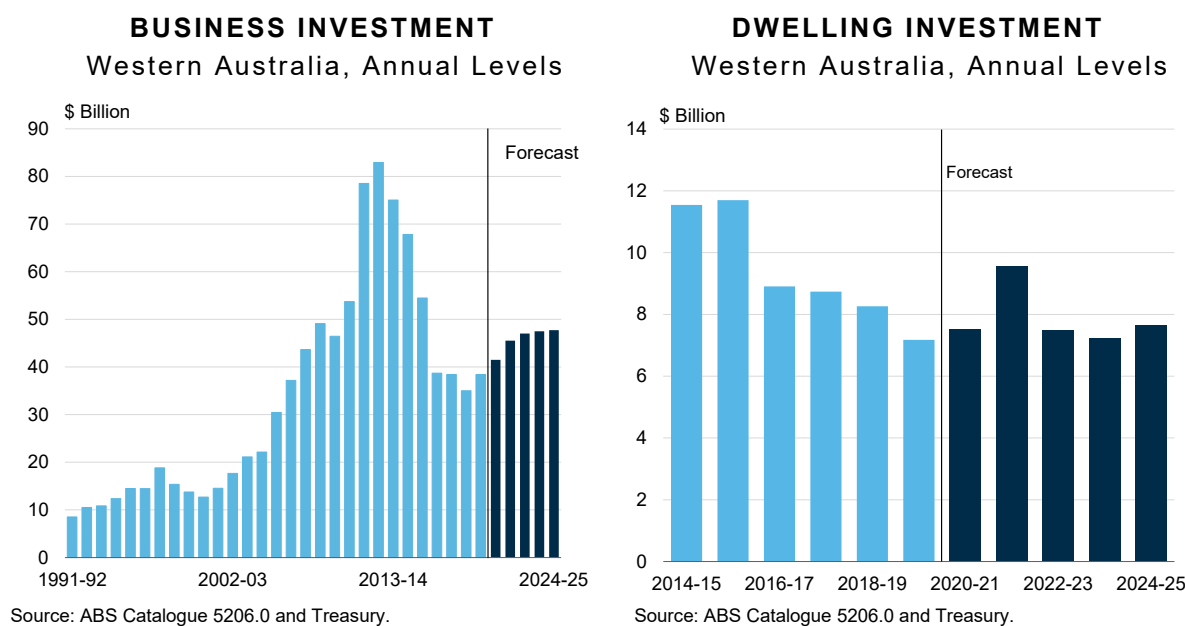


Business investment is estimated to have increased by 8% in 2020-21, largely driven by construction work across a number of large iron ore backfill projects.

Growth is expected to strengthen to 9.75% in 2021-22 due to additional investment in the resources sector, with firms focusing on maintaining existing operations as well as capital expansion plans. Smaller investments have also been incentivised by the Commonwealth's temporary instant asset write-off measure. Investment is forecast to continue at solid levels from 2022-23 onwards, as spending on the construction of the large iron ore backfill projects is replaced by spending on LNG and other projects.

In dollar terms, business investment is expected to increase to \$47.7 billion by 2024-25, \$6.2 billion above the 2020-21 level (see figure below, left-hand panel).

Figure 3



Underpinned by Commonwealth and State Government building construction grants, **dwelling investment** in 2020-21 is estimated to have grown by 4.75%, the first instance of growth in five years. Land sales and building approvals, the key lead indicators of building activity, picked up very strongly following the announcement of the building construction grants in mid-2020. Dwelling commencements have in turn followed a similar strong trajectory. This unprecedented stimulus-induced construction activity is forecast to drive record growth of 27.25% in dwelling investment in 2021-22 (see figure above, right-hand-panel).

Dwelling investment activity is forecast to unwind in 2022-23 and 2023-24, as the significant pipeline of work is largely completed, but to return to growth in 2024-25, supported by a pick-up in population growth and sustained activity in the broader economy.

Following significant support measures (such as the expansion of health services and the provision of electricity bill relief for Western Australian households) by both the State and Commonwealth Governments in response to COVID-19, **government consumption** is estimated to have increased by 5.25% in 2020-21. Growth is expected to average 2% per annum from 2021-22 as the impact of these support measures unwinds.

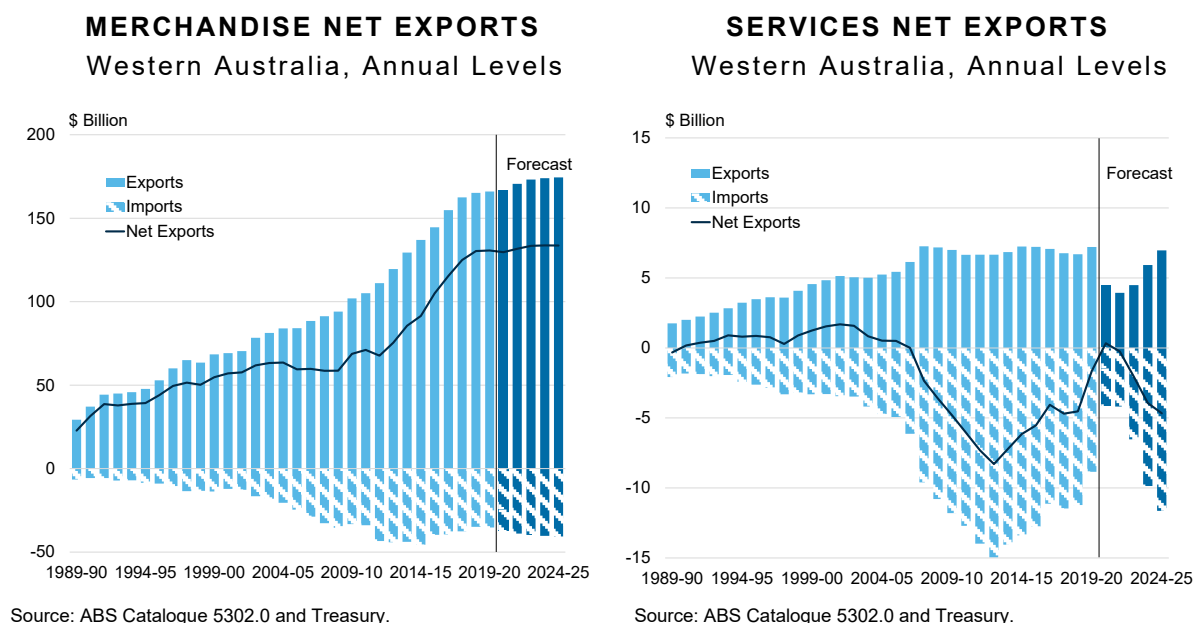
Government investment is estimated to have grown by 5% in 2020-21, with a strong pick-up in growth to 17% projected in 2021-22, and a further 4.5% in 2022-23. This is in line with record spending on a large number of non-residential construction projects (e.g. road, rail and utilities projects) in line with trends in the State Government’s AIP (see Chapter 6: *Asset Investment* for further detail).

Merchandise exports are expected to grow by 2.25% in 2021-22 following estimated growth of 0.5% in 2020-21. Iron ore is forecast to be the main driver of merchandise exports, with major producers expected to sustain currently elevated levels of production. Smaller (higher cost) producers have also entered the market given elevated iron ore prices over the last 12 months. LNG exports are forecast to contribute to growth in 2021-22, after declines in LNG volumes in 2020-21 due to maintenance work.

Merchandise exports are expected to grow by an average of 0.75% per annum over the forward estimates period as projected investment in new mines and mine expansions sustain iron ore and LNG exports at close to current levels. Other commodity exports, such as lithium, are anticipated to ramp up in the outyears in line with increased global demand (see figure below, left-hand side).

Merchandise imports are forecast to grow by 4.75% in 2021-22, following estimated growth of 5.25% in 2020-21, with the rapid rise in household consumption and business and dwelling investment since the onset of the pandemic anticipated to continue supporting demand for imports. Growth is expected to moderate over the forward estimates period in line with business investment stabilising and household consumption normalising over the longer term.

Figure 4



Restrictions on international travel have had a significant impact on tourism, education and business-related services. **Services exports** are estimated to have declined by 38% in 2020-21, with a sharp decline in tourism exports partly mitigated by a smaller decline in education exports, as some international students had arrived in the State prior to the border closures. As education, tourism and business-related travel remain limited, services exports are forecast to decline by a further 12% in 2021-22.

Services imports are estimated to have declined by 53.25% in 2020-21 as tourism imports (primarily Western Australians' overseas spending, the largest component of services imports, worth almost \$7 billion prior to COVID-19) were largely eliminated. As international border closures and travel restrictions continue, services imports are forecast to remain low in 2021-22.

Services exports and imports are expected to gradually recover from 2022-23, in line with the assumed reopening of international borders, with growth expected to ramp-up in 2023-24 as travel gradually returns to pre-pandemic levels (see figure above, right-hand side).

Total net exports are expected to decline in the last two outyears as merchandise exports level off, while the drag from growth by Western Australians' spending on overseas travel is forecast to be larger than the contribution to growth from spending by international visitors and students in the State.

Housing Market

The housing market recovered strongly over 2020-21 with sales in the established market exceeding levels at the height of the most recent property cycle in 2013. The rental market has also been tight, with an easing in the vacancy rate expected in early 2022 as the current high level of dwellings under construction begins to translate into additional housing supply (including rental stock).

Current high levels of activity in the established market are forecast to provide a lift in the median house price of 3.2% in 2021-22. However, price growth is expected to ease in 2022-23 as consecutive years of restrictions on international migration weigh on demand, and the expansion of the housing stock provides more choices for buyers and renters.

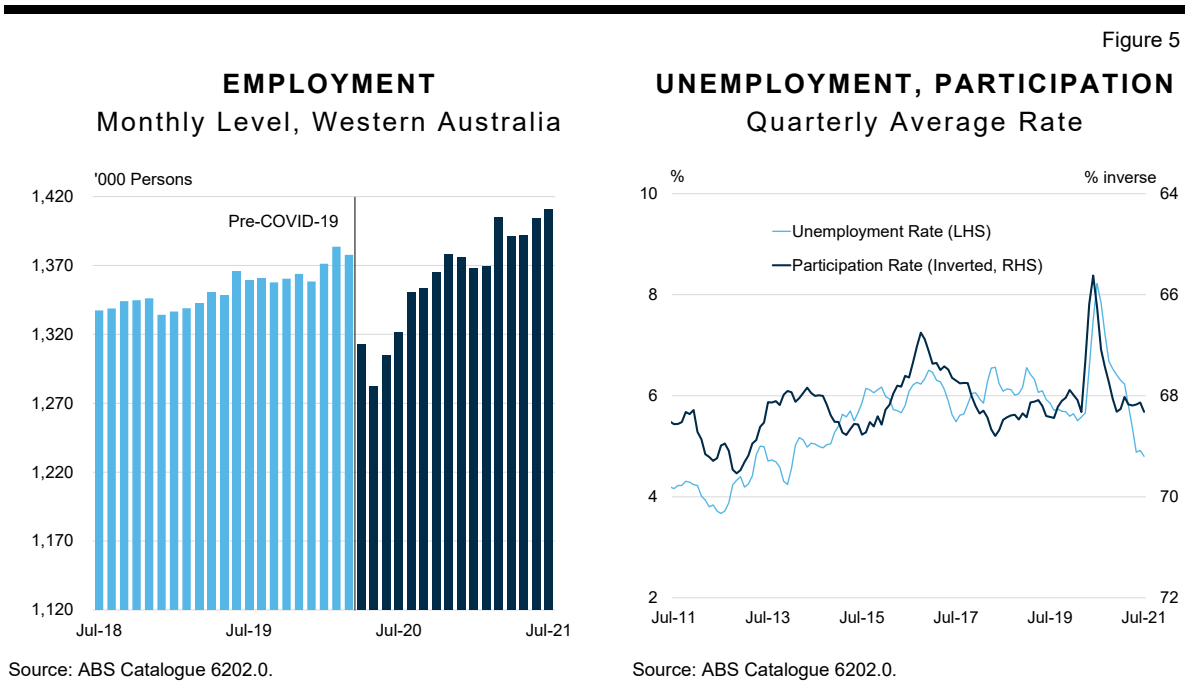
Prices are expected to increase modestly in the last two outyears in line with a pick-up in underlying demand as migration gradually recovers.

Labour Market

Western Australia's labour market has seen a rapid recovery since the onset of the COVID-19 pandemic, when employment fell by over 101,000 persons between February and May 2020. Reflecting the significant tightening of the labour market in the first half of 2021, employment recovered to above pre-COVID levels by March 2021, with the unemployment rate averaging 4.9% in the June quarter. Advertised job vacancies are near their highest level in nine years, which supports the outlook for more hiring in the near term, though there are widespread reports of emerging skills shortages (see feature box later in this chapter).

Employment is forecast to increase by 34,000 jobs or 2.5% in 2021-22, up from 1.7% growth in 2020-21, supported by high job vacancies due to robust activity in the mining and residential construction sectors, as well as Government infrastructure projects. In line with the domestic economy, employment is forecast to grow at a more moderate pace of 1.25% per annum in 2023-24 and 2024-25.

Figure 5



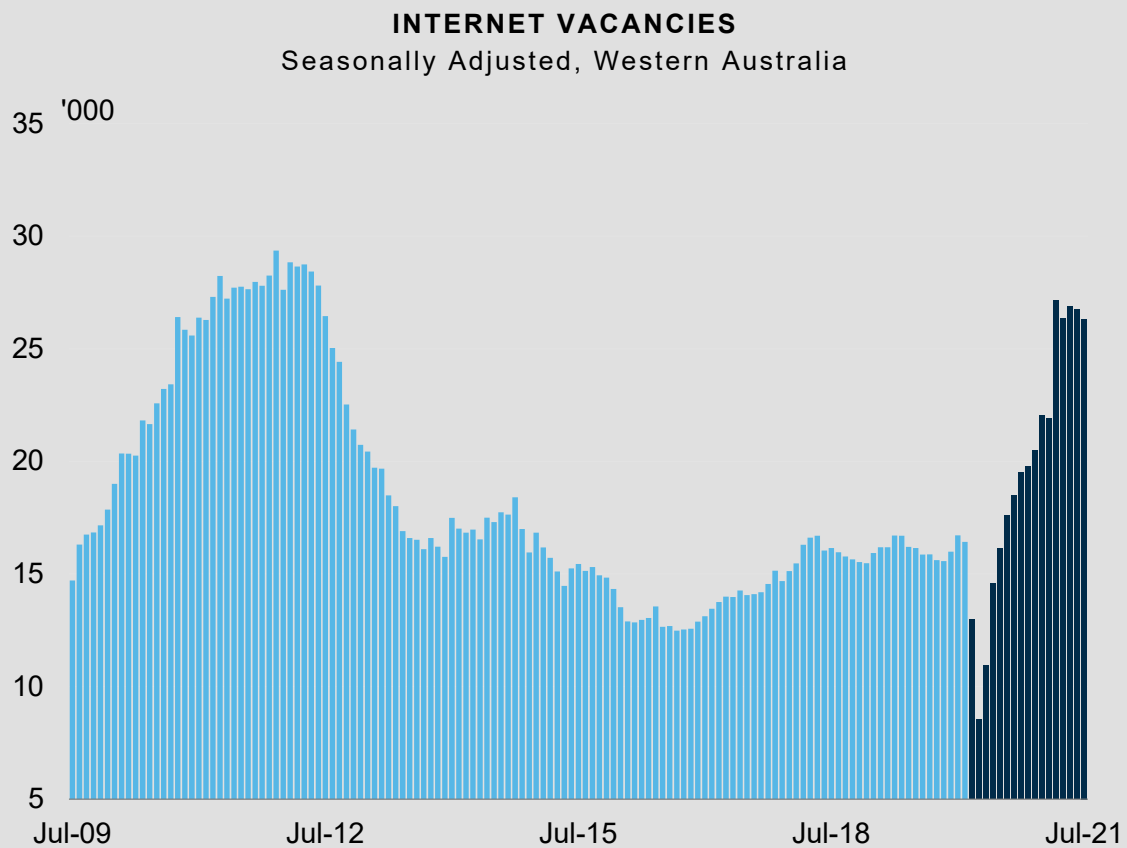
The **unemployment rate** is forecast to average 4.75% over 2021-22 (down from 6.1% in 2020-21). Tight labour market conditions are anticipated to continue, amidst strong hiring conditions and subdued population growth. The unemployment rate is expected to settle at 4.5% in the outyears, as hiring activity is sufficient to absorb additional workers in the labour force as population growth, boosted by recovering migration, increases over the forward estimates period. This is well below the 5.5% average unemployment rate over the last decade.

With the recovery in employment growth and lower unemployment rate, the **participation rate** is forecast to recover to its pre-pandemic rate of 68.2% in 2021-22 from 68% in 2020-21. This is consistent with the rapid recovery in the participation rate following the initial impacts of COVID-19 (when the participation rate declined to 65% in May 2020). The participation rate is forecast to remain relatively flat at around 68.2% over the forecast period.

Skills Shortages

The Western Australian economy recovered quickly following the initial impacts of the COVID-19 pandemic. The initial fall in employment was fully recovered by March 2021, and advertised job vacancies have risen to levels not seen since 2012 (during the last mining investment boom).

Figure 6



Source: Department of Education, Skills and Employment.

The tightening labour market has coincided with significantly reduced overseas migration, including skilled workers, international students and working holidaymakers – leading to a shortage of available workers to fill vacant roles across a range of industries, occupations, and skill levels.

The economic forecasts in this Budget have been influenced by the presence of skills shortages. For example, tightness in the labour market combined with skills shortages is expected to see a lift in wages growth, from 1.5% in 2020-21 to 2.25% in 2021-22. The dwelling investment forecasts also include an increase in the average length of time to construct a new house, reflecting both a sharp increase in the volume of work in the residential construction sector and a shortage of certain workers and materials.

The State Government hosted a Skills Summit on 30 July 2021. More than 130 business leaders, peak bodies, unions, government agencies and training representatives attended, with the purpose of developing immediate and longer-term strategies to address skills needs impacting the Western Australian economy.

Following the Skills Summit, the Government announced a suite of priority initiatives to bolster the State's workforce (while further work is undertaken to convert concepts from the summit into additional initiatives). These priority initiatives include:

- bringing forward 100 additional places under the Adult Apprentice Incentive from 2022-23 into 2021-22;
- requesting an additional 5,000 onshore places from the Commonwealth Government under the 2021-22 State Nominated Migration Program, with the State having added 134 eligible occupations to the program;
- developing a targeted advertising campaign to attract interstate and New Zealand workers and increase participation of under-represented groups in Western Australia;
- establishing a new partnership with the Wirrpanda Foundation to provide targeted assistance to Aboriginal jobseekers aged 15 to 24 to address specific barriers to employment;
- introducing initiatives to help disadvantaged learner drivers obtain a driver's licence – a significant barrier to employment for many; and
- reviewing the State Government's record infrastructure program with a view to smoothing the pipeline of work to help ease workforce pressures across the economy (see Chapter 6: *Asset Investment* for further detail).

These initiatives complement other Government commitments in the vocational education and training sector, including:

- a wage subsidy scheme for apprentices employed by Group Training Organisations and hosted out to sub-contractors working on Government construction projects; and
- the previously announced initiative to extend discounted fee settings under the Lower Fees, Local Skills (LFLS) initiative and maintaining existing fee freezes on non-LFLS courses until the end of the 2025 training year.

Wages, Prices and Population

The **Wage Price Index** is expected to grow by 2.25% in 2021-22, following estimated growth of 1.5% in 2020-21, in response to the increased tightness in the labour market and skill shortages across some industries. Wages growth is forecast to lift slightly over the forecast period as tighter labour market conditions are sustained. Nonetheless, at 2.5% per annum from 2023-24, forecast wages growth remains modest (and below long-run average growth of 3.3% per annum). This reflects a number of long-term structural factors that have dampened wages growth, both in Australia and internationally, including technological change, globalisation, and reduced collective bargaining power.

Perth's **Consumer Price Index** (CPI) increased by 1.6% in 2020-21, supported by strength in 'alcohol and tobacco' and 'food and non-alcoholic beverages' prices. The CPI is estimated to grow by 1.75% in 2021-22¹, again underpinned by price increases for tobacco and food, as well as rebounding rents after a prolonged period of weakness. Over the remainder of the forecast period, Perth's CPI growth is expected to gradually lift towards the lower end of the Reserve Bank of Australia's target range, to 2% by 2023-24.

Restrictions on international travel related to the COVID-19 pandemic have resulted in slower **population** growth forecasts and a temporary switch in the drivers of growth. In line with national trends, there has been a net outflow of migration overseas since the international borders were closed, as the number of temporary visa holders returning home has exceeded the number of citizens and residents returning to the State. This is the first time in 28 years that net overseas migration has turned negative.

The net outflow of overseas migrants has been tempered by a return to a net inflow in interstate migration, as conditions in Western Australia have resulted in more people moving to the State than leaving for other States. Another offset to the net overseas outflow has been a lift in natural increase due to a substantial increase in the number of births since the onset of the COVID-19 pandemic. Beyond 2021-22, natural increase is expected to return to normal rates, and following the gradual reopening of international borders, net overseas migration is expected to return to a net inflow. Population growth is forecast to remain subdued by historical standards though.

Risks

The highly uncertain and dynamic national and global environment means that the economic outlook is subject to heightened risks.

The most pertinent of these is the threat of a larger COVID-19 outbreak and prolonged lockdown, similar to what is 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 confidence levels here and potentially disrupt supply chains.

The State is also facing a number of challenges that could impact the near-term outlook. The most prominent of these relates to skills shortages and capacity constraints, with anecdotal evidence of some businesses' output being constrained by an inability to obtain appropriate labour. If this issue becomes more widespread, it could impact investment in the near term.

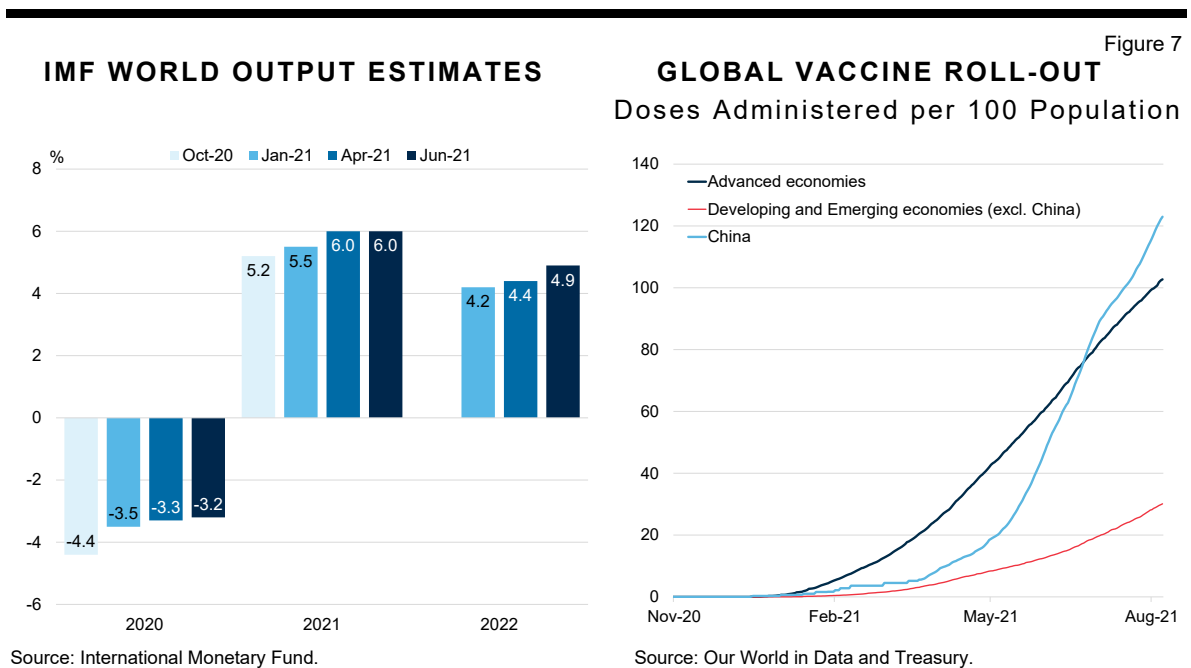
The business investment projections in this Budget are highly sensitive to the expected timing and probability of key resource sector projects proceeding. Currently, there are several prospective but uncertain LNG projects on the horizon, many of which were further delayed due to the COVID-19 outbreak and associated weak demand for oil. Any decision to proceed with these projects would have a positive impact on the assumed investment profile.

¹ The forecast for CPI growth in 2021-22 is based on the total index excluding the electricity sub-index, to remove the one-off impact of the State Government's \$600 Household Electricity Credit.

Global Outlook

The global economic outlook has continued to improve with the acceleration of vaccine roll-outs and easing of COVID-19-related restrictions supporting a lift in confidence and activity in many countries. After contracting by 3.2% in 2020, the International Monetary Fund (IMF) projects the global economy will rebound by 6% in 2021 (nearly one percentage point higher than the IMF expected in October 2020) and 4.9% in 2022 (see figure below, left-hand panel). While the global economic slowdown in the first half of 2020 was evident across all countries, the recovery has been divergent, with a more favourable outlook for advanced economies compared with the developing and emerging countries.

The improved outlook for advanced economies reflects significant fiscal policy support and higher vaccination rates. Many households have accumulated a large savings pool over the past 18 months, which should see a robust rebound in the consumption of both goods and services in the near term. In contrast, access to vaccines and policy support remain limiting factors in many developing and emerging market economies, hampering their recoveries so far (see figure below, right-hand panel). Moreover, the emergence of the Delta variant has further implications due to its increased transmissibility and potentially more severe health outcomes, particularly among younger people. This presents downside risk to global growth in the near term.



Further out, economic growth is expected to moderate, as fiscal support declines. The IMF forecasts world economic growth to be 3.5% in 2023. Inflationary pressures are emerging in many economies due to pent-up demand and rising input costs and if these price pressures are sustained, this may become a concern for central banks.

Advanced Economies

Many advanced economies have started to ease mobility restrictions, allowing recovery of the services side of the economy, where many sectors (such as land and air-based tourism and hospitality) were more heavily impacted. After contracting by 4.6% in 2020, the IMF projects that the advanced economies will grow by 5.6% in 2021 and 4.4% in 2022. This is largely underpinned by significant fiscal support in the United States and Europe, with positive spillovers to the global economy.

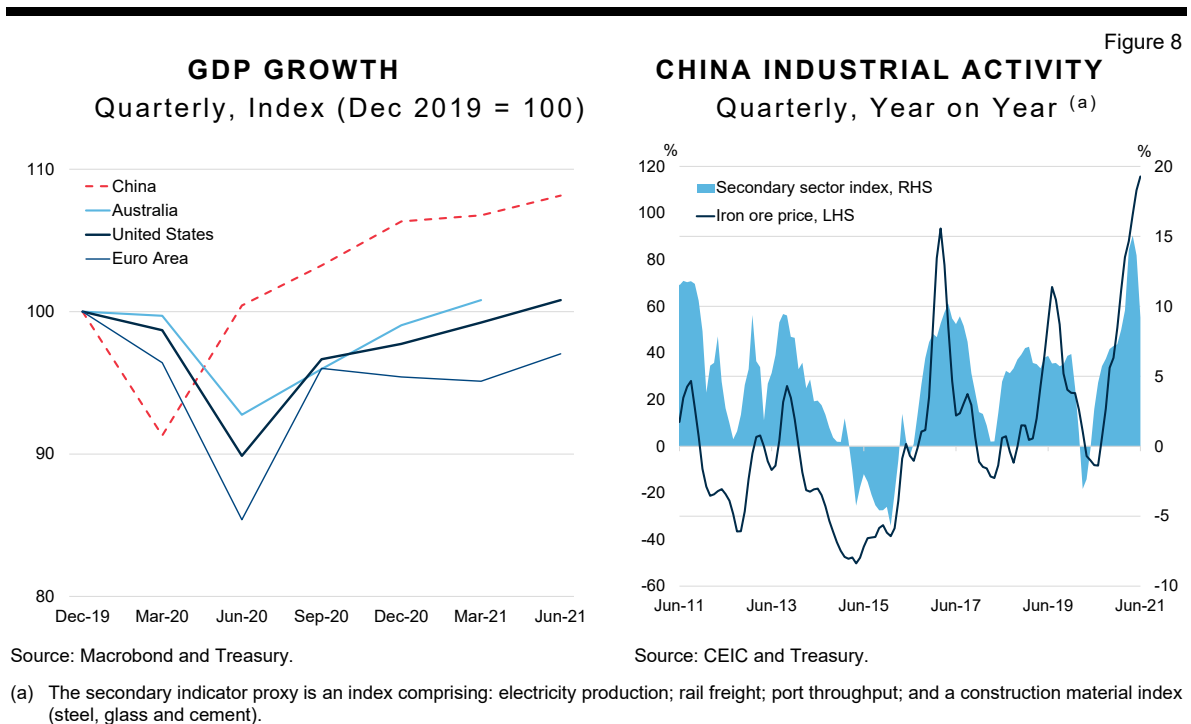
Strength in the **United States** economy has continued to gain momentum over the past year and its GDP is now above pre-COVID levels (see following figure, left-hand panel), aided by a strong fiscal response and a rapid vaccination roll-out. The IMF projects that the United States will grow faster than other major advanced economies over the near term, with growth of 7% in 2021 and 4.9% in 2022.

The economic recovery in the **euro area** was constrained earlier in 2021 after a rise in COVID-19 outbreaks in many countries led to renewed lockdowns. This resulted in many European governments extending fiscal support, while increasing efforts to vaccinate a greater proportion of their populations. Lockdowns and restrictions were subsequently relaxed from March 2021, with economic growth rebounding sharply in the June quarter 2021. Nevertheless, GDP remains below pre-COVID levels. The IMF forecasts that growth will reach 4.6% in 2021 and 4.3% in 2022, underpinned by considerable fiscal stimulus and accommodative monetary policy.

China

China was the only major economy to record positive economic growth in 2020, with GDP increasing by 2.3%, despite the impact of COVID-19. The Chinese economy commenced a swift and strong recovery from the June 2020 quarter, supported by early and successful containment of COVID-19, a large-scale vaccination program, and ongoing and significant stimulus. The recovery has been particularly beneficial for the construction sector, supporting a strong lift in demand for industrial materials such as iron ore and copper.

Activity within China's commodity-intensive sectors, such as construction, has been strong over 2021 to date and remains relatively robust. This is illustrated by the Western Australian Treasury's secondary indicator proxy for activity in these sectors, which closely tracks movements in commodity prices, and shows strong growth over the year (see following figure, right-hand panel).



Higher levels of activity in China, supported by government policy stimulus and recovery from the rest of the world, have contributed to elevated commodity prices. However, credit growth has slowed in recent months, driven by a shift in policy to address inflationary concerns, which is likely to see Chinese construction activity moderate over the second half of the year.

The IMF projects growth in China of 8.1% in 2021, before moderating to 5.7% in 2022. Over the longer term, Chinese demand for industrial commodities is expected to moderate as it continues to transition to a consumer-based economy and seeks to contain greenhouse gas emissions.

Global Risks

The **global outlook** remains highly uncertain, with growth dependent on the success of the global vaccine roll-out and vaccine efficacy. In the near term, further outbreaks of the highly transmissible Delta variant or the emergence of vaccine resistant strains of COVID-19 present downside risks.

The significant fiscal policy responses to the pandemic have pushed global government debt to unprecedented levels, reaching about 100% of global GDP in 2020. Elevated debt levels make the financial system more vulnerable to a sudden increase in interest rates, which could stem from a rise in risk aversion, inflation, or expectations of faster monetary tightening.

Any significant changes in China’s domestic economy can have a major impact on the State’s economic outlook. In particular, China has announced a range of measures to reduce steel output to achieve its emission targets, which presents downside risk to Western Australian commodities. More recently, the COVID-19 outbreak of the Delta variant, which started in the city of Nanjing (Jiangsu province), has now spread, and domestic transmission had been identified in around half of all provinces as at the cut-off date for this Budget. To the extent measures to restrict transmission reduce economic activity, this could lead to downside risk to the State’s exports.

Commodity Markets

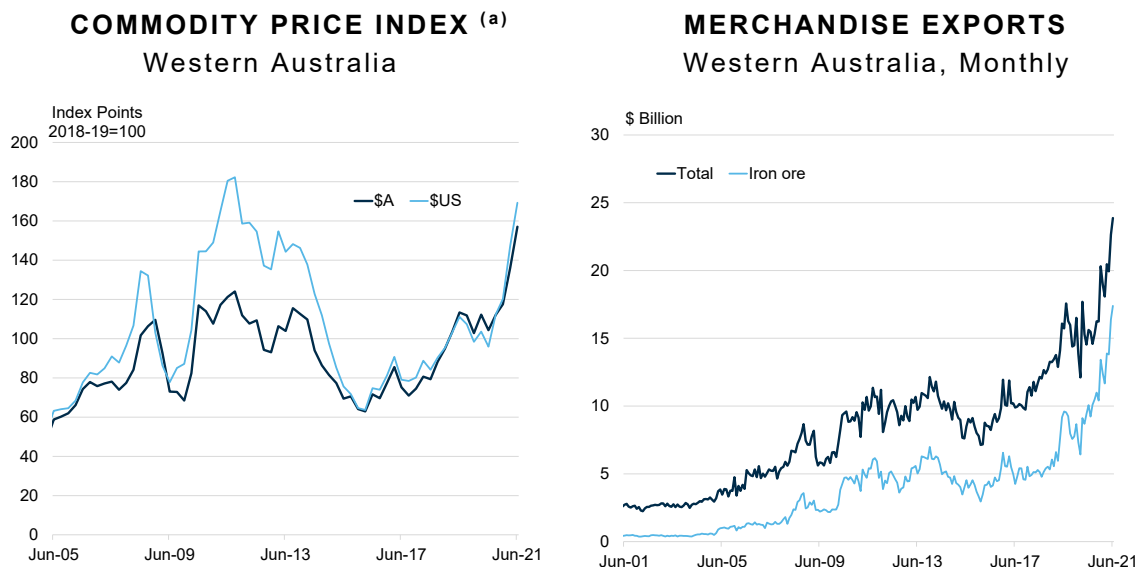
Demand for most commodities rebounded robustly over the pandemic period. This was supported by global stimulus measures (such as infrastructure spending which has supported demand for commodities used in construction) and monetary policy easing (which has encouraged consumers to increase purchases of houses, cars and durable goods). Also supporting commodity demand has been a global shift in consumption patterns away from services and toward goods, as a result of pandemic-related restrictions on services such as travel.

Many nations have sought to engineer a ‘green recovery’ from the pandemic, which has boosted the outlook for commodities exposed to renewable energy and the electrification of transport, such as lithium, copper and nickel. These developments have occurred at a time when supply of a range of commodities has been constrained by pandemic-related restrictions impacting supply chains and logistics.

Consequently, prices for many commodities, such as iron ore and copper, have been elevated in recent months (see following figure, left-hand panel). Record prices in Australian dollar terms have underpinned record export income.

Commodity price assumptions and mining revenue estimates can be found in Chapter 4: *General Government Revenue*.

Figure 9



(a) A weighted index of prices of iron ore, gold, oil, LNG, copper, nickel, zinc, alumina and lithium.

Source: Department of Treasury, DMIRS and Macrobond.

Source: ABS Catalogue 5368.0.

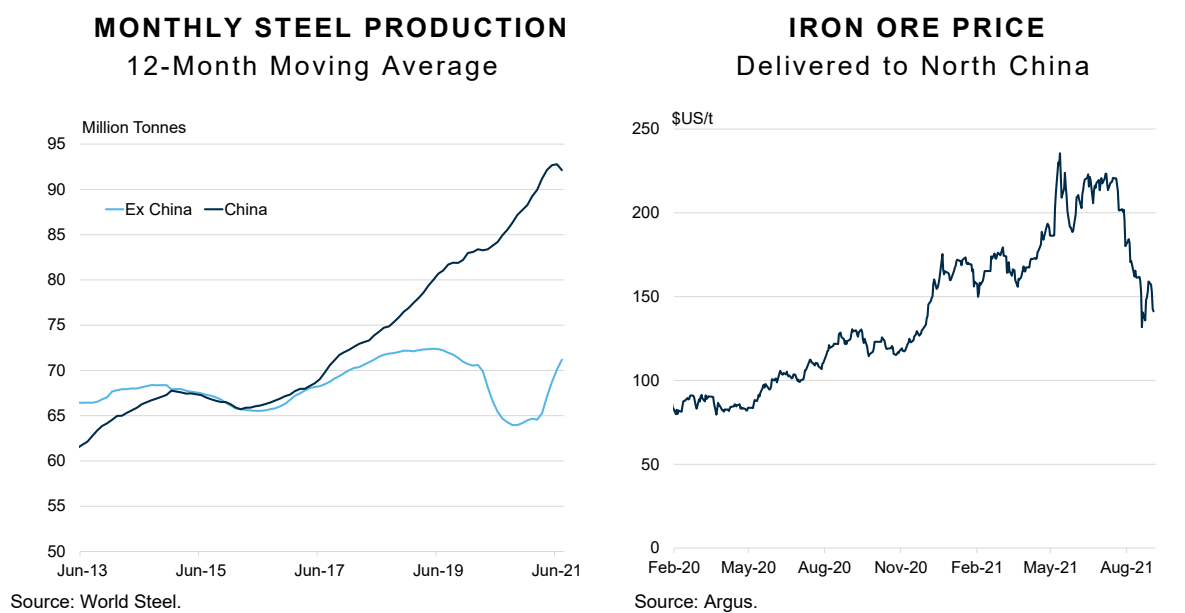
Iron Ore

Up to the Budget cut-off date of 9 August, iron ore demand had been very strong over 2021, underpinned by high rates of steel production in China and a rapid recovery from pandemic-related lows in steel production outside of China (see following figure, left-hand panel). In both cases, the recovery has been supported by government policy stimulus. The pick-up in demand has occurred at a time when supply remains constrained as exports from the world's second largest iron ore producer, Brazil, remain subdued following disruptions related to safety issues at tailings dams over recent years. The combined impact of these factors has supported an elevated iron ore price, albeit with a sharp correction in recent weeks (see following figure, right-hand panel).

Demand in China has also been supported by a loosening of monetary policy in response to the pandemic, which facilitated a rapid acceleration in credit growth and property construction. Credit growth has decelerated in recent months, which suggests that construction activity will moderate later in the year. Moreover, in recent months the Chinese Government has shifted policy emphasis away from stimulus and toward addressing the impact of inflation, particularly in commodity and house prices. This will likely see dwelling construction ease over the course of the year as authorities seek to cool activity.

Outside of China, steel demand has recovered to pre-pandemic levels as central banks have used a variety of monetary policy tools, such as lowering policy rates and purchasing government securities, to encourage lending and spending. This has increased commodity demand as households typically borrow money to purchase materials-intensive goods such as houses and cars.

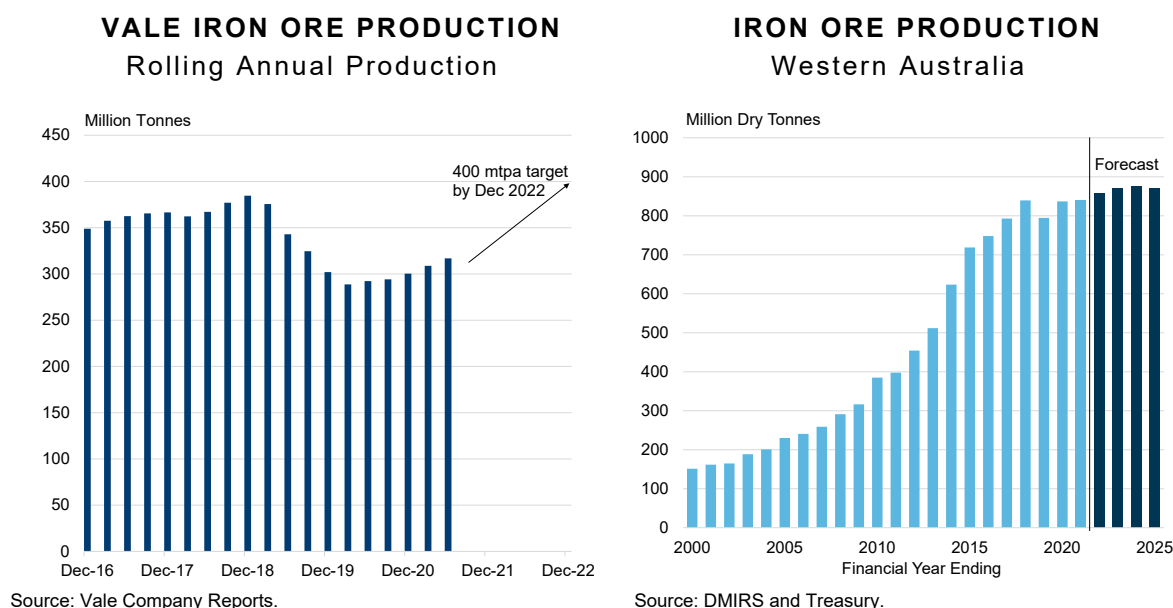
Figure 10



Iron ore supply has been constrained over recent years, primarily due to safety issues emerging at mines in Brazil following the catastrophic failure of the Brumadinho tailings dam in January 2019. Supply from Brazil’s largest producer, Vale, has partly recovered but remains around 18% (68 million tonnes) lower than it was prior to the dam collapse. The company has stated its intention to reach a production rate of 400 mtpa by the end of 2022, but this will require a significant increase in production (see following figure, left-hand panel).

Iron ore production in Western Australia is projected to increase from around 840 million tonnes in 2020-21 to 877 million tonnes in 2023-24. This is expected to be underpinned by production increases from small producers, which have entered the market in response to high prices, and incremental increases from some large producers as they bring new replacement mines online, allowing them to better utilise existing infrastructure. Volumes are then projected to decline modestly in 2024-25 to 870 million tonnes as some smaller mines are depleted and not replaced due to lower projected prices.

Figure 11



The iron ore price declined sharply in the weeks immediately preceding and following the 2021-22 Budget cut-off. At Budget cut-off, the benchmark price was US\$171.3 per tonne, 27% below the record price of US\$235.6 per tonne in mid-May. The price continued to decline after cut-off and reached a low of \$US131.8 per tonne on 19 August – 44% below its peak. The sharp decline since May reflects lower demand in China as authorities have sought to cool activity in the property sector to manage dwelling prices, and to limit steel production to manage pollution. Prices are expected to further decline as stimulus-induced demand eases and Brazilian supply continues to recover. However, the trajectory is highly uncertain, and ongoing volatility is expected.

Detail on iron ore price assumptions can be found in Chapter 4: *General Government Revenue*.

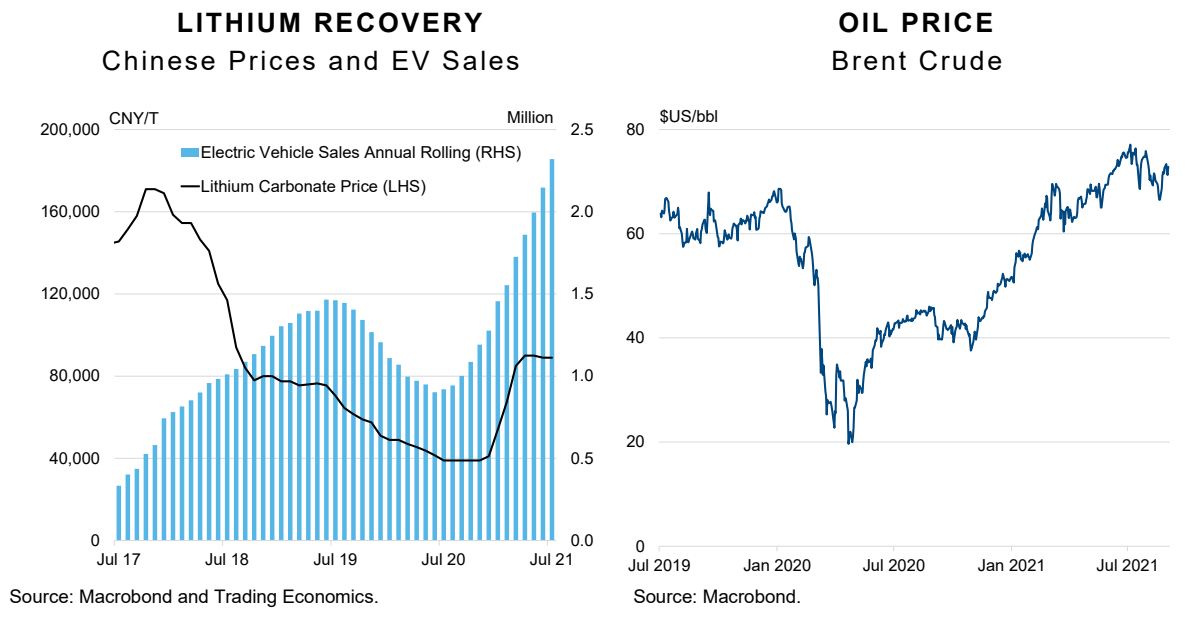
Other Commodities

Prices for raw materials used in transport, like lithium and oil, have recovered after being negatively impacted by a substantial decline in the movement of people during the early stages of the pandemic.

The global lithium market has moved from significant excess supply during 2019-20 to a shortage, reflecting a rapid pick-up in demand. Sales of new energy vehicles are rising and have become the major source of lithium demand. In 2020, electric vehicle sales in Europe overtook China as governments introduced large subsidies. However, sales in China ticked up from the last quarter of 2020 and have reached record levels (see following figure, left-hand panel). Lithium prices have risen strongly from lows reached in the second half of 2020.

Oil prices are important for Western Australia as they represent a major input cost for business and, through the linkage between LNG and oil prices, a major determinant of export income. Oil prices have trended up over 2021 and are now above levels prior to the pandemic (see figure below, right-hand panel).

Figure 12



Gold prices have fallen from record highs in August 2020 as global uncertainty has declined following the deployment of vaccines and reopening of economies, while prices for base metals (such as copper, nickel and zinc) have risen this year, with demand supported by construction activity in China.

Fiscal Outlook and Strategy

HIGHLIGHTS

- A stronger than expected recovery in the State's economy (and revenue base) has delivered a significantly stronger fiscal position than previously forecast.
 - A \$2.8 billion general government operating surplus is forecast for 2021-22, following a record operating surplus estimated at \$5.6 billion in 2020-21.
 - The Government has used this fiscal capacity to invest in the State's future, with significant new investments in this Budget to tackle climate change, boost social housing, grow new industries and create local jobs.
 - A massive \$1.9 billion has been invested in health and mental health services, including more staff, more beds and more services to ease pressure in Western Australia's health system.
 - An unprecedented \$9 billion has been committed to respond to COVID-19, including to resource frontline services, supporting households and businesses, and measures to stimulate the State's economy and create jobs. This includes an additional \$1 billion invested in this Budget.
- Operating surpluses are also forecast across the remainder of the forward estimates period, with these surpluses providing a substantial non-debt source of funding for the Government's record \$30.7 billion Asset Investment Program.
- Total public sector net debt is expected to fall for a third consecutive year to \$32.1 billion in 2021-22 and remain relatively stable at \$36 billion by 30 June 2025 – down \$4.2 billion relative to the Pre-election Financial Projections Statement forecast (for 30 June 2024).
- Despite the ongoing challenges posed by COVID-19, the Budget indicates that the Government remains on track to meet all of its financial targets in 2021-22 and beyond.

Fiscal Outlook

General Government Sector

Summary

The general government sector financial outlook is summarised in the following table.

Table 1

GENERAL GOVERNMENT						
Summary Financial Statements						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forw ard	Forw ard	Forw ard
	\$m	\$m	Estimate	Estimate	Estimate	Estimate
OPERATING STATEMENT						
Revenue	32,162	40,175	38,297	34,867	36,061	35,615
Growth (%)	5.9	24.9	-4.7	-9.0	3.4	-1.2
Expenses	30,493	34,550	35,506	32,877	33,189	34,039
Growth (%)	5.0	13.3	2.8	-7.4	1.0	2.6
Net Operating Balance	1,669	5,625	2,791	1,990	2,871	1,576
BALANCE SHEET						
Assets	147,847	155,705	161,515	163,675	167,309	169,829
Liabilities	45,409	45,167	46,022	45,383	44,944	44,800
Net Worth	102,438	110,537	115,493	118,292	122,365	125,029
STATEMENT OF CASHFLOWS						
Net Cash Flow s from Operating Activities	3,211	5,243	6,576	3,334	4,306	3,110
Asset Investment Program	2,553	2,688	3,503	3,678	3,389	2,541
Cash Surplus/Deficit	2,134	2,675	3,211	-273	993	649
<i>Memorandum Item: Net Debt at 30 June</i>	23,758	22,596	21,098	23,579	24,875	26,066

Very strong revenue growth has underpinned a record operating surplus for 2020-21, estimated at \$5.6 billion. In line with an expected easing in the iron ore price, an operating surplus of \$2.8 billion is forecast for 2021-22. Across the four years 2020-21 to 2023-24, general government operating surpluses have been revised up by a total of \$4.5 billion relative to the forecasts contained in the Pre-election Financial Projections Statement (PFPS).

This improved fiscal capacity has enabled the Government to allocate funds to a range of current and emerging issues (see feature box in Chapter 1). This follows the \$1.787 billion allocation in the 2020-21 Mid-year Review to a Special Purpose Account to fund the construction of a new Women and Babies Hospital.

Higher operating surpluses also provide an important non-debt source of funding for the State's record \$30.7 billion Asset Investment Program, of which \$13.1 billion will be delivered by the general government sector.

Operating Statement

The table below summarises changes to general government revenue and expenses since the PFPS.

Table 2

SUMMARY OF GENERAL GOVERNMENT REVENUE AND EXPENSE VARIATIONS SINCE THE 2020-21 PFPS

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	Total \$m
2020-21 PFPS - NET OPERATING BALANCE	3,124	2,231	1,483	1,911		
Revenue						
<i>Revenue Policy Decisions</i>						
Retention of 2021-22 dividends by public corporations	-	-2,373	-	-		-2,373
<i>Other Revenue Movements</i>						
<i>Taxation</i>	560	617	300	208		1,685
- Total duty on transfers	347	388	126	104		965
- Payroll tax	73	145	152	100		469
- Land tax/Metropolitan Region Improvement Tax	2	33	37	19		92
- Gambling taxes	50	16	14	12		92
- Motor vehicle taxes ^(a)	71	30	-13	-24		65
- Other taxes	16	6	-16	-4		2
<i>Commonwealth grants</i>	86	1,064	1,026	1,088		3,263
- GST grants	318	476	361	365		1,521
- Commonwealth-funded 70% GST floor grant	-	74	-	-		74
- North West Shelf/condensate compensation	70	273	337	313		993
- Transport grants	-93	-219	331	412		431
- HomeBuilder grants	-69	196	-	-		127
- Disaster Recovery Funding Arrangements WA	-71	123	-23	-11		18
- Health grants	-34	106	-1	-		71
- Other Commonwealth grants	-36	35	21	8		28
<i>Royalty income</i>	1,413	4,585	456	503		6,958
- Iron ore	1,436	4,501	355	396		6,689
- Copper	6	21	14	12		53
- Nickel	-10	18	23	27		57
- Gold	-15	6	21	29		41
- Lithium	-2	25	16	10		49
- Other royalties	-2	14	27	30		68
Revenue from public corporations	78	29	16	116		239
Sales of goods and services ^(a)	-24	19	110	122		228
Roads transferred from local governments	1,416	36	-	-		1,453
Mining tenement rental fees	15	11	11	11		47
All other	8	57	28	27		120
TOTAL REVENUE	3,553	4,045	1,947	2,075		11,620

(a) Includes the impact of the reclassification of motor vehicle inspection fees and 'other' driver and vehicle service fees from taxation to sales of goods and services.

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

Table 2 (cont.)

**SUMMARY OF GENERAL GOVERNMENT REVENUE AND EXPENSE
VARIATIONS SINCE THE 2020-21 PFPS**

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	Total \$m
Expenses						
Implementation of election commitments	68	354	413	339		1,174
Native Title settlements - recognition of future obligations	1,284	-116	-101	-102		966
COVID-19 response	152	553	52	15		772
General government recurrent expenditure provision	-	800	-	-		800
Building Bonus and HomeBuilder grants	-38	300	-	-		263
Social Housing Strategy Package	-	131	74	20		225
Digital Capability Fund	-	25	50	50		125
Climate Action Fund	-	4	53	60		117
Severe Tropical Cyclone Seroja response and recovery	7	45	49	16		117
<i>Other agency movements</i>						
WA Health and Mental Health Commission	43	273	191	153		659
Department of Communities	64	122	117	131		434
Justice	55	116	75	132		378
Transport	-40	42	78	66		145
Fire and Emergency Services	-43	122	10	4		93
Primary Industries and Regional Development	-40	80	22	15		77
Western Australia Police Force	11	25	13	8		57
Biodiversity, Conservation and Attractions	-7	31	15	13		52
Local Government, Sport and Cultural Industries	-51	75	8	6		38
Main Roads	-19	65	-31	9		23
<i>Operating Subsidies</i>						
Synergy	-36	144	82	72		263
DevelopmentWA	-62	96	77	31		141
Public Transport Authority	-113	-39	31	52		-68
Royalty rebates	8	50	-8	-		50
All other	-192	189	168	25		189
TOTAL EXPENSES	1,051	3,485	1,440	1,114		7,090
TOTAL VARIANCE	2,502	560	507	960		4,529
2021-22 BUDGET - NET OPERATING BALANCE	5,625	2,791	1,990	2,871		

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

2020-21 Estimated Actual

A record \$5.6 billion general government operating surplus is expected for 2020-21, up a substantial \$2.5 billion on the PFPS forecast. This primarily reflects the net impact of:

- higher iron ore royalty income (up \$1.4 billion), largely due to a stronger than expected iron ore price, which averaged \$US154.5 per tonne over 2020-21 compared to the \$US134.3 assumed in the PFPS;
- the transfer to the State of a number of local government roads (\$1.4 billion), including Marmion Avenue, Ocean Reef/Gnangara Road, Curtin Avenue and the Broome-Cape Leveque Road, due to their strategic importance to Western Australia's road network (the transfer of these road assets results in the recognition of equivalent non-cash income on the operating statement);
- higher taxation revenue (up \$560 million), mainly reflecting higher collections from total transfer duty¹ (up \$347 million), payroll tax (up \$73 million) and motor vehicle taxes (up \$71 million), on the back of a stronger domestic economy;

¹ The sum of transfer duty, foreign buyer duty and landholder duty.

- higher GST grants (up \$318 million), reflecting stronger than expected national consumption and a corresponding increase in the national GST pool;
- the up-front recognition in 2020-21 of the State's obligations (totalling nearly \$1.3 billion) under recently settled Native Title agreements (the accounting treatment of these settlements requires recognition of a non-cash expense on the operating statement); and
- additional COVID-19 response costs for WA Health (\$165 million).

Further information on these outcomes will be detailed in the *2020-21 Annual Report on State Finances*, to be released by 28 September 2021.

2021-22 and Beyond

Operating surpluses are forecast in 2021-22 (\$2.8 billion) and in each year of the forward estimates period.

Revenue

Following very strong growth in 2020-21, general government revenue is expected to decline to \$38.3 billion in 2021-22 (a 4.7% contraction). A further reduction is expected in 2022-23, largely reflecting the Budget assumption that the iron ore price transitions to its long-run average from 2022-23.

Nonetheless, the general government revenue estimates for the period 2021-22 to 2023-24 have been revised up relative to the PFPS, with key revisions including:

- higher royalty income (up \$5.5 billion), mainly reflecting an upward revision to iron ore prices in 2021-22 and a downward revision to the \$US/\$A exchange rate across the forward estimates;
- lower revenue from public corporations (down \$2.2 billion), due to the Government's decision for Government Trading Enterprises to retain 2021-22 dividend payments totalling \$2.4 billion and quarantine these amounts for future infrastructure investment;
- higher GST-related grants (up \$1.3 billion), mainly reflecting Commonwealth Budget forecasts of stronger national consumption and a corresponding increase in the national GST pool;
- higher taxation revenue (up \$1.1 billion), reflecting the flow through of current stronger property market conditions to total transfer duty (up \$618 million), higher payroll tax (up \$397 million) due to stronger employment and wages growth, and higher land taxes² (up \$90 million);
- an increase in other Commonwealth funding (up \$1.9 billion), including:
 - higher North West Shelf grants and condensate compensation (up \$923 million), due to higher oil and gas prices and an upward revision to production volumes;

² Includes land tax and the Metropolitan Region Improvement Tax.

2021-22 Economic and Fiscal Outlook

- higher transport grants (up \$524 million), largely reflecting announcements in the Commonwealth’s 2021-22 Budget on road funding;
- higher HomeBuilder grant funding (up \$196 million), reflecting increased demand for new home construction and the reflow of unspent assistance from 2020-21 to 2021-22;
- higher health-related funding (up \$105 million), primarily revenue to be received under the National Partnership on COVID-19 Response; and
- disaster recovery funding (up \$89 million), reflecting expected recoups on claims for essential public infrastructure following recent eligible disasters (such as the Woorloo and Hills bushfire and flooding in Carnarvon); and
- higher sales of goods and services (up \$251 million) across a range of agencies including Main Roads (up \$115 million), WA Health (up \$54 million), and the Department of Transport (up \$76 million).

Further detail on the revenue forecasts is provided in Chapter 4: *General Government Revenue*.

Expenses

Following estimated growth of 13.3% in general government expenses in 2020-21 (boosted by the accounting treatment of Native Title settlement obligations), recurrent spending is forecast to increase by 2.8% in 2021-22. A 7.4% contraction is then forecast in 2022-23, reflecting an unwinding of COVID-19-related spending and a return to more typical expenditure patterns.

Relative to the PFPS, the Budget allocates an additional \$3.5 billion in recurrent spending in 2021-22, with significant initiatives including:

- an additional \$553 million for COVID-19 response and preparedness initiatives (including a \$301 million increase in spending by WA Health);
- a \$300 million increase in the State-funded Building Bonus and Commonwealth-funded HomeBuilder grant schemes; and
- the establishment of a general government recurrent expenditure provision in 2021-22 (\$800 million) to ensure there is capacity to meet unforeseen spending requirements (particularly pandemic-related costs) that may emerge during the year.

Other material spending changes impacting 2021-22 to 2023-24 since the PFPS include:

- \$1.1 billion for implementation of the Government’s election commitments;
- in addition to election commitments and COVID-19 response and preparedness initiatives, a further \$616 million to meet increased demand for health and mental health services;

- a \$369 million increase in general government expenses by the Department of Communities, including additional expenditure associated with the State's participation in the National Disability Insurance Scheme, increased demand for child protection services, and services under the Commonwealth-funded National Housing and Homelessness Agreement;
- an increase in spending by Justice (\$323 million), including \$279 million to address unavoidable cost and demand pressures within the corrective services system;
- higher operating subsidy payments to Synergy (up \$298 million over the period 2021-22 to 2023-24) to primarily cover the losses associated with running generators to ensure the security and reliability of the electricity system; and
- an additional \$225 million of general government expenditure to deliver specific initiatives under the Social Housing Strategy Package (supported by the allocation of the higher operating surplus in 2020-21 to the Social Housing Investment Fund, discussed earlier).

Further details on changes to general government expenses since the PFPS are provided in Chapter 5: *General Government Expenses*.

Balance Sheet

General government sector net worth (i.e. the value of the sector's assets less its liabilities) is forecast to increase to \$125 billion by 30 June 2025, up \$14.5 billion from the estimated \$110.5 billion at 30 June 2021.

Assets are estimated to increase by \$14.1 billion between 30 June 2021 and 30 June 2025 (to a total of \$169.8 billion). This mainly reflects the net impact of:

- an increase in non-financial assets (up \$10.6 billion), largely property, plant and equipment (up \$8.5 billion) and land (up \$2.4 billion), mainly due to forecast infrastructure spending across the Budget period (partly offset by annual depreciation costs and forecast valuation movements);
- an \$8.8 billion increase in the net worth of public corporations³, reflecting increased holdings of physical assets by non-financial public corporations due to high levels of infrastructure investment, and operating surpluses in both the financial and non-financial public corporations sectors over the forward estimates period;
- a \$2.8 billion reduction in liquid financial assets, reflecting a reduction in cash set aside over the outyears to fund infrastructure investment; and

³ The net worth of public corporations is included as an asset holding for the general government sector. This represents the ownership interest of central government in the net value of public sector businesses outside the general government sector.

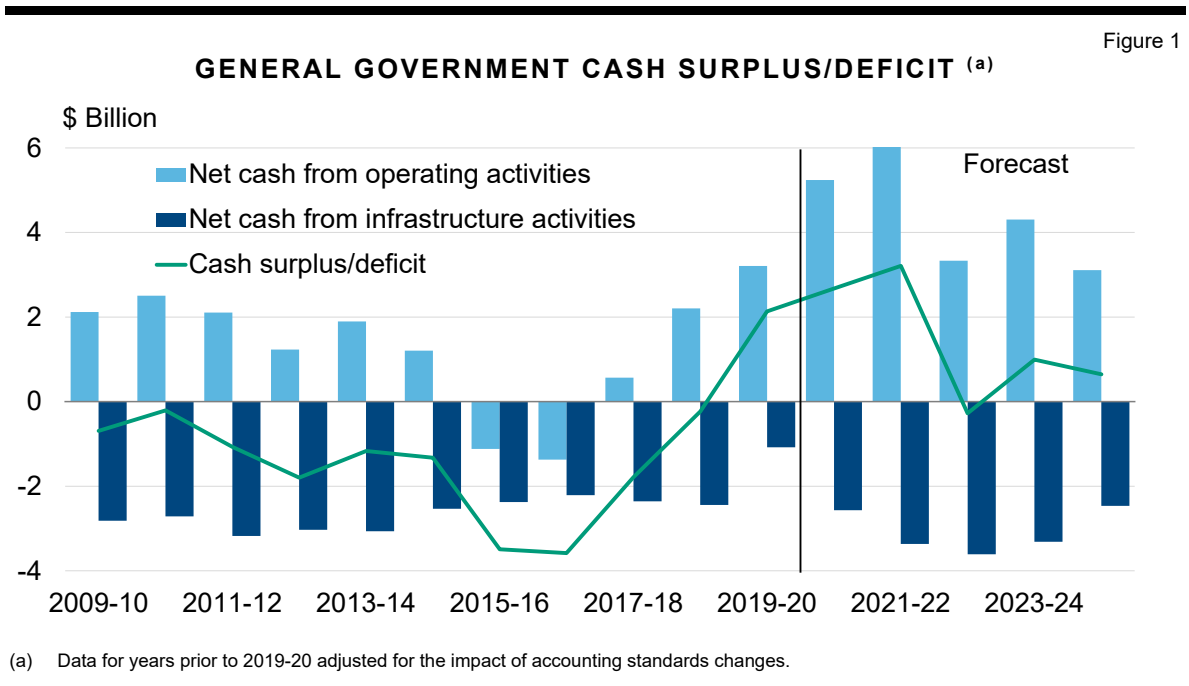
- lower forecast levels of receivables (down \$2.5 billion), largely due to a return to more usual levels of royalty income receivables as the impact of current high iron ore prices eases⁴.

General government liabilities are forecast to be \$44.8 billion at 30 June 2025, down \$367 million on the estimated outturn for 30 June 2021. This mainly reflects lower borrowings, in turn reflecting a \$587 million repayment of Consolidated Account debt in 2021-22.

Cashflow Statement

Stronger cash surpluses are expected in both 2020-21 and 2021-22, reflecting the impact on cash of the changes in the operating outlook discussed earlier in this chapter, and lower than forecast infrastructure spending in 2020-21 (with associated project costs now expected in 2021-22 and beyond, discussed later).

An aggregate \$1.4 billion cash surplus is forecast across the three outyears as operating cash flows moderate from higher levels in 2020-21 and 2021-22, mainly reflecting the assumed return of iron ore prices to the long-run average from 2022-23.



⁴ Reflecting the payment terms of royalty income, there is a difference in timing between the recognition of royalty revenue and the associated cash receipt. This difference is reflected in 'receivables' on the general government sector balance sheet. With current high iron ore prices, receivables at 30 June 2021 are at higher than usual levels.

Total Public Sector⁵

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

Table 3

TOTAL PUBLIC SECTOR						
Summary Financial Statements						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forward	Forward	Forward
	\$m	\$m	\$m	Estimate	Estimate	Estimate
OPERATING STATEMENT						
Revenue	65,706	74,949	72,617	69,003	71,071	71,485
Expenses	63,659	69,048	69,255	67,200	68,507	70,334
Net Operating Balance	2,047	5,901	3,361	1,804	2,564	1,151
BALANCE SHEET AT 30 JUNE						
Assets	200,161	206,344	213,502	216,440	220,639	223,951
Liabilities	97,723	95,806	98,009	98,147	98,274	98,922
Net Worth	102,438	110,537	115,493	118,292	122,365	125,029
STATEMENT OF CASHFLOWS						
Net Cash Flow s from Operating Activities	5,670	8,036	9,329	5,671	6,546	5,284
Asset Investment Program	5,188	5,993	8,021	8,424	7,867	6,402
Cash Surplus/Deficit	2,217	2,634	1,756	-2,168	-601	-456
<i>Total Public Sector</i>						
Net Debt at 30 June	35,449	33,541	32,062	34,432	35,251	35,995

Note: Columns may not add due to rounding.

Operating Statement

Largely reflecting the strong operating outlook for the general government sector discussed earlier, an operating surplus of \$3.4 billion for the total public sector is forecast in 2021-22.

Both the public non-financial corporations and public financial corporations sectors are expected to be in an operating surplus position in each year of the forward estimates period.

⁵ The total public sector (also known as the whole-of-government) consolidates the general government sector (discussed above), the public non-financial corporations sector (which includes entities operating on a predominantly cost-recovery basis like the State's ports and the electricity and water utilities), and the public financial corporations sector (which includes agencies mainly engaged in financial activities, such as the Western Australian Treasury Corporation, the Insurance Commission of Western Australia, and Keystart).

Table 4

TOTAL PUBLIC SECTOR OPERATING BALANCE
By Sector

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forw ard	Forw ard	Forw ard
	\$m	\$m	Estimate	Estimate	Estimate	Estimate
Net Operating Balance						
General government sector	1,669	5,625	2,791	1,990	2,871	1,576
Public non-financial corporations sector	621	924	1,146	1,202	1,147	1,038
Public financial corporations sector	208	849	130	149	156	157
<i>less</i>						
General government dividend revenue	392	1,360	587	1,415	1,495	1,502
Public non-financial corporations dividend revenue ^(a)	63	140	121	125	118	120
Agency depreciation costs on right of use assets leased from other government sectors ^(b)	-3	-2	-2	-2	-2	-2
Total public sector net operating balance	2,047	5,901	3,361	1,804	2,564	1,151

(a) Dividends received from Keystart (a PFC) by the Housing Authority (a PNFC).

(b) Depreciation costs incurred by agencies for right-of-use assets leased from other agencies within the same sub-sector of government are eliminated directly on consolidation. Equivalent costs between internal sectors of government contribute to expenses (and the operating balance) in the sector in which the lessee is classified, but is not matched by a 'depreciation revenue' by the sector in which the lessor is classified. This gives rise to an adjustment against equity for this unmatched internal cost when consolidating the total public sector.

Note: Columns may not add due to rounding.

Public Non-Financial Corporations (PNFC)

An operating surplus of \$1.1 billion is forecast in 2021-22 for the PNFC sector, with similar operating surpluses also expected in the outyears. Over the four year period to 2023-24, there has been a \$419 million increase in the PNFC operating surplus projections since the PFPS, which primarily reflects:

- higher operating subsidies paid to DevelopmentWA, including:
 - for the delivery of the Government's election commitment to establish the Industrial Land Development Fund to support projects of strategic importance; and
 - for transaction costs incurred through the Land Agency Reform process as part of existing arrangements for the transfer of Metropolitan Redevelopment Authority assets to DevelopmentWA;
- lower revenue and expenses for the Department of Communities (Housing Services), primarily due to:
 - revised housing market forecasts impacting both revenue and expenses;
 - revenue from the Social Housing Investment Fund and the repurposing of sales stock to social housing as part of the Government's Social Housing Strategy Package;
 - higher appropriation revenue for social housing operations;
 - higher dividend revenue from Keystart (a public financial corporation), reflecting the expansion of Keystart's loan book and the impact of the low interest rate environment; and

- lower forecast interest revenue and expenses driven by lower interest rates on borrowings (mainly for Keystart borrowings through the Housing Authority); and
- higher revenue for the Pilbara Ports Authority, primarily due to increases in port fees at the Port of Port Hedland.

Other PNFC revenue and expense changes since the PFPS have a broadly neutral impact on the sector’s operating balance.

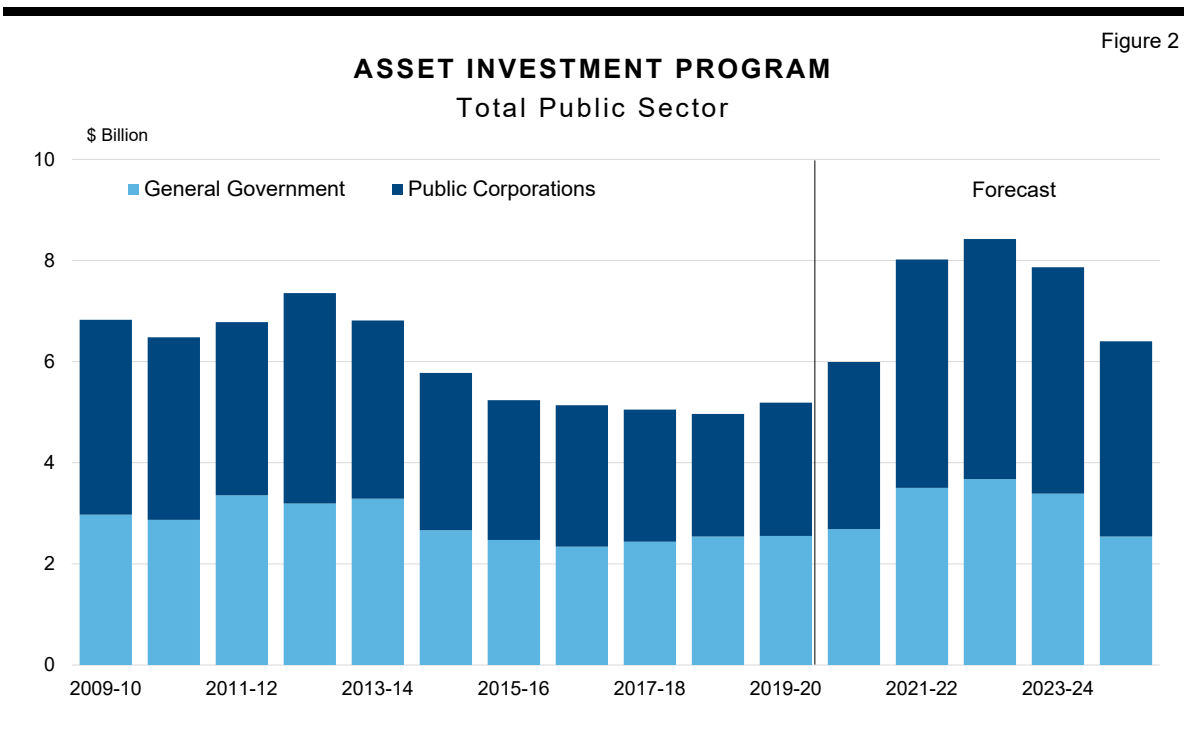
Public Financial Corporations (PFC)

The operating outlook for the PFC sector has strengthened since the PFPS (up \$339 million over the forward estimates period). An operating surplus of \$130 million is forecast in 2021-22, with broadly similar surpluses also expected in each of the outyears.

Relative to the PFPS, the operating outlook of the Insurance Commission of Western Australia has strengthened, reflecting higher projected investment returns and lower projected claims expenses. Movements in revenue and expenses of other PFCs are largely neutral in net terms.

Capital Investment

This Budget includes a record \$30.7 billion investment in infrastructure over the forward estimates period. The general government sector accounts for \$13.1 billion of this, with the majority of this spending on road projects (\$6.3 billion), education (\$1.7 billion) and health (\$1.2 billion). The public non-financial corporations sector is projected to spend \$17.7 billion, with the largest contributions from the Public Transport Authority (\$6.4 billion), Western Power (\$3.5 billion) and the Water Corporation (\$2.7 billion).



2021-22 Economic and Fiscal Outlook

Relative to the PFPS, infrastructure investment has been revised up by \$1.4 billion over the period 2020-21 to 2023-24. Key movements include:

- an additional \$238 million for the Department of Education, primarily reflecting school upgrades and additions as part of the Government's 2021 election commitments (\$272 million) and a program of critical maintenance works (\$26 million), partly offset by project savings and revisions in the timing of payments for various projects (\$62 million);
- a net increase of \$218 million for the Public Transport Authority, mainly due to:
 - additional investment to improve the State's agricultural supply chain; and
 - additional investment in the High Capacity Signalling program to improve safety and allow trains to operate more efficiently;
- a \$168 million increase for WA Health, including \$25 million to establish Mental Health Emergency Centres and Behavioural Assessment Urgent Care Centres at Armadale Health Service and Rockingham General Hospital, and \$24 million to establish a 12-bed Secure Extended Care Unit at the Bentley Health Service;
- an additional \$126 million for roads, largely reflecting the impact of funding announced in the Commonwealth's 2021-22 Budget;
- a \$94 million increase by the Department of Local Government, Sport and Cultural Industries, mainly for the Government's election commitment for a new film studio and screen production facility at Victoria Quay in Fremantle; and
- an additional \$91 million for the Department of Biodiversity, Conservation and Attractions, including:
 - \$58 million to upgrade visitor infrastructure and facilities across the State's parks and reserves;
 - a \$15 million investment into the Perth Zoo Masterplan; and
 - additional expenditure by Rottnest Island Authority (\$12 million) on priority utility maintenance projects and the prevention of erosion at the South Thomson Bay Seawall.

The Budget also includes new provisions for infrastructure spending supported by the higher than expected general government operating surplus (see feature box in Chapter 1). This includes the establishment of a Digital Capability Fund (to advance digital transformation and address legacy ICT systems across the public sector), a Social Housing Investment Fund (for future dwelling construction projects), and for initial investment of \$400 million in support of the Westport project.

Further detail on infrastructure investment is available in Chapter 6: *Asset Investment*.

Balance Sheet

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

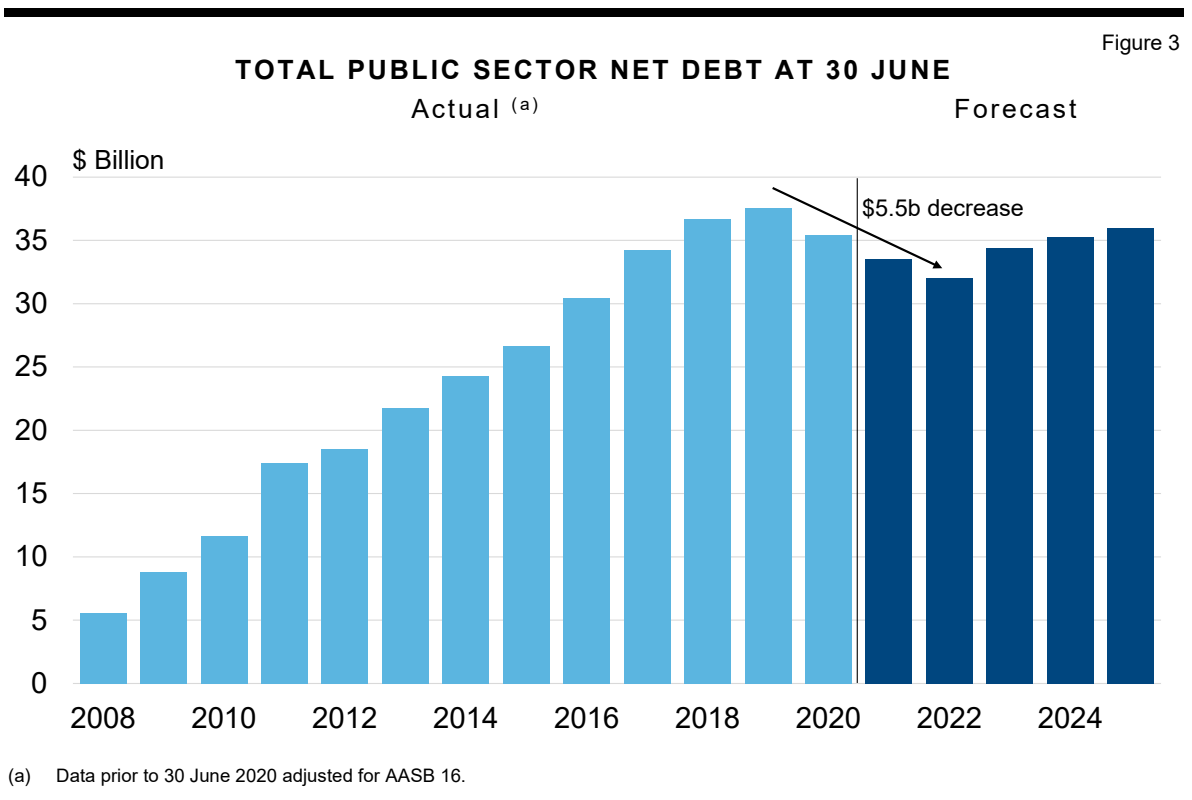
Total public sector net debt is discussed in more detail below.

Cashflow Statement

Reflecting the stronger operating outlook and changes to infrastructure spending discussed earlier, cash surpluses of \$2.6 billion and \$1.8 billion for the total public sector are forecast for 2020-21 and 2021-22 respectively, which compare with cash deficit forecasts at the time of the PFPS. Cash deficits are forecast from 2022-23, with these outyear projections reflecting the impact of lower general government operating surpluses (mainly due to the assumption of easing iron ore prices) and a record Asset Investment Program.

Net Debt

The outlook for total public sector net debt has improved considerably since the PFPS. For the third year in a row, net debt is forecast to decline (by \$1.5 billion) in 2021-22, to be \$32.1 billion at 30 June 2022. This is \$5.5 billion lower than the peak of \$37.5 billion recorded at 30 June 2019 (see figure below) and is more than \$11 billion lower than projected for 30 June 2020 in the 2016-17 PFPS.

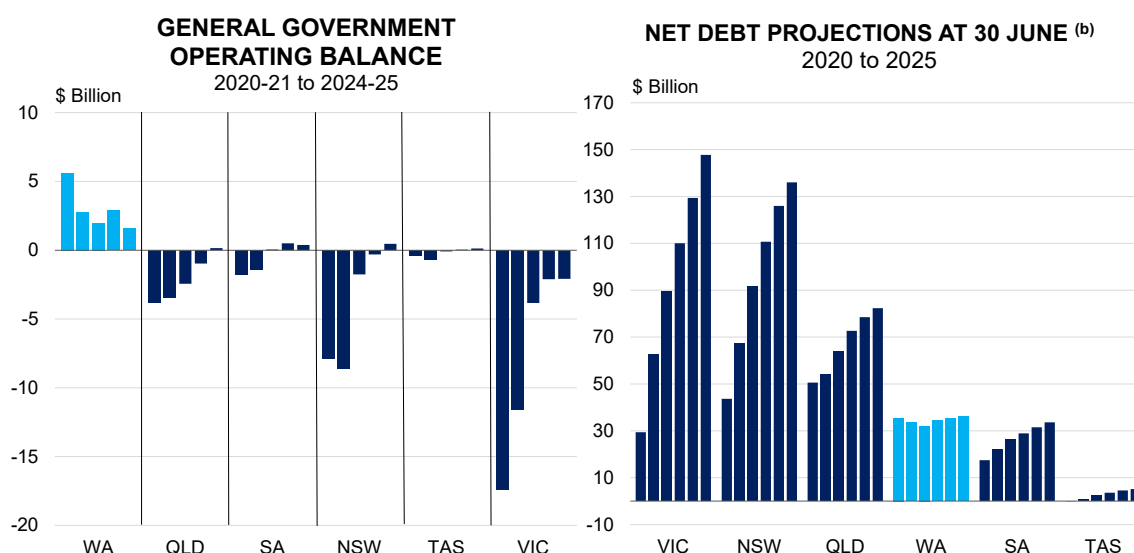


Across the outyears, net debt is forecast to rise modestly to \$36 billion at 30 June 2025. This is in support of the record infrastructure program outlined earlier. Despite this rise, net debt as a share of Gross State Product is forecast to remain low, rising from an estimated 9.1% in 2020-21 to 11.4% in 2024-25. This compares to a recent peak of 13.5% in 2017-18, and the projected 40.9% for Commonwealth general government net debt as a share of Gross Domestic Product in 2024-25.

Growth in Western Australia’s public sector net debt levels remains much flatter than the other States. This reflects the impact of sustained operating surplus forecasts in Western Australia compared with other States (see figure below).

Figure 4

INTERJURISDICTIONAL COMPARISON
General Government Operating Balance and Total Public Sector Net Debt ^(a)



(a) Source: 2021-22 State Budgets.
 (b) Where available, net debt projections reflect the total public sector. However, New South Wales, Queensland and South Australia only publish total non-financial public sector estimates (i.e. forecasts for these jurisdictions exclude the impact of public financial corporations).

As noted previously, the Government will repay \$587 million of Consolidated Account borrowings in 2021-22, sourced from the dividend payments by the Insurance Commission of Western Australia and the Western Australian Treasury Corporation.

The following table summarises changes to projected net debt levels since the PFPS.

Table 5

NET DEBT OF THE TOTAL PUBLIC SECTOR AT 30 JUNE					
	2021	2022	2023	2024	2025
	\$m	\$m	\$m	\$m	\$m
2020-21 PFPS - Total Public Sector Net Debt	36,648	39,225	40,354	40,220	
<i>Less change in net cash flows from operating activities and dividends paid</i>					
- general government	805.0	1,769.7	395.8	817.7	
- public non-financial corporations	263.4	2,112.1	337.2	170.8	
- public financial corporations	703.3	-206.2	-57.4	-54.0	
<i>Total public sector</i>	<i>1,771.6</i>	<i>3,675.6</i>	<i>675.6</i>	<i>934.5</i>	
<i>Plus purchases of non-financial assets</i> ^(a)					
Reverse underspend and carryover provisions	555.0	9.0	-400.0	-800.0	
Public Transport Authority	-466.2	-329.3	332.7	521.2	
METRONET Projects Under Development	-8.7	-150.9	30.3	288.7	
Commissioner of Main Roads	-273.9	-227.8	226.0	401.3	
Education	-80.5	-8.7	109.4	218.0	
WA Health	-177.2	87.2	251.8	5.8	
Local Government, Sport and Cultural Industries	-16.3	5.8	23.7	81.3	
Biodiversity, Conservation and Attractions	-37.4	40.3	41.8	48.8	
Synergy	26.6	-11.4	66.9	3.4	
Western Australia Police Force	-42.6	5.0	43.2	63.2	
Forest Products Commission	-0.6	7.9	31.3	27.8	
Mental Health Commission	-2.5	5.5	18.3	17.3	
Western Power	-150.1	-1.3	128.6	50.0	
Communities	-220.2	-68.2	190.5	90.3	
Pilbara Ports Authority	-119.4	-2.3	107.9	3.8	
DevelopmentWA	-182.0	-10.5	63.1	79.9	
Provision for Social Housing Investment Fund	0.0	0.0	22.5	250.0	
Provision for Digital Capability Fund	0.0	25.0	50.0	100.0	
Provision for Westport	0.0	0.0	150.0	150.0	
All other ^(b)	-407.4	159.2	203.1	189.0	
<i>Total purchase of non-financial assets</i>	<i>-1,603.3</i>	<i>-465.4</i>	<i>1,691.1</i>	<i>1,789.8</i>	
<i>Less proceeds from sale of non-financial assets</i>	<i>76.2</i>	<i>-244.9</i>	<i>-169.1</i>	<i>-2.3</i>	
<i>Plus all other financing</i> ^(c)	<i>344.4</i>	<i>-160.6</i>	<i>57.7</i>	<i>95.4</i>	
<i>Cumulative impact on net debt at 30 June</i>	<i>-3,106.8</i>	<i>-7,163.5</i>	<i>-5,921.3</i>	<i>-4,968.4</i>	
2021-22 Budget - Total Public Sector Net Debt	33,541	32,062	34,432	35,251	35,995

(a) Material changes to infrastructure spending are outlined in Chapter 6.

(b) Includes timing changes and other movements in agency infrastructure programs.

(c) Includes changes in lease liabilities and other movements in net debt attributable to issues such as revaluations of investment assets and debt liabilities, net acquisitions of financial assets for liquidity purposes, etc. These transactions have no associated operating or infrastructure cash flows reflected in other items in this table. Lease movements are matched by changes in (non-debt) related right-of-use assets and have no associated operating or infrastructure cash flows reflected in other items in this table.

Note: Columns may not add due to rounding.

Government Financial Strategy Statement

The Government's financial targets maintain a strong focus on responsible and sustainable financial management, while acknowledging the ongoing need to respond to the impacts of COVID-19 and address other emerging priorities.

Financial Targets

The Government's financial targets are to:

- maintain a net operating surplus for the general government sector on average over the forward estimates period;
- maintain disciplined general government expense management by:
 - delivering public sector wages outcomes in line with Government wages policy; and
 - ensuring key service delivery agency recurrent spending outcomes are in line with budgeted expense limits in Resource Agreements; and
- maintain or increase the net worth (i.e. net assets) of the total public sector.

An explanation of each target appears in the section below. The Government is on track to meet all financial targets across the entire forward estimates period (2021-22 to 2024-25).

2021-22 BUDGET FINANCIAL TARGET COMPLIANCE						Table 6
	2020-21 Estimated Actual	2021-22 Budget Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	
Maintain a net operating surplus for the general government sector on average over the forward estimates period						
- General government net operating balance (\$m)	5,625	2,791	1,990	2,871	1,576	
- 2021-22 Budget compliance	Yes	Yes	Yes	Yes	Yes	
Maintain disciplined general government expense management through:						
- delivering public sector wages outcomes in line with Government wages policy						
- 2021-22 Budget compliance	Yes	Yes	Yes	Yes	Yes	
- ensuring key service delivery agency recurrent spending outcomes are in line with budgeted expense limits in Resource Agreements						
- 2021-22 Budget compliance	No	Yes	Yes	Yes	Yes	
Maintain or increase net worth of the total public sector						
- Total public sector net worth (\$b)	110.5	115.5	118.3	122.4	125.0	
- 2021-22 Budget compliance	Yes	Yes	Yes	Yes	Yes	

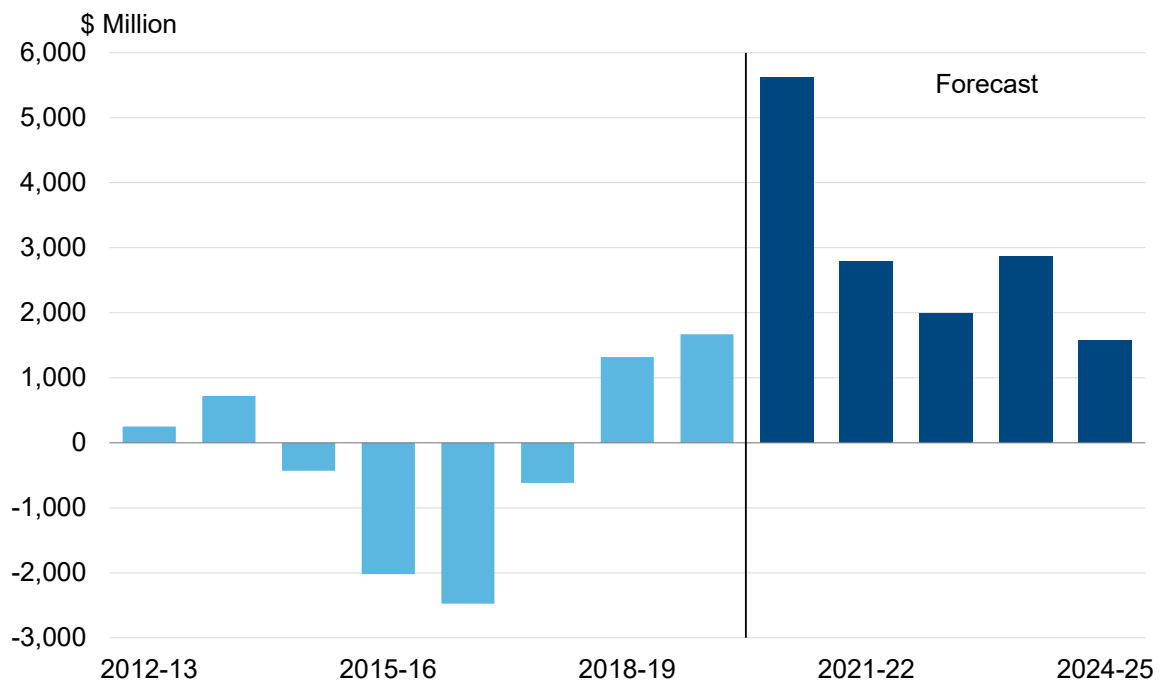
Maintain a net operating surplus for the general government sector on average over the forward estimates period

The net operating balance for the general government sector is the State’s headline Budget measure, with an operating surplus indicating that the delivery of day-to-day services can be financed from revenue generated in that financial year. Operating surpluses also provide an important non-debt source of funding for the Asset Investment Program.

This target is expected to be achieved across the forward estimates period, with operating surpluses expected each year to 2024-25. This is in stark contrast to the four consecutive operating deficits recorded over 2014-15 to 2017-18, and reflects the Government’s determination to place the State’s finances on a sustainable footing, as well as the strength of Western Australia’s economic recovery from COVID-19.

Figure 5

NET OPERATING BALANCE ^(a) General Government Sector



(a) For comparability, prior years up to and including 2018-19 have been adjusted for accounting standards changes which took effect from 2019-20.

Maintain Disciplined General Government Expense Management

The Government's expense management target is measured by two criteria. The wages outcome component of the target was met in 2020-21 and is expected to be met again in 2021-22. The recurrent spending component of the target was not met in 2020-21, reflecting unbudgeted spending increases for WA Health and other agencies, including to meet the ongoing demands of the COVID-19 pandemic. However, all agencies are expected to comply with their Resource Agreement targets for 2021-22.

Delivering public sector wages outcomes in line with Government wages policy

Consistent with the outlook at the time of the PFPS, wage outcomes are forecast to be in line with the Government's wages policy in 2021-22 and each year of the forward estimates period. At the 9 August 2021 cut-off date for this Budget, a number of expired agreements were under negotiation.

EXPIRING KEY INDUSTRIAL AGREEMENTS ^(a)			
Agreement	Employees	Expiry Date	Status
2019-20			
WA Health System Medical Practitioners	5,225	30-Sep-19	Under Negotiation
2020-21			
AWU Miscellaneous Public Sector Employees	500	26-Apr-21	Under Negotiation
Public Servants and Government Officers	29,918	12-Jun-21	Agreed in-principle
School Support Officers	4,682	12-Jun-21	Agreed in-principle
Disability Services Social Trainers	464	12-Jun-21	Agreed in-principle
Insurance Commission (Government Officers)	405	12-Jun-21	Agreed in-principle
WA Police	6,641	30-Jun-21	Under Negotiation
2021-22			
PTA Transit Officers	348	6-Oct-21	Under Negotiation
School Teachers and Administrators	29,529	5-Dec-21	Under Negotiation
TAFE Lecturers	2,377	15-Dec-21	Under Negotiation
VenuesWest	518	31-Dec-21	Under Negotiation
Main Roads Enterprise Agreement	922	31-Jan-22	Upcoming Agreement
Prison Officers	2,937	10-Jun-22	Upcoming Agreement
WA Health PACTS (Health Salaried Officers)	18,748	30-Jun-22	Upcoming Agreement

(a) Table does not include agreements that cover less than 300 employees.

Ensuring key service delivery agency recurrent spending outcomes are in line with budgeted expense limits in Resource Agreements

This target is met when key service delivery agencies' recurrent spending outcomes are within 2% of the approved expense limits contained in their Resource Agreements set at the time of the Budget.

Above-budget outcomes in excess of 2% were recorded for WA Health, Western Australia Police Force and the Departments of Justice; Jobs, Tourism, Science and Innovation; and Mines, Industry Regulation and Safety in 2020-21, which means the target was not met in that year. Additional detail on the factors driving these outcomes will be available in the 2020-21 *Annual Report on State Finances*, to be released by 28 September 2021.

The 2021-22 expense limits for the 15 largest appropriation-funded agencies (applicable for this target) are shown in the following table, with progress against these targets to be reported in the 2021-22 Mid-year Review.

2021-22 AGENCY RESOURCE AGREEMENTS		Table 8
	2021-22 Budget Resource Agreement	
	\$m	
WA Health	10,367	
Education	5,629	
Communities	3,228	
Public Transport Authority of Western Australia	1,908	
Justice ^(a)	1,742	
Western Australia Police Force	1,686	
Finance	1,549	
Commissioner of Main Roads	1,377	
Mental Health Commission	1,114	
Training and Workforce Development	730	
Primary Industries and Regional Development	592	
Transport	563	
Local Government, Sport and Cultural Industries	499	
Fire and Emergency Services	496	
Biodiversity, Conservation and Attractions	472	

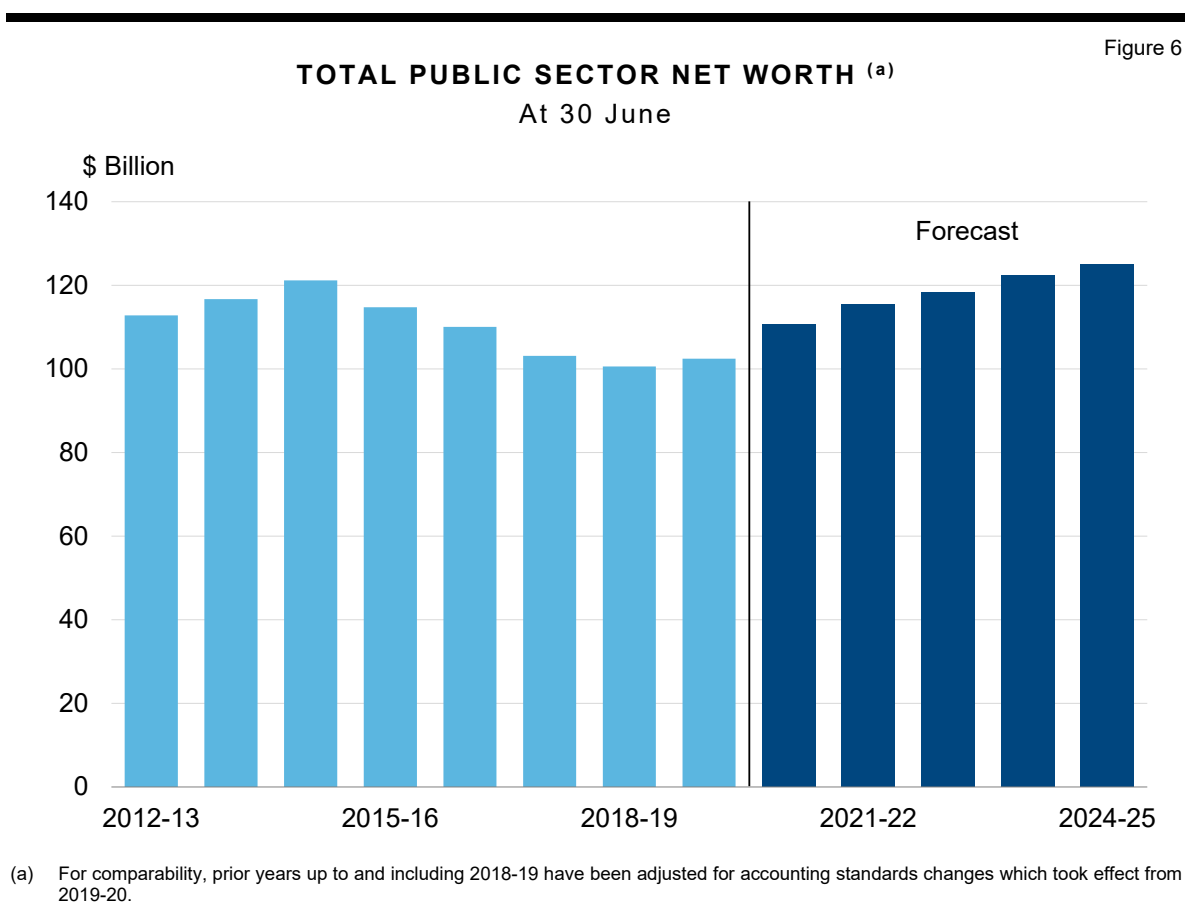
(a) Includes spending by the State Solicitor's Office to 30 September 2021 when the Office will become an independent sub-department of the Department of Justice.

Maintain or Increase Net Worth of the Total Public Sector

This target is forecast to be met in each year of the forecast period.

Net worth is the broadest balance sheet measure available. It represents the combined net value of the total public sector, expressed as the value of total assets less total liabilities.

Net worth is forecast to increase by \$14.5 billion over the period to 30 June 2025, rising from \$110.5 billion at 30 June 2021 to an estimated \$125 billion. The projected increase in net worth reflects the impact of operating surplus outcomes for the total public sector and the forecast value of fixed assets (particularly land assets and property, plant and equipment), with a record \$30.7 billion Asset Investment Program reflected in this Budget.



Statement of Risks

The inherent uncertainties associated with producing forecasts for an approximately \$300 billion economy and a general government sector recurrent spending budget in excess of \$35 billion mean that there will always be differences between the forecasts of key aggregates and the final audited results. This Statement of Risks provides an overview of the known issues that have the potential to materially affect the financial projections contained in this Budget.

Revenue Estimates

The revenue estimates are highly sensitive to changes in key economic parameters, including the \$US/\$A exchange rate, commodity prices (especially iron ore), employment and wage growth, and house prices and transaction volumes. Approximate annual impacts of changes in these variables are outlined in the following table.

Table 9

APPROXIMATE PARAMETER SENSITIVITY OF REVENUE ESTIMATES
2021-22

	Variability (\$m)	Detail
Royalty income and North West Shelf grants	±147	For each US1 cent decrease/increase in the \$US/\$A exchange rate (royalty income is inversely related to the \$US/\$A exchange rate).
Iron ore royalties	±82	For each \$US1 per tonne increase/decrease in the price of iron ore.
Petroleum royalties and North West Shelf grants	±9	For each \$US1 increase/decrease in the price of a barrel of oil.
Payroll tax	±41	For each 1% increase/decrease in taxable wages or employment growth (i.e. the total wages bill).
Underlying transfer duty		
• Prices	±12	For each 1% increase/decrease in average property prices.
• Transactions	±9	For each 1% increase/decrease in transaction levels.

State Taxes (\$10.0 billion in 2021-22)

Payroll Tax

The mining industry is the largest contributor to payroll tax of all industries. Any material changes in activity and employment in this sector (up or down) would substantially impact payroll tax collections. In addition, the possibility of a large scale COVID-19 outbreak presents a significant downside risk to employment projections and, consequently, the collection of payroll tax.

Total Duty on Transfers⁶

Residential property transactions are the largest contributor to total transfer duty. Both residential property transactions and prices are susceptible to fluctuations in market sentiment and are therefore inherently volatile and difficult to forecast. The possibility of a large scale COVID-19 outbreak, an unexpected lift in the cash rate, and a tightening in lending standards (through macro prudential regulation) all present downside risk to the property market and, in turn, transfer duty.

Conversely, if the current strength in the residential property market were to be sustained for longer than anticipated, this could lead to stronger than projected transactions and median house prices and, in turn, higher than forecast transfer duty revenue.

A change in the number or size of high value commercial transactions (such as transfers of mining tenements or commercial property), which are inherently difficult to forecast, also presents risks (both upside and downside) to the transfer duty outlook.

Commonwealth Grants (\$13.0 billion in 2021-22)

The estimates of Commonwealth grants in this Budget incorporate information from the Commonwealth Budget and later information where available, but may sometimes reflect different assumptions from those of the Commonwealth.

GST Grants and Commonwealth-funded 70% Floor Grants

Western Australia's GST-related grants (i.e. the sum of its GST grant and Commonwealth-funded 70% floor grant) depend on national GST collections, the State's population share and the Commonwealth Grants Commission's (CGC's) annual GST distribution recommendations, which are based on States' relative costs of providing services and capacity to raise their own revenue.

From 2019-20 to 2021-22, Western Australia's grant is increased to 70% of its population share of the national GST pool through the Commonwealth-funded 70% floor grants. From 2022-23 onwards, a 70% floor (rising to 75% from 2024-25) is achieved as part of the CGC's recommendations.

Despite the GST floor, there is substantial scope for the State's GST-related grants to vary in response to variations in the national GST pool and the State's population share. This Budget uses projections of the national GST pool and each State's population growth estimates from the 2021-22 Commonwealth Budget (adjusted for 2020-21 estimated actual collections). These are generally subject to uncertainty, but more so as a result of the impact of COVID-19. National GST collections have so far rebounded more strongly than expected. However, this may be adversely affected by current and any future extended State lockdowns, such as that in New South Wales.

⁶ The sum of transfer duty, foreign buyer duty and landholder duty.

Expiring Commonwealth Tied Grants

The Budget includes funding for more than 40 tied grant agreements with the Commonwealth Government over the period 2021-22 to 2024-25. These take the form of National Agreements (e.g. National Health Reform Agreement), schedules to the five Federation Funding Agreements, and some bespoke arrangements. They provide funding for core services, delivery of specific projects, improvements in service delivery and reform. There are 22 agreements, including two National Agreements, currently under development.

While a number of (particularly larger) tied grant agreements have ongoing Commonwealth commitment, many smaller agreements operate for a limited period (which may be as short as one year) without assurance of renewal. In the absence of ongoing Commonwealth commitment, it is generally assumed that there is no continued funding past an agreement's expiry date, and that the additional or enhanced services generated by the agreement will cease⁷.

Further details are provided in Appendix 12: *Commonwealth Tied Grants*.

Significant Agreements Under Negotiation

National Skills and Workforce Development

This Budget assumes that the ongoing and unconditional funding provided for skills and workforce development under the 2008 Intergovernmental Agreement on Federal Financial Relations will continue over the forward estimates period.

In 2020-21, all jurisdictions signed a Heads of Agreement for Skills Reform, which sets out broad principles for a new National Skills Agreement. Negotiations on the new agreement are ongoing.

National Mental Health and Suicide Prevention Agreement

All jurisdictions have signed a Heads of Agreement for a new National Mental Health and Suicide Prevention Agreement, aiming for finalisation by November 2021. This is yet to be reflected in the Budget as the detailed scope and funding implications for the State are still to be determined as part of ongoing negotiations with the Commonwealth.

Preschool Reform Agreement

A longer-term Preschool Reform Agreement was announced in the Commonwealth's 2021-22 Budget to replace the annual extensions of the Universal Access to Early Childhood Education Agreement. This is not reflected in the Budget as negotiations are ongoing.

⁷ Due to ongoing need for cooperative arrangements, funding is assumed to continue for the Essential Vaccines agreement and the Memorandum of Understanding for the Provision of Fire Services.

Royalty Income (\$10.1 billion in 2021-22)

Movements in the \$US/\$A exchange rate and the iron ore price represent by far the largest risks (both upside and downside) to general government revenue.

The majority of Western Australia's commodities are sold through international markets and are priced in US dollars. Following the outbreak of COVID-19, the Australian dollar fell from around US69 cents to US56 cents by mid-March 2020, its lowest level since the early 2000s. The exchange rate has since recovered, reaching a three year high of US80 cents in February 2021, but at Budget cut-off stood at US74 cents.

The iron ore market is highly concentrated, with China accounting for around three quarters of global imports. Australia accounts for around 58% of global seaborne exports and Brazil usually accounts for a further 25%, although this has been slightly lower following Vale's Brumadinho tailings dam disaster.

This market concentration contributes to a highly volatile price as demand is highly dependent on economic conditions and policies in China, and supply is significantly influenced by any disruptions in Brazil or Australia. These can be difficult to anticipate and contribute to forecasting uncertainties.

The stimulatory policies in China in response to the pandemic have particularly influenced the iron ore price. In mid-May 2021 the iron ore price reached a record \$US235.6 per tonne, around \$US140 to \$US150 per tonne above prices prior to the outbreak of the pandemic.

The following figure shows how the iron ore price has fluctuated significantly in recent years, including varying above and below its long-run average of \$US66 per tonne. To illustrate the extreme volatility, between 20 July 2021 and 19 August 2021, the iron ore price fell 40% or \$US89 per tonne, to be \$US104 per tonne lower than the peak in mid-May.

Figure 7



Source: Argus Media.

Spending Risks

Interest Rates

The Consolidated Account interest cost forecasts incorporated in this Budget are based on projections for Consolidated Account borrowings and the Western Australian Treasury Corporation’s (WATC’s) expected outlook for interest rates.

These interest rate expectations are anchored by an average of WATC’s, and each of the ‘Big 4’ Australian bank’s, expectations for the future path of the Reserve Bank of Australia’s cash rate and Australian Government Bond 3 year and 10 year fixed rates. WATC also produces a ‘high’ scenario to allow sensitivities to be calculated. The approach to producing the ‘high’ path is to add an increasing spread to the ‘expected’ path for each point across the interest rate maturity curve (i.e. 90 days, 180 days, 3 years, 5 years and 10 years) at each successive quarter.

The table below provides a comparison of the interest rate outcomes under the ‘expected’ and ‘high’ interest rate paths. As indicated, average effective annual interest rates are between 7 and 58 basis points higher over 2021-22 to 2024-25, and annual Consolidated Account interest expenses are around \$141 million per annum higher by 2024-25, under the ‘high’ scenario.

Table 10

CONSOLIDATED ACCOUNT INTEREST RATE SCENARIOS				
	2021-22	2022-23	2023-24	2024-25
'Expected' (%)	2.28	2.20	2.15	2.11
'High' (%)	2.35	2.43	2.56	2.69
Variance (Basis Points)	0.07	0.23	0.41	0.58
Variance (\$m)	14	55	98	141

Asset Investment Program (AIP)

The 2021-22 Budget reflects a record \$30.7 billion AIP over the forward estimates period. This includes investment of \$8 billion in 2021-22, which represents a \$2 billion or 33% increase on the estimated outturn for 2020-21.

As part of the 2021-22 Budget, the Government reviewed the AIP to provide for a more sustainable pipeline of infrastructure projects. This included amending project cashflows where required to better reflect project delivery schedules and industry capacity. Despite this review, delivery of the AIP in full over 2021-22 to 2024-25 remains a significant challenge, particularly given current market conditions. These conditions have the potential to impact on project costs and/or timelines.

Government Trading Enterprises (GTEs)

Material risks to the operating outlook and infrastructure spending projections for GTEs are listed below.

- *Energy Market Developments* - the magnitude of rooftop solar and large-scale renewable energy generation connected to the South West Interconnected System continues to increase at a high pace. This is likely to create a need for increased investment in the future to ensure power system security and reliability, while maintaining consumer choice over their investments in rooftop solar and batteries. Through its Energy Transformation Strategy Stage 2: 2021-2025, the Government is continuing to implement initiatives to manage the system transformation and increase the stability of Western Australia's electricity system.
- *Western Power Access Arrangement* – Western Power is approaching the end of its current access arrangement, which sets out the terms and conditions, including prices, for third parties seeking access to its electricity network over 2017-18 to 2021-22. Western Power's next access arrangement (AA5) covers the period 2022-23 to 2026-27 and Western Power must submit its AA5 proposal to the Economic Regulation Authority (ERA) by 1 February 2022. The ERA's determination on AA5 will impact Western Power's regulated return and the capital expenditure requirements to meet growth, maintenance and asset replacement needs. Depending on the outcome of AA5, there are both upside and downside risks to Western Power, and flow-on implications for Synergy as a major user of the Western Power electricity network.

- *Western Power – Parkerville Proceedings* - on 2 July 2021, the Supreme Court of Western Australia, Court of Appeal determined that Western Power had breached its duty of care by failing to have a system for periodically inspecting consumer poles used to support live electrical apparatus forming part of its distribution system. The judgment has several cost implications for Western Power, including increased responsibility to inspect consumer poles and potentially other consumer assets at the network interface. Western Power has applied for special leave to appeal the Court of Appeal decision in order to clarify its inspection obligations. Final cost implications will be determined following the outcome of the appeal process.

Purpose-Built Quarantine Accommodation Facility

The Commonwealth Government has announced that it will build a new purpose-built quarantine accommodation facility in Western Australia.

While the Commonwealth will fund the capital cost of constructing the facility, the costs of operating it will be met by the State for the duration of the COVID-19 pandemic. These operating costs are not included in the 2021-22 Budget, as the operating model for the facility is currently being developed. It is expected that the costs will be reflected in the 2021-22 Mid-year Review or 2022-23 Budget.

Contingent Assets and Liabilities

Contingent assets usually consist of the potential settlement of lawsuits of contractual claims. Typically, contingent liabilities consist of guarantees, indemnities and sureties, as well as legal and contractual claims. They constitute a potential risk or benefit to the financial projections should they eventuate.

The disclosures below update previous contingent assets and liabilities disclosed over the last year. A more comprehensive update of contingencies will be disclosed in the 2020-21 *Annual Report on State Finances*, due for release by 28 September 2021.

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

A contingent liability for a legal dispute between Mineralogy Pty Ltd and International Minerals Pty Ltd, and the Western Australian Government was included in the 2019-20 *Annual Report on State Finances*.

The dispute related to a State Agreement originally made in 2002 and the subsequent impact of Ministerial decisions. The entities were claiming compensation of around \$28 billion (including interest penalties).

Given the size of the claim and to address the financial risk to Western Australia, the Western Australian Parliament passed the *Iron Ore Processing (Mineralogy Pty. Ltd.) Agreement Amendment Act 2020* on 13 August 2020. The Act removed the capacity for the claimants to pursue litigation and damages claims connected with this dispute and prevents future damages claims in relation to the consideration of future proposals that might be submitted under the State Agreement. The Act is specific and precisely targeted at this dispute and the associated parties noted above.

In September 2020, Mr Palmer, Mineralogy, International Minerals and Zeph Investments Pte Ltd (a company incorporated in Singapore ultimately owned by Mr Palmer and holding all of the shares in Mineralogy) commenced three separate proceedings in the High Court of Australia challenging the constitutional validity of the Act. The proceedings are being vigorously defended by Western Australia. The claim by Zeph Investments was discontinued on 24 December 2020 with costs to Western Australia. The claims by Mr Palmer, Mineralogy and International Minerals were heard by the High Court on 15 to 18 June 2021 and judgment is currently reserved. It is anticipated that the Act is likely to withstand scrutiny by the High Court.

Long Service Leave for Casuals

Casual public sector employees in Western Australia may be eligible for long service leave (LSL) under the *Long Service Leave Act 1958*, despite awards or industrial agreements providing a casual loading in lieu of LSL. The number of public sector casuals who may have historical or current entitlements is presently unclear. Discussions with public sector agencies and other stakeholders to identify casuals who may have LSL entitlements are continuing.

Synergy

In early 2019, the Economic Regulation Authority referred Synergy to the Electricity Review Board (ERB) to establish whether prices offered into the balancing market between March 2016 and July 2017 had breached the Western Australian Wholesale Electricity Market (WEM) rules.

In May and June 2021, Synergy defended its conduct in a hearing before the ERB. At 30 June 2021, no provision for potential penalties that could be imposed by the ERB had been made as Synergy denies any wrongdoing or liability. The ERB's ruling is expected to be delivered in the first half of 2021-22. In the event the ERB finds that Synergy has breached the WEM rules, the ERB has wide discretion to set the amount of any penalty, and hence it is not possible at this stage to estimate any potential liability.

Accounting Measurement of Native Title Settlements

Obligations for two Native Title settlements have been brought to book in the estimated outturn for 2020-21 contained in this Budget. Discussed earlier in this chapter, the cost of these obligations has been reflected in the estimates as an expense of almost \$1.3 billion, representing the initial recognition of the obligations in the underlying Indigenous Land Use Agreements. Refinements to the non-cash valuation of these accounting measurements are likely to emerge as the financial results for 2020-21 are finalised for annual reports to be released after the Budget. Final whole-of-government outcomes will be reported in the *2020-21 Annual Report on State Finances*.

General Government Revenue

HIGHLIGHTS

- Western Australia's stronger than expected domestic economy has underpinned higher revenue from a range of sources. Taxation revenue is higher due to a strong pick-up in the residential property and motor vehicle markets and rapid recovery in labour market conditions.
- The continued operation of the mining sector has resulted in significantly stronger royalty revenue, supported by a substantial increase in the iron ore price, which averaged \$US154.5 per tonne in 2020-21. The iron ore price is forecast to moderate to \$US121.3 per tonne over 2021-22 and to its long-run average of \$US66 per tonne from 2022-23, resulting in forecast declines in general government revenue in each of these years.
- Also contributing to the forecast decline in 2021-22 revenue is the Government's decision to allow most Government Trading Enterprises to retain their 2021-22 dividend payments (totalling \$2.4 billion) as a funding source for future infrastructure investment, including the State's next desalination plant.
- The GST distribution reforms, legislated by the Federal Parliament in late 2018, continue to provide essential support to Western Australia. In the absence of these reforms, it is estimated that the State would receive just 10% of its population share of national GST revenue in 2023-24 – highlighting how unfair and unsustainable the GST distribution system is in the absence of these reforms.
- This Budget includes a two year extension of the stamp duty rebate for off-the-plan apartment purchases, at a reduced rate of 50%. This is estimated to cost around \$26 million over the forward estimates period.

Introduction

Strong revenue growth in 2020-21 has significantly improved the State's fiscal position relative to the Pre-election Financial Projections Statement (PFPS), underpinned by a stronger than expected rebound in the domestic economy, elevated iron ore prices, and increased projections of national GST collections.

Nonetheless, general government revenue is projected to decline across the forward estimates period, primarily reflecting a forecast reduction in the iron ore price from \$US154.5 per tonne in 2020-21 to its long-run average of \$US66 per tonne from 2022-23.

The following table summarises the general government revenue forecasts underpinning this Budget. A more detailed breakdown is provided in Appendix 2: *General Government Operating Revenue*.

GENERAL GOVERNMENT							Table 1
Operating Revenue							
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
	Actual	Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate	
Level (\$m)							
Taxation	9,055	10,113	10,035	10,098	10,377	10,775	
Commonwealth grants	10,020	10,732	13,019	12,896	13,624	12,849	
Sales of goods and services	2,776	2,745	3,028	3,043	3,039	3,024	
Interest income	124	96	97	84	80	76	
Revenue from public corporations	1,123	2,302	1,287	2,203	2,336	2,332	
Royalty income	8,450	12,147	10,145	5,939	6,018	5,986	
Other	614	2,041	688	605	587	573	
Total	32,162	40,175	38,297	34,867	36,061	35,615	
Annual Growth (%)							
Taxation	5.4	11.7	-0.8	0.6	2.8	3.8	
Commonwealth grants	6.1	7.1	21.3	-0.9	5.7	-5.7	
Sales of goods and services	0.7	-1.1	10.3	0.5	-0.1	-0.5	
Interest income	-26.3	-22.7	1.3	-13.1	-5.0	-4.4	
Revenue from public corporations	-43.6	104.9	-44.1	71.1	6.0	-0.2	
Royalty income	25.9	43.8	-16.5	-41.5	1.3	-0.5	
Other	-12.4	232.4	-66.3	-12.1	-3.0	-2.3	
Total	5.9	24.9	-4.7	-9.0	3.4	-1.2	

Note: Columns may not add due to rounding.

The remainder of this chapter focuses on the new measures implemented since the PFPS, and the detailed basis for the estimates through to 2024-25 in each of the major revenue categories.

Revenue Measures

New measures implemented in the 2021-22 Budget are outlined below. In addition to these measures, a number of tariffs, fees and charges have been increased in order to maintain or improve the recovery of costs associated with the underlying services. These are outlined in Appendix 8: *Public Corporations and Major Tariffs, Fees and Charges*.

Off-the-Plan Transfer Duty Rebate

The existing Off-the-Plan Transfer Duty Rebate was introduced in 2019 to promote investment and stimulate jobs in the construction industry by providing a 75% transfer duty rebate (up to a maximum of \$50,000) to owner-occupiers and investors who enter into a pre-construction contract between 23 October 2019 and 23 October 2021 to purchase a new residential unit or apartment in a multi-tiered strata scheme.

This rebate will be extended at a reduced rate of 50% (with a maximum rebate of \$50,000) for a further two years until 24 October 2023. The amended rebate is estimated to increase Government expenditure by an additional \$26.2 million over 2023-24 and 2024-25 (see Chapter 5: *General Government Expenses*).

Land Tax Disaster Relief

In 2021-22 and 2022-23, the State Government will continue to exempt from land tax those eligible properties destroyed by the Wooroloo bushfire and Cyclone Seroja disasters.

There is currently an exemption available for principal places of residence under construction, but a landowner must have entered into a building contract to be eligible for this. Most landowners affected by the recent disasters are unlikely to have a construction contract in place as at 30 June 2021, particularly given current high activity and related delays in the residential building market. This measure will ensure these landowners maintain the land tax exempt status even if they were unable to enter into a building contract by 30 June 2021.

As these properties are usually exempt from land tax, the relief measure will not reduce the amount of land tax collected. This measure is expected to ensure that up to 540 properties will not become liable for land tax.

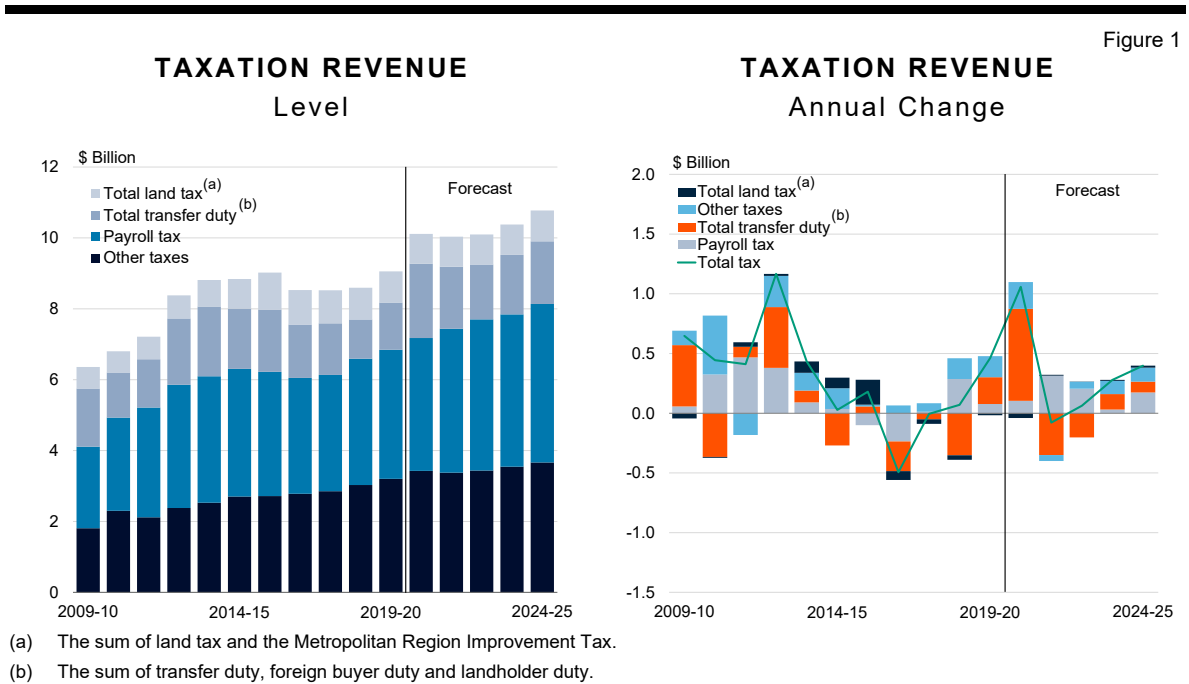
Taxation Revenue

Summary

Taxation revenue is estimated to be \$10.1 billion in 2020-21, up a significant 11.7% (or \$1.1 billion) on 2019-20, largely due to a strong pick-up in the residential property and motor vehicle markets through 2020. The rapid recovery in labour market conditions in the second half of 2020 and into 2021 has also seen a lift in payroll tax.

In 2021-22, taxation revenue is forecast to decline by 0.8% (or \$78 million). This primarily reflects expected falls in transfer duty and vehicle licence duty, as the current bring-forward in activity begins to unwind. The expected decline in these taxes is partially offset by growth in payroll tax collections, in line with solid growth in employment and wages.

Taxation revenue is forecast to lift over the three years to 2024-25, growing by an average of 2.4% per annum as economic conditions stabilise.



Detail

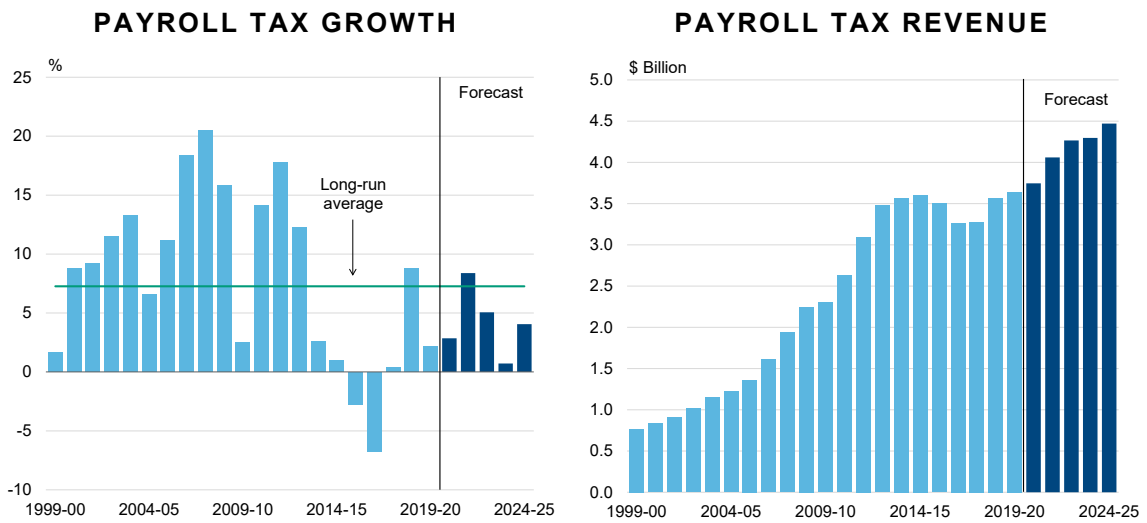
Payroll Tax

Despite the onset of COVID-19 in early 2020, and the Government’s policy to make JobKeeper payments to eligible employees exempt from payroll tax, collections in 2020-21 continued to grow, reflecting the robustness of the resources sector throughout the pandemic and a rapid recovery in payroll tax from several other industries.

Payroll tax collections are forecast to increase by 8.4% (or \$314 million) in 2021-22, following growth of 2.9% in 2020-21 (see figure below). A strong lift in collections in 2021-22 is in line with expectations of solid employment and wages growth, particularly in payroll tax-intensive industries such as mining.

From 2022-23 onwards, payroll tax is projected to grow by an average of 3.3% per annum, underpinned by steady hiring and anticipated growth in private sector wages.

Figure 2



Taxes on Property

Taxes on property include transfer duty (the State’s second largest tax after payroll tax), landholder duty, the foreign buyer duty surcharge, land tax, the Metropolitan Region Improvement Tax (MRIT), the Emergency Services Levy, loan guarantee fees, the Perth Parking Levy, and the Building and Construction Industry Training Fund Levy.

Total Transfer Duty¹

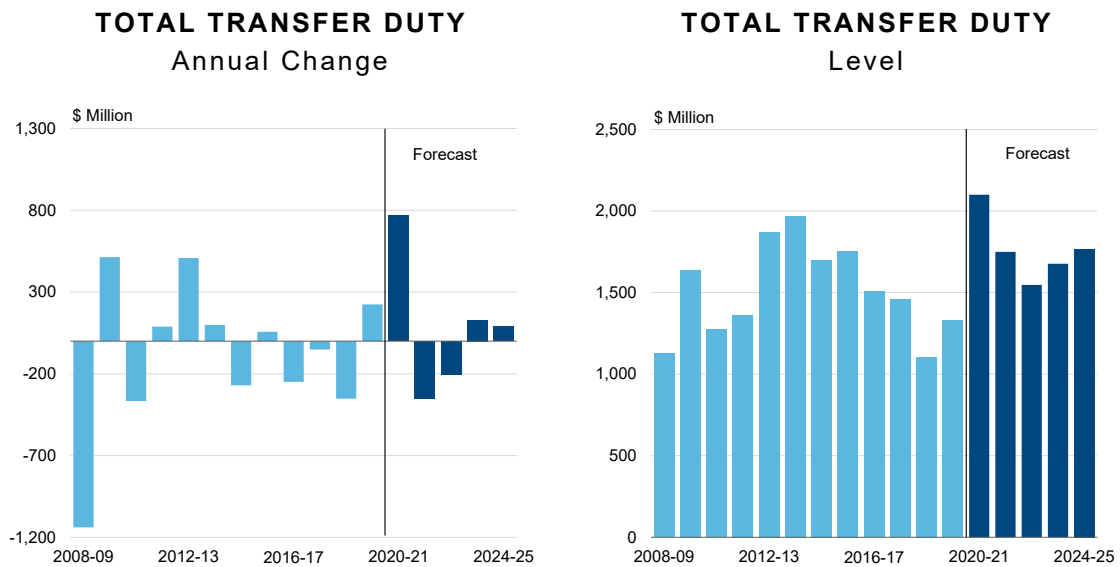
Total transfer duty increased by an estimated 57.9% (or \$770 million) in 2020-21, primarily due to a strong lift in residential property transactions and a moderate pick-up in the median house price over the year.

Duty is forecast to fall by 16.7% (or \$350 million) in 2021-22 and a further 11.6% (or \$203 million) in 2022-23 as consecutive years of restrictions on international migration weigh on underlying demand, and as the current high level of dwellings under construction begins to translate into additional housing supply from mid-2022.

Total transfer duty is then forecast to grow by an average of 6.9% per annum in the last two outyears of the Budget period, as international migration gradually recovers (see figure below).

¹ The sum of transfer duty, foreign buyer duty and landholder duty.

Figure 3



Total Land Tax²

Total land tax collections are forecast to increase by \$7 million (or 0.9%) to \$847 million in 2021-22, consistent with a modest lift in unimproved land values³. This follows an estimated fifth consecutive decline in 2020-21 of 4.5%.

Over the remainder of the Budget period to 2024-25, total land tax collections are forecast to increase by an average of 1% per annum, reflecting anticipated modest increases in unimproved land values across the State.

Other Taxes on Property

Other taxes on property comprise revenue from the Perth Parking Levy, the Emergency Services Levy, Loan Guarantee Fees, and the Building and Construction Industry Training Fund Levy.

Other taxes on property are forecast to increase by \$27 million (or 4.7%) in 2021-22, following an estimated decline of \$62 million (or 9.7%) in 2020-21. Growth in 2021-22 includes an increase in Emergency Services Levy (ESL) rates for property owners following a freeze on ESL rates in 2020-21. In 2022-23 and beyond, other taxes on property are projected to grow by an average of 4.1% per annum.

² The sum of land tax and the Metropolitan Region Improvement Tax (MRIT).

³ Land tax and MRIT revenue in 2021-22 is based on the unimproved value of land as assessed by the Valuer General’s Office as at August 2020.

Taxes on Gambling

Taxes on gambling comprise lotteries, casino, and betting taxes. Due to the prohibition of gaming machines in hotels and clubs in Western Australia, gambling taxes account for a much smaller share of total taxes than in other jurisdictions.

Gambling taxes increased by an estimated 21.5% in 2020-21. This likely reflects strong growth in disposable income from Commonwealth income support measures, and a constrained capacity to spend on international travel. Gambling tax revenue is forecast to decline by 13.9% in 2021-22, largely due to an expected fall in revenue from betting tax, consistent with an unwinding of Commonwealth income support measures.

Over the remainder of the forecast period, revenue from gambling is expected to grow by an average of 3.1% per annum.

Taxes on Insurance

Taxes on insurance mainly consist of duty on insurance policy premiums (with a number of key exemptions, including health insurance and life insurance).

In 2021-22, insurance duty is projected to increase by an estimated \$44 million (or 5.9%), consistent with the outlook for the domestic economy. This follows an estimated increase of 4.7% (or \$33 million) in 2020-21.

Over the remainder of the forecast period, taxes on insurance are expected to rise steadily by an average of 2.5% per annum.

Motor Vehicle Taxes

Motor vehicle taxes predominantly consist of duty from the transfer of vehicles (vehicle licence duty) and annual vehicle registration fees, with permit fees for oversize vehicles and loads also contributing (to a lesser degree).

Vehicle licence duty in 2020-21 is estimated to have increased by \$139 million (or 37%), due to strong rises in vehicle transactions and prices over the year, supported by a number of factors including Government financial support measures (such as early access to superannuation, JobKeeper payments and the Commonwealth's temporary instant asset write-off scheme), and increased vehicle demand for domestic tourism purposes.

Vehicle licence duty is projected to fall by 22.8% in 2021-22, as the current bring-forward of activity unwinds. From 2022-23, vehicle licence duty is forecast to resume growing (by an average of 1.4% per annum) as population growth begins to lift.

Revenue from annual vehicle registrations is expected to increase by \$42 million (or 4%) in 2021-22. This incorporates an increase of 4% in light motor vehicle registration fees and a 2.5% increase in heavy motor vehicle registration fees. From 2022-23, revenue from vehicle registrations and related fees is forecast to grow by an average of 5.1% per annum, due to a combination of population growth and assumed fee increases.

Commonwealth Grants

Commonwealth grants are estimated to total \$13 billion in 2021-22 and account for 34% of the State’s total revenue. There are no restrictions on the spending of GST grants, Commonwealth-funded 70% floor grants, or North West Shelf grants. Other grants (‘tied grants’) must be spent on specific activities (e.g. health, education, roads and social housing).

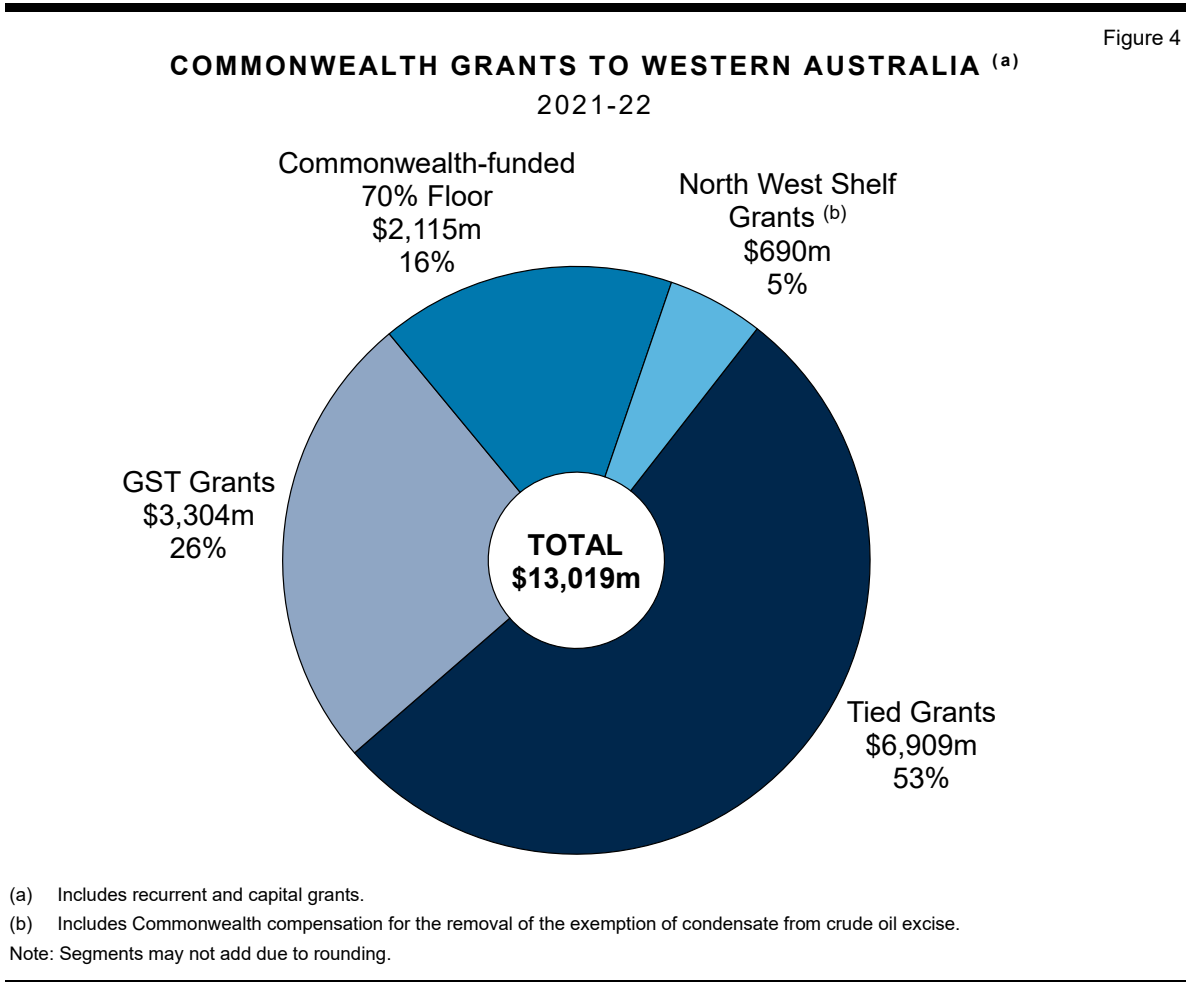


Table 2

COMMONWEALTH GRANTS TO WESTERN AUSTRALIA (a)

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate
General Purpose Grants						
GST Grants (\$m)	3,466	3,006	3,304	5,536	5,785	6,522
Commonwealth-funded 70% Floor (\$m) ^(b)	814	1,547	2,115	-	-	-
North West Shelf Grants (\$m) ^(c)	649	429	690	635	552	424
Total General Purpose Grants (\$m)	4,930	4,982	6,110	6,171	6,338	6,946
Tied Grants (\$m)	5,091	5,750	6,909	6,724	7,287	5,903
TOTAL COMMONWEALTH GRANTS (\$m)	10,020	10,732	13,019	12,896	13,624	12,849
Growth (%)	6.1	7.1	21.3	-0.9	5.7	-5.7

(a) Includes recurrent and capital grants.

(b) The total 2019-20 Commonwealth-funded 70% floor grant was \$1,248 million. However, \$434 million was paid in advance in 2018-19.

(c) Includes Commonwealth compensation for the removal of the exemption of condensate from crude oil excise.

Note: Columns may not add due to rounding.

The forecast increase in Commonwealth grants for 2021-22 is primarily due to an increase in GST revenue and associated Commonwealth-funded floor payments (see below), together with funding for the Commonwealth's HomeBuilder scheme and higher transport infrastructure grants. In 2022-23, the end of HomeBuilder funding will be offset by further increases in transport infrastructure funding.

GST Revenue

Western Australia's GST-related grants are the sum of our GST grants and Commonwealth-funded 70% floor grants.

The GST grant is expected to increase to \$3.3 billion in 2021-22, from \$3 billion in 2020-21. National GST collections are expected to be similar for both years. However, the negative impact of COVID-19 in the latter half of 2019-20 and a greater than expected rebound in the national economy in 2020-21, created a mismatch between payments to States (based on estimates) and actual collections. Overpayments in 2019-20 were recouped by the Commonwealth in 2020-21, whereas underestimated payments in 2020-21 add to grants in 2021-22. The growth from this timing mismatch is partially offset by a decrease in Western Australia's GST relativity (i.e. the State's GST grant as a proportion of our population share of the GST pool), from 45% in 2020-21 to 42% in 2021-22.

The decrease in Western Australia's GST relativity is largely driven by a lagged response to an increased capacity to raise iron ore royalty revenues, from high iron ore prices, over the period 2017-18 to 2019-20 (the data years used to calculate the GST relativity for the 2021-22 grant year). In calculating States' relativities, the Commonwealth Grants Commission (CGC) reduces the relativity for a State whose revenue bases have grown faster than other States, or whose relative costs of providing a standard level of services have declined (and vice versa).

Importantly, however, as a result of the 2018 GST distribution reforms, the Commonwealth is providing Western Australia a GST floor grant to effectively bring the State’s relativity up to 70%, over the period 2019-20 to 2021-22. Each year, as Western Australia’s relativity has varied under the floor, the floor grant has adjusted to make up the difference to 70%. In this regard, Western Australia’s GST grant reduction in 2021-22 due to the GST relativity decrease is fully offset by an increase in the floor grant.

Forecast of GST Shares

Estimates of Western Australia’s GST grants across the forward estimates period are based on:

- projections of GST relativities beyond 2021-22 (reflecting the within-system GST floor);
- GST pool projections from the 2021-22 Commonwealth Budget; and
- projections of State shares of the national population.

Under the 2018 GST distribution reforms (see feature box later in this chapter), no State’s relativity can fall below 70%. From 2022-23 onwards, the CGC will recommend Western Australia’s relativity be raised to 70%, funded from the GST pool (rather than a Commonwealth floor grant). From 2024-25, this floor will be raised to 75%.

Table 3

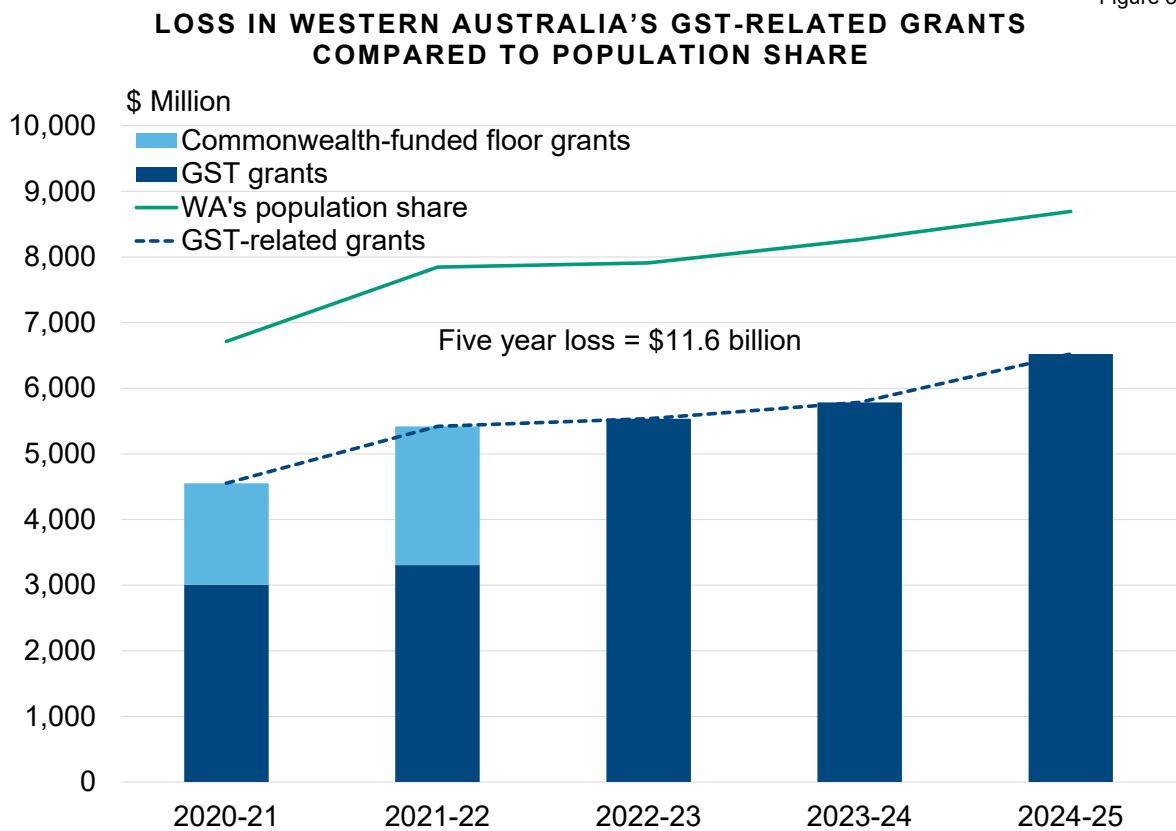
PROJECTED GST RELATIVITY AND GST SHARE						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forward	Forward	Forward
		Actual	Estimate	Estimate	Estimate	Estimate
WA GST relativity ^(a)	0.518	0.450	0.420	0.700	0.700	0.750
WA population share (%)	10.3	10.4	10.4	10.4	10.4	10.4
WA share of national GST pool (%) ^(b)	5.3	4.7	4.4	7.3	7.3	7.8

(a) This is the ratio of Western Australia’s GST grant to Western Australia’s population share of the national GST pool. These figures do not include the Commonwealth-funded GST floor, but do include the within-system GST floor from 2022-23.

(b) Western Australia’s GST share equals Western Australia’s population share multiplied by its relativity.

Even with the reforms to the GST distribution, Western Australia will continue to receive far less GST than its population share. Over the five years from 2020-21 to 2024-25, Western Australia will receive \$11.6 billion less than its population share of the GST (see following figure).

Figure 5



Source: Western Australian Department of Treasury estimates.

As large as this GST subsidy from Western Australia to the other States is, it is just one part of the State's overall annual net contribution to the Australian Federation. For 2019-20 (the latest year of complete data), the Western Australian Treasury estimates the State's net contribution to be \$21.2 billion (see Appendix 11: *Western Australia's Net Contribution to the Federation*).

GST Distribution Reforms

In response to the Productivity Commission’s 2018 findings that the previous GST system had several deficiencies and needed to change, the Commonwealth Government legislated changes to the way GST is distributed among the States and Territories (States).

Even with these reforms, Western Australia will only receive 70% of its population share of GST in 2021-22. The next lowest State, Victoria, will receive 92%, and the Northern Territory will receive 480%. No other State has ever received a share lower than 83%.

Table 4

2021-22 GST RELATIVITIES

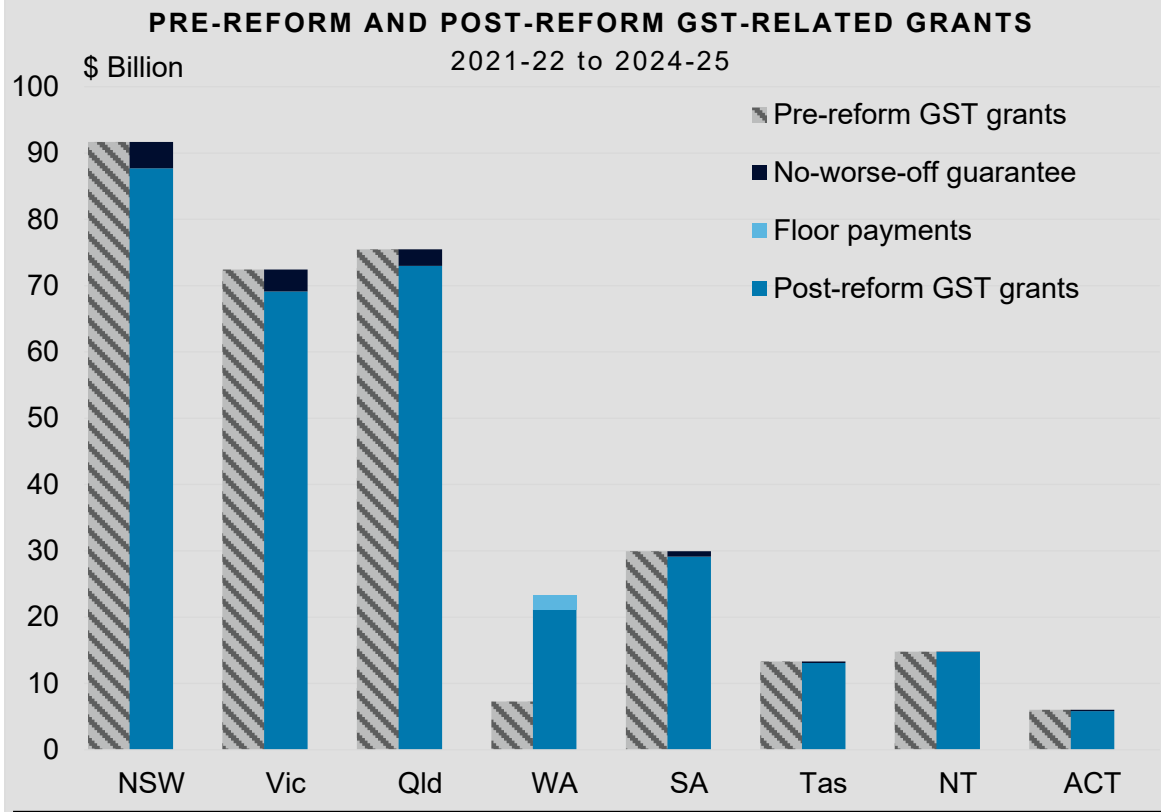
New South Wales	0.956
Victoria	0.923
Queensland	1.059
Western Australia ^(a)	0.700
South Australia	1.347
Tasmania	1.961
Australian Capital Territory	1.163
Northern Territory	4.800

(a) Includes the Commonwealth-funded 70% GST floor for Western Australia.

Without the reforms, the Western Australian Treasury estimates that Western Australia would receive only 17% of its population share in 2022-23, and just 10% in 2023-24. Such low relativities would be unprecedented, and highlight how unsustainable the GST distribution system is in the absence of the 2018 reforms.

The figure below demonstrates that the reforms are significant for Western Australia, and have no impact on other States’ GST-related grants. Over the next four years, States are expected to receive \$327 billion in GST-related grants. Western Australia is projected to receive just \$23 billion of this, compared to \$92 billion for New South Wales, \$72 billion for Victoria and \$75 billion for Queensland (the most comparable State to Western Australia). The figure shows that even with the reforms, Western Australia’s GST grant is expected to be significantly less than that of South Australia, despite Western Australia having an approximately 50% larger population.

Figure 6



Every State, not just Western Australia, is benefitting from current high iron ore prices. In this regard, other States continue to receive 90% of Western Australia’s increased royalties through higher GST grants and the no-worse-off guarantee payments from the Commonwealth. Compared to the 2018 projections that were used to quantify the impact of the GST reforms, the other States can now expect to receive about \$12 billion extra GST over 2020-21 to 2024-25 due to high iron ore prices.

Furthermore, while recent strong iron ore prices have increased the direct costs of the reforms to the Commonwealth, the Commonwealth’s overall net position is positive. The higher than expected iron ore prices compared to the State’s 2017-18 Mid-year Review projections (provided to the Productivity Commission for its inquiry into the GST distribution) have resulted in additional company tax revenue for the Commonwealth that is well in excess of the increased costs of the GST reforms.

The Commonwealth has received more than double the revenue from company tax collections from the iron ore mining sector than Western Australia receives in royalties in recent years. For instance, the big three iron ore miners in the 2019-20 financial year (2020 calendar year for Rio Tinto) paid around \$15 billion in company tax on their iron ore operations, compared to around \$6 billion in royalties. The higher the iron ore price, the more the Commonwealth receives in company tax relative to Western Australia’s iron ore royalties.

Western Australia consistently provides by far the net largest financial contribution to the Commonwealth. Looking broader than GST, in 2019-20, Western Australia's estimated contribution to the Federation on a per capita basis was more than ten times that of New South Wales, the only other net contributor (all other States are net recipients). Further information is provided in Appendix 11: *Western Australia's Net Contribution to the Federation*.

The reforms adjust the unfairly low share of GST that Western Australia had received over decades. At the same time, they provide important insurance to all States by placing a limit on the amount of redistribution that can occur. They also compensate for continued shortfalls in the system that are difficult to resolve. In this regard, the previous system (and the continuing underlying GST share calculation) fails to appropriately deal with outliers like Western Australia. For example:

- it fails to adequately recognise many unique high costs facing Western Australia, including due to the State's significant areas of remoteness;
- it did not acknowledge the extra infrastructure expenditure required by States with fast-growing populations (like Western Australia) until 2010, with Western Australia never being compensated for this previous under-assessment; and
- it penalises Western Australia for its different tax and royalty mix compared to other States. Under the previous system, this meant that:
 - Western Australia effectively lost 90% of its iron ore royalty collections through reduced GST; and
 - if a State expanded its revenue base it would lose all but its population share of this revenue growth, therefore reducing a State's incentive to grow its economy. However, this impact did not apply if a State increased taxes common to all States, such as payroll tax.

To highlight this point, if Western Australia could swap its royalties for an equivalent amount of payroll tax, it would receive more than its population share of GST, roughly an extra \$3 billion per annum.

Other States are concerned about being worse off after the Commonwealth's guarantee finishes, but the intention is for the Productivity Commission to address this in its review of the reforms, due by December 2026.

The benefit of the reforms to Western Australia will rise and fall with volatile iron ore prices, and it is short-sighted to just focus on current elevated prices. When iron ore prices return to their long-run average, the benefit of the reforms to Western Australia will be minimal – exposing the State again to the inherent shortfalls in the GST distribution system.

North West Shelf Grants

The Commonwealth provides general purpose financial assistance to Western Australia from ad valorem wellhead royalties in respect of the North West Shelf oil and gas project. The Commonwealth collects these royalties because it has jurisdiction over offshore areas. These royalties are shared between the Commonwealth (approximately one-third) and Western Australia (approximately two-thirds).

The Commonwealth also provides compensation to Western Australia for the loss of North West Shelf royalty revenue resulting from the removal of an exemption of condensate from crude oil excise in the Commonwealth's 2008-09 Budget.

In 2021-22, North West Shelf grants are expected to be \$690 million, an increase from \$429 million in 2020-21. This is largely due to the recovery in oil and gas prices throughout 2020-21, which are anticipated to stabilise in 2021-22.

Revenue from North West Shelf grants is projected to decline slightly in 2022-23 and continue to decline in 2023-24 and 2024-25. This is due to an expected decline in sales volumes, with the North West Shelf project forecast to process higher volumes of gas sourced from outside the area covered by the revenue sharing agreement (with all of the revenue from those volumes going to the Commonwealth).

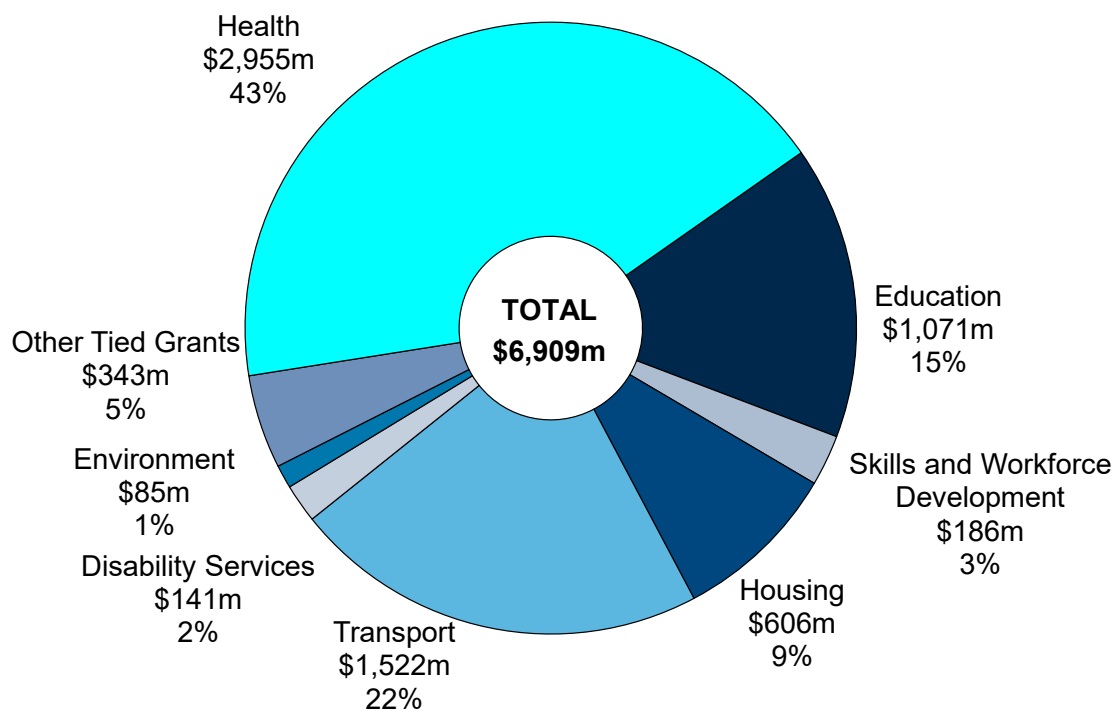
Tied Grants

Tied grants for specific activities (such as health, education, roads and housing) are received under a variety of Commonwealth-State agreements, with some activities having multiple agreements. Western Australia is estimated to receive \$6.9 billion in tied grants in 2021-22, around \$1.2 billion more than in 2020-21. This mainly reflects increased transport and HomeBuilder grants.

A break-down of tied grants by functional activity is provided in the following figure. Further detail is provided in Appendix 2: *General Government Operating Revenue*.

Figure 7

TIED GRANTS FOR WESTERN AUSTRALIA
2021-22



Note: Segments may not add due to rounding. Includes grants that the Commonwealth characterises as its own purpose expenditure.

Tied grants in 2021-22 comprise:

- four major National Agreements: the National School Reform Agreement, the National Health Reform Agreement (NHRA), the National Agreement for Skills and Workforce Development, and the National Housing and Homelessness Agreement;
- five Federation Funding Agreements for: health; environment; infrastructure; education and skills; and affordable housing, community services and other. These agreements are essentially generic umbrella agreements that collate many relatively small individual agreements as schedules;
- Natural Disaster Relief and Recovery Arrangements;
- Memorandum of Understanding on Provision of Fire Services;
- grants from the Commonwealth’s DisabilityCare Australia Fund (funded by a 0.5% Medicare levy surcharge), which assists States to pay their contributions to the National Disability Insurance Scheme; and
- payments from the Commonwealth in relation to its own-purpose spending programs.

The NHRA is the largest single source of tied grants for Western Australia (estimated at \$2.7 billion in 2021-22), providing funding to public hospitals on an activity basis. Annual growth in Commonwealth funding reflects 45% of the growth in the cost of hospital services at the national efficient price (subject to a 6.5% national cap on funding growth).

Substantial funding is also provided under the Land Transport Infrastructure Projects agreement (estimated at \$1.5 billion in 2021-22) and the National School Reform Agreement (estimated at \$1 billion in 2021-22).

Appendix 12: *Commonwealth Tied Grants* provides further information on tied grant agreements, including when they are scheduled to expire and the average Commonwealth funding per annum.

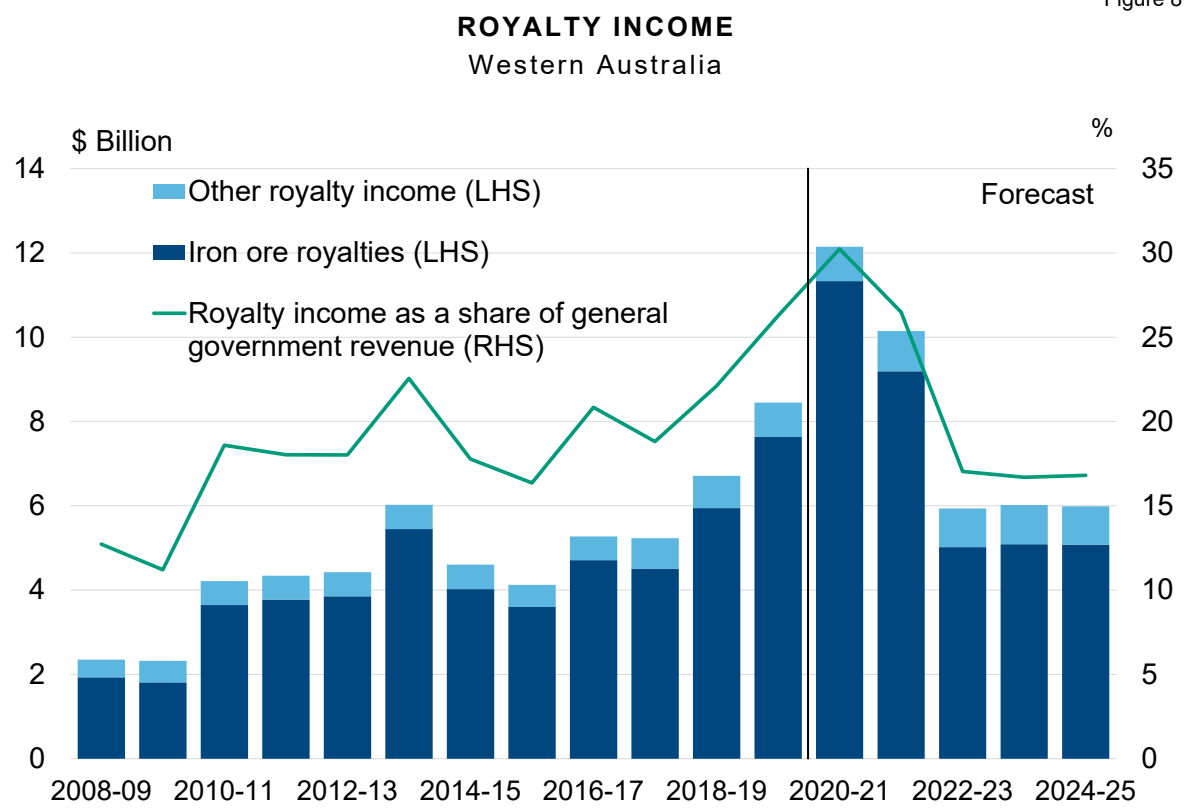
Royalty Income

Summary

In 2021-22, royalty income is projected to decline by \$2 billion (or 16.5%) from an expected peak of \$12.1 billion in 2020-21, as the iron ore price moderates from a record financial year high (in Australian dollar terms) over 2020-21.

Royalty income is projected to decrease further (by \$4.2 billion) in 2022-23, with the iron ore price assumed to return to its long-run average of \$US66 per tonne. Volatility in commodity prices (particularly the iron ore price) is a significant ongoing risk, as outlined in Chapter 3: *Statement of Risks*.

Figure 8



Source: Department of Treasury estimates.

Iron Ore Royalty Income

Iron ore royalty income is estimated to decrease from an expected peak of \$11.3 billion in 2020-21 to \$9.2 billion in 2021-22. This reflects an assumed fall in iron ore prices over 2021-22 and higher shipping deductions⁴, partially offset by higher volumes and a lower forecast \$US/\$A exchange rate.

The 62% Fe benchmark price is expected to average \$US121.3 per tonne in 2021-22, down from \$US154.5 per tonne in 2020-21. The iron ore price is assumed to decline to its long-run average by March 2022. As a result, iron ore royalty income is projected to fall by \$4.2 billion (or 45.4%) in 2022-23, to \$5 billion.

Iron ore royalty income is projected to be relatively stable in 2023-24 and 2024-25, as the price is assumed to remain around its long-run average, and volumes are forecast to be relatively steady.

⁴ The benchmark iron ore prices referenced in sales typically include cost-and-freight (CFR) for ore delivered to China, whereas royalties are calculated based on the free-on-board prices, excluding freight, from Western Australia. As such, projected shipping costs are deducted from benchmark CFR price forecasts in calculating iron ore royalty revenue.

The 2021-22 Budget assumes that the iron ore price will fall to its long-run (inflation-adjusted) average of US\$66 per tonne by March 2022⁵. Given the inherent volatility in iron ore prices and the associated forecasting challenges and risks to the State's Budget, it is considered a prudent budgeting assumption to base future estimates of iron ore royalty income (beyond the current financial year) on the long-run average price.

Iron ore volumes in 2020-21 were slightly lower than expected at the PFPS, declining from 847 million dry tonnes to 840 million dry tonnes due to the impact of above-average rainfall and shutdowns. Across the forward estimates period, iron ore volumes are expected to increase from 858 million dry tonnes in 2021-22 to 877 million tonnes in 2023-24 (around 1.1% per annum). This is underpinned by incremental increases from some large producers as replacement mines commence production. However, volumes are expected to decline marginally in 2024-25 (to 870 million tonnes) as some smaller mines are depleted and not replaced due to lower expected iron ore prices.

Iron ore royalty income is forecast to account for around 87% of total royalty income over the forecast period.

For further discussion regarding the outlook for the iron ore market, refer to Chapter 2: *Economic Outlook*.

Other Royalty Income

Royalty income from all other commodities (excluding iron ore) is expected to rise by \$137 million (or 16.8%) to \$952 million in 2021-22, largely due to higher lithium and nickel royalties, reflecting an expected increase in prices. The lithium spodumene price has risen strongly, underpinned by a rapid pick-up in demand due to growing sales of electric vehicles. The nickel price has risen strongly since April 2020 due to heightened demand for base metals supported by construction activity in China. Since the PFPS, the forecast lithium spodumene and nickel prices have been revised up in 2021-22 to \$US600 per tonne and \$US19,328 per tonne respectively.

Royalty income from other commodities is projected to decrease by \$33 million in 2022-23, largely driven by declining volumes for gold and copper as some mines approach the end of mine life.

In 2023-24, royalty income from other commodities is forecast to increase slightly (by \$9 million) due to additional lithium production more than offsetting a further decline in gold and copper production. In 2024-25, other royalty income is forecast to decrease (by \$20 million) reflecting a continued decline in gold volumes due to depletions at existing mines.

⁵ The long-run average price of \$US66 per tonne has been revised up since the PFPS (\$US64 per tonne) to include more recent data.

Table 5

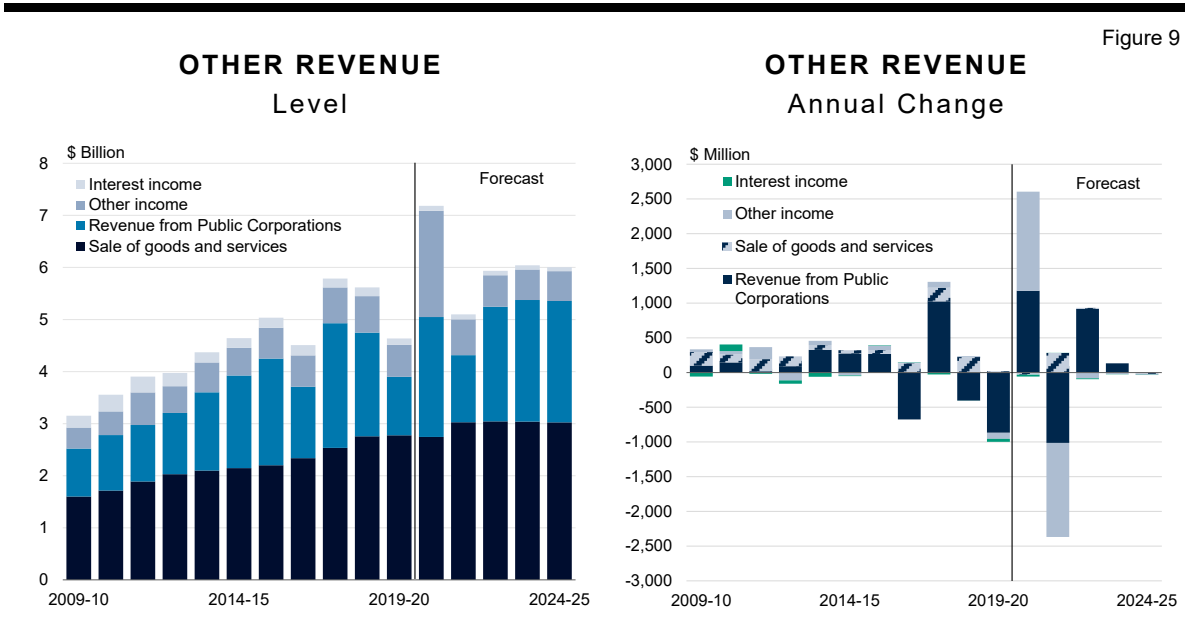
ROYALTY INCOME AND KEY ASSUMPTIONS
Western Australia

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate
Royalty Income (\$m)						
Iron ore	7,632	11,332	9,193	5,021	5,091	5,079
Gold	388	408	418	402	394	351
Alumina	105	92	97	98	103	106
Lithium	59	38	84	87	101	113
Copper	59	67	87	52	41	40
Nickel	78	88	123	128	133	127
Mineral Sands	27	27	26	32	34	31
Petroleum - State component	7	4	9	7	5	18
Other	94	90	108	112	117	119
Total Royalty Income	8,450	12,147	10,145	5,939	6,018	5,986
KEY ASSUMPTIONS						
Exchange rate \$US/\$A (US cents)	67.1	74.7	73.8	73.6	73.3	73.0
Iron ore price (CFR, \$US per tonne)	92.9	154.5	121.3	66.0	66.0	66.0
Iron ore volumes (million dry tonnes)	837	840	858	870	877	870
Crude oil price (\$US per barrel)	51.3	54.6	71.0	66.7	63.3	60.8

Note: Columns may not add due to rounding.

Other Revenue

The majority of ‘other’ revenue is generated from sales of goods and services by general government agencies, and revenue from public corporations (in the form of dividends and revenue from the Tax Equivalent Regime (TER)⁶).



Sales of Goods and Services

Largely reflecting the impact of the COVID-19 pandemic on revenue collections for a number of general government agencies, revenue from the sale of goods and services declined by an estimated 1.1% in 2020-21, following growth of just 0.7% in 2019-20. In 2021-22, goods and services revenue is forecast to increase by 10.3%, reflecting forecast revenue for Main Roads for work on the Tonkin Gap Project undertaken on behalf of the Public Transport Authority, and the expected recovery in revenue collections for agencies affected by COVID-19.

Goods and services revenue is forecast to remain relatively flat across the outyears, averaging around \$3 billion per annum. Abstracting from forecast revenue for Main Roads, goods and services revenue is projected to increase broadly in line with inflation across the three outyears.

⁶ The National TER arrangements ensure that public sector corporations do not have a competitive advantage over private sector entities as a result of their tax-free status. The TER arrangements impose the equivalent of company tax and local government rates on public sector corporations.

Interest Income

The general government sector earns interest income from investments in cash and other liquid asset holdings. Interest revenue is forecast to total \$97 million in 2021-22, largely unchanged from 2020-21. A modest downward trend is forecast across the remainder of the forward estimates period, with interest income expected to total \$76 million by 2024-25.

This outlook largely reflects the drawdown of some cash allocated to a number of Special Purpose Accounts in 2020-21 (as outlined in Chapter 1), partially offset by a modest forecast increase in interest rates on earnings across the forward estimates period.

Revenue from Public Corporations

The general government sector receives dividends and tax equivalent revenue from the State's corporatised public corporations (also referred to as Government Trading Enterprises).

Revenue from public corporations is forecast to total \$1.3 billion in 2021-22.

- Relative to 2020-21, dividend income in 2021-22 is forecast to decline by more than 50% (to \$587 million). This reflects the Government's decision in this Budget for most Government Trading Enterprises to retain their 2021-22 dividends (totalling around \$2.4 billion), and apply this funding to future infrastructure investment. The \$587 million to be received in 2021-22 comprises dividends from the Insurance Commission of Western Australia (ICWA) and the Western Australian Treasury Corporation, which do not have significant infrastructure programs. Proceeds from these dividends will be applied in full to the repayment of State borrowings held by the Consolidated Account.
- Tax equivalent revenue is forecast to total \$700 million in 2021-22. This is a \$242 million reduction on the estimated outturn for 2020-21, reflecting the one-off impact of the Bell Group settlement (detailed in the 2020-21 Budget) on ICWA's tax equivalent payment for that year.

Following these one-off and timing issues, revenue from public corporations is expected to average \$2.3 billion across the three years to 2024-25, reflecting a return to more normal underlying annual income flows from the corporations.

Significant general government subsidies (expenses) are also provided to the public corporations, funding a range of non-commercial activities. Further information on revenue from, and payments to, individual public corporations is available in Appendix 8.

Other Income

Revenue from all other sources (which includes fines for traffic infringements, court fines and penalties, penalty tax, donations and gifts from private organisations, asset transfers, and mining related lease rental revenue) is forecast to total \$688 million in 2021-22. Abstracting from a one-off increase totalling \$1.4 billion for roads and bridges transferred to the State from the local government sector in June 2021 (following assessment of these assets to be main roads that come under the State's jurisdiction, which boosts the expected outturn for 2020-21), the forecast for 2021-22 represents underlying growth of 10.1%.

'Other' revenue is forecast to decrease progressively over the forward estimates to \$573 million by 2024-25, largely reflecting lower private sector contributions following the expected completion of the Onslow Water Infrastructure Upgrade project.

2021–22 Economic and Fiscal Outlook

General Government Expenses

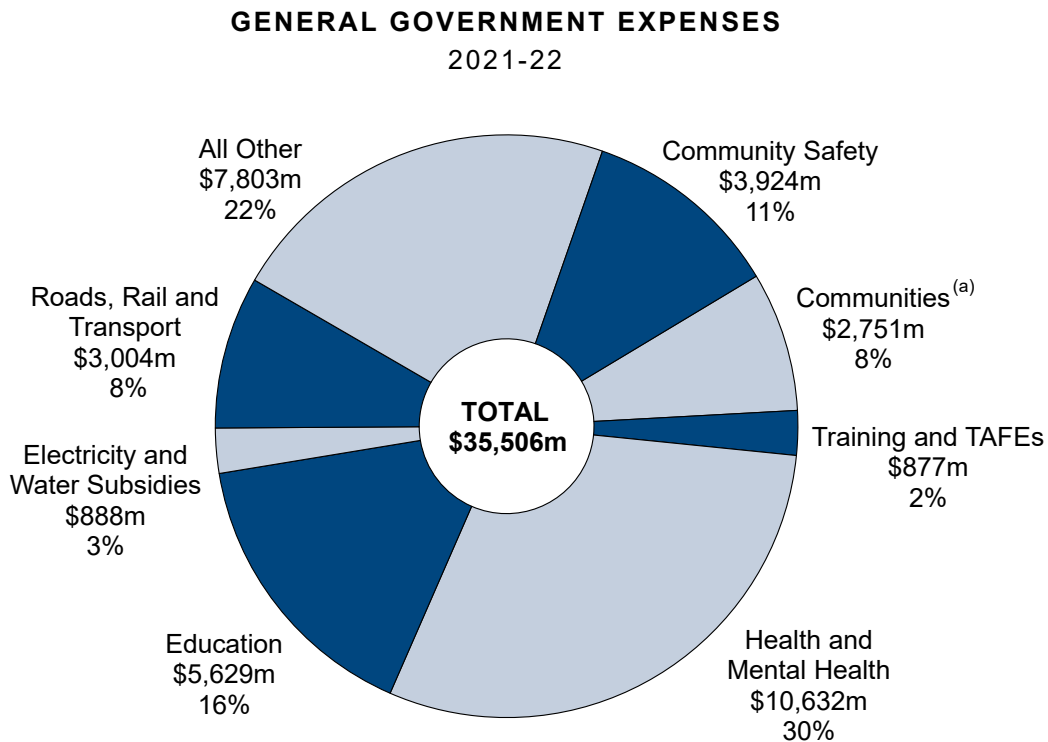
HIGHLIGHTS

- In response to the COVID-19 pandemic, the Government substantially boosted its recurrent expenditure in 2020-21, with spending up an estimated \$4.1 billion (or 13.3%) relative to 2019-20.
 - This spending boost was essential to keep our community safe, protect the vulnerable, and support the State’s economic recovery.
- General government expenses are forecast to increase by a further \$957 million or 2.8% in 2021-22, before moderating in 2022-23 as COVID-19-related expenditure begins to unwind.
- This Budget includes additional expenditure of \$1.9 billion in the State’s health and mental health systems over the period to 2024-25, providing additional capacity in our public hospitals, support for youth mental health, and further COVID-19 response and preparedness initiatives.
- The Budget also includes a \$750 million package of climate action initiatives, and additional expenditure to support the Government’s economic development and jobs creation objectives (including \$120 million to speed up project approvals and \$100 million to establish an Investment Attraction and New Industries Fund).
- Salaries remain the single largest component of general government expenses, and the Government has decided to bring forward a review of its public sector wages policy. The review will be undertaken in consultation with unions and be completed by the end of 2021, with any new wages policy to be implemented from early 2022.

Introduction

Recurrent spending by the general government sector is budgeted to increase by \$957 million (or 2.8%) in 2021-22, to a total of \$35.5 billion. Health and mental health, education and training, and community safety account for \$21 billion or almost 60% of total spending (see figure below).

Figure 1



(a) The total cost of services disclosed in Budget Paper No. 2: Budget Statements for the Department of Communities is \$3.2 billion in 2021-22. The \$2.8 billion in this chart represents the general government portion of the Department's recurrent spending (with some expenditure from the former Housing Authority remaining within the public non-financial corporations sector for the purpose of whole-of-government reporting).

Note: Segments may not add due to rounding.

Election Commitments

This Budget includes \$1.5 billion in recurrent spending for the Government's 2021 election commitments, which focus on building healthy and resilient communities, creating local jobs, and training for the jobs of the future.

Developing healthy and resilient communities

A major focus of the Government's election commitments is the provision of significant additional investment into developing healthy and resilient communities. This includes:

- expenditure of \$235 million on a range of mental health initiatives and services;

- \$288 million in various education and training measures, including \$49 million to increase the number of Year 11 and 12 Vocational Education and Training places by 8,000 and for the new Vocational Education and Training Taster Program to provide Year 9 students with earlier exposure to career options; and
- \$108 million on a range of community services to families, seniors and the homeless, and to community groups, including a significant expansion to Home Stretch WA, family and domestic violence services, and the tripling of Grandcarer support payments.

Local manufacturing and production, creating Western Australian jobs and training for the jobs of the future

This Budget also includes an ongoing spending commitment to local job creation through the Government's WA Jobs Plan. This includes:

- expenditure of \$132 million to promote regional economic activity and improve community infrastructure;
- \$100 million to establish an Investment Attraction and New Industries Fund to support economic diversification and investment attraction strategies across a range of industries; and
- to provide more opportunities for Aboriginal employment and training, an additional \$50 million has been allocated to continue and expand the Aboriginal Ranger Program.

Delivering Quality Education, Health and Community Services

Continuing the key theme of building healthy and resilient communities, this Budget includes:

- \$10.6 billion in recurrent spending on health and mental health services in 2021-22 to meet ongoing demands in our hospitals and other health system priorities, including addressing the demand for mental health services. This is an increase of \$162.9 million on 2020-21;
- \$6.5 billion of recurrent spending to deliver education and training services across the State in 2021-22, with a continued focus on providing support to vulnerable and socially disadvantaged students and building a skilled workforce for the future. This is an increase of \$124 million on 2020-21; and
- recurrent spending of \$2.8 billion in 2021-22 to protect vulnerable children, families, and individuals through expenditure on community services and social housing. This Budget also includes a \$750 million Social Housing Investment Fund. This increases the total investment in social housing to \$2.1 billion in this Budget which will fund around 3,300 homes.

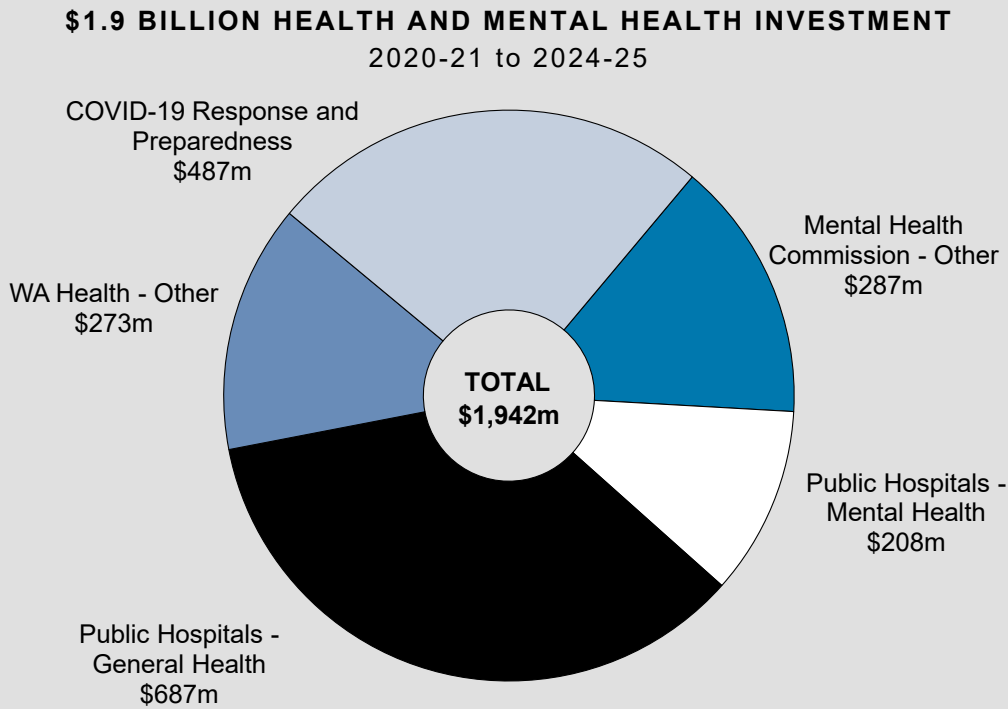
Investing in Our Health and Mental Health System

To protect the health and wellbeing of the community and to enhance the capacity of the State’s health system to meet demand, the 2021-22 Budget delivers a significant \$1.9 billion additional investment in health and mental health over 2020-21 to 2024-25¹.

Another record-breaking investment of \$549 million is being made in mental health, comprising \$495 million in additional funding for the Mental Health Commission, and a further \$54.7 million via WA Health for other mental health initiatives (including two new Mental Health Emergency Centres). This investment includes a significant \$311 million boost to community-based mental health services.

Over \$10.6 billion will be spent by WA Health and the Mental Health Commission on services in 2021-22 alone, representing 30% of total general government recurrent spending. This is on top of \$1.8 billion set aside for the new Women and Babies Hospital as part of the 2020-21 Mid-year Review.

Figure 2



Note: Segments may not add due to rounding.

¹ The \$1.9 billion package includes \$960 million for WA Health and \$495 million for the Mental Health Commission to boost services, as well as \$487 million to respond to COVID-19.

Public Hospital Investment

The 2021-22 Budget includes an \$894.5 million public hospital investment package over the Budget period. This will provide an additional 332 beds (223 general health and 109 mental health) as well as additional funding for more staff and important asset investment upgrades, including:

- \$30.2 million for the Health in a Virtual Environment (HIVE) and Wi-Fi projects at the East Metropolitan Health Service (total project cost of \$34.9 million);
- \$24.5 million for the State's first Secure Extended Care Unit at Bentley Health Service;
- \$15.7 million for the Meekatharra Hospital redevelopment (total project cost of \$48.5 million); and
- \$12.1 million to establish an Image Guided Operating Theatre at Sir Charles Gairdner Hospital.

Western Australia continues to spend more per capita on public hospitals than any other State, and 17.9% more than the national average².

Emergency Department (ED) Support Package

Across the country, EDs are under significant pressure. A targeted \$100 million ED Support Package will be implemented to improve patient flow, reduce bed block, relieve ambulance congestion and better support the health workforce. This includes:

- \$61.6 million for mental health ED supports, with \$37 million to expand the capacity of existing child and adult Community Treatment Teams and implement an Active Recovery Team pilot, and \$24.6 million to establish new Mental Health Emergency Centres in Armadale and Rockingham;
- \$35.6 million to implement new ED staffing models, employ additional staff in waiting areas at Perth Children's Hospital, implement a transition to practice program, and for a targeted recruitment campaign; and
- \$2.3 million to expand the virtual emergency medicine system to improve ambulance and ED flow.

Election Commitments

This Budget includes spending of \$367 million on the Government's election commitments for health and mental health. Of this, \$274 million is being invested into mental health, primarily in community-based accommodation and supports, including:

- \$122.1 million for youth, a cohort particularly impacted by the COVID-19 pandemic; and

² Report on Government Services 2021 (latest available data).

2021-22 Economic and Fiscal Outlook

- \$87.4 million on Alcohol and Other Drug initiatives, including \$39.7 million to develop an Immediate Drug Assistance Coordination Centre in the CBD.

COVID-19

The 2021-22 Budget provides for additional spending by WA Health totalling \$487 million over 2020-21 and 2021-22 on COVID-19 response and preparedness initiatives. Of note, this includes estimated vaccination roll-out costs for the State of \$119.6 million.

In total, the Government has approved more than \$1 billion in additional COVID-19-related spending for WA Health since the pandemic began.

Major Expense Changes

Summary

The following information provides details of major changes in general government expenses by agency since the 2020-21 Pre-election Financial Projections Statement (PFPS). Any timing changes and accounting adjustments that are broadly net debt neutral across the forward estimates period, and changes to depreciation expense, are not included in this chapter. Timing changes of a material nature are discussed in Chapter 3: *Fiscal Outlook and Strategy*.

A number of recurrent spending changes since the PFPS are common to a number of agencies. These include incentive funding for smaller and low risk agencies under the Streamlined Budget Process, investment to further streamline the State's approvals system, South West Native Title agency allocations, the Government's small grant election commitments, and relief and recovery spend in response to the impact of severe tropical cyclone Seroja.

Changes in total public sector infrastructure spending (i.e. the Asset Investment Program) since the PFPS are outlined in Chapter 6.

PARLIAMENT

Table 1

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
LEGISLATIVE COUNCIL					
– Transitional Allowance	0.4	-	-	-	-
– 2021-22 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
LEGISLATIVE ASSEMBLY					
– Transitional Allowance	0.6	-	-	-	-
– 2021-22 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS					
– Legislated Reportable Conduct Scheme in Western Australia	-	-	1.5	2.5	2.5
– 2021-22 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-

Legislative Council

Transitional Allowance

Due to the large turnover in the membership of the Legislative Council following the 2021 election, an amount of \$391,000 was spent in 2020-21 to fund a shortfall in the Transitional Allowance budget.

Legislative Assembly

Transitional Allowance

The Legislative Assembly spent an additional \$626,000 in 2020-21 to fund a shortfall in the Transitional Allowance budget.

Parliamentary Commissioner for Administrative Investigations

Legislated Reportable Conduct Scheme in Western Australia

As part of the Government's response to recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse, a Reportable Conduct Scheme will be established at a cost of \$6.6 million. The scheme will provide independent oversight of institutional responses to complaints of child abuse and neglect, and promote the safety of children.

GOVERNMENT ADMINISTRATION

Table 2

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
PREMIER AND CABINET					
COVID-19 Response					
– COVID-19 Communications and Coordination	0.1	11.3	-	-	-
Other Spending					
– Resolution of Native Title in the South West of Western Australia (Settlement)	-	67.0	69.5	69.5	70.7
– Ministerial Officers and Oversight of Parliamentary Electorate Offices	-	3.4	3.5	3.5	3.5
– Perth Casino Royal Commission	3.7	5.0	-	-	-
– Workforce Campaign	-	4.1	-	-	-
– Telethon Donation	-	1.0	1.0	1.0	1.0
– National Agreement on Closing the Gap – Implementation Resourcing	-	0.9	0.9	0.9	0.9
– Digital Capability Fund Administration	-	0.8	0.8	0.8	0.8
– Severances Paid to Ministerial and Parliamentary Officers	2.7	-	-	-	-
– Wooroloo Bushfire	2.5	-	-	-	-
– Aboriginal Cultural Centre Planning	-	2.0	-	-	-
– Severe Tropical Cyclone Seroja	2.0	-	-	-	-
– Aboriginal Cultural Heritage Bill	-	0.8	-	-	-
– Celebrate WA Day	0.5	-	-	-	-
– Housing Taskforce – Independent Project Management Office	0.2	-	-	-	-
PUBLIC SECTOR COMMISSION					
– Agency Capability Review Program	-	1.4	1.9	-	-
GOVERNOR'S ESTABLISHMENT					
– Government House Security	-	0.7	0.2	0.2	0.2
– Governor's Program – Additional Staff	-	0.3	0.2	-	-
WESTERN AUSTRALIAN ELECTORAL COMMISSION					
– State General Election 2021	5.0	-	-	-	-
– 2021-22 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
SALARIES AND ALLOWANCES TRIBUNAL					
– 2021-22 Streamlined Budget Process Incentive Funding	-	- (a)	-	-	-
COMMISSIONER FOR CHILDREN AND YOUNG PEOPLE					
– 2021-22 Streamlined Budget Process Incentive Funding	-	- (a)	-	-	-
OFFICE OF THE INFORMATION COMMISSIONER					
– 2021-22 Streamlined Budget Process Incentive Funding	-	- (a)	-	-	-
REGISTRAR, WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION					
– Appointment of Additional Commissioner	-	0.6	0.6	0.6	0.6
– Appointment of Interim Commissioner	-	0.4	-	-	-

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

Premier and Cabinet

COVID-19 Response

COVID-19 Communications and Coordination

The Government will spend \$11.3 million over 2020-21 and 2021-22 on communications and coordination of its COVID-19 efforts to ensure timely and consistent advice to the Western Australian community on pandemic-related matters. Additionally, an independent review into Western Australia's hotel quarantine arrangements was conducted in 2020-21 at a cost of \$101,000.

Other Spending

Ministerial Officers and Oversight of Parliamentary Electorate Offices

To meet the cost of Ministerial officers and oversight of Parliamentary electorate offices, the Government will spend an additional \$13.9 million over 2021-22 to 2024-25. This includes additional staff to administer Parliamentary Travel Allowances and support governance, education and training, and integrity issues relating to travel allowances and other entitlements.

Perth Casino Royal Commission

On 5 March 2021, the Attorney General announced a Royal Commission to examine Crown's suitability to operate its casino at Burswood. The Department is providing administrative support to the Royal Commission with \$3.7 million being spent in 2020-21, and a further \$5 million expected to be spent in 2021-22.

Workforce Campaign

As an outcome of the recent Skills Summit, a Workforce Campaign will be launched in 2021-22 at a cost of \$4.1 million aimed at minimising the impact of the current skills shortage in the Western Australian construction and manufacturing industries.

Telethon Donation

The Government has increased its annual Telethon donation from \$3 million to \$4 million from 2021-22 onwards, resulting in \$4 million additional expenditure over the forward estimates.

National Agreement on Closing the Gap – Implementation Resourcing

The Department will spend \$3.6 million over the forward estimates period to resource the implementation of the National Agreement on Closing the Gap in Western Australia.

Digital Capability Fund Administration

To administer the Government's new \$500 million Digital Capability Fund, the Department will spend \$3.1 million over the forward estimates period to resource the strategic oversight and assurance functions of the Fund. The Fund will facilitate digital transformation across the public sector, and address legacy Information and Communications Technology (ICT) systems that are approaching end of useful life.

Severances Paid to Ministerial and Parliamentary Officers

Following the March 2021 State election, the Government spent \$2.7 million in 2020-21 on termination payments to staff previously employed within Ministerial and Parliamentary Electoral Offices.

Wooroloo Bushfire

In 2020-21, the Government contributed \$2.5 million in relief funding in response to the Wooroloo Bushfire, including a \$2 million contribution to the Lord Mayor's Distress Relief Fund and \$524,000 to a bushfire relief payment scheme.

Aboriginal Cultural Centre Planning

The planning and pre-feasibility work for the development of a significant Aboriginal Cultural Centre in Perth will be conducted by the Department at a cost of \$2 million in 2021-22, funded by the Commonwealth Government.

Aboriginal Cultural Heritage Bill

The Department will spend \$795,000 in 2021-22 to finalise the drafting of the Aboriginal Cultural Heritage Bill which seeks to establish a new approach to protecting Aboriginal cultural heritage and transform how Aboriginal cultural heritage is identified.

Celebrate WA Day

To enable the annual WA Day festival to be hosted in a COVID-19 safe manner, an additional \$500,000 was spent on Celebrate WA in 2020-21.

Housing Taskforce – Independent Project Management Office

The Housing Taskforce – Independent Project Management Office was established in 2020-21 at a cost of \$200,000. The cross-agency taskforce is undertaking several short-term work streams to support the Residential Lands and Housing Delivery Steering Committee.

Public Sector Commission

Agency Capability Review Program

The Government will spend \$3.3 million over 2021-22 and 2022-23 trialling an Agency Capability Review Program. The Program is a sector-wide approach to agency improvement achieved through independent review, with eight agency reviews to be undertaken over the trial period.

Governor’s Establishment

Government House Security

To increase the security presence at Government House, the Government will spend an additional \$1.2 million over 2021-22 to 2024-25.

Governor’s Program – Additional Staff

The Governor’s Establishment will spend \$519,000 over 2021-22 and 2022-23 on additional staff to assist with managing the Governor’s Program.

Western Australian Electoral Commission

State General Election 2021

The Commission spent an additional \$5 million on the 2021 State General Election in 2020-21, primarily due to costs associated with implementation of COVID-19-related safety measures.

Registrar, Western Australian Industrial Relations Commission

Appointment of Interim Commissioner

Expenditure of \$365,000 has been approved to appoint an interim Commissioner for a period of 12 months, backfilling a current Commissioner who is on extended leave in 2021-22.

FINANCIAL ADMINISTRATION

Table 3

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
TREASURY					
– Resourcing to Support Government Priorities	-	2.3	2.3	2.3	2.3
– Sale of Western Australian TAB Project Team	-	2.0	0.2	-	-
– Sustainable Health Review	-	0.6	0.6	-	-
– Aboriginal Community Connectors Program Evaluation	-	– (a)	0.2	-	-
OFFICE OF THE AUDITOR GENERAL					
– 2021-22 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
FINANCE					
Election Commitments					
– Aboriginal Business Capability Building Program Extension	-	0.5	0.5	0.5	-
COVID-19 Response					
– Building Bonus Grant Scheme (Administered)	-13.6	149.6	-	-	-
– Commonwealth HomeBuilder Grant Scheme (Administered)	-23.9	150.8	-	-	-
– Off-the-Plan Duty Rebate Scheme (Administered)	-	-	-	9.6	16.6
– Small Business and Charities Electricity Credit Scheme (Administered)	-	24.5	-	-	-
– Home Building Grants Administration	0.4	3.9	4.6	-	-
– Small Business and Charities Electricity Credit Scheme	-	2.0	-	-	-
– Off-the-Plan Duty Rebate Scheme	-	-	-	– (a)	– (a)
Other Spending					
– Major Projects Directorate	-	2.9	7.9	7.9	8.0
– Resolution of Native Title in the South West of Western Australia (Settlement) – Regional Offices	-1.1	6.5	-	-	-
– Resolution of Native Title in the South West of Western Australia (Settlement) – Noongar Cultural Centre (Administered)	-	-	5.0	-	-
– Stabilising Western Australia’s Revenue Collection System	-	1.8	0.2	0.2	0.2
– Resolution of Native Title in the South West of Western Australia (Settlement) – Noongar Cultural Centre	-0.3	0.3	-	-	-
– Perth Children’s Hospital – Contractual Entitlement Resolution	– (b)	– (b)	-	-	-
– First Home Owner Grant Scheme (Administered)	-6.3	8.0	-5.9	-6.8	6.9
– Pensioner Concessions - Local Government Rates (Administered)	-9.5	-12.8	-13.5	-14.9	-16.0

(a) Amounts less than \$50,000.
(b) Commercial in Confidence.

Treasury

Resourcing to Support Government Priorities

To support Treasury's role in advising on, evaluating and coordinating implementation of the Government's priority projects and programs, and to strengthen financial management across the public sector, additional expenditure totalling \$9.2 million over 2021-22 to 2024-25 has been approved.

Sale of Western Australian TAB Project Team

The sale of the TAB was paused in mid-2020 following the outbreak of COVID-19. The Government has now re-established a project team, with Treasury allocated an amount of \$2.2 million over 2021-22 and 2022-23 to fund staff, legal, commercial and other consultancy expenses of the project.

Sustainable Health Review

The Government has allocated an additional \$1.2 million over 2021-22 and 2022-23 for Treasury to partner with WA Health to progress the implementation of priority Sustainable Health Review recommendations, particularly those related to commissioning and funding of health services.

Aboriginal Community Connectors Program Evaluation

Treasury will conduct a comprehensive evaluation of the Department of Communities' Aboriginal Community Connectors program at a cost of \$231,000 over 2021-22 and 2022-23.

Finance

Election Commitments

Aboriginal Business Capability Building Program Extension

The Government has extended the Aboriginal Business Capability Building program for three years at a cost of \$1.5 million. The program will continue to support Aboriginal businesses with tendering skills, business development, internal governance and contractual compliance.

COVID-19 Response

Building Bonus Grant Scheme (Administered)

Reflecting the higher than expected demand for new home construction, an additional \$136 million has been allocated to the State-funded Building Bonus grant scheme in 2021-22. Undrawn funds totalling \$13.6 million in 2020-21 have also been reflowed to 2021-22.

Commonwealth HomeBuilder Grant Scheme (Administered)

HomeBuilder grant payments (administered by the State on behalf of the Commonwealth) are forecast to increase by a further \$126.9 million in 2021-22, as result of higher than expected demand for new home construction. In addition, \$23.9 million of unspent assistance in 2020-21 has been reflowed to 2021-22.

Off-the-Plan Duty Rebate Scheme

Introduced in 2019 to promote investment and stimulate jobs in the construction industry, a 75% transfer duty rebate (to a maximum rebate of \$50,000) is currently available to owner-occupiers and investors who enter into a pre-construction contract between 23 October 2019 and 23 October 2021 for a new residential unit or apartment in a multi-tiered strata scheme.

This Budget extends the rebate for a further two years (until October 2023) but at a reduced rate of 50% of duty paid (still up to a maximum rebate of \$50,000). The amended rebate is estimated to cost an additional \$26.2 million over 2023-24 and 2024-25.

An additional \$96,000 will be spent on processing rebate applications over 2023-24 and 2024-25. Further investment of \$800,000 has been approved to develop internal assessment system enhancements (see Chapter 6).

Small Business and Charities Electricity Credit Scheme

As part of the State Government's decision to provide support for small businesses impacted by COVID-19 lockdowns, \$24.5 million has been allocated in 2021-22 for the Small Business and Charities Electricity Credit Scheme to provide a one-off \$500 electricity credit to non-Synergy or Horizon Power small business customers. A further \$2 million will be spent in 2021-22 on additional staff to administer the credit.

Home Building Grants Administration

To support administration and ensure the timely processing of applications for the State's Building Bonus grant and the Commonwealth's HomeBuilder grant for eligible building contracts, an additional \$9 million will be spent over 2020-21 to 2022-23.

Other Spending

Major Projects Directorate

A Major Projects Directorate will be established within the Department of Finance to support the timely delivery of major infrastructure projects, funded by \$15.6 million in additional appropriation and \$11 million in fees for service over the forward estimates period. The Directorate will enhance central project management capability, drive delivery of the infrastructure component of the WA Recovery Plan, and improve oversight of the Government's record Asset Investment Program.

Stabilising Western Australia’s Revenue Collection System

In order to stabilise critical RevenueWA support systems, \$2.4 million will be spent over the forward estimates period for additional servers and ongoing maintenance and support, mainly due to unforeseen demands related to COVID-19.

Perth Children’s Hospital – Contractual Entitlement Resolution

The Government has provided additional funding in 2021-22 to exercise contractual entitlements and endeavour to resolve outstanding matters with the Managing Contractor of the Perth Children’s Hospital. The amount of funding is not disclosed in order to avoid prejudicing the State’s position.

First Home Owner Grant Scheme (Administered)

First Home Owner Grant expenditure is forecast to be \$11.2 million lower over the forward estimates period. While expenditure has been revised up marginally (\$1.7 million) over 2020-21 and 2021-22, reflecting higher than anticipated first home buyer demand, this increase is more than offset by downward revisions in 2022-23 and 2023-24, in line with weaker population growth forecasts.

Pensioner Concessions - Local Government Rates (Administered)

Estimated Pensioner Concessions - Local Government Rates expenditure has been revised down by \$66.7 million over 2020-21 to 2024-25. The revision reflects the flow-on impact of lower than expected expenditure in 2020-21.

JOBS AND ECONOMIC DEVELOPMENT

Table 4

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
JOBS, TOURISM, SCIENCE AND INNOVATION					
Election Commitments					
- Investment Attraction and New Industries Fund	-	25.0	25.0	25.0	25.0
- Aboriginal Tourism Fund	-	3.7	4.7	5.8	5.8
- Local Manufacturing Investment Fund	-	7.5	7.5	-	-
- Oakajee Strategic Industrial Area Access Road	-	7.5	-	-	-
- WA Jobs Taskforce	-	1.2	1.3	1.3	1.3
- Anzac Day Trust (Administered)	0.5	1.4	1.0	1.0	1.0
- Wind Turbine Manufacturing	-	2.0	-	-	-
- Global Advanced Manufacturing Hub	-	1.0	1.0	-	-
- Perth Observatory	-	0.4	0.4	0.4	0.4
- Industry Attraction and Development Fund – Collie	-	0.5	0.5	-	-
COVID-19 Response					
- International Education Recovery and Renewal	-	1.8	1.6	-	-
- Australian Marine Complex Upgrade Project	-	1.7	-	-	-
Other Spending					
- Defence West	-	1.9	1.9	1.9	1.9
- Whole-of-Government Regulatory Approvals	-	1.0	1.2	1.2	1.3
- Australian Marine Complex Studies	-	4.5	-	-	-
- Renewable Hydrogen	-	0.9	0.6	0.8	1.7
- Invest and Trade Western Australian Policy Unit	-	0.4	0.4	0.5	0.5
PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT					
Election Commitments					
- Industry Attraction and Development Fund – Collie	-	1.5	5.5	6.0	6.0
- Small Commitments	2.6	13.4	-	-	-
- Agriculture Climate Resilience Fund	-	3.8	4.0	3.8	3.5
- Western Australian Processed Oats Industry Growth Partnerships	-	2.1	3.5	2.3	2.3
- Peel Agrifood Activation Fund – Food Technology Facility Project	-	4.0	3.0	1.5	1.5
- Australian Underwater Discovery Centre	-	6.2	3.3	-	-
- Animal Welfare Initiatives	-	2.1	1.9	1.9	1.5
- Regional Trail Initiatives	-	2.2	3.1	-	-
- Carnarvon One-Mile Jetty	-	1.5	3.0	-	-
- Upgrades to Community Centres	-	1.4	3.0	-	-
- Northern Native Seed Development Initiative	-	0.7	2.2	0.9	0.6
- Boost to Food Industry Innovation	-	1.0	1.0	1.0	1.0
- Halls Creek Town Development Masterplan	-	3.5	-	-	-
- Full Circle Therapy Centre (Paediatric Allied Health Services)	-	2.1	0.7	-	-
- New Aquaculture Development Zone(s)	-	0.4	0.9	0.9	-
- Kalgoorlie-Boulder Youth Precinct and Hub Project	-	-	2.1	-	-
- Yalgorup National Park Ecotourism Development	-	2.0	-	-	-
- Feasibility Study for an Advanced Manufacturing and Technology Hub for Bunbury Geographe	-	1.5	0.5	-	-
- Western Australian Wine Industry Export Growth Partnership Project	-	0.4	0.4	0.4	0.4
- Waroona Town Centre Revitalisation	-	1.3	-	-	-
- Carnarvon Flood Support	-	1.0	-	-	-

Table 4 (cont.)

**MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION
FINANCIAL PROJECTIONS STATEMENT**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
– Bunbury Speedway Upgrades	-	0.8	-	-	-
– Backing North Wanneroo Agriculture	-	0.5	0.3	-	-
– Karlkurla Bushland and Nature Playground	-	0.6	-	-	-
– Boulder Camp Upgrade	-	0.5	-	-	-
COVID-19 Response					
– Royal Agricultural Society of Western Australia	-	4.0	-	-	-
– Margaret River Main Street Redevelopment	3.1	-	-	-	-
Other Spending					
– Shark Hazard Mitigation Initiatives	-	1.0	5.1	5.2	5.1
– Enhancing Biosecurity and Emergency Response	-	3.8	4.1	3.7	3.5
– Regional Recovery Partnerships	-	8.5	1.4	-	-
– Regional Telecommunications Project – Regional Connectivity Program	-	8.3	-	-	-
– Natural Resource Management Program (Administered)	-	-	1.5	1.5	1.5
– Future Drought Fund – Farm Business Resilience and Regional Drought Resilience Planning Programs	-	3.6	-	-	-
– Aboriginal Heritage and Cultural Centre (Gwoonwardu Mia) in Carnarvon	-	1.2	1.2	1.2	-
– Severe Tropical Cyclone Seroja – Assistance Package	2.1	1.2	-	-	-
– National Biosecurity Response Cost Share Arrangements	2.3	-	-	-	-
– University of Western Australia Wave Energy Research Centre and Participation in the Blue Energy Collaboration Research Centre	-	0.8	0.5	0.3	-
– Transforming Bunbury’s Waterfront Stage 3 Phase 1	-	0.2	1.0	-	-
– Koojan Downs Road Upgrade	-	1.0	-	-	-
– Digital Connectivity Opportunities for the Northern Goldfields	-	0.5	0.5	-	-
– Coral Bay Workers Accommodation Facility	-	0.8	-	-	-
– Resolution of Native Title in the South West of Western Australia (Settlement)	-	0.2	0.2	0.2	0.2
– National Plant Health Surveillance Program	-	0.1	0.1	0.1	0.1
– Peel-Harvey Catchment Council Water Research Infrastructure	-	0.1	-	-	-
MINES, INDUSTRY REGULATION AND SAFETY					
Election Commitments					
– Fast Tracking Mining Approvals	-	3.4	6.3	5.0	5.1
– Work Health and Safety Act 2020 – Implementation	-	3.6	5.4	5.2	5.3
– Geoscience Data Transformation Strategy	-	0.4	4.9	3.3	1.7
– Building and Construction Industry (Security of Payment) Bill 2021	-	-	2.9	2.1	1.9
– Mental Health in the Workplace	-	1.0	1.0	1.0	1.0
– Wage Supplier Audit Unit	-	0.4	0.7	0.7	0.7
– Work Health and Safety Act 2020 – Stakeholder Engagement	-	0.3	0.3	0.3	0.3
– Circle Green Community Legal	-	0.1	0.1	0.1	0.1
Other Spending					
– Government Support Package for Koolyanobbing Iron Ore (Administered)	10.6	48.9	-7.6	-	-
– Resource Regulation	-	3.5	3.5	3.5	3.5
– Exploration Incentive Scheme	-	2.5	2.5	2.5	2.5
– Whole-of-Government Regulatory Approvals	-	0.7	0.8	0.9	0.9
– Mining Sector Financial Assistance (Administered)	-1.5	0.8	-	-	-

Table 4 (cont.)

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
MINERALS RESEARCH INSTITUTE OF WESTERN AUSTRALIA					
Election Commitments					
– Green Steel	-	0.9	0.3	0.3	0.3
Other Spending					
– Increased Base Funding	-	6.0	6.0	6.1	6.1
SMALL BUSINESS DEVELOPMENT CORPORATION					
COVID-19 Response					
– Small Business Lockdown Assistance Grants Program	0.4	1.3	-	-	-
Other Spending					
– Severe Tropical Cyclone Seroja – Grants Program	0.1	- (a)	-	-	-
– 2021-22 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
RURAL BUSINESS DEVELOPMENT CORPORATION					
– 2021-22 Streamlined Budget Process Incentive Funding	-	- (a)	-	-	-
ECONOMIC REGULATION AUTHORITY					
– Electricity Market Reforms	-	0.5	0.5	0.5	0.5
– Synergy Arbitration	-	0.4	-	-	-
ENERGY POLICY WA					
Election Commitments					
– Energy Industry Development Team	-	0.4	0.4	0.4	0.4
Other Spending					
– Energy Transformation Strategy	-	-1.3	1.5	1.6	-0.7
– Energy Consumer Advocacy	-	-	0.3	0.3	0.3
INFRASTRUCTURE WA					
– 2021-22 Streamlined Budget Process Incentive Funding	-	- (a)	-	-	-

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

Jobs, Tourism, Science and Innovation

Election Commitments

Investment Attraction and New Industries Fund

The Government has allocated \$100 million over 2021-22 to 2024-25 to establish an Investment Attraction and New Industries Fund to support economic diversification through investment attraction. The Fund will support a range of emerging industries, including battery manufacturing, green steel, cyber security and space. The Fund includes \$16.7 million to support innovation across the State, by accelerating new and existing small and medium enterprises to help diversify the economy and create new jobs.

Aboriginal Tourism Fund

Tourism WA will spend \$20 million over the forward estimates period to implement the Jina: Western Australian Aboriginal Tourism Action Plan 2021-2025. The Aboriginal Tourism Fund will support a range of initiatives including the development of new Aboriginal tourism experiences and create employment opportunities for Aboriginal people to work in the tourism industry.

Local Manufacturing Investment Fund

To assist in building local industry capacity to manufacture, refurbish or maintain iron ore railcar wagons, \$15 million has been allocated over 2021-22 and 2022-23 to establish a Local Manufacturing Investment Fund.

Oakajee Strategic Industrial Area Access Road

The Government has approved \$7.5 million in 2021-22 to construct a common user access road and intersection within the Oakajee Strategic Industrial Area to support the development of a Renewable Hydrogen Hub.

WA Jobs Taskforce

To establish the WA Jobs Taskforce, the Government will spend \$5.1 million over the forward estimates period. The Taskforce will assist in implementing the WA Jobs Plan and support local businesses to identify job creation opportunities in manufacturing and regional communities.

Anzac Day Trust (Administered)

The Anzac Day Trust will allocate additional grants totalling \$4.9 million over 2020-21 to 2024-25 to support the welfare of ex-service personnel and their dependents.

Wind Turbine Manufacturing

The Government will spend \$2 million in 2021-22 towards the development of a wind turbine manufacturing industry in Western Australia. Capital investment of \$6 million over 2022-23 to 2024-25 has also been approved for this project (see Chapter 6).

Global Advanced Manufacturing Hub

To establish a hub for high tech manufacturing, \$2 million will be spent over 2021-22 and 2022-23 to support and oversee industry consultation and the delivery of an overarching master plan for the hub.

Perth Observatory

Grants totalling \$1.6 million over 2021-22 to 2024-25 will be allocated to the Perth Observatory to expand its education program.

Industry Attraction and Development Fund – Collie

To continue to grow and diversify industry and create new jobs in the Collie region, the Government has allocated \$1 million over the forward estimates period from the \$20 million increase in the Collie Industry Attraction and Development Fund to the Department of Jobs, Tourism, Science and Innovation.

COVID-19 Response

International Education Recovery and Renewal

To support the recovery of the international education sector, the Government has allocated an additional \$3.4 million over 2021-22 and 2022-23 to entice international students to study in Western Australia when international borders reopen.

Australian Marine Complex Upgrade Project

The Government will spend an additional \$1.7 million in 2021-22 on infrastructure upgrades at the Australian Marine Complex (new vessel transfer path, Wharf 1 extension and road intersection upgrades), taking the total cost of these upgrades to \$55.7 million.

Other Spending

Defence West

Defence West has been allocated an additional \$7.6 million over 2021-22 to 2024-25 to continue to deliver the Western Australian Defence and Defence Industries Strategic Plan and maximise Western Australia's share of the Commonwealth Government's \$200 billion defence investment.

Australian Marine Complex Studies

Funded by the Commonwealth, planning studies will be undertaken at a cost of \$4.5 million at the Australian Marine Complex to inform the development of future infrastructure.

Renewable Hydrogen

To assist with the development of the State's emerging renewable hydrogen industry and deliver on the targets of the Renewable Hydrogen Strategy, the Government will spend an additional \$4 million over 2021-22 to 2024-25. As part of its \$750 million package of climate action initiatives funded in this Budget, the Government has also allocated \$50 million over the forward estimates period for renewable hydrogen initiatives, including development of a Renewable Hydrogen Hub and demand stimulation measures.

Invest and Trade Western Australian Policy Unit

To enhance the Department's response to existing and emerging trade opportunities, additional expenditure of \$1.8 million has been approved over 2021-22 to 2024-25.

Primary Industries and Regional Development

Election Commitments

Industry Attraction and Development Fund – Collie

The Government has allocated an additional \$19 million to the Department over the forward estimates period, from the \$20 million increase in the Collie Industry Attraction and Development Fund, to continue to grow and diversify industry and create new jobs in the Collie region.

Agriculture Climate Resilience Fund

A new \$15 million Agriculture Climate Resilience Fund will be established and expended over the forward estimates period to help Western Australian farmers respond to the challenges of climate change.

Western Australian Processed Oats Industry Growth Partnerships

The Government will contribute \$10.1 million over 2021-22 to 2024-25 on a Processed Oats Industry Growth Partnership, which aims to double the value of the oat grain industry in Western Australia over the next 20 years.

Peel Agrifood Activation Fund – Food Technology Facility Project

The Government has allocated \$10 million over the four years to 2024-25 to establish the Food Technology Facility at the Peel Business Park. The Facility is intended to demonstrate the commercial viability of an advanced food manufacturing plant and promote food processing innovation in Western Australia.

Australian Underwater Discovery Centre

The Government has allocated \$9.5 million over 2021-22 and 2022-23 towards the Australian Underwater Discovery Centre at Busselton, which is expected to be the world's largest underwater marine observatory and the only one of its type in Australia.

Animal Welfare Initiatives

To improve animal welfare in Western Australia, the Government will spend \$7.4 million over 2021-22 to 2024-25. This includes a doubling of the annual grant payment to the Royal Society for the Prevention of Cruelty to Animals (RSPCA), a one-off allocation to the RSPCA for a pet sterilisation pilot program, and responding to the review of the *Animal Welfare Act 2002*.

Regional Trail Initiatives

Grant funding of \$5.3 million has been allocated to local governments to improve regional trail infrastructure and support tourism at multiple trails, including the Albany Trails, the Peel Regional Trails and the Harvey Trail Precinct.

Carnarvon One-Mile Jetty

The Government will spend an additional \$4.5 million over 2021-22 and 2022-23 towards repairing the first 400 metres of the heritage-listed Carnarvon One-Mile Jetty. This is in addition to \$4.2 million to remove part of the jetty that was irreparably damaged to improve marine safety in the area.

Upgrades to Community Centres

The Government will provide a total of \$4.4 million over 2021-22 and 2022-23 to provide new and upgraded community infrastructure across Western Australia. This includes the construction of a multipurpose community centre in Dawesville, a contribution to the Ravenswood Community Centre (in partnership with the Shire of Murray), and upgrades to the Harvey Senior Citizens Centre.

Northern Native Seed Development Initiative

The Northern Native Seed Development Initiative has been allocated \$4.4 million over the forward estimates period to support Aboriginal economic opportunities and capitalise on the growing need for mine site revegetation and rehabilitation, as well as developing native food production.

Boost to Food Industry Innovation

To expand the Food Industry Innovation Program, an additional \$4 million will be spent over 2021-22 to 2024-25 to continue to support the food processing industry in the State.

Halls Creek Town Development Masterplan

To enhance the urban environment of Halls Creek, the Government has allocated \$3.5 million in 2021-22 to the Halls Creek Town Development project.

Full Circle Therapy Centre (Paediatric Allied Health Services)

Expenditure of \$2.8 million over 2021-22 and 2022-23 has been allocated for a purpose-built Therapy Centre in Kalgoorlie-Boulder to enable children with special needs to access specialised therapies and allied health.

New Aquaculture Development Zone(s)

To establish a new aquaculture development zone(s) for finfish or shellfish along the west or south coast of Western Australia, an amount of \$2.2 million will be spent over 2021-22 to 2023-24.

Kalgoorlie-Boulder Youth Precinct and Hub Project

The Department will spend \$2.1 million in 2022-23 on the development of a Kalgoorlie-Boulder Youth Precinct and Hub project. The project will unify Kingsbury Park and Lord Forrest Park into a central youth-focused precinct and a central hub for youth activities and initiatives.

Yalgorup National Park Ecotourism Development

To develop and grow the Peel tourism sector, the Government has allocated \$2 million in 2021-22 towards improving the Yalgorup National Park Ecotourism Development infrastructure.

Feasibility Study for an Advanced Manufacturing and Technology Hub for Bunbury Geographe

An amount of \$2 million over 2021-22 and 2022-23 has been approved for a feasibility study into an Advanced Manufacturing and Technology Hub in the South West, which will explore opportunities to attract new investment, create local jobs and diversify the economy.

Western Australian Wine Industry Export Growth Partnership Project

The Wine Industry Export Growth Partnership will receive an additional \$1.5 million over the forward estimates period. The Partnership aims to increase international demand for Western Australia's wines, bringing total funding allocated to the initiative to \$3 million over 2020-21 to 2024-25.

Waroona Town Centre Revitalisation

In partnership with the Waroona Shire Council, the Government will contribute \$1.3 million in 2021-22 to revitalise the Waroona Town Centre.

Carnarvon Flood Support

To support fruit and vegetable growers in Carnarvon adversely affected by recent flooding, the Government has established a \$1 million fund in 2021-22 to assist with soil replacement and planning to mitigate future flood risk.

Bunbury Speedway Upgrades

The Government has allocated \$750,000 in 2021-22 to replace a crash barrier fence and increase safety measures at Bunbury Speedway.

Backing North Wanneroo Agriculture

The Department will spend \$750,000 over 2021-22 and 2022-23 to support the horticultural industry in north Wanneroo and assist the long-term viability of local growers.

Karlkurla Bushland and Nature Playground

A large-scale nature playground will be built on the site of the Karlkurla Bushland Park at a cost of \$600,000 in 2021-22.

Boulder Camp Upgrade

Boulder Camp in Kalgoorlie will be upgraded at a cost of \$510,000 in 2021-22, supporting people travelling from remote communities like Tjuntjuntjara, Yalata and the Anangu Lands, into Kalgoorlie-Boulder.

COVID-19 Response

Royal Agricultural Society of Western Australia

The Government has approved a grant of up to \$4 million to the Royal Agricultural Society of Western Australia (RASWA) in 2021-22 to support the 2021 Perth Royal Show. The funding will assist the RASWA meet the additional costs associated with staging the Show in a COVID-19 environment.

Margaret River Main Street Redevelopment

An amount of \$3.1 million in 2020-21 was spent to complete the Margaret River Main Street upgrade project.

Other Spending

Shark Hazard Mitigation Initiatives

The Government will spend an additional \$16.4 million over the forward estimates period to expand and continue a number of shark hazard mitigation initiatives:

- Surf Life Saving WA (\$12 million) – continuation of Surf Life Saving WA's (SLSWA) shark hazard mitigation services. SLSWA provides beach and aerial patrols in the South West and Perth metropolitan areas, coordination of service and emergency responses via SurfCom communications centre, a jetski response team and a drone program; and
- Other Shark Hazard Mitigation Initiatives (\$4.4 million) – includes upgrades to the Shark Monitoring Network and implementation of an enhanced tagging program, additional beach enclosures, and continuing the personal shark deterrent device rebate.

Enhancing Biosecurity and Emergency Response

The State's biosecurity defence and response capability will be strengthened with an additional \$15.1 million to be spent over 2021-22 to 2024-25 on emergency preparedness, early detection, and an increase in biosecurity incident and emergency response capacity and capability.

Regional Recovery Partnerships

Under the Commonwealth's Regional Recovery Partnerships, \$9.8 million over 2021-22 and 2022-23 will be spent across three projects in the South West region – the Compost Food Organic Garden Organic facility (\$6 million), the Nannup Cycle Trail Network (\$2.9 million) and the Manjimup Trail Bike Hub (\$980,000).

Regional Telecommunications Project – Regional Connectivity Program

The State Government will contribute \$8.3 million in 2021-22 to the Commonwealth's Regional Connectivity Program. The Program uses a place-based approach to target telecommunications infrastructure investment that will provide economic opportunities and improve participation in the digital economy for regional communities and businesses.

Natural Resource Management Program (Administered)

The State's Natural Resource Management Program in the metropolitan area will continue over 2022-23 to 2024-25, with the Government allocating an additional \$1.5 million per annum to the program.

Future Drought Fund – Farm Business Resilience and Regional Drought Resilience Planning Programs

In line with the Commonwealth Federal Funding Agreement – Environment, the Government will spend \$3.6 million in 2021-22 towards the Farm Business Resilience Program and the Regional Drought Resilience Planning Program.

Aboriginal Heritage and Cultural Centre (Gwoonwardu Mia) in Carnarvon

The Government has approved additional expenditure of \$3.5 million over 2021-22 to 2023-24 to continue the current funding agreement for the operation of the Gascoyne Aboriginal Heritage and Cultural Centre (Gwoonwardu Mia) in Carnarvon.

National Biosecurity Response Cost Share Arrangements

To cover the State's obligations, an additional \$2.3 million was spent in 2020-21 to respond to nationally significant biosecurity incidents (Avian influenza and the Khapra beetle).

University of Western Australia Wave Energy Research Centre and Participation in the Blue Energy Collaboration Research Centre

The Government will spend \$1.6 million over 2021-22 to 2023-24 to provide for the continuation of the University of Western Australia's Wave Energy Research Centre and support the progression of the proposed wave energy demonstration project.

Transforming Bunbury's Stage 3 Phase 1

Following the approval of \$78.1 million towards Stage 3 of the Transforming Bunbury Waterfront project, the Department will spend \$1.2 million over 2021-22 and 2022-23 on a number of related activities, including environmental and planning approvals, improvements to the amenity of Jetty Road and undertaking stakeholder management.

Koojan Downs Road Upgrade

The Government will contribute \$2.5 million in 2021-22 to road upgrades in the Koojan region (which includes \$1.5 million to be spent by Main Roads WA, reprioritised from within its existing budget allocations). The road upgrades will support the ongoing development of the rangelands beef supply chain and promote private sector investment in the Central Midlands region of the Wheatbelt.

Digital Connectivity Opportunities for the Northern Goldfields

In support of enhanced digital connectivity services across the Northern Goldfields region, \$1 million will be spent over 2021-22 and 2022-23 to provide sustainable improved digital services to the towns of Leonora, Laverton and Menzies and the surrounding areas and pastoral stations.

Coral Bay Workers Accommodation Facility

To support the Coral Bay Workers accommodation facility, the Government has approved additional expenditure of \$750,000 in 2021-22.

National Plant Health Surveillance Program

Commonwealth funding of \$504,000 will be spent over 2021-22 to 2024-25 for the delivery of the National Plant Health Surveillance Program, which focuses on early detection of national priority plant pests entering Australia.

Peel-Harvey Catchment Council Water Research Infrastructure

The Peel-Harvey Catchment Council will be provided with an additional grant of \$120,000 in 2021-22 to support the retention of a science advisor to drive projects which will enhance the health of the Peel-Harvey Estuary.

Mines, Industry Regulation and Safety

Election Commitments

Work Health and Safety Act (WHS Act) 2020 – Implementation

The Government has approved additional expenditure of \$19.5 million over 2021-22 to 2024-25 to meet the implementation and ongoing administration costs arising from the expanded regulatory functions to be undertaken by the Department, consequential to the introduction of the new WHS Act and accompanying regulations.

Geoscience Data Transformation Strategy

To transform the State's geoscience information into intelligent data suitable for machine learning and artificial intelligence, an amount of \$10.3 million will be spent over 2021-22 to 2024-25 on the development of a new data viewing and delivery portal to open up access to digitally transformed data. Capital investment of \$300,000 in 2022-23 has also been approved for this project (see Chapter 6).

Building and Construction Industry (Security of Payment) Bill 2021

The Government has allocated an additional \$6.9 million over 2022-23 to 2024-25 to implement reforms contained in the legislation, industry education programs, and enforcement and compliance activities to ensure poor payment practices and unethical commercial behaviour in construction supply chains are minimised.

Mental Health in the Workplace

Grants totalling \$4 million over 2021-22 to 2024-25 will be allocated to not-for-profit organisations for initiatives that seek to promote mental health in the workplace and connect workers to the best available help and support.

Wage Supplier Audit Unit

As part of combatting wage theft in Western Australia, \$2.5 million will be spent over 2021-22 to 2024-25 to create a specialist employment conditions audit and compliance unit that will undertake audits of employment arrangements of suppliers, to ensure obligations under workplace laws are being met in accordance with awards and agreements.

Work Health and Safety Act 2020 (the Act) – Stakeholder Engagement

The Government has allocated \$1.2 million over 2021-22 to 2024-25 for unions and peak bodies to engage with businesses, industries and workers on the transition to the new Act, and communicating to their members the implications and obligations of the new legislative framework.

Circle Green Community Legal

Circle Green Community Legal (formerly Employment Law Centre WA) will be provided with an additional \$100,000 per annum over the forward estimates period to continue support for vulnerable workers for whom English is a second language to understand and enforce their rights at work.

Other Spending

Government Support Package for Koolyanobbing Iron Ore (Administered)

The estimated royalty rebate paid to Mineral Resources Limited for continuation of iron ore mining at Koolyanobbing has been revised up by \$51.9 million over 2020-21 to 2022-23, reflecting upward revisions to the iron ore price, a lower assumed exchange rate and changes in the assumed timing of eligible production. The additional rebate has no net debt impact as it is fully offset by higher royalty collections.

Exploration Incentive Scheme

The Government has approved additional expenditure of \$10 million over 2021-22 to 2024-25 to stimulate increased resource exploration aimed at new mineral and energy discoveries. This additional expenditure is offset by increased revenue from Mining Tenement Rentals.

Mining Sector Financial Assistance (Administered)

To support employment in the East Kimberley, a 50% rebate on royalties is being provided to Ridges Iron Ore. The total estimated cost of the rebate has been revised down from \$2.3 million in 2020-21 to \$1.6 million over 2020-21 and 2021-22, due to lower than forecast royalties paid by the company (primarily reflecting lower than expected sales).

Minerals Research Institute of Western Australia (MRIWA)

Election Commitments

Green Steel

The MRIWA will spend \$1.9 million (\$900,000 funded by industry) over 2021-22 to 2024-25 to undertake research into the viability of local environmentally sustainable processing of Western Australian iron ore to create green steel, or the inputs necessary for green steel.

Other Spending

Increased Base Funding

To support the growth of MRIWA's resource industry research programs, an additional \$24.2 million will be spent over 2021-22 to 2024-25, co-funded by Government and industry.

Small Business Development Corporation

COVID-19 Response

Small Business Lockdown Assistance Grants Program

Funding of \$59 million has been allocated over 2020-21 and 2021-22 to meet claims under the Small Business Lockdown Assistance Grants program that has aided small businesses in Perth, Peel and regional Western Australia in the sectors most severely impacted by recent lockdowns and subsequent restrictions. This includes \$1.7 million to administer the grants.

Economic Regulation Authority

Electricity Market Reforms

To address increased responsibilities resulting from the Wholesale Electricity Market and the Pilbara Electricity Market reforms, the Government has approved expenditure of \$2.1 million over 2021-22 to 2024-25 for industry-funded staff and consultancy costs.

Synergy Arbitration

The Government has approved an additional \$400,000 in 2021-22 for legal costs related to the Electricity Review Board's arbitration of alleged breaches of the Wholesale Electricity Market Rules by Synergy.

Energy Policy WA

Election Commitments

Energy Industry Development Team

An energy industry development team will be established, at a cost of \$1.7 million over 2021-22 to 2024-25, to work with local renewable manufacturers and the mining industry to accelerate the transition to renewables on remote mine sites.

Other Spending

Energy Transformation Strategy

In response to the rapid transformation of the energy sector and to ensure security and reliability of power supply, the Government will spend an additional \$1 million over 2021-22 to 2024-25 to continue the Energy Transformation Strategy.

Energy Consumer Advocacy

To continue the Western Australian Advocacy for Consumers of Energy program within Energy Policy WA, the Government will spend \$1 million over 2022-23 to 2024-25 to support energy consumers, including building consumer advocacy capacity and capability in the energy sector.

HEALTH

Table 5

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
WA HEALTH					
Election Commitments					
– Patient Assisted Travel Scheme: Accommodation Subsidy with Annual Indexation and Escort Eligibility	-	4.4	4.7	5.1	5.5
– Early Childhood Dental Program	-	1.0	1.1	2.5	6.9
– Sister Kate’s Aboriginal Health and Aged Care Facility in Queens Park	10.0	-	-	-	-
– Women’s Community Health Services	-	0.8	1.5	1.6	1.6
– Better Beginnings – Multicultural Community Service	-	0.2	1.3	1.3	1.4
– Geraldton Hospital Co-location Project	-	1.2	0.8	-	-
– Small Commitments	0.1	-	-	-	-
COVID-19 Response					
– Response to COVID-19	164.5	301.1	-	-	-
Other Spending					
– General Health Hospital Services	18.9	114.8	118.8	125.2	179.1
– Commonwealth Agreements	0.4	38.1	1.1	- ^(a)	0.1
– Fiona Stanley Hospital – Transition Project	-	10.5	7.4	7.7	8.0
– Non-Hospital Services Expenditure	2.1	6.4	14.6	-5.7	-4.2
– Women and Newborn Service Relocation Project	-	3.0	2.4	-	-
– Children’s Hospice	-	1.2	1.3	0.7	-
MENTAL HEALTH COMMISSION					
Election Commitments					
<i>Alcohol and Other Drugs</i>					
– Immediate Drug Assistance Coordination Centre	-	0.3	12.4	12.6	12.9
– Mental Health Co-Response Expansion	-	1.6	6.5	6.4	6.5
– Expansion of Community Alcohol and Other Drug Integrated Services in the South Metropolitan Health Service Region (Peel)	-	0.8	2.6	2.6	2.7
– Geographic Expansion of Current Mental Health Commission Parent Peer Support Groups	-	1.3	1.2	1.5	1.6
– 20-Bed Rehabilitation Facility in the Perth Metropolitan Region	-	0.1	0.1	0.3	2.1
<i>Youth</i>					
– Expansion of Youth Community Assessment and Treatment Teams	-	6.6	9.3	9.5	9.9
– Child, Adolescent and Youth Forensic Outreach Service	-	1.8	3.6	3.6	3.7
– Expansion of Youth Mental Health Community Treatment Services	-	1.2	2.9	3.0	3.1
– Youth Alcohol and Other Drug Workers in Youth Accommodation and Support Services	-	0.9	2.8	3.0	3.1
– Psychosocial Support Packages for Young People	-	-	3.1	3.2	3.3
– Extending the Strong Spirit Strong Mind Public Education Campaign	-	2.6	2.1	2.3	2.2
– Youth Long Term Housing and Support Program	-	0.2	0.2	1.8	5.1
– Parents, Young People and Alcohol Campaign	-	2.0	1.4	1.9	1.5
– Youth Mental Health and Alcohol and Other Drug Step Up/Step Down	-	0.1	0.1	0.6	3.8
<i>Other</i>					
– Expansion of Eating Disorder Treatment Service	-	0.5	8.8	10.3	12.2
– Investing in Aboriginal Social and Emotional Wellbeing	-	0.7	6.5	6.7	3.6
– South Hedland Step Up/Step Down	-	0.1	0.1	0.7	3.8
– WA AIDS Council Funding	-	0.4	-	-	-

Table 5 (cont.)

**MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION
FINANCIAL PROJECTIONS STATEMENT**

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
Other Spending					
– Mental Health Hospital Services	-	49.2	59.8	47.0	51.6
– Community Services Contracts 2021-22 Uplift	-	5.5	-	-	-
– Kimberley Juvenile Justice Strategy Initiative	-	0.2	-	-	-
<i>Administered Entities</i>					
– Mental Health Tribunal	-	0.6	0.6	0.6	0.6
– Mental Health Advocacy Service	-	0.5	0.5	0.5	0.6
– Office of the Chief Psychiatrist	-	0.5	0.5	0.5	0.5
HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE					
– Voluntary Assisted Dying Legislation	-	0.1	0.1	0.1	0.2

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

WA Health

Election Commitments

Patient Assisted Travel Scheme: Accommodation Subsidy with Annual Indexation and Escort Eligibility

The Government has allocated \$19.7 million over 2021-22 to 2024-25 to provide an increase in the Patient Assisted Travel Scheme (PATS) subsidy, index the subsidy to CPI and expand the eligibility criteria.

Early Childhood Dental Program

To support the Government's commitment to provide every child from six months to five years of age with access to a free dental assessment and promote good oral health, an additional \$11.5 million will be spent over the forward estimates period to establish a new dental health service program.

Sister Kate's Aboriginal Health and Aged Care Facility in Queens Park

In partnership with Hall & Prior and Sister Kate, the Government allocated \$10 million in 2020-21 towards the construction of a new 80-bed Aboriginal health and aged care facility in Queens Park.

Women's Community Health Services

Women's community health services in the Kimberley will be expanded and mental illness and family, domestic and sexual violence will be addressed via additional spending of \$2.8 million over 2021-22 to 2024-25. A further \$2.7 million will be spent over the forward estimates period to establish a Culturally and Linguistically Diverse women's community health service in the South Eastern corridor, providing culturally sensitive services including health promotion, nursing, counselling and midwifery services.

Better Beginnings – Multicultural Community Service

To support refugee and migrant children and their families with complex health, settlement and social-emotional needs, the Government will spend an additional \$4.1 million over the forward estimates period on culturally appropriate community services across the Perth metropolitan area.

Geraldton Hospital Co-location Project

Planning and scoping for the co-location of St John of God private hospital on the Geraldton Health Campus site will be undertaken at a cost of \$2 million over 2021-22 and 2022-23.

COVID-19 Response

Response to COVID-19

The Government has approved additional recurrent expenditure of \$465.7 million over 2020-21 and 2021-22 on WA Health's response to COVID-19, including hotel quarantine, implementation of the vaccine program, Public Health Emergency Operation Centre and State Health Incident Coordination Centre operations, and additional personal protective equipment and pathology costs, amongst other initiatives. A further \$16.9 million has been provided for capital costs of the pandemic response (see Chapter 6) and \$4.6 million for COVID-related inventory costs.

Other Spending

General Health Hospital Services

The Government will spend an additional \$556.8 million on recurrent general health hospital services over 2020-21 to 2024-25 to reflect updated activity growth forecasts and a price uplift, and to provide capacity to open a further 223 general health beds. This forms part of a total \$894.5 million investment in public hospital services in this Budget, which also includes mental health hospital services and several hospital-related capital items.

Commonwealth Agreements

Under Commonwealth funding agreements, an additional \$39.8 million will be spent over 2020-21 to 2024-25, including:

- *Cross Border Expenses* – \$24.4 million has been provided in 2021-22 to provide care to Western Australian patients in interstate hospitals as required under the National Health Reform Agreement (NHRA);
- *Public Dental Services for Adults* – \$9.7 million will be spent in 2021-22 on improving the oral health of eligible adult public dental patients;
- *Health Innovation Fund Stage 2* – \$5.2 million will be spent over 2021-22 and 2022-23 on projects that trial new innovative ways of delivering services including a virtual mental health model, aged care Transition Care Program services for Aboriginal patients, transition care arrangements for patients with a disability, and a primary health care 'one-stop shop' for people experiencing homelessness; and

- *Other Commonwealth Agreements* – \$250,000 was spent in 2020-21 to increase the rate of stillbirth autopsies and investigations, and a further \$300,000 will be spent over 2020-21 to 2024-25 on the Indigenous Australians' Health Programme and Essential Vaccines.

Fiona Stanley Hospital – Transition Project

To support the transfer of patient-facing services from Serco to WA Health at Fiona Stanley Hospital, as announced in March 2020, a total of \$50.3 million will be transferred from a global provision to WA Health's budget from 2021-22 to 2026-27. This includes expenditure of \$33.6 million over the current Budget period.

Non-Hospital Services Expenditure

The Government will spend a net additional \$13.2 million over 2020-21 to 2024-25 on non-hospital services, including Sustainable Health Review initiatives and a \$10.9 million grant to the Royal Flying Doctor Service to refurbish and replace aircraft engines.

Women and Newborn Service Relocation Project

Following the Government's decision in the 2020-21 Mid-year Review to allocate \$1.8 billion from stronger than expected revenue to fund construction of a new Women and Babies Hospital, spending of \$5.4 million over 2021-22 and 2022-23 has been approved for WA Health to develop and complete the Women and Newborn Service Relocation Project business case.

Children's Hospice

WA Health (in partnership with the Perth Children's Hospital Foundation) will plan and commission Western Australia's first Children's Hospice to provide care and support for children with life-limiting conditions and their families, through additional expenditure totalling \$3.2 million over 2021-22 to 2023-24.

Mental Health Commission

Election Commitments

Alcohol and Other Drugs

To address the Government's alcohol and other drug (AOD)-related election commitments, a total of \$87.4 million will be spent over the Budget period. This includes \$75.9 million in recurrent expenditure, with major initiatives including:

- *Immediate Drug Assistance Coordination Centre* – additional expenditure of \$38.2 million over the Budget period to establish a suite of related services including a drop-in hub and six crisis beds that provide an alternative to presenting to an emergency department in AOD crisis. This is in addition to a \$1.5 million capital investment outlined in Chapter 6;

- *Expansion of the Mental Health Co-Response Program* – in partnership with the Western Australia Police Force, a further \$21 million over the Budget period to provide additional mobile mental health teams in the metropolitan area as well as Geraldton and Bunbury; and
- *Expansion of Community AOD Services and Parent Peer Support Groups* – expenditure of \$14.3 million has been approved over the Budget period to: establish a Drug and Alcohol Service in Mandurah and a fully integrated AOD service within the Peel Health Hub; and expand the Parent and Family Drug Support Program in the metropolitan and regional areas.

Youth

To meet the Government's youth mental health election commitments, a total of \$122.1 million (including \$17 million in capital investment outlined in Chapter 6) will be spent over the forward estimates period on:

- *Expansion of Youth Community Assessment and Treatment Teams* – the Government will invest \$35.3 million to expand and establish Youth Community Assessment and Treatment teams;
- *Child, Adolescent and Youth Forensic Outreach Service* – a new service will be implemented, and provide consultation and liaison, multidisciplinary assessment and ongoing psychosocial supports to young people aged 10 to 24 years with mental health issues and offending behaviour, at a cost of \$12.6 million;
- *Expansion of Youth Mental Health Community Treatment Services* – \$10.1 million will be spent to expand services for young people with severe and complex mental health problems in the metropolitan area;
- *Youth AOD Workers in Youth Accommodation and Support Services* – an additional \$9.8 million will be spent to increase the number of Drug Education Support Services (DESS) workers across the 12 Youth Accommodation and Support Services;
- *Psychosocial Support Packages for Young People* – a further \$9.5 million will be spent to provide 30 Psychosocial Support Packages for Young People in the metropolitan area with mental health and/or AOD issues over 2022-23 to 2024-25;
- *Extending the Strong Spirit Strong Mind Public Education Campaign* – to extend the existing Strong Spirit Strong Mind Campaign, a further \$9.2 million will be spent across the State with a focus on improving the social and emotional wellbeing of young Aboriginal people and the provision of AOD education;
- *Youth Long Term Housing and Support Program* – an additional \$7.3 million will be spent to provide an additional 20 support packages for young people aged 16 to 24 years with mental health and AOD issues not supported through the National Disability Insurance Scheme. A further \$10.9 million in capital investment is outlined in Chapter 6;

- *Parents, Young People and Alcohol Campaign* – to develop, implement and evaluate a new phase of the existing Alcohol.Think Again – Parents, Young People and Alcohol Campaign, \$6.7 million will be spent to educate parents on the harms of alcohol for young people aged 12 to 17 years; and
- *Youth Mental Health and Alcohol and Other Drug Step Up/Step Down* – \$4.6 million will be spent to operate a 10 bed facility in the metropolitan area for young people aged 16 to 24 years with a mental health or AOD issue. This is in addition to \$6.1 million in capital investment to construct the facility (see Chapter 6).

Expansion of Eating Disorder Treatment Service

The Government will spend \$31.7 million over the Budget period to establish a State-wide eating disorder service for people aged 16 and above. The hub and spoke model provides a centralised, tertiary level specialist service consisting of a State-wide day program and early intervention, as well as community and clinical spokes involving prevention campaigns and a pilot specialist multidisciplinary outpatient clinic.

Investing in Aboriginal Social and Emotional Wellbeing

To implement a pilot at five Aboriginal Community Controlled Health Service sites in the Kimberley, Pilbara, Goldfields, Mid West and South West regions, the Government has committed \$17.6 million over the Budget period.

South Hedland Step Up/Step Down

The Government will spend \$4.7 million over the next four years to operate a new 10 bed Step Up/Step Down facility in the Pilbara region. This is in addition to \$10.2 million for construction of the facility (see Chapter 6).

WA AIDS Council Funding

One-off expenditure of \$0.4 million in 2021-22 has been approved to enable the WA AIDS Council to deliver peer-based support and education through weekend workshops targeted to regional and rural LGTBIQ+ youth, as well as mental health prevention and promotion programs provided at a peer-based support centre in the metropolitan area.

Other Spending

Mental Health Hospital Services

The Government will spend an additional \$207.6 million on mental health hospital services over the Budget period to reflect updated activity growth forecasts and a price uplift. This includes \$30.2 million to increase capacity in Child and Adult Community Treatment Services to reduce wait times between referral and first appointment. Together with several hospital-related capital items (refer to Chapter 6), this Budget provides capacity for a further 109 mental health beds.

Community Services Contracts 2021-22 Uplift

To ensure current levels of critical service delivery in mental health and AOD services are maintained, an additional \$5.5 million will be spent in 2021-22 to provide one-off supplementation payments to eligible service providers.

Kimberley Juvenile Justice Strategy Initiative

To commence the co-design process for the Kimberley Juvenile Justice Strategy Initiative, the Government will spend an additional \$200,000 in 2021-22. This forms part of a \$6.7 million investment for this initiative (see also the Department of Justice later in this chapter).

Administered Entities

Additional expenditure of \$6.6 million over the next four years has been approved to enable the Mental Health Tribunal, the Mental Health Advocacy Service and the Office of the Chief Psychiatrist to meet increasing demand and ensure they fulfill their statutory obligations.

Health and Disability Services Complaints Office

Voluntary Assisted Dying Legislation

The Government has approved \$547,000 to be spent over 2021-22 to 2024-25 to continue the appointment of a Senior Case Officer to assist in the administration of the *Voluntary Assisted Dying Act 2019*.

EDUCATION AND TRAINING

Table 6

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
EDUCATION					
Election Commitments					
– Increase in School Psychologists	-	3.7	9.0	12.8	16.7
– Expansion of Alternative Learning Settings	-	5.5	10.2	11.3	11.5
– Specialised Career Practitioners	-	4.8	8.2	8.3	8.4
– Professional Learning for Vocational Education Training Teachers in Schools	-	4.1	8.2	8.5	8.8
– Expanding School Chaplaincy Services	-	1.4	4.3	7.2	8.9
– Small Commitments	15.3	-	-	-	-
– Schools Science Package	-	7.7	0.7	0.9	1.0
– Career Learning Toolkit	-	0.9	0.5	0.5	0.5
– Support Scheme for School-based Apprenticeships	-	0.2	0.4	0.4	0.4
– Career Resources to Support Parents	-	0.3	0.1	0.2	0.2
– Expanding Respectful Relationships	-	– (a)	– (a)	– (a)	– (a)
COVID-19 Response					
– COVID-19 Cleaning in Schools	12.1	18.3	-	-	-
Other Spending					
– Revision to School Enrolments	16.0	-0.7	-19.4	-50.7	-83.4
– RiskCover Insurance Premiums	-	5.8	8.5	12.6	12.8
– Grants to Non-Government Schools	10.8	3.3	-7.5	-6.6	-
– Historical Child Sexual Abuse	10.0	-	-	-	-
TRAINING AND WORKFORCE DEVELOPMENT					
Election Commitments					
– Employment of Apprentices and Trainees through Group Training Organisations	-	2.7	7.1	10.7	11.8
– Additional Training Places for Secondary School Students	-	2.9	5.9	8.9	12.0
– Vocational Education and Training Taster Program for Year 9 Students	-	2.7	5.4	5.5	5.6
– TAFE College Lecturers Industry Placement	-	1.4	2.8	2.8	2.9
– Employer Incentive for Adult Apprentices	-	2.2	1.9	0.9	0.2
COVID-19 Response					
– Extension of the Apprenticeship and Traineeship Re-engagement Incentive	-3.0	3.0	-	-	-
Other Spending					
– National Agreement for Skills and Workforce Development	-	1.2	1.7	1.7	1.5
TAFE COLLEGES					
– Kimberley Juvenile Justice Strategy	-	1.3	1.3	-	-

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

Education

Election Commitments

Increase in School Psychologists

Additional expenditure totalling \$42.2 million over 2021-22 to 2024-25 has been allocated to increase the number of psychologists in schools.

Expansion of Alternative Learning Settings

The Government will invest an additional \$38.5 million over 2021-22 to 2024-25 to expand the Alternative Learning Settings program by establishing eight additional sites across metropolitan and regional locations.

Specialised Career Practitioners

To trial the placement of qualified career practitioners in 70 public schools across the State, the Government will spend an additional \$29.7 million over 2021-22 to 2024-25.

Professional Learning for Vocational Education Training Teachers in Schools

To enable vocational education and training teachers in schools to undertake industry professional learning, additional expenditure of \$29.5 million over the forward estimates period has been approved to fund relief teachers.

Expanding School Chaplaincy Services

To ensure every public school has the capacity to provide emotional and social support for students, an additional \$21.8 million will be spent over 2021-22 to 2024-25 to expand chaplaincy services.

Schools Science Package

Under the Government's School Science Package, selected primary schools and district high schools will have access to \$10.3 million in primary science resource grants over the forward estimates period, to enhance science education equipment and materials. A further \$7.9 million will be invested in upgrading science labs and classrooms (see Chapter 6).

Career Learning Toolkit

To develop and implement a new Career Learning Toolkit for year 8 and 9 students, \$2.5 million will be spent over 2021-22 to 2024-25 to promote vocational education and training career options.

Support Scheme for School-based Apprenticeships

The Government will spend \$1.3 million over the forward estimates period to establish a school-based apprenticeship support scheme for students identified as vulnerable and at risk of not completing training.

Career Resources to Support Parents

To support parents to guide their children's career considerations, an additional \$737,000 will be spent over 2021-22 to 2024-25 on expanding career information events and resources.

Expanding Respectful Relationships

The Government will spend \$28,000 over the forward estimates period to expand the existing Respectful Relationships Teaching Support Program.

COVID-19 Response

COVID-19 Cleaning in Schools

As part of the Government's response to the COVID-19 pandemic, additional expenditure of \$30.3 million over 2020-21 and 2021-22 will enhance cleaning in public schools, community kindergartens and residential colleges during the 2021 school year.

Other Spending

Revision to School Enrolments

Recurrent expenditure for government schools has been revised down by a total of \$138.2 million over 2020-21 to 2024-25, largely driven by a downward revision to student enrolment projections following the Semester 1, 2021 school census.

The updates include revised enrolment forecasts for students with disability and students learning English as an additional language or dialect, as well as a general update to mainstream student enrolment forecasts.

RiskCover Insurance Premiums

Reflecting updated estimates from the Insurance Commission of Western Australia, a further \$39.8 million will be spent over 2021-22 to 2024-25 on RiskCover insurance premiums.

Grants to Non-Government Schools

Recurrent grants to non-government schools have been revised upwards by \$14.1 million over 2020-21 and 2021-22 due to higher than expected student enrolments in Semester 1, 2021.

Historical Child Sexual Abuse

To support the Government's reforms to remove statutory limitation periods for historical child sexual abuse, \$10 million was spent in 2020-21 to meet the costs associated with civil litigation claims.

Training and Workforce Development

Election Commitments

Employment of Apprentices and Trainees through Group Training Organisations (GTOs)

As part of the Government's plan to create more jobs, a total of \$32.4 million will be invested over 2021-22 to 2024-25 to subsidise wages for 300 apprentices and trainees who are employed by GTOs.

Additional Training Places for Secondary School Students

The Government has allocated \$29.8 million over the forward estimates period to expand the number of Vocational Education and Training (VET) places by 8,000 for Year 11 and 12 school students.

Vocational Education and Training Taster Program for Year 9 Students

The Taster Program is designed to provide Year 9 students with earlier exposure to the career options that VET pathways offer. The Government will spend a total of \$19.2 million over the forward estimates period to deliver a variety of short courses to Year 9 students at TAFE Colleges.

TAFE College Lecturers Industry Placement

To support the ongoing improvement in the quality of training services, an additional \$9.9 million will be spent over 2021-22 to 2024-25 to enable TAFE College lecturers to return to industry, allowing them to upskill and maintain industry qualifications and skills.

Employer Incentive for Adult Apprentices

To support 200 mature age apprentices, the Government will spend \$5.2 million over 2021-22 to 2024-25 through an incentive payment to employers that covers 100% of the wage gap between adult and junior apprentices.

COVID-19 Response

Extension of the Apprenticeship and Traineeship Re-engagement Incentive (ATRI)

The ATRI initiative provides an incentive payment to employers to re-engage apprentices or trainees who have had their training contracts cancelled. This initiative will be extended by 12 months from 1 July 2021 to 30 June 2022, at an estimated cost of \$4.1 million.

Other Spending

National Agreement for Skills and Workforce Development

Recurrent expenditure on training service delivery will increase by \$6.1 million over the forward estimates period, reflecting additional Commonwealth funding provisioned under the National Agreement for Skills and Workforce Development.

TAFE Colleges

Kimberley Juvenile Justice Strategy

As part of the Government's Kimberley Juvenile Justice Strategy, the North Regional TAFE College will spend an additional \$2.6 million over 2021-22 and 2022-23 to continue delivery of a TAFE learning program that provides industry and workplace skills training for young people in Broome and Kununurra.

COMMUNITY SAFETY

Table 7

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
WESTERN AUSTRALIA POLICE FORCE					
Election Commitments					
– Police and Community Youth Centres Sustainability Funding	-	4.4	4.5	4.5	4.6
– Extend Police Station Opening Hours	-	0.3	0.3	0.3	0.3
– Kalgoorlie CCTV	-	1.0	-	-	-
– Small Commitments	– (a)	0.4	-	-	-
COVID-19 Response					
– COVID-19 Emergency Management	34.3	14.4	2.4	2.4	2.4
Other Spending					
– Helicopter Fleet – Operating Costs	-	1.0	3.5	1.6	1.5
– Critical ICT Upgrades	-	3.4	-	-	-
– Road Trauma Trust Account					
– Regional Road Enforcement – Police Deployment	-	1.5	-	-	-
– Regional Road Enforcement – Mobile Camera Trial	-	1.5	-	-	-
– Kimberley Juvenile Justice Strategy	-	0.3	-	-	-
JUSTICE					
Election Commitments					
– Bunbury Regional Prison Alcohol and Other Drug Services	-	-	0.1	2.9	3.0
– Expansion of Restraining Orders Conferencing Pilot	-	0.4	1.3	1.4	1.4
– Family and Domestic Violence Forensic Services	-	0.5	1.0	1.0	2.0
– Broome Aboriginal-led Family Violence Court	-	0.3	0.8	0.8	0.8
– Family and Domestic Violence Program for Women in Prison	-	0.5	0.5	0.5	0.5
– Olabud Doogethu Halls Creek Justice Reinvestment Project	-	0.4	0.3	0.3	0.3
– Western Desert Justice Program	-	0.5	0.5	0.5	-
COVID-19 Response					
– Community Legal Services Demand	-	4.0	-	-	-
Other Spending					
– Justice Services Expenditure	-	80.7	70.9	127.4	74.6
– RiskCover Insurance Premiums	-	36.7	-	-	-
– Regional Youth Services Expenditure	-	-	5.6	5.7	5.8
– National Redress Scheme	15.9	-	-	-	-
– Kimberley Juvenile Justice Strategy ^(b)	-	1.5	2.8	-	-
LEGAL AID COMMISSION OF WESTERN AUSTRALIA					
Election Commitments					
– Elder Rights WA	-	1.0	1.0	1.0	1.0
– Expansion of Family Violence Restraining Orders Shuttle Conferencing Pilot	-	-	0.8	0.8	0.8
Other Spending					
– Demand for Legal Assistance Services	0.9	2.9	3.4	4.9	7.2
– State Indictable and Family Matters, and Expensive Cases	6.8	-	-	-	-

Table 7 (cont.)

**MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION
FINANCIAL PROJECTIONS STATEMENT**

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
STATE SOLICITOR'S OFFICE					
COVID-19 Response					
– COVID-19 Related Expenditure	-	2.3	-	-	-
Other Spending					
– Civil Litigation – Institutional Abuse Claims	-	3.1	-	-	-
FIRE AND EMERGENCY SERVICES					
Election Commitments					
– Regional Firefighters	-	2.9	4.4	5.9	4.6
– Personal Protective Equipment	-	4.0	0.9	-	-
– Small Commitments	0.2	-	-	-	-
COVID-19 Response					
– COVID-19 Related Spending	0.3	-	-	-	-
Other Spending					
– Severe Tropical Cyclone Seroja – Disaster Recovery Assistance Package (Administered)	-	41.8	47.0	15.7	-
– Severe Tropical Cyclone Seroja – Enhanced State Recovery Structure	-	4.4	5.2	-	-
– Disaster Recovery Funding Arrangements Western Australia (Administered)	-	39.8	-	-	-
– RiskCover Insurance Premiums	-	3.9	8.6	6.4	6.6
– Response to Bushfires and Severe Weather Events	24.1	-	-	-	-
– Large Air Tanker and Lead Aircraft – 2020-21 Bushfire Season	2.4	-	-	-	-
– Direct Brigade Alarms Monitoring Network	-	0.3	-	-	-
– Emergency Rescue Helicopter Service and Air Operations Facilities Replacement	-	0.3	-	-	-
OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS					
– Demand for Prosecution Services	2.8	1.5	0.3	0.6	3.9
– Office Accommodation Costs	-	0.5	0.8	1.0	1.3
– Legal Information Service	-	0.3	-	-	-
CORRUPTION AND CRIME COMMISSION					
– 2021-22 Streamlined Budget Process Incentive Funding	-	0.3	-	-	-
OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES					
– 2021-22 Streamlined Budget Process Incentive Funding	-	– (a)	-	-	-
PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION					
– 2021-22 Streamlined Budget Process Incentive Funding	-	– (a)	-	-	-

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

(b) Funded from an internal reallocation of expenditure.

Western Australia Police Force

Election Commitments

Police and Community Youth Centres (PCYC) Sustainability Funding

The Government will invest a further \$18 million over the forward estimates period to enable the PCYC to maintain service delivery across the State.

Extend Police Station Opening Hours

To extend customer service hours at the Gosnells, Rockingham and Warwick police stations from 4pm until 7pm on weekdays, the Government will spend an additional \$1.2 million over the forward estimates period.

Kalgoorlie CCTV

The Government has approved a \$1 million grant in 2021-22 to the City of Kalgoorlie-Boulder for the procurement and installation of closed-circuit television (CCTV).

COVID-19 Response

COVID-19 Emergency Management

The Western Australia Police Force spent \$34.3 million in 2020-21 on operational costs to support the State's emergency response to the COVID-19 pandemic, with a further \$21.6 million allocated over 2021-22 to 2024-25.

The additional operating costs relate to processing international and interstate travellers, the G2G Pass application, enhanced cleaning and personal protective equipment, the pandemic call centre, and overtime and shift allowances for police officers.

Other Spending

Helicopter Fleet – Operating Costs

The Government has committed to a full refresh of the Western Australia Police Force's helicopter fleet to enhance its aerial response capability. This includes investing in a second new Airbus H145 Helicopter (see Chapter 6) and the allocation of an additional \$7.6 million over the forward estimates period for the operation and maintenance costs associated with the new fleet.

Critical ICT Upgrades

To maintain critical police systems and databases, \$3.4 million will be provided to the Western Australia Police Force in 2021-22 from the newly created Digital Capability Fund. A further \$4.7 million will be invested in ICT infrastructure upgrades (see Chapter 6).

Regional Road Enforcement – Police Deployment

To address regional road fatalities, an allocation of \$1.5 million from the Road Trauma Trust Account (RTTA) will be spent in 2021-22 to increase the enforcement of speed limits in regional Western Australia.

Regional Road Enforcement – Mobile Camera Trial

To enhance road safety, an allocation of \$1.5 million from the RTTA will be spent in 2021-22 on the Mobile Safety Camera Trial, with an expanded scope to focus on regional roads.

Kimberley Juvenile Justice Strategy

As part of the Government's Kimberley Juvenile Justice Strategy, the Western Australia Police Force will spend an additional \$253,000 in 2021-22 to participate in a co-design process for on-country residential and safe place facilities in Broome.

Justice

Election Commitments

Bunbury Regional Prison Alcohol and Other Drug Services

To support a new AOD transitional service at Bunbury Regional Prison, the Government will spend \$5.9 million over 2022-23 to 2024-25 on clinical staff and the delivery of therapeutic treatment and rehabilitation programs. A further \$3.4 million will be invested in capital works for the new facility (see Chapter 6).

Expansion of Restraining Orders Conferencing Pilot

To support victims of family and domestic violence in seeking violence restraining orders, an additional \$4.5 million will be spent over the forward estimates period to extend the shuttle conferencing mediation service to the Magistrates Courts in Armadale, Broome and Bunbury. A further \$1 million has been allocated for building and security modifications to the Bunbury Magistrates Court (see Chapter 6).

Family and Domestic Violence Forensic Services

Additional expenditure of \$4.5 million over 2021-22 to 2024-25 has been approved to establish a pilot forensic service providing specific diagnosis and assessments for victims of family and domestic violence.

Broome Aboriginal-led Family Violence Court

The Government will spend \$2.8 million over the forward estimates period to operate a new specialist Family Violence Court in Broome to support Aboriginal women who have experienced domestic violence, and provide interventions for perpetrators of violence. A further \$2.8 million in capital expenditure in 2021-22 and 2022-23 has been allocated for transportable buildings, transportation and ICT costs (see Chapter 6).

Family and Domestic Violence Program for Women in Prison

To support a safe transition back to the community for women exiting prison, the Government will spend an additional \$2 million over the forward estimates period on a program to ensure that the safety and legal needs of these women are addressed.

Olabud Doogethu Halls Creek Justice Reinvestment Project

As part of the second stage of the Olabud Doogethu Halls Creek Justice Reinvestment Project, an additional \$1.5 million will be spent over 2021-22 to 2024-25 to provide diversionary options in pre-sentence orders, culturally appropriate drug and alcohol services, and on-country mentoring programs for young people.

Western Desert Justice Program

To improve criminal justice system outcomes for the Western Desert community, the Government will spend \$1.5 million over 2021-22 to 2023-24 to provide on-country mentoring, drug and alcohol services, and therapeutic diversionary programs.

COVID-19 Response

Community Legal Services Demand

The Government will provide an additional \$4 million in grant funding for Community Legal Centres in 2021-22 to support the increased demand for legal assistance services as a result of the COVID-19 pandemic.

Other Spending

Justice Services Expenditure

To secure the financial sustainability of the Department and to address unavoidable cost and demand pressures, the Government has approved additional expenditure totalling \$354 million over 2021-22 to 2024-25. This funding injection replaces generic savings measures introduced by the previous Government with specific and achievable initiatives under the Prison Services Evaluation, which is focused on modernising employment practices and operating the State's prisons more efficiently.

RiskCover Insurance Premiums

The Department will spend an additional \$36.7 million in 2021-22 to meet higher than budgeted RiskCover insurance premiums, primarily driven by historical worker's compensation claims.

Regional Youth Services Expenditure

To continue the delivery of regional youth justice services in the Kimberley and Pilbara, including diversionary programs, supervising young people on community-based orders, and enhanced access to bail and counselling, the Government has approved further expenditure of \$17 million over 2022-23 to 2024-25.

National Redress Scheme

To support people who have experienced institutional child sexual abuse, an additional \$15.9 million was paid in 2020-21 as part of the National Redress Scheme.

Kimberley Juvenile Justice Strategy

As part of the Government's strategy to improve youth justice outcomes in the Kimberley, an additional \$4.2 million will be spent over 2021-22 and 2022-23 to continue and expand a range of preventative measures and diversionary options.

Legal Aid Commission of Western Australia

Election Commitments

Elder Rights WA

To support the Government's commitment to combat elder abuse, a total of \$4 million over 2021-22 to 2024-25 has been allocated to establish Elder Rights WA, a State-wide elder abuse advocacy service.

Expansion of Family Violence Restraining Orders Shuttle Conferencing Pilot

The Family Violence Restraining Orders Shuttle Conferencing Pilot will be expanded to the Magistrates Courts in Armadale, Broome and Bunbury, at a cost of \$2.5 million over 2022-23 to 2024-25.

Other Spending

Demand for Legal Assistance Services

The Legal Aid Commission will spend an additional \$19.2 million over 2020-21 to 2024-25 to meet increased demand for legal assistance services, including for State family law matters. This will address growth in protection and care grants, as well as separate representation orders and family violence restraining order applications.

State Indictable and Family Matters, and Expensive Cases

In 2020-21, the Legal Aid Commission spent an additional \$6.8 million on grants of legal aid for indictable and family matters, and State expensive cases (defined as State criminal matters where the cost of legal representation exceeds \$26,000).

State Solicitor's Office (SSO)

COVID-19 Response

COVID-19-Related Expenditure

To support the SSO to meet COVID-19-related work demands, the Government has allocated \$2.3 million in 2021-22 for additional resources to provide the necessary legal advice and drafting of emergency directions.

Other Spending

Civil Litigation – Institutional Abuse Claims

The SSO will spend an additional \$3.1 million in 2021-22 in relation to historical child sexual abuse matters. This will fund the continuation and expansion of its civil litigation team to settle cases, as well as counselling services and mental health training.

Fire and Emergency Services

Election Commitments

Regional Firefighters

The Government will spend an additional \$17.8 million over 2021-22 to 2024-25 for the phased employment of an additional 36 country firefighters, to be based at the Albany, Kalgoorlie-Boulder and Geraldton Career Fire and Rescue Service Stations.

Personal Protective Equipment (PPE)

To purchase improved Level 2 Structural Firefighting PPE, which will provide higher thermal protection to firefighters, the Government has allocated \$4.9 million over 2021-22 and 2022-23.

COVID-19 Response

COVID-19 Related Spending

\$300,000 was spent in 2020-21 to enable staff to be seconded to various taskforces and working groups, including the Emergency Coordinator's Directorate and the State Health Incident Coordination Centre.

Other Spending

Disaster Recovery Funding Arrangements Western Australia (Administered)

As a result of a number of natural disaster events, including the Wooroloo bushfire and flooding in Carnarvon, additional spending of \$39.8 million has been approved in 2021-22 to meet the replacement costs of public infrastructure (roads and bridges).

RiskCover Insurance Premiums

The Government has approved additional expenditure of \$25.6 million over 2021-22 to 2024-25 to meet the forecast RiskCover insurance premiums and the employment of additional resources to develop and implement strategies to reduce the number of worker's compensation claims.

Response to Bushfires and Severe Weather Events

The Department spent an additional \$24.1 million in 2020-21 to meet unbudgeted bushfire suppression costs for significant fire incidents, including those at Nannup, Gingin, Beekeepers, Red Gully and Wooroloo. Additional support was also provided to State Emergency Services volunteers whilst responding to severe weather events, primarily storms and flooding in the metropolitan, Goldfields, Mid West, Pilbara, Gascoyne and Kimberley regions.

Large Air Tanker and Lead Aircraft – 2020-21 Bushfire Season

As a result of the heightened bushfire season, an additional \$2.4 million was spent in 2020-21 on Large Air Tanker and Lead Aircraft services under an agreement with the National Aerial Firefighting Centre.

Direct Brigade Alarms Monitoring (DBAM) Network

A business case for the renewal of the DBAM network will be developed at a cost of \$250,000 in 2021-22.

Emergency Rescue Helicopter Service (ERHS) and Air Operations Facilities Replacement

The Government has allocated \$250,000 in 2021-22 for the development of a comprehensive business case analysing options for the redevelopment and consolidation of the Department's Aviation Services.

Office of Director of Public Prosecutions

Demand for Prosecution Services

To address projected growth in the demand for prosecution services, including the prosecution of complex crime and corruption cases, the Government has approved additional expenditure totalling \$9.1 million over 2020-21 to 2024-25.

Office Accommodation Costs

To address accommodation pressures associated with resourcing growth, \$3.6 million will be spent over the forward estimates period to secure additional office accommodation.

Legal Information Service

The Office of the Director of Public Prosecutions will spend an additional \$305,000 in 2021-22 on managing information requests associated with the National Redress Scheme and civil litigation claims.

COMMUNITY SERVICES

Table 8

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
COMMUNITIES					
Election Commitments					
– Home Stretch Expansion	-	8.8	9.2	9.5	9.8
– Safety and Security for Seniors Rebate	-	3.0	3.0	3.0	3.0
– Grandparents Support Scheme	-	1.5	1.5	1.6	1.6
– Local Government Homelessness Fund	-	1.5	1.5	1.5	1.5
– Access to Regional Childcare	-	0.5	1.4	1.4	1.4
– Empowering Communities (Neighbourhood Centres)	-	-	1.4	1.4	1.4
– Small Commitments	4.1	-	-	-	-
– Family and Domestic Violence Prevention Framework	-	0.5	0.7	1.0	1.1
– Safe at Home Expansion	-	0.1	1.0	1.1	1.2
– Teenagers in Need of Crisis Accommodation Facility	-	0.8	0.8	0.9	0.9
– Rapid Rehousing Pilot	-	-	1.1	1.1	1.1
– Scouts Hall – Tapping	-	3.0	-	-	-
– State Disability Strategy Initiatives	-	1.1	1.5	-	-
– Family and Domestic Violence Counselling Program for Young People	-	0.6	0.6	0.6	0.6
– Respectful Relationships Expansion	-	0.1	0.7	0.7	0.8
– Baldivis and Northern Suburbs Men’s Sheds	1.1	1.0	-	-	-
– Safer Pathways Expansion	-	0.4	0.4	0.4	0.4
– Family and Domestic Violence Prevention Training for First Responders	-	0.1	0.5	0.5	0.5
– Supporting Survivors Initiatives	-	0.4	0.4	0.4	0.4
– Pets in Crisis Expansion	-	0.2	0.3	0.5	0.4
– Family and Domestic Violence Hubs	-	1.1	-	-	-
– Perth Aboriginal Short Stay Accommodation Business Case	-	0.3	-	-	-
– Volunteering WA – Digital Platform	-	0.1	– (a)	– (a)	– (a)
– Caring Dads Program	-	0.1	-	-	-
COVID-19 Response					
– State Welfare Incident Coordination Centre	-	3.2	-	-	-
Other Spending					
– Social Housing Strategy Package	-	125.3	74.3	19.6	4.9
– Disability Services	69.4	36.3	26.7	25.7	26.8
– Cost and Demand Updates – Child Protection	-	5.0	1.6	30.4	55.9
– National Housing and Homelessness Agreement	0.6	10.0	10.8	1.5	1.5
– National Rental Affordability Scheme	-	1.0	-0.7	11.1	9.0
– METRONET Social and Affordable Housing and Jobs Package	-	15.0	-	-	-
– Aboriginal Community Connectors Program	-	6.8	7.0	-	-
– Office of Disability	-	3.8	3.8	3.1	2.8
– Community Services Contracts 2021-22 Uplift	-	9.0	-	-	-
– Resolution of Native Title in the South West of Western Australia (Settlement)	-	1.1	2.2	2.2	2.2
– Family and Domestic Violence Women’s Refuge Expansion in Peel and Kwinana	-	0.8	0.8	0.8	0.9
– Pioneer Park Homelessness Response	3.4	-	-	-	-
– Civil Litigation and National Redress Scheme Resourcing	-	2.1	-	-	-
– Asset Maintenance Business Case	-	1.0	-	-	-
– Kimberley Juvenile Justice Strategy	-	0.2	-	-	-

Table 8 (cont.)

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES					
Election Commitments					
– Sport and Community Infrastructure	8.8	42.9	63.9	17.0	3.5
– WA Film Industry	-	5.0	5.0	5.0	5.0
– Small Commitments	19.0	- ^(a)	-	-	-
– Better Beginnings for WA's Kids	0.2	2.4	2.4	2.4	2.4
– Animal Welfare Package	2.5	0.7	0.2	- ^(a)	1.7
– Aboriginal Cultural Centre	-	2.5	2.5	-	-
– Regional Arts Activation	-	-	-	2.0	2.0
– Contemporary Music Fund	-	0.7	0.7	0.8	0.8
– Banned Drinkers Register – Kalgoorlie	-	1.4	1.1	-	-
– Bayswater Urban Forest	-	-	1.0	-	-
COVID-19 Response					
– Small Business Lockdown Assistance Grants (Administered)	10.1	47.4	-	-	-
– Response to the Indian and Indonesian COVID-19 Crises	2.0	2.0	-	-	-
Other Spending					
– Lotteries Commission Act 1990 Payments	4.4	1.6	2.3	2.4	1.6
– Royal Commission Costs	0.6	0.9	-	-	-
– Severe Tropical Cyclone Seroja – Small Business Grants Scheme (Administered)	0.7	0.1	-	-	-
– Kimberley Juvenile Justice Strategy	-	0.2	-	-	-
– RugbyWA Loan (Administered)	-	1.0	-	-	-
WESTERN AUSTRALIAN SPORTS CENTRE TRUST					
– Optus Stadium – Revised Financial Forecasts	-	-25.4	-	-	-
– RAC Arena – Revised Financial Forecasts	-	-11.8	-	-	-
– HBF Park – Stadium Works to Facilitate the 2023 FIFA Women's World Cup	-	5.3	10.0	0.4	0.4

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

Communities

Election Commitments

Home Stretch Expansion

The Government has committed to spend \$37.2 million over the forward estimates period to expand the Home Stretch WA service, which provides one-to-one transition support, an accommodation allowance, and other support services to young people leaving out of home care across the State.

Safety and Security for Seniors Rebate

Under the Government's Safety and Security Rebate, WA Seniors Card holders will be able to claim up to \$400 for the purchase and installation of home security and safety equipment, at an estimated cost of \$12 million over 2021-22 to 2024-25.

Grandparents Support Scheme

Grandcarer support payments will be tripled for the average grandparent carer family, from \$650 to \$2,000, resulting in additional expenditure of \$6.2 million over 2021-22 to 2024-25.

Local Government Homelessness Fund

The Government has allocated \$6 million over the forward estimates period to provide funding ranging from \$25,000 to \$200,000 to local governments to support homelessness initiatives tailored to on the ground and location-specific needs.

Access to Regional Childcare

To improve access to childcare in the regions, \$4.8 million will be spent over 2021-22 to 2024-25 on initiatives to ensure early childhood education is sustainable, accessible and affordable, including creation of childcare worker retention and attraction packages.

Empowering Communities (Neighbourhood Centres)

To continue funding for Community Neighbourhood and Development Services providers (who deliver services through Neighbourhood Centres) and to build their capability to transition to the Empowering Communities Program, an additional \$4.2 million has been committed over 2022-23 to 2024-25.

Family and Domestic Violence (FDV) Prevention Framework

To develop a FDV primary prevention framework, \$3.4 million will be spent over the forward estimates period. The framework will help guide prevention activities and support capacity building and training efforts.

Safe at Home Expansion

The Safe at Home program will be expanded to support an additional 150 women per annum who are at risk of FDV, as well as their children. An additional \$3.4 million over 2021-22 to 2024-25 has been allocated to the program, which includes support services, transitional accommodation and home security upgrades.

Teenagers in Need of Crisis Accommodation Facility

The Government has approved expenditure of \$3.4 million over 2021-22 to 2024-25 for a new crisis accommodation facility for teenagers in the northern suburbs.

Rapid Rehousing Pilot

To support women and children leaving refuges, \$3.3 million will be spent over 2022-23 to 2024-25 on a pilot program to assist up to 80 women and their children, with a focus on Aboriginal women, to access safe transitional housing in the private rental market, including bond and rental subsidies.

Scouts Hall – Tapping

An amount of \$3 million will be spent in 2021-22 for the construction of a new scout hall in Tapping.

State Disability Strategy Initiatives

To support the delivery of the State Disability Strategy 2020-2030, \$2.6 million has been approved over 2021-22 and 2022-23 to fund a range of initiatives, including the expansion of the Changing Places network, support for the establishment of disabilities micro-enterprises, and the provision of all-terrain wheelchairs at public recreation facilities such as beaches and national parks.

FDV Counselling Program for Young People

To establish one metropolitan and one regional counselling program for young people aged 12 to 18 years who have experienced family violence, \$2.5 million will be spent over 2021-22 to 2024-25.

Respectful Relationships Expansion

The Department will spend \$2.3 million over 2021-22 to 2024-25 to expand the Respectful Relationships program. The program intends to address the gendered drivers of violence, focusing on building respectful relationships and gender equality from an early age, to prevent FDV before it starts.

Baldivis and Northern Suburbs Men's Sheds

The Government has allocated \$2.1 million over 2020-21 and 2021-22 to fund the establishment of two Men's Sheds in Baldivis and the northern suburbs.

Safer Pathways Expansion

The Safer Pathways program will be expanded to Mirrabooka and Midland, resulting in additional expenditure of \$1.7 million over 2021-22 to 2024-25 to support an additional 100 women and children each year who reside in public housing to sustain tenancies, promote safety, and reduce the impact of FDV.

FDV Prevention Training for First Responders

To provide FDV prevention training to an additional 3,000 first responders, such as ambulance officers, emergency services officers and primary health care professionals, \$1.6 million will be spent over 2021-22 to 2024-25 to support them to recognise and respond to suspected incidences of FDV.

Supporting Survivors Initiatives

To support and promote the wellbeing and independence of people who have experienced FDV, \$1.5 million will be spent over the forward estimates period to provide subsidised driving lessons and dental treatment.

Pets in Crisis Expansion

The Pets in Crisis program temporarily homes pets while owners seek refuge from FDV. The Government has committed an additional \$1.3 million over 2021-22 to 2024-25 to expand the Pets in Crisis program to three regional locations and incorporate the Building Animal Relationships with Kids Program.

Family and Domestic Violence Hubs

The Government has committed to establishing two additional one-stop FDV Hubs (one regional and one in the metropolitan area), to provide streamlined and individual focused access to services for victims. The Department will spend \$1.1 million in 2021-22 to commence planning for the future Hubs.

Perth Aboriginal Short Stay Accommodation (ASSA) Business Case

To support the development of a business case and other planning activities for the proposed Perth ASSA facility, \$300,000 will be spent in 2021-22. The facility will provide temporary, safe and secure accommodation for Aboriginal people travelling to Perth for medical, cultural and family reasons, and aims to reduce rough sleeping.

Volunteering WA – Digital Platform

The Government will contribute \$175,000 over the forward estimates period for Volunteering WA to develop a State-wide digital platform to support the coordination of emergency volunteering.

Caring Dads Program

A trial of the Caring Dads program in the Peel region will commence in 2021-22, with \$110,000 to directly engage men to change behaviours through group intervention.

COVID-19 Response

State Welfare Incident Coordination Centre (SWICC)

As part of the COVID-19 Response, the SWICC works with other agencies to deliver welfare support, and to provide assistance and support at Perth airport, quarantine hotels and on the COVID-19 Helpline. An additional \$3.2 million will be spent in 2021-22 to continue managing the State's welfare response to the COVID-19 pandemic.

Other Spending

Social Housing Strategy Package

As part of the \$750 million Social Housing Investment Fund funded from the higher than expected 2020-21 operating surplus, the Government has committed \$227.5 million to support the Social Housing Strategy Package. Measures under the package will support the delivery, operation and maintenance of approximately 500 social housing dwellings.

Of this, \$222 million has been allocated to specific initiatives for the Department, including:

- \$142.8 million to convert 432 dwellings from alternative State housing programs into social housing between 2020-21 and 2022-23;
- \$55.1 million to retain stock and provide restorative works to the Department's housing stock in 2021-22;
- \$12.8 million to improve the asset management of the State's social housing portfolio;

- \$6 million to extend the life of 120 social housing dwellings which were slated for demolition; and
- \$5.4 million to operate and maintain the additional social housing stock resulting from the package of reforms.

A further \$2 million from Royalties for Regions has been allocated for business case development for regional renewal projects in Geraldton, Albany and Bunbury. This is in addition to \$18 million allocated for the capital cost of the projects.

Additional asset investment initiatives within the package are detailed in Chapter 6.

Disability Services

Following an increase in the speed of transition of participants to the National Disability Insurance Scheme (NDIS), an additional \$69.4 million was spent on disability services in 2020-21. The Department's forecast cash contributions to the NDIS over 2021-22 to 2024-25 have also been revised upwards by \$115.6 million to account for a reduction in budgeted in-kind contributions.

Cost and Demand Updates – Child Protection

Spending on child protection services, including child protection assessments and investigations, will increase by \$92.8 million over the forward estimates period to meet updated forecasts for cost and demand.

National Housing and Homelessness Agreement (NHHA)

The Commonwealth will provide an additional \$24.3 million over 2020-21 to 2024-25 for services under the NHHA, including \$18.2 million for Social and Community Services supplementation payments to support providers to meet wage obligations under the 2012 Fair Work Australia Equal Remuneration Order.

National Rental Affordability Scheme (NRAS)

To meet the State's contribution to the NRAS, a further \$30.6 million will be spent over 2021-22 to 2026-27 (including \$20.4 million over the forward estimates period). The NRAS provides annual financial incentives to housing providers to deliver affordable rentals at least 20% below market rates.

METRONET Social and Affordable Housing and Jobs Package

The Government has decided to retain an additional 72 dwellings built under the METRONET Social and Affordable Housing and Jobs Package as social housing, with \$15 million to be spent in 2021-22 to meet the cost of repurposing the dwellings.

Aboriginal Community Connectors Program

To continue the Aboriginal Community Connectors program, expenditure of \$13.8 million over 2021-22 and 2022-23 has been approved. This program aims to ensure that clients can access culturally responsive crisis support including mediation, referral to health services, and the provision of safe transport in regional locations.

Office of Disability

To establish and operate the Department's Office of Disability, an additional \$13.4 million will be spent over 2021-22 to 2024-25, with the Office to lead the State's strategic policy and stewardship functions for disability services.

Community Services Contracts 2021-22 Uplift

To ensure current levels of critical service delivery in homelessness, family and domestic violence, and out of home care are maintained, an additional \$9 million will be spent in 2021-22 to supplement contract payments to eligible service providers.

FDV Women's Refuge Expansion in Peel and Kwinana

Additional operating expenditure of \$3.4 million over the next four years has been approved to support the expanded capacity of the FDV Refuges in Peel and Kwinana (an additional six units in each refuge).

Pioneer Park Homelessness Response

Spending of \$3.4 million was incurred in 2020-21 to provide emergency accommodation and support services to support people experiencing homelessness and rough sleeping at Pioneer Park in Fremantle.

Civil Litigation and National Redress Scheme Resourcing

To meet the costs associated with managing historical child sexual abuse civil litigation claims and National Redress Scheme requests, the Department will spend an additional \$2.1 million in 2021-22.

Asset Maintenance Business Case

At an estimated cost of \$1 million in 2021-22, the Department will develop an Asset Maintenance Business Case detailing future maintenance services provision for its extensive asset portfolio.

Kimberley Juvenile Justice Strategy

As part of the Kimberley Juvenile Justice Strategy, an additional \$204,000 will be spent in 2021-22 to provide support for the co-design of an on-country residential facility in Broome.

Local Government, Sport and Cultural Industries

Election Commitments

Sport and Community Infrastructure

To meet the Government's election commitment to provide new and upgraded sport and community infrastructure across Western Australia, a total of \$136 million will be spent over 2020-21 to 2024-25. Under the commitment, grants ranging from \$200,000 (for a feasibility study for a community hub in the northern suburbs of Perth) to \$20 million (for the upgrade of East Fremantle oval) will be provided to 45 local government authorities, sporting bodies and community groups.

WA Film Industry

The Government has approved additional expenditure of \$20 million over 2021-22 to 2024-25 for a Screen Production Attraction Fund. This is in addition to the Government's \$105 million commitment to build a state-of-the-art film studio and screen production facility at Victoria Quay in Fremantle, as detailed in Chapter 6.

Better Beginnings for WA's Kids

A total of \$9.9 million over 2020-21 to 2024-25 has been allocated to the expansion of the State Library's award-winning Better Beginnings program to the Kimberley and Pilbara, and the creation of a new program to help students learn creatively.

Animal Welfare Package

The Government will spend an additional \$5 million over 2020-21 to 2024-25 on a package of animal welfare measures, including funding for Guide Dogs WA to establish a world-class breeding program and increase the number of dogs available to clients, implement Stop Puppy Farming laws pending passage of the legislation, and establish a centralised registration system for dogs and cats.

Aboriginal Cultural Centre

Consultation, planning and design works will be undertaken as part of a \$50 million investment to establish an Aboriginal Cultural Centre located near the Derbarl Yerrigan (Swan River). This will be carried out at a cost of \$5 million over 2021-22 and 2022-23, with \$45 million allocated as a capital contribution to the Centre, as detailed in Chapter 6.

Regional Arts Activation

To continue the Regional Exhibition Touring Boost, a further \$4 million will be spent over 2023-24 and 2024-25, funded from Royalties for Regions, to support regional arts and country creatives.

Contemporary Music Fund

The Government has allocated \$3 million over the forward estimates period to continue the Contemporary Music Fund, which supports local musicians and industry.

Banned Drinkers Register – Kalgoorlie

To carry out a banned-drinkers register trial in Kalgoorlie, a total of \$2.5 million will be spent over 2021-22 and 2022-23. The trial will be modelled on the banned drinkers register in the Pilbara, which has been operating since December 2020.

Bayswater Urban Forest

The Government has allocated \$1 million in 2022-23 to convert four hectares of the former Bayswater tip to an urban forest.

COVID-19 Response

Small Business Lockdown Assistance Grants (Administered)

A total of \$59 million over 2020-21 and 2021-22 has been allocated to meet claims under the Small Business Lockdown Assistance Grants program (including \$1.7 million for administration costs for the Small Business Development Corporation). This program is assisting small businesses in Perth, Peel and regional Western Australia in those industry sectors most severely impacted by recent lockdowns and subsequent restrictions.

Response to the Indian and Indonesian COVID-19 Crises

A grant program for local Indian and Indonesian community organisations has been allocated \$2 million each in 2020-21 and 2021-22. These organisations work with partners and not-for-profit charities to provide on-the-ground COVID-19 support in India and Indonesia.

Other Spending

Lotteries Commission Act 1990 Payments

The Department has allocated an additional \$12.3 million to arts and sporting groups over 2020-21 to 2024-25, reflecting an uplift in Lotterywest games revenue. In accordance with the *Lotteries Commission Act 1990*, a portion of Lotterywest games revenue is distributed to the sport and arts sectors.

Royal Commission Costs

The Government has allocated \$1.5 million over 2020-21 and 2021-22 for costs associated with the Crown Casino Perth Royal Commission.

Kimberley Juvenile Justice Strategy

The Department will spend \$208,000 in 2021-22 for activities related to the Kimberley Juvenile Justice Strategy.

RugbyWA Loan (Administered)

The Department will recognise an expense of \$1 million in 2021-22, to reflect the Government's decision to write-off the remaining balance of an interest-free loan provided to RugbyWA in 2009.

Western Australian Sports Centre Trust

Optus Stadium – Revised Financial Forecasts

Financial forecasts for Optus Stadium have been revised to reflect the continuing impact of COVID-19 on Optus Stadium operations. The forecasts also reflect updated attendance numbers and events bookings, and patron spending patterns following three years of Stadium operations. As a result, expenditure has been revised down by \$25.4 million in 2021-22 relative to previous forecasts, along with a reduction in own-source revenue of \$25.7 million.

RAC Arena – Revised Financial Forecasts

Variable expenses for RAC Arena have been reduced by \$11.8 million in 2021-22 due to the continuing impacts of COVID-19. Revenue forecasts for 2021-22 have also been reduced by an equivalent amount.

HBF Park – Stadium Works to Facilitate the 2023 FIFA Women’s World Cup

The Government will spend an amount of \$16.1 million over 2021-22 to 2024-25 on temporary facilities, event overlay and operational costs associated with hosting the 2023 FIFA Women’s World Cup at HBF Park. This expenditure is in addition to capital investment of \$19.5 million (see Chapter 6).

TRANSPORT

Table 9

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
TRANSPORT					
Election Commitments					
– Regional Airfare Zone Cap for Regional Residents	-2.4	-0.8	6.6	6.5	6.4
– Cycling Package	-	5.3	6.2	5.1	0.1
– METRONET – North East Rapid Transit Feasibility Study	-	0.5	1.5	3.0	-
– Drummond Cove Coastal Erosion Project and Boat Launching Facility	-	0.2	0.4	1.1	1.5
– METRONET – Wanneroo Activity Corridor	-	0.1	0.9	-	-
COVID-19 Response					
– COVID-19 Information Call Centre	2.1	1.4	-	-	-
Other Spending					
– Coastal Erosion Hotspots (CoastWA)	-	1.1	2.5	2.7	2.4
– Improve Access and Equity for Learner Drivers Pilot	-	4.9	-	-	-
– Carnarvon One-Mile Jetty – Partial Demolition of Jetty	-	4.2	-	-	-
– Kalgoorlie Rail Realignment	-	-	1.5	1.0	-
– National Partnership Agreement for Recreational Fishing and Camping Facilities	-	0.8	0.8	-	-
– Western Australia Agricultural Supply Chain Improvements	-	0.2	0.2	0.2	0.2
– Barrack Square – Jetty 1 Replacement (Planning)	-	0.3	-	-	-
COMMISSIONER OF MAIN ROADS					
Election Commitments					
– Flynn Drive Upgrade	-	-	20.0	-	-
– Byford Road Upgrades	-	18.0	-	-	-
– Metropolitan Intersection and Black Spot Program	0.6	14.2	0.3	2.5	-
– Green Street and Scarborough Beach Road Intersection Upgrade	-	-	5.5	-	-
– Truck Rest Stops	-	1.3	1.3	1.3	1.3
– Shady Hills Access Road	1.9	-	-	-	-
Other Spending					
– 2020 Commonwealth Stimulus	-	-	-	-	88.0
– Western Australia Natural Disaster Relief and Recovery Arrangements	4.0	29.2	-	-	-
– State Road Funds to Local Government Agreement	-	4.6	3.1	1.1	4.9
PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA					
Election Commitments					
– METRONET – Update to Operating Costs for the Forrestfield-Airport Link and Yanchep Rail Extension	-38.5	-25.3	-9.9	-21.4	-18.6
– Transperth 2 Zone Fare Cap	-	6.5	14.8	17.4	18.4
– METRONET – Rail Network Growth	0.3	2.1	2.1	2.1	2.1
– SmartRider Upgrade – Stage 2	-	-	-	-1.7	-3.5
– METRONET – Greenwood Station Multi-Storey Carpark	-	-	-	-	0.3
– Small Commitments – Bus Shelter Upgrades	-	0.3	-	-	-
COVID-19 Response					
– COVID-19 Own-Source Revenue – Public Transport Patronage	-8.7	38.9	27.7	15.2	1.7
– Additional Cleaning and Transport of Passengers in Hotel Quarantine	5.0	5.8	-	-	-
– Waiver of Parking Fees and Service Contributions for Transport Services	10.2	-	-	-	-

Table 9 (cont.)

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
Other Spending					
- Transperth Bus Services	-	2.1	10.3	18.8	21.5
- Revised Interest Expenses	-1.6	-6.0	-4.9	-3.8	-8.7
- RiskCover Insurance Premiums	1.2	1.5	1.8	2.0	2.8
- CAT Bus Service Expansion Trial	-	1.0	2.1	1.1	-
- Purple CAT Bus Service	-	0.7	1.4	1.5	1.5
- Tunnel Monitoring System	-	0.2	0.2	0.2	0.2

Transport

Election Commitments

Regional Airfare Zone Cap for Regional Residents

A new two-zone airfare cap for regional residents will be introduced to ease the cost of living for regional residents, at an estimated cost of \$19.8 million. Under the scheme, residents of regional communities less than 1,000 km driving distance from Perth will pay no more than \$199 one-way, and those over 1,000 km driving distance a maximum of \$299 one-way.

Cycling Package

The Government has allocated an additional \$16.7 million over 2021-22 to 2024-25 to provide grants to local governments to improve the cycling network. Key projects include expanding and upgrading the Hillary's cycle network, Geraldton cycling network, Railway Avenue (Kelmscott), Rosedale Road Shared Path, Koondoola-Wanneroo Bike Path and Ngangara Shared Path.

METRONET – North East Rapid Transit Feasibility Study

The development of a feasibility study for a rapid transit project to link the East Wanneroo Corridor with the Perth Central Business District will cost \$5 million over 2021-22 to 2023-24.

Drummond Cove Coastal Erosion Project and Boat Launching Facility

The Department will spend \$3.2 million over 2021-22 to 2024-25 to mitigate coastal erosion by constructing a boat launching facility at Drummond Cove for the City of Greater Geraldton.

METRONET – Wanneroo Activity Corridor

Expenditure of \$1 million over 2021-22 and 2022-23 has been approved for the development of an overarching transport and land use plan for Wanneroo Road between Beach Road and Green Street.

COVID-19 Response

COVID-19 Information Call Centre

The Department operates the COVID-19 Information Call Centre which provides vital information to Western Australians about the pandemic. This service will cost an additional \$3.5 million over 2020-21 and 2021-22.

Other Spending

Coastal Erosion Hotspots (CoastWA)

CoastWA will facilitate the management of coastal erosion hotspots along the Western Australian coastline, including the provision of grants to local governments. Additional spending of \$8.7 million over 2021-22 to 2024-25 has been approved for the assessment of hotspots and data acquisition.

Improve Access and Equity for Learner Drivers Pilot

As an outcome of the recent Skills Summit, the Government will introduce a State-wide pilot program to assist eligible young people to access a supervising driver or vehicle and complete the required supervised driving hours for a driver's licence. The program aims to improve employment opportunities for young people and will cost \$4.9 million in 2021-22.

Carnarvon One-Mile Jetty – Partial Demolition of Jetty

To remove a section of the Carnarvon One-Mile Jetty that was irreparably damaged by Cyclone Seroja, \$4.2 million will be spent in 2021-22, improving marine safety in the area. This is in addition to \$4.5 million to repair the first 400 metres of the heritage-listed jetty.

Kalgoorlie Rail Realignment

Expenditure of \$2.5 million over 2022-23 and 2023-24 has been approved to develop a business case examining options for a realignment of the rail line through Kalgoorlie.

National Partnership Agreement for Recreational Fishing and Camping Facilities

Under the National Partnership Agreement for Recreational Fishing and Camping Facilities, \$795,000 per annum in 2021-22 and 2022-23 will be spent to provide grants to local governments to deliver new or renewed infrastructure related to recreational fishing, boating and camping.

Western Australia Agricultural Supply Chain Improvements

As part of the \$200 million project to improve the State's agricultural supply chain in the Wheatbelt, Mid West, Great Southern and Goldfields-Esperance regions, the Department will spend \$827,000 over 2021-22 to 2024-25 to support the assessment of projects considered for funding through the program.

Barrack Square – Jetty 1 Replacement (Planning)

In 2021-22, the Department will undertake detailed planning works for replacing Jetty 1 at the Barrack Square Precinct, costing \$250,000.

Commissioner of Main Roads

Election Commitments

Flynn Drive Upgrade

Carriageway improvements along Flynn Drive in Neerabup will be undertaken to improve road safety at a total cost of \$20 million in 2022-23.

Byford Road Upgrades

Main Roads will provide an \$18 million capped grant in 2021-22 to the Shire of Serpentine-Jarrahdale to widen and rehabilitate Orton, Kargotich and sections of Soldiers Roads.

Metropolitan Intersection and Black Spot Program

The Government has allocated an additional \$17.5 million under the Black Spot program over 2020-21 to 2023-24 to provide grants to local governments to undertake cost-effective treatments at 24 high-risk locations across the metropolitan area.

Green Street and Scarborough Beach Road Intersection Upgrade

The intersection of Green Street, Main Street and Scarborough Beach Road will be upgraded at a cost of \$5.5 million in 2022-23.

Truck Rest Stops

To improve the amenity of existing truck rest stop facilities on country roads, an additional \$5 million will be spent over 2021-22 to 2024-25.

Shady Hills Access Road

Main Roads provided a \$1.9 million grant in 2020-21 to the City of Swan for the construction of a second access road to the Shady Hills Estate.

Other Spending

2020 Commonwealth Stimulus

In conjunction with Main Roads, local government authorities will upgrade sections of the Wheatbelt Secondary Freight Route. An additional \$88 million (\$70.4 million funded from the Commonwealth) will be spent to increase freight efficiency and improve road safety, bringing the total cost of the program of works to \$187.5 million.

Western Australia Natural Disaster Relief and Recovery Arrangements

In response to the Wooroloo Bushfires in February 2021, Main Roads will spend \$29.2 million in 2021-22 on disaster recovery payments to local government authorities to reconstruct and repair damaged bridges and roads.

State Road Funds to Local Government Agreement

Main Roads' expenditure on local road projects under the State Road Funds to Local Government Agreement will increase by \$13.8 million over 2021-22 to 2024-25 due to a forecast increase in motor vehicle licence fee revenue.

Public Transport Authority

Election Commitments

METRONET – Update to Operating Costs for the Forrestfield-Airport Link and Yanchep Rail Extension

Following an update to various parameters, including the timing of project delivery of the Forrestfield-Airport Link and the Yanchep Rail Extension, the operating subsidy paid to the Authority will decrease by \$113.7 million over 2020-21 to 2024-25.

Transperth 2 Zone Fare Cap

From 1 January 2022 the Government will cap Transperth fares at the cost of a 2-Zone ticket, easing the cost of living and reducing the cost of public transport. This results in an additional operating subsidy to the PTA of \$57.1 million over 2021-22 to 2024-25.

METRONET – Rail Network Growth

To support the METRONET rail network expansion and its substantial capital investment, 17 staff will be employed by the PTA at a cost of \$8.8 million over 2020-21 to 2024-25 to assist in ensuring safe access to the rail network during construction and oversee the environmental compliance of METRONET projects.

SmartRider Upgrade – Stage 2

The new SmartRider system will allow commuters to make payment with bank cards and mobile devices, which is expected to generate an additional \$5.2 million in revenue over 2023-24 and 2024-25. The additional revenue partially offsets the operating subsidy paid to the Authority over the same period.

METRONET – Greenwood Station Multi-Storey Carpark

Additional operating subsidy of \$306,000 will be provided to the PTA in 2024-25 for the operating cost of the new multi-storey carpark at Greenwood Station.

COVID-19 Response

COVID-19 Own-Source Revenue – Public Transport Patronage

The COVID-19 pandemic has had a significant impact on Transperth and Transwa patronage. Whilst patronage levels remain high relative to other Australian jurisdictions, they are forecast to be lower than previously expected. An additional operating subsidy of \$74.8 million to 2024-25 will offset the forecast reduction in fare revenue over the same period.

Additional Cleaning and Transport of Passengers in Hotel Quarantine

In response to the COVID-19 pandemic, enhanced cleaning on public transport services has been implemented, and the Authority has also provided for the safe transportation to hotel quarantine of passengers arriving into Western Australia. The continuation of these measures will cost an additional \$10.7 million over 2020-21 and 2021-22.

Waiver of Parking Fees and Service Contributions for Transport Services

The Authority received an additional operating subsidy of \$10.2 million in 2020-21 to offset the decrease in revenue following the continuation of the waiver of parking fees from commuters at train and bus stations and fees for transport services to special events.

Other Spending

Transperth Bus Services

The Government will expand the Transperth bus network by 3.8 million bus service kilometres to provide access to METRONET projects including the Forrestfield-Airport Link, Yanchep Rail Extension, Thornlie-Cockburn Link and the new Lakelands Station, at a cost of \$52.7 million over 2021-22 to 2024-25.

Revised Interest Expenses

The operating subsidy paid to the Authority is estimated to decrease by \$25.1 million over 2020-21 to 2024-25 reflecting the impact of lower than forecast interest rates and changes in the timing of asset investment expenditure.

RiskCover Insurance Premiums

To meet higher RiskCover insurance premium payments, an additional \$9.3 million has been approved over 2020-21 to 2024-25.

CAT Bus Service Expansion Trial

A two-year trial of expanded free CAT bus services to Kings Park and Matagarup Bridge and extended operating hours will provide better commuter access to the CBD, at a cost of \$4.2 million over 2021-22 to 2023-24.

Purple CAT Bus Service

The Purple CAT Bus Service, a new free service, will be introduced in 2022 and will link the Elizabeth Quay Bus Station, West Perth, QEII Medical Centre and the University of Western Australia, at an additional cost of \$5.1 million over 2021-22 to 2024-25.

Tunnel Monitoring System

To operate the tunnel monitoring system in the Perth CBD (discussed in Chapter 6), the Authority will spend an additional \$800,000 over 2021-22 to 2024-25.

ENVIRONMENT

Table 10

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
WATER AND ENVIRONMENTAL REGULATION					
Election Commitments					
- Ban on E-Waste to Landfill	-	0.7	2.9	8.1	2.3
- Carbon Innovation Grants Program	-	0.6	2.0	3.4	4.7
- Implementing the Peel-Harvey Estuary Protection Plan	-	1.3	1.3	1.3	1.3
- Small Commitments – Greening Our Community	-	1.0	-	-	-
Other Spending					
- Whole-of-Government Regulatory Approvals	-	9.7	11.4	10.2	8.8
- Wooroloo Bushfire Residential Clean-up Program	-	10.8	-	-	-
- Rural Water Planning Program	-1.0	2.1	1.1	1.1	1.1
- National On-farm Emergency Water Infrastructure Rebate Scheme	2.6	-	-	-	-
- Establishing and Maintaining Vegetation Offsets Account	-	1.0	1.0	-	-
- Pilbara Environmental Offsets Fund	-3.4	1.2	0.4	1.2	1.2
BIODIVERSITY, CONSERVATION AND ATTRACTIONS					
Election Commitments					
- Aboriginal Ranger Program	-	4.4	12.1	15.5	18.0
- Swan Canning Riverpark Initiatives	-	1.3	1.2	1.3	1.2
- Urban Forest Projects – Swan Canning Riverpark	-	0.4	0.8	0.8	1.0
- Yellagonga Regional Park	-	0.6	0.2	1.3	0.2
- Artificial Shellfish Reef	-	0.1	0.5	0.5	1.0
- Small Commitments	-	1.2	-	-	-
- Accessible Parks	-	0.6	0.2	0.1	0.1
- Dampier Peninsula and Buccaneer Archipelago Visitor Plan	-	0.2	0.3	-	-
- Dwellingup Gap Trails	-	0.4	-	-	-
Other Spending					
- Murujuga National Park Joint Management	-	1.0	1.0	1.0	1.0
- Yawuru Joint Management	-	1.1	1.1	1.1	1.1
- Plan for Our Parks – Additional Areas	-	5.3	4.9	4.4	0.2
- Plan for Our Parks – Joint Management of Badimia Conservation Reserves and Thundelarra Conservation Park Areas	-	1.7	1.8	2.0	2.2
- Forest Management Plan	-	2.5	1.7	0.1	-
- Bushfire Suppression	9.5	-	-	-	-
- Approval Reforms	-	2.5	2.6	2.6	2.6
- Resolution of Native Title in the South West of Western Australia (Settlement)	-	1.2	1.2	1.2	1.2

Water and Environmental Regulation

Election Commitments

Ban on E-Waste to Landfill

The Government has committed \$14 million over 2021-22 to 2024-25 to implement a ban on e-waste entering landfill, which includes \$10.1 million for a grant funding program to support capital infrastructure required to manage materials previously sent to landfill.

Carbon Innovation Grants Program

The Government has committed \$15 million over 2021-22 to 2026-27 to develop and administer a Carbon Innovation Grants Program. Of this, \$12.7 million will be available in grant funding to support research and innovation trials to increase Western Australian carbon sequestration and carbon capture, utilisation and storage opportunities.

Implementing the Peel-Harvey Estuary Protection Plan

To deliver priority actions from the Peel-Harvey Estuary Protection Plan, a whole-of-government response to improve water quality in the Peel-Harvey estuary, an additional \$5 million will be spent over 2021-22 to 2024-25 (funded from Royalties for Regions).

Other Spending

Woorloo Bushfire Residential Clean-up Program

To assist in the clean-up and recovery of residential properties impacted by the Woorloo bushfire, an amount of \$10.8 million (recouped from the Department of Fire and Emergency Services) will be spent in 2021-22.

Rural Water Planning Program

The Government has approved additional expenditure of \$4.4 million over 2020-21 to 2024-25 for the Rural Water Planning Program. The Program is aimed at developing long-term sustainable and reliable non-potable water supplies in the dryland agricultural area.

National On-Farm Emergency Water Infrastructure Rebate Scheme

The National On-Farm Emergency Water Infrastructure Rebate Scheme was allocated an additional \$2.6 million in 2020-21 (funded by the Commonwealth) to provide livestock farmers and horticulturalists a rebate towards the cost of upgrading water infrastructure.

Establishing and Maintaining Vegetation Offsets Account

To acquire native vegetation land to offset the environmental impact of clearing other vegetated land under approved permits, an amount of \$2 million will be spent over 2021-22 and 2022-23.

Pilbara Environmental Offsets Fund

The Government has allocated a further \$615,000 over 2020-21 to 2024-25 from the Pilbara Environmental Offsets Fund to employ two additional staff to administer a program of on-ground conservation projects.

Biodiversity, Conservation and Attractions

Election Commitments

Aboriginal Ranger Program

To expand the Aboriginal Ranger Program to create jobs, training and community development opportunities for Aboriginal people, the Government has allocated additional expenditure of \$50 million over 2021-22 to 2024-25.

Swan Canning Riverpark Initiatives

To support community groups to protect and enhance the waterways in the Swan Canning Catchment, the Government will spend an additional \$5 million over 2021-22 to 2024-25 to continue the Community Rivercare Program, expand the existing Dolphin Watch program, and establish a new Plastic Free Riverpark initiative.

Urban Forest Projects – Swan Canning Riverpark

Additional expenditure of \$3 million over the forward estimates period has been approved to support management authorities within the Swan Canning Riverpark and Catchment in implementing urban forest initiatives.

Yellagonga Regional Park

The Government has allocated an amount of \$2.2 million over 2021-22 to 2024-25 for various improvements at the Yellagonga Regional Park in Joondalup.

Artificial Shellfish Reef

An artificial shellfish reef will be constructed in the Swan River to enhance biodiversity, attract fish and improve water quality at a cost of \$2 million over 2021-22 to 2024-25.

Accessible Parks

To improve disability access to the State's parks and reserves, an additional \$1 million will be spent over the forward estimates period.

Dampier Peninsula and Buccaneer Archipelago Visitor Plan

The Government will spend \$400,000 over 2021-22 and 2022-23 for the preparation of a visitor plan to guide government and joint management partners in determining sustainable and culturally appropriate visitor usage at the Dampier Peninsula and Buccaneer Archipelago.

Dwellingup Gap Trails

The Government will provide a grant of \$350,000 to the Shire of Murray in 2021-22 for improvements to the Trails and Visitor Centre in Dwellingup.

Other Spending

Murujuga National Park Joint Management

To continue joint management of the Murujuga National Park and the heritage-listed Dampier Archipelago Island Reserves, the Government will spend an additional \$1 million per annum over the forward estimates period.

Yawuru Joint Management

To continue joint management of the Yawuru Conservation Parks, including the employment of six Aboriginal rangers on an ongoing basis, an amount of \$1.1 million per annum will be spent over the forward estimates period.

Plan for Our Parks – Additional Areas

The Government has approved additional expenditure of \$14.8 million over the forward estimates period to facilitate negotiations with traditional owners for nine identified reserve proposals, including Indigenous Land Use Agreements (ILUAs) where required, in order to meet the five million hectares target of additional conservation reserves by February 2024.

Plan for Our Parks – Joint Management of Badimia Conservation Reserves and Thundelarra Conservation Park Areas

To implement joint management arrangements over the Badimia Conservation Reserves and the adjoining Thundelarra Conservation Park, the Government has allocated \$7.7 million over the forward estimates period. Under these arrangements, DBCA will employ Aboriginal rangers at Badimia and Thundelarra as part of the election commitment for the expanded Aboriginal Ranger Program.

Forest Management Plan

The Government has allocated \$4.2 million over 2021-22 to 2023-24 to develop the next 10 year Forest Management Plan.

Bushfire Suppression

In 2020-21, the Department attended 450 bushfires that burnt a total of 409,085 hectares across the State. The Department spent an additional \$9.5 million in 2020-21 for bushfire suppression activities as a result of these attendances.

PLANNING AND LAND USE

Table 11

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
PLANNING, LANDS AND HERITAGE					
Election Commitments					
- Mirrabooka Bushlands/Bush Forever Feasibility Study	-	0.1	-	-	-
Other Spending					
- Rocky Bay – Waiving the Payment of the Unimproved Market Value of Land (Administered)	-	19.6	-	-	-
- METRONET Precincts – High Wycombe and Redcliffe Stations	-	3.1	8.3	-	-
- Resolution of Native Title in the South West of Western Australia (Settlement)	-1.5	3.0	4.6	3.4	2.8
- Whole-of-Government Regulatory Approvals	-	2.5	2.8	2.2	2.3
- Coastal Erosion Hotspots (CoastWA)	-	0.8	0.5	2.6	2.4
- Facilitation of Key Government Projects	-	2.2	1.2	0.8	0.5
- State Design Review Panel	-	0.8	0.8	0.8	0.8
- Action Plan for Planning Reform – Phase Two	-	1.3	0.6	0.5	0.5
- 2021-22 Streamlined Budget Process Incentive Funding	-	0.9	-	-	-
- Aboriginal Cultural Heritage Bill	-	0.3	-	-	-
WESTERN AUSTRALIAN PLANNING COMMISSION					
- Public Infrastructure Initiative	-	11.9	-	-	-
- Land Acquisition Compensation Payments	5.9	7.8	-	-	-
WESTERN AUSTRALIAN LAND INFORMATION AUTHORITY (LANDGATE)					
- Strategic Development Plan ^(a)	-9.9	-0.6	-0.3	-2.9	-1.5
- Office Accommodation – Midland Building Lease Expiry	-0.8	-2.7	-2.7	-2.7	-2.7
- Land Services WA Contract Management Requirements	-	-	0.4	0.4	0.4
DEVELOPMENTWA					
Election Commitments					
- Industrial Land Development Fund	-	13	13	12	12
Other Spending					
- Dixon Road Reserves Business Case	-	0.5	-	-	-
HERITAGE COUNCIL OF WESTERN AUSTRALIA					
- 2021-22 Streamlined Budget Process Incentive Funding	-	- ^(b)	-	-	-
NATIONAL TRUST OF AUSTRALIA (WA)					
- 2021-22 Streamlined Budget Process Incentive Funding	-	- ^(b)	-	-	-
(a) Decrease in expenditure excludes National Tax Equivalent Regime and dividends.					
(b) Amounts less than \$50,000.					

Planning, Lands and Heritage

Election Commitments

Mirrabooka Bushlands/Bush Forever Feasibility Study

The Department will provide a grant of \$100,000 in 2021-22 for a feasibility study of the management for the Mirrabooka bushland.

Other Spending

Rocky Bay – Waiving the Payment of the Unimproved Market Value of Land (Administered)

The Government has approved cancelling conditional tenure conditions and waiving the payment of \$19.6 million for the unimproved market value of land vested with Rocky Bay. This will provide Rocky Bay the opportunity to maximise the return on the land for the potential redevelopment of, or relocation from, its Mosman Park site.

METRONET Precincts – High Wycombe and Redcliffe Stations

Spending of \$11.4 million over 2021-22 and 2022-23 has been approved to manage the delivery of enabling infrastructure at the High Wycombe and Redcliffe METRONET station precincts. These works will support the creation of developable lots for future housing and community services in these areas.

Coastal Erosion Hotspots (CoastWA)

CoastWA will facilitate the management of coastal erosion hotspots along the Western Australian coastline, including the provision of grants to local governments. Of the additional \$15 million approved for the project over 2021-22 to 2024-25, \$6.3 million will be spent on the provision of grants and the facilitation of coastal management works.

Aboriginal Cultural Heritage Bill

The Department will spend \$250,000 in 2021-22 to assess system specifications and cost estimates for an integrated systems solution to support the Aboriginal Cultural Heritage Bill.

Western Australian Planning Commission

Public Infrastructure Initiative

An amount of \$11.9 million in 2021-22 has been approved for public infrastructure with scope for the construction of roads, public works, and community infrastructure.

Land Acquisition Compensation Payments

The Government has reallocated an amount of \$13.7 million from the Commission's existing capital expenditure budget over 2020-21 and 2021-22 to meet compensation payments associated with the compulsory acquisition of land for transport infrastructure projects and the Commission's metropolitan land acquisition program.

Western Australian Land Information Authority (Landgate)

Strategic Development Plan

Reduced expenditure totalling \$15.1 million over 2020-21 to 2024-25 reflects salaries and superannuation savings, lower services and contracts expenses due to delayed ICT initiatives, and updates to economic parameters.

Office Accommodation – Midland Building Lease Expiry

As a result of the Landgate building in Midland reverting to State ownership in March 2021, a reduction of \$11.5 million in accommodation expenses over 2020-21 to 2024-25 has been approved. The building reverted to State ownership upon expiry of the lease agreement with the previous owner. Accommodation expenses will be paid to the Department of Finance over 2020-21 to 2024-25 under a new lease agreement.

Land Services WA Contract Management Requirements

The Government has approved additional salaries expenditure totalling \$1.2 million over 2022-23 to 2024-25 to enable Landgate to manage the Commercialised Services Agreement with Land Services WA.

DevelopmentWA

Election Commitments

Industrial Land Development Fund

The Government has established an Industrial Land Development Fund (\$50 million over the forward estimates period) which will remove barriers to industrial development for projects of strategic importance to Western Australia.

Other Spending

Dixon Road Reserves Business Case

A business case will be prepared in conjunction with the City of Rockingham for the redevelopment of land in Rockingham known as the Dixon Road Reserves, at a cost of \$500,000 in 2021-22.

UTILITIES

Table 12

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
SYNERGY					
– System Security Transition Payment	-	90.8	66.2	56.1	31.6
– Operating Subsidies	4.1	15.2	18.6	20.7	7.0
– Distributed Energy Buyback Scheme	-	-0.6	-2.0	-4.5	-7.6
– Aggregation and Orchestration Platform	-	5.0	-	-	-
– Electric Vehicle Charging Network	-	0.2	0.1	0.1	0.1
HORIZON POWER					
– Tariff Adjustment Payment Operating Subsidy	-	-5.8	-6.6	-4.7	-3.3
– Aboriginal and Remote Communities Project Subsidy	2.2	-	-	-	-
– Electric Vehicle Charging Network	-	– (a)	0.2	0.2	0.1
WATER CORPORATION ^(b)					
– Operating Subsidy	-	13.2	13.1	2.4	3.0

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

(b) Represented in general government expenses as grants and subsidies, sourced from both the Royalties for Regions Fund and the Consolidated Account and paid through the Department of Treasury.

Synergy

System Security Transition Payment

The Government will provide Synergy with an operating subsidy totalling \$315.3 million over 2021-22 to 2024-25 to operate its electricity generation fleet to ensure the security and reliability of the energy market.

The subsidy increase is partially offset by the reversal of the \$70.7 million Residential Electricity Tariff Operating Subsidy that was approved in early 2021 as a result of the Government's decision to align the residential electricity tariff price path to a lower forecast CPI over the forward estimates.

Operating Subsidies

Due to an increase in the cost of the rebates and concessions Synergy provides on behalf of the Government, and the Financial Viability Subsidies that were included in the 2020-21 Budget, Synergy will be provided additional subsidies totalling \$65.7 million over 2020-21 to 2024-25. The upward revision is driven by increased solar export assumptions, the flow-on impact of recent actual outcomes, and revised CPI and population growth forecasting assumptions.

Distributed Energy Buyback Scheme (DEBS)

The Government will reduce Synergy's operating subsidies by \$14.7 million over 2021-22 to 2024-25, reflecting its decision to lower the DEBS rate price path from 2021-22 onwards to ensure it provides appropriate price signals to consumers.

Aggregation and Orchestration Platform

In order for Synergy to undertake proof-of-concept works associated with a Distributed Energy Resources Aggregation and Orchestration Platform, it will be provided an operating subsidy of \$5 million in 2021-22.

Electric Vehicle Charging Network

Horizon Power and Synergy will construct an electric vehicle fast charging network which will facilitate travel north from Perth to Kununurra, along the South West coast to Esperance and east to Kalgoorlie. An operating subsidy totalling \$537,000 will be provided to Synergy over 2021-22 to 2024-25 for the operation of the electric vehicle charging network.

Horizon Power

Tariff Adjustment Payment Operating Subsidy

The tariff adjustment payment operating subsidy paid to Horizon Power for the difference between South West Interconnected System (SWIS) efficient costs and regulated tariff revenue has been revised down by \$20.4 million over 2021-22 to 2024-25.

Aboriginal and Remote Communities Project Subsidy

The Government has increased the Aboriginal and Remote Communities project subsidy by \$2.2 million in 2020-21, to make the final 2019-20 operating subsidy payment for the electricity supply costs of Aboriginal and Remote Communities.

Electric Vehicle Charging Network

Similar to Synergy (see above), an operating subsidy totalling \$522,000 will be provided to Horizon Power over 2021-22 to 2024-25 for the operation of the electric vehicle charging network.

Water Corporation

Operating Subsidy

The Water Corporation's overall operating subsidy has increased by \$31.7 million over 2020-21 to 2024-25, primarily reflecting forecast reductions to revenue in 2021-22 and 2022-23. This is due to lower growth in services as a result of forecast lower population growth. The Government subsidises the price of water for regional Western Australia through its commitment to the Country Water Pricing Subsidy at a total cost of \$1.3 billion over 2021-22 to 2024-25.

PROVISIONS

Table 13

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
Provisions					
– South West Native Title Settlement – Allocation of Provision	-	-87.1	-76.9	-75.6	-75.7
– Native Title Settlement – Recognition of Future Obligations	1,284.2	-116.0	-100.7	-101.9	-101.8
– Native Title Settlements – Land Transfers	-	10.6	1.6	0.7	-
– General Government Recurrent Expenditure Provision	-	800.0	-	-	-
– Digital Capability Fund	-	19.5	41.7	44.4	96.2
– Climate Action Fund: Future Climate-related Initiatives	-	-	35.0	40.0	43.0
– Climate Action Fund: Renewable Hydrogen Initiatives	-	2.0	15.0	15.0	18.0
– Community Services Contracts	-	-15.0	-	-	-
– Revised Road Trauma Trust Account Spending	-	6.7	-	-	6.3
– Aboriginal Cultural Heritage Bill	-	-	2.5	2.5	2.5
– Social Housing Investment Fund	-	5.5	-	-	-
– Electric Vehicle Charging Network	-	-(a)	-0.1	-0.3	-0.6
– Industrial Agreements	-	-(b)	-(b)	-(b)	-(b)

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

(b) Amount not disclosed as negotiations are ongoing at the time of publishing.

Provisions

South West Native Title Settlement – Allocation of Provision

Annual costs reflecting the State's offer to the Noongar people to resolve all Native Title claims in the South West of Western Australia were originally provisioned in the 2013-14 Budget. Following settlement of the Agreement in early 2021, the provision – which totalled \$315 million across 2021-22 to 2024-25, and extended beyond the forward estimates period – has been allocated to agency budgets.

Native Title Settlements – Recognition of Future Obligations

Following the end of legal challenges to the South West Native Title Settlement, the more certain measurement of accounting costs for the associated obligations under the settlement has become possible. This Budget recognises these costs as a non-cash provision in 2020-21, as final entries to be reflected in agency annual reports were still being finalised at the Budget cut-off date.

The provision also recognises the State's obligations under the Yamatji Nation Indigenous Land Use Agreement (which also settled in 2020-21). As with the South West Native Title Settlement, final allocations of the provision to agencies (which will be reflected in 2020-21 annual reports to be released later this year) were determined after the Budget cut-off date.

Native Title Settlements – Land Transfers

An \$13 million provision has been established to recognise land transfers under the South West Native Title Settlement and Yamatji Nation Indigenous Land Use Agreement. Further land transfers will be brought to book as negotiations are progressed.

General Government Recurrent Expenditure Provision

An \$800 million provision has been included in this Budget as an allowance for unforeseen spending requirements which may arise in the 2021-22 financial year. Of this amount, \$240 million has been set aside to address the risk of higher than budgeted hospital activity and/or hospital service price growth.

This provision broadly aligns to the ‘automatic’ Treasurer’s Advance available under the *Financial Management Act 2006*, and is considered prudent in the current uncertain environment caused by COVID-19.

Digital Capability Fund

A provision of \$500 million over the forward estimates has been established to advance digital transformation for sector-wide strategic information and communications technology (ICT) projects, and to provide capacity to upgrade legacy ICT systems. The Fund comprises \$225 million in expenses and \$275 million in capital investment (see Chapter 6). Of the total provisioned spending, \$200 million has been set aside for future health sector ICT projects.

In this Budget, \$23 million of recurrent expenditure has been allocated from the Fund to agencies over 2021-22 to 2024-25. This spending is reflected in the budgets of the Western Australia Police Force, Department of Mines, Industry Regulation and Safety, and Department of the Premier and Cabinet.

Climate Action Fund – Future Climate-related Initiatives

The Government’s \$750 million Climate Action Fund includes a \$118 million provision across 2022-23 to 2024-25 for responses to emerging climate issues. Funding from the provision will be released to agencies upon approval of business cases as part of future Budget processes.

Climate Action Fund – Renewable Hydrogen Initiatives

As part of the \$750 million Climate Action Fund, \$50 million has been provisioned over the forward estimates period in the Budget to support the development of the renewable hydrogen industry in Western Australia. The allocation to specific initiatives will be subject to the approval of business cases as part of future Budget processes.

Community Services Contracts

The \$15 million provision set aside in the PFPS to provide a funding uplift for eligible expiring community services contracts in 2021-22 has been fully allocated to agency budgets.

Revised Road Trauma Trust Account (RTTA) Spending

The RTTA spending provision was fully allocated to road safety projects in the 2020-21 Budget. As part of this Budget, the provision has been reinstated in 2021-22 reflecting higher than forecast RTTA revenue received in 2020-21. A further provision of \$6.3 million has been established in 2024-25.

Aboriginal Cultural Heritage Bill

The Government has provisioned \$10 million of spending over 2022-23 to 2025-26 (including \$2.5 million in 2025-26) to provide one-off establishment, administration and capacity building funding for Local Aboriginal Cultural Heritage Services, expected to be established through new legislation for Aboriginal cultural heritage protection and management in Western Australia.

Social Housing Investment Fund

The Government has approved a \$750 million Social Housing Investment Fund for future dwelling construction projects and other initiatives. This increases the total investment in social housing to \$2.1 billion in this Budget which will fund around 3,300 homes. Funding will be held in a Special Purpose Account (see Appendix 5) and will be released pending the approval of specific initiatives as part of future Budget processes.

As part of the 2021-22 Budget, \$222 million of the Fund has been allocated to the Department of Communities for the Government's Social Housing Strategy Package (see earlier in this chapter), while \$5.5 million has been provisioned to recurrent spending in 2021-22 to support social housing business case development. The remaining \$522.5 million has been provisioned as asset investment (see Chapter 6).

Industrial Agreements

The global provision for public sector industrial agreements included in the PFPS has been revised in this Budget to reflect the estimated financial impact of ongoing and upcoming industrial negotiations. The size of the revision is not disclosed at this time pending the outcome of negotiations.

Asset Investment

HIGHLIGHTS

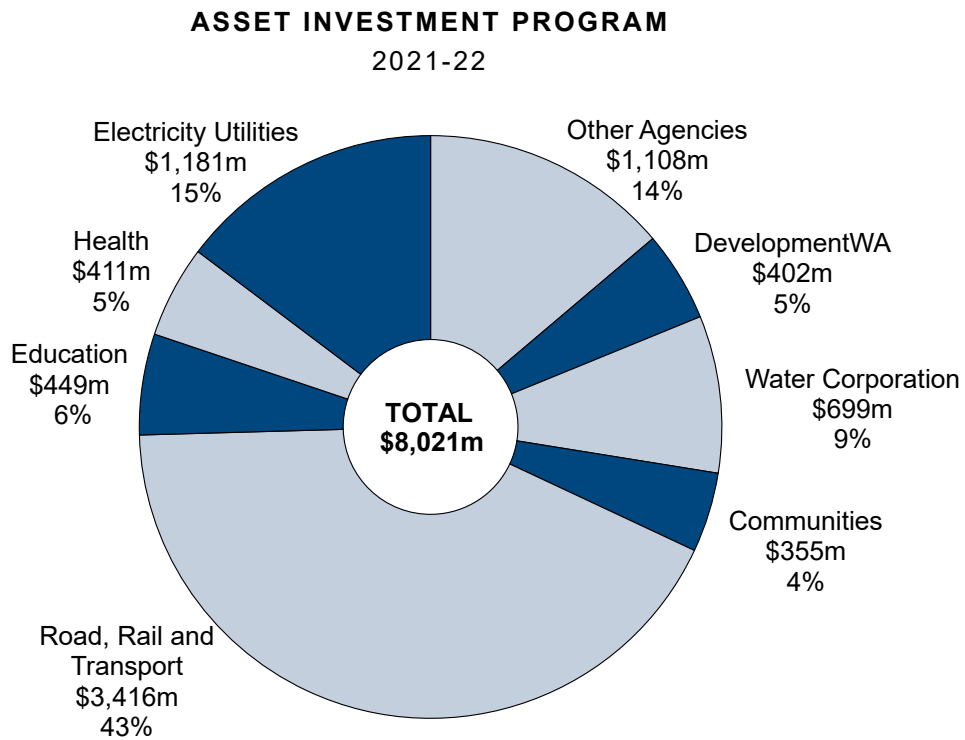
- The 2021-22 Budget includes a record \$30.7 billion Asset Investment Program over the next four years, building critical infrastructure for the future and supporting local jobs.
- Road, rail and transport infrastructure spending totals a massive \$13 billion over the four years to 2024-25, and includes an additional \$817 million on the Government's METRONET program of works for additional level crossing removals on the Armadale Line, the Byford Rail Extension and additional METRONET-related bus services.
- Investment in health, education and training infrastructure remains a high priority, with new investment in this Budget including two new mental health emergency centres and a secure extended care unit, upgrades and additions at 19 secondary schools and district high schools and 25 primary schools across the State, and upgrades to training equipment and facilities in TAFE Colleges.
- Social housing is also a high priority, with the Budget including a \$750 million Social Housing Investment Fund. This increases the total investment in social housing to \$2.1 billion in this Budget which will fund around 3,300 homes.
- The Government has also made provision in this Budget for future strategic infrastructure, including the State's next desalination plant, by allowing Government Trading Enterprises to retain \$2.4 billion of dividend payments in 2021-22 to fund future infrastructure investment.

Introduction

The record \$30.7 billion Asset Investment Program (AIP) funded in this Budget includes \$1.2 billion towards the Government’s infrastructure election commitments, and a range of other new high priority works to accommodate a growing economy, improve service delivery outcomes, and support local job creation.

The 2021-22 AIP totals \$8 billion, with \$3.4 billion (or 43%) of this in road, rail and transport infrastructure, \$1.9 billion (or 23%) in electricity and water infrastructure, and \$860 million (or 11%) in education and health infrastructure.

Figure 1



Note: Segments may not add due to rounding.

The operating surpluses projected to be delivered across the forward estimates period are a significant source of funding for the AIP, reducing the need for additional borrowings to fund the Government’s record infrastructure investment.

Sustainable Pipeline of Infrastructure Works

The 2021-22 Budget incorporates the Government's commitment to review its record infrastructure program, informed by consultation with industry, to smooth the pipeline of work and ease workforce pressures across the economy.

The Government is seeking to complement rather than compete with activity in the private sector and ensure that the State's infrastructure investment provides a strong pipeline of work over the longer term.

This review recognises the constraints imposed on workforces due to the COVID-19 pandemic, and aims to minimise the potential for labour and materials shortages to increase the cost of projects and/or lead to delays in project completions. This in turn will help ensure a sustainable and achievable pipeline of infrastructure works that promotes greater certainty, industry confidence, training and jobs security.

For some projects this has meant adjusting cashflows to more closely reflect anticipated procurement timeframes and take into account the latest information on the construction industry's capacity to deliver. These adjustments help achieve the Government's objectives for the AIP to support economic growth, regional development, and the creation of local jobs.

The outcome of the AIP review is the reflow of approximately \$2.6 billion in project spending from 2020-21 and 2021-22 into later years – with significantly boosted AIPs in 2022-23 (\$8.4 billion) and 2023-24 (\$7.9 billion) as a result, before a return to a more 'normal' level of infrastructure investment in 2024-25 (\$6.4 billion).

Notwithstanding the smoother pipeline of infrastructure investment, significant challenges remain for delivery, including market capacity, skills shortages and supply chain constraints. This has the potential to result in increased project costs and/or extended timelines.

To assist in delivering its record AIP, the Government has established a Major Projects Directorate within the Department of Finance to ensure that designated major projects, including the Fremantle Film Studio and the new Women and Babies Hospital, are delivered in accordance with the Government's expectations. This will complement the Office of Major Transport Infrastructure Delivery, which has been created to ensure the efficient delivery of major projects within the Transport portfolio.

WA Jobs Plan: Local Manufacturing and Production, Creating Western Australian Jobs and Training for the Jobs of the Future

Investment in road, rail and transport is estimated at \$3.4 billion in 2021-22 (a 28% increase over spending of \$2.7 billion in 2020-21), and a total of \$13 billion over the four years to 2024-25.

METRONET projects account for a substantial proportion of this spending, with \$5.7 billion committed over the next four years to shape future development of the Perth metropolitan area, with a view to reducing road congestion and improving connectivity and urban amenity (see feature box later in this chapter).

This Budget includes an additional \$817 million in METRONET-related spending. Key investments include:

- \$475 million allocated to level crossing removal on the Armadale line;
- \$220 million allocated to the Byford Rail Extension; and
- \$52.7 million for additional METRONET-related bus services.

The Government is also investing heavily to support the freight network, safer roads and less congestion, particularly in the regions. Major new projects include:

- Agricultural Supply Chain Improvements to improve the performance of the freight network (\$200 million over the next four years);
- Regional Road Safety Program (an additional \$194 million over 2022-23 and 2023-24); and
- Mandurah Estuary Bridge Duplication (\$110 million over 2021-22 to 2024-25).

Table 1

ASSET INVESTMENT IN ROAD, RAIL AND TRANSPORT INFRASTRUCTURE

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
Main Roads	1,448.8	1,587.7	1,874.8	1,745.4	1,107.5
Public Transport Authority	1,160.0	1,585.8	1,519.7	1,190.1	726.3
Department of Transport	31.5	48.2	38.0	38.4	41.3
Provision for METRONET Projects Under Development	-	85.6	392.7	502.4	419.8
Western Australian Planning Commission	32.2	108.6	-	-	-
Total	2,672.5	3,416.0	3,825.2	3,476.4	2,294.9

Note: Columns may not add due to rounding.

Investment by the State's electricity and water utilities totals \$7 billion over the four years to 2024-25, with \$1.9 billion to be spent in 2021-22. New projects aimed at improving efficiency and responsiveness of supply and supporting the transition away from fossil fuels include:

- delivery of more Standalone Power Systems by Western Power (\$150 million);
- the construction by Synergy and Horizon Power of an Electric Vehicle Charging Network (\$19.5 million); and
- refurbishment of the Denham Power Station (\$11.8 million).

Table 2

ASSET INVESTMENT IN WESTERN AUSTRALIAN UTILITIES

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
Electricity Corporations	923.0	1,180.7	1,110.0	961.6	950.0
Water Corporation	689.3	699.2	681.9	680.2	679.0
Bunbury and Busselton Water Corporations	9.2	22.3	9.8	7.4	10.6
Total	1,621.4	1,902.2	1,801.7	1,649.2	1,639.6

Note: Columns may not add due to rounding.

Safe, Strong and Fair Communities: Developing Healthy and Resilient Communities

This Budget includes investment of \$1.3 billion over the next four years to construct, refurbish and expand the State's health infrastructure. Significant new investments include two new mental health emergency centres at Armadale and Rockingham, construction of the new Meekatharra Health Service, accelerated replacement of medical and imaging equipment, construction of a secure extended care unit at Bentley Health Service, and the installation of an image guided operating theatre at Sir Charles Gairdner Hospital.

This Budget also includes:

- funding of \$1.8 billion in a Special Purpose Account for the construction of a new Women and Babies Hospital;
- \$1.7 billion for the construction, refurbishment and expansion of public schools across Western Australia, including \$449 million in 2021-22. These works benefit 19 secondary schools and district high schools and 25 primary schools throughout the State; and
- a \$750 million Social Housing Investment Fund, with \$522.5 million of this allocated to an asset investment provision to be transferred to agency budgets as project business cases are approved. This increases the total investment in social housing to \$2.1 billion in this Budget which will fund around 3,300 homes.

Table 3

ASSET INVESTMENT IN HEALTH AND EDUCATION

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
WA Health	247.2	410.5	438.2	212.9	197.0
Education	369.9	449.5	517.6	415.7	293.3
Total	617.1	860.0	955.8	628.7	490.3

Note: Columns may not add due to rounding.

Investment in facilities to support community safety totals \$737 million over the period 2021-22 to 2024-25. Works include new and replacement police stations at Baldivis and Forrestfield, respectively, and upgrades and refurbishments for police stations, prisons, court facilities and fire stations across the State.

Table 4

ASSET INVESTMENT IN COMMUNITY SAFETY

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
Department of Justice	63.2	94.6	73.0	64.6	20.6
Western Australia Police Force	89.6	94.3	90.4	81.4	57.6
Fire and Emergency Services	46.6	55.7	36.7	30.7	37.6
Total	199.3	244.7	200.1	176.8	115.8

Note: Columns may not add due to rounding.

METRONET

The METRONET construction program and associated pipeline of work is helping to support thousands of local jobs. Once complete, the transformational program of work will add around 72 kilometres of track and 22 new stations to the State's rail network, better connecting the metropolitan area to world-class transport, reducing road congestion and meeting Perth's future planning needs.

The 2021-22 Budget includes \$817 million in additional funding for new METRONET projects, including:

- the removal of two level crossings at Hamilton and Wharf Streets on the Armadale line and two new elevated stations at Queens Park and Cannington – which are in addition to the previously funded removal of three level crossings at Mint Street, Oats Street and Welshpool Road and two new elevated stations at Carlisle and Oats Street;
- a grade separated rail crossing at Armadale Road and Forrest Road and a new elevated Armadale station, as part of the overall Byford Rail Extension project; and
- the High Capacity Signalling program of works, consisting of the Train Control System, the Public Transport Operations Control Centre and the Radio System Replacement, which will increase the capacity of the rail network, improve safety, and allow trains to operate more efficiently.

This brings total investment in METRONET projects over the forward estimates period to \$5.7 billion.

The Budget aggregates continue to include global provisions to deliver a number of METRONET projects that are in live procurement processes (such as the Byford Rail Extension, Victoria Park-Canning Level Crossing Removal and Midland Station projects). As was the case for earlier METRONET projects, these will be included in delivery agencies' Asset Investment Programs after contract award.

Key milestones for the METRONET program in 2021-22 include:

- three major projects on track for completion before the end of the financial year, including the Forrestfield-Airport Link, the Denny Avenue Level Crossing Removal and the Mandurah Station Multi-Storey Carpark;
- five other METRONET projects in the delivery stage (Morley-Ellenbrook Line, Thornlie-Cockburn Link, Yanchep Rail Extension, Bayswater Station and Thomas Road Bridge), with many other projects starting to take shape;
- the commencement of the main construction works at Lakelands Station;
- the expected awarding of the construction contracts for the Byford Rail Extension, Victoria Park-Canning Level Crossing Removal and the new Midland Station projects by late 2021; and
- the commencement of planning on the Greenwood Station Multi-Storey Carpark.

Table 5

METRONET
Capital Spending and Funding

METRONET	2021-22	2022-23	2023-24	2024-25	Total 2021-22 to 2024-25
	\$m	\$m	\$m	\$m	\$m
Capital Expenditure					
Forrestfield-Airport Link	353.5	-	-	-	353.5
Thornlie-Cockburn Link	140.8	143.0	145.2	42.0	470.9
Yanchep Rail Extension	116.7	144.2	89.1	-	350.0
Public Transport Authority	46.7	144.2	89.1	-	280.0
Western Australian Planning Commission	70.0	-	-	-	70.0
Bayswater Station	54.1	94.4	18.8	-	167.3
Morley-Elfenbrook Line	150.6	313.9	331.8	272.9	1,069.2
Lakelands Station	23.5	31.5	10.6	-	65.6
Denny Avenue Level Crossing Removal	15.5	-	-	-	15.5
Victoria Park-Canning Level Crossing Removal	91.9	124.3	124.2	54.0	394.4
Caledonian Avenue Level Crossing Removal	1.9	3.7	6.4	3.0	15.0
Mandurah Station Multi-Storey Carpark	14.5	-	-	-	14.5
Greenwood Station Multi-Storey Carpark	0.7	4.4	23.0	10.0	38.0
Rail Line Planning	38.1	1.2	1.2	0.8	41.3
New and Existing Train Station Upgrades	24.1	9.2	10.6	7.5	51.5
High Capacity Signalling Program of Works	52.2	152.7	97.0	57.0	358.9
Railcar Acquisition	206.9	166.3	88.4	95.8	557.4
Provision for Projects Under Development	85.6	392.7	502.4	419.8	1,400.6
Land Acquisition and Enabling Works	161.7	97.4	51.2	-	310.3
Total	1,532.3	1,678.7	1,500.0	962.8	5,673.8
Capital Funding					
Commonwealth Funding	189.0	634.4	656.2	353.7	1,833.3
Land Sales	2.2	9.3	4.3	12.4	28.3
Metropolitan Region Improvement Fund	108.6	8.7	-	-	117.3
Consolidated Account	230.6	646.6	636.8	394.9	1,908.9
Royalties for Regions	4.8	-	-	-	4.8
Public Transport Authority Borrowings	431.3	104.9	18.0	15.7	570.0
Other (inc. Motor Vehicle Licence Revenue)	223.7	146.2	131.7	185.3	686.8
Interest Revenue	0.2	-	-	-	0.2
Cash at Bank	341.8	128.6	53.0	0.8	524.2
Total	1,532.3	1,678.7	1,500.0	962.8	5,673.8

Major Infrastructure Changes

Summary

The following tables provide details of major changes in total public sector infrastructure spending by agency since the Pre-election Financial Projections Statement (PFPS) was released in February 2021. These include policy decisions made between the cut-off date for the PFPS (1 February 2021) and the cut-off date for this Budget (9 August 2021), and other changes of a material nature affecting agency infrastructure spending over the forward estimates period.

The timing of cash flows for some previously announced projects may also have been revised but are not included in this chapter as they are broadly net debt neutral across the forward estimates period. Further details on individual projects are contained in Budget Paper No. 2: *Budget Statements*.

PARLIAMENT

Table 6

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
PARLIAMENTARY SERVICES					
– Parliament House – Heritage Conservation	-	0.5	0.5	0.5	0.5

Parliamentary Services

Parliament House – Heritage Conservation

The Government has approved an additional \$500,000 per annum from 2021-22 for the Parliamentary Services’ rolling AIP. The additional funding will assist in meeting the costs associated with the 2020 Heritage listing of Parliament House and other critical maintenance requirements.

GOVERNMENT ADMINISTRATION

Table 7

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
PREMIER AND CABINET					
– Parliamentary Electorate Office Fit-Outs	-	3.0	0.2	0.2	0.2
GOVERNOR'S ESTABLISHMENT					
– Government House Security Upgrades	-	0.8	0.2	-	-
WESTERN AUSTRALIAN ELECTORAL COMMISSION					
– State General Election 2021	0.9	-	-	-	-

Department of the Premier and Cabinet

Parliamentary Electorate Office Fit-Outs

Following the March 2021 State Election, the Department will spend \$3.6 million over the four years from 2021-22 on the establishment and fit-out of Parliamentary Electorate Offices.

Governor's Establishment

Government House Security Upgrades

The Governor's Establishment will spend \$1 million over 2021-22 and 2022-23 to implement recommendations made by the Western Australia Police Force in relation to security at Government House. This expenditure includes upgrades to electronic security systems and the external and internal physical security aspects of the property.

Western Australian Electoral Commission

State General Election 2021

An additional \$870,000 was spent in 2020-21 for the procurement of laptop computers for the increase in staff required to operate early voting centres.

FINANCIAL ADMINISTRATION

Table 8

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
FINANCE					
COVID-19 Response					
– Small Business and Charities Electricity Credit Scheme	0.5	-	-	-	-
– Off-the-Plan Transfer Duty Rebate	-	0.8	-	-	-
Other Spending					
– Government Office Accommodation – Office Fit-outs	-4.0	0.8	0.9	-	-
– State Fleet – Motor Vehicles	-13.0	-	-	-	-
GOLD CORPORATION					
– One-Future Program	4.5	11.6	-	-	-
– Refinery Equipment	-	2.4	0.5	0.5	0.5
– Manufacturing Equipment	-	1.7	1.3	-	-
– Refinery Solar Power	0.1	1.5	-	-	-

Finance

COVID-19 Response

Small Business and Charities Electricity Credit Scheme

An amount of \$534,000 was spent in 2020-21 for system upgrades required to support a one-off \$500 electricity credit for electricity users who pay for electricity use via a third party, such as a landlord, owners' corporation or business owner. A further \$2 million in recurrent expenditure has been approved for additional staff to administer the Scheme (see Chapter 5).

Off-the-Plan Transfer Duty Rebate

An additional \$800,000 will be spent in 2021-22 to develop internal assessment system enhancements that are required to operationalise the extended off-the-plan transfer duty rebate. A further \$96,000 in recurrent expenditure has been approved for temporary staff to process the additional rebate applications (see Chapter 5).

Other Spending

Government Office Accommodation - Office Fit-outs

Savings of \$2.3 million over 2020-21 to 2022-23 will be achieved on office fit-outs undertaken by Finance, primarily due to savings from the fit-out for the Kings Square accommodation in Fremantle in 2020-21. These savings will be partially offset by increased expenditure on a number of minor fit-outs for other premises over 2020-21 to 2022-23.

State Fleet – Motor Vehicles

Purchases of new State Fleet vehicles were reduced by \$13 million in 2020-21, due mainly to COVID-19-related supply constraints.

Gold Corporation

One-Future Program

An additional \$16.1 million will be spent over 2020-21 to 2021-22 to upgrade the Corporation's Enterprise Resource Planning system and e-Commerce platform (collectively termed the One-Future Program). The One-Future Program supports the Corporation's ongoing operations and the development of new product offerings.

Refinery Equipment

The Corporation will spend \$3.9 million over 2021-22 to 2024-25 on a number of key capital projects required at the Corporation's refinery. These projects are expected to create efficiencies and result in future cost savings.

Manufacturing Equipment

An amount of \$3 million will be spent over 2021-22 and 2022-23 to purchase two new casters to assist with reducing bottlenecks in the production process.

Refinery Solar Power

An amount of \$1.6 million will be spent over 2020-21 and 2021-22 to install solar arrays at the refinery site to reduce reliance on carbon-based electricity.

JOBS AND ECONOMIC DEVELOPMENT

Table 9

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
JOBS, TOURISM, SCIENCE AND INNOVATION					
Election Commitments					
– Wind Turbine Manufacturing	-	-	2.0	2.0	2.0
BURSWOOD PARK BOARD					
– Park Master Plan	-	4.2	-	-	-
– Asset Replacement: Artesian Bore	-	0.7	-	-	-
PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT					
– Digital Foundations Program ^(a)	1.5	3.5	1.5	-	-
– Core Business Systems Upgrade ^(a)	-	6.0	-	-	-
– Medina Agricultural Research Station Site Remediation	-	2.8	-	-	-
– Externally Funded Projects	0.4	1.7	-	-	-
– New Metropolitan Facilities	-	1.0	-	-	-
– Shark Hazard Mitigation Initiatives	-	0.2	0.2	0.2	-
MINES, INDUSTRY REGULATION AND SAFETY					
Election Commitments					
– Fast Tracking Mining Approvals	-	- ^(b)	1.6	3.6	2.3
– Geoscience Data Transformation Strategy	-	-	0.3	-	-
RACING AND WAGERING WESTERN AUSTRALIA					
– Business Development Projects	10.6	4.0	2.6	0.3	2.2
FOREST PRODUCTS COMMISSION					
– Softwood Plantation Expansion Program	-	8.3	31.7	28.2	27.7

(a) Funding has been reprioritised from within the Department's AIP to undertake this project.

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

Jobs, Tourism, Science and Innovation

Election Commitments

Wind Turbine Manufacturing

An amount of \$6 million has been allocated over 2022-23 to 2024-25 for land acquisition costs to support the development of a wind turbine manufacturing industry in Western Australia. This is in addition to \$2 million in recurrent expenditure for this project (see Chapter 5).

Burswood Park Board

Park Master Plan

A total of \$4.2 million will be spent in 2021-22 on the delivery of the Burswood Park Board's Park Master Plan, including a new ablution block within the Matagarup Bridge Zipline activation zone, replacing the Park's sewer, construction of a second Principal Shared Path and several small upgrade projects (such as lighting, shelters, signage and barbecues).

Asset Replacement: Artesian Bore

The Government has approved expenditure of \$700,000 in 2021-22 to replace the Park's artesian bore.

Department of Primary Industries and Regional Development

Digital Foundations Program

An amount of \$6.5 million will be spent over 2020-21 to 2022-23, with funding reprioritised from within the Department's AIP, on capital works for the Digital Foundations Program (DFP). The DFP will deliver a range of operational, financial and organisational benefits for the Department by introducing a coordinated, integrated and rationalised network, devices fleet, application suite, email and telephone systems that will offer an efficient, effective, and easy-to-use systems environment.

Core Business Systems Upgrade

Funding of \$6 million will be reprioritised from within the Department's 2021-22 AIP to upgrade three core business systems (Human Resources Management Information System, Financial Management Information System and the Enterprise Document and Records Management System).

Medina Agricultural Research Station Site Remediation

Following a fire at the Department's Medina Agricultural Research Station in January 2021, \$2.8 million (funded by a RiskCover insurance payment) will be spent in 2021-22 to remediate the site.

Externally Funded Projects

External parties have funded the purchase of \$2.2 million of capital equipment over 2020-21 and 2021-22, which is required to undertake research and other activities as specified in arrangements with these parties (including the Commonwealth Government).

New Metropolitan Facilities

The Government has allocated \$1 million in 2021-22 to develop a detailed Project Definition Plan for a new metropolitan facility for the Department.

Shark Hazard Mitigation Initiatives

In addition to the \$16.4 million in recurrent expenditure approved in this Budget to expand shark mitigation initiatives (see Chapter 5), an amount of \$561,000 will be spent over 2021-22 to 2023-24 on upgrades to the Shark Monitoring Network receiver technology. The upgrades will provide additional coverage along the coast and utilise technologies that are expected to improve responsiveness and reduce operating costs.

Mines, Industry Regulation and Safety

Election Commitments

Fast Tracking Mining Approvals

This Budget's record investment of \$120.1 million to streamline Western Australia's regulatory approvals system includes \$7.6 million over 2021-22 to 2024-25 on the digital transformation component of the strategy. This funding will modernise and integrate existing bespoke standalone data and systems and expand system capability.

Geoscience Data Transformation Strategy

To transform the State's geoscience information into intelligent data suitable for machine learning and artificial intelligence, an amount of \$300,000 will be spent in 2022-23 on system hardware and software components of the project related to legacy data capture. This is in addition to \$10.3 million recurrent expenditure approved for this project (see Chapter 5).

Racing and Wagering Western Australia

Business Development Projects

Expenditure on various business development projects has been increased by \$19.7 million over 2020-21 to 2024-25 to reflect the investment in key assets that Racing and Wagering Western Australia utilises to gain economic benefits from wagering activities and provide services to the racing industry.

Forest Products Commission

Softwood Plantation Expansion Program

As part of a \$750 million package of climate action initiatives funded in this Budget, the Government has set aside \$350 million in a Special Purpose Account to meet costs associated with expanding the Forest Products Commission's softwood plantation estate. Of this amount, the Commission will spend \$96 million over 2021-22 to 2024-25 on acquiring land to support the program.

HEALTH

Table 10

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
WA HEALTH					
Election Commitments					
– Meekatharra Hospital	-	-	1.1	3.9	10.7
– Mental Health Emergency Centre – Armadale	-	4.3	7.2	2.9	-
– Mental Health Emergency Centre – Rockingham	-	3.1	5.2	2.0	-
COVID-19 Response					
– Response to COVID-19	8.7	8.2	-	-	-
Other Spending					
– Medical Equipment and Imaging Replacement Program	-	10.0	30.0	-	-
– East Metropolitan Health Services - Health in a Virtual Environment and Wi-Fi	11.1	7.8	7.2	2.1	2.1
– Bentley Secure Extended Care Unit	-	2.7	14.9	6.4	0.4
– Minor Works	-	5.5	5.5	5.5	5.5
– Hospital Services	-	10.0	7.5	-	-
– Existing Project Cost Pressures	-	5.5	7.6	0.3	-
– Sir Charles Gairdner Hospital – Image-Guided Theatre	-	0.5	11.5	0.1	-
– Urgent Mental Health Anti-Ligatures	-	5.6	-	-	-
– Mental Health Transition Care Unit	-	4.0	-	-	-
– Special Needs Dental Relocation	-	0.6	2.7	-	-
MENTAL HEALTH COMMISSION					
Election Commitments					
<i>Alcohol and Other Drugs</i>					
– 20-Bed Alcohol and Other Drug Rehabilitation Facility	-	2.0	4.0	4.0	-
– Immediate Drug Assistance Coordination Centre	-	1.5	-	-	-
<i>Youth</i>					
– Youth Long Term Housing and Support Program	-	-	4.9	6.0	-
– Youth Mental Health and Alcohol and Other Drug Step Up/Step Down	-	1.6	3.0	1.5	-
<i>Other</i>					
– South Hedland Step Up/Step Down	-	1.5	4.6	4.0	-

WA Health

Election Commitments

Meekatharra Hospital

The Government will invest \$48.5 million (including \$15.7 million over 2022-23 to 2024-25) to construct a new Meekatharra Health Service. This will consolidate acute care, emergency services, mental health, community aged care and other primary care services on the existing Meekatharra Hospital site.

Mental Health Emergency Centres – Armadale and Rockingham

In line with the Government's election commitment, a total of \$24.6 million will be spent over 2021-22 to 2023-24 to establish Mental Health Emergency Centres and Behavioural Assessment Urgent Care Centres at Armadale Health Service and Rockingham General Hospital.

COVID-19 Response

Response to COVID-19

As part of the State's continued response to the COVID-19 pandemic, an additional \$16.9 million will be spent over 2020-21 and 2021-22 on the Safe WA and Vaccinate WA applications, additional medical equipment and minor capital works, associated with COVID-19 preparedness. A further \$465.7 million has been provided for recurrent costs of the pandemic response (see Chapter 5) and \$4.6 million for COVID-19-related inventory costs.

Other Spending

Medical Equipment and Imaging Replacement Program

To further boost the Medical Equipment and Imaging Replacement Program, the Government will invest an additional \$40 million over the next two years to enable Health Services to replace medical equipment (including imaging equipment) that is approaching the end of its useful life.

East Metropolitan Health Services - Health in a Virtual Environment and Wi-Fi

To harness recent technological advancements in the provision of healthcare in hospitals, the Government will invest a total of \$34.9 million (including \$30.2 million over 2020-21 to 2024-25) in the Health in a Virtual Environment (HIVE) and Wi-Fi Projects. The HIVE will remotely monitor the vital signs of patients across selected beds at Royal Perth and Armadale Hospitals to allow clinicians to be alerted to early signs of clinical deterioration. The HIVE will be supported by the roll-out of new and enhanced Wi-Fi services across the East Metropolitan Health Service.

Bentley Secure Extended Care Unit

As part of the Government's significant investment into mental health services, \$24.5 million has been allocated over 2021-22 to 2024-25 to convert Ward 9 at the Bentley Health Service into a 12-bed Secure Extended Care Unit. This will provide a secure environment to focus on specialist sub-acute mental health treatment and rehabilitation in an authorised mental health inpatient setting.

Minor Works

As part of the State's ongoing investment in maintaining its critical asset base, an amount of \$22 million will be spent over 2021-22 to 2024-25 to undertake upgrades and renewals to WA Health's existing built assets and replace critical plant and equipment that has reached the end of its useful life.

Hospital Services

To help relieve current pressures on the health system, the Government has committed to capital expenditure of \$17.5 million over 2021-22 and 2022-23 to deliver additional beds at Sir Charles Gairdner Hospital (24 beds) and Fremantle Hospital (18 beds).

Existing Project Cost Pressures

To help address cost pressures on existing projects within WA Health's AIP, an additional \$13.5 million will be spent over 2021-22 to 2023-24 (partially offset by \$9.2 million in savings in other WA Health projects). This includes Laverton Hospital (\$6.7 million), Sir Charles Gairdner Hospital Emergency Department Upgrade and Behavioural Assessment Urgent Care Centre (\$2.5 million), Dongara Health Centre (\$2.3 million), Carnarvon Residential Aged Care (\$900,000), the Royal Perth Hospital (RPH) Helipad (\$600,000) and RPH generator (\$500,000).

Sir Charles Gairdner Hospital – Image-Guided (Hybrid) Theatre

The Government will invest \$12.1 million over 2021-22 to 2023-24 to establish an Image-Guided Operating Theatre at Sir Charles Gairdner Hospital. An Image-Guided Operating Theatre functions as both a conventional operating theatre and radiology facility for imaging and minimally invasive surgery, reducing the need to transfer patients between the theatre suite and a radiology facility.

Urgent Mental Health Anti-Ligatures

In order to improve patient safety, \$5.6 million will be spent in 2021-22 to progress a suite of anti-ligature upgrades at Bentley Mental Health Unit and regional Acute Psychiatric Units located in Broome, Albany, Kalgoorlie, and Bunbury.

Mental Health Transition Care Unit

An additional \$4 million will be spent in 2021-22 to increase the capacity of the pilot 20-bed Mental Health Transition Care Unit by a further 20 beds. The 40-bed facility will help alleviate mental health inpatient bed blockages in the East Metropolitan area through the provision of clinical support in a non-hospital environment for patients occupying inpatient beds for extended periods of time.

Special Needs Dental Relocation

The Government will spend \$3.3 million over 2021-22 to 2022-23 to relocate the Special Needs Dental Clinic following the City of Vincent's decision to develop the area into public open space. The relocated Special Needs Dental Clinic will provide dental services to up to 40,000 eligible patients and will ensure that people with special needs have equitable access to oral healthcare.

Mental Health Commission

Election Commitments

Alcohol and Other Drugs

As part of the \$87.4 million investment over the Budget period to implement the Government's alcohol and other drug (AOD)-related election commitments (see Chapter 5), \$11.5 million in capital expenditure has been approved for:

- a 20-bed AOD Rehabilitation Facility - \$10 million will be spent over 2022-23 and 2023-24 to construct a purpose-built Rehabilitation Facility in the Perth metropolitan area. A further \$2.5 million in recurrent expenditure to operate the facility is outlined in Chapter 5; and
- an Immediate Drug Assistance Coordination Centre - \$1.5 million in 2021-22 to fit-out six short-term crisis beds. This forms part of a total \$39.7 million commitment (see Chapter 5).

Youth

To implement the Government's youth mental health election commitments, this Budget includes total expenditure of \$122.1 million over the forward estimates period (see Chapter 5). Of this, \$17 million in capital expenditure has been approved for:

- a Youth Long Term Housing and Support Program - \$10.9 million to provide an additional 20 houses/villas and associated support packages for young people with mental health and AOD issues. A further \$7.3 million in recurrent expenditure for support packages is outlined in Chapter 5; and
- a Youth Mental Health and Alcohol and Other Drug Step Up/Step Down Facility - \$6.1 million will be spent over 2021-22 to 2023-24 to construct a purpose-built 10-bed facility in the metropolitan area. A further \$4.6 million in recurrent expenditure to operate the service is outlined in Chapter 5.

Other

South Hedland Step Up/Step Down

To increase community-based mental health services for residents of Port Hedland as well as fly-in/fly-out workers, \$10.2 million will be spent over 2021-22 to 2023-24 on the construction of a 10-bed Step Up/Step Down facility in South Hedland. Operational expenditure of \$4.7 million has also been approved (see Chapter 5).

EDUCATION AND TRAINING

Table 11

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
EDUCATION					
Election Commitments					
– Investment in Secondary and District High Schools	-	3.9	27.6	111.7	66.4
– Investment in Primary Schools	-	4.4	20.6	22.2	11.5
– Investment in Education Support Facilities	-	0.4	2.2	0.5	2.2
– Science and STEM in Secondary Schools	-	0.3	10.6	29.3	31.9
– Solar and Clean Energy Program	-	5.1	12.7	11.0	11.0
– Science in Primary Schools	-	1.3	1.7	2.5	2.3
Other Spending					
– Ashdale Senior High School	-	-	0.4	1.6	13.3
– Maintenance and Compliance	1.1	23.5	1.5	-	-
– Land Acquisition	-	-	4.3	-	-
TRAINING AND WORKFORCE DEVELOPMENT/TAFE COLLEGES					
Election Commitments					
– Investing in Modern Equipment for the TAFE Colleges	-	4.0	6.5	7.0	7.5

Education

Election Commitments

Investment in Secondary and District High Schools

Building on the major upgrade package announced in last year's WA Recovery Plan, a total of \$209.6 million will be invested over 2021-22 to 2024-25 on upgrades and additions at 19 secondary schools and district high schools across the State. This includes:

- \$32.1 million to provide additional permanent classrooms, a new science block and laboratories at Rossmoyne Senior High School;
- \$29.7 million to build new specialist classroom blocks at Duncraig Senior High School;
- \$21.2 million to commence a staged redevelopment of John Curtin College of the Arts, including the construction of additional Science, Technology, Engineering and Mathematics (STEM) classrooms;
- \$16.9 million to provide additional classroom blocks and STEM facilities at Byford Secondary College;
- \$15 million at Mount Lawley Senior High School for a new classroom block; and
- \$12.9 million at Greenwood College for a sports hall, performing arts centre, STEM classroom and upgrades.

Investment in Primary Schools

Over 2021-22 to 2024-25 the Government will invest \$58.7 million in additions and improvements at 25 primary schools across the State, including:

- \$14.1 million to redevelop Springfield Primary School;
- \$13.5 million to build new classroom blocks at Baynton West, Cassia and Baler Primary Schools; and
- \$9.7 million to construct a new two-storey classroom block and replace a roof at Scarborough Primary School.

Investment in Education Support Facilities

The Government will allocate \$5.3 million over 2021-22 to 2024-25 on additions and upgrades at education support facilities, including:

- \$3 million to build a new early childhood facility at the South Bunbury Education Support Centre; and
- \$2 million to redevelop the pool facilities at the West Coast Education Support Centre.

Science and STEM in Secondary Schools

To deliver high quality STEM education, a total of \$72.2 million will be invested over 2021-22 to 2024-25 to enhance STEM and science learning infrastructure in secondary schools across the State.

Solar and Clean Energy Program

To reduce energy costs and lower carbon emissions, the Government will invest \$39.8 million over 2021-22 to 2024-25 on renewable energy in schools, including efficient lighting and energy efficient building improvements, rooftop solar systems and virtual power plants.

Science in Primary Schools

An additional \$7.9 million over 2021-22 to 2024-25 has been allocated for science classroom refurbishment works to primary schools across the State.

Other Spending

Ashdale Senior High School

To manage enrolment pressures at Ashdale Secondary College, an additional \$15.2 million will be invested over 2022-23 to 2024-25 (with a further \$14.2 million beyond this period), to construct additional permanent student accommodation, including general classrooms, design and technology studios, science laboratories and STEM facilities.

Maintenance and Compliance

The Government has approved spending of \$26.1 million over 2020-21 to 2022-23 for a targeted program addressing critical maintenance issues in schools, such as the remediation and replacement of plaster glass and plaster tile ceilings, damaged roofs and asbestos, as well as replacing and upgrading obsolete security and smoke alarm systems.

Land Acquisition

The Government will provide an additional \$4.3 million in 2022-23 towards land assembly costs for the primary school building program.

Training and Workforce Development/TAFE Colleges

Election Commitments

Investing in Modern Equipment for the Technical and Further Education (TAFE) Colleges

The Government will invest an additional \$25 million over the next four years to upgrade and modernise training equipment and facilities in TAFEs.

COMMUNITY SAFETY

Table 12

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
WESTERN AUSTRALIA POLICE FORCE					
Election Commitments					
– Forrestfield Police Station	-	2.6	6.5	11.8	1.1
– Baldivis Police Station	-	0.6	4.4	13.1	0.8
– Mobile State Operations Command Centre	-	0.5	2.5	0.5	-
COVID-19 Response					
– Fremantle District Police Complex	-	-	-	-	34.4
– Refurbishment of Police Stations	-	5.1	1.6	-	-
Other Spending					
– New Police Helicopter	-	4.4	15.5	-	-
– Critical ICT Upgrades	-	4.7	-	-	-
– Additional Police Officer Infrastructure Program – Initial Works	-	0.7	0.8	-	-
– Road Trauma Trust Account – Replacement of Mobile Breath and Drug Testing Bus	-	0.6	0.6	-	-
JUSTICE					
Election Commitments					
– Bunbury Regional Prison Alcohol and Other Drug Services	-	-	2.4	1.0	-
– Broome Aboriginal-led Family Violence Court	-	1.4	1.4	-	-
– Expansion of Restraining Orders Conferencing Pilot	-	0.5	0.5	-	-
FIRE AND EMERGENCY SERVICES					
Election Commitments					
– Career Fire and Rescue Service Station in the South East Metropolitan Region	-	2.0	-	1.6	10.9
– Kalgoorlie Career Fire and Rescue Service Station Upgrade	-	1.2	-	-	-
– Small Commitments	– (a)	-	-	-	-
Other Spending					
– State Operational Support Fleet Replacement Program	-	-	-	5.0	5.0
– Land Acquisition – New Career Fire and Rescue Service Station – North Coastal Metropolitan	-	-	2.5	-	-

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

Western Australia Police Force

Election Commitments

Forrestfield Police Station

The Government has approved an additional \$22 million over the next four years to replace the existing outdated police station in Forrestfield with a new purpose-built station.

Baldivis Police Station

To service the rapidly growing community, a total of \$19 million will be invested from 2021-22 to 2024-25 to construct a new police station in Baldivis.

Mobile State Operations Command Centre (Vehicles)

A new Mobile State Operations Command Centre, comprising one incident command vehicle and two forward command vehicles, will support police and other emergency response services at a cost of \$3.5 million over 2021-22 to 2023-24.

COVID-19 Response***Fremantle District Police Complex***

To support an increase in accommodation capacity and an updated design, a further \$34.4 million will be invested in 2024-25 on the new Fremantle District Police Complex.

Refurbishment of Police Stations

As part of the 2020-21 Budget, the Government approved funding of \$23.2 million for the immediate refurbishment of 14 police stations across the State. Reflecting capacity pressures in the construction market, the cost of these works has been revised upwards by \$6.7 million.

Other Spending***New Police Helicopter***

The Government will invest an additional \$19.9 million over 2021-22 and 2022-23 to purchase a second new Airbus H145 Helicopter. This will result in a full refresh of the State's police helicopter fleet, providing a significant improvement in the Western Australia Police Force's aerial response capability. A further \$7.6 million will be spent over the four years from 2021-22 to meet operating and maintenance costs associated with the new fleet (see Chapter 5).

Critical Information and Communications Technology (ICT) Upgrades

To support critical ICT upgrades, a total of \$4.7 million will be provided to the Western Australia Police Force in 2021-22 from the newly created Digital Capability Fund. A further \$3.4 million will be spent on maintaining critical systems and databases (see Chapter 5).

Additional Police Officer Infrastructure Program – Initial Works

To address immediate accommodation pressures resulting from the Government's commitment to recruit additional police officers, spending of \$1.5 million has been approved over 2021-22 and 2022-23 for internal refits, furniture and transportables at high-priority locations across the State.

Road Trauma Trust Account (RTTA) – Replacement of Mobile Breath and Drug Testing Bus

The Government has approved an allocation of \$1.2 million from the RTTA to replace a mobile breath and drug testing bus that is approaching end-of-life.

Department of Justice

Election Commitments

Bunbury Regional Prison Alcohol and Other Drug Services

The Government will invest \$3.4 million over 2022-23 and 2023-24 to develop a 24-bed Alcohol and Other Drug facility at Bunbury Regional Prison, which will provide a pre-release transitional service for men returning to country. This is in addition to \$5.9 million in operating costs for the facility (see Chapter 5).

Broome Aboriginal-led Family Violence Court

To support Aboriginal women who have experienced family violence, an additional \$2.8 million will be spent over 2021-22 and 2022-23 to establish a specialist family violence court in Broome. The Government has also approved a further \$2.8 million in associated recurrent spending, including for staffing, offender programs and court security (see Chapter 5).

Expansion of Restraining Orders Conferencing Pilot

As part of the Government's commitment to expand the restraining orders conferencing pilot service, \$1 million will be invested over 2021-22 and 2022-23 for building and security modifications to the Bunbury Magistrates Court. An additional \$4.5 million in recurrent expenditure has been committed to deliver the expanded mediation service (see Chapter 5).

Fire and Emergency Services

Election Commitments

Career Fire and Rescue Service (CFRS) Station in the South East Metropolitan Region

The Government will invest \$14.5 million over 2021-22 to 2024-25 for land acquisition (\$2 million in 2021-22), the construction of a new CFRS Station commencing in 2023-24, and the purchase of two appliances to be based permanently at the station. The CFRS facility will enhance emergency services to protect the expanding population within the South East Metropolitan Region.

Kalgoorlie CFRS Station Upgrade

An amount of \$1.2 million will be invested in 2021-22 on building upgrades to the Kalgoorlie CFRS Station to accommodate an additional 12 firefighters, as part of the Firefighters Support Package.

Small Commitments

A total of \$47,000 was spent in 2020-21 as part of the capital small commitment, including \$30,000 on improvements to the Kalamunda Volunteer Fire and Rescue Services training pad.

Other Spending

State Operational Support Fleet Replacement Program

An amount of \$10 million will be spent over 2023-24 and 2024-25 to replace 27 end-of-life High Fire Season Fleet appliances.

Land Acquisition – New Career Fire and Rescue Service Station – North Coastal Metropolitan

An amount of \$2.5 million has been approved in 2022-23 for the purchase of land, required for the construction of the new North Coastal Metropolitan CFRS station. It is expected that construction of the station will commence in 2025-26.

COMMUNITY SERVICES

Table 13

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
COMMUNITIES					
Election Commitments					
– Perth Aboriginal Short Stay Accommodation	-	6.0	-	-	-
Other Spending					
– Social Housing Strategy Package	-	44.5	64.9	-25.2	-32.2
– Housing Authority Outlook Update	-6.0	-34.3	-79.5	-25.8	-80.6
– Perth and Mandurah Common Ground	-0.7	3.2	9.6	19.6	6.8
KEYSTART HOUSING SCHEME TRUST					
– Upgrades to Information and Communications Technology (ICT) Systems	-	2.0	0.5	-	-
LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES					
Election Commitments					
– Aboriginal Cultural Centre	-	-	-	10.0	35.0
– WA Film Industry	-	4.4	20.6	60.0	20.0
Other Spending					
– Art Gallery of Western Australia Ground Floor Works	1.5	0.3	-	-	-
WESTERN AUSTRALIAN SPORTS CENTRE TRUST					
– HBF Park – Stadium Works to Facilitate the 2023 FIFA Women’s World Cup	-	4.5	15.0	-	-
– RAC Arena – Commercial Product Innovation	-	1.5	-	-	-

Department of Communities

Election Commitments

Perth Aboriginal Short Stay Accommodation (ASSA)

The Government has committed \$6 million in 2021-22 to undertake planning activities and land acquisition for the proposed development of the Perth ASSA Facility, to be located in the central business district. An additional \$300,000 has also been approved for project planning (see Chapter 5).

Other Spending

Social Housing Strategy Package

The Government has committed \$227.5 million from the \$750 million Social Housing Investment Fund to support the Social Housing Strategy Package (the Package), and \$2 million from Royalties for Regions for business case development for regional renewal projects, as detailed in Chapter 5. In addition to those initiatives, the Package includes a further:

- \$18 million from Royalties for Regions over 2022-23 and 2023-24 for regional renewal projects in Geraldton, Bunbury and Albany;

- \$50 million in 2021-22 for a spot purchase program to deliver 97 dwellings (net increase in asset investment of \$34 million, with \$10 million prioritised from existing asset investment and \$6 million allocated for operating costs for the new dwellings); and
- \$70.4 million in 2021-22 and 2022-23 to fast-track delivery of modular social housing in the regions (brought forward from existing asset investment in 2023-24 and 2024-25).

The Package will support the *WA Housing Strategy 2020-2030*, including its target of 6% growth in social housing.

Housing Authority Outlook Update

Forecast asset investment by the Department (primarily the Department's commercial land and development activities which transferred to DevelopmentWA on 1 July 2021) has been revised down by \$226.2 million over 2020-21 to 2024-25, reflecting current project forecasts and conditions in the property market.

Perth and Mandurah Common Ground

The Government has approved additional expenditure of \$38.5 million over 2021-22 to 2024-25 for the design, construction and fit out of two Common Ground facilities at Perth and Mandurah, including \$8 million of Commonwealth Perth City Deal funding. These facilities will provide housing and essential wrap-around services for people experiencing homelessness and low income earners.

Keystart Housing Scheme Trust

Upgrades to ICT systems

A total of \$2.5 million will be spent over 2021-22 and 2022-23 to replace Keystart's loan origination platform and develop and implement a software tool to accelerate loan discharges.

Local Government, Sport and Cultural Industries

Election Commitments

Aboriginal Cultural Centre

An amount of \$45 million will be spent over 2023-24 and 2024-25 on project planning and initial works, as part of an initial \$50 million commitment to establish an Aboriginal Cultural Centre located near the Derbarl Yerrigan (Swan River). Details of expenditure of the remaining \$5 million are outlined in Chapter 5.

WA Film Industry

An amount of \$105 million will be spent over 2021-22 to 2024-25 on due diligence activities, planning and construction of a state-of-the-art film studio and screen production facility at Victoria Quay in Fremantle.

Other Spending

Art Gallery of Western Australia Ground Floor Works

An amount of \$1.8 million will be spent over 2020-21 and 2021-22 on alterations and upgrades to the ground floor entry of the Art Gallery of Western Australia gallery building and the installation of signage.

Western Australian Sports Centre Trust

HBF Park – Stadium Works to facilitate the 2023 FIFA Women’s World Cup

The Government has approved \$19.5 million over 2021-22 and 2022-23 on capital replacement and upgrades at HBF Park associated with hosting the 2023 FIFA Women’s World Cup, including the replacement of video boards and upgrades to lighting, pitch and electrical infrastructure. This is in addition to operating costs of \$16.1 million (see Chapter 5).

RAC Arena – Commercial Product Innovation

An amount of \$1.5 million will be spent in 2021-22 on improvements at RAC Arena to increase hospitality offerings at the venue, including reconfigured suites and bookable booths and rooms. It is expected that these upgrades will generate additional revenue streams for RAC Arena.

TRANSPORT

Table 14

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
TRANSPORT					
Election Commitments					
– Broome Boating Facility	-	-	0.6	16.2	19.5
Other Spending					
– Emu Point Boat Harbour – Jetty B Remediation	-	1.0	-	-	-
COMMISSIONER OF MAIN ROADS					
Election Commitments					
– Regional Road Safety Program	-	-	148.0	6.0	-
– Mandurah Estuary Bridge Duplication	-	3.0	15.0	82.0	10.0
– Regional Black Spot Program	-	4.9	4.9	4.9	-
– Leach Highway and Fifth Avenue Intersection Upgrade	-	5.0	-	-	-
– Metropolitan Intersection and Black Spot Program	-	0.9	-	-	-
– Bob Hawke College Pedestrian Crossing	-	0.6	-	-	-
Other Spending					
– 2021-22 Commonwealth Budget Roads Investment	-	118.5	163.5	98.2	116.0
– 2020 Commonwealth Stimulus Contribution	-	-	-	-	134.5
– METRONET - Caledonian Avenue Level Crossing Closure	-	1.9	3.7	-	-
PUBLIC TRANSPORT AUTHORITY					
Election Commitments					
– METRONET – High Capacity Signalling Program of Works	-	24.1	62.2	86.5	56.3
– METRONET – Greenwood Station Multi-Storey Carpark	-	0.7	4.4	23.0	10.0
– SmartRider Upgrade – Stage 2	-	7.8	14.0	2.2	-
– Western Australian Agricultural Supply Chain Improvements	-	21.8	59.8	58.8	58.8
– Small Commitment – Thornlie Train Station CCTV	- (a)	-	-	-	-
Other Spending					
– CAT Bus Service Expansion Trial	-	2.1	-	-	-
– Purple CAT Bus Service	-	0.5	-	-	-
– Tunnel Monitoring System	-	4.0	4.0	-	-
FREMANTLE PORT AUTHORITY					
– Inner Harbour – Infrastructure Upgrade and Replacement	-	0.3	6.5	5.5	13.5
– Kwinana Bulk Terminal – Infrastructure and Equipment Replacement and Upgrade	-	6.0	7.0	6.0	6.0
– Kwinana Bulk Terminal – Direct Conveyor	-	2.1	3.3	-	-
– Kwinana Bulk Jetty – Replacement of Conveyor Structure and Equipment	-	-	-	1.4	1.4
– Reprioritisation of Existing AIP	-44.8	-40.7	23.4	-0.9	-4.7
MID WEST PORTS AUTHORITY					
COVID-19 Response					
– Wharf 4 Deck Strengthening and Rail Replacement	-5.5	9.0	-	-	-
Other Spending					
– Geraldton Port-Wide Firefighting System	-3.6	2.0	8.0	3.5	-
– Land Acquisition and Road Improvements	-	8.0	-	-	-

Table 14 (cont.)

**MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION
FINANCIAL PROJECTIONS STATEMENT**

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
SOUTHERN PORTS AUTHORITY					
– Esperance Port – Iron Ore Shed 3 Recladding	-	0.6	14.0	-	-
– Esperance Port – Energy Supply Agreement Power Connection	-	2.5	-	-	-

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

Department of Transport

Election Commitments

Broome Boating Facility

The Government will contribute \$36.3 million over 2022-23 to 2024-25 for the construction of a new boating facility in Broome, pending a third-party contribution. This facility will renew the Entrance Point's ageing and inadequate boat ramps – addressing safety and access concerns and providing Broome with renewed tourism opportunities.

Other Spending

Emu Point Boat Harbour – Jetty B Remediation

To increase the current berthing capacity from nine to 20 vessels and extend the useful life of Jetty B at Emu Point Boat Harbour near Albany, \$1 million will be spent in 2021-22 on remediation works.

Commissioner of Main Roads

Election Commitments

Regional Road Safety Program

By treating roads with shoulder sealing and/or audible edge lines, the Government's Regional Road Safety Program aims to significantly reduce the number of 'run-off road' crashes. This Budget invests an additional \$194 million in the program over 2022-23 and 2023-24. This includes a \$142 million contribution from the Commonwealth, \$40 million of reprioritised expenditure and \$12 million of new State funding.

Mandurah Estuary Bridge Duplication

The new Mandurah Estuary Bridge will increase traffic flow, reduce congestion and offer a cyclist and pedestrian shared pathway into south Mandurah. A total of \$110 million (jointly funded with the Commonwealth) will be spent over 2021-22 to 2024-25 on the project.

Regional Black Spot Program

The Black Spot Program directly targets roads with a proven crash history or locations identified as high risk. Additional investment of \$14.8 million has been allocated to the regional program over 2021-22 to 2023-24 to undertake works at key priority locations.

Leach Highway and Fifth Avenue Intersection Upgrade

To extend the turning lane from Leach Highway into Fifth Avenue in Rossmoyne, a total of \$5 million in 2021-22 has been allocated, with the aim of alleviating congestion and improving safety at the intersection.

Metropolitan Intersection and Black Spot Program

In 2021-22, \$900,000 will be spent to upgrade the traffic signals at the intersections of Walter Road and Coode Street, and Marmion Avenue and Forrest Road.

Bob Hawke College Pedestrian Crossing

The Government has committed \$600,000 towards the construction of a pedestrian crossing to improve access to Bob Hawke College.

Other Spending

2021-22 Commonwealth Budget Roads Investment

Additional investment of \$496.2 million has been allocated to road infrastructure over 2021-22 to 2024-25 for 18 road projects, funded by contributions of \$292.5 million from the Commonwealth, \$143.7 million from the State Government and \$60 million from a third party.

A further \$631 million will be invested beyond 2024-25 for these projects, which includes a \$406.7 million contribution from the Commonwealth. Key projects include:

- Great Eastern Highway Upgrades – Coates Gully, Walgoolan to Southern Cross and Ghooli to Benari (\$250 million);
- Reid Highway – Altone Road and Daviot Road/Drumpellier Drive Grade Separations (\$225 million);
- Perth Airport Precinct – Northern Access (\$170 million);
- Marble Bar Road Upgrade (\$120 million);
- Toodyay Road between Dryandra and Toodyay (\$80 million);
- Great Northern Highway – Broome to Kununurra (Nellie Springs to Sally Downs Well and Arthur Creek (\$60 million)); and
- Indian Ocean Drive – Jurien Bay to Brand Highway (\$55 million).

2020 Commonwealth Stimulus

Reflecting the State and Commonwealth investment into road infrastructure projects announced in the 2020-21 Commonwealth Budget, an additional \$134.5 million will be spent in 2024-25. This further investment includes upgrades to:

- the intersection of West Swan Road and Reid Highway (\$78.5 million);
- Roe Highway – Great Eastern Highway Bypass, including Abernethy Road (\$45 million); and
- Manuwarra Red Dog Highway (\$11 million).

METRONET – Caledonian Avenue Level Crossing Closure

A total of \$15 million (\$9.4 million of reprioritised expenditure and \$5.6 million of new expenditure) will be spent over 2021-22 to 2024-25 on road works associated with the closure of the Caledonian Avenue Level Crossing.

Public Transport Authority of Western Australia

Election Commitments

METRONET – High Capacity Signalling Program of Works

The High Capacity Signalling program of works will increase capacity on the rail network, improving safety and allowing trains to operate more efficiently. The program of works will see an additional \$229 million spent over the four years from 2021-22 on the Radio Systems Replacement, the Public Transport Operations Control Centre, and the Train Control and Signalling projects.

METRONET – Greenwood Station Multi-Storey Carpark

Investment of \$38 million has been allocated over 2021-22 to 2024-25 for a new multi-storey carpark at Greenwood Station, providing up to 700 additional car parking bays.

SmartRider Upgrade – Stage 2

The Government is committed to upgrading the SmartRider ticketing system, with a further \$24 million to be invested to deliver Stage 2 of the SmartRider upgrade to allow commuters to make payments with bank cards and mobile devices, as well as replace the back-office software system.

Western Australian Agricultural Supply Chain Improvements

To improve the State's agricultural supply chain in the Wheatbelt, Mid West, Great Southern and Goldfields-Esperance regions, the Authority will spend a total of \$199.2 million over 2021-22 to 2024-25 delivering upgrades to transport infrastructure to improve the performance of the freight network. This includes a \$22 million contribution to extend rail sidings at Brookton, Broomehill, Cranbrook and Moora.

Small Commitment – Thornlie Train Station CCTV

In 2020-21, \$10,000 was spent to install CCTV at Thornlie train station, in order to improve safety and security around the station.

Other Spending***CAT Bus Service Expansion Trial***

To support a two-year trial to expand the CAT bus service in the Perth CBD to Matagarup Bridge and Kings Park, \$2.1 million will be invested in 2021-22 to install new CAT bus stops in the city.

Purple CAT Bus Service

The Purple CAT Bus Service, a new free service, will be introduced in 2022 and will link the Elizabeth Quay Bus Station, West Perth, QEII Medical Centre and the University of Western Australia. An investment of \$500,000 will provide bus stop and related infrastructure upgrades to support the new service.

Tunnel Monitoring System

The Authority will spend \$8 million over 2021-22 to 2022-23 to purchase and install tunnel monitoring equipment in the Perth CBD.

Fremantle Port Authority***Inner Harbour – Infrastructure Upgrade and Replacement***

The Fremantle Port Authority (FPA) will spend \$25.8 million over 2021-22 to 2024-25 on a new program of short-term capital works in the inner harbour, targeting infrastructure assets at North Quay and Victoria Quay that require refurbishment to sustain operations, including berths, jetties and seawalls.

Kwinana Bulk Terminal – Infrastructure and Equipment Replacement and Upgrade

The FPA will spend an additional \$25 million over 2021-22 to 2024-25 to repair the Kwinana Bulk Berth 2 (KBB2), refurbish cargo handling equipment, and refurbish standard gauge rail components at the Kwinana Bulk Terminal (KBT) facility. This additional expenditure will bring total expenditure on the KBT Infrastructure and Equipment Replacement and Upgrade program to \$52.2 million over 2021-22 to 2024-25. The program will ensure the ongoing operations of the KBT facility, extend asset life, and mitigate health and safety risks.

Kwinana Bulk Terminal – Direct Conveyor

A direct conveyor will be built to move cement clinker from the KBB2 to a customer's facility, improving efficiency and reducing costs. The project will be funded by the customer at a cost of \$5.4 million over 2021-22 and 2022-23.

Kwinana Bulk Jetty – Replacement of Conveyor Structure and Equipment

Due to the current conveyor nearing the end of its life, the FPA will spend \$2.8 million over 2023-24 and 2024-25 (\$5.3 million in total to 2025-26) to replace priority components at the Kwinana Bulk Jetty to sustain the safe and efficient functioning of the conveyor system.

Reprioritisation of Existing AIP

The FPA has reprioritised its AIP in all years from 2020-21 to 2024-25 to add the new projects above to its program, reflecting changing customer demands and risks, and to reschedule planned expenditure to help ensure a sustainable pipeline of works.

Mid West Ports Authority

COVID-19 Response

Wharf 4 Deck Strengthening and Rail Replacement

An additional \$3.5 million will be spent over 2020-21 and 2021-22 to strengthen the deck and replace the ship loader rails on Wharf 4, the main multi-good berth at the Port of Geraldton.

Other Spending

Geraldton Port-Wide Firefighting System

Additional expenditure of \$9.9 million over 2021-22 to 2023-24 has been approved to construct a port-wide firefighting system at the Port of Geraldton to provide first response capability.

Land Acquisition and Road Improvements

The Government has allocated \$8 million from Royalties for Regions in 2021-22 to acquire land and undertake port road improvements to facilitate increased trade and improve public and port user safety.

Southern Ports Authority

Esperance Port – Iron Ore Shed 3 Recladding

Expenditure of \$14.6 million over 2021-22 and 2022-23 will replace the cladding on Esperance Port Iron Ore Shed 3. The recladding aims to maintain throughput capacity of the shed to meet existing and future contractual agreements, improve environmental outcomes through minimising noise and dust emissions, and increase operational safety.

Esperance Port – Energy Supply Agreement Power Connection

The Authority will spend \$2.5 million in 2021-22 to install electricity connection infrastructure in order to facilitate its 20-year Energy Supply Agreement with Horizon Power at Esperance Port, due to commence in March 2022.

ENVIRONMENT

Table 15

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
WATER AND ENVIRONMENTAL REGULATION					
– Rural Water Planning Program	-1.3	1.0	1.4	1.4	1.4
BIODIVERSITY, CONSERVATION AND ATTRACTIONS					
Election Commitments					
– Perth Zoo Masterplan 2040	-	2.5	2.5	10.0	15.0
– Peri-Urban Parks	-	0.9	4.7	7.2	4.1
– Karijini National Park	-	0.6	1.0	13.5	1.0
– Mount Augustus National Park	-	0.6	0.9	3.6	5.0
– Yellagonga Regional Park	-	0.3	2.5	2.9	0.6
– Murujuga National Park (Conzinc Bay)	-	0.3	4.8	-	-
– Yawuru Conservation Park	-	0.2	1.8	1.3	1.3
– Torndirrup National Park, The Gap	-	0.2	0.3	2.9	-
– Beeliar Regional Park	-	0.2	0.5	1.6	0.8
– Dwellingup Gap Trails	-	1.0	1.0	0.3	-
– Danggu National Park (Geikie Gorge)	-	0.5	1.3	-	-
– Accessible Parks	-	0.1	0.4	0.4	0.1
– Wunaamin Miliwundi Ranges, Kimberley Wilderness Walk	-	0.3	0.3	0.3	-
– Kalbarri National Park - Island Rock	-	0.2	0.1	-	-
Other Spending					
– Rottnest Island Authority – Increased Maintenance	-	2.6	3.7	4.4	4.9
– Plan for Our Parks – Joint Management of Badimia Conservation Reserves and Thundelarra Conservation Park Areas	-	2.3	2.4	0.4	0.2
– Plan for Our Parks – Additional Areas	-	0.1	0.1	0.3	0.3
– Sustainable Development of the Abrolhos Islands	-	1.6	-	-	-

Water and Environmental Regulation

Rural Water Planning Program

The Government has allocated \$4.1 million over 2020-21 to 2024-25 for ongoing agricultural area dam maintenance upgrades and the development of non-potable water supplies in priority areas.

Biodiversity, Conservation and Attractions

Election Commitments

Perth Zoo Masterplan 2040

A total of \$30 million will be spent over 2021-22 to 2024-25 on asset investment priorities, as set out in the Perth Zoo Master Plan 2040, to progress a range of priority projects and leverage private sector funding opportunities. Some of the key Masterplan projects to be progressed in this period include development of the Main Lawn area, including overhead tunnels for lemurs and gibbons, redevelopment of the African Savannah area once elephants leave the Zoo, and planning for a new orangutan enclosure and a conservation centre of excellence.

Peri-Urban Parks

The Government has committed \$16.9 million over 2021-22 to 2024-25 for four national parks on Perth's urban periphery. The key features of the proposed works include:

- John Forrest National Park Improvements (\$8.4 million) – including a Park Centre to be established as a hub for activity and services, improvements to existing picnic facilities and creation of new picnic and other spaces;
- Serpentine National Park Upgrades (\$3.2 million) – including redeveloping the visitor precinct picnic facilities and walk trails to facilitate a higher level of visitation by groups, individuals, and trail users;
- Walyunga National Park (\$2 million) – improvements including upgrading and redeveloping Boongarup Pool in partnership with traditional owners to support local jobs and Aboriginal business development opportunities; and
- Penguin Island (\$3.3 million) – including a new Penguin Island Discovery Centre and upgrades and refurbishments to existing buildings and facilities, including the jetty.

Karijini National Park

Expenditure of \$16 million over 2021-22 to 2024-25 will improve visitor facilities at key recreation sites within the Karijini National Park, such as Dales and Weano Gorges. Proposed works include a new campground, cultural walk trail and interpretive facilities, and sealing road access to the most popular gorge sites, including Weano Gorge, Karijini Eco Retreat and Dales Gorge to enable cars and coaches to travel safely to these sites.

Mount Augustus National Park

Expenditure of \$10 million over 2021-22 to 2024-25 will enhance road and camping infrastructure at Mount Augustus National Park. The aim of these works is to grow the tourism sector through improved visitor infrastructure, such as trails and interpretation, roads, visitor safety telecommunications, and development of Aboriginal cultural tourism.

Yellagonga Regional Park

An amount of \$6.3 million will be spent over 2021-22 to 2024-25 on improvements at the Yellagonga Regional Park in Joondalup, including seven kilometres of mountain bike trails, a boardwalk between Ocean Reef Road and Whitfords Avenue, a nature playground adjacent to Luisini Winery, interpretive material, additional planting around the lake, a viewing platform and boardwalk at Lake Joondalup on the Wanneroo side, and completion of a cycling and walk trail network within the park.

Murujuga National Park (Conzinc Bay)

The Government will spend \$5 million over 2021-22 and 2022-23 to improve visitor facilities at Conzinc Bay to support increased visitation associated with the Murujuga Living Knowledge Centre, as well as the management of islands on the Dampier Archipelago, supported by Murujuga Aboriginal Rangers.

Yawuru Conservation Park

Expenditure of \$4.5 million over 2021-22 to 2024-25 will provide facilities and upgrade roads to meet visitor demand in the Yawuru Conservation Park. Planned improvements include track and trail upgrades, viewing platforms, boardwalks, stairs, park furniture and other day-use facilities to improve the park's tourism offerings.

Torndirrup National Park, The Gap

An amount of \$3.3 million will be spent over 2021-22 to 2023-24 to improve tourism infrastructure at The Gap in Torndirrup National Park, including a larger car park, new toilets, trails to nearby sites, a kiosk for a commercial outlet opportunity and creation of an entrance portal.

Beeliar Regional Park

An amount of \$3 million will be spent over 2021-22 to 2024-25 to construct a new boardwalk and viewing platform at the Beeliar Wetlands. The new funding will also support the ongoing revegetation and rehabilitation of the Class-A reserve.

Dwellingup Gap Trails

As part of the Plan for Murray-Wellington, Mandurah and Dawesville, the Government has committed \$2.4 million over 2021-22 to 2023-24 to complete the final 18 kilometres of mountain bike trails within the Dwellingup area.

Danggu National Park (Geikie Gorge)

An amount of \$1.8 million will be spent over 2021-22 and 2022-23 to build a new, safer boat docking station at Geikie Gorge in Danggu National Park.

Accessible Parks

Additional expenditure of \$1 million over 2021-22 to 2024-25 will enhance access for visitors with disability to national parks and the conservation estate.

Wunaamin Miliwundi Ranges, Kimberley Wilderness Walk

An amount of \$850,000 will be spent over 2021-22 to 2023-24 to develop the first long-distance trek in the Kimberley (in the Gibb River Road tourism precinct).

Kalbarri National Park – Island Rock

Expenditure of \$250,000 over 2021-22 and 2022-23 will improve visitor safety, access, and amenity in the Kalbarri National Park through the sealing of the Island Rock carpark and improvements to walking and hiking trails.

Other Spending**Rottnest Island Authority – Increased Maintenance**

The Government has approved additional investment of \$15.6 million over 2021-22 to 2024-25 on priority maintenance projects in relation to water, energy, transport and waste assets to support the Island's operations. This includes a new battery energy storage system and upgrade of a wastewater pumping station.

Plan for Our Parks – Joint Management of Badimia Conservation Reserves and Thundelarra Conservation Park Areas

An additional \$5.3 million will be spent over 2021-22 to 2024-25 for essential start-up infrastructure to implement joint management arrangements over the Badimia Conservation Reserves and Thundelarra Conservation Park. This includes ranger housing, utilities, office accommodation, a workshop/shed, and a radio communications tower.

Plan for Our Parks – Additional Areas

An additional \$820,000 will be spent over 2021-22 to 2024-25 on the planning, design and implementation of essential capital infrastructure proposed for the additional areas as part of Indigenous Land Use Agreements and joint management negotiations, in order to meet the Government's five million hectares target of additional conservation reserves by February 2024.

Sustainable Development of the Abrolhos Islands

Additional expenditure of \$1.6 million in 2021-22 will complete the Sustainable Development of Abrolhos Islands project, which will enhance tourism infrastructure and the park operations base.

PLANNING AND LAND USE

Table 16

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
DEVELOPMENTWA					
– Alkimos Central	-1.4	5.6	14.1	11.3	-0.8

DevelopmentWA

Alkimos Central

The Government has approved investment of \$28.9 million over 2020-21 to 2024-25 to expedite road upgrades, rail capping and bridge works relating to the Alkimos Central project. The works have been brought forward to align with the Yanchep Rail Extension infrastructure and Romeo Road upgrades.

UTILITIES

Table 17

MAJOR SPENDING CHANGES SINCE THE 2020-21 PRE-ELECTION FINANCIAL PROJECTIONS STATEMENT

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
SYNERGY					
Election Commitments					
– Virtual Power Plants	-	-	4.8	-	-
Other Spending					
– Customer Engagement Platform and Flexible Operations	1.2	20.0	16.0	3.0	1.0
– Kwinana Power Station Decommissioning	12.0	1.9	0.4	0.5	-
– Electric Vehicle Charging Network	-	4.5	4.5	-	-
– Safety and Reliability	13.5	-85.8	89.2	-0.1	-
WESTERN POWER					
Election Commitments					
– Standalone Power Systems	-	-	50.0	50.0	50.0
Other Spending					
– Growth and Services – New Projects	-	44.8	-	-	-
– Pole Management and Replacement	-	-	9.8	-	-
HORIZON POWER					
– Electric Vehicle Charging Network	-	5.3	5.3	-	-
– Denham Power Station Refurbishment	4.0	7.8	-	-	-
– Derby Port Embedded Electricity Network	-	1.2	-	-	-
WATER CORPORATION					
Election Commitments					
– Gross Pollution Traps	-	2.5	7.5	-	-
– Morley Galleria Drainage	-	0.1	-	-	-
BUNBURY WATER CORPORATION					
– Roberts Reservoir Slope Stability Project	-	2.0	1.5	-	-
– Pipeline for Bunbury Outer Ring Road Construction	-	2.3	-	-	-

Synergy

Election Commitments

Virtual Power Plants (VPPs)

Synergy will spend \$4.8 million in 2022-23 to establish VPPs at six public schools in Kalgoorlie and Geraldton. VPPs involve the aggregation of Distributed Energy Resources (such as batteries and solar photovoltaic systems) that allow for the coordination of energy to assist in the more efficient operation of the electricity system.

Other Spending

Customer Engagement Platform (CEP) and Flexible Operations

Over the period 2020-21 to 2024-25, Synergy will invest a total of \$41.2 million in its Customer Engagement Platform (CEP) and Flexible Operations projects, to assist in responding to the changing requirements of the energy market and mitigating key business risks.

The CEP project will deliver a single, consolidated customer engagement platform that will allow Synergy to interact more effectively with its customer base. The Flexible Operations project will provide Muja Power Station with the capability to respond more efficiently to the energy market's demands.

Kwinana Power Station Decommissioning

An amount of \$14.7 million will be spent over 2020-21 to 2023-24 to undertake rehabilitation works at the Kwinana Power Station site to prepare it for future alternative uses.

Electric Vehicle Charging Network

The Government is investing in an electric vehicle fast charging network 'spine' to facilitate travel by electric vehicles north from Perth to Kununurra, along the South West coast to Esperance and east to Kalgoorlie. An amount of \$9 million will be spent over 2021-22 and 2022-23 to establish the charging network in Synergy's operating area.

Safety and Reliability

Synergy will invest \$17 million over 2020-21 to 2022-23 on a broad range of smaller projects required to ensure the ongoing safety and reliability of the Cockburn Gas Turbine, Collie Power Station, Muja C and D Power Station and Pinjar Gas Turbines.

Western Power

Election Commitments

Standalone Power Systems

The Government has committed \$150 million over 2022-23 to 2024-25 on the deployment of standalone power systems. This investment will improve power system reliability for regional customers in the Western Power network area.

Other Spending

Growth and Services – New Projects

An additional \$44.8 million will be spent in 2021-22 on Western Power's growth and services asset investment categories. Western Power will install a new 330kV/132kV transformer in Kemerton, upgrade security fencing and systems at various substation sites, and upgrade and replace ICT hardware and software.

Pole Management and Replacement

An additional \$9.8 million in 2022-23 has been approved for Western Power to maintain safety of the network by further replacing ageing poles and wires.

Horizon Power

Electric Vehicle Charging Network

In addition to the Synergy component noted earlier, an amount of \$10.5 million will be spent over 2021-22 and 2022-23 to establish an electric vehicle charging network in Horizon Power's operating area.

Denham Power Station Refurbishment

The Government has approved investment of \$11.8 million over 2020-21 and 2021-22 to refurbish the Denham power station, ensuring safe and reliable power supply.

Derby Port Embedded Electricity Network

An amount of \$1.2 million will be spent in 2021-22 rebuilding Derby Port's embedded electricity network to address safety and reliability risks.

Water Corporation

Election Commitments

Gross Pollution Traps

The Government has committed \$10 million over 2021-22 and 2022-23 to install seven gross pollution traps for storm drains (with an additional \$3 million to operate them) in a bid to reduce plastic pollution in the ocean.

Morley Galleria Drainage

Expenditure of \$125,000 in 2021-22 will improve the appearance of the Morley Galleria drainage, including replacing the perimeter fencing and installing a floating wetland.

Bunbury Water Corporation

Roberts Reservoir Slope Stability Project

An amount of \$3.5 million will be spent over 2021-22 and 2022-23 to remediate the slope instability issues around the Roberts Reservoir.

Pipeline for Bunbury Outer Ring Road Construction

An amount of \$2.3 million will be spent in 2021-22 to build a pipeline from the Bunbury Water Resource Recovery Scheme to supply water for the construction of the Bunbury Outer Ring Road.

PROVISIONS

Table 18

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
Provisions					
– Removal of 2020-21 and 2021-22 AIP Slippage and Underspend Provisions	555.0	9.0	-	-400.0	-
– Removal of 2020-21 Budget New Outyear Provision	-	-	-	-400.0	-
– Slippage Provision	-	-	-400.0	-	400.0
– Electric Vehicle Strategy	-	-17.8	-0.7	-1.0	-
– METRONET Projects Under Development	-8.7	-150.9	30.3	288.7	419.8
– Digital Capability Fund	-	15.3	53.1	96.4	97.7
– Social Housing Investment Fund	-	-	22.5	250.0	250.0
– Westport Project	-	-	150.0	150.0	100.0

Provisions

Removal of 2020-21 and 2021-22 AIP Slippage and Underspend Provisions

The PFPS included provisions for likely underspends or slippage in the timing of works by public sector agencies in 2020-21 and 2021-22. Following a comprehensive review of the AIP as part of this Budget process, these provisions have been removed.

Removal of 2020-21 Budget New Outyear Provision

This provision was previously included for future infrastructure spending expected to emerge after the 2020-21 Budget was finalised. Additional spending is now reflected in agency budgets, so this provision has been removed.

Slippage Provision

It is likely that some of the very large AIP forecast in 2022-23 will be subject to rescheduling over the coming year. This provision defers \$400 million to later in the forward estimates period for yet-to-be identified changes.

Electric Vehicle Strategy

A provision of \$20 million was set aside in the 2020-21 Mid-year Review to support the installation of public charging infrastructure across the State. This included a \$479,000 allowance for depreciation expenses. These costs have been fully allocated to Synergy and Horizon Power as part of this Budget (detailed in this chapter), so this provision has been removed.

METRONET Projects Under Development

A further \$579.2 million over 2021-22 to 2024-25 has been provisioned for METRONET projects under development to continue procurement and project planning for various METRONET projects. Funding will be transferred to delivery agencies' budgets upon completion of tender processes and final investment decisions.

Digital Capability Fund

A provision of \$500 million over the forward estimates period has been established to advance digital transformation through strategic information and communications technology (ICT) projects, and provide capacity to upgrade legacy ICT systems. It is anticipated that \$225 million of the Fund will be applied to expenses (see Chapter 5) and \$275 million to capital investment. Of the \$500 million Digital Capability Fund, \$200 million has been set aside for future health sector ICT projects.

In this Budget, \$12 million of capital expenditure for ICT projects has been allocated to agencies over 2021-22 to 2024-25. Spending from the Fund is reflected in the budgets of the Western Australia Police Force; the Department of Mines, Industry Regulation and Safety; and the Department of the Premier and Cabinet.

Social Housing Investment Fund

The Government has approved a \$750 million Social Housing Investment Fund for future dwelling construction projects and other initiatives that increase social housing supply. The funding will be held in a Special Purpose Account (see Appendix 5) pending the approval of specific initiatives.

The majority of the Fund (\$522.5 million) has been allocated to an asset investment global provision. This provision will be allocated to agency budgets as project business cases are approved by the Government.

As part of the 2021-22 Budget, \$222 million of the Fund has been allocated to the Department of Communities for the Government's Social Housing Strategy Package. A further \$5.5 million has been provisioned as recurrent spending in 2021-22 to support social housing business case development (see Chapter 5).

Westport Project

A \$400 million spending provision has been established to facilitate strategic land acquisitions for the Westport project. The funding for this expenditure will be held in a Special Purpose Account (see Appendix 5), with the expenditure subject to Government approval as opportunities to acquire specific lots arise.

Investing in Regional Western Australia

HIGHLIGHTS

- The 2021-22 Budget continues to deliver substantial funding to build stronger regional communities through the delivery of high-quality healthcare, education, police and other services.
- It includes a record \$9.1 billion Asset Investment Program in the regions over the four years to 2024-25. This investment will deliver high-quality infrastructure to the regions and provide a pipeline of work that will support regional businesses and jobs.
- Expenditure under the Royalties for Regions program totals \$4.2 billion over the next four years, and accommodates new spending of \$627 million in regional election commitments and other new initiatives.
- Major new regional initiatives in this Budget include:
 - \$200 million to improve the State’s agricultural supply chain in the Wheatbelt, Mid West, Great Southern and Goldfields-Esperance regions, to improve the performance of the freight network;
 - \$194 million for the Regional Road Safety Program;
 - \$110 million for the duplication of the Mandurah Estuary Bridge;
 - \$53.7 million for regional school infrastructure;
 - an additional \$45 million for the Aboriginal Ranger Program, to expand remote and regional land and sea management and tourism activities;
 - \$20 million for social housing renewal projects in Geraldton, Bunbury and Albany; and
 - \$19.8 million to cap the maximum one-way airfare for regional residents flying to or from Perth at either \$199 or \$299.
- This Budget includes \$2 billion over the next four years to meet the difference between the higher cost of supplying water and electricity services, and the subsidised price paid by regional customers.

The WA Jobs Plan for the Regions

Growing regional jobs and diversifying regional economies is a priority for the State Government. This Budget includes initiatives that will encourage new industries and innovation in the regions, improve Aboriginal training and employment opportunities, and provide a pipeline of work that will support regional economies and jobs.

Some of the significant regional initiatives funded in the 2021-22 Budget include:

- an additional \$45 million to continue and expand the Aboriginal Ranger Program in regional Western Australia, increasing Aboriginal employment and enabling Aboriginal organisations to further manage country and build community leadership, wellbeing and resilience;
- an additional \$20 million over four years to bolster the Collie Industry Attraction and Development Fund;
- \$13 million to implement joint management arrangements over the Badimia Conservation Reserves and the adjoining Thundelarra Conservation Park, and the employment of six Aboriginal rangers (funded from the Aboriginal Ranger Program). Of this amount, \$5.3 million will be spent on essential start-up infrastructure such as ranger housing, utilities and office accommodation;
- a total of \$10.1 million on a Processed Oats Industry Growth Partnership, which aims to double the value of the oat grain industry in Western Australia over the next 20 years;
- \$10 million to establish the Food Technology Facility at the Peel Business Park to promote further food processing innovation in the regions;
- \$7.5 million to construct a common user access road and intersection within the Oakajee Strategic Industrial Area in support of the development of a Renewable Hydrogen Hub;
- \$4.4 million for the Northern Native Seed Development Initiative; and
- an additional \$4 million to boost the Food Industry Innovation Program.

The Government will also invest an additional \$15.1 million to reinforce Western Australia's biosecurity capabilities to better protect the State's primary industries, environment and access to valuable export markets.

Tourism is an important driver of regional jobs and prosperity. New initiatives to promote tourism in the regions include:

- \$16 million to improve visitor facilities at key recreation sites within the Karijini National Park, including a new campground, cultural walk trail and interpretive facilities and sealing road access to the most popular gorge sites such as Weano Gorge, Karijini Eco Retreat and Dales Gorge;

- \$12.1 million to implement the regional component of the Jina: Western Australian Aboriginal Tourism Action Plan 2021-2025, which will support the development of new Aboriginal tourism experiences and increase Aboriginal participation in the tourism industry;
- \$10 million to enhance road and camping infrastructure at Mount Augustus National Park, including trails and interpretation, roads, visitor safety telecommunications, and development of Aboriginal cultural tourism in consultation with traditional owners;
- \$9.5 million for the Australian Underwater Discovery Centre at Busselton, expected to be the world's largest underwater marine observatory;
- \$8 million to improve regional trail infrastructure and support tourism in the Peel, Dwellingup, Albany and Harvey regions;
- \$5 million to improve visitor facilities at Conzinc Bay, and for the management of islands on the Dampier Archipelago, supported by Murujuga Aboriginal Rangers;
- \$4.5 million for improved facilities and road upgrades to meet visitor demand in the Yawuru Conservation Parks; and
- \$3.3 million over 2021-22 to 2023-24 to improve tourism infrastructure at The Gap, Torndirrup National Park, including a larger car park, new toilets, trails in nearby sites, kiosk for commercial outlet opportunity and creation of an entrance portal.

Safe, Strong and Fair Communities: Developing Healthy and Resilient Communities

The Government remains committed to improving the quality and sustainability of regional health services, with approximately \$2.1 billion per annum spent on health services for regional Western Australians. New initiatives funded as part of this Budget include:

- \$48.5 million for the construction of the new Meekatharra Health Service, with \$15.7 million of this within the forward estimates period;
- \$17.6 million on Social and Emotional Wellbeing at five Aboriginal Community Controlled Health Service sites in the Kimberley, Pilbara, Goldfields, Mid West and South West regions;
- \$10.2 million on the construction of a 10-bed Step Up/Step Down facility in South Hedland, and a further \$4.7 million over 2021-22 to 2024-25 to operate the facility;
- an additional \$9.2 million to extend the existing Strong Spirit Strong Mind Campaign across the State, to improve the social and emotional wellbeing of young Aboriginal people and the provision of alcohol and other drug (AOD) education;
- \$8.6 million to establish a Drug and Alcohol Service in Mandurah and a fully integrated AOD service within the Peel Health Hub;

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- \$2 million to extend service provision at the five existing Regional Renal Support Teams over 2021-22 to 2024-25; and
- \$2 million for planning and scoping for the co-location of St John of God private hospital on the Geraldton Health Campus site.

Investing in Our Children’s Education

The State Government spends an estimated \$1.5 billion per annum to provide access to a quality education for approximately 88,000 students, enrolled in over 340 schools, across regional Western Australia.

In addition, \$427.5 million will be invested in regional primary and secondary schools over the next four years for refurbishments, upgrades, and new builds. New initiatives in the 2021-22 Budget include:

- \$13.5 million to build new classroom blocks at Baynton West, Baler and Cassia Primary Schools;
- \$10 million for new classroom blocks and a new Food and Textiles classroom at Halls Creek District High School;
- \$8.5 million for new English and maths blocks, an upgraded administration block and new Science, Technology, Engineering and Mathematics classrooms at Albany Senior High School;
- \$7 million for a new Design and Technology block at Eaton Community College;
- \$4.6 million to provide rooftop solar at 18 Kimberley and ten Pilbara Schools; and
- \$3 million to build a new early childhood facility at the South Bunbury Education Support Centre.

A total of \$9.9 million will be spent on the expansion of the State Library’s award-winning Better Beginnings program to the Kimberley and Pilbara and the creation of a new program to help students learn creatively.

Over 2021-22 to 2024-25, an estimated \$198 million per annum will be spent delivering vocational education and training, career and employment advice, and TAFE support services across regional Western Australia. New initiatives in this Budget include:

- \$19 million to provide secondary school students with increased opportunities to undertake quality, industry-relevant training and provide a new Year 9 career taster program to inform secondary students about career and study opportunities in the skills sector;
- \$8 million to provide small to medium enterprises with access to additional apprentices and trainees to work on Government projects through Group Training Organisations;

- \$3 million to enable TAFE lecturers to return to industry to update their knowledge of current industry standards and practices; and
- \$1 million to increase apprenticeship and traineeship opportunities for adult apprentices.

In addition, an estimated \$37 million will be spent in regional Western Australia over the next four years on the Employer Incentive Scheme, which provides incentive payments and training subsidies for employers of apprentices and trainees. To assist displaced apprentices and trainees to return to employment, a further \$1 million will be spent in 2021-22 on employer incentives.

Growing Our Communities: Protecting Our Environment and Supporting Thriving Suburbs and Regions

The Department of Communities has approximately 1,227 staff in regional Western Australia providing access to disability services, housing, child protection, and family supports and services. The Department also administers over 5,030 Government Regional Officers' Housing (GROH) properties across the State, and will invest a further \$97.2 million in GROH stock over 2021-22 to 2024-25.

To support the Government's commitment to keep regional communities safe, over \$370 million per annum will be spent on services provided by the Western Australia Police Force's regional districts. This encompasses 122 police stations and over 1,700 police officers and staff.

The Department of Justice will spend \$297 million per annum on court and tribunal administration in the regions, community corrections, and the operation of the State's eight regional prisons (and workcamps). This investment supports access to justice across the whole of the State, including by allowing offenders to be secured and rehabilitated close to their community.

An additional \$17 million will be spent over 2022-23 to 2024-25 to continue the delivery of regional youth justice services in the Kimberley and Pilbara, including diversionary programs, supervising young people on community-based orders, and enhanced access to bail and counselling.

In this Budget, the Government has committed \$9.3 million for the development of a 24-bed Alcohol and Other Drug facility at Bunbury Regional Prison, and for clinical staff and the delivery of therapeutic treatment and rehabilitation programs to support the new facility.

An amount of \$2.8 million has been provided to establish the new Broome Aboriginal-led Family and Domestic Violence Court, with a further \$2.8 million to be spent on the operation of the new Court, which will support Aboriginal women who have experienced domestic violence and provide interventions for perpetrators of violence.

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An additional \$1.5 million will be spent to provide diversionary options in pre-sentence orders, culturally appropriate drug and alcohol services and on-country mentoring programs for young people (part of the second stage of the Olabud Doogethu Halls Creek Justice Reinvestment Project).

A total of \$1.5 million will be spent over 2021-22 to 2023-24 to provide on-country mentoring, drug and alcohol services, and therapeutic diversionary programs in the Western Desert community.

The South West Native Title Settlement commenced on 25 February 2021, and is the most comprehensive Native Title agreement in Australia's history. Under the terms of the Settlement, \$315 million will be spent over 2021-22 to 2024-25 towards the Settlement's compensation package, in addition to land and housing that will be transferred into the Noongar Boodja Trust. This includes \$26 million in implementation costs across government agencies (the Departments of Biodiversity, Conservation and Attractions; Communities; Planning, Lands and Heritage; the Premier and Cabinet; and Primary Industries and Regional Development).

Other initiatives funded in this Budget include:

- as part of the Social Housing Strategy Package, \$20 million will be spent on regional renewal projects in Geraldton, Bunbury and Albany;
- \$19.8 million to provide a two-zone airfare cap for regional residents. Under the scheme, residents of regional communities less than 1,000 km driving distance from Perth will pay no more than \$199 one-way, and those over 1,000 km driving distance a maximum of \$299 one-way; and
- \$13.8 million for the phased employment of an additional 36 country firefighters at the Albany, Kalgoorlie and Geraldton Career Fire and Rescue Service Stations.

Investing in Our Roads and Ports

A total of \$4.5 billion will be spent on the State's regional roads over the next four years. Major ongoing projects include:

- Bunbury Outer Ring Road, with a total cost of \$852 million to complete a 27 km free-flowing highway linking Forrest Highway to Bussell Highway;
- Manuwarra Red Dog Highway, with a total cost of \$380 million to reseal a 108 km section from the Rio Tinto rail crossing to Nanutarra Munjina Road;
- Great Northern Highway – Bindoon Bypass New Alignment, with a total cost of \$275 million to construct 62 km of new highway and deliver improvements to 4 km of existing highway;
- Great Eastern Highway Upgrades – Coates Gully, Walgoolan to Southern Cross and Ghooli to Benari, with a total cost of \$250 million; and

- Albany Ring Road, with a total cost of \$175 million to construct an 11.5 km freight route around Albany taking heavy vehicles off existing roads and reducing congestion.

This Budget includes \$623 million in new spending on regional roads (funded jointly by the Commonwealth and State Governments), including:

- \$194 million through the Regional Road Safety Program (of which \$154 million is new funding), to repair, rebuild and provide road safety treatments of country roads;
- \$120 million to upgrade 100 km of the Marble Bar Road between McPhee and Roy Hill mines;
- \$110 million for the duplication of the Mandurah Estuary Bridge; and
- \$88 million to upgrade sections of the Wheatbelt Secondary Freight Routes to increase freight efficiency and improve road safety, bringing the total cost of the program of works to \$187.5 million.

Other port and transport-related infrastructure approved in this Budget include:

- \$200 million to improve the State's agricultural supply chain in the Wheatbelt, Mid West, Great Southern and Goldfields-Esperance regions, delivering upgrades to transport infrastructure to improve the performance of the freight network;
- \$36.3 million for the construction of a new boating facility in Broome, pending a third-party contribution. This facility will renew the Entrance Point's ageing and inadequate boat ramps – addressing safety and access concerns and providing Broome with renewed tourism opportunities;
- \$14.6 million will be spent over 2021-22 to 2022-23 to replace the cladding on Esperance Port Iron Ore Shed 3;
- \$9.9 million for the construction of a port-wide firefighting system at the Port of Geraldton to provide first response capability;
- \$8.4 million over 2020-21 to 2022-23 to construct a community boating precinct in Onslow, jointly funded by the City of Ashburton; and
- \$8 million will be spent in 2021-22 to acquire land and undertake road improvements within the Port of Geraldton precinct to facilitate increased trade and improve public and port user safety.

Investing in Power and Water

The Government is committed to ensuring the safe and reliable provision of power, water, wastewater and drainage services in regional Western Australia, with asset investment totalling \$2 billion over the period 2021-22 to 2024-25. This includes Western Power's safety-related expenditure on poles and wires, maintenance of Synergy's generation assets located in the regions, Horizon Power's Asset Investment Program, and capital expenditure by the Water Corporation, Bunbury Water Corporation, and Busselton Water Corporation.

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In addition, the Water Corporation is expected to receive \$1.5 billion over the next four years through the Country Water Pricing Subsidy, with \$370 million of this funded from the Royalties for Regions program and the balance funded from the Consolidated Account. This subsidy covers the difference between the cost of providing water, sewerage and drainage services to regional customers, and the (subsidised) price paid by these customers. Similarly, \$756 million is provided by the Tariff Equalisation Contribution to provide electricity to regional customers at the same or similar price to metropolitan customers.

Investing in Our Environment

The Department of Biodiversity, Conservation and Attractions maintains a network of 106 national parks, 20 marine reserves, 71 conservation parks, 60 State forests and other lands and waters across the State. Total direct recurrent regional expenditure by the Department is estimated at \$212 million in 2021-22, employing around 1,055 regional staff. This expenditure delivers management of parks, prescribed burning and bushfire suppression, scientific research, threatened species conservation, and management of State forests in the regions. This is a significant commitment by the Government to regional economies, nature-based tourism and conservation of biodiversity.

To assist Western Australian farmers respond to the challenges of climate change, a new \$15 million Climate Resilience Fund will be established.

As part of the Government's Plan for Our Parks initiative, \$14.8 million will be spent over 2021-22 to 2024-25 to facilitate negotiations with traditional owners for nine identified reserve proposals, including Indigenous Land Use Agreements (ILUAs) where required, in order to meet the five million hectares target of additional conservation reserves by February 2024.

Under the Rural Water Planning Program, \$5.4 million has been allocated to develop long-term sustainable and reliable non-potable water supplies in the dryland agricultural area to support self-sufficient rural communities, and for carting of water for livestock in the event of a water deficiency declaration. In addition, \$5.1 million will be spent on ongoing agricultural area dam maintenance upgrades and the development of non-potable water supplies in priority areas.

To continue the joint management of the Murujuga National Park and the Heritage-listed Dampier Archipelago Island Reserves, \$1 million per annum will be spent from 2021-22 onwards, including for the employment of three Aboriginal Rangers and associated support staff.

In addition, expenditure of \$5 million will occur over 2021-22 to 2024-25 to deliver priority actions from the Peel-Harvey Estuary Protection Plan. The Plan is a whole-of-government response to improve water quality in the Peel-Harvey estuary.

Royalties for Regions Program

Under this program, which is funded by 25% of the State's annual royalty income (up to a \$1 billion annual cap on the balance held in the Royalties for Regions (RfR) Fund), the Government will spend \$4.2 billion over the next four years to support service delivery and infrastructure provision in regional Western Australia.

The 2021-22 Budget RfR program is detailed in the following table.

Table 1

ROYALTIES FOR REGIONS EXPENDITURE						
INITIATIVE	2020-21 Estimated Actual ^(a)	2021-22 Budget Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
INVESTING IN JOBS						
Aboriginal Pastoral Training Program	0.3	0.7	0.7	0.7	0.4	2.4
Aboriginal Ranger Program	6.5	9.9	11.1	13.8	16.5	51.3
Aboriginal Tourism Fund	-	2.0	2.9	3.7	3.6	12.1
Agricultural Sciences Research and Development Fund	2.0	1.6	-	-	-	1.6
Agrifood Activation Fund – Food Technology Facility Project (Peel)	-	4.0	3.0	1.5	1.5	10.0
Albany Middleton Beach Stage 2	0.7	1.1	0.6	-	-	1.7
Albany Wave Energy Demonstration	-	0.8	0.5	0.3	-	1.6
Albany Wave Energy Project	1.1	- ^(b)	-	-	-	- ^(b)
Aquaculture Development Zones	-	0.4	0.9	0.9	-	2.2
Boost to Food Industry Innovation	-	1.0	1.0	1.0	1.0	4.0
Brand WA – Destination Marketing	5.5	5.5	5.5	5.5	5.5	22.0
Brand WA – Event Tourism	3.8	8.1	7.5	7.6	6.3	29.5
Brand WA – Stage 2	0.1	2.7	2.6	-	-	5.3
Building Western Australian Grains Research and Development Capacity	12.7	13.3	12.5	10.0	10.1	45.8
Collie Adventure Trails	2.4	3.7	3.0	-	-	6.7
Collie Delivery Unit	0.6	0.8	0.8	1.0	-	2.6
Collie Eco-Concrete Processing Plant	0.3	0.3	-	-	-	0.3
Collie Emergency Services Vehicle Manufacturing	0.7	- ^(b)	-	-	-	- ^(b)
Collie Futures Fund	3.1	10.4	3.3	-	-	13.7
Collie Regional Processing Centre	0.3	-	-	-	-	-
Collie Replica Mine Upgrade Project	0.1	0.3	-	-	-	0.3
Collie Tourism Readiness and Economic Stimulation	2.0	1.8	0.5	-	-	2.3
Collie Visitor's Centre Upgrade Project	- ^(b)	0.5	-	-	-	0.5
Country Firefighters Recruitment	-	1.6	3.0	4.6	4.6	13.8
Develop Serviced Land at Shotts and Kemerton	-	2.0	0.4	-	-	2.4
Digital Farm	1.5	7.0	3.3	-	-	10.2
Feasibility Study for AMTECH for Bunbury Geographe	-	1.5	0.5	-	-	2.0
Food Industry Export Assistance	-	0.4	-	-	-	0.4
Food Industry Innovation	1.1	1.9	1.5	1.5	1.5	6.4
Gascoyne Food Bowl	0.3	-	-	-	-	-
Geraldton Marine Finfish Nursery Facility	0.3	1.0	5.6	-	-	6.6
Goldfields Major Solar Feasibility	-	0.2	0.2	-	-	0.4
Halifax Business Park	0.7	-	-	-	-	-
Help Grain Growers to Better Manage Risk (e-Connected Grainbelt)	1.6	2.4	2.0	2.4	2.1	8.9
Industry Attraction and Development Fund – Collie	-	12.6	15.7	6.0	6.0	40.4
Industry Growth Partnership Processed Oats Industry	-	2.1	3.5	2.3	2.3	10.1
Industry Growth Partnership Wine Export	-	0.4	0.4	0.4	0.4	1.5
Kariyarra Indigenous Land Use Agreement	0.1	0.1	-	-	-	0.1
Koolinup Emergency Services Centre – Collie	7.0	4.0	0.8	-	-	4.7
Kununurra Cotton Gin Infrastructure Support Package	-	3.5	-	-	-	3.5

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE						
INITIATIVE	2020-21 Estimated Actual ^(a)	2021-22 Budget Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
Lake Kepwari	1.3	1.2	-	-	-	1.2
Mount Augustus Tourism Infrastructure	-	0.6	0.9	3.6	5.0	10.0
Myalup-Wellington Water for Growth	0.3	14.5	11.8	1.9	5.2	33.4
Northern Beef Industry Strategy	1.5	1.6	1.4	1.4	-	4.4
Northern Goldfields Digital Connectivity Project	-	0.5	0.5	-	-	1.0
Ord-East Kimberley Expansion Project	3.0	4.0	2.0	-	-	6.0
Peel-Harvey Catchment Council's Water Research Infrastructure Project	0.1	0.4	0.1	0.1	-	0.6
Plan for Our Parks – Indigenous Land Use Agreements	0.1	0.3	0.2	-	-	0.5
Port Hedland Waterfront Revitalisation – Spoilbank Marina	5.8	47.2	11.5	-	-	58.7
Regional Accommodation and Travel Support Scheme	1.9	1.2	-	-	-	1.2
Regional Local Content Initiative	0.1	0.1	0.1	-	-	0.2
Regional Natural Resource Management – State Barrier Fence	0.2	1.3	2.0	-	-	3.3
Regional Telecommunications Project	2.6	21.2	-	-	-	21.2
Roadhouse Assistance Package	0.5	-	-	-	-	-
Science and Agribusiness Connect Program	- ^(b)	0.4	0.2	-	-	0.6
South Coast Aquaculture Development Zone	0.1	0.2	0.5	-	-	0.7
Southern Forests Irrigation Scheme	1.2	2.2	1.7	-	11.9	15.9
Southern Rangelands Restoration Project	- ^(b)	0.4	-	-	-	0.4
Special Regional Event Sponsorship	-	-	0.3	-	-	0.3
State Agricultural Telecommunications Infrastructure Improvement Fund	0.1	3.2	-	-	-	3.2
Sustainable Development of the Abrolhos Islands	2.4	8.7	-	-	-	8.7
Transform Peel – Phase 1	13.5	13.2	-	-	-	13.2
Transforming Agriculture in the Pilbara	0.8	2.7	-	-	-	2.7
Transforming Bunbury's Waterfront – Stages 1 and 2	4.7	5.7	3.3	-	-	9.0
Transforming Bunbury's Waterfront – Stage 3 (Phase 1)	0.1	7.7	40.8	31.2	-	79.7
Water for Food West Kimberley	0.3	0.3	-	-	-	0.3
Water Smart Farms Project	0.1	1.1	0.3	-	-	1.4
Wellington Dam Mural and Collie Art Trail	1.4	0.1	-	-	-	0.1
Western Australian Screen Fund	4.0	4.0	4.0	4.0	4.0	16.0
Western Australian Wine Industry Export Growth Partnership	0.1	0.4	0.4	0.4	0.3	1.4
Wild Dogs Action Plan	4.7	6.0	3.3	3.4	3.4	16.1
Yawuru Strategic Economic Development	- ^(b)	0.3	0.3	-	-	0.7
TOTAL - INVESTING IN JOBS	105.7	260.3	178.7	108.9	91.4	639.2
PUTTING PATIENTS FIRST						
Digital Innovation, Transport and Access to Care	60.6	70.8	66.9	64.3	63.9	265.8
Emergency and Acute Workforce	18.5	21.8	21.3	21.3	20.5	84.9
Health Services						
Albany Radiation Oncology	1.7	4.7	6.3	-	-	11.1
Expand the Ear Bus Program	1.4	-	-	-	-	-
Find Cancer Early	0.4	0.4	0.4	0.4	0.4	1.6
Meet and Greet Service	0.4	0.5	0.6	0.5	0.5	2.1
Pilbara Health Initiatives	3.5	3.5	3.5	-	-	6.9
Regional Renal Support Teams	-	0.5	0.6	0.5	0.3	2.0
Renal Dialysis	3.3	3.4	3.4	3.4	3.4	13.5
Residential Aged and Dementia Care Investment Program	1.0	1.1	-	-	-	1.1

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2020-21 Estimated Actual ^(a)	2021-22 Budget Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
Health Infrastructure						
Bunbury Hospital	4.5	6.5	17.0	-	-	23.5
Carnarvon Residential Aged Care Facility	13.6	3.7	2.2	-	-	5.9
Collie Hospital Upgrade	0.7	4.0	6.5	0.8	-	11.2
Community Alcohol and Other Drug Integrated Services in the South						
Metropolitan Health Service Region (Peel)	-	0.8	2.6	2.6	2.7	8.6
Derby Community Health Service	0.7	0.4	2.4	-	-	2.8
District Hospital Investment Program	2.1	0.3	-	-	-	0.3
Dongara Aged Care	0.5	1.3	1.2	0.3	-	2.8
Geraldton Health Campus Redevelopment	9.0	9.4	27.9	24.2	-	61.5
Geraldton Hospital Co-location	-	1.2	0.8	-	-	2.0
Kalgoorlie Health Campus Magnetic Resonance Imaging Suite	2.6	-	-	-	-	-
Karratha Health Campus	0.7	-	1.9	-	-	1.9
Kimberley Mobile Dialysis Unit	0.3	0.5	-	-	-	0.5
Meekatharra Hospital	-	-	1.1	3.9	10.7	15.7
Newman Health Service Redevelopment Project	2.5	8.9	22.3	2.3	-	33.4
Nickol Bay Hospital Site	1.1	0.8	-	-	-	0.8
Onslow Health Service Redevelopment Project	- ^(b)	0.1	-	-	-	0.1
Primary Health Centres Demonstration Program	1.1	2.3	6.6	2.0	-	10.9
Remote Indigenous Health Clinics	1.7	1.7	-	-	-	1.7
Small Hospital and Nursing Post Refurbishment Program	0.1	- ^(b)	0.7	-	-	0.7
Tom Price Hospital Redevelopment	0.1	1.4	3.6	-	-	5.0
Other Health Programs						
Newman Renal Dialysis Service	-	-	1.3	-	-	1.3
Warmun Facility Upgrade	-	0.5	-	-	-	0.5
Women's Community Health Services: Kimberley Women's Health Program	-	0.4	0.8	0.8	0.8	2.8
Mental Health Programs						
Aboriginal Social and Emotional Wellbeing	-	0.7	6.5	6.7	3.6	17.6
Geraldton Step Up/Step Down Facilities	4.3	2.5	2.5	2.5	2.5	9.9
Mental Health Anti-Ligature Works at Regional Hospitals	-	1.7	-	-	-	1.7
Mental Health Step Up/Step Down Facilities – Kalgoorlie/Goldfields 10 Beds	5.3	2.7	2.6	2.6	2.6	10.5
Methamphetamine Action Plan – South West AOD Residential Rehabilitation and Treatment Service	2.7	2.8	2.8	2.9	2.9	11.4
North West Drug and Alcohol Support Program	0.2	-	-	-	-	-
North West Drug and Alcohol Support Program – Kimberley	6.3	6.7	6.9	7.1	7.1	27.7
Regional Men's Health	0.8	0.8	0.8	0.8	0.8	3.2
Strong Spirit Strong Mind Public Education Campaign to Run State-wide	-	2.6	2.1	2.3	2.2	9.2
Sub-acute Mental Health Services in Bunbury	2.2	2.2	2.3	2.3	2.3	9.1
Sub-acute Mental Health Services in Karratha	2.9	4.5	2.8	2.7	2.7	12.7
Sub-acute Mental Health Services in South Hedland	-	1.6	4.7	4.7	3.8	14.8
TOTAL - PUTTING PATIENTS FIRST	156.8	179.5	235.9	161.7	133.6	710.7

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE						
INITIATIVE	2020-21 Estimated Actual ^(a)	2021-22 Budget Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
INVESTING IN OUR CHILDREN'S EDUCATION						
Aboriginal and Islander Education Officers	3.6	3.6	3.6	3.6	3.6	14.3
Albany Secondary Education Support Centre and North Albany Senior High School	3.5	0.2	-	-	-	0.2
Albany Senior High School	-	-	0.4	5.9	2.2	8.5
Baler Primary School	-	-	0.2	3.1	0.2	3.5
Baynton West Primary School	-	0.3	4.0	0.9	0.3	5.5
Better Beginnings – Early Literacy	0.2	0.3	0.3	0.3	0.3	1.0
Broome Residential College – Stage 2	- ^(b)	-	-	-	-	-
Broome Senior High School	6.2	1.1	0.3	3.0	1.1	5.5
Bunbury Senior High School – Upgrades	3.4	0.4	-	-	-	0.4
Cape Naturaliste College (Stage 2)	0.6	-	-	-	-	-
Carnarvon Community College	0.6	-	-	-	-	-
Cassia Primary School	-	0.1	3.6	0.5	0.2	4.5
Champion Bay Senior High School	1.8	-	-	-	-	-
Clontarf Colleges	1.5	1.5	1.5	1.5	1.5	6.2
Collie Senior High School	- ^(b)	0.1	-	-	-	0.1
Curtin Jiji Program	0.8	-	-	-	-	-
Dampier Primary School	-	-	0.1	0.8	0.1	1.0
Donnybrook District High School	-	0.1	0.8	0.1	-	1.0
Eaton Community College	-	0.2	1.6	4.8	0.5	7.0
Eaton Community College - New Facilities	0.1	0.6	-	-	-	0.6
Eaton Primary School	- ^(b)	0.1	-	-	-	0.1
Feasibility Study Residential Colleges for Aboriginal Students in Newman	0.1	-	-	-	-	-
Flinders Park Primary School – Early Childhood	0.1	-	-	-	-	-
Glen Huon Primary School	0.1	-	-	-	-	-
Halls Creek District High School	-	0.1	1.8	7.2	0.9	10.0
Improving Teacher Quality	1.9	1.9	1.9	1.9	1.9	7.7
Independent Learning Co-ordinators	1.5	1.5	1.5	1.5	1.5	6.0
Kimberley and Pilbara Solar Schools Program	-	1.9	2.7	-	-	4.6
Kimberley Schools Project	4.5	4.9	4.7	-	-	9.6
Margaret River Senior High School	0.9	0.8	-	-	-	0.8
Mental Health Support	0.8	0.8	0.8	0.8	0.8	3.2
Mount Lockyer Primary School – Upgrade	2.5	-	-	-	-	-
Newton Moore Senior High School – STEM Centre	- ^(b)	0.5	-	-	-	0.5
Pilbara Partnerships for Student Success	0.6	-	-	-	-	-
Pilbara Universities Centre	0.3	-	-	-	-	-
Preventative Maintenance Programs	- ^(b)	-	-	-	-	-
Put Education Assistants Back in the Classroom	9.1	9.1	9.1	9.1	9.1	36.6
Regional Learning Specialists	1.5	1.5	1.5	1.5	1.5	6.0
Regional School Breakfast and Nutritional Education Program	0.2	0.2	0.2	0.2	0.2	0.9
Regional School Bus Services	-	79.9	79.9	79.9	79.9	319.7
South Bunbury Education Support Centre	-	0.1	2.2	0.4	0.3	3.0
South Regional TAFE Esperance New Replacement Campus	10.0	-	-	-	-	-
Tambrey Primary School	-	0.6	0.2	-	-	0.8
Vocational Education Regional Subsidies	44.9	45.4	45.4	45.4	45.4	181.6
TOTAL - INVESTING IN OUR CHILDREN'S EDUCATION	101.8	157.7	168.4	172.6	151.6	650.3

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2020-21 Estimated Actual ^(a)	2021-22 Budget Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
INVESTING IN OUR COMMUNITIES						
Aboriginal Governance and Leadership Development Program	0.5	1.1	1.3	1.3	1.3	5.0
Aboriginal Tourism Initiatives	0.9	0.9	0.9	0.9	0.9	3.6
Air-conditioning at Five Remote Multifunctional Policing Facilities	3.7	1.5	-	-	-	1.5
Albany Artificial Surf Reef Business Case	0.1	-	-	-	-	-
Albany Entertainment Centre	0.5	0.5	0.5	0.5	0.5	2.0
Albany Trails	-	1.6	1.6	-	-	3.2
Batavia Coast Marina Stage 2	0.1	0.9	-	-	-	0.9
Beach Emergency Numbering System	- ^(b)	0.2	0.3	-	-	0.5
Bridge St. Affordable Housing Project – Donnybrook	0.9	0.5	-	-	-	0.5
Broome Aboriginal Short Stay Accommodation Facility	2.1	3.3	2.8	2.8	2.9	11.9
Broome Aboriginal-led Specialist Family Violence Court	-	1.7	2.0	0.6	0.6	4.8
Bunbury Prison Alcohol and Other Drug Unit	-	-	2.5	3.6	2.6	8.7
Bunbury Regional Prison	1.6	0.2	-	-	-	0.2
Capel Police Station	1.8	0.3	-	-	-	0.3
Carnarvon Fascine Revitalisation – Completion – Independent Project Manager Advisor Services	- ^(b)	-	-	-	-	-
Carnarvon One Mile Jetty	-	1.5	3.0	-	-	4.5
Carnarvon One Mile Jetty – Partial Demolition of Jetty	-	4.2	-	-	-	4.2
Centennial Park Sporting and Event Precinct	0.5	-	-	-	-	-
Collie Mineworkers Memorial Pool Enclosure	1.0	0.9	-	-	-	0.9
Community Chest Grants Scheme	0.3	-	-	-	-	-
Community Resource Centres	13.5	13.0	13.0	13.0	13.0	52.0
Community Safety Network	8.5	9.1	8.5	8.5	8.5	34.5
Coral Bay Key Worker Housing – Headworks	- ^(b)	-	-	-	-	-
Country Age Pension Fuel Card	30.5	30.5	30.5	30.5	30.5	122.0
Country Water Pricing Subsidy	250.0	126.8	82.7	43.2	117.8	370.5
Culturally Appropriate Services to Victims of Domestic Violence	0.1	0.1	0.1	-	-	0.2
Dalyellup Family Centre	0.4	0.3	0.3	0.3	0.2	1.0
Dampier Peninsula Activation	0.5	2.9	0.5	-	-	3.4
Doors Wide Open	0.1	-	-	-	-	-
East Kimberley Transitional Housing	0.7	2.6	0.9	0.9	0.9	5.3
Emu Point Boat Harbour – Jetty B Remediation	-	1.0	-	-	-	1.0
Enhanced Driver Training and Education for Regional and Remote Communities	1.5	1.5	1.5	1.4	1.4	5.8
Essential and Municipal Services Improvement in Remote Aboriginal Communities	3.7	32.6	5.7	-	-	38.3
Family and Domestic Violence Counselling Services – Peel	0.3	0.3	-	-	-	0.3
Family Domestic Violence Refuge – Peel	2.4	1.2	1.3	1.4	1.5	5.4
Financial Counselling Services	0.7	0.7	0.7	0.7	0.7	2.9
Goldfields Arts Centre	0.1	0.1	0.1	0.1	0.1	0.6
Goldfields-Esperance Arts and Culture Trail	0.1	-	-	-	-	-
Gwoonwardu Mia Aboriginal Heritage and Cultural Centre – Carnarvon	0.6	1.8	1.2	1.2	-	4.1
Halls Creek Town Development Masterplan – State Contribution	-	3.5	-	-	-	3.5

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE						
INITIATIVE	2020-21 Estimated Actual ^(a)	2021-22 Budget Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
Harvey Trail Precinct	-	0.1	-	-	-	0.1
Hedland Transitional Housing	0.2	2.5	0.3	0.8	0.8	4.3
Indigenous Visitor Hostels	1.8	2.8	2.5	2.5	2.5	10.3
Jalbi Jiya (Your Home) Program	8.2	0.7	0.3	0.3	0.2	1.5
Kalgoorlie Career Fire and Rescue Service Station Upgrade	-	1.2	-	-	-	1.2
Kalgoorlie Motorsports Precinct	-	1.0	1.0	-	-	2.0
Kimberley Aboriginal Law and Culture Centre to Document and Teach Traditional Languages	-	0.1	0.1	-	-	0.3
Kimberley Juvenile Justice Strategy	0.3	0.3	-	-	-	0.3
Koombana Bay Park Facilities	0.7	2.2	-	-	-	2.2
Laverton Visitor Centre	0.8	0.3	-	-	-	0.3
Leonora Ageing in Place Project	0.5	1.3	1.7	-	-	3.0
Mandurah Eastern Foreshore Redevelopment	3.5	1.5	-	-	-	1.5
Motorplex Complex Albany	1.4	4.1	-	-	-	4.1
Multi-functional Policing Facilities Air-Conditioning System Replacement	0.2	4.9	0.7	-	-	5.6
Multipurpose Outdoor Courts – Weatherproof Structure, Seating and Lighting	0.1	-	-	-	-	-
North West Aboriginal Housing Initiative	-	8.2	8.6	24.1	11.1	51.9
Olabud Doogethu Halls Creek Youth Justice Reinvestment Project	-	0.4	0.3	0.3	0.3	1.5
Peel Regional Trails	-	0.5	1.5	-	-	2.0
Pilbara Aboriginal Town Based Reserves – Yet-to-Be Allocated	-	-	-	6.4	1.0	7.4
Pilbara Town Based Reserves – Irrungadji	-	4.4	0.3	0.3	-	5.0
Pilbara Town Based Reserves – Parnajinya	0.2	3.3	0.4	0.4	0.4	4.4
Pilbara Town Based Reserves – Tjalka Boorda	0.6	1.4	0.1	-	-	1.6
Police Radio Network	1.2	1.0	0.5	0.7	-	2.2
Regional Arts and Cultural Investment Program	6.6	5.0	5.1	4.9	4.9	19.9
Regional Athlete Support Program	0.9	1.1	1.1	-	-	2.2
Regional Aviation Support	0.8	-	-	-	-	-
Regional Centres Development Plan	-	0.9	1.5	-	-	2.5
Regional COVID-19 Response Provision	1.7	-	-	0.1	-	0.1
Regional Economic Development Grants	5.2	12.5	5.0	5.0	5.0	27.5
Regional Enforcement Unit	5.5	5.5	5.5	5.5	5.5	22.0
Regional Exhibition Touring Boost	2.0	1.8	1.8	2.0	2.0	7.5
Regional Grants Scheme	1.0	-	-	-	-	-
Regional Investment Initiative	-	0.2	-	-	-	0.2
Regional Museum Grants – Regional Collections Development Program	0.4	0.4	-	-	-	0.4
Regional Police Incentives	2.5	2.5	2.5	2.5	2.5	10.0
Regional Renewal Program	-	2.0	5.0	13.0	-	20.0
Regional Taxi Transition Fund	0.1	0.1	-	-	-	0.1
Regional Workers Campaign	1.1	0.6	-	-	-	0.6
Regional Youth Justice Services	5.4	5.5	5.6	5.7	5.8	22.6
Remote Aboriginal Communities	19.6	56.8	60.5	64.0	64.0	245.3
Remote Aboriginal Communities COVID-19 Emergency Relief Fund	0.9	1.1	1.1	-	-	2.2
Remote Essential and Municipal Services	56.0	56.0	56.0	56.0	56.0	224.0
Remote Swimming Pools	0.6	0.8	0.8	0.6	0.6	2.8
Respectful Relationship Programs in Schools	0.1	0.1	-	-	-	0.1
Riverview Residence – Upgrade to Over 55's Estate	-	2.0	-	-	-	2.0
Shark Mitigation – SMART Drumline Trials	0.4	-	-	-	-	-
South Hedland and CBD Revitalisation – Stage 2	0.1	1.0	-	-	-	1.0
Southern Forests Food Council	-	0.4	-	-	-	0.4
Stockton Lake	- ^(b)	- ^(b)	-	-	-	- ^(b)

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2020-21 Estimated Actual ^(a)	2021-22 Budget Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
Upgrades to Hay Park – Bunbury	-	0.1	-	-	-	0.1
Volunteer Fuel Card	1.0	1.0	1.0	1.0	1.0	4.0
Western Desert Justice Program	-	0.5	0.5	0.5	-	1.5
Wheatbelt South Aged Housing Alliance	1.3	-	-	-	-	-
Yindjibarndi Ganalili Accommodation and Transitional Housing Program	0.1	4.8	1.2	0.1	0.1	6.2
Yura Yungi Employee Accommodation and Career Development Program	-	1.9	1.2	0.1	0.1	3.3
TOTAL - INVESTING IN OUR COMMUNITIES	460.9	454.0	335.7	307.5	347.1	1,444.4
INVESTING IN OUR ROADS AND PORTS						
AgLime Routes	1.6	-	-	-	-	-
Albany Ring Road – Design, Preconstruction and Construction Activities	11.0	10.6	-	6.1	-	16.7
Broome Boating Facilities Upgrade	1.0	0.5	-	-	-	0.5
Broome Marina Planning	0.3	0.3	-	-	-	0.3
Broome Town Beach Jetty	3.0	-	-	-	-	-
Broome-Cape Leveque Road	3.6	-	-	-	-	-
Bunbury Port – Inner Harbour Access Bridge	0.1	2.6	12.8	-	-	15.4
Collie Preston Region – Upgrades Over Multiple Local Roads	8.7	0.1	-	-	-	0.1
Coolgardie-Esperance Highway (Goldfields) – Widen, Overlay and Reconstruction	5.7	1.0	-	-	-	1.0
Derby-Broome Air Service	-	1.0	-	-	-	1.0
Dongara Road Alignment	0.3	0.2	-	-	-	0.2
Duncan Road and Gordon Downs Road Upgrade	-	2.2	-	-	-	2.2
Grain Freight Upgrades	-	12.0	10.0	-	-	22.0
Great Eastern Highway – Walgoolan to Southern Cross and Coates Gully	-	1.6	2.0	-	-	3.6
Great Eastern Highway Upgrades – Ghooli to Benari	-	0.2	6.8	2.8	2.8	12.6
Great Northern Highway – Broome to Kununurra – Nellie Springs to Sally Downs Well and Arthur Creek	-	-	1.0	1.0	2.0	4.0
Greenbushes Lithium Supply Chain	-	3.8	-	-	-	3.8
Indian Ocean Drive – Jurien Bay to Brand Highway	-	0.2	3.0	3.0	0.4	6.6
Karratha-Tom Price Road – Sealing of 50 km to Millstream	8.5	17.5	19.0	-	-	36.5
Koojan Downs Road Upgrade	-	1.0	-	-	-	1.0
Land Acquisition and Road Improvements	-	8.0	-	-	-	8.0
Local Government Commodity Freight Roads Fund	2.9	-	-	-	-	-
Mandurah Estuary Bridge Duplication	-	1.5	7.5	41.0	5.0	55.0
Mandurah Train Station – New Parking Bays	8.5	7.3	-	-	-	7.3
Marble Bar Road Upgrade	-	3.0	6.0	3.0	-	12.0
Moonamang Road	7.1	9.2	-	-	-	9.2
Oakajee Strategic Industrial Area Access Road	-	7.5	-	-	-	7.5
Outback Way – Seal Priority Sections	0.5	4.0	-	-	-	4.0
Rail Future Fund	5.4	6.8	15.1	-	-	21.9
Regional Airfare Zone Cap for Regional Residents	-	0.3	6.6	6.5	6.4	19.8
Regional Blackspot Program	-	4.9	4.9	4.9	-	14.8
Regional Road Safety Improvement Program	-	4.0	-	-	-	4.0
South Coast Highway – Widening from Pfeiffer Road Manypeaks to Jerramungup Road	13.5	1.1	-	-	-	1.1

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE						
INITIATIVE	2020-21 Estimated Actual ^(a)	2021-22 Budget Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
Square Kilometre Array Roads	0.1	5.0	5.0	5.0	10.1	25.1
Toodyay Road Upgrade – Dryandra to Toodyay	-	-	0.2	0.8	4.0	5.0
Truck Rest Stops	-	1.3	1.3	1.3	1.3	5.0
Western Australian Agricultural Supply Chain Improvements	-	-	-	9.0	9.0	18.0
TOTAL - INVESTING IN OUR ROADS AND PORTS	81.9	118.6	101.1	84.4	41.0	345.1
INVESTING IN OUR ENVIRONMENT						
Bushfire Mitigation on Crown Land Regional Townsites	3.8	3.8	3.8	3.8	-	11.3
Carnarvon Flood Mitigation Works – Stage 2	0.1	2.8	-	-	-	2.8
Climate Resilience Fund	-	3.8	4.0	3.8	3.5	15.0
Dampier Peninsula and Buccaneer Archipelago Visitor Plan	-	0.2	0.3	-	-	0.4
Dampier Peninsula Project	0.2	0.3	0.2	-	-	0.5
Danggu Geike Gorge Upgrades	-	0.5	1.3	-	-	1.8
Drummond Cove Coastal Erosion Project and Boat Launching Facility	-	0.2	0.4	1.1	1.5	3.2
Dwellingup Gap Trails Project	-	1.4	1.0	0.3	-	2.7
Enhanced Prescribed Burning Program	5.8	5.5	5.5	5.5	5.5	22.0
Fitzroy River Catchment	-	0.1	-	-	-	0.1
Fitzroy River Management Plan	0.5	0.7	0.2	-	-	0.9
Great Kimberley Marine Park	0.1	-	-	-	-	-
Healthy Estuaries WA	3.7	6.3	6.3	6.3	2.5	21.3
Implementing the Peel-Harvey Estuary Protection Plan	-	1.3	1.3	1.3	1.3	5.0
Kalbarri Island Rock	-	0.2	0.1	-	-	0.3
Kalgulup Regional Park	1.7	6.7	-	-	-	6.7
Karijini National Park Upgrades	-	0.6	1.0	13.5	1.0	16.0
Kimberley Wilderness Walk, Wunaamin Miliwundi Ranges	-	0.3	0.3	0.3	-	0.9
Managing Western Australia's Natural Resources: Supporting Community Involvement	-	- ^(b)	0.1	-	-	0.1
Marine Parks Management	0.5	0.7	0.5	0.5	-	1.8
Murujuga Joint Management	1.1	1.0	1.0	1.0	1.0	4.1
Murujuga National Park (Conzinc Bay)	-	0.3	4.8	-	-	5.0
Natural Resource Management Program	6.2	8.1	7.3	6.6	5.8	27.9
Ngari Capes Marine Park	1.0	1.4	1.2	1.2	1.2	4.8
Ningaloo Coastal Reserve	1.8	1.8	1.8	1.3	1.3	6.2
Northern Native Seed Initiative	-	0.7	2.2	0.9	0.6	4.4
Oyster Reef Habitat Restoration – Albany Plan for Our Parks – Indigenous Land Use Agreement	0.3	-	-	-	-	-
Regional Estuaries Initiative	0.8	4.8	0.3	-	-	5.1
Renewable Hydrogen Strategy	1.1	-	-	-	-	-
Revitalising Waterways of Geopraphe Bay	0.9	3.2	1.9	-	-	5.1
Rural Water Planning	0.4	-	-	-	-	-
Torndirrup National Park, The Gap	-	2.9	2.5	2.5	2.5	10.5
Watering Western Australia	-	0.2	0.3	2.9	-	3.3
William Bay National Park Infrastructure Project	0.8	1.0	-	-	-	1.0
Yawuru Conservation Park	1.5	0.7	-	-	-	0.7
Yawuru Joint Management	-	0.2	1.8	1.3	1.3	4.5
TOTAL - INVESTING IN OUR ENVIRONMENT	33.2	62.4	52.0	55.0	30.2	199.5

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE						
INITIATIVE	2020-21 Estimated Actual ^(a) \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m	Total Four Years \$m
ADMINISTRATION AND ADMINISTERED ITEMS						
Administration ^(c)	88.1	89.2	85.5	82.5	85.9	343.1
Administered Items ^(d)	-	10.5	23.8	7.0	20.0	61.3
TOTAL - ADMINISTRATION AND ADMINISTERED ITEMS	88.1	99.7	109.3	89.5	105.9	404.4
Underspend Provision	-	-173.8	-	-	-	-173.8
TOTAL ROYALTIES FOR REGIONS FUND	1,028.3	1,158.4	1,181.0	979.6	900.8	4,219.8
Regional Reform Fund Special Purpose Account Transfer ^(e)	-	16.0	-	-	-	16.0

(a) Based on preliminary actual data for 2020-21. Final outcomes for some initiatives/projects may be adjusted for updated information available after the Budget Papers were finalised.

(b) Amounts less than \$50,000.

(c) Funding for costs associated with the administration of the Royalties for Regions Fund.

(d) Funding mainly for initiatives where further planning is required to deliver these proposals.

(e) Total Royalties for Regions contributions to the Fund are forecast to be \$150 million.

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

Source: Department of Primary Industries and Regional Development.

Detailed Financial Projections

This appendix contains detailed financial projections for the various sectors of the total public sector defined by the Government Finance Statistics (GFS) framework. The tables in this section satisfy Uniform Presentation Framework (UPF) requirements applicable for all States, Territories and the Commonwealth, and are also consistent with Australian Accounting Standards, in particular, AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

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Table 1.1

GENERAL GOVERNMENT
Operating Statement

	Note	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
		Actual	Estimated	Budget	Forw ard	Forw ard	Forw ard
		\$m	Actual	Estimate	Estimate	Estimate	Estimate
			\$m	\$m	\$m	\$m	\$m
<i>Results from Transactions</i>							
REVENUE							
Taxation ^(a)		9,055	10,113	10,035	10,098	10,377	10,775
Current grants and subsidies		9,379	9,537	10,894	10,967	12,029	12,078
Capital grants		642	1,195	2,125	1,929	1,595	771
Sales of goods and services ^(a)		2,776	2,745	3,028	3,043	3,039	3,024
Interest income		124	96	97	84	80	76
Revenue from public corporations							
Dividends from other sector entities		392	1,360	587	1,415	1,495	1,502
Tax equivalent income		732	942	700	788	841	830
Royalty income		8,450	12,147	10,145	5,939	6,018	5,986
Other		614	2,041	688	605	587	573
Total	3	32,162	40,175	38,297	34,867	36,061	35,615
EXPENSES							
Salaries		12,887	13,407	13,977	13,950	14,372	14,862
Superannuation							
Concurrent costs		1,276	1,301	1,453	1,513	1,623	1,747
Superannuation interest cost		89	60	89	95	108	113
Other employee costs		401	366	378	376	382	387
Depreciation and amortisation		1,751	1,808	1,839	1,847	1,838	1,851
Services and contracts		2,590	2,665	3,006	2,599	2,651	2,767
Other gross operating expenses		5,391	5,549	6,142	5,670	5,750	5,935
Interest							
Interest on leases		142	134	132	127	121	119
Other interest		737	651	606	579	566	555
Current transfers	5	5,003	7,923	6,576	5,798	5,542	5,586
Capital transfers	5	228	685	1,308	324	236	116
Total	6	30,493	34,550	35,506	32,877	33,189	34,039
NET OPERATING BALANCE		1,669	5,625	2,791	1,990	2,871	1,576
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		-27	459	15	7	-7	-16
Provision for doubtful debts		-126	-14	-18	-18	-18	-18
Changes in accounting policy/adjustment of prior periods		-44	-	-	-	-	-
Total other economic flows		-197	445	-3	-11	-25	-33
OPERATING RESULT		1,472	6,071	2,788	1,979	2,846	1,543
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		392	-78	1,434	527	1,019	1,041
Net actuarial gains/-loss - superannuation		5	1,063	-246	-100	-96	-147
Gains recognised directly in equity		-1	-46	-45	-45	-44	-44
Change in net worth of the public corporations sectors		217	1,090	1,024	438	348	272
All other		-239	-	-	-	-	-
Total all other movements in equity		373	2,029	2,167	820	1,226	1,122
TOTAL CHANGE IN NET WORTH		1,845	8,099	4,956	2,799	4,072	2,664
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE		1,669	5,625	2,791	1,990	2,871	1,576
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets	6	2,553	2,688	3,503	3,678	3,389	2,541
Changes in inventories		38	63	-	-	-	-
Other movement in non-financial assets		-15	1,381	26	-2	-33	-
<i>Less:</i>							
Sales of non-financial assets		1,476	121	138	72	76	80
Depreciation		1,751	1,808	1,839	1,847	1,838	1,851
Total net acquisition of non-financial assets		-651	2,203	1,551	1,758	1,442	610
NET LENDING/-BORROWING		2,320	3,422	1,240	232	1,430	966

(a) The motor vehicle inspection fee and other driver and vehicle fees have been reclassified from taxation revenue to sales of goods and services on advice from the Australian Bureau of Statistics.

Note: Columns may not add due to rounding.

Table 1.2

GENERAL GOVERNMENT
Balance Sheet at 30 June

	2020	2021	2022	2023	2024	2025
	Actual	Estimated	Budget	Forw ard	Forw ard	Forw ard
	\$m	\$m	Estimate	Estimate	Estimate	Estimate
ASSETS						
<i>Financial assets</i>						
Cash and deposits	513	5,240	6,991	5,048	4,027	3,238
Advances paid	715	727	712	704	696	684
Investments, loans and placements	5,924	2,094	2,918	2,069	1,646	1,320
Receivables	3,938	5,577	3,086	3,150	3,156	3,086
Shares and other equity						
Investments in other public sector entities - equity method	40,962	42,052	43,076	43,514	43,862	44,134
Investments in other public sector entities - direct injections	10,602	11,411	12,717	14,552	16,582	18,146
Investments in other entities	22	22	22	22	22	22
Other financial assets	8	8	9	9	9	10
Total financial assets	62,684	67,131	69,531	69,069	70,001	70,641
<i>Non-financial assets</i>						
Land	35,238	36,141	37,167	37,479	37,937	38,516
Property, plant and equipment	46,363	49,000	51,377	53,815	56,122	57,442
Right-of-use assets	2,484	2,377	2,363	2,213	2,090	2,028
Biological assets	109	109	109	109	109	109
Inventories						
Land inventories	-	-	-	-	-	-
Other inventories	108	171	171	171	172	172
Intangibles	603	542	568	587	647	690
Non-current assets held for sale	21	14	14	14	14	14
Investment property	7	-	-	-	-	-
Other	229	219	214	218	218	218
Total non-financial assets	85,162	88,574	91,984	94,606	97,308	99,189
TOTAL ASSETS	147,847	155,705	161,515	163,675	167,309	169,829
LIABILITIES						
Deposits held	1,472	1,212	2,847	2,648	2,594	2,752
Advances received	326	309	291	273	256	238
Borrowings						
Lease liabilities	2,722	2,682	2,685	2,539	2,418	2,354
Other borrowings	26,389	26,454	25,895	25,939	25,977	25,963
Unfunded superannuation	6,818	5,522	5,533	5,414	5,307	5,266
Other employee benefits	3,543	3,626	3,652	3,689	3,702	3,732
Payables	1,463	2,766	2,620	2,525	2,430	2,332
Other liabilities	2,674	2,596	2,498	2,356	2,261	2,163
TOTAL LIABILITIES	45,408	45,167	46,022	45,383	44,944	44,800
NET ASSETS	102,438	110,537	115,493	118,292	122,365	125,029
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	7,587	14,681	17,178	19,002	21,702	23,048
Other reserves	94,851	95,857	98,315	99,291	100,662	101,981
NET WORTH	102,438	110,537	115,493	118,292	122,365	125,029
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>17,276</i>	<i>21,964</i>	<i>23,509</i>	<i>23,686</i>	<i>25,057</i>	<i>25,840</i>
<i>Net financial liabilities</i>	<i>34,288</i>	<i>31,499</i>	<i>32,284</i>	<i>34,381</i>	<i>35,388</i>	<i>36,440</i>
<i>Net debt</i>						
Gross debt liabilities	30,910	30,657	31,719	31,400	31,245	31,308
Less : liquid financial assets	7,152	8,061	10,621	7,821	6,369	5,242
Net debt	23,758	22,596	21,098	23,579	24,875	26,066

Note: Columns may not add due to rounding.

Table 1.3

GENERAL GOVERNMENT
Cash Flow Statement

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forw ard	Forw ard	Forw ard
	\$m	Actual	Estimate	Estimate	Estimate	Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received ^(a)	9,018	10,027	10,052	10,114	10,393	10,791
Grants and subsidies received	11,825	12,434	14,864	15,005	15,819	15,118
Receipts from sales of goods and services ^(a)	2,589	2,686	2,965	2,972	3,002	2,965
Interest receipts	119	90	91	81	78	75
Dividends and tax equivalents	1,071	2,305	1,398	2,168	2,320	2,374
Other receipts	10,825	12,320	14,425	7,780	7,837	7,826
Total cash received	35,447	39,863	43,795	38,120	39,449	39,149
<i>Cash Paid</i>						
Wages, salaries and supplements, and superannuation	-14,192	-14,969	-15,730	-15,741	-16,292	-16,880
Payments for goods and services	-8,494	-8,730	-9,626	-8,724	-8,856	-9,104
Interest paid	-905	-798	-748	-710	-694	-682
Grants and subsidies paid	-6,641	-8,518	-9,499	-7,983	-7,657	-7,661
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-2,004	-1,605	-1,616	-1,629	-1,643	-1,712
Total cash paid	-32,237	-34,620	-37,219	-34,786	-35,143	-36,039
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,211	5,243	6,576	3,334	4,306	3,110
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-2,553	-2,688	-3,503	-3,678	-3,389	-2,541
Sales of non-financial assets	1,476	121	138	72	76	80
Total cash flows from investments in non-financial assets	-1,077	-2,567	-3,365	-3,607	-3,313	-2,461
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	64	10	10	10	10	10
For liquidity purposes	56	50	64	24	11	10
<i>Cash paid</i>						
For policy purposes	-862	-1,202	-1,372	-1,995	-2,065	-1,416
For liquidity purposes	-38	-46	-20	-12	-34	-182
Total cash flows from investments in financial assets	-780	-1,189	-1,317	-1,973	-2,078	-1,578
NET CASH FLOWS FROM INVESTING ACTIVITIES	-1,857	-3,756	-4,682	-5,579	-5,391	-4,039
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	17	17	18	18	18	18
Borrow ings	845	273	146	151	145	118
Deposits received	-	-	-	-	-	-
Other financing receipts	312	40	26	17	8	25
Total cash receipts from financing activities	1,174	330	190	185	171	161
<i>Cash paid</i>						
Advances paid	-17	-17	-18	-18	-18	-18
Borrow ings repaid	-1,379	-119	-702	-107	-108	-124
Deposits paid	-	-	-	-	-	-
Other financing payments	-492	-410	-388	-397	-349	-363
Total payments for financing activities	-1,888	-547	-1,108	-522	-475	-504
NET CASH FLOWS FROM FINANCING ACTIVITIES	-714	-217	-918	-337	-304	-344
Net increase in cash and cash equivalents	640	1,270	976	-2,583	-1,389	-1,273
Cash and cash equivalents at the beginning of the year	5,005	5,645	6,915	7,891	5,308	3,919
Cash and cash equivalents at the end of the year	5,645	6,915	7,891	5,308	3,919	2,646
KEY FISCAL AGGREGATES						
Net cash flow s from operating activities	3,211	5,243	6,576	3,334	4,306	3,110
Net cash flow s from investing in non-financial assets	-1,077	-2,567	-3,365	-3,607	-3,313	-2,461
Cash surplus/-deficit	2,134	2,675	3,211	-273	993	649

(a) The motor vehicle inspection fee and other driver and vehicle fees have been reclassified from taxation revenue to sales of goods and services on advice from the Australian Bureau of Statistics.

Note: Columns may not add due to rounding.

Table 1.4

PUBLIC NON-FINANCIAL CORPORATIONS
Operating Statement

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forw ard	Forw ard	Forw ard
	\$m	\$m	\$m	Estimate	Estimate	Estimate
<i>Results from Transactions</i>						
REVENUE						
Current grants and subsidies	2,446	3,427	2,914	2,679	2,548	2,468
Capital grants	64	109	138	67	51	-
Sales of goods and services	34,089	35,661	35,290	35,729	36,598	37,399
Interest income	126	82	100	101	104	104
Other	468	563	441	546	556	568
<i>Total</i>	37,192	39,842	38,882	39,123	39,857	40,539
EXPENSES						
Salaries	1,101	1,267	1,290	1,327	1,326	1,343
Superannuation						
Concurrent costs	110	123	134	144	150	158
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	34	29	30	31	31	32
Depreciation and amortisation	2,152	2,191	2,262	2,350	2,425	2,441
Services and contracts	792	789	955	821	781	728
Other gross operating expenses	29,615	31,418	30,611	30,713	31,382	32,182
Interest						
Interest on leases	90	85	83	78	71	66
Other interest	572	475	467	479	499	521
Tax equivalents	609	656	662	742	787	773
Current transfers	1,482	1,877	1,222	1,208	1,223	1,243
Capital transfers	15	7	18	28	35	15
<i>Total</i>	36,571	38,918	37,736	37,921	38,710	39,501
NET OPERATING BALANCE	621	924	1,146	1,202	1,147	1,038
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-65	-169	-85	10	69	61
Provision for doubtful debts	-72	-36	-35	-34	-34	-43
Changes in accounting policy/adjustment of prior periods	-44	-	-	-	-	-
<i>Total other economic flows</i>	-181	-204	-120	-23	35	19
OPERATING RESULT	440	720	1,026	1,178	1,182	1,057
<i>Other non-owner movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	459	312	414	451	398	443
Net actuarial gains/-loss - superannuation	-27	8	-	3	3	2
Gains recognised directly in equity	4	1	-	-	-	-
All other	-105	-	-	-	-	-
<i>Total other non-owner movements in equity</i>	331	320	414	454	401	445
<i>Movements in owner equity</i>						
Dividends	-162	-1,339	-	-1,339	-1,416	-1,419
Capital injections	652	822	1,289	1,838	2,049	1,588
<i>Total movements in owner equity</i>	490	-517	1,289	499	633	169
TOTAL CHANGE IN NET WORTH	1,261	524	2,729	2,132	2,216	1,670
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	621	924	1,146	1,202	1,147	1,038
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	2,683	3,300	4,656	4,739	4,471	3,855
Changes in inventories	2,050	14	-220	38	52	52
Other movement in non-financial assets	109	152	116	159	168	171
<i>Less:</i>						
Sales of non-financial assets	311	469	455	513	643	583
Depreciation	2,152	2,191	2,262	2,350	2,425	2,441
<i>Total net acquisition of non-financial assets</i>	2,380	805	1,835	2,074	1,623	1,054
NET LENDING/-BORROWING	-1,758	119	-689	-872	-476	-16

Note: Columns may not add due to rounding.

Table 1.5

PUBLIC NON-FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2020	2021	2022	2023	2024	2025
	Actual	Estimated Actual	Budget Estimate	Forw ard Estimate	Forw ard Estimate	Forw ard Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	2,938	2,477	4,095	3,930	4,010	4,315
Advances paid	-	-	-	-	-	-
Investments, loans and placements	5,407	5,671	6,044	5,997	5,958	5,908
Receivables	2,026	1,485	1,553	1,592	1,529	1,519
Shares and other equity						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	9	25	22	19	17	15
Other financial assets	580	484	398	300	244	191
Total financial assets	10,960	10,142	12,111	11,839	11,757	11,947
<i>Non-financial assets</i>						
Land	8,361	7,982	8,061	8,080	8,160	8,323
Property, plant and equipment	56,208	57,308	59,597	61,884	63,804	65,189
Right-of-use assets	494	432	506	451	390	345
Biological assets	209	213	217	232	245	256
Inventories						
Land inventories	1,809	1,869	1,880	1,982	2,083	2,073
Other inventories	6,325	6,339	6,119	6,157	6,210	6,262
Intangibles	445	450	486	494	544	624
Non-current assets held for sale	16	12	12	12	12	12
Investment property	26	45	45	39	39	39
Other	190	189	196	191	207	203
Total non-financial assets	74,081	74,837	77,119	79,521	81,693	83,327
TOTAL ASSETS	85,041	84,979	89,231	91,360	93,451	95,274
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	326	309	291	273	256	238
Borrow ings						
Lease liabilities	815	780	843	765	693	619
Other borrow ings	23,310	23,538	25,402	25,504	25,501	25,747
Unfunded superannuation	97	80	72	67	62	63
Other employee benefits	423	393	397	401	404	407
Payables	8,488	7,673	7,412	7,446	7,523	7,533
Other liabilities	1,796	1,898	1,775	1,734	1,626	1,610
TOTAL LIABILITIES	35,255	34,670	36,192	36,190	36,064	36,217
NET ASSETS	49,786	50,309	53,039	55,171	57,387	59,057
<i>Of which:</i>						
Contributed equity	10,887	11,709	12,999	14,837	16,885	18,473
Accumulated surplus	17,448	19,017	19,981	19,769	19,502	19,101
Other reserves	21,450	19,583	20,058	20,564	20,999	21,483
NET WORTH	49,786	50,309	53,039	55,171	57,387	59,057
MEMORANDUM ITEMS						
<i>Net financial worth</i>	-24,295	-24,528	-24,081	-24,351	-24,307	-24,270
<i>Net debt</i>						
Gross debt liabilities	24,451	24,627	26,536	26,542	26,449	26,603
Less : liquid financial assets	8,345	8,148	10,139	9,927	9,968	10,222
Net debt	16,106	16,479	16,397	16,616	16,481	16,380

Note: Columns may not add due to rounding.

Table 1.6

PUBLIC NON-FINANCIAL CORPORATIONS
Cash Flow Statement

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forward	Forward	Forward
	\$m	\$m	\$m	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Grants and subsidies received	2,507	3,482	3,075	2,753	2,604	2,473
Receipts from sales of goods and services	25,130	25,888	25,439	25,834	26,407	26,928
Interest receipts	129	81	96	100	103	104
Dividends and tax equivalents	61	63	140	121	125	118
Other receipts	1,361	1,455	1,540	1,556	1,510	1,428
Total cash received	29,189	30,969	30,290	30,365	30,748	31,052
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-1,184	-1,425	-1,442	-1,481	-1,484	-1,500
Payments for goods and services	-19,602	-20,208	-20,105	-20,025	-20,279	-20,608
Interest paid	-689	-556	-532	-530	-537	-560
Grants and subsidies paid	-708	-777	-765	-781	-794	-787
Tax equivalents	-614	-684	-698	-707	-771	-815
Other payments	-3,628	-4,665	-3,687	-3,494	-3,569	-3,542
Total cash paid	-26,424	-28,315	-27,230	-27,019	-27,434	-27,812
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,764	2,654	3,060	3,346	3,314	3,240
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-2,683	-3,300	-4,656	-4,739	-4,471	-3,855
Sales of non-financial assets	311	469	455	513	643	583
Total cash flows from investments in non-financial assets	-2,372	-2,830	-4,201	-4,226	-3,827	-3,272
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	74	46	64	68	96	232
<i>Cash paid</i>						
For policy purposes	-21	-6	-15	-11	-	-
For liquidity purposes	-30	-52	-45	-74	-73	-63
Total cash flows from investments in financial assets	23	-12	5	-17	23	170
NET CASH FLOWS FROM INVESTING ACTIVITIES	-2,349	-2,843	-4,196	-4,243	-3,805	-3,103
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	7,014	5,267	5,932	4,574	4,774	4,665
Deposits received	-	-	-	-	-	-
Other financing receipts	902	1,288	1,448	2,082	2,112	1,459
Total cash received	7,916	6,555	7,380	6,656	6,886	6,124
<i>Cash paid</i>						
Advances paid	-17	-17	-18	-18	-18	-18
Borrowings repaid	-6,565	-5,306	-4,472	-4,422	-4,727	-4,355
Deposits paid	-	-	-	-	-	-
Other financing payments	-172	-187	-164	-149	-151	-149
Dividends paid	-162	-1,339	-	-1,339	-1,416	-1,419
Total cash paid	-6,917	-6,849	-4,654	-5,927	-6,311	-5,941
NET CASH FLOWS FROM FINANCING ACTIVITIES	1,000	-294	2,727	729	575	183
Net increase in cash and cash equivalents	1,415	-482	1,590	-168	84	320
Cash and cash equivalents at the beginning of the year	1,818	3,233	2,751	4,341	4,173	4,257
Cash and cash equivalents at the end of the year	3,233	2,751	4,341	4,173	4,257	4,577
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	2,764	2,654	3,060	3,346	3,314	3,240
Net cash flows from investing in non-financial assets	-2,372	-2,830	-4,201	-4,226	-3,827	-3,272
Dividends paid	-162	-1,339	-	-1,339	-1,416	-1,419
Cash surplus/-deficit	230	-1,515	-1,141	-2,218	-1,929	-1,452

Note: Columns may not add due to rounding.

Table 1.7

TOTAL NON-FINANCIAL PUBLIC SECTOR
Operating Statement

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forward	Forward	Forward
	\$m	\$m	\$m	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Taxation ^(a)	8,533	9,578	9,489	9,536	9,812	10,206
Current grants and subsidies	9,379	9,537	10,894	10,967	12,029	12,078
Capital grants	642	1,195	2,125	1,929	1,595	771
Sales of goods and services ^(a)	36,273	37,844	37,522	38,074	38,986	39,788
Interest income	229	159	178	168	167	164
Royalty income	8,450	12,147	10,145	5,939	6,018	5,986
Dividend and tax equivalents	415	447	746	247	251	260
Other	980	2,411	960	980	980	975
<i>Total</i>	64,899	73,318	72,058	67,840	69,839	70,228
EXPENSES						
Salaries	13,989	14,675	15,267	15,278	15,698	16,205
Superannuation						
Concurrent costs	1,385	1,424	1,588	1,657	1,773	1,905
Superannuation interest cost	89	60	89	95	108	113
Other employee costs	355	314	319	317	322	326
Depreciation and amortisation	3,899	3,997	4,100	4,194	4,260	4,289
Services and contracts	3,374	3,461	3,968	3,427	3,439	3,502
Other gross operating expenses	34,286	36,239	35,809	35,531	36,327	37,329
Interest						
Interest on leases	230	218	213	204	191	184
Other interest	1,289	1,108	1,056	1,042	1,050	1,061
Current transfers	3,693	6,032	4,521	3,956	3,845	3,985
Capital transfers	178	576	1,189	285	221	131
<i>Total</i>	62,769	68,104	68,119	65,984	67,234	69,031
NET OPERATING BALANCE	2,131	5,213	3,940	1,856	2,605	1,197
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-92	290	-70	17	61	46
Provision for doubtful debts	-198	-49	-53	-52	-52	-61
Changes in accounting policy/adjustment of prior periods	13	-	-1	-28	1	10
<i>Total other economic flows</i>	-277	241	-125	-63	11	-5
OPERATING RESULT	1,854	5,455	3,815	1,793	2,616	1,192
<i>All other movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	850	259	1,816	1,011	1,454	1,521
Net actuarial gains/-loss - superannuation	-22	1,071	-246	-97	-92	-145
Gains recognised directly in equity	-1	-47	-48	-47	-47	-46
Change in net worth of the PFC sector	-493	1,363	-382	139	142	143
All other	-344	-	-	-	-	-
<i>Total all other movements in equity</i>	-9	2,645	1,141	1,006	1,456	1,473
TOTAL CHANGE IN NET WORTH	1,845	8,099	4,956	2,799	4,072	2,664
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	2,131	5,213	3,940	1,856	2,605	1,197
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	5,185	5,988	8,013	8,417	7,859	6,395
Changes in inventories	2,088	77	-220	38	52	52
Other movement in non-financial assets	94	1,533	142	158	135	171
<i>Less:</i>						
Sales of non-financial assets	1,735	590	447	585	719	662
Depreciation	3,899	3,997	4,100	4,194	4,260	4,289
<i>Total net acquisition of non-financial assets</i>	1,732	3,010	3,388	3,834	3,067	1,667
NET LENDING/-BORROWING	399	2,203	551	-1,979	-462	-470

(a) The motor vehicle inspection fee and other driver and vehicle fees have been reclassified from taxation revenue to sales of goods and services on advice from the Australian Bureau of Statistics.

Note: Columns may not add due to rounding.

Table 1.8

TOTAL NON-FINANCIAL PUBLIC SECTOR
Balance Sheet at 30 June

	2020	2021	2022	2023	2024	2025
	Actual	Estimated	Budget	Forw ard	Forw ard	Forw ard
	\$m	\$m	\$m	Estimate	Estimate	Estimate
ASSETS						
<i>Financial assets</i>						
Cash and deposits	1,995	6,520	8,254	6,344	5,457	4,815
Advances paid	389	418	420	430	440	447
Investments, loans and placements	11,270	7,703	8,899	8,004	7,541	7,165
Receivables	5,824	6,920	4,533	4,604	4,532	4,495
Shares and other equity						
Investments in other public sector entities - equity method	1,778	3,153	2,755	2,896	3,057	3,224
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	32	48	45	42	39	37
Other financial assets	8	8	9	9	9	10
Total financial assets	21,294	24,770	24,914	22,329	21,077	20,192
<i>Non-financial assets</i>						
Land	43,599	44,123	45,228	45,560	46,098	46,839
Property, plant and equipment	102,570	106,308	110,974	115,699	119,926	122,631
Right-of-use assets	2,973	2,798	2,867	2,662	2,478	2,374
Biological assets	317	322	326	341	354	365
Inventories						
Land inventories	1,809	1,869	1,880	1,982	2,083	2,073
Other inventories	6,433	6,510	6,291	6,329	6,381	6,434
Intangibles	1,047	991	1,054	1,081	1,191	1,315
Non-current assets held for sale	37	25	25	25	25	25
Investment property	33	45	45	39	39	39
Other	419	400	403	401	417	413
Total non-financial assets	159,238	163,393	169,093	174,119	178,991	182,509
TOTAL ASSETS	180,532	188,163	194,007	196,449	200,068	202,702
LIABILITIES						
Deposits held	14	13	13	13	13	13
Advances received	326	309	291	273	256	238
Borrowings						
Lease liabilities	3,471	3,391	3,464	3,242	3,047	2,914
Other borrowings	49,700	49,992	51,297	51,443	51,477	51,710
Unfunded superannuation	6,915	5,602	5,605	5,480	5,369	5,329
Other employee benefits	3,966	4,019	4,049	4,090	4,106	4,139
Payables	9,812	10,298	9,927	9,834	9,801	9,756
Other liabilities	3,889	4,001	3,867	3,781	3,636	3,574
TOTAL LIABILITIES	78,094	77,626	78,514	78,156	77,703	77,672
NET ASSETS	102,438	110,537	115,493	118,292	122,365	125,029
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	25,043	33,705	37,167	38,778	41,212	42,155
Other reserves	77,396	76,833	78,326	79,514	81,153	82,874
NET WORTH	102,438	110,537	115,493	118,292	122,365	125,029
MEMORANDUM ITEMS						
<i>Net financial worth</i>	-56,800	-52,856	-53,600	-55,827	-56,627	-57,480
<i>Net financial liabilities</i>	58,578	56,009	56,354	58,723	59,684	60,704
<i>Net debt</i>						
Gross debt liabilities	53,511	53,706	55,066	54,972	54,792	54,874
Less : liquid financial assets	13,653	14,641	17,574	14,778	13,439	12,427
Net debt	39,858	39,065	37,492	40,193	41,354	42,448

Note: Columns may not add due to rounding.

Table 1.9

TOTAL NON-FINANCIAL PUBLIC SECTOR
Cash Flow Statement

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forw ard	Forw ard	Forw ard
	\$m	Actual	Estimate	Estimate	Estimate	Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received ^(a)	8,496	9,480	9,496	9,550	9,819	10,213
Grants and subsidies received	11,825	12,434	14,864	15,005	15,819	15,118
Receipts from sales of goods and services ^(a)	27,051	27,963	27,559	28,047	28,699	29,199
Interest receipts	226	153	169	164	164	163
Dividends and tax equivalents	355	345	840	243	258	258
Other receipts	11,808	13,363	15,549	8,916	8,931	8,830
<i>Total cash received</i>	<i>59,760</i>	<i>63,738</i>	<i>68,477</i>	<i>61,926</i>	<i>63,690</i>	<i>63,780</i>
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-15,375	-16,394	-17,172	-17,222	-17,776	-18,381
Payments for goods and services	-27,194	-28,023	-28,564	-27,665	-28,102	-28,687
Interest paid	-1,572	-1,336	-1,262	-1,222	-1,215	-1,225
Grants and subsidies paid	-4,809	-5,771	-7,162	-5,984	-5,821	-5,948
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-5,105	-5,722	-4,746	-4,558	-4,637	-4,675
<i>Total cash paid</i>	<i>-54,056</i>	<i>-57,246</i>	<i>-58,906</i>	<i>-56,651</i>	<i>-57,553</i>	<i>-58,916</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	5,704	6,492	9,570	5,275	6,137	4,864
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-5,185	-5,988	-8,013	-8,417	-7,859	-6,395
Sales of non-financial assets	1,735	590	447	585	719	662
<i>Total cash flows from investments in non-financial assets</i>	<i>-3,449</i>	<i>-5,397</i>	<i>-7,566</i>	<i>-7,832</i>	<i>-7,140</i>	<i>-5,733</i>
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	64	10	10	10	10	10
For liquidity purposes	130	96	111	83	74	60
<i>Cash paid</i>						
For policy purposes	-63	-10	-10	-10	-10	-10
For liquidity purposes	-67	-98	-47	-77	-74	-63
<i>Total cash flows from investments in financial assets</i>	<i>64</i>	<i>-2</i>	<i>65</i>	<i>6</i>	<i>-</i>	<i>-3</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-3,386	-5,399	-7,502	-7,827	-7,140	-5,736
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	7,859	5,540	6,078	4,725	4,919	4,783
Deposits received	-	-	-	-	-	-
Other financing receipts	300	22	11	6	8	25
<i>Total cash received</i>	<i>8,159</i>	<i>5,563</i>	<i>6,089</i>	<i>4,731</i>	<i>4,927</i>	<i>4,807</i>
<i>Cash paid</i>						
Advances paid	-17	-17	-18	-18	-18	-18
Borrowings repaid	-7,944	-5,425	-5,174	-4,529	-4,834	-4,479
Deposits paid	-	-	-	-	-	-
Other financing payments	-462	-425	-399	-383	-377	-391
<i>Total cash paid</i>	<i>-8,424</i>	<i>-5,867</i>	<i>-5,591</i>	<i>-4,929</i>	<i>-5,229</i>	<i>-4,888</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	-264	-305	498	-199	-303	-80
Net increase in cash and cash equivalents	2,055	788	2,567	-2,750	-1,305	-952
Cash and cash equivalents at the beginning of the year	6,822	8,876	9,664	12,231	9,481	8,175
Cash and cash equivalents at the end of the year	8,876	9,664	12,231	9,481	8,175	7,223
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	5,704	6,492	9,570	5,275	6,137	4,864
Net cash flows from investing in non-financial assets	-3,449	-5,397	-7,566	-7,832	-7,140	-5,733
Cash surplus/-deficit	2,255	1,095	2,004	-2,558	-1,003	-869

(a) The motor vehicle inspection fee and other driver and vehicle fees have been reclassified from taxation revenue to sales of goods and services on advice from the Australian Bureau of Statistics.

Note: Columns may not add due to rounding.

Table 1.10

PUBLIC FINANCIAL CORPORATIONS
Operating Statement

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forw ard	Forw ard	Forw ard
	\$m	\$m	\$m	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Current grants and subsidies	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Sales of goods and services	1,186	1,878	1,292	1,345	1,416	1,464
Interest income	1,626	1,420	1,456	1,499	1,516	1,521
Other	100	317	100	117	111	119
Total	2,912	3,616	2,848	2,961	3,043	3,104
EXPENSES						
Salaries	62	65	68	70	71	72
Superannuation						
Concurrent costs	6	6	7	8	8	8
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	1	1	2	2	2	2
Depreciation and amortisation	8	8	8	10	10	10
Services and contracts	11	11	13	13	13	13
Other gross operating expenses	1,127	1,193	1,347	1,393	1,440	1,488
Interest						
Interest on leases	1	1	1	-	-	-
Other interest	1,344	1,178	1,215	1,251	1,269	1,275
Tax equivalents	123	286	37	46	54	57
Current transfers	4	4	5	5	5	5
Capital transfers	16	12	15	15	15	15
Total	2,704	2,767	2,717	2,812	2,887	2,947
NET OPERATING BALANCE	208	849	130	149	156	157
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-316	696	163	196	221	236
Provision for doubtful debts	-	-	-	-	-	-
Changes in accounting policy/adjustment of prior periods	8	-	-	-	-	-
Total other economic flows	-307	696	163	196	221	236
OPERATING RESULT	-99	1,545	293	345	378	393
<i>Other non-owner movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	-	4	-	-	-	-
Net actuarial gains/-loss - superannuation	-	-	-	-	-	-
Gains recognised directly in equity	1	-	-	-	-	-
All other	-2	-	-	-	-	-
Total other non-owner movements in equity	-1	4	-	-	-	-
<i>Movements in owner equity</i>						
Dividends	-292	-161	-708	-201	-197	-204
Capital injections	-50	-13	17	-3	-19	-23
Total movements in owner equity	-343	-174	-692	-204	-217	-227
TOTAL CHANGE IN NET WORTH	-443	1,375	-399	142	161	166
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	208	849	130	149	156	157
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	4	5	8	7	7	7
Changes in inventories	-	-	-	-	-	-
Other movement in non-financial assets	-	-	-	-	-	-
<i>Less:</i>						
Sales of non-financial assets	-	-	-	-	-	-
Depreciation	8	8	8	10	10	10
Total net acquisition of non-financial assets	-5	-3	-1	-4	-3	-4
NET LENDING/-BORROWING	213	852	131	153	159	161

Note: Columns may not add due to rounding.

Table 1.11

PUBLIC FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2020	2021	2022	2023	2024	2025
	Actual	Estimated Actual	Budget Estimate	Forw ard Estimate	Forw ard Estimate	Forw ard Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	354	280	286	293	300	306
Advances paid	4,873	5,298	5,713	5,676	5,631	5,579
Investments, loans and placements	67,860	67,596	68,911	69,389	69,795	70,402
Receivables	651	697	709	723	732	742
Shares and other equity						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	1,812	2,358	2,304	2,466	2,640	2,814
Other financial assets	7	7	7	7	7	7
Total financial assets	75,558	76,236	77,930	78,554	79,105	79,850
<i>Non-financial assets</i>						
Land	-	-	-	-	-	-
Property, plant and equipment	4	5	6	6	6	6
Right-of-use assets	24	20	16	13	9	5
Biological assets	-	-	-	-	-	-
Inventories						
Land inventories	-	-	-	-	-	-
Other inventories	-	-	-	-	-	-
Intangibles	7	7	10	9	10	10
Non-current assets held for sale	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
Other	5	5	5	5	5	5
Total non-financial assets	41	38	37	34	31	27
TOTAL ASSETS	75,599	76,274	77,967	78,587	79,136	79,877
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	3	3	3	3	3	3
Borrowings						
Lease liabilities	29	25	20	16	12	7
Other borrowings	68,646	67,622	69,457	69,578	69,608	69,824
Unfunded superannuation	5	5	5	5	5	6
Other employee benefits	15	15	16	16	17	17
Payables	319	276	201	202	218	222
Other liabilities	4,803	5,175	5,511	5,871	6,215	6,574
TOTAL LIABILITIES	73,821	73,120	75,212	75,691	76,078	76,653
NET ASSETS	1,778	3,153	2,755	2,896	3,057	3,224
<i>Of which:</i>						
Contributed equity	-286	-299	-282	-284	-304	-327
Accumulated surplus	2,041	3,248	2,814	2,935	3,086	3,245
Other reserves	23	204	222	246	275	306
NET WORTH	1,778	3,153	2,755	2,896	3,057	3,224
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>1,737</i>	<i>3,115</i>	<i>2,718</i>	<i>2,862</i>	<i>3,026</i>	<i>3,196</i>
<i>Net debt</i>						
Gross debt liabilities	68,678	67,650	69,480	69,597	69,623	69,834
Less: liquid financial assets	73,088	73,175	74,910	75,358	75,725	76,287
Net debt	-4,409	-5,524	-5,430	-5,761	-6,102	-6,453

Note: Columns may not add due to rounding.

Table 1.12

PUBLIC FINANCIAL CORPORATIONS
Cash Flow Statement

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forw ard	Forw ard	Forw ard
	\$m	\$m	\$m	Estimate	Estimate	Estimate
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Grants and subsidies received	-	8	5	5	5	5
Receipts from sales of goods and services	1,203	2,642	1,426	1,510	1,606	1,669
Interest receipts	1,712	1,420	1,456	1,499	1,516	1,521
Dividends and tax equivalents	-	-	-	-	-	-
Other receipts	163	173	189	197	192	199
Total cash received	3,078	4,242	3,076	3,211	3,319	3,394
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-66	-72	-75	-76	-78	-80
Payments for goods and services	-866	-931	-1,007	-1,057	-1,108	-1,158
Interest paid	-1,665	-1,180	-1,216	-1,251	-1,269	-1,275
Grants and subsidies paid	-	-	-	-	-	-
Tax equivalents	-88	-261	-112	-46	-54	-57
Other payments	-160	-171	-179	-187	-197	-204
Total cash paid	-2,845	-2,614	-2,589	-2,617	-2,706	-2,774
NET CASH FLOWS FROM OPERATING ACTIVITIES	233	1,628	487	594	613	620
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-4	-5	-8	-7	-7	-7
Sales of non-financial assets	-	-	-	-	-	-
Total cash flows from investments in non-financial assets	-4	-5	-8	-6	-7	-6
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	11,914	7,733	7,840	7,978	8,096	8,148
<i>Cash paid</i>						
For policy purposes	-70	-1	-1	-1	-3	-19
For liquidity purposes	-14,128	-9,423	-8,029	-8,251	-8,379	-8,408
Total cash flows from investments in financial assets	-2,284	-1,691	-190	-274	-286	-280
NET CASH FLOWS FROM INVESTING ACTIVITIES	-2,287	-1,696	-198	-280	-293	-286
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	28,790	25,828	27,731	26,168	26,144	26,264
Deposits received	-	-	-	-	-	-
Other financing receipts	19	36	18	-	-	-
Total cash received	28,809	25,864	27,749	26,168	26,144	26,264
<i>Cash paid</i>						
Advances paid	-	-	-	-	-	-
Borrowings repaid	-26,254	-25,560	-27,320	-26,213	-26,183	-26,321
Deposits paid	-	-	-	-	-	-
Other financing payments	-4	-5	-5	-5	-5	-5
Dividends paid	-267	-84	-727	-197	-204	-201
Total cash paid	-26,526	-25,649	-28,053	-26,414	-26,392	-26,527
NET CASH FLOWS FROM FINANCING ACTIVITIES	2,283	215	-303	-246	-248	-263
Net increase in cash and cash equivalents	229	147	-14	67	72	72
Cash and cash equivalents at the beginning of the year	1,890	2,119	2,266	2,252	2,319	2,391
Cash and cash equivalents at the end of the year	2,119	2,266	2,252	2,319	2,391	2,462
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	233	1,628	487	594	613	620
Net cash flows from investing in non-financial assets	-4	-5	-8	-6	-7	-6
Dividends paid	-267	-84	-727	-197	-204	-201
Cash surplus/-deficit	-38	1,539	-248	390	402	413

Note: Columns may not add due to rounding.

Table 1.13

TOTAL PUBLIC SECTOR
Operating Statement

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forw ard	Forw ard	Forw ard
	\$m	Actual	Estimate	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Taxation ^(a)	8,529	9,574	9,484	9,531	9,807	10,201
Current grants and subsidies	9,379	9,537	10,894	10,967	12,029	12,078
Capital grants	642	1,195	2,125	1,929	1,595	771
Sales of goods and services ^(a)	37,076	39,321	38,385	38,974	39,937	40,767
Interest income	555	460	543	586	594	590
Royalty income	8,450	12,147	10,145	5,939	6,018	5,986
Other	1,077	2,715	1,040	1,077	1,090	1,092
Total	65,706	74,949	72,617	69,003	71,071	71,485
EXPENSES						
Salaries	14,051	14,740	15,335	15,347	15,769	16,277
Superannuation						
Concurrent costs	1,392	1,431	1,595	1,664	1,781	1,913
Superannuation interest cost	89	60	89	95	108	113
Other employee costs	356	316	320	318	324	328
Depreciation and amortisation	3,908	4,005	4,108	4,204	4,270	4,299
Services and contracts	3,385	3,461	3,968	3,427	3,439	3,502
Other gross operating expenses	35,027	37,028	36,720	36,472	37,314	38,344
Interest						
Interest on leases	231	219	214	205	191	185
Other interest	1,333	1,168	1,180	1,212	1,230	1,241
Current transfers	3,693	6,033	4,521	3,956	3,845	3,985
Capital transfers	194	588	1,204	300	236	146
Total	63,659	69,048	69,255	67,200	68,507	70,334
NET OPERATING BALANCE	2,047	5,901	3,361	1,804	2,564	1,151
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-408	901	92	213	283	282
Provision for doubtful debts	-198	-49	-53	-52	-52	-61
Changes in accounting policy/adjustment of prior periods	-79	-	-	-	-	-
Total other economic flows	-685	851	39	162	231	221
OPERATING RESULT	1,362	6,753	3,401	1,965	2,795	1,372
<i>All other movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	850	323	1,848	978	1,416	1,484
Net actuarial gains/-loss - superannuation	-22	1,071	-246	-97	-92	-145
Gains recognised directly in equity	-	-47	-48	-47	-47	-46
All other	-345	-	-	-	-	-
Total all other movements in equity	483	1,347	1,555	834	1,277	1,292
TOTAL CHANGE IN NET WORTH	1,845	8,099	4,956	2,799	4,072	2,664
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	2,047	5,901	3,361	1,804	2,564	1,151
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	5,188	5,993	8,021	8,424	7,867	6,402
Changes in inventories	2,088	77	-220	38	52	52
Other movement in non-financial assets	94	1,533	142	158	135	171
<i>Less:</i>						
Sales of non-financial assets	1,736	591	447	585	719	662
Depreciation	3,908	4,005	4,108	4,204	4,270	4,299
Total net acquisition of non-financial assets	1,727	3,007	3,388	3,831	3,064	1,663
NET LENDING/-BORROWING	320	2,894	-26	-2,027	-500	-512

(a) The motor vehicle inspection fee and other driver and vehicle fees have been reclassified from taxation revenue to sales of goods and services on advice from the Australian Bureau of Statistics.

Note: Columns may not add due to rounding.

Table 1.14

TOTAL PUBLIC SECTOR
Balance Sheet at 30 June

	2020	2021	2022	2023	2024	2025
	Actual	Estimated	Budget	Forw ard	Forw ard	Forw ard
	\$m	\$m	Estimate	Estimate	Estimate	Estimate
ASSETS						
<i>Financial assets</i>						
Cash and deposits	2,346	6,798	8,538	6,635	5,755	5,119
Advances paid	5,259	5,714	6,130	6,103	6,068	6,023
Investments, loans and placements	25,495	20,998	21,790	21,271	21,205	21,242
Receivables	5,923	6,983	4,720	4,804	4,755	4,732
Equity - Investments in other entities	1,844	2,405	2,349	2,508	2,680	2,851
Other financial assets	15	15	15	16	16	16
Total financial assets	40,882	42,913	43,543	41,337	40,480	39,984
<i>Non-financial assets</i>						
Land	43,599	44,123	45,228	45,560	46,098	46,839
Property, plant and equipment	102,575	106,314	110,979	115,705	119,932	122,638
Right-of-use assets	2,997	2,819	2,883	2,675	2,487	2,379
Biological assets	317	322	326	341	354	365
Inventories						
Land inventories	1,809	1,869	1,880	1,982	2,083	2,073
Other inventories	6,433	6,510	6,291	6,329	6,381	6,434
Intangibles	1,054	998	1,064	1,090	1,201	1,325
Non-current assets held for sale	37	25	25	25	25	25
Investment property	33	45	45	39	39	39
Other	424	406	408	407	423	419
Total non-financial assets	159,279	163,431	169,129	174,153	179,022	182,537
TOTAL ASSETS	200,161	206,344	212,672	215,490	219,502	222,520
LIABILITIES						
Deposits held	12	11	11	11	11	11
Advances received	326	309	291	273	256	238
Borrow ings						
Lease liabilities	3,500	3,416	3,485	3,259	3,058	2,921
Other borrow ings	64,711	63,314	64,733	64,898	64,955	65,210
Unfunded superannuation	6,920	5,607	5,610	5,485	5,374	5,334
Other employee benefits	3,981	4,034	4,064	4,106	4,122	4,156
Payables	9,978	10,389	10,018	9,926	9,910	9,870
Other liabilities	8,294	8,727	8,966	9,238	9,451	9,751
TOTAL LIABILITIES	97,723	95,806	97,179	97,198	97,137	97,491
NET ASSETS	102,438	110,537	115,493	118,292	122,365	125,029
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	27,083	36,953	39,981	41,713	44,297	45,400
Other reserves	75,355	73,585	75,512	76,580	78,067	79,629
NET WORTH	102,438	110,537	115,493	118,292	122,365	125,029
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-56,841</i>	<i>-52,894</i>	<i>-53,636</i>	<i>-55,861</i>	<i>-56,658</i>	<i>-57,507</i>
<i>Net financial liabilities</i>	<i>56,841</i>	<i>52,894</i>	<i>53,636</i>	<i>55,861</i>	<i>56,658</i>	<i>57,507</i>
<i>Net debt</i>						
Gross debt liabilities	68,549	67,050	68,520	68,442	68,280	68,379
Less : liquid financial assets	33,100	33,509	36,458	34,009	33,029	32,384
Net debt	35,449	33,541	32,062	34,432	35,251	35,995

Note: Columns may not add due to rounding.

Table 1.15

TOTAL PUBLIC SECTOR
Cash Flow Statement

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forw ard	Forw ard	Forw ard
	\$m	Actual	Estimate	Estimate	Estimate	Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received (a)	8,492	9,468	9,486	9,541	9,809	10,203
Grants and subsidies received	11,825	12,434	14,864	15,005	15,819	15,118
Receipts from sales of goods and services (a)	27,956	30,231	28,555	29,113	29,840	30,384
Interest receipts	565	447	541	599	612	602
Dividends and tax equivalents	-	-	-	-	-	-
Other	11,965	13,522	15,718	9,093	9,118	9,023
<i>Total cash received</i>	60,802	66,102	69,164	63,351	65,198	65,332
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-15,441	-16,466	-17,246	-17,298	-17,854	-18,460
Payments for goods and services	-27,762	-28,578	-29,140	-28,276	-28,744	-29,360
Interest paid	-1,864	-1,391	-1,395	-1,410	-1,417	-1,419
Grants and subsidies paid	-4,810	-5,764	-7,157	-5,979	-5,816	-5,943
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-5,256	-5,868	-4,897	-4,716	-4,820	-4,866
<i>Total cash paid</i>	-55,132	-58,066	-59,835	-57,680	-58,652	-60,048
NET CASH FLOWS FROM OPERATING ACTIVITIES	5,670	8,036	9,329	5,671	6,546	5,284
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-5,188	-5,993	-8,021	-8,424	-7,867	-6,402
Sales of non-financial assets	1,736	591	447	585	719	662
<i>Total cash flows from investments in non-financial assets</i>	-3,453	-5,402	-7,574	-7,839	-7,147	-5,740
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	64	10	10	10	10	10
For liquidity purposes	12,044	7,829	7,951	8,061	8,170	8,208
<i>Cash paid</i>						
For policy purposes	-63	-10	-10	-10	-10	-10
For liquidity purposes	-14,195	-9,521	-8,076	-8,328	-8,453	-8,471
<i>Total cash flows from investments in financial assets</i>	-2,150	-1,693	-125	-267	-283	-263
NET CASH FLOWS FROM INVESTING ACTIVITIES	-5,603	-7,094	-7,698	-8,106	-7,431	-6,003
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	20,848	20,440	22,616	21,694	21,330	21,825
Deposits received	-	-	-	-	-	-
Other financing receipts	231	22	10	5	5	5
<i>Total cash received</i>	21,078	20,461	22,626	21,699	21,336	21,831
<i>Cash paid</i>						
Advances paid	-17	-17	-18	-18	-18	-18
Borrowings repaid	-18,397	-20,057	-21,301	-21,542	-21,285	-21,578
Deposits paid	-	-	-	-	-	-
Other financing payments	-448	-393	-386	-387	-382	-396
<i>Total cash paid</i>	-18,862	-20,467	-21,704	-21,947	-21,685	-21,992
NET CASH FLOWS FROM FINANCING ACTIVITIES	2,217	-6	922	-248	-349	-162
Net increase in cash and cash equivalents	2,284	935	2,553	-2,683	-1,234	-881
Cash and cash equivalents at the beginning of the year	8,710	10,994	11,929	14,481	11,798	10,565
Cash and cash equivalents at the end of the year	10,994	11,929	14,481	11,798	10,565	9,684
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	5,670	8,036	9,329	5,671	6,546	5,284
Net cash flows from investing in non-financial assets	-3,453	-5,402	-7,574	-7,839	-7,147	-5,740
Cash surplus/-deficit	2,217	2,634	1,756	-2,168	-601	-456

(a) The motor vehicle inspection fee and other driver and vehicle fees have been reclassified from taxation revenue to sales of goods and services on advice from the Australian Bureau of Statistics.

Note: Columns may not add due to rounding.

NOTE 1: STATEMENT OF COMPLIANCE

The projected public sector financial statements presented in this appendix have been prepared in accordance with Australian Accounting Standards and the Australian Bureau of Statistics' (ABS) *Government Finance Statistics Concepts, Sources and Methods 2015*.

The presentation in this appendix is consistent with AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements constitute general purpose financial reports for the total public sector (also known as the whole-of-government), general government sector, and each of the subsidiary public corporations sectors. The financial projections of the consolidated general government (centrally funded agencies such as the Department of Education and WA Health) and the public non-financial corporations (such as the water and electricity utilities, and the ports) are also presented as the total non-financial public sector.

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

(a) The reporting entity

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

(b) Basis of preparation

These financial projections do not include all the notes of the type normally included in an annual financial report. The accounting policies adopted in this publication are consistent with those outlined in the *2020-21 Annual Report on State Finances (ARSF)*, which are described in detail in Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2020-21 ARSF.

The projections are presented in Australian dollars and all amounts are rounded to the nearest million dollars (\$m).

(c) Unaudited data

These financial projections are not audited.

(d) Comparative figures

Comparative information has been restated where necessary to match changes in classification advised by the Australian Bureau of Statistics and for changes to applicable Australian Accounting Standards.

NOTE 3: GENERAL GOVERNMENT OPERATING REVENUE

A detailed dissection of general government revenue (which includes the UPF taxation disclosure) is included at Appendix 2: *General Government Operating Revenue*.

NOTE 4: GENERAL GOVERNMENT REVENUE FROM PUBLIC CORPORATIONS

The following table provides detail of general government revenue from public corporations (dividend and income tax equivalent income) in line with UPF disclosure requirements. A detailed disclosure by agency is included at Appendix 8: *Public Corporations and Major Tariffs, Fees and Charges*.

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated Actual	Budget Estimate	Forw ard Estimate	Forw ard Estimate	Forw ard Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
<i>Dividends</i>						
From public non-financial corporations	162	1,339	-	1,339	1,416	1,419
From public financial corporations	229	21	587	76	79	83
Total dividends	392	1,360	587	1,415	1,495	1,502
<i>Tax equivalent income</i>						
From public non-financial corporations	609	656	662	742	787	773
From public financial corporations	123	286	37	46	54	57
Total tax equivalent income	732	942	700	788	841	830
Total revenue from public corporations	1,123	2,302	1,287	2,203	2,336	2,332

Note: Columns may not add due to rounding.

NOTE 5: GENERAL GOVERNMENT TRANSFER EXPENSES

Transfer expenses are defined as the provision of something of value for no specific return or consideration and include items such as grants, subsidies, donations, and transfers of assets free of charge.

The following table provides detail of current and capital transfer expenses of the general government sector, in line with UPF disclosure requirements.

TRANSFER EXPENSES ^(a)
General Government

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forward	Forward	Forward
	\$m	\$m	\$m	\$m	\$m	\$m
<i>CURRENT TRANSFERS</i>						
Local government	323	346	543	358	299	380
Local government on-passing	-	-	-	-	-	-
Private and not-for-profit sector	1,609	3,201	2,127	1,735	1,632	1,639
Private and not-for-profit sector on-passing	-	-	-	-	-	-
Other sectors of government	3,071	4,376	3,906	3,705	3,611	3,567
<i>Total Current Transfers</i>	<i>5,003</i>	<i>7,923</i>	<i>6,576</i>	<i>5,798</i>	<i>5,542</i>	<i>5,586</i>
<i>CAPITAL TRANSFERS</i>						
Local government	96	53	111	99	77	30
Local government on-passing	-	-	-	-	-	-
Private and not-for-profit sector	68	523	1,060	157	109	87
Private and not-for-profit sector on-passing	-	-	-	-	-	-
Other sectors of government	64	109	138	67	51	-
<i>Total Capital Transfers</i>	<i>228</i>	<i>685</i>	<i>1,308</i>	<i>324</i>	<i>236</i>	<i>116</i>

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

Note: Columns may not add due to rounding.

NOTE 6: CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT

The following allocation of general government expenses and purchases of non-financial assets is consistent with the Classification of the Functions of Government (COFOG) which forms part of the GFS framework.

CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT (a) General Government

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forw ard	Forw ard	Forw ard
	\$m	\$m	\$m	\$m	\$m	\$m
<i>Expenses</i>						
General public services	1,334	1,419	1,431	1,425	1,481	1,682
Public order and safety	3,826	3,879	4,094	3,942	3,995	4,035
Economic affairs	1,651	2,252	1,817	1,483	1,377	1,339
Environmental protection	395	421	532	535	517	508
Housing and community amenities	1,223	3,256	2,354	1,569	1,446	1,362
Health	9,557	10,369	10,610	10,429	10,711	11,136
Recreation, culture and religion	806	818	1,029	941	871	828
Education	6,536	6,852	7,108	7,120	7,355	7,525
Social protection	2,674	2,678	2,908	2,733	2,732	2,885
Transport	2,490	2,606	2,824	2,697	2,703	2,738
Provisions not allocated ^(b)	-	-	800	-	-	-
Total General Government Expenses	30,493	34,550	35,506	32,877	33,189	34,039
<i>Purchases of new non-financial assets</i>						
General public services	137	98	136	151	196	188
Public order and safety	203	200	248	201	178	119
Economic affairs	18	25	65	62	54	24
Environmental protection	41	56	118	91	81	56
Housing and community amenities	125	119	215	125	95	73
Health	152	248	421	459	230	196
Recreation, culture and religion	131	73	133	116	122	81
Education	450	410	520	600	491	348
Social protection	5	6	7	7	5	4
Transport	1,292	1,455	1,640	2,067	1,937	1,251
Provisions not allocated ^(b)	-	-	-	-200	-	200
Total Purchases of Non-financial Assets	2,553	2,688	3,503	3,678	3,389	2,541

(a) Data in this table are for consolidated general government aggregates and exclude internal transactions within the sector. In relation to purchases of non-financial assets, the information in this table represents spending by function on fixed assets by general government agencies, which may be different to agency totals in the Asset Investment Program.

(b) Includes provisions not allocated by COFOG.

Note: Columns may not add due to rounding.

NOTE 7: CONVERGENCE DIFFERENCES

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

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

The following outlines the key convergence differences.

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

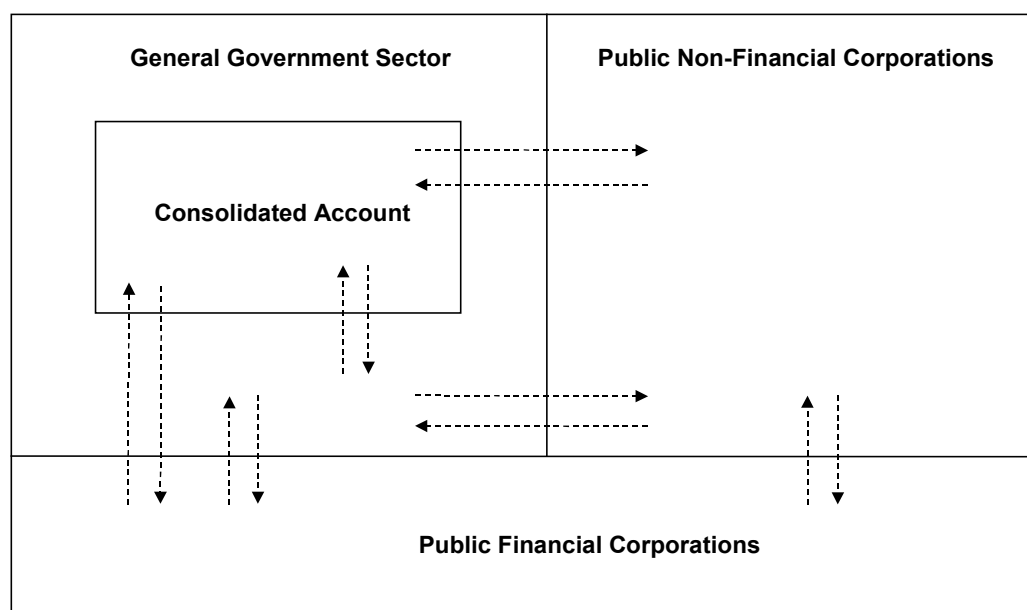
These convergence differences do not present material variations in the presentation of Western Australia's data under GAAP and GFS.

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

NOTE 8: COMPOSITION OF SECTORS

The following diagram shows the sectors within which public sector agencies are classified by the Government Finance Statistics framework, and which are all included in the consolidated whole-of-government.

TOTAL PUBLIC SECTOR



All public sector controlled agencies, regardless of funding source or sector classification, have been included in these financial projections. Corporatised agencies (known as Government Trading Enterprises) include agencies in each of the sub-sectors of the total public sector.

The agencies included within each sector are listed below. This list differs from the portfolio list that appears in Budget Paper No. 2: *Budget Statements* which includes only those agencies that receive appropriations and/or have an Asset Investment Program.

General Government

Agricultural Produce Commission
Building and Construction Industry Training Board
Botanical Gardens and Parks Authority
Central Regional TAFE
Chemistry Centre (WA)
Child and Adolescent Health Service
Combat Sports Commission
Commissioner for Children and Young People
Commissioner of Main Roads
Corruption and Crime Commission
Department of Biodiversity, Conservation and Attractions
Department of Communities
Department of Education
Department of Finance
Department of Fire and Emergency Services
Department of Health (including public hospitals)
Department of Jobs, Tourism, Science and Innovation
Department of Justice
Department of Local Government, Sport and Cultural Industries
Department of Mines, Industry Regulation and Safety
Department of Planning, Lands and Heritage
Department of Primary Industries and Regional Development
Department of Training and Workforce Development
Department of Transport
Department of Treasury
Department of the Legislative Assembly
Department of the Legislative Council
Department of the Premier and Cabinet
Department of the Registrar, Western Australian Industrial Relations Commission
Department of Water and Environmental Regulation
East Metropolitan Health Service
Economic Regulation Authority
Energy Policy WA
Gascoyne Development Commission
Gaming and Wagering Commission of Western Australia
Goldfields Development Commission
Governor's Establishment
Great Southern Development Commission
Health and Disability Services Complaints Office
Health Support Services
Heritage Council of Western Australia
Infrastructure WA
Keep Australia Beautiful Council (W.A.)
Kimberley Development Commission
Law Reform Commission of Western Australia
Legal Aid Commission of Western Australia
Legal Costs Committee
Local Health Authorities Analytical Committee
Mental Health Commission
Mid West Development Commission
Minerals Research Institute of Western Australia
North Metropolitan TAFE
North Metropolitan Health Service
North Regional TAFE
Office of the Auditor General
Office of the Director of Public Prosecutions
Office of the Information Commissioner
Office of the Inspector of Custodial Services
Office of the Parliamentary Inspector of the Corruption and Crime Commission
Parliamentary Commissioner for Administrative Investigations
Parliamentary Services Department
Peel Development Commission
Perth Theatre Trust
Pilbara Development Commission
Professional Standards Council
Public Sector Commission
Quadriplegic Centre Board
Racing Penalties Appeal Tribunal of Western Australia
Rural Business Development Corporation
Salaries and Allowances Tribunal
School Curriculum and Standards Authority
ScreenWest Inc.
Small Business Development Corporation
South Metropolitan TAFE
South Metropolitan Health Service
South Regional TAFE
South West Development Commission
State Solicitor's Office
The Aboriginal Affairs Planning Authority
The ANZAC Day Trust
The Board of the Art Gallery of Western Australia
The Burswood Park Board
The Coal Miners' Welfare Board of Western Australia
The Library Board of Western Australia
The National Trust of Australia (W.A.)
The Queen Elizabeth II Medical Centre Trust
The Western Australian Museum
Trustees of the Public Education Endowment
Western Australia Police Force
Western Australian Country Health Service
Western Australian Building Management Authority
Western Australian Electoral Commission
Western Australian Energy Disputes Arbitrator
Western Australian Greyhound Racing Association
Western Australian Health Promotion Foundation
Western Australian Institute of Sport
Western Australian Land Information Authority
Western Australian Meat Industry Authority
Western Australian Planning Commission
Western Australian Sports Centre Trust
WorkCover Western Australia Authority
Wheatbelt Development Commission
Zoological Parks Authority

Public Non-Financial Corporations

Animal Resources Authority	Mid West Ports Authority
Bunbury Water Corporation	Pilbara Ports Authority
Busselton Water Corporation	Public Transport Authority of Western Australia
Department of Communities (Housing Authority)	Racing and Wagering Western Australia
DevelopmentWA ¹	Regional Power Corporation (Horizon Power)
Electricity Networks Corporation (Western Power)	Rottneest Island Authority
Electricity Generation and Retail Corporation (Synergy)	Southern Ports Authority
Forest Products Commission	Water Corporation
Fremantle Port Authority	Western Australian Coastal Shipping Commission
Gold Corporation and its subsidiaries	
Kimberly Ports Authority	
Lotteries Commission	
Metropolitan Cemeteries Board	

Public Financial Corporations

Country Housing Authority	RiskCover
Insurance Commission of Western Australia	Western Australian Treasury Corporation
Keystart Housing Scheme, comprising	
Keystart Bonds Ltd	
Keystart Loans Ltd	
Keystart Support Pty Ltd	
Keystart Support (Subsidiary) Pty Ltd	
Keystart Housing Scheme Trust	
Keystart Support Trust	

Agencies Outside the State's Public Sector

Some State agencies are not covered in the whole-of-government reporting framework as defined under Australian Accounting Standards and/or the GFS framework. The entities listed below, which administer superannuation and like funds and/or hold private funds in trust or fidelity type funds, are examples of such agencies not included in the definition of the public sector used in the Budget. This is because the assets are not available for the benefit of, and/or are not controlled by, the State.

Construction Industry Long Service Leave Payments Board	Legal Contribution Trust
Curtin University and its subsidiaries	Murdoch University and its subsidiaries
Edith Cowan University	Public Trustee
Fire and Emergency Services Superannuation Board	Parliamentary Superannuation Board
Government Employees Superannuation Board	The University of Western Australia and its subsidiaries

¹ DevelopmentWA includes the Metropolitan Redevelopment Authority and the Western Australian Land Authority.

2021–22 Economic and Fiscal Outlook

APPENDIX 2

General Government Operating Revenue

This appendix contains general government revenue estimates prepared on an accrual basis consistent with Australian Accounting Standards and Government Finance Statistics frameworks.

Table 2.1

OPERATING REVENUE
General Government

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forward	Forward	Forward
	\$m	\$m	Estimate	Estimate	Estimate	Estimate
			\$m	\$m	\$m	\$m
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	3,642	3,746	4,060	4,266	4,297	4,471
Property taxes						
<i>Land tax</i>	792	755	763	765	772	787
Transfer duty	1,190	1,860	1,579	1,408	1,535	1,624
Foreign Buyers surcharge	19	17	17	20	23	25
Landholder duty	120	222	154	118	118	118
<i>Total duty on transfers</i>	1,329	2,099	1,750	1,547	1,677	1,767
Metropolitan Region Improvement Tax	88	84	84	84	84	86
Perth Parking Levy	56	51	56	60	61	62
Emergency Services Levy	387	355	372	403	416	435
Loan Guarantee Fees	157	134	144	148	150	150
Building and Construction Industry Training Fund Levy	39	37	32	33	33	33
<i>Total other property taxes</i>	726	662	688	728	745	766
Taxes on provision of goods and services						
Lotteries Commission	174	188	170	175	176	177
Video lottery terminals	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)
Casino tax	40	52	52	53	54	54
Point of Consumption Tax	77	114	83	91	100	103
<i>Total taxes on gambling</i>	291	353	304	319	330	334
Insurance duty	694	727	771	782	806	830
Other	19	20	20	20	20	21
<i>Total taxes on insurance</i>	713	747	791	803	826	851
<i>On-demand Transport Levy</i>	41	39	39	5	-	-
Taxes on use of goods and performance of activities						
Vehicle licence duty	375	514	397	368	373	378
Permits - oversize vehicles and loads	9	10	8	8	8	8
Motor vehicle registrations ^(b)	997	1,048	1,090	1,145	1,204	1,267
Other vehicle taxes ^(b)	26	26	28	28	28	29
<i>Total motor vehicle taxes</i>	1,407	1,598	1,522	1,548	1,613	1,682
<i>Mining Rehabilitation Levy</i>	33	35	35	35	35	35
<i>Landfill Levy</i>	80	79	83	83	83	83
Total Taxation	9,055	10,113	10,035	10,098	10,377	10,775

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

(b) The motor vehicle inspection fee and other driver and vehicle fees have been reclassified from taxation revenue to sales of goods and services on advice from the Australian Bureau of Statistics. Plate and transfer fees previously recorded under 'motor vehicle registrations' are now shown separately as 'other vehicle taxes'.

Note: Columns may not add due to rounding.

Table 2.1 (cont.)

OPERATING REVENUE
General Government

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forward	Forward	Forward
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST grants	3,466	3,006	3,304	5,536	5,785	6,522
Commonwealth-funded 70% floor	814	1,547	2,115	-	-	-
North West Shelf grants	629	413	664	611	531	408
Commonwealth compensation for changed crude oil excise arrangements	21	17	27	24	21	16
National Specific Purpose Payment Agreement Grants						
Skills and Workforce Development	158	163	164	167	169	171
National Disability Services	176	1	-	-	-	-
National Housing and Homelessness Agreement	166	171	174	177	170	172
National Schools Reform Agreement - Quality Schools	829	925	1,021	1,122	1,200	1,251
National Health Reform Agreement	2,402	2,433	2,661	2,815	2,980	3,154
National Partnerships/Other Grants						
Health	365	365	280	111	106	87
Transport	88	188	95	101	94	159
Disability Services	62	4	140	143	816	30
Other	203	306	250	159	158	107
Total Current Grants and Subsidies	9,379	9,537	10,894	10,967	12,029	12,078
CAPITAL GRANTS						
National Partnerships/Other Grants						
Transport	621	1,038	1,438	1,875	1,579	717
Other	20	156	687	54	17	53
Total Capital Grants	642	1,195	2,125	1,929	1,595	771

Note: Columns may not add due to rounding.

Table 2.1 (cont.)

OPERATING REVENUE
General Government

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Forward	Forward	Forward
	\$m	\$m	Estimate	Estimate	Estimate	Estimate
SALES OF GOODS AND SERVICES						
WA Health	748	818	829	826	862	867
Department of Transport ^(b)	248	239	261	263	266	278
Department of Education	194	219	218	216	219	220
State Training Providers/TAFE Colleges	121	100	96	96	95	94
Department of Training and Workforce Development	29	23	20	35	38	38
Western Australian Land Information Authority	183	71	74	88	74	79
Department of Biodiversity, Conservation and Attractions	99	110	117	119	121	121
Department of Justice	153	143	158	162	167	171
Department of Mines, Industry Regulation and Safety	155	144	156	158	158	159
All Other	845	880	1,100	1,080	1,038	999
Total Sale of Goods and Services	2,776	2,745	3,028	3,043	3,039	3,024
INTEREST INCOME	124	96	97	84	80	76
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	392	1,360	587	1,415	1,495	1,502
Tax Equivalent Regime	732	942	700	788	841	830
Total Revenue from Public Corporations	1,123	2,302	1,287	2,203	2,336	2,332
ROYALTY INCOME	8,450	12,147	10,145	5,939	6,018	5,986
OTHER						
Lease rentals	115	133	115	115	115	115
Fines	192	204	204	205	206	207
Revenue not elsewhere counted	308	1,704	368	285	266	251
Total Other	614	2,041	688	605	587	573
TOTAL REVENUE	32,162	40,175	38,297	34,867	36,061	35,615

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

(b) The motor vehicle inspection fee and other driver and vehicle fees have been reclassified from taxation revenue to sales of goods and services on advice from the Australian Bureau of Statistics. Plate and transfer fees previously recorded under 'motor vehicle registrations' are now shown separately as 'other vehicle taxes'.

Note: Columns may not add due to rounding.

2020-21 General Government Operating Revenue

This appendix contains general government revenue estimates for the 2020-21 financial year, comparing the original 2020-21 Budget estimates, 2020-21 Mid-year Review, Pre-election Financial Projections Statement (PFPS), and the estimated outturn contained in this Budget.

The final, audited revenue outturn for 2020-21 will be available in the *2020-21 Annual Report on State Finances*, due for release by 28 September 2021.

Table 3.1

2020-21 OPERATING REVENUE
General Government

	2020-21 Budget Estimate \$m	2020-21 Mid-year Revision \$m	2020-21 PFPS Revision \$m	2020-21 Estimated Actual \$m
TAXATION				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	3,566	3,674	3,674	3,746
Property taxes				
<i>Land tax</i>	770	756	756	755
Transfer duty	1,121	1,423	1,614	1,860
Foreign Buyers surcharge	19	19	19	17
Landholder duty	119	119	119	222
<i>Total duty on transfers</i>	1,259	1,561	1,752	2,099
Metropolitan Region Improvement Tax	86	80	80	84
Perth Parking Levy	51	51	51	51
Emergency Services Levy	353	353	353	355
Loan guarantee fees	134	134	134	134
Building and Construction Industry Training Fund Levy	24	37	37	37
<i>Total other property taxes</i>	649	656	656	662
Taxes on provision of goods and services				
Lotteries Commission	146	160	160	188
Video lottery terminals	– ^(a)	– ^(a)	– ^(a)	–
Casino tax	41	41	41	52
Point of Consumption tax	84	102	102	114
<i>Total taxes on gambling</i>	272	303	303	353
Insurance duty	678	719	719	727
Other	20	20	20	20
<i>Total taxes on insurance</i>	697	738	738	747
<i>On-demand Transport Levy</i>	30	30	30	39
Taxes on use of goods and performance of activities				
Vehicle licence duty	380	426	459	514
Permits - oversize vehicles and loads	8	8	8	10
Motor vehicle registrations ^(b)	1,010	1,010	1,010	1,048
Other vehicle taxes ^(b)	26	26	26	26
<i>Total motor vehicle taxes</i>	1,424	1,471	1,503	1,598
<i>Mining Rehabilitation Levy</i>	32	35	35	35
<i>Landfill Levy</i>	83	83	83	79
Total Taxation	8,782	9,306	9,530	10,090

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

(b) The motor vehicle inspection fee and other driver and vehicle fees have been reclassified from taxation revenue to sales of goods and services on advice from the Australian Bureau of Statistics. Plate and transfer fees previously recorded under 'motor vehicle registrations' are now shown separately as 'other vehicle taxes'.

Note: Columns may not add due to rounding.

2020-21 OPERATING REVENUE
General Government

Table 3.1 (cont.)

	2020-21 Budget Estimate \$m	2020-21 Mid-year Revision \$m	2020-21 PFPS Revision \$m	2020-21 Estimated Actual \$m
CURRENT GRANTS AND SUBSIDIES				
<i>General Purpose Grants</i>				
GST grants	2,322	2,536	2,688	3,006
Commonwealth-funded 70% floor	1,547	1,547	1,547	1,547
North West Shelf grants	361	335	345	413
Commonwealth compensation for changed crude oil excise arrangements	14	13	14	17
<i>National Specific Purpose Payment Agreement Grants</i>				
National Agreement for Skills and Workforce Development	159	161	161	163
National Disability Services	-	1	1	1
National Affordable Housing	168	168	170	171
<i>National Schools Reform Agreement - Quality Schools</i>				
	918	920	923	925
<i>National Health Reform</i>				
	2,521	2,521	2,521	2,433
<i>Other Grants/National Partnerships</i>				
Health	187	313	313	365
Transport	207	206	206	188
Disability Services	30	30	30	4
Other	428	449	531	306
Total Current Grants and Subsidies	8,861	9,200	9,451	9,537
CAPITAL GRANTS				
<i>Other Grants/National Partnerships</i>				
Transport	985	1,114	1,114	1,038
Other	41	50	82	156
Total Capital Grants	1,026	1,164	1,195	1,195

Note: Columns may not add due to rounding.

Table 3.1 (cont.)

2020-21 OPERATING REVENUE
General Government

	2020-21 Budget Estimate \$m	2020-21 Mid-year Revision \$m	2020-21 PFPS Revision \$m	2020-21 Estimated Actual \$m
SALES OF GOODS AND SERVICES				
WA Health	779	783	823	818
Department of Transport ^(b)	240	239	239	262
Department of Education	214	217	217	219
State Training Providers/TAFE Colleges	71	80	98	100
Department of Training and Workforce Development	20	20	20	23
Western Australian Land Information Authority	75	75	75	71
Department of Biodiversity, Conservation and Attractions	99	101	101	110
Department of Justice	155	155	143	143
Department of Mines, Industry Regulation and Safety	146	141	141	144
All Other	1,008	976	936	880
Total Sale of Goods and Services	2,806	2,786	2,792	2,769
INTEREST INCOME	100	100	100	96
REVENUE FROM PUBLIC CORPORATIONS				
Dividends	2,776	2,860	1,362	1,360
Tax Equivalent Regime	902	861	861	942
Total Revenue from Public Corporations	3,678	3,721	2,223	2,302
ROYALTY INCOME	8,287	8,660	10,734	12,147
OTHER				
Lease rentals	116	119	119	133
Fines	194	194	194	204
Revenue not elsewhere counted	291	285	285	1,704
Total Other	601	597	598	2,041
TOTAL REVENUE	34,139	35,533	36,622	40,175

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

(b) The motor vehicle inspection fee and other driver and vehicle fees have been reclassified from taxation revenue to sales of goods and services on advice from the Australian Bureau of Statistics. Plate and transfer fees previously recorded under 'motor vehicle registrations' are now shown separately as 'other vehicle taxes'.

Note: Columns may not add due to rounding.

The Consolidated Account and the Treasurer's Advance

The Consolidated Account

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

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

In cash terms, the Consolidated Account is forecast to be in a \$3.7 billion deficit position at 30 June 2022, a \$1.2 billion increase on the \$2.5 billion cash deficit balance at 30 June 2021.

State borrowings held by the Consolidated Account totalled \$25.6 billion at 30 June 2021, and are projected to decline by \$0.6 billion over the four years to 30 June 2025, to \$25 billion. This remains below the \$34.5 billion cumulative limit approved by the *Loan Act 2017* and preceding Loan Acts¹.

¹ The *Loan Act 2017* received Royal Assent on 3 July 2017 and increased the cumulative loan limit under preceding Loan Acts from \$23.5 billion to \$34.5 billion. Consolidated Account borrowings cannot exceed the cumulative limit of these Loan Acts.

Table 4.1

CONSOLIDATED ACCOUNT TRANSACTIONS (a)

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimated	Forward	Forward	Forward	Forward
	\$m	\$m	Estimate	Estimate	Estimate	Estimate
REVENUE						
<i>Operating Activities</i>						
Taxation	6,971	7,905	7,965	7,958	8,165	8,478
Commonwealth Grants	4,991	5,165	7,381	6,965	7,653	7,156
Government Enterprises	2,494	2,334	1,398	2,168	2,320	2,374
Revenue from other agencies	9,960	12,029	14,088	7,451	7,583	7,635
Other	716	545	542	505	491	479
<i>Total Operating Activities</i>	25,131	27,979	31,373	25,047	26,212	26,123
<i>Financing Activities</i>						
Repayments of Recoverable Advances	7	-	-	-	-	-
Transfers from the Debt Reduction Account	-	1,547	2,115	-	-	-
Borrowings	777	150	-	-	-	-
Other Receipts	8	7	1	1	1	1
<i>Total Financing Activities</i>	793	1,704	2,116	1	1	1
TOTAL REVENUE	25,924	29,683	33,489	25,048	26,212	26,123
EXPENDITURE						
<i>Recurrent</i>						
Authorised by Other Statutes	2,594	2,491	2,542	2,348	2,379	2,500
Appropriation Act (No. 1)	20,019	22,536	23,809	22,319	22,336	22,764
Recurrent Expenditure under the Treasurer's Advance	795	870	-	-	-	-
<i>Total Recurrent Expenditure</i>	23,409	25,898	26,351	24,667	24,715	25,264
<i>Investing Activities</i>						
Authorised by Other Statutes	259	358	291	404	440	404
Appropriation Act (No. 2)	1,913	2,311	6,659	3,476	3,049	2,115
Investing Expenditure under the Treasurer's Advance	23	109	-	-	-	-
<i>Total Investing Activities</i>	2,194	2,778	6,950	3,880	3,489	2,519
<i>Financing Activities</i>						
Loan repayments	1,318	-	587	-	2	18
Appropriation Act (No. 2)	-	1,547	2,115	-	-	-
Other financing	7	6	-	-	-	-
<i>Total Financing Activities</i>	1,324	1,553	2,703	-	2	18
TOTAL EXPENDITURE	26,927	30,229	36,004	28,547	28,205	27,802
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-1,003	-546	-2,515	-3,499	-1,993	-1,678
Consolidated Account Balance						
Opening balance at 1 July	-16,630	-17,634	-18,180	-20,694	-24,194	-26,187
Closing balance at 30 June	-17,634	-18,180	-20,694	-24,194	-26,187	-27,865
<i>Of which:</i>						
Appropriations payable	-14,342	-15,667	-17,011	-18,307	-19,661	-21,029
Cash balance at 30 June	-3,292	-2,512	-3,683	-5,887	-6,526	-6,836

(a) Outcomes for 2020-21 for the Consolidated Account shown in this table are close to final (but remain subject to audit review at the time of finalising the Budget). These data may vary from estimated outcome information detailed in Budget Paper No. 2 which includes agency information submitted before final outcomes were available.

Note: Columns may not add due to rounding.

The Treasurer's Advance

Under the *Financial Management Act 2006* (FMA), the Treasurer's Advance provides the Treasurer with authorisation to make short-term recoverable advances to agencies for the temporary financing of works and services. In addition, new or supplementary funding can be provided during the year for extraordinary or unforeseen matters (also known as 'excesses and new items'), up to an approved limit.

The authorised limit for the Treasurer's Advance in 2021-22 is \$820.5 million². Due to the later than usual passage of this Budget, there are currently no excesses or new items forecast to impact the Treasurer's Advance in 2021-22. An allowance of \$20 million is included for net recoverable advances that are charged to the Treasurer's Advance.

The following table summarises the Treasurer's Advance for the year ending 30 June 2021.

TREASURER'S ADVANCE AS AT 30 JUNE			Table 4.2
	2020-21 Actual ^(a) \$m	2021-22 Projection \$m	
AUTHORISED LIMIT	1,438.8	820.5	
<i>Total Drawn Against Treasurer's Advance Account</i>	989.3	20.0	
Comprising:			
Net recoverable advances	9.7	20.0	
Overdraw n Special Purpose Accounts	-	-	
Excesses and new items			
- recurrent	870.2	-	
- capital	109.3	-	

(a) A total of \$1,438.8 million was authorised for 2020-21. The original \$688.8 million authority was increased by \$750 million through the passage of the *Treasurer's Advance Authorisation Act 2021*.

Note: Columns may not add due to rounding.

Transfers, Excesses and New Items

Table 4.3 details excesses and/or new items during 2020-21 and the impact of these on the Treasurer's Advance under the authority of section 27 of the FMA.

Section 25 of the FMA allows appropriations originally allocated in the 2020-21 Budget to be transferred to other agencies for the provision of an appropriation-funded service that is now to be delivered by the other agency. These transfers have no impact on the Treasurer's Advance.

² Section 29 of the FMA authorises the Treasurer's Advance limit to be equivalent to 3% of the total amount appropriated for the previous year by the Appropriation Acts. For 2021-22, the \$820.5 million limit represents 3% of the total \$27 billion appropriated by Appropriation Bills 1 and 2 in the 2020-21 Budget.

2021–22 Economic and Fiscal Outlook

Appropriation transfers approved since the presentation of the 2020-21 Budget include:

- \$60 million provisioned in Treasury transferred to the Department of the Premier and Cabinet for the first cash payment to the Noongar Boodja Trust, as part of the resolution of the South West Native Title Settlement;
- \$22.2 million from the provision for the Voluntary Targeted Separation Scheme (administered by Treasury) to the Department of Communities for separations associated with the State's ongoing transition to the Commonwealth-run National Disability Insurance Scheme and the impact of ongoing Machinery of Government changes;
- \$1.4 million from the Commissioner for Equal Opportunity for the transition of the Commission from a stand-alone agency to be part of the Department of Justice from 1 December 2020; and
- \$0.1 million from WA Health to the Health and Disability Services Complaints Office, for the employment of additional staff to manage complaints relating to the implementation of the voluntary assisted dying legislation passed by Parliament during the last Parliamentary term.

2020-21 TRANSFERS, EXCESSES AND NEW ITEMS (a)

Table 4.3

	Treasurer's Advance					Drawn against Treasurer's Advance \$m
	Budget \$m	Transfers ^(b) \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
Recurrent Appropriations						
<i>Premier and Cabinet</i>						
Item 5: Delivery of Services	148.4	-	-	26.8	175.2	26.8
Item 6: Amount provided for Administered Grants, Subsidies and Other Transfer Payments	12.9	60.0	-	-	72.9	-
<i>Governor's Establishment</i>						
Item 8: Delivery of Services	2.1	-	-	0.2	2.3	0.2
<i>Western Australian Electoral Commission</i>						
Item 9: Delivery of Services	25.4	-	-	5.0	30.4	5.0
<i>Commissioner for Equal Opportunity</i>						
Item 11: Delivery of Services	2.9	-1.4	-	-	1.5	-
<i>Treasury</i>						
Item 16: Bunbury Water Corporation	0.7	-	-	0.1	0.8	0.1
Item 22: Regional Power Corporation (Horizon Power)	40.2	-	-	6.9	47.1	6.9
Item 24: Water Corporation of Western Australia	216.9	-	-	1.7	218.6	1.7
Item 31: Resolution of Native Title in the South West of Western Australia (Settlement)	60.0	-60.0	-	-	-	-
Item 34: Provision for Voluntary Targeted Separation Scheme	25.6	-22.2	-	-	3.4	-
Item 35: Refund of Past Years Revenue Collections - Public Corporations	10.0	-	-	5.0	15.0	5.0
<i>Finance</i>						
Item 42: Amount provided for Administered Grants, Subsidies and Other Transfer Payments	524.4	-	-	56.0	580.4	7.4
<i>Jobs, Tourism, Science and Innovation</i>						
Item 43: Delivery of Services	236.3	-	-	104.6	340.9	104.6
Item 44: Amount provided for Administered Grants, Subsidies and Other Transfer Payments	23.0	-	-	0.5	23.5	0.5
<i>Primary Industries and Regional Development</i>						
Item 45: Delivery of Services	218.8	-	-	33.4	252.2	9.0
<i>Mines, Industry Regulation and Safety</i>						
Item 47: Delivery of Services	143.0	-	-	16.3	159.2	16.3
Item 48: Amount provided for Administered Grants, Subsidies and Other Transfer Payments	112.7	-	-	21.8	134.5	21.8
<i>Infrastructure WA</i>						
Item 53: Delivery of Services	4.7	-	-	0.1	4.8	0.1
<i>WA Health</i>						
Item 54: Delivery of Services	5,183.1	-0.1	-	377.6	5,560.6	281.9
<i>Health and Disability Services Complaints Office</i>						
Item 59: Delivery of Services	2.6	0.1	-	-	2.6	-
<i>Education</i>						
Item 60: Delivery of Services	4,255.5	-	-	48.2	4,303.7	48.2
Item 61: Amount provided for Administered Grants, Subsidies and Other Transfer Payments	450.0	-	-	10.8	460.8	10.8

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

Table 4.3 (cont.)

2020-21 TRANSFERS, EXCESSES AND NEW ITEMS (a)

	Treasurer's Advance					Draw n against Treasurer's Advance \$m
	Budget \$m	Transfers ^(b) \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	
<i>Western Australia Police Force</i>						
Item 63: Delivery of Services	1,417.6	-	-	49.6	1,467.2	49.6
<i>Justice</i>						
Item 64: Delivery of Services	1,305.7	1.4	-	62.6	1,369.6	62.6
<i>Fire and Emergency Services</i>						
Item 65: Delivery of Services	67.5	-	-	26.7	94.3	26.7
<i>Office of the Director of Public Prosecutions</i>						
Item 67: Delivery of Services	39.4	-	-	0.5	39.9	0.1
<i>Communities</i>						
Item 72: Delivery of Services	1,830.4	22.2	-	14.7	1,867.3	14.3
<i>Local Government, Sport and Cultural Industries</i>						
Item 73: Delivery of Services	151.6	-	-	125.5	277.1	125.5
Item 74: Amount provided for Administered Grants, Subsidies and Other Transfer Payments	35.8	-	-	28.7	64.5	28.7
Item 78: Perth Theatre Trust	12.7	-	-	- ^(c)	12.8	- ^(c)
<i>Transport</i>						
Item 81: Delivery of Services	96.8	-	-	10.3	107.1	10.3
<i>Biodiversity, Conservation and Attractions</i>						
Item 85: Delivery of Services	265.6	-	-	6.2	271.8	6.2
Total Recurrent		-	-	1,039.7		870.2
Capital Appropriations						
<i>Western Australian Electoral Commission</i>						
Item 98 : Capital Appropriation	0.0	-	-	0.9	0.9	0.9
<i>Mines, Industry Regulation and Safety</i>						
Item 120 : Capital Appropriation	1.9	-	-	1.6	3.5	1.6
<i>WA Health</i>						
Item 123 : Capital Appropriation	238.9	-	-	11.8	250.7	11.8
<i>Justice</i>						
Item 129 : Capital Appropriation	68.4	-	-	11.7	80.1	11.7
<i>Fire and Emergency Services</i>						
Item 130 : Capital Appropriation	2.5	-	-	- ^(c)	2.5	- ^(c)
<i>Local Government, Sport and Cultural Industries</i>						
Item 137 : Art Gallery of Western Australia	0.2	-	-	1.5	1.7	1.5
<i>Western Australian Sports Centre Trust</i>						
Item 139 : Capital Appropriation	17.9	-	-	7.8	25.8	7.8
<i>Commissioner of Main Roads</i>						
Item 141 : Capital Appropriation	10.4	-	-	62.0	72.4	62.0
<i>Bunbury Water Corporation</i>						
New Item : Capital CSO Appropriation	-	-	11.9	-	11.9	11.9
Total Capital		-	11.9	97.4		109.3
TOTAL						979.5

(a) Outcomes for 2020-21 for the Treasurer's Advance shown in this table are close to final (but remain subject to audit review at the time of finalising the Budget). These data may vary from estimated outcome information detailed in Budget Paper No. 2 which includes agency information submitted before final outcomes were available.

(b) Authorised under section 25 of the FMA.

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

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

Special Purpose Accounts

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

This appendix contains information on key SPAs. It is not an exhaustive list of all SPAs, but covers major/material SPAs established to achieve priority policy outcomes. The forecast SPA balances (and transactions in and out of these accounts) form part of the overall consolidated projections for 2021-22 outlined elsewhere in this Budget.

Climate Action Fund

As part of the 2021-22 Budget, the Government has provisioned \$168 million for future climate action initiatives (\$118 million), and the development of a renewable hydrogen industry in Western Australia (\$50 million). Together with the Softwood Plantation Expansion Fund described later in this appendix, this Fund is part of a broader \$750 million investment in climate action initiatives (see feature box in Chapter 1).

Funds anticipated to be drawn in 2021-22 (\$2 million) reflect initial planning costs provisioned for the renewable hydrogen industry initiative. The remaining funds will be released to the relevant agencies upon approval of business cases considered as part of future Budgets.

TREASURER'S CLIMATE ACTION FUND

Table 5.1

	2020-21 \$m	2021-22 \$m
<i>Balance at 1 July</i>	-	-
Receipts	-	168
Payments	-	2
Closing Balance	-	166

Note: Columns may not add due to rounding.

Debt Reduction Account

In line with the Government's election commitment for responsible financial management, a Debt Reduction Account was established in 2017-18 to apply windfall funds to reduce Consolidated Account borrowings.

A total of \$2.7 billion is expected to flow through the account in 2021-22, reflecting the GST floor grants for the financial year (\$2.1 billion) and a further \$587 million worth of dividends from the Insurance Commission of Western Australia (ICWA) and the Western Australian Treasury Corporation (WATC). As with 2020-21, the GST floor grants will be redirected back to the Consolidated Account to reduce the need for new borrowings that would otherwise be required in 2021-22. The ICWA and WATC dividends will be applied to debt repayment during 2021-22.

DEBT REDUCTION ACCOUNT			Table 5.2
	2020-21 \$m	2021-22 \$m	
<i>Balance at 1 July</i>	-	-	
Receipts	1,547	2,703	
Payments	1,547	2,703	
Closing Balance	-	-	

Note: Columns may not add due to rounding.

Digital Capability Fund

This account has been established as part of the 2021-22 Budget to upgrade ICT systems to improve government service delivery, enhance cyber security and mitigate operational risks.

Receipts of \$500 million are sourced from the better than expected operating surplus for 2020-21.

Payments approved as part of the 2021-22 Budget include:

- \$13.9 million to allow the Department of Mines, Industry Regulation and Safety to modernise and integrate existing standalone data and systems and expand system capability associated with mining approvals;
- \$10.6 million to the Department of Mines, Industry Regulation and Safety for the geoscience data transformation strategy;
- \$8.1 million to maintain critical police systems and databases and ICT infrastructure upgrades; and
- \$3.1 million for the Office of Digital Government to undertake administration of the Digital Capability Fund, including project assurance, monitoring, assessment and prioritisation of ICT projects.

A further \$200 million of the Fund has been set aside for future health sector ICT projects, subject to the approval of business cases.

DIGITAL CAPABILITY FUND ACCOUNT

Table 5.3

	2020-21 \$m	2021-22 \$m
<i>Balance at 1 July</i>	-	-
Receipts	-	500
Payments	-	36
Closing Balance	-	464

Note: Columns may not add due to rounding.

METRONET Account

This SPA was established in August 2017 to support the delivery of METRONET transport infrastructure projects. Forecast receipts for 2021-22 reflect State funding (\$317 million), Commonwealth funding (\$166 million), funding provided through other agencies (\$92 million from Main Roads and \$70 million from the Western Australian Planning Commission), proceeds from land sales (\$2 million) and interest earnings on the account balance (\$0.2 million).

The funds are to be drawn down as works progress. Forecast payments in 2021-22 (\$939 million) include those for the Morley-Ellenbrook Line, Thornlie-Cockburn Link, Yanchep Rail Extension, Railcar Acquisition, Bayswater Station, Lakelands Station and Denny Avenue Level Crossing Removal.

METRONET ACCOUNT

Table 5.4

	2020-21 \$m	2021-22 \$m
<i>Balance at 1 July</i>	527	448
Receipts	546	647
Payments	625	939
Closing Balance	448	156

Note: Columns may not add due to rounding.

METRONET Roads Account

This SPA was established in December 2018 to hold funds for METRONET road works, including road projects under development. Receipts in 2021-22 reflect funds transferred from Main Roads. Funds are to be drawn down as works progress. Forecast payments in 2021-22 (\$113 million) include those for Bayswater Station, Thornlie-Cockburn Link, Yanchep Rail Extension and Denny Avenue Level Crossing Removal.

METRONET ROADS ACCOUNT

Table 5.5

	2020-21	2021-22
	\$m	\$m
<i>Balance at 1 July</i>	72	106
Receipts	115	95
Payments	81	113
Closing Balance	106	88

Note: Columns may not add due to rounding.

Metropolitan Region Improvement Fund

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

Receipts in 2021-22 include MRIT collections (\$84 million), rent and interest income (\$10 million) and proceeds from the sale of land and buildings (\$50 million). Forecast payments in 2021-22 are for a contribution towards the acquisition and improvement of land for transport infrastructure (\$141 million), the acquisition of land and buildings (\$43 million), service delivery costs (\$29 million), and works in progress on a range of smaller infrastructure projects (\$3 million).

METROPOLITAN REGION IMPROVEMENT FUND

Table 5.6

	2020-21	2021-22
	\$m	\$m
<i>Balance at 1 July</i>	435	443
Receipts	133	145
Payments	125	216
Closing Balance	443	373

Note: Columns may not add due to rounding.

Mining Rehabilitation Fund

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

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

MINING REHABILITATION FUND

Table 5.7

	2020-21	2021-22
	\$m	\$m
<i>Balance at 1 July</i>	185	219
Receipts	36	35
Payments	2	4
Closing Balance	219	250

Note: Columns may not add due to rounding.

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

This account was established in December 2018 to meet the cost of payments associated with the State's participation in the National Redress Scheme, and for civil litigation claims by survivors of institutional child sexual abuse. Forecast payments in 2021-22 are to meet scheme payments, civil litigation claims and administration costs.

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

Table 5.8

	2020-21	2021-22
	\$m	\$m
<i>Balance at 1 July</i>	141	77
Receipts	-	-
Payments	64	49
Closing Balance	77	28

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

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

Funds drawn from the account are spent on the Central Area Transit (CAT) bus system, Free Transit Zone public transport services within central Perth, improving public transport access, enhancing the pedestrian environment, supporting bicycle access and for administration of the *Perth Parking Management Act 1999*.

The Account will fund the expansion of CAT bus services, including the new Purple CAT announced in this Budget, as well as significant investments in cycling and pedestrian infrastructure, such as the new Causeway Bridge.

PERTH PARKING LICENSING ACCOUNT			Table 5.9
	2020-21	2021-22	
	\$m	\$m	
<i>Balance at 1 July</i>	131	162	
Receipts	51	56	
Payments	20	57	
Closing Balance	162	161	

Note: Columns may not add due to rounding.

Road Trauma Trust Account

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

Drawdowns from the account in 2021-22 are mainly for:

- Main Roads' Regional Road Safety Improvements project (\$20 million);
- the Western Australia Police Force for Camera Operations and Infringements (\$17.4 million);
- continuation of the Impaired Driving Detection Program delivered by the Western Australia Police Force (\$9.3 million);
- the Road Safety Commission for policy, research and governance (\$9 million);
- the Community Education and Engagement program delivered by the Road Safety Commission (\$8.9 million); and
- the Road Safety Commission for the infringement management reform program (\$6.9 million).

ROAD TRAUMA TRUST ACCOUNT			Table 5.10
	2020-21	2021-22	
	\$m	\$m	
<i>Balance at 1 July</i>	54	35	
Receipts	99	100	
Payments	118	99	
Closing Balance	35	36	

Note: Columns may not add due to rounding.

Royalties for Regions Fund

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

Receipts reflect interest on Fund balances, the return of unused funds by agencies, and the statutory funding for the program based on 25% of forecast royalty income at the time of the 2021-22 Budget, adjusted for the \$1 billion legislated cap on the Fund balance. Payments from the Fund include transfers to agencies that deliver RfR projects supporting infrastructure, business, economic development and other regional activities.

Details of the RfR program and other regional spending are available in Chapter 7: *Investing in Regional Western Australia*.

ROYALTIES FOR REGIONS FUND			Table 5.11
	2020-21 \$m	2021-22 \$m	
<i>Balance at 1 July</i>	1,000	1,000	
Receipts	971	1,102	
Payments	971	1,102	
Closing Balance	1,000	1,000	

Note: Columns may not add due to rounding.

Royalties for Regions Regional Reform Fund

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

To date, \$100 million has been transferred to this SPA, with the next contribution of \$16 million expected to be made in 2021-22. Payments of \$48 million in 2021-22 will support the Kimberley Schools project, the North West Aboriginal Housing initiative, the Jalbi Jiya (Your Home) program, improvements to essential and municipal services in remote Aboriginal communities, and the East Kimberley and Hedland Transitional Housing projects.

ROYALTIES FOR REGIONS REGIONAL REFORM FUND			Table 5.12
	2020-21 \$m	2021-22 \$m	
<i>Balance at 1 July</i>	69	57	
Receipts	-	16	
Payments	12	48	
Closing Balance	57	25	

Note: Columns may not add due to rounding.

Social Housing Investment Fund

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

In 2021-22, \$128.8 million has been committed to the Government's Social Housing Strategy (see Chapter 5 for further details).

SOCIAL HOUSING INVESTMENT FUND			Table 5.13
	2020-21 \$m	2021-22 \$m	
<i>Balance at 1 July</i>	-	-	
Receipts	-	750	
Payments	-	129	
Closing Balance	-	621	

Note: Columns may not add due to rounding.

Softwood Plantation Expansion Fund

As part of the \$750 million Climate Action Fund described earlier in this appendix, this Fund (\$350 million) has been established as part of the 2021-22 Budget to expand the State's softwood plantation estate and support the Western Australian timber and construction industries for decades to come, offset millions of tonnes of carbon dioxide, and support the associated regional employment. Receipts paid into the Fund have been sourced from the better than expected operating surplus for 2020-21.

Total payments of \$11.3 million are expected in 2021-22, comprising:

- \$8.3 million for the acquisition of land; and
- \$3 million for costs of establishing softwood plantations.

SOFTWOOD PLANTATION EXPANSION FUND			Table 5.14
	2020-21 \$m	2021-22 \$m	
<i>Balance at 1 July</i>	-	-	
Receipts	-	350	
Payments	-	11	
Closing Balance	-	339	

Note: Columns may not add due to rounding.

Waste Avoidance and Resource Recovery Account

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

Table 5.15

WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT		
	2020-21	2021-22
	\$m	\$m
<i>Balance at 1 July</i>	40	29
Receipts	26	33
Payments	37	26
Closing Balance	29	36

Note: Columns may not add due to rounding.

Western Australian Future Health Research and Innovation Fund

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

Forecast receipts include 1% of the Budget-time forecast of royalty income (\$101.4 million) and interest earned on the account balance (\$32.4 million).

Table 5.16

WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH AND INNOVATION FUND		
	2020-21	2021-22
	\$m	\$m
<i>Balance at 1 July</i>	1,408	1,492
Receipts	118	134
Payments	34	32
Closing Balance	1,492	1,593

Note: Columns may not add due to rounding.

Payments from the Fund in 2021-22 (\$32 million) reflect the on-passing of the interest earnings to WA Health for medical and health research and innovation, and are held in the Western Australian Future Health Research and Innovation Account administered by the Minister for Health. Payments of \$37 million from the Account are forecast to be drawn for a range of medical and health research and innovation initiatives.

Table 5.17

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

	2020-21 \$m	2021-22 \$m
<i>Balance at 1 July</i>	-	15
Receipts	34	32
Payments	19	37
Closing Balance	15	11

Note: Columns may not add due to rounding.

Westport Account

This SPA is established as part of the 2021-22 Budget to support the Westport project. Forecast receipts for 2021-22 reflect State funding sourced from the higher than expected operating surplus for 2020-21 (\$400 million). The funds are to be drawn down upon approval of relevant business cases to support strategic land acquisition during the forward estimates period.

Table 5.18

WESTPORT ACCOUNT

	2020-21 \$m	2021-22 \$m
<i>Balance at 1 July</i>	-	-
Receipts	-	400
Payments	-	-
Closing Balance	-	400

Note: Columns may not add due to rounding.

Women and Newborn Health Service Relocation Account

This SPA has been established to support the construction of a new Women and Babies Hospital at the Queen Elizabeth II Medical Centre campus. Forecast receipts for 2021-22 reflect funding sourced from the better than expected operating surplus for 2020-21 (\$1,787 million).

Table 5.19

WOMEN AND NEWBORN HEALTH SERVICE RELOCATION ACCOUNT		
	2020-21 \$m	2021-22 \$m
<i>Balance at 1 July</i>	-	-
Receipts	-	1,787
Payments	-	-
Closing Balance	-	1,787

Note: Columns may not add due to rounding.

2021–22 Economic and Fiscal Outlook

State Government Social Concessions Expenditure Statement

Introduction

The State Government provides social concessions in the form of rebates, discounts and waivers for services, and subsidies to help reduce the cost of living for individuals and families in need.

This appendix reports the entire range of social concessions provided by State Government agencies. The information provided reflects actual expenditure on each social concession by agency in 2019-20, and estimated expenditure in 2020-21 and 2021-22.

The total value of State Government social concessions in 2021-22 is estimated at \$2.7 billion, including \$1.6 billion in operating subsidies for electricity, water, and public transport services¹.

General Notes on the Statement

For the purposes of this appendix, social concessions are defined as:

- discounts, rebates and waivers for services, and subsidies to improve access to, and affordability of, a range of services based on eligibility criteria related to factors such as age, income and special needs or disadvantage; and
- concessional prices for services provided by public non-financial corporations where the price charged to all consumers is less than the full cost of service provision, and grants paid to private and State training providers to subsidise the cost of training services.

The information in this appendix is compiled from information provided by relevant agencies.

¹ Operating subsidies for social concessions purposes form the vast bulk of operating subsidies reported in Table 8.6 in Appendix 8: *Public Corporations and Major Tariffs, Fees and Charges*.

2021–22 Economic and Fiscal Outlook

The method of estimating the value of concessions varies. In some cases, the estimate reflects the amount of a good or service consumed at the concessional price or fare and is the difference between the concession and the otherwise applicable price or fare. In others, such as those involving a fixed annual charge, the estimates reflect the rebate or subsidy paid.

The estimated number of recipients is recorded against each social concession. Where the number of unique recipients is not recorded, the number of occasions the concession has been accessed is used instead.

Table 6.1

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2019-20	2019-20	2020-21	2020-21	2021-22	2021-22
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	Actual	Actual	Estimate	Estimate
			\$'000	Recipients	\$'000	Recipients
BIODIVERSITY, CONSERVATION AND ATTRACTIONS						
Perth Zoo						
- Children Under Four – Free Entry ^(a)	3,420	103,641	4,899	148,453	4,876	143,404
- Children's Discount ^(a)	956	57,948	1,498	90,758	1,490	87,671
- Education Excursion Discount ^(a)	561	27,107	704	34,476	709	33,303
- Seniors and Concession Card Discounts ^(a)	298	42,504	398	56,852	384	54,918
- Carers – Free Entry ^(a)	124	3,766	194	5,888	200	5,688
National Parks						
- Day Entrance Fee Concessions ^(a)	550	44,307	629	49,471	681	53,547
- Annual Pass Concessions ^(a)	56	1,415	146	3,571	58	1,415
- RAC Concession Passes ^(a)	49	2,506	124	6,083	51	2,506
Camping Concessions ^(a)	511	70,155	752	103,359	511	70,155
Valley of the Giants Tree Top Walk Concession	68	13,677	59	11,822	68	13,677
Monkey Mia Park Entry Fee Concessions						
- Day Entry	44	10,402	44	9,631	54	12,000
- Monthly Entry	6	1,400	16	3,527	8	1,700
Geikie Gorge Boat Trip Concessions	20	1,467	27	1,960	22	1,600
Penguin Island Concessions	10	7,584	8	5,924	12	9,000
Rottneet Island						
- Train/Bus/Bike Concessions	8	1,884	11	1,661	10	1,623
- Tour Concessions	5	2,746	2	1,030	4	2,206
Leeuwin-Naturaliste National Park – Cave Concessions						
	4	612	3	544	5	830
Yanchep National Park – Cave Concessions						
	2	654	3	745	4	1,000
Barna Mia Dryandra Woodland Tour Fee Concessions						
	3	585	4	742	3	600
Sub Total	6,695		9,521		9,150	
BUNBURY WATER CORPORATION						
Pensioners and Seniors Consumption Rebate ^(b)						
	460	3,772	468	3,837	473	3,886
Pensioners and Seniors Supply Charge Rebate ^(b)						
	315	3,334	321	3,393	325	3,435
Ex-Gratia Water (Leak) Allowance	119	183	223	213	250	215
Sub Total	894		1,011		1,048	
BUSSELTON WATER CORPORATION						
Pensioners and Seniors Consumption Rebate ^(b)						
	343	2,982	304	3,048	320	3,115
Pensioners and Seniors Supply Charge Rebate ^(b)						
	293	3,646	354	3,683	375	3,720
Ex-Gratia Water (Leak) Allowance	58	83	41	61	48	70
Sub Total	694		699		743	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2019-20	2019-20	2020-21	2020-21	2021-22	2021-22
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	\$'000	Recipients	Estimate	Estimate
					\$'000	Recipients
COMMUNITIES						
Rental Subsidy	220,504	29,179	215,209	28,723	217,084	28,764
Seniors Cost of Living Rebate	24,230	310,228	24,765	310,150	27,456	335,000
Bond Assistance Loan Scheme – Interest Foregone ^(a)	290	22,076	194	15,109	225	17,500
Centenarian Initiative	178	17	94	12	94	11
Homes for Carers – Placement Support Subsidy	82	12	4	2	38	5
Cash Assistance Grants	1	1	-	-	5	2
Rental Sales Scheme Subsidy	18	10	6	2	3	1
Sub Total	245,303		240,272		244,905	
EDUCATION						
Secondary Assistance Scheme						
- Education Program Allowance	6,858	30,360	8,082	33,304	8,249	35,119
- Clothing Allowance	3,491	30,360	3,830	33,304	4,039	35,119
- Abstudy Supplement	30	378	32	403	32	411
Boarding Away from Home Allowance						
- Isolated Children and Students in Respite	2,423	1,376	2,133	1,338	1,943	1,348
- Agriculture College – Special Subsidy	495	285	437	286	387	280
- Gifted and Talented Program	42	25	47	31	39	29
Sub Total	13,340		14,560		14,689	
FINANCE						
Seniors (25%) and Pensioners (50%) Rebates						
- Local Government Rates	102,232	230,662	105,537	241,533	113,184	243,224
- Emergency Services Levy	21,901	228,014	20,661	240,723	22,158	242,408
Energy Subsidies						
- Thermoregulatory Dysfunction	1,972	2,729	1,868	2,587	1,916	2,610
- Life Support Equipment	1,285	1,604	1,224	1,538	1,256	1,550
Energy Concession Extension Scheme ^(a)	3,305	5,153	2,223	6,598	2,185	6,650
Sub Total	130,695		131,513		140,699	
GOLD CORPORATION						
Perth Mint Admission Concessions ^(a)	17	8,332	5	2,255	17	8,374
Sub Total	17		5		17	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2019-20	2019-20	2020-21	2020-21	2021-22	2021-22
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	Actual	Actual	Estimate	Estimate
			\$'000	Recipients	\$'000	Recipients
HEALTH						
Ambulance Services for Seniors	50,007	147,510	52,323	153,891	58,675	156,045
Patient Assisted Travel Scheme						
- WA Country Health Service	31,010	35,779	33,107	33,895	33,687	34,258
- Peel Health Service	14	44	11	33	14	40
Subsidised Dental Care						
- Dental Health Services	22,346	57,504	23,799	51,705	23,100	59,700
- Oral Health Centre of WA	14,164	10,706	14,540	14,390	15,526	14,390
Dental Subsidy Schemes						
- Country Patients	3,928	13,818	5,392	16,399	4,700	15,200
- Metropolitan Patients	1,026	3,297	773	2,352	900	2,900
Spectacle Subsidy Scheme	2,428	45,214	2,662	48,981	2,741	50,540
Child and Adolescent Health Service						
- Concession Parking	308	19,663	416	20,503	436	21,528
- Patient Cabcharge	47	500	56	491	64	554
- Patient Meal Vouchers	76	2,665	59	2,002	61	2,088
- Patient Pre-loaded SmartRiders	4	308	3	268	3	281
Home Haemodialysis Subsidy	54	86	59	95	61	96
Regional Access Support Scheme – Voluntary Assisted Dying ^(c)	-	-	-	-	30	15
Sub Total	125,412		133,200		139,998	
HORIZON POWER						
Tariff Adjustment Payment ^(b)	5,926	42,559	7,268	39,952	2,709	39,216
Energy Assistance Payment ^(b)	1,831	8,731	2,133	7,331	2,110	7,192
- Energy Assistance Payment Boost ^{(b)(d)}	1,766	5,785	519	1,700	-	-
Air Conditioning Rebate – Electricity ^(b)	1,059	3,294	1,265	3,335	1,161	3,268
Dependent Child Rebate ^(b)	843	3,290	1,006	2,383	973	2,343
Power for Remote Water and Waste Water Services ^(b)	2,399	43	884	43	770	43
Tariff Migration (Caravan Park Subsidy) ^(b)	92	9	156	9	96	9
Feed-In Tariff ^{(b)(e)}	888	533	759	533	84	533
Aboriginal and Remote Communities Project – Subsidy						
- Stage 1 ^{(b)(f)}	5,657	750	1,423	728	-	-
- Stage 2 ^{(b)(f)}	2,304	245	758	226	-	-
Sub Total	22,765		16,171		7,903	
INSURANCE COMMISSION OF WESTERN AUSTRALIA						
Farm Vehicles – 50% Insurance Premium Rebate	1,263	7,444	1,301	7,666	1,365	7,808
Voluntary Emergency Vehicles	146	876	150	902	158	919
Sub Total	1,409		1,451		1,523	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2019-20	2019-20	2020-21	2020-21	2021-22	2021-22
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	Actual	Actual	Estimate	Estimate
			\$'000	Recipients	\$'000	Recipients
JUSTICE						
Legal Aid Concessions	51,521	125,493	51,280	122,353	51,280	154,381
Court and Tribunal Concessions	4,035	14,933	4,827	16,395	5,059	16,510
Public Trustee Concessions	267	1,136	219	899	195	800
Registry of Births, Deaths and Marriages	18	369	7	134	28	521
Sub Total	55,841		56,333		56,563	
KEYSTART HOUSING SCHEME TRUST						
Hardship Program ^{(a)(b)(g)}	n/a	4,280	n/a	2,275	n/a	1,710
Sub Total	n/a		n/a		n/a	
LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES						
KidSport Financial Assistance Vouchers	2,382	17,299	4,315	31,204	6,000	45,000
Museum Concessions	460	50,976	307	43,967	587	97,913
Perth Theatre Trust Concessions	233	12,809	100	6,586	132	8,890
Recreation Camp Fee Concessions	26	413	37	510	38	530
Sub Total	3,101		4,759		6,757	
MINES, INDUSTRY REGULATION AND SAFETY						
Building Commission – Complaint Fee Concessions	3	57	7	120	5	86
Sub Total	3		7		5	
NATIONAL TRUST OF AUSTRALIA (WA)						
Concession for Property Visitation ^(a)	9	3,135	7	2,216	7	2,325
Children's Discount for Property Visitation ^(a)	1	207	2	476	2	498
Sub Total	10		9		9	
PLANNING, LANDS AND HERITAGE						
Fremantle Prison Entry Concessions	476	45,174	467	39,027	490	45,246
Pension Protection Plan Fees and Charges <i>(Rebates & Deferrals Act 1992)</i>	3	1	3	1	3	1
Sub Total	479		470		493	
PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT						
Recreational Fishing Licence Fee Concessions						
- Fishing from a Boat	663	33,123	690	34,884	697	35,050
- Rock Lobster	302	12,097	325	13,018	327	13,070
- Net Fishing	113	4,505	122	4,880	123	4,910
- Abalone	72	2,899	82	3,268	84	3,340
- Marron	64	2,563	70	2,816	71	2,850
- South West Freshwater Angling	52	2,074	61	2,435	61	2,450
Sub Total	1,266		1,350		1,363	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2019-20	2019-20	2020-21	2020-21	2021-22	2021-22
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	Actual	Actual	Estimate	Estimate
			\$'000	Recipients	\$'000	Recipients
PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA						
Transperth						
- General Fare Subsidy ^(b)	623,235	69,333,399	738,944	60,635,906	785,197	75,003,818
- Concession Fares ^(b)	63,862	29,426,443	60,215	27,520,206	59,633	31,910,268
- Free Transit Zone ^(b)	15,412	10,898,029	15,293	9,137,342	17,752	9,864,748
- Pensioners, Seniors and Carers Free Travel ^(b)	17,298	4,890,139	15,954	4,532,129	17,089	5,108,386
- Perth Stadium Special Events ^{(a)(b)}	5,774	1,311,206	19,269	1,296,332	7,531	2,497,304
Regional Town Bus Services						
- General Fare Subsidy ^(b)	12,100	1,945,959	13,041	2,003,149	12,778	2,017,271
- Concession Fares ^(b)	3,733	1,719,629	3,869	1,772,357	3,912	1,819,089
- Pensioners, Seniors and Carers Free Travel ^(b)	536	169,663	467	176,493	452	145,231
Regional School Bus Services						
- General Fare Subsidy ^(b)	131,198	25,879	129,627	25,878	127,533	26,007
- Student Conveyance Allowance ^(b)	2,013	4,358	2,033	3,909	2,068	3,929
Transwa						
- General Fare Subsidy ^(b)	32,100	220,566	35,189	217,203	31,990	179,767
- Concession Fares ^(b)	3,122	144,513	3,195	147,478	3,947	181,964
- Annual Free Trip for Regional Pensioners ^(b)	1,838	19,549	753	20,071	925	24,749
Sub Total	912,221		1,037,848		1,070,807	
SYNERGY						
Energy Assistance Payment ^(b)	73,723	311,753	74,091	313,312	75,916	315,505
- Energy Assistance Payment Boost ^{(b)(d)}	77,538	289,547	7,440	27,783	-	-
Feed-In Tariff ^{(b)(h)}	48,455	67,745	33,071	54,123	-	-
Dependent Child Rebate ^(b)	20,241	73,058	20,342	73,423	20,843	73,937
Customer De-energisation ^(b)	2,467	46,459	2,354	46,691	2,082	47,018
Customer Re-energisation ^(b)	2,476	36,030	1,571	36,210	1,360	36,464
Paper Bill Fee Waiver ^(b)	1,742	263,482	1,751	264,799	1,763	266,653
Over the Counter Fee Waiver ^(b)	1,266	120,337	1,272	120,939	1,281	121,785
Account Establishment Fee Rebate ^(b)	958	29,371	1,218	29,518	1,068	29,724
Late Payment Waiver ^(b)	526	67,620	613	67,958	617	68,434
Air Conditioning Rebate – Electricity ^(b)	54	326	54	328	56	330
Sub Total	229,447		143,778		104,986	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2019-20	2019-20	2020-21	2020-21	2021-22	2021-22
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	Actual	Actual	Estimate	Estimate
			\$'000	Recipients	\$'000	Recipients
TRAINING AND WORKFORCE DEVELOPMENT						
Tuition Fees – Vocational Education and Training Courses						
- General Subsidy ⁽ⁱ⁾	264,628	58,942	254,640	54,818	378,408	72,801
- Concession Card Holders (70% Course Fee Discount) ⁽ⁱ⁾	9,384	14,330	6,806	13,680	8,390	18,200
- Severe Financial Hardship (100% Course Fee Waiver) ⁽ⁱ⁾	2,961	2,526	1,792	2,245	1,615	2,388
South West Bus Service – Fare Concessions	218	92	176	80	170	70
Fee Relief for Displaced Apprentices and Trainees ⁽ⁱ⁾	-	-	2	4,770	-	-
Sub Total	277,191		263,416		388,583	
TRANSPORT						
Light Vehicle Licence Fee Concessions						
- Seniors (50% Discount)	32,358	206,155	33,188	211,444	34,752	217,800
- Pensioners (100% Discount)	12,136	38,659	12,250	39,022	12,676	39,723
Travel Subsidy Schemes						
- Permanently Disabled – Taxi Subsidy	12,787	14,063	12,528	12,808	10,785	14,000
- Remote Boarding Students	1,157	1,524	973	1,520	1,241	1,521
- Seniors – Annual Free Trip South	793	928	598	792	1,077	930
- Seniors – Inter town Bus Services	249	10,649	209	8,689	350	10,500
- Seniors – Intra town Bus Services	86	34,067	73	27,677	162	34,000
Drivers Licence Fee Concessions						
- Pensioners (100% Discount)	3,927	89,150	3,995	90,698	3,550	80,588
- Seniors (50% Discount)	1,933	66,411	2,010	69,082	1,918	65,909
Perth Parking Licence Fee – Social Exemptions	1,044	1,005	1,039	1,000	1,065	1,007
Sub Total	66,470		66,864		67,576	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2019-20	2019-20	2020-21	2020-21	2021-22	2021-22
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	Actual	Actual	Estimate	Estimate
			\$'000	Recipients	\$'000	Recipients
WATER CORPORATION						
Country Customer Equity Policies						
- Country Water Pricing Subsidy ^(b)	260,578	234,880	290,389	235,784	302,423	236,619
- Drainage Charge Exemption ^{(b)(k)}	23,170	n/a	24,210	n/a	24,108	n/a
Service Charge Rebates						
- Pensioner or State Concession Card Holders (up to 50%) ^(b)	59,893	149,749	66,655	151,356	65,507	153,069
- Dual Commonwealth Seniors Health Card and WA Seniors Card Holders (up to 50%) ^(b)	8,957	20,695	9,377	20,917	9,736	21,154
- WA Seniors Card Holders (up to 25%) ^(b)	4,366	61,389	4,737	62,048	4,686	62,750
- Rebates for Retirement Properties (up to 25%) ^(b)	4	45	5	45	4	46
Pensioners Consumption Concessions ^(b)	23,384	189,180	24,842	191,210	25,280	193,374
Ex-Gratia Water (Leak) Allowance ^(b)	14,374	17,008	14,374	17,008	14,626	17,008
Pensioners Rate Deferral Policy – Interest Costs ^(b)	436	20,700	246	20,922	246	21,159
Medical Assist ^{(b)(l)}	54	136	59	136	60	136
Sub Total	395,216		434,893		446,676	
WESTERN AUSTRALIAN SPORTS CENTRE TRUST – VENUESWEST						
Aquatic Centre Entry Concessions						
- Single-entry ^(a)	16	12,013	14	10,556	15	11,253
- Multi-entry (Aqua Card) ^(a)	16	1,031	13	844	20	1,211
Fitness Membership Concessions ^(a)	29	296	30	306	42	420
Sub Total	61		57		76	
Total	2,488,530		2,558,188		2,704,568	

- (a) This concession has been significantly affected by the COVID-19 pandemic, COVID-19 restrictions and related initiatives.
- (b) Operating subsidies are reported in Appendix 8.
- (c) This is a new concession reported by the Service, following the introduction of voluntary assisted dying legislation in Western Australia. The Regional Access Support Scheme will provide support to regional patients living in rural or remote locations who do not have ready access to a local medical practitioner for assessments required under the *Voluntary Assisted Dying Act 2019*.
- (d) The Energy Assistance Payment Boost was a temporary concession in response to the COVID-19 pandemic, which ceased in 2020-21.
- (e) Horizon Power's Feed-in Tariff scheme concludes in early 2021-22.
- (f) The subsidy for electricity supply costs to remote Aboriginal communities ceased in 2020-21. Horizon Power now recovers this cost via the Tariff Equalisation Contribution.
- (g) A value for the Hardship Program concession cannot be identified as this program assists borrowers with reduced payments for up to six months with further extension subject to a case-by-case assessment. When the client comes out of the Hardship Program, they generally resume making normal repayments.
- (h) Synergy's Feed-in Tariff ceased in 2020-21.
- (i) Changes in the cost of concessions and number of recipients over the reporting period largely reflect the impacts of the Lower Fees, Local Skills initiative and election commitments to increase training delivery.
- (j) This was a temporary concession provided in response to COVID-19 in 2020-21.
- (k) The Water Corporation is reviewing its systems to determine current and potential beneficiaries of country drainage services provided free of charge.
- (l) This concession was previously reported as Haemodialysis Allowance. It now includes customers who qualify for the Continence Aids Payment Scheme.

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values.

2021–22 Economic and Fiscal Outlook

Asset Investment Program – Summary of Expenditure and Source of Funds

Overview

This appendix summarises asset investment expenditure by agencies within portfolio groups, and the sources of funds for the aggregate Asset Investment Program by year.

Table 7.1

ASSET INVESTMENT PROGRAM

	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m
PARLIAMENT					
Legislative Council	-	-	-	-	-
Legislative Assembly	-(a)	-	-	-	-
Parliamentary Services	1.0	1.5	1.5	1.5	1.5
Parliamentary Commissioner for Administrative Investigations	0.3	0.2	0.5	0.2	0.2
GOVERNMENT ADMINISTRATION					
Premier and Cabinet	0.1	3.6	0.3	0.3	0.3
Public Sector Commission	0.1	0.1	0.1	0.1	0.1
Governor's Establishment	0.7	2.9	0.4	0.1	0.1
Western Australian Electoral Commission	1.2	0.3	0.3	0.3	0.3
Salaries and Allowances Tribunal	-	-	-	-	-
Commissioner for Equal Opportunity	-(a)	-	-	-	-
Commissioner for Children and Young People	-	-	-	-	-
Office of the Information Commissioner	-(a)	-	-	-	-
WorkCover WA Authority	1.1	1.0	0.8	0.7	0.7
Registrar, Western Australian Industrial Relations Commission	0.2	0.2	0.2	0.2	0.2
FINANCIAL ADMINISTRATION					
Treasury	0.8	0.6	0.4	0.4	0.4
Western Australian Treasury Corporation	0.5	0.6	0.4	1.0	0.4
Office of the Auditor General	0.6	1.3	0.7	0.7	0.7
Finance	90.6	108.6	91.9	93.0	84.2
Insurance Commission of Western Australia	4.0	4.5	5.3	5.3	5.0
Gold Corporation	24.6	32.0	10.8	8.7	5.9
JOBS AND ECONOMIC DEVELOPMENT					
Jobs, Tourism, Science and Innovation	3.4	1.0	3.0	3.0	3.0
Primary Industries and Regional Development	18.3	45.5	80.8	64.3	18.3
Mines, Industry Regulation and Safety	3.6	7.5	3.8	4.5	3.2
Western Australian Meat Industry Authority	0.5	0.5	0.5	0.5	0.5
Small Business Development Corporation	0.3	0.1	0.1	0.1	0.1
Rural Business Development Corporation	-	-	-	-	-
Economic Regulation Authority	0.1	-	-	-	-
Energy Policy WA	0.2	0.3	-	-	-
Infrastructure WA	-	-	-	-	-
Forest Products Commission	-(a)	8.6	32.2	28.4	27.9
Racing and Wagering Western Australia	18.3	11.6	10.8	9.4	10.0
Western Australian Greyhound Racing Association	0.2	0.3	0.3	0.3	0.3
Burswood Park Board	0.3	5.0	0.6	0.3	0.3
HEALTH					
WA Health	247.2	410.5	438.2	212.9	197.0
Mental Health Commission	1.6	12.2	22.1	17.3	-
Health and Disability Services Complaints Office	0.1	-	-	-	-
Animal Resources Authority	0.1	0.2	0.2	0.2	0.2

ASSET INVESTMENT PROGRAM

Table 7.1 (cont.)

	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m
EDUCATION AND TRAINING					
Education	369.9	449.5	517.6	415.7	293.3
Training and Workforce Development	33.8	62.3	75.5	69.1	49.0
TAFE Colleges	8.2	10.7	9.7	9.2	7.2
Building and Construction Industry Training Board	-	-	-	-	-
COMMUNITY SAFETY					
Western Australia Police Force	89.6	94.3	90.4	81.4	57.6
Justice	63.2	94.6	73.0	64.6	20.6
State Solicitor's Office	-	0.3	-	-	-
Legal Aid Commission of Western Australia	2.4	2.6	1.4	1.4	1.2
Fire and Emergency Services	46.6	55.7	36.7	30.7	37.6
Office of the Director of Public Prosecutions	0.3	2.4	0.4	0.4	0.5
Corruption and Crime Commission	1.3	1.3	1.3	1.3	1.3
Chemistry Centre (WA)	2.5	2.5	2.5	2.5	2.5
Office of the Inspector of Custodial Services	-	-	-	-	-
Parliamentary Inspector of the Corruption and Crime Commission	-	-	-	-	-
COMMUNITY SERVICES					
Communities	253.2	355.1	469.2	311.8	157.2
Keystart Housing Scheme Trust	0.6	2.6	1.1	1.2	1.2
Local Government, Sport and Cultural Industries	41.2	49.2	73.3	92.0	56.6
Western Australian Sports Centre Trust	21.8	65.7	29.7	20.4	17.6
Western Australian Institute of Sport	0.1	0.1	0.1	0.1	0.1
Combat Sports Commission	-	-	-	-	-
Lotteries Commission	2.1	6.3	2.9	6.9	12.7
Metropolitan Cemeteries Board	4.3	9.3	9.7	9.7	9.7
TRANSPORT					
Transport	31.5	48.2	38.0	38.4	41.3
Commissioner of Main Roads	1,448.8	1,587.7	1,874.8	1,745.4	1,107.5
Public Transport Authority of Western Australia	1,160.0	1,585.8	1,519.7	1,190.1	726.3
Fremantle Port Authority	13.9	75.1	88.3	63.9	52.3
Kimberley Ports Authority	4.3	2.7	2.1	2.1	2.1
Mid West Ports Authority	9.2	21.4	23.2	9.0	5.5
Pilbara Ports Authority	31.3	140.5	154.4	43.3	25.7
Southern Ports Authority	12.6	29.2	38.8	9.0	9.0
ENVIRONMENT					
Water and Environmental Regulation	11.5	30.0	25.3	19.2	13.9
Biodiversity, Conservation and Attractions	63.0	118.5	96.3	88.2	61.9

Table 7.1 (cont.)

ASSET INVESTMENT PROGRAM

	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m
PLANNING AND LAND USE					
Planning, Lands and Heritage	5.5	8.5	1.8	1.8	1.8
Western Australian Planning Commission	93.6	184.3	71.6	50.3	50.3
Western Australian Land Information Authority (Landgate)	6.8	12.7	6.7	7.0	7.0
DevelopmentWA	146.1	402.2	393.2	434.4	348.2
Heritage Council of Western Australia	-	-	-	-	-
National Trust of Australia (WA)	2.1	0.7	0.7	0.7	0.7
UTILITIES					
Synergy	85.0	194.6	109.9	45.1	35.3
Western Power	742.6	834.2	946.9	870.7	868.5
Horizon Power	95.3	151.9	53.2	45.8	46.2
Water Corporation	689.3	699.2	681.9	680.2	679.0
Bunbury Water Corporation	6.8	18.5	5.4	2.8	5.8
Busselton Water Corporation	2.4	3.8	4.4	4.6	4.7
PROVISIONS					
METRONET Projects Under Development	-	85.6	392.7	502.4	419.8
Provision for Digital Capability Fund	-	15.3	53.1	96.4	97.7
Provision for Social Housing Investment Fund	-	-	22.5	250.0	250.0
Provision for Westport Land Purchases	-	-	150.0	150.0	100.0
Provision for Slippage	-	-	-400.0	-	400.0
Inter-agency Purchases	-30.1	-155.3	-31.7	-56.0	-45.1
TOTAL	5,992.6	8,020.9	8,423.7	7,866.8	6,401.9
<i>Funded by:</i>					
APPROPRIATIONS					
Capital Appropriation ^(b)	1,879.1	2,011.0	2,698.5	2,308.7	1,640.8
OTHER FUNDING					
Holding Account	167.8	154.4	204.4	141.0	137.6
Agency Borrowings	1,105.1	1,051.0	1,106.6	1,192.1	964.7
Royalties for Regions	162.8	244.1	308.3	220.7	50.6
Commonwealth Grants	954.2	925.7	1,166.2	1,023.5	546.1
Land and Property Sales	278.4	409.7	431.0	322.4	147.4
Internal Funds and Balances	1,385.9	3,145.7	2,388.7	2,199.7	2,367.0
Special Purpose Accounts ^(c)	59.3	79.4	119.9	458.6	547.7
TOTAL	5,992.6	8,020.9	8,423.7	7,866.8	6,401.9

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

(b) Includes Commonwealth contributions to projects undertaken by agencies such as the Public Transport Authority and WA Health, which are paid to the agencies as capital appropriations. Includes METRONET and related projects.

(c) Funding held at the Department of Treasury for projects funded from Special Purpose Accounts and/or subject to business cases.

Note: Columns may not add due to rounding.

Public Corporations and Major Tariffs, Fees and Charges

Public Corporations

Corporatised public enterprises (also known as Government Trading Enterprises or GTEs) are generally liable for income tax equivalent and dividend payments to the State. A number of public corporations are also liable for local government rate equivalent payments. These payments are levied by the State to ensure competitive neutrality (i.e. a level playing field) between public and private sector business activities.

The Government also has a role in setting household tariffs, fees and charges to ensure an appropriate balance between cost recovery and impacts on households. Where the cost of providing a service is not fully recovered from customers, some public corporations receive operating subsidies. Some of these operating subsidies reflect lower than cost-reflective tariffs, fees and charges that benefit all households, while others are only targeted at particular groups such as pensioners, seniors or consumers in regional areas.

The general government sector is expected to pay a net \$1.5 billion to public corporations in 2021-22 (see following table). That is, subsidy payments to public corporations (around \$2.8 billion) are expected to exceed tax equivalent and dividend revenue received from these corporations (around \$1.3 billion). This is a \$523 million increase on the estimated \$946 million net amount paid by the general government sector in 2020-21, primarily driven by most GTEs retaining their 2021-22 dividends (totalling approximately \$2.4 billion) for future infrastructure investment.

Table 8.1

PUBLIC CORPORATIONS
Revenue to and Expenses from the General Government Sector ^(a)

	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m
Electricity Corporations		
Dividends, Tax Equivalents, and Local Government Rate Equivalents		
Horizon Power	7.8	2.9
Synergy	0.7	1.0
Western Power	416.6	107.3
<i>Subtotal</i>	<i>425.1</i>	<i>111.2</i>
Operating Subsidies		
Horizon Power	47.1	8.3
Synergy	920.3	386.7
Western Power	-	-
<i>Subtotal</i>	<i>967.4</i>	<i>395.0</i>
Other Subsidies		
Horizon Power	0.2	0.2
Synergy	7.9	7.9
Western Power	1.3	2.9
<i>Subtotal</i>	<i>9.4</i>	<i>11.0</i>
<i>Net Electricity Corporations</i>	<i>-551.7</i>	<i>-294.7</i>
Water Corporation		
Dividends, Tax Equivalents, and Local Government Rate Equivalents		
Operating Subsidies	468.6	491.2
Other Subsidies	12.2	18.0
<i>Net Water Corporation</i>	<i>542.9</i>	<i>-130.2</i>
Public Transport Authority ^(b)		
Operating Subsidies		
Other Subsidies	20.6	23.2
<i>Net Public Transport Authority</i>	<i>-1,052.7</i>	<i>-1,087.6</i>
Other Public Corporations		
Dividends, Tax Equivalents, and Local Government Rate Equivalents		
Operating Subsidies	122.7	259.5
Other Subsidies	614.5	493.9
<i>Net Other Public Corporations</i>	<i>115.5</i>	<i>43.6</i>
Total revenue from Public Corporations		
	2,301.5	1,287.1
Dividends		
	1,359.9	587.5
Income Tax Equivalents		
	915.7	674.0
Local Government Rate Equivalents		
	25.9	25.7
Total expense to Public Corporations		
	3,247.5	2,756.1
Operating Subsidies		
	2,590.9	2,210.0
Other Subsidies		
	656.7	546.1
Net impact on General Government Sector ^(c)	-946.0	-1,468.9

(a) Revenue includes dividends, tax equivalent payments and local government rate equivalents. Expenses include operating subsidies and grants funded from the Consolidated Account and other subsidies funded from other sources such as the Royalties for Regions Fund (capital appropriations to public corporations are not included).

(b) The Public Transport Authority does not pay dividends or tax equivalent payments.

(c) A positive total for the net impact on the general government sector means that the sector receives more revenue from public corporations than it pays out in subsidies, and vice versa for a negative total.

Note: Columns may not add due to rounding.

Revenue

General government sector revenue from public corporations in 2021-22 is estimated to total almost \$1.3 billion, comprising \$587 million in dividend payments, \$674 million in income tax equivalent payments, and \$26 million in local government rate equivalent payments. This is \$1 billion (or 44%) lower than in 2020-21, and reflects the deferred payment of 2020-21 interim dividends to 2021-22 (reflected in the Pre-election Financial Projections Statement) and the retention of 2021-22 dividend payments by most public corporations as part of this Budget.

2021-22 Retained Dividend

With the exception of the Insurance Commission of Western Australia (ICWA) and the Western Australian Treasury Corporation (WATC), which do not have significant infrastructure delivery activities, GTEs will retain their 2021-22 dividend payments to fund future infrastructure. These funds are to be quarantined until future business cases for strategic asset investment are approved by the Government. Of the total \$2.4 billion to be retained by GTEs under this arrangement, \$1.4 billion will be held by the Water Corporation as a funding source for the State's next desalination plant.

A detailed list of revenue items from individual public corporations to the general government sector is provided in the following table.

Table 8.2

GENERAL GOVERNMENT REVENUE FROM PUBLIC CORPORATIONS

	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m
Details of Payment					
ELECTRICITY CORPORATIONS					
Horizon Power					
Income tax expense	2.9	2.2	4.0	4.8	6.0
Local government rates expense	0.7	0.7	0.7	0.7	0.7
Dividends	4.2	-	7.2	8.9	9.9
<i>Subtotal</i>	<i>7.8</i>	<i>2.9</i>	<i>11.9</i>	<i>14.5</i>	<i>16.6</i>
Synergy					
Local government rates expense	0.7	1.0	1.0	1.0	1.0
<i>Subtotal</i>	<i>0.7</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>
Western Power					
Income tax expense	115.3	105.5	120.6	127.8	103.2
Local government rates expense	1.8	1.8	1.7	1.7	1.7
Dividends	299.6	-	301.2	295.1	267.8
<i>Subtotal</i>	<i>416.6</i>	<i>107.3</i>	<i>423.4</i>	<i>424.6</i>	<i>372.8</i>
WATER CORPORATIONS					
Water Corporation					
Income tax expense	373.5	371.0	406.8	432.5	439.0
Local government rates expense	7.8	8.0	8.2	8.4	8.6
Dividends	642.4	-	737.2	789.4	799.5
<i>Subtotal</i>	<i>1,023.7</i>	<i>379.0</i>	<i>1,152.2</i>	<i>1,230.3</i>	<i>1,247.0</i>
Bunbury Water Corporation (Aqwest)					
Income tax expense	0.8	1.7	0.8	1.0	1.1
Local government rates expense	0.1	0.1	0.1	0.1	0.1
Dividends	2.1	-	3.4	1.6	1.9
<i>Subtotal</i>	<i>3.0</i>	<i>1.8</i>	<i>4.3</i>	<i>2.7</i>	<i>3.1</i>
Busselton Water Corporation					
Income tax expense	0.9	0.6	0.6	0.6	0.6
Local government rates expense	0.1	0.1	0.1	0.1	0.1
Dividends	0.8	-	0.6	0.7	0.7
<i>Subtotal</i>	<i>1.7</i>	<i>0.6</i>	<i>1.3</i>	<i>1.4</i>	<i>1.4</i>
PORT AUTHORITIES					
Fremantle Port Authority					
Income tax expense	23.3	19.9	22.5	22.4	21.7
Local government rates expense	0.6	0.7	0.7	0.7	0.7
Dividends	34.7	-	34.9	35.7	34.8
<i>Subtotal</i>	<i>58.6</i>	<i>20.6</i>	<i>58.1</i>	<i>58.9</i>	<i>57.3</i>
Kimberley Ports Authority					
Income tax expense	-	-	-	0.3	0.6
Local government rates expense	0.1	0.1	0.1	0.1	0.1
Dividends	-	-	-	0.4	1.1
<i>Subtotal</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.8</i>	<i>1.8</i>
Mid West Ports Authority					
Income tax expense	6.4	8.9	15.7	16.7	16.6
Local government rates expense	0.9	0.9	0.9	1.0	1.0
Dividends	11.6	-	24.5	28.7	29.1
<i>Subtotal</i>	<i>18.9</i>	<i>9.9</i>	<i>41.1</i>	<i>46.4</i>	<i>46.8</i>

Note: Columns may not add due to rounding.

Table 8.2 (cont.)

GENERAL GOVERNMENT REVENUE FROM PUBLIC CORPORATIONS					
	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m
Details of Payment					
Pilbara Ports Authority					
Income tax expense	71.1	92.0	103.2	108.8	114.7
Local government rates expense	2.8	2.9	3.0	3.1	3.1
Dividends	111.9	-	168.9	182.8	194.4
<i>Subtotal</i>	<i>185.9</i>	<i>94.9</i>	<i>275.0</i>	<i>294.6</i>	<i>312.3</i>
Southern Ports Authority					
Income tax expense	17.7	13.3	12.5	12.9	15.0
Local government rates expense	0.8	0.8	0.8	0.8	0.8
Dividends	39.0	-	22.2	22.4	25.3
<i>Subtotal</i>	<i>57.5</i>	<i>14.1</i>	<i>35.5</i>	<i>36.1</i>	<i>41.2</i>
OTHER AGENCIES					
DevelopmentWA					
Income tax expense	1.0	15.3	21.8	23.7	18.2
Local government rates expense	9.3	8.1	8.4	8.5	8.7
Dividends	168.8	-	27.7	38.2	41.6
<i>Subtotal</i>	<i>179.2</i>	<i>23.4</i>	<i>57.8</i>	<i>70.4</i>	<i>68.5</i>
Gold Corporation					
Income tax expense	17.2	6.2	6.6	7.0	7.4
Local government rates expense	0.2	0.2	0.2	0.2	0.2
Dividends	23.5	-	10.9	11.6	12.3
<i>Subtotal</i>	<i>40.8</i>	<i>6.4</i>	<i>17.7</i>	<i>18.8</i>	<i>19.8</i>
Western Australian Treasury Corporation					
Income tax expense	8.8	9.9	10.0	10.2	10.2
Dividends	21.4	15.3	17.3	17.5	17.9
<i>Subtotal</i>	<i>30.1</i>	<i>25.2</i>	<i>27.3</i>	<i>27.7</i>	<i>28.1</i>
Insurance Commission of Western Australia					
Income tax expense	276.8	27.5	35.8	43.8	46.6
Dividends	-	572.1	58.7	61.8	65.1
<i>Subtotal</i>	<i>276.8</i>	<i>599.6</i>	<i>94.5</i>	<i>105.6</i>	<i>111.8</i>
Forest Products Commission					
Income tax expense	-	-	0.9	1.5	1.2
Local government rates expense	0.1	0.3	0.4	0.5	0.7
Dividends	-	-	-	-	0.8
<i>Subtotal</i>	<i>0.1</i>	<i>0.3</i>	<i>1.3</i>	<i>2.1</i>	<i>2.7</i>
Subtotal Amounts					
Income tax expense ^(a)	915.7	674.0	761.8	814.1	802.1
Local government rates expense	25.9	25.7	26.2	26.8	27.6
Dividends	1,359.9	587.5	1,414.6	1,494.9	1,502.3
TOTAL	2,301.5	1,287.1	2,202.6	2,335.9	2,332.0

(a) Some general government sector agencies (e.g. the Western Australian Land Information Authority (Landgate)) are eligible to pay income tax equivalent payments. As these agencies are not in the public non-financial corporations or public financial corporations sectors, they are not reflected in this table.

Note: Columns may not add due to rounding.

Dividends

Dividend Payout Ratios

Public corporation dividend payout ratios are considered as part of the annual Budget process to determine appropriate returns to the Government as the sole shareholder of these entities. Currently approved payout ratios (reflected as a share of each corporation's net profit after tax) are reflected in the following table.

PUBLIC CORPORATION DIVIDEND PAYOUT RATIOS					
	2020-21	2021-22	2022-23	2023-24	2024-25
	%	%	%	%	%
Horizon Power	75	75	75	75	75
Synergy	75	75	75	75	75
Western Power	75	75	75	75	75
Water Corporation	85	85	85	85	85
Busselton Water Corporation	85	85	85	85	85
Bunbury Water Corporation	85	85	85	85	85
Fremantle Port Authority	75	75	75	75	75
Kimberley Ports Authority	75	75	75	75	75
Mid West Ports Authority	100	75	75	75	75
Pilbara Ports Authority	85	85	85	85	85
Southern Ports Authority	100	75	75	75	75
DevelopmentWA ^(a)	75	75	75	75	75
Gold Corporation	75	75	75	75	75
Western Australian Treasury Corporation	75	75	75	75	75
Insurance Commission of Western Australia ^(b)	75	75	75	75	75
Forest Products Commission	75	75	75	75	75

(a) DevelopmentWA's dividend arrangement consists of a net profit after tax payout ratio and a number of special dividends as a result of undertaking Government commitments.

(b) Annual ratio may be adjusted based on the need to maintain appropriate capital adequacy and any other factors or circumstances taken into account by the Board of the Insurance Commission of Western Australia.

Note: The Western Australian Land Information Authority (Landgate) is eligible to pay dividends to Government. However, as this agency is not in the public corporations sector, it is not included in this table.

Expenses

Total subsidies provided to public corporations in 2021-22 are estimated at \$2.8 billion, a decrease of \$491.5 million (or 15%) from 2020-21. The general government sector is forecast to pay a total of \$10 billion across the four-year period to 2024-25 to subsidise services provided by public corporations and reduce cost pressures on consumers.

Amongst other factors, the size of the operating subsidies paid to public corporations is affected by the Government's decisions on the tariffs, fees and charges to be paid by consumers. The approved tariff, fee and charge changes in 2021-22 are outlined later in this appendix.

Public transport fares and water tariffs in regional areas remain well below the cost of service delivery. In this regard:

- the expected cost recovery rate for metropolitan public transport services is 25.6% in 2021-22; and
- the Water Corporation is expected to receive operating subsidies totalling \$491.2 million in 2021-22, a significant portion of which (\$317.9 million) is to support the provision of water, wastewater and drainage services to regional areas, the cost of which is significantly under-recovered.

The decision to increase the residential electricity tariff in line with inflation in 2021-22 results in it being around 1.7% below cost-reflectivity in 2021-22.

\$500 Small Business and Charity Offset

As part of its support to small businesses impacted by COVID-19 lockdowns, \$42.6 million was provided to Synergy and Horizon Power small business and charity customers via a one-off \$500 offset in February 2021.

Synergy Financial Viability Subsidies

Over 2021-22 to 2024-25, Synergy will receive operating subsidy payments (the System Security Transition Payment) totalling \$315.3 million to operate its electricity generation fleet to ensure the security and reliability of the energy market.

Synergy will continue to be provided operating subsidies to fund a range of revenue shortfalls, as reflected in the following table. The subsidies will ensure that Synergy is appropriately compensated for activities that it is required to undertake on behalf of Government, and include the System Security Transition Payment.

Table 8.4

SYNERGY FINANCIAL VIABILITY SUBSIDIES

	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m	Total 2021-22 to 2024-25 \$m
Distributed Energy Buyback Scheme	0.8	3.5	5.3	6.3	6.1	22.1
Feed-In Tariff	15.7	-	-	-	-	15.7
Over-the-Counter and Paper-Bill Fee Recovery	3.0	3.0	3.1	3.1	3.2	15.4
Re- and De-energisation Fee Recovery	3.9	3.4	3.0	2.5	2.0	14.8
Renewable Energy Buyback Scheme	42.1	39.0	35.6	33.5	30.2	180.4
System Security Transition Payment	-	98.7	82.4	76.9	57.4	315.3
Tariff Equalisation Contribution Recovery	90.2	91.2	92.1	91.6	93.6	458.7
Wholesale Electricity Market Reform	14.5	4.4	4.7	4.3	-	27.9
TOTAL	170.2	243.4	226.1	218.2	192.5	1,050.3

Regional Utilities Pricing Subsidies

The provision of water and electricity services to regional areas, at the same or similar price levels to those in the metropolitan region, has a significant impact on the State's finances.

Water Corporation Country Water Pricing Subsidy

The Water Corporation's Country Water Pricing Subsidy totals \$1.3 billion over the forward estimates period. Over this, \$370.5 million is funded from RfR, with the remaining \$902.4 million funded from the Consolidated Account. RfR funding for the Country Water Pricing Subsidy has been reduced to reflect increased RfR funding for regional election commitments and other initiatives in this Budget.

Regional Electricity Subsidies

Horizon Power receives the Tariff Equalisation Contribution (TEC) due to the Government's Uniform Tariff Policy, whereby all residential and small business customers pay the same regulated charges for electricity services.

The TEC funds the difference between the efficient costs of supply in the South West Interconnected System and Horizon Power's (higher regional) costs. The TEC is funded by Western Power's network distribution customers (Synergy and other electricity retailers).

In 2021-22, approximately 49% of the TEC will be funded by an operating subsidy provided to Synergy to compensate it for its residential tariffs under-recovering the cost of supply (which includes the TEC) and the remaining 51% by businesses, and other regulated tariff and contract (commercial) customers (both Synergy and non-Synergy).

The value of the Country Water Pricing Subsidy and the TEC (provided to the Water Corporation and Horizon Power respectively) over the forward estimates period is outlined below.

Table 8.5

REGIONAL UTILITIES PRICING SUBSIDIES						
	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m	Total 2021-22 to 2024-25 \$m
Country Water Pricing Subsidy	297.0	317.9	321.9	310.0	323.2	1,272.9
Tariff Equalisation Contribution	185.0	187.0	189.0	188.0	192.0	756.0
TOTAL	482.0	504.9	510.9	498.0	515.2	2,029.0

A detailed list of expenses to individual public corporations from the general government sector is provided in the following table.

Table 8.6

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS						
Details of Payment	Funding Department	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m
ELECTRICITY CORPORATIONS						
Horizon Power						
<i>Operating Subsidies ^(a)</i>						
\$600 Household Electricity Credit	Treasury	23.7	-	-	-	-
COVID-19 Response - WA Government Energy Assistance Payment Boost	Treasury	0.5	-	-	-	-
COVID-19 Response - \$2,500 Small Business and Charity Tariff Offset	Treasury	0.6	-	-	-	-
COVID-19 Response - \$500 Small Business and Charity Tariff Offset	Treasury	2.9	-	-	-	-
COVID-19 Response - Solar and Energy Storage for Derby Hospital	Treasury	3.7	-	-	-	-
Aboriginal and Remote Communities Project – Stage 1	Treasury	1.4	-	-	-	-
Aboriginal and Remote Communities Project – Stage 2	Treasury	0.8	-	-	-	-
Air Conditioning Allowance (North of 26th Parallel)	Treasury	1.2	1.2	1.2	1.2	1.3
Dependent Child Rebate	Treasury	1.0	1.0	1.0	1.0	1.1
Electric Vehicle Charging Network	Treasury	-	-	0.2	0.2	0.1
WA Government Energy Assistance Payment	Treasury	2.1	2.1	2.1	2.1	2.1
Feed-In Tariff	Treasury	-	-	-	-	-
Hardship Response	Treasury	1.1	0.4	0.4	0.4	0.4
Remote Communities Essential Services	Treasury	0.8	0.8	0.8	0.8	0.8
Tariff Adjustment Payment - Operating Subsidy	Treasury	7.3	2.7	2.6	3.9	5.1
Tariff Migration - Movement to L2 and A2 Tariff	Treasury	0.1	0.1	0.1	0.1	-
<i>Other Subsidies</i>						
Hardship Utility Grant Scheme	Communities ^(b)	0.2	0.2	0.2	0.2	0.2
Subtotal		47.3	8.5	8.5	9.8	11.1

Table 8.6 (cont.)

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS

Details of Payment	Funding Department	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m
Synergy						
<i>Operating Subsidies</i> ^(a)						
COVID-19 Response - \$500 Small Business and Charity Tariff Offset	Treasury	39.7	-	-	-	-
COVID-19 Response - \$600 Household Electricity Credit	Treasury	590.0	27.5	-	-	-
COVID-19 Response - VPP for Schools	Treasury	4.0	-	-	-	-
COVID-19 Response - Smart Energy for Social Housing	Treasury	1.0	2.0	2.0	1.0	-
Account Establishment Fee Rebate	Treasury	1.2	1.1	1.1	1.1	1.1
Air Conditioning Allowance	Treasury	0.1	0.1	0.1	0.1	0.1
Dependent Child Rebate	Treasury	20.3	20.8	21.4	22.1	22.9
Distributed Energy Buyback Scheme	Treasury	0.8	3.5	5.3	6.3	6.1
Aggregation and Orchestration Platform	Treasury	-	5.0	-	-	-
Electric Vehicle Charging Network	Treasury	-	0.2	0.1	0.1	0.1
Feed-In Tariff	Treasury	33.1	-	-	-	-
Hardship Response	Treasury	1.7	1.7	1.7	1.7	1.7
Late Payment Fee Waiver	Treasury	0.6	0.6	0.6	0.6	0.6
Over-the-Counter and Paper-Bill Fee Recovery	Treasury	3.0	3.0	3.1	3.1	3.2
Project Symphony	Treasury	-	8.4	-	-	-
Re- and De-energisation Fee Recovery	Treasury	3.9	3.4	3.0	2.5	2.0
Renewable Energy Buyback Scheme	Treasury	42.1	39.0	35.6	33.5	30.2
System Security Transition Payment	Treasury	-	98.7	82.4	76.9	57.4
Tariff Equalisation Contribution Recovery	Treasury	90.2	91.2	92.1	91.6	93.6
WA Government Energy Assistance Payment	Treasury	74.1	75.9	78.0	80.6	83.3
Wholesale Electricity Market Reform	Treasury	14.5	4.4	4.7	4.3	-
<i>Other Subsidies</i>						
Hardship Utility Grant Scheme	Communities ^(b)	7.9	7.9	7.9	7.9	7.9
<i>Subtotal</i>		<u>928.2</u>	<u>394.6</u>	<u>339.0</u>	<u>333.4</u>	<u>310.1</u>
Western Power						
<i>Other Subsidies</i>						
State Underground Power Program	EPWA ^(c)	1.3	2.9	-	-	-
<i>Subtotal</i>		<u>1.3</u>	<u>2.9</u>	<u>-</u>	<u>-</u>	<u>-</u>

Table 8.6 (cont.)

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS

Details of Payment	Funding Department	2020-20 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m
WATER CORPORATIONS						
Water Corporation						
<i>Operating Subsidies</i> ^(a)						
Country Water Pricing Subsidy	Treasury	47.0	191.1	239.2	266.8	205.4
Country Water Pricing Subsidy – Royalties for Regions	Treasury	250.0	126.8	82.7	43.2	117.8
Concessional Lands ^(d)	Treasury	64.1	66.0	68.6	71.1	73.7
Metropolitan Operations	Treasury	1.6	1.8	1.8	1.9	1.9
Pensioner and Senior Concessions	Treasury	105.9	105.5	106.6	109.2	111.7
<i>Other Subsidies</i>						
Burrup Water Supply System	JTSl ^(e)	10.9	11.1	11.4	11.7	-
Burrup Water Infrastructure Expansion	JTSl ^(e)	0.7	-	-	-	-
Essential and Municipal Services Upgrade Program	Communities ^(b)	0.2	6.5	7.7	5.4	2.7
Hardship Utility Grant Scheme	Communities ^(b)	0.4	0.4	0.4	0.4	0.4
Onslow Water Infrastructure Upgrade Project ^(f)	JTSl ^(e)	-	-	-	-	-
<i>Subtotal</i>		<u>480.8</u>	<u>509.2</u>	<u>518.4</u>	<u>509.7</u>	<u>513.6</u>
Bunbury Water Corporation (Aqwest)						
<i>Operating Subsidies</i> ^(a)						
Pensioner and Senior Concessions	Treasury	0.8	0.8	0.8	0.8	0.8
<i>Subtotal</i>		<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>
Busselton Water Corporation						
<i>Operating Subsidies</i> ^(a)						
Pensioner and Senior Concessions	Treasury	0.7	0.8	0.7	0.7	0.7
<i>Subtotal</i>		<u>0.7</u>	<u>0.8</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>

Table 8.6 (cont.)

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS

	Funding Department	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m
Details of Payment						
PORT AUTHORITIES						
Kimberley Ports Authority						
<i>Operating Subsidies ^(a)</i>						
COVID-19 Response - Waiver of Rent Owed to State Government Agencies	Treasury	0.3	-	-	-	-
COVID-19 Response - Maintenance Projects	Treasury	2.4	0.6	-	-	-
Transfer of Wyndham, Derby and Yampi Ports	Treasury	-	2.5	2.5	2.5	2.5
<i>Subtotal</i>		<u>2.7</u>	<u>3.1</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>
Pilbara Ports Authority						
<i>Other Subsidies</i>						
Dampier - Burrup Port Infrastructure	JTSI ^(e)	9.1	9.1	9.1	9.1	9.1
<i>Subtotal</i>		<u>9.1</u>	<u>9.1</u>	<u>9.1</u>	<u>9.1</u>	<u>9.1</u>
Southern Ports Authority						
<i>Operating Subsidies</i>						
Government Support Package - Koolyanobbing Iron Ore	Treasury	21.4	8.1	-	-	-
Esperance Minerals Concentrate Circuit Unit - Debt Servicing	Treasury	0.1	-	-	-	-
<i>Subtotal</i>		<u>21.5</u>	<u>8.1</u>	<u>-</u>	<u>-</u>	<u>-</u>

Table 8.6 (cont.)

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS

Details of Payment	Funding Department	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m
LAND AGENCIES						
DevelopmentWA						
<i>Operating Subsidies (a)</i>						
COVID-19 Response - Waiver of Rent Owed to State Government Agencies	Treasury	1.4	-	-	-	-
COVID-19 Response - Council of Australian Governments' Waste Export Ban	Treasury	-	5.0	-	-	-
COVID-19 Response - Australian Marine Complex	Treasury	3.2	23.6	3.2	-	-
COVID-19 Response - Neerabup Australian Automation and Robotics Park	Treasury	0.1	3.9	11.7	4.3	-
COVID-19 Response - East Perth Redevelopment	Treasury	0.1	2.7	12.3	5.0	-
COVID-19 Response - East Keralup Economic Activation	Treasury	3.5	5.2	-	-	-
COVID-19 Response - Bentley Technology Park	Treasury	0.1	2.8	4.0	0.7	-
COVID-19 Response - Kemerton General Industrial Area	Treasury	0.5	2.8	4.3	-	-
COVID-19 Response - Nyamba Buru Yawuru Health and Wellbeing Campus	Treasury	0.1	6.9	-	-	-
COVID-19 Response - Nyamba Buru Yawuru Bulky Goods Precinct	Treasury	0.1	2.0	5.0	-	-
COVID-19 Response - Nyamba Buru Yawuru Broome Projects	Treasury	0.2	0.7	-	-	-
COVID-19 Response - Hamilton Senior High School Redevelopment	Treasury	0.6	1.6	-	-	-
COVID-19 Response - Middleton Beach Foreshore Enhancement	Treasury	1.1	-	-	-	-
Australian Marine Complex - Rate of Return Stages 1 and 2	Treasury	19.0	19.0	19.0	19.0	19.0
Australian Marine Complex Technology Precinct	Treasury	1.6	1.7	1.7	1.7	1.7
Burrup Strategic Industrial Area	Treasury	-	0.7	-	-	-
Dixon Road Reserves	Treasury	-	0.5	-	-	-
Election Commitment - Industrial Land Development Fund	Treasury	-	13.0	13.0	12.0	12.0
East Perth Power Station	Treasury	17.2	16.9	11.6	1.0	-
Forrestdale Business Park West	Treasury	14.5	5.0	-	-	-
Kwinana Land - Holding Costs	Treasury	1.9	1.9	2.0	2.0	2.1
Land Agency Reform - Holding Costs	Treasury	-	14.7	7.3	7.3	7.3
Land Agency Reform - Transaction Costs	Treasury	-	5.9	-	-	-
Ocean Reef Marina	Treasury	-	14.8	13.9	2.2	-
Residential Projects and Land Development for Social and Affordable Housing - Holding Costs	Treasury	-	22.5	22.5	22.5	22.5
Residential Projects and Land Development for Social and Affordable Housing - Transaction Costs	Treasury	-	34.5	-	-	-
Subi East Precinct	Treasury	14.0	16.2	15.2	10.8	8.1
Sustainable Funding Model Principles	Treasury	16.6	16.0	15.9	15.5	15.5
Townsite Development Program	Treasury	4.0	4.0	4.0	4.0	4.0
Yamatji Nation Settlement	Treasury	-	5.6	-	-	2.4

Table 8.6 (cont.)

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS

Details of Payment	Funding Department	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m
DevelopmentWA						
<i>Other Subsidies</i>						
COVID-19 Response - Moonamang Road Upgrade	JTSI ^(e)	-	-	2.0	-	-
COVID-19 Response - Australian Marine Complex	JTSI ^(e)	23.8	31.9	-	-	-
COVID-19 Response - Boodarie Strategic Industrial Area Road Upgrade	JTSI ^(e)	10.5	-	-	-	-
COVID-19 Response - Regional Land Booster	Treasury	166.3	-	-	-	-
Mardalup Park	Treasury	-	0.9	-	-	-
Oakajee Access Road	JTSI ^(e)	-	7.5	-	-	-
Perth City Deals - Perth City Link	Treasury	50.0	-	-	-	-
Royalties for Regions - Various Projects	Treasury	20.5	16.6	3.3	-	-
<i>Subtotal</i>		<u>370.8</u>	<u>306.7</u>	<u>171.8</u>	<u>108.1</u>	<u>94.6</u>
OTHER						
Racing and Wagering Western Australia						
<i>Other Subsidies</i>						
Direct Grants - Racing Bets Levy	GWC ^(g)	109.9	100.0	90.0	93.1	95.7
Point of Consumption Tax - Racing Funding	Treasury	33.3	24.3	26.6	29.2	30.1
<i>Subtotal</i>		<u>143.2</u>	<u>124.3</u>	<u>116.6</u>	<u>122.3</u>	<u>125.8</u>
Forest Products Commission						
<i>Other Subsidies</i>						
Partial Compensation for Retention of a Portion of Gnangara Pines	Treasury	0.2	0.2	0.2	-	-
<i>Subtotal</i>		<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>-</u>	<u>-</u>

Table 8.6 (cont.)

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS

Details of Payment	Funding Department	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m
Public Transport Authority ^(h)						
<i>Operating Subsidies ^(a)</i>						
Transperth and Regional Town Services						
General	Treasury	738.9	785.2	775.9	764.0	712.8
Concession Fares	Treasury	35.8	33.9	36.2	38.5	40.4
Pensioners, Seniors and Carers Free Travel	Treasury	16.0	17.1	17.5	18.1	18.9
School Children Fares	Treasury	24.4	25.7	26.6	27.9	29.2
Perth Stadium Special Events	Treasury	19.3	7.5	7.5	7.5	7.5
Regional Town Bus Services	Treasury	17.4	17.1	17.0	17.0	17.1
Regional School Bus Services	Treasury	124.4	122.3	121.9	124.5	126.2
Regional School Bus Conveyance Allowance	Treasury	2.0	2.1	2.1	2.1	2.2
Transwa						
General	Treasury	35.2	32.0	32.0	32.3	32.3
Concession Fares	Treasury	3.2	3.9	4.2	4.3	4.4
Annual Free Trip for Pensioners	Treasury	0.8	0.9	1.0	1.0	1.0
Freight Network - General	Treasury	14.9	16.6	15.7	13.8	14.8
<i>Other Subsidies</i>						
Royalties for Regions - District Allowance Payments ⁽ⁱ⁾	Treasury	-	-	-	-	-
Regional School Bus Services - Intensive English Centres and Other Services	Education ^(j)	5.3	5.3	5.3	5.3	5.3
Transperth Free Transit Zone - Recurrent Grant	Transport ^(k)	15.3	17.8	20.3	19.3	18.3
Tunnel Monitoring	Transport ^(k)	-	0.2	0.2	0.2	0.2
Subtotal		1,052.7	1,087.6	1,083.5	1,075.9	1,030.5

Table 8.6 (cont.)

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS

Details of Payment	Funding Department	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m
Department of Communities, Housing Services						
<i>Other Subsidies</i>						
Geraldton Alternative Settlement Agreement	Treasury	0.5	-	0.6	0.5	0.9
National Rental Affordability Scheme	Treasury	14.4	13.3	11.5	11.1	9.0
North West Aboriginal Housing Fund – Royalties for Regions	DPIRD ⁽ⁱ⁾	7.6	12.7	3.9	2.2	2.2
Regional Renewal – Royalties for Regions	Treasury	-	2.0	-	-	-
Remote Communities – Royalties for Regions	Treasury	78.6	115.5	119.3	122.6	122.6
Social Housing Investment Fund	Treasury	-	123.3	74.3	19.6	4.9
Social Housing Operational	Treasury	-	22.4	44.1	31.2	59.5
Social Housing Economic Recovery Package	Treasury	83.0	-	17.5	27.4	4.7
South West Native Title	Treasury	-	1.1	2.2	2.2	2.2
Various	Various	6.7	13.1	1.7	1.7	1.6
<i>Subtotal</i>		<u>190.8</u>	<u>303.4</u>	<u>275.1</u>	<u>218.5</u>	<u>207.4</u>
Total		3,247.5	2,756.1	2,523.6	2,388.4	2,303.8

- (a) Details of operating subsidies contained in this appendix may differ to those disclosed in Budget Paper No. 2: *Budget Statements*. Details contained in this appendix are accrual in nature, while appropriations detailed in Budget Paper No. 2 are on a cash basis. Funding is from the Consolidated Account and other general government agencies. A further breakdown of some of these operating subsidies is contained as part of Appendix 6: *State Government Social Concessions Expenditure Statement*.
- (b) Department of Communities.
- (c) Energy Policy WA.
- (d) Includes concessions provided for non-rated and exempt properties.
- (e) Department of Jobs, Tourism, Science and Innovation.
- (f) The upgrades will be funded by Chevron Australia, and details of the project are subject to scope clarification and a competitive tender process. The value of the subsidy is not reflected in the Water Corporation's subtotal or the total reported in this table.
- (g) Gaming and Wagering Commission.
- (h) Includes service appropriations authorised under the *Salaries and Allowances Act 1975*.
- (i) Amount less than \$50,000.
- (j) Department of Education.
- (k) Department of Transport.
- (l) Department of Primary Industries and Regional Development.
- Note: Columns may not add due to rounding.

Household Tariffs, Fees and Charges

For a number of years, the Department of Treasury has produced a model that estimates the costs incurred by a 'representative' household through the consumption of certain government goods and services.

Calculating the effects of changes in Government tariffs, fees and charges for a single 'representative' household can never entirely capture the diversity in household structures or the widely differing patterns of usage of public sector goods and services.

Nonetheless, the model seeks to highlight the impact of changes in major tariffs, fees and charges on a particular hypothetical household reflecting current average electricity and water consumption, an assumed level of public transport use, and specified consumption of a range of other public sector goods and services (including some specific taxes).

For the 2021-22 household model, Treasury performed a review of the assumptions underpinning the 'representative' household, and has incorporated some minor changes (which are reflected in the following table).

Results

The impact of changes in tariffs, fees and charges in 2021-22 on the 'representative' household is shown in the table below.

Table 8.7

ESTIMATED IMPACT ON THE 'REPRESENTATIVE' HOUSEHOLD

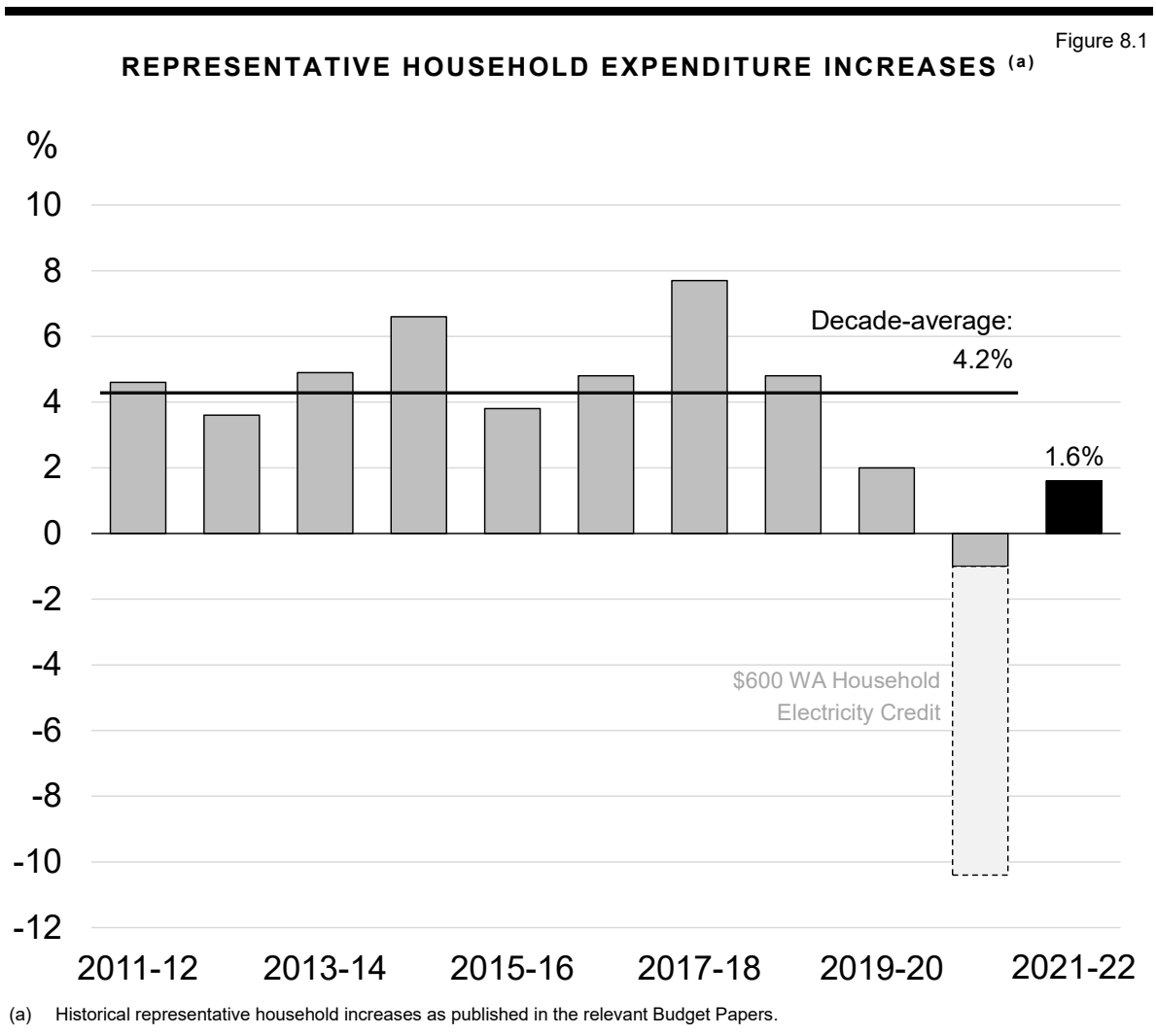
	2020-21 \$ level	% change	\$ change	2021-22 \$ level
Motor Vehicles ^(a)				
Vehicle licence charge	384.84	4.0	14.72	399.56
Recording fee	10.30	-	-	10.30
Drivers licence	88.10	-	-	88.10
Motor Injury Insurance (MII)	403.90	3.0	12.10	416.00
<i>Total</i>	<i>887.14</i>	<i>3.0</i>	<i>26.82</i>	<i>913.96</i>
Utility Charges ^(b)				
Electricity ^(c)	1,748.54	1.75	30.61	1,779.15
Water, wastewater and drainage ^{(d)(e)}	1,729.48	1.75	30.31	1,759.79
<i>Total</i>	<i>3,478.02</i>	<i>1.75</i>	<i>60.92</i>	<i>3,538.94</i>
Public Transport ^(f)				
Student fares ^(g)	280.00	-	-	280.00
Standard fares ^(h)	1,128.96	-	-	1,128.96
<i>Total</i>	<i>1,408.96</i>	<i>-</i>	<i>-</i>	<i>1,408.96</i>
Emergency Services Levy (ESL) ^(e)	271.47	4.3	11.62	283.09
Stamp Duty ⁽ⁱ⁾				
Stamp duty on general insurance ^(j)	195.36	-	-	195.36
Stamp duty on MII	41.60	-	-	41.60
<i>Total</i>	<i>236.96</i>	<i>-</i>	<i>-</i>	<i>236.96</i>
Total Expenditure	6,282.55	1.6	99.36	6,381.91

- (a) Based on a household with two drivers and owning one car (a sedan with tare weight of 1,600 kg - relevant for the purpose of determining the appropriate level of vehicle licence charge).
- (b) Assumes no access to concessions, rebates or hardship packages.
- (c) Consumes 4,758 kWh of electricity per annum based on the current average consumption level for a household. Excludes the one-off \$600 Household Electricity Credit approved as part of the 2020-21 Budget.
- (d) Consumes 230 kL of water per annum, revised down from 240 kL per annum in the 2020-21 Budget based on the current average consumption level for a household. The decline is due to a greater community awareness of the need to use water wisely, ongoing water efficiency initiatives and smaller block sizes due to higher density development.
- (e) Owns and occupies a property that has an average gross rental value (for calculation of wastewater, drainage and ESL charges).
- (f) Transperth fares are assumed to be purchased using the lowest cost means available (i.e. SmartRider Autoload) and rounded to the nearest 10 cents.
- (g) Purchases 10 Transperth student fares in 40 weeks of the year. Reflects travel on student fares occurs only during the school term.
- (h) Purchases six standard two zone Transperth fares in 48 weeks per annum. Reflects travel to attend work three days per week and accounts for annual leave provisions.
- (i) Stamp duty in 2020-21 has been estimated using 2021-22 insurance premiums in order to isolate the price impact.
- (j) The 'representative' household pays average home and contents and motor vehicle insurance, based on information from the insurance industry.

Note: Columns may not add due to rounding.

In line with the Government’s commitment to deliver cost of living relief for households, residential electricity and water-related tariffs will increase by forecast inflation of 1.75%, with a one-year freeze in public transport fares in 2021-22.

Total expenditure by the ‘representative’ household on this basket of public sector goods and services in 2021-22 is \$6,381.91. This represents an increase of \$99.36 or just 1.6% on 2020-21 levels, which is less than half of the decade-average increase of 4.2% (see figure below).



Electricity Tariffs

Approved electricity tariff changes for 2021-22, and assumed changes for Budget planning purposes from 2022-23 onwards, are outlined below.

Table 8.8

2021-22 BUDGET ELECTRICITY TARIFF PRICE PATH				
	2021-22 %	2022-23 %	2023-24 %	2024-25 %
NON-CONTESTABLE TARIFFS				
Residential (A1/A2)	1.75	1.75	2.0	2.0
Residential Hot Water (B1)	1.75	1.75	2.0	2.0
Community and Charitable Organisations (C1/C2)	1.75	1.75	2.0	2.0
Charitable Organisation Providing Residential Accommodation (D1/D2)	1.75	1.75	2.0	2.0
Combined Residential/Business (K1/K2)	1.75	1.75	2.0	2.0
Small Business (L1/L2)	1.75	1.75	2.0	2.0
Small Business Time of Use (R1)	1.75	1.75	2.0	2.0
Unmetered Supply (UMS) ^(a)	2.27	2.27	2.27	2.27
Traffic Lighting (W1/W2) ^(a)	3.77	3.77	3.77	3.77
Street Lighting (Z) - South West Interconnected System ^(a)	3.03	3.03	3.03	3.03
Street Lighting (Z) - Horizon Power service area ^{(a)(b)}	5.90	5.90	5.90	5.90
CONTESTABLE TARIFFS ^(a)				
Medium Business (L3/L4)	(3.45)	(3.45)	(3.45)	(3.45)
Medium Business Time of Use (R3)	(0.91)	(0.91)	(0.91)	(0.91)

(a) These regulated tariffs approximate cost-reflective levels and have been smoothed over the forward estimates period in order to minimise large year-on-year movements in price.

(b) Represents the average change across all types of streetlight tariffs. Price paths for specific streetlight types may differ from the average.

Electricity price paths for residential, community, charitable organisation and small business customers will increase in line with inflation forecasts over the Budget period. After the 1.75% increase in 2021-22, residential electricity tariffs remain around 1.7% below Treasury's estimate of cost-reflective levels in 2021-22.

All other tariffs have been adjusted to achieve or maintain cost-reflectivity on a smoothed basis across the Budget period.

The approved streetlight price path in Horizon Power's service area differs from the streetlight price path in the South West Interconnected System (SWIS). This will result in recovery of a greater proportion of costs in Horizon Power's service area and reduce cross-subsidisation by SWIS customers.

Water Tariffs

The Government has approved a 1.75% increase to water consumption (fixed and variable), wastewater, and drainage tariffs for metropolitan and country customers in 2021-22, in line with forecast inflation.

A selection of key tariff changes from 2020-21 to 2021-22 is provided in the following table.

WATER CORPORATION'S 2021-22 TARIFF CHANGES			
	2020-21	2021-22	% Change
METROPOLITAN RESIDENTIAL TARIFFS			
Water			
Standard fixed service charge (\$)	264.4	269.0	1.75
<i>Consumption charges (c/kL) ^(a)</i>			
0-150 kL	182.7	185.9	1.75
151-500 kL	243.4	247.7	1.75
Over 500 kL	455.3	463.3	1.75
Wastewater (c/\$ of Gross Rental Value (GRV)) ^{(b)(c)}			
First \$20,500 GRV	5.170	5.135	1.75
Over \$20,500 GRV	3.817	3.791	1.75
Drainage			
Drainage charge (c/\$ of GRV) ^{(c)(d)}	0.649	0.646	1.75
METROPOLITAN NON-RESIDENTIAL TARIFFS			
Water			
Standard fixed service charge (\$)	278.9	285.8	2.5
Minimum charge (15 or 20 mm) ^(e)	278.9	285.8	2.5
Consumption charges (c/kL) ^(f)	258.1	264.6	2.5
Wastewater ^(g)			
First fixture (\$)	1,046.7	1,072.9	2.5
Volumetric charge (c/kL)	384.6	394.2	2.5
Drainage			
Drainage charge (c/\$ of GRV) ^(d)	0.366	0.363	2.5

(a) Country residential water consumption charges are no more than metropolitan charges for the first 300 kL.
 (b) Country residential wastewater charges are subject to minimum and maximum charges.
 (c) 1.75% increase is based on effective absolute revenue impact, not rate directly.
 (d) Drainage is not charged outside the metropolitan region.
 (e) The charge varies depending upon the size of the meter.
 (f) Country non-residential water consumption charges are based on the cost of delivering services.
 (g) Non-residential wastewater charges are uniform across the State.

For the 'representative' household that pays a fixed service charge, consumes 230 kL and owns and occupies a property that has an average gross rental value, this will result in an overall 1.75% increase.

For Budget planning purposes, it has been assumed that household water, wastewater and drainage tariffs will increase in line with current inflation forecasts over the forward estimates period.

Public Transport Fares

The Government will freeze public transport fares in 2021-22 at 2020-21 levels. In addition, from 1 January 2022, the Government will cap Transperth fares at the cost of a 2-Zone ticket. The following table details the Transperth cash fares for various journey lengths, from 1 January 2022.

The Public Transport Authority's Budget projections assume standard Transperth fares will increase by forecast inflation from 2022-23 to 2024-25.

Seniors, disability and age pensioner cardholders, and carers will continue to be eligible for free travel on weekdays before 6am, between 9am and 3.30pm and after 7pm, and anytime on weekends and public holidays.

TRANSPERTH FARES FROM 1 JANUARY 2022

Table 8.10

	2020-21	\$ decrease	% decrease	From 1 January 2022
Standard Cash Fare ^(a)				
2 sections	\$2.20	-	-	\$2.20
1 zone	\$3.20	-	-	\$3.20
2 zones	\$4.90	-	-	\$4.90
3 zones	\$5.80	-\$0.90	-15.5	\$4.90
4 zones	\$6.90	-\$2.00	-29.0	\$4.90
5 zones	\$8.50	-\$3.60	-42.4	\$4.90
6 zones	\$9.60	-\$4.70	-49.0	\$4.90
7 zones	\$11.30	-\$6.40	-56.6	\$4.90
8 zones	\$12.20	-\$7.30	-59.8	\$4.90
9 zones	\$13.10	-\$8.20	-62.6	\$4.90
Day Rider	\$13.10	-\$3.30	-25.2	\$9.80
Family Rider	\$13.10	-\$3.30	-25.2	\$9.80
Student	\$0.70	-	-	\$0.70

(a) Concession fares are 43% of the full standard fare subject to rounding.

2021-22 Economic and Fiscal Outlook

Western Australian Treasury Corporation Borrowings

Introduction

The Western Australian Treasury Corporation (WATC) is the State's central borrowing authority and primary provider of debt finance for Western Australia's public sector. Each Australian State and Territory has a central borrowing authority similar to WATC to fund its debt.

The Treasurer borrows from WATC on behalf of the State for general public purposes. Borrowings for general public purposes are authorised by the *Loan Act 2017* and preceding Loan Acts. The proceeds of all loans raised under the Loan Acts are paid into the Consolidated Account. The funds are then appropriated to agencies by Parliament in accordance with the State Budget.

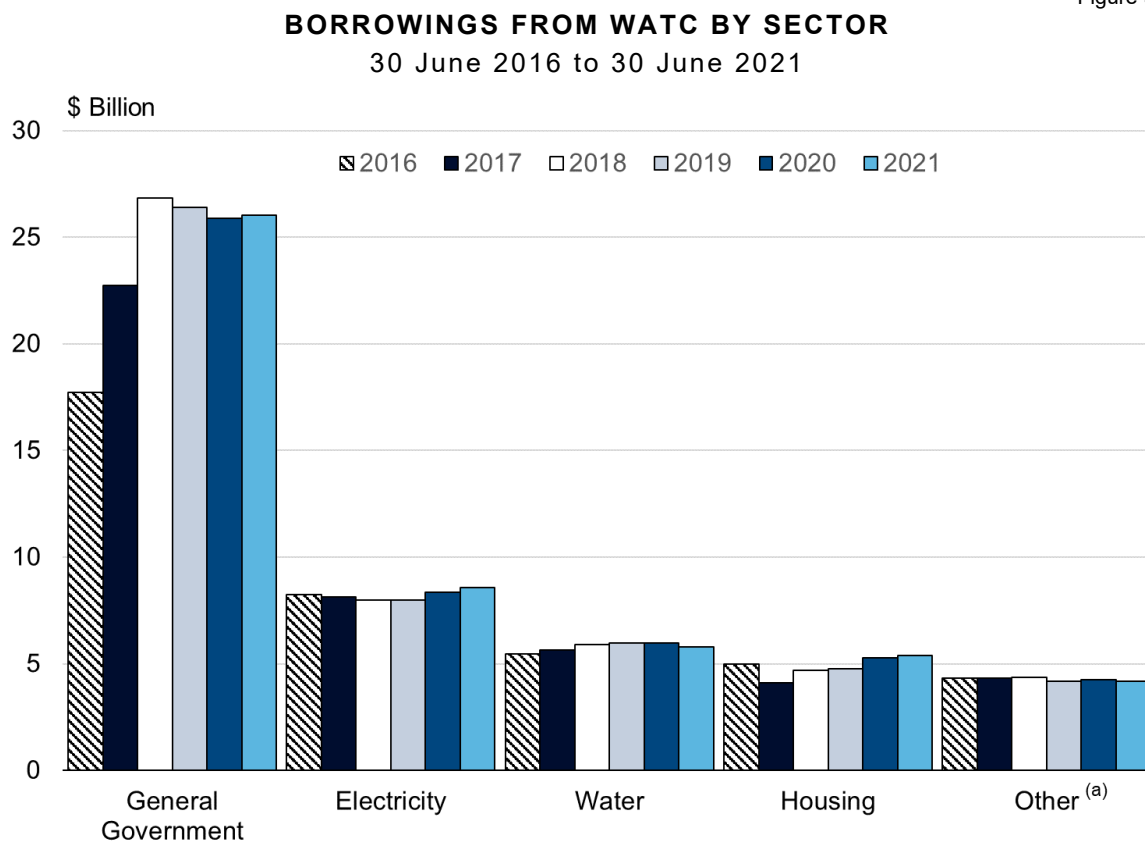
Individual agencies with borrowing powers in their enabling legislation also borrow from WATC. These include Government Trading Enterprises, some general government statutory authorities, public universities and local government.

The aggregation of the borrowing requirements for each of these entities across the total public sector¹ results in the total debt portfolio that WATC is required to manage. For 30 June 2021, total borrowings from WATC amounted to \$50 billion. A breakdown of this portfolio by broad industry/sector, and its evolution since 30 June 2016, is shown in the figure below.

The borrowing requirement for Western Australian public sector agencies in any particular year is determined as an outcome of the annual Budget and Mid-year Review processes. It reflects the consideration of government revenue less recurrent and capital expenditure, plus movements in the liquid assets of the sector.

¹ While funded by WATC, for the purposes of whole-of-government financial disclosures reflected in this Budget, and in line with treatment under applicable accounting standards, local governments and public universities are not classified as total public sector agencies of the State of Western Australia in the balance sheet disclosures elsewhere in the Budget Papers.

Figure 9.1



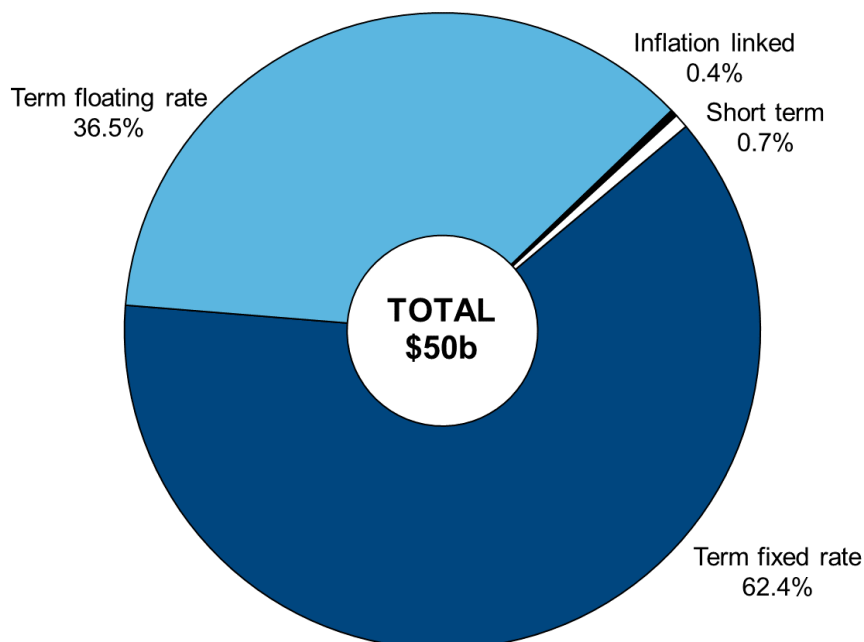
(a) Ports, transport, public universities, local governments and all other public entity borrowings from WATC.

Total Borrowings from WATC

As at 30 June 2021, total agency borrowings from WATC stood at \$50 billion, allocated over WATC’s loan products as shown below, at an average portfolio interest rate of 2.06%.

ALLOCATION OF LOAN PRODUCTS AT 30 JUNE 2021

Figure 9.2



Total borrowings from WATC are projected to be \$51.8 billion by the end of 2023-24 (\$4.6 billion lower than expected at the time of the 2020-21 Budget), and remain at \$51.8 billion by the end of 2024-25.

Consolidated Account Borrowings

Consolidated Account borrowings (i.e. borrowings for general public purposes) represented 51.2% of WATC lending at 30 June 2021.

The *Loan Act 2017* authorised the estimated borrowing requirements of the Consolidated Account up to 30 June 2021, based on the 2016-17 *Pre-election Financial Projections Statement*. As at 30 June 2021, authorisation for an estimated \$6.9 billion in new borrowings remains available under the *Loan Act 2017*.

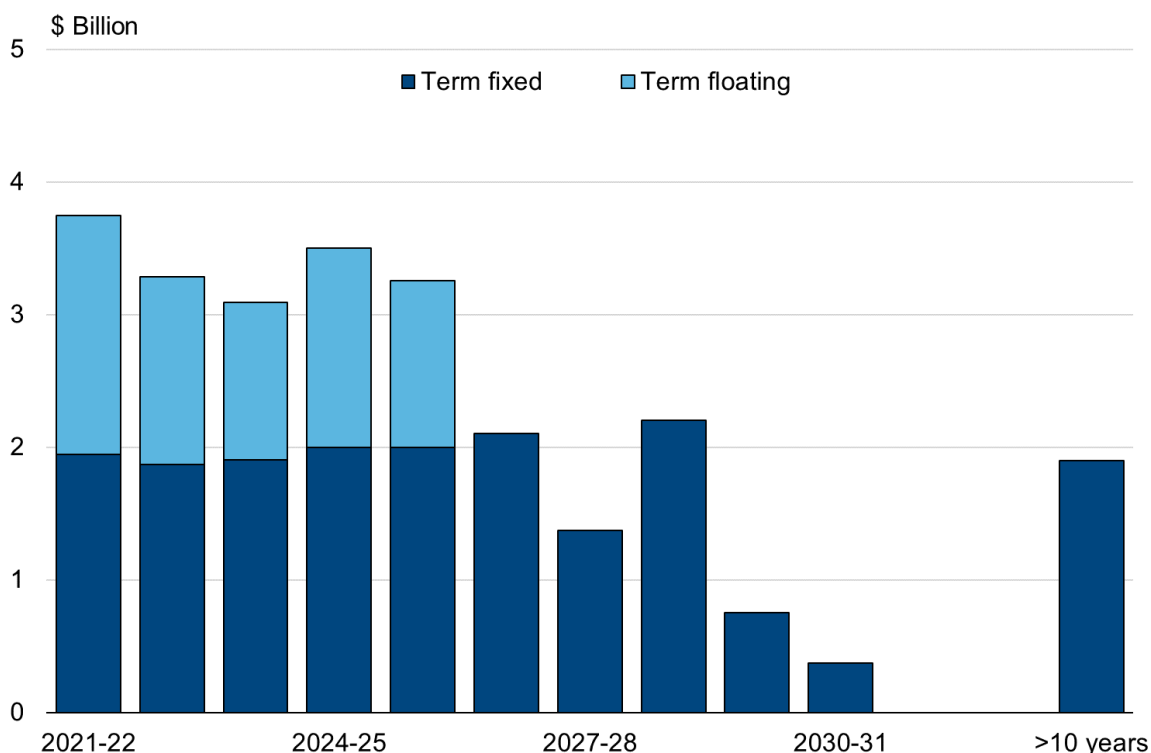
The Department of Treasury is responsible for administering Loan Acts on behalf of the Treasurer. The actual function of borrowing through debt capital markets is undertaken and managed by WATC and then on-lent to the Consolidated Account in accordance with a Debt Management Strategy that is agreed to by both parties.

The primary objective is for WATC to manage interest rate risk by maintaining a diversified portfolio of fixed and floating rate debt. This borrowing strategy is informed by financial modelling performed by WATC and prevailing market conditions. Practical implementation involves Treasury and WATC agreeing a target floating and fixed-rate debt and maturity allocation to be achieved within each financial year to meet new borrowing and refinancing requirements. WATC has discretion as to the component products and maturity structure of individual advances provided they are within the agreed allocation limits. Deviation from target allocations between fixed and floating rate debt is permitted over the short term.

The structure of the Consolidated Account borrowing profile at 30 June 2021 is shown below. This reflects the outcome of borrowing activity undertaken by WATC to achieve the interest rate risk management objective within the context of its responsiveness to market demand. A key change from 2019-20 has been the addition of some longer dated debt, reflecting favourable pricing and investor interest.

CONSOLIDATED ACCOUNT BORROWINGS
Portfolio Structure at 30 June 2021

Figure 9.3



To combat the impact of the COVID-19 pandemic in Australia, the Reserve Bank of Australia (RBA) has implemented unconventional policies including: cutting the cash rate target to a record low of 0.1%; a 0.1% target for the three-year Commonwealth bond yield; a term funding facility for Australian authorised deposit institutions (ADIs) that ceased on 30 June 2021; and a quantitative easing program consisting of weekly purchases of Commonwealth and semi-government bonds. These policies have aided the economic recovery by reducing interest costs for borrowers and supporting asset prices.

At 30 June 2021, Consolidated Account borrowings totalled \$25.6 billion at an average interest rate of 2.34% across a portfolio of term fixed-rate and term floating-rate loans, and are expected to be \$25 billion by 2023-24. The outlook for Consolidated Account borrowings has improved considerably since the 2020-21 Budget, with expected net new borrowings now \$4.1 billion lower over the period 2020-21 to 2023-24 relative to last year's Budget (see table below). No new borrowings are required for the Consolidated Account over the next four years.

Table 9.1

CONSOLIDATED ACCOUNT BORROWING PROGRAM					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
2020-21 BUDGET					
– New Borrowing	150	2,000	1,500	-	n/a
– Repayments	-	-	7	16	n/a
Net New Borrowing	150	2,000	1,493	-16	n/a
2021-22 BUDGET					
– New Borrowing	150	-	-	-	-
– Repayments	-	587	-	2	18
Net New Borrowing	150	-587	-	-2	-18

All Other Borrowings from WATC

WATC also undertakes all other borrowings required by individual agencies with borrowing powers in their enabling legislation. This involves borrowing through debt capital markets and then on-lending to each agency in accordance with the agreed Debt Management Strategies adopted by these agencies.

Agencies with this authority mostly include the public corporations, public universities and local government.

At 30 June 2021, all other borrowings from WATC (i.e. excluding the Consolidated Account) totalled \$24.4 billion, at an average portfolio interest rate of 1.77%. This is forecast to increase to \$26.5 billion over 2021-22.

How WATC Raises Funds

WATC raises funds to finance Western Australia's debt requirements through issuing a range of debt securities on the Australian and international debt markets.

- Benchmark Bonds - fixed coupon bonds, which at 30 June 2021 had a face value of \$40.8 billion outstanding, with eleven annual bond maturities from 2021 to 2031.
- Non-Benchmark Bonds - fixed coupon bonds with insufficient volume on issue at 30 June 2021 to be considered Benchmark Bonds had a face value of \$1.4 billion, with maturities in 2034 and 2041.
- Floating Rate Notes (FRNs) - with coupon rates that change every three months, which had \$9.1 billion outstanding at 30 June 2021 with five maturities from 2022 to 2026.

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- Short Term Inscribed Stock (STIS) - domestically issued short-term paper with maturities out to one year, with \$2.1 billion outstanding at 30 June 2021.
- Euro Commercial Paper (ECP) - short-term paper issued in a range of currencies offshore, out to one-year maturities, with the Australian dollar equivalent of \$581 million outstanding at 30 June 2021. All proceeds are swapped back into Australian dollars so that no currency risk exists.
- Euro Medium Term Notes (EMTN) - bonds issued offshore in a range of currencies, hedged back into Australian dollars such that no currency risk exists. This market is only used when pricing advantages exist relative to benchmark bonds. There is currently no issuance under this program, but it remains an important funding option.
- Other Borrowings - these include retail bonds (smaller parcels of bonds issued in conjunction with migrant schemes) and other smaller programs.

RBA holdings of WATC bonds were approximately 14% of outstandings at 30 June 2021. It is estimated that about 55% of WATC bonds are currently held by Australian banks² to meet regulatory requirements for their Tier 1 High Quality Liquid Asset portfolios³. It is also estimated that between 20% and 25% of WATC bonds are held by offshore investors. Currently, approximately 60% of WATC's offshore investors come from North Asia, with the balance primarily from Europe.

By comparison, the Commonwealth has approximately 60% of its investors offshore, and other large Australian State issuers estimate that as many as 25% to 35% of their investors are offshore.

² The holders of WATC paper are difficult to identify with precision, as about 24% is held in nominee company names with some investors preferring to remain anonymous. This is similar for central borrowing authorities in other States.

³ Only cash, deposits at the RBA, Commonwealth and State-issued paper are currently eligible to meet this requirement from the Australian Prudential Regulation Authority.

Tax and Royalty Expenditure Statement

Purpose

The purpose of this tax and royalty expenditure statement is to provide information about the cost or value of tax and royalty concessions that would not otherwise be reported in the Budget Papers in the years after the concessions were introduced.

What is a tax or royalty expenditure?

Tax and royalty expenditures include revenue forgone by the Government, and financial benefits to taxpayers, from exemptions and other concessions that depart from the general tax or royalty treatment. They are 'expenditures' in the sense that their impact on the Budget is similar to direct outlays, and they can be used to achieve specific goals.

Labelling an exemption or concession as a tax or royalty expenditure does not necessarily imply any judgement about its appropriateness. Rather, it makes the amount of the exemption or concession explicit, and thereby facilitates scrutiny as part of the annual Budget process (including review of whether the exemption or concession is still effective in achieving any specific objective originally intended).

Measuring tax and royalty expenditures

Measuring a tax or royalty expenditure requires identification of:

- a benchmark tax or royalty base and rate; and
- concessionary tax or royalty treatment of components of the benchmark tax or royalty base (e.g. a concession or exemption for a particular industry, activity or class of taxpayer).

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Identification of benchmark revenue bases and rates requires a degree of judgement. Furthermore, data limitations mean that the tax and royalty expenditures identified in this statement are only approximations. Data sources and methods used for estimating these expenditures are also subject to review each year (such that time series estimates may not be fully comparable).

Estimates of the expenditures have been derived from a range of sources, including unpublished data from relevant government departments, Public Sector Commission ‘State of the Sector’ statistical bulletins, and Australian Prudential Regulation Authority reports. However, the statement is not exhaustive. For example, some exemptions and concessions have not been included due to data limitations. Very small exemptions or concessions are also excluded.

This year’s statement includes estimated actual expenditures for 2019-20 and 2020-21.

Table 10.1

SUMMARY OF MAJOR TAX AND ROYALTY EXPENDITURES
Western Australia

	2019-20 Estimated Actual \$m	2020-21 Estimated Actual \$m
PAYROLL TAX		
Tax-free threshold ^(a)	1,010.6	1,059.1
State government departments exemption ^{(b)(c)}	324.8	340.3
Public hospitals exemption ^(b)	262.7	278.2
Schools/colleges exemption ^(b)	254.9	260.7
Charitable bodies exemption	660.7	684.0
Local governments exemption	86.1	88.3
Apprentices and trainees exemption	40.4	28.2
Progressive payroll tax scales	-187.0	-192.3
LAND TAX AND METROPOLITAN REGION IMPROVEMENT TAX		
Principal place of residence exemption	434.1	421.5
Tax-free threshold ^(d)	161.6	157.7
Primary production exemption	121.5	129.6
Religious bodies exemption	28.4	25.4
Educational institutions exemption ^(b)	28.2	27.2
Public charitable or benevolent institutions exemption	18.0	17.7
Land value growth cap	15.2	14.8
Developers concession	14.8	13.7
Retirement villages exemption	9.8	9.7
Club or sporting associations exemption/concession	7.6	7.1
Aged care facilities exemption	7.3	7.0
Caravan parks exemption	3.7	3.7
Public or religious hospitals exemption ^(b)	2.0	2.0
TRANSFER DUTY (INCLUDING LANDHOLDER DUTY)		
Connected entities restructure exemption	177.9	329.7
First home owners' exemption/concession	117.2	155.6
Concessional scale for residential property	67.5	110.0
Family farms exemption	6.4	5.0
INSURANCE DUTY		
Health insurance policies exemption	243.4	252.1
Workers' compensation insurance exemption	65.2	67.3
Reinsurance exemption	11.3	11.6
Marine hulls exemption	6.7	7.0
VEHICLE LICENCE FEES		
Pensioners and seniors vehicle concession	44.5	45.9
Primary producers vehicle concession	13.2	13.3
VEHICLE LICENCE DUTY		
Heavy vehicles concession	52.9	72.5
Caravans and camper trailers exemption	22.9	31.5
MINING ROYALTIES		
Subsidised gold royalty rate	194.2	204.2
Subsidised alumina royalty rate	133.2	116.6
Gold royalty-free threshold	7.3	9.0
Salt State Agreement Acts concession	4.3	4.9
TOTAL	4,473.6	4,819.5

(a) Estimates have been calculated after taking into account all other reported payroll tax expenditures.

(b) While any removal of these concessions could lead to an increase in relevant budget appropriations, these tax expenditures have been reported to provide an indication of the total support provided by the Government. They also illustrate where tax concessions could change the 'relative price' faced by government departments and create incentives to (for example) employ labour over capital.

(c) Excludes the value of separately reported tax expenditures for public hospitals and schools.

(d) Estimates have been calculated after taking into account all other reported land tax expenditures.

Major Tax and Royalty Expenditures

Payroll Tax

Tax-free threshold

From 1 July 2019 to 31 December 2019, an employer was not liable for payroll tax if its (or its group's) total Australia-wide wages paid per annum was \$850,000 or less. From 1 January 2020 until 30 June 2020, the tax-free threshold was raised to \$950,000 per annum. Finally, from 1 July 2020 the tax-free threshold was raised to \$1 million.

State Government departments exemption

The wages paid by all State Government departments listed on *Pay-roll Tax Assessment Regulations 2003* – Schedule 1 are exempt from payroll tax. This item excludes public hospitals and public schools, which are reported separately.

Public hospitals exemption

The wages of employers or contractors of a health service provider, as defined in the *Health Services Act 2016*, are exempt from payroll tax.

Schools/colleges exemption

A school or college (other than a vocational education and training college) that is carried on by a not-for-profit organisation and provides education at or below, but not above, the secondary level of education is exempt from payroll tax.

Charitable bodies exemption

A charitable body or organisation performing relevant charitable work may apply to the Commissioner of State Revenue for a payroll tax exemption.

Local governments exemption

Local governments, regional local governments and the Western Australian Local Government Association are exempt from payroll tax.

Apprentices and trainees exemption

The wages of all apprentices who are undertaking training under an approved training contract are exempt from payroll tax.

The payroll tax exemption for new employee trainees earning up to \$100,000 per annum will continue to apply for the nominal duration of training contracts that were registered with the Department of Training and Workforce Development before 1 July 2019.

Progressive payroll tax scales

A diminishing exemption threshold was introduced from 1 July 2015 such that the tax-free threshold progressively reduces in value for entities that report Australia-wide wages between the tax-free threshold and \$7.5 million.

From 1 July 2018, higher payroll tax rates apply for larger taxpayers, with a marginal rate of 6% applying to the component of an entity's Australia-wide payrolls exceeding \$100 million and a marginal rate of 6.5% applying to wages exceeding \$1.5 billion. This scale will remain in place up to and including 2022-23.

The application of a progressive payroll tax scale results in a negative tax expenditure to the extent that this scale reflects higher payroll tax rates than the benchmark tax rate.

Land Tax and Metropolitan Region Improvement Tax

Principal place of residence exemption

Generally, land used by the owner as their primary residence at midnight 30 June is exempt from land tax and Metropolitan Region Improvement Tax (MRIT) for the following assessment year.

Tax-free threshold

Land owners that have aggregated, assessable unimproved land values of less than \$300,000 are not liable for land tax.

Primary production exemption

Land used in carrying out certain primary production businesses on a commercial basis is exempt from land tax and MRIT (where applicable) if all relevant conditions are met.

Religious bodies exemption

Land owned by, or held in trust for, a religious body is exempt from land tax and MRIT provided that the land is used for religious, public worship or educational purposes, or for the residence of a minister of the religious body.

Educational institutions exemption

Land owned by, or held in trust for, a university or educational institution in Western Australia is exempt from land tax and MRIT provided that it is used solely for the purposes of the institution.

Public charitable or benevolent institutions exemption

Land owned by, or held in trust for, a public charitable or benevolent institution is exempt from land tax and MRIT if it is used solely for the public charitable or benevolent purposes for which the institution was established.

Land value growth cap

A 50% cap on growth in land values applies for the purpose of assessing land tax and MRIT to help reduce the volatility and unpredictability of growth in individual land tax and MRIT liabilities.

Developers concession

Land tax and MRIT is only paid on the un-subdivided (or 'englobo') value of land holdings at midnight 30 June, rather than the full subdivided value of lots, for one year after the creation of the lots.

Retirement villages exemption

Land used for a retirement village within the meaning of the *Retirement Villages Act 1992* is exempt from land tax and MRIT.

Club or sporting associations exemption/concession

Land owned by sporting or other not-for-profit associations used to provide facilities necessary for or conducive to meeting the objects of the association is exempt from land tax and MRIT. Not-for-profit facilities that are commercially available to the public may be eligible for a 50% concession if at least half of the land is being used to meet the objects of the association.

Aged care facilities exemption

Land used for the purposes of providing a residential care service that is certified under the *Commonwealth Aged Care Act 1997* is exempt from land tax and MRIT.

Caravan parks exemption

Land used as caravan parks, park home sites or camping grounds is exempt from land tax and MRIT.

Public or religious hospitals exemption

Land used solely for the purposes of a public hospital, or a hospital conducted by or on behalf of a religious body, is exempt from land tax and MRIT.

Transfer Duty (including Landholder Duty)

Connected entities restructure exemption

Certain transactions between related corporations or unit trust schemes are exempt from transfer duty.

First home owners' exemption/concession

First home buyers may be entitled to a concessional rate of transfer duty if the value of the dutiable property is below \$530,000 for the house and land, or below \$400,000 for vacant land. No duty is payable if the house and land value is below \$430,000, or the vacant land value is below \$300,000.

Concessional scale for residential property

A concessional transfer duty scale applies to purchases of residential properties, including not only principal places of residence but also rental properties and land on which the building of a residence is subsequently commenced within five years.

Family farms exemption

A transfer of farming land in Western Australia to a family member is exempt from transfer duty, subject to certain conditions being satisfied.

Insurance Duty

Health insurance policies exemption

Health insurance issued by a private health insurer (as defined in the Commonwealth *Private Health Insurance Act 2007*) is exempt from insurance duty.

Workers' compensation insurance exemption

Insurance against an employer's liability to pay compensation under the *Workers' Compensation and Injury Management Act 1981* is exempt from insurance duty.

Reinsurance exemption

The indemnification of one party by another against a liability or payment arising under an insurance or reinsurance contract is exempt from insurance duty.

Marine hulls exemption

Insurance in respect of marine hulls used mainly for commercial purposes is exempt from insurance duty.

Vehicle Licence Fees

Pensioners and Seniors vehicle concession

A 50% concession on vehicle licence fees is available to holders of a Centrelink Pensioner Concession Card or Veterans' Affairs Pensioner Concession Card, and seniors who hold both a State Seniors Card and a Commonwealth Seniors Health Card.

Primary producers vehicle concession

Vehicles used by farmers or graziers principally on their farm, and vehicles used by beekeepers, kangaroo hunters, prospectors and sandalwood pullers solely or principally in the course of their occupation, are entitled to a 50% vehicle licence fee concession.

Vehicle Licence Duty

Heavy vehicles concession

Transfers of heavy vehicle licences are subject to a single flat duty rate (currently 3%) and a maximum duty amount (of \$12,000) rather than the uncapped, progressive rate scale that applies to light vehicles.

Caravans and camper trailers exemption

Caravans and camper trailers that are permanently fitted for human habitation are exempt from vehicle licence duty.

Mining Royalties

Subsidised gold royalty rate

The 2015 Mineral Royalty Rate Analysis recommended that a royalty rate of 3.75% be applied to gold. This expenditure represents the difference between that royalty rate (as a benchmark) and the legislated 2.5% rate.

Subsidised alumina royalty rate

The Mineral Royalty Rate Analysis also recommended that a royalty rate of 3.75% be applied to alumina. This expenditure represents the difference between that royalty rate (as a benchmark) and the 1.65% rate applied under State Agreement Acts.

Gold royalty-free threshold

The first 2,500 ounces of gold metal produced each year is exempt from mineral royalties.

Salt State Agreement Acts concession

The effective average 2019-20 rate paid by salt projects covered by the various salt State Agreement Acts was around 34 cents per tonne, compared to the 2019-20 salt royalty rate prescribed under the Mining Regulations 1981 of 73 cents per tonne. The effective average 2020-21 rate was also around 34 cents per tonne.

Western Australia's Net Contribution to the Federation

Even with the GST distribution reforms, Western Australia will still receive the lowest per capita amount of GST (including Commonwealth-funded floor payments), and well below its contribution to the national GST pool. Although large, this is only one part of Western Australia's total support for other States.

The Western Australian Department of Treasury annually estimates the net redistribution across States that occurs through Commonwealth revenue raising from each State not matching Commonwealth spending for each State.

For each State, the redistribution is measured as the difference between the Commonwealth revenues generated in that State (including GST collections) and the Commonwealth expenditures for the benefit of that State (including GST grants).

For example, States with higher incomes and business profits contribute more to total Commonwealth taxes, while those with younger and healthier populations, or stronger economic conditions, draw less on health and social security benefits.

Using the latest available data, Western Australia is estimated to have contributed \$21.2 billion to the Federation (or \$8,022 per person) in 2019-20 alone.

Results for all States are shown in the following table (a positive figure for a State indicates that it makes a net contribution to the Federation, while a negative figure indicates that it receives a net subsidy).

In 2019-20, Western Australia's estimated contribution to the Federation was much greater than that of New South Wales, the only other net contributor. On a per capita basis, Western Australia's net contribution was more than ten times that of New South Wales.

Table 11.1

NET CONTRIBUTION OF EACH STATE TO THE FEDERATION (a)
2019-20

	Total Commonwealth Budget	
	\$m	\$ per capita
New South Wales	6,045	743
Victoria	-1,536	-231
Queensland	-14,329	-2,788
Western Australia	21,231	8,022
South Australia	-4,744	-2,691
Tasmania	-3,329	-6,189
Northern Territory	-3,338	-13,578
Total	0	n/a

(a) All Commonwealth outlays and revenues relating to the Australian Capital Territory (ACT) are allocated to the other States according to population shares. This recognises that the ACT would be unlikely to exist as a separate entity if the Federation dissolved.

Source: Department of Treasury estimates, using a range of data sources including the Commonwealth Final Budget Outcome publications and Australian Bureau of Statistics publication 5220.0. Results are based on the latest available data. Some data has been proxied by escalating earlier data using relevant economic indicators.

The following table shows a breakdown of Western Australia's estimated net contribution in 2019-20 compared with the previous two years. The figures indicate the extent to which Western Australia contributes more than its population share to Commonwealth revenues, or receives less than its population share of overall Commonwealth expenses.

Western Australia's large net contribution to the Federation is mainly driven by:

- the high level of Commonwealth company tax and personal income tax derived from Western Australia;
- the low level of Commonwealth spending in Western Australia on personal benefit payments and services; and
- Western Australia's low GST grant share.

Overall, in 2019-20 it is estimated that the Commonwealth derived \$64.7 billion in revenue from Western Australia, while expenditure for the benefit of the State (including the State's share of the Commonwealth deficit) totalled \$43.5 billion, yielding a net contribution to the Federation of \$21.2 billion, or \$8,022 per capita.

Table 11.2

COMPONENTS OF WESTERN AUSTRALIA'S NET CONTRIBUTION
Relative to Western Australia's Population Share

	2017-18 ^(a)	2018-19 ^(a)	2019-20 (Preliminary)
	\$m	\$m	\$m
Personal income tax	2,618	2,927	2,953
Company tax	5,890	10,364	11,664
Fuel excise (net of rebates)	612	232	-3
Taxes and royalties on mineral extraction ^(b)	697	689	528
Commonwealth services ^(c)	1,189	1,088	1,149
Personal benefit payments	1,681	1,359	1,279
Net impact of GST	3,680	2,444	1,648
Other grants to State and local governments ^(d)	-853	160	-31
Other	-126	-263	2,044
Total	15,387	18,998	21,231

(a) Figures are revised compared to past publications as some data has been revised and some data was not available at the time.

(b) Net of North West Shelf royalties passed on as grants to Western Australia by the Commonwealth.

(c) Departmental expenditures, including defence.

(d) Includes grants to universities. Excludes North West Shelf royalties paid as grants to Western Australia.

Source: Department of Treasury estimates, using a range of data sources including the Commonwealth Final Budget Outcome publications and Australian Bureau of Statistics publication 5220.0. Results are based on the latest available data. Some data has been proxied by escalating earlier data using relevant economic indicators. Further information on the methodology for calculating the net contribution of each State is available in the Department of Treasury and Finance's *Economic Research Articles March 2002* at <https://www.wa.gov.au/sites/default/files/2020-01/economic-research-papers-economic-research-articles.pdf>.

Note: Columns may not add due to rounding.

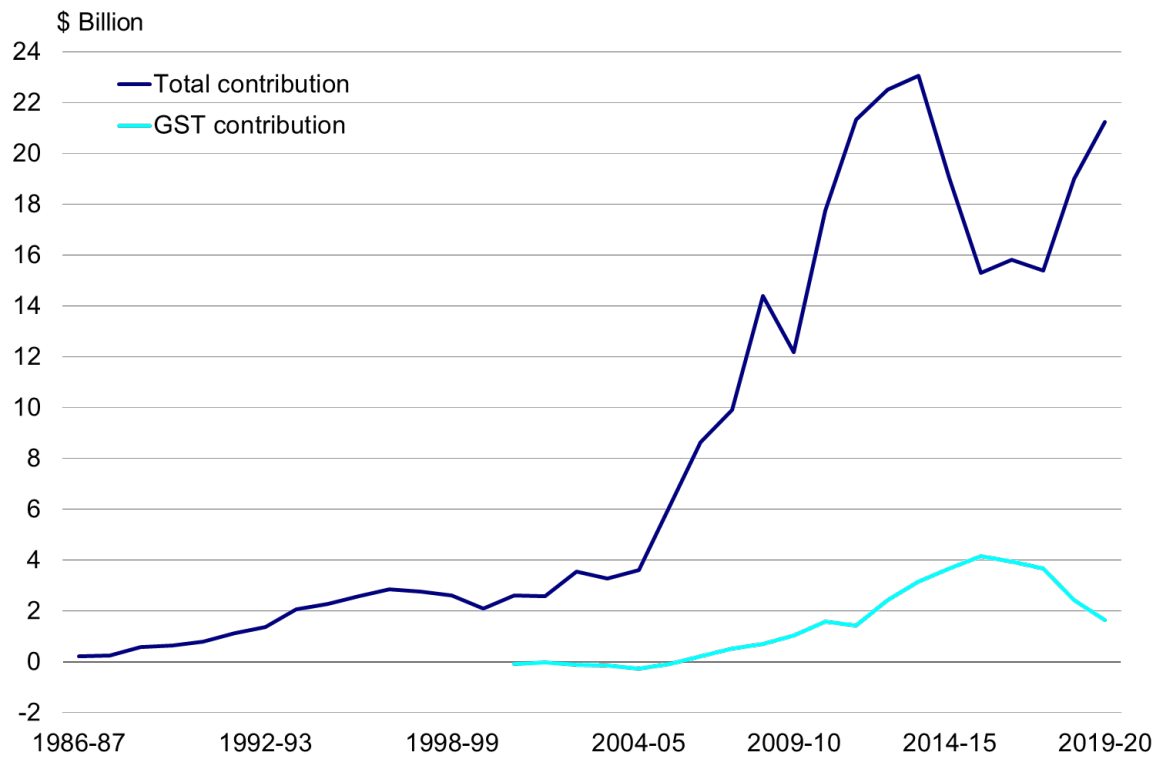
The figure below shows that Western Australia's net contribution has grown strongly over time, and also that the annual net contributions by Western Australia are substantially larger than the contributions attributable to the GST alone¹.

Over the period 1986-87 to 2019-20, Western Australia's net contributions to the Federation have totalled \$279 billion (of which \$257 billion is since 2000-01, when the GST was introduced).

¹ Reflecting the difference between GST generated in Western Australia and GST paid to Western Australia (including Commonwealth-funded floor payments).

Figure 11.1

WESTERN AUSTRALIA'S NET CONTRIBUTION TO THE FEDERATION (a)



(a) Data to calculate Western Australia's total contribution are currently only available to 2019-20.

Source: Department of Treasury estimates.

Commonwealth Tied Grants

This appendix lists all Commonwealth tied grants (e.g. health, education, housing and transport) that are included in the State Budget and characterised as such in the Commonwealth Budget¹.

Table 12.1 includes the estimates of Commonwealth funding included in this Budget. The estimates in the table may differ from the Commonwealth's due to different assumptions in relation to timing, parameters and (occasionally) the continuation of an agreement. Given the uncertain future of some expiring agreements, the State Budget generally assumes that there is no funding past an agreement's expiry date.

¹ While not reported in this appendix, the State Budget also includes Commonwealth grants that the Commonwealth characterises as its own-purpose expenses (e.g. fee-for-service arrangements and funding provided under competitive tenders open to the private sector). Examples are grants for the provision of hospital services to veterans and for the provision of services to the Cocos Keeling Islands.

Table 12.1

COMMONWEALTH TIED GRANTS (a)(b)

	Terms of the Latest Agreement			Estimated Commonwealth Funding to Western Australia					
	Funding Start Year	Funding Expiry Year	Estimated Average Annual Commonwealth Contribution \$m	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m	Total Five Years \$m
HEALTH									
National Health Reform Agreement - Addendum	2020-21	2024-25	2,808.5	2,432.8	2,660.6	2,815.4	2,979.6	3,154.2	14,042.5
COVID-19 Response	2019-20	n/a	n/a	175.6	97.2	-	-	-	272.7
Community Health and Hospitals Program WA Initiatives	2019-20	2024-25	19.8	12.5	20.3	41.8	33.4	7.3	115.2
Public Dental Services for Adults ^(c)	2016-17	2020-21	9.7	9.7	9.7	-	-	-	19.4
Essential Vaccines (Excluding Free of Charge Resources) ^(c)	2017-18	2020-21	2.3	2.0	2.1	2.1	2.1	2.1	10.5
Health Innovation Fund - Stage 2	2020-21	2020-21	5.2	5.2	-	-	-	-	5.2
Comprehensive Palliative Care in Aged Care	2019-20	2023-24	1.1	1.1	1.1	1.2	1.3	-	4.7
National Bow el Cancer Screening Program	2018-19	2021-22	0.9	1.0	1.0	-	-	-	2.0
Improving Trachoma Control Services	2017-18	2020-21	1.7	1.7	-	-	-	-	1.7
Expansion of the BreastScreen Australia Program	2017-18	2020-21	1.6	1.7	-	-	-	-	1.7
Rheumatic Fever Strategy	2017-18	2020-21	0.9	1.0	-	-	-	-	1.0
OzFoodNet Program	2020-21	2023-24	0.2	0.2	0.2	0.2	0.2	-	0.9
Lymphoedema Compression Garments	2019-20	2023-24	0.2	0.2	0.2	0.2	0.2	-	0.8
Specialist Dementia Care - Phase One	2019-20	2022-23	0.3	0.3	0.3	0.3	-	-	0.8
Vaccine Preventable Diseases Surveillance Program	2020-21	2023-24	0.1	0.1	0.1	0.1	0.1	-	0.4
Encouraging More Clinical Trials in Australia	2017-18	2020-21	0.3	0.2	-	-	-	-	0.2
Stillbirth Autopsies and Investigations	2020-21	2020-21	0.3	0.3	-	-	-	-	0.3
TOTAL HEALTH				2,645.4	2,792.8	2,861.3	3,016.9	3,163.6	14,479.9

Table 12.1 (cont.)

COMMONWEALTH TIED GRANTS (a)(b)

	Terms of the Latest Agreement			Estimated Commonwealth Funding to Western Australia					
	Funding Start Year	Funding Expiry Year	Estimated Average Annual Commonwealth Contribution \$m	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m	Total Five Years \$m
EDUCATION									
National School Reform Agreement - <i>Quality Schools</i>	2018	2023	972.7	924.7	1,020.6	1,121.9	1,200.2	1,251.4	5,518.8
Universal Access to Early Childhood Education 2018 - 2021	2018	2021	46.5	46.5	21.3	4.3	3.3	1.2	76.66
National School Chaplaincy Program	2019	2022	7.7	7.7	7.7	-	-	-	15.46
School Pathways Programs	2020-21	2021-22	0.6	0.6	0.6	-	-	-	1.2
MoneySmart Teaching	2017-18	2020-21	0.1	0.1	-	-	-	-	0.1
TOTAL EDUCATION				979.7	1,050.2	1,126.2	1,203.5	1,252.6	5,612.3
TRAINING AND WORKFORCE DEVELOPMENT									
National Skills and Workforce Development SPP ^(d)	2008-09	n/a	154.0	162.9	164.1	166.5	169.0	171.3	833.9
Skilling Australians Fund	2018-19	2021-22	28.4	38.9	19.9	-	-	-	58.8
JobTrainer Fund	2020-21	2020-21	51.7	51.7	-	-	-	-	51.7
National Infection Control Training Fund	2019-20	2020-21	4.1	4.1	-	-	-	-	4.1
Revitalising TAFE Campuses across Australia	2020-21	2021-22	2.0	2.0	2.0	-	-	-	4.0
TOTAL TRAINING AND WORKFORCE DEVELOPMENT				259.6	185.9	166.5	169.0	171.3	952.5
AFFORDABLE HOUSING									
National Housing and Homelessness Agreement	2018-19	n/a	170.3	171.0	173.8	176.6	169.8	172.0	863.1
HomeBuilder	2020-21	2022-23	n/a	73.6	432.4	-	-	-	506.0
TOTAL AFFORDABLE HOUSING				244.6	606.2	176.6	169.8	172.0	1,369.1

Table 12.1 (cont.)

COMMONWEALTH TIED GRANTS (a)(b)

	Terms of the Latest Agreement			Estimated Commonwealth Funding to Western Australia					Total Five Years \$m
	Funding Start Year	Funding Expiry Year	Estimated Average Annual Commonwealth Contribution \$m	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m	
COMMUNITY SERVICES									
DisabilityCare Australia Fund ^(c)	n/a	n/a	n/a	-	109.3	113.1	785.3	-	1,007.7
National Disability SPP ^(e)	2008-09	2019-20	126.3	1.2	-	-	-	-	1.2
Pay Equity for the Social and Community Services Sector	2016-17	2019-20	31.6	33.3	-	-	-	-	33.3
Remote Self-Isolation Facilities	2020-21	2020-21	0.4	0.4	-	-	-	-	0.4
TOTAL COMMUNITY SERVICES				34.9	109.3	113.1	785.3	-	1,042.6
TRANSPORT INFRASTRUCTURE									
Land Transport Infrastructure Projects	2019-20	2023-24	1,452.1	1,223.8	1,520.5	1,969.7	1,671.7	874.9	7,260.6
Transport Infrastructure Projects in Western Australia	2014-15	2016-17	405.0	0.4	-	-	-	-	0.4
TOTAL TRANSPORT INFRASTRUCTURE				1,224.2	1,520.5	1,969.7	1,671.7	874.9	7,261.0

Table 12.1 (cont.)

COMMONWEALTH TIED GRANTS (a)(b)

	Terms of the Latest Agreement			Estimated Commonwealth Funding to Western Australia					Total Five Years \$m
	Funding Start Year	Funding Expiry Year	Estimated Average Annual Commonwealth Contribution \$m	2020-21 Estimated Actual \$m	2021-22 Budget Estimate \$m	2022-23 Forw ard Estimate \$m	2023-24 Forw ard Estimate \$m	2024-25 Forw ard Estimate \$m	
ENVIRONMENT									
National Water Grid Fund ^(c)	n/a	n/a	n/a	-	46.7	46.7	46.7	-	140.0
National Water Inf. Dev. Fund - Southern Forests Irrigation Scheme	2019-20	2020-21	0.5	-	0.7	-	-	-	0.7
Recycling Infrastructure	2020-21	2023-24	8.8	-	12.5	16.5	1.0	-	30.0
WA Energy and Emissions Reduction Deal	2020-21	2021-22	14.3	28.5	-	-	-	-	28.5
Disaster Risk Reduction	2019-20	2023-24	2.5	2.5	2.5	2.5	2.5	-	10.0
Digital Environment (Online) Assessment Program	2020-21	2021-22	4.5	2.6	6.6	-	-	-	9.2
COVID-19 World and National Heritage Management	2020-21	2020-21	5.1	1.6	3.5	-	-	-	5.1
On-farm Emergency Water Infrastructure	2018-19	2020-21	2.7	4.2	-	-	-	-	4.2
Pest and Disease Preparedness and Response Programs	2018-19	n/a	0.5	0.5	0.5	-	-	-	1.0
Future Drought Fund - Farm Business Resilience	2020-21	2020-21	2.3	-	2.3	-	-	-	2.3
Future Drought Fund - Regional Drought Resistance Planning	2020-21	2020-21	1.3	-	1.3	-	-	-	1.3
Horticultural Netting Program	2020-21	2020-21	2.2	2.2	-	-	-	-	2.2
World Heritage Management	2018-19	2022-23	0.4	0.4	0.4	0.4	-	-	1.3
National Plant Health Surveillance Program	2021-22	2024-25	0.1	-	0.1	0.1	0.1	0.1	0.5
Enhancing National Pest Animal and Weed Management	2020-21	2022-23	0.2	-	0.1	0.1	0.2	-	0.4
TOTAL ENVIRONMENT				42.5	77.2	66.4	50.5	0.1	236.638

Table 12.1 (cont.)

COMMONWEALTH TIED GRANTS (a)(b)

	Terms of the Latest Agreement			Estimated Commonwealth Funding to Western Australia					
	Funding Start Year	Funding Expiry Year	Estimated Average Annual Commonwealth Contribution	2020-21 Estimated Actual	2021-22 Budget Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	Total Five Years
			\$m	\$m	\$m	\$m	\$m	\$m	\$m
OTHER									
National Legal Assistance Partnership	2020-21	2024-25	51.2	50.5	51.1	50.7	51.4	52.1	255.8
Natural Disaster Relief and Recovery Arrangements	2018-19	N/A	N/A	3.7	192.9	0.1	-	52.3	248.9
Perth City Deal ^(f)	2020-21	2024-25	9.5	-	12.6	17.7	5.0	-	35.3
Small Business Regulatory Reform	2018-19	2020-21	10.5	11.2	20.4	-	-	-	31.6
Tourism Icon Package - Upgrade of Tourist Facilities on Rottnest Island	2019-20	2021-22	5.7	3.8	12.1	-	-	-	15.9
COVID-19 Domestic and Family Violence Responses	2019-20	2020-21	6.8	10.6	-	-	-	-	10.6
Regional Recovery Partnerships	2020-21	2021-22	4.9	3.8	6.0	-	-	-	9.8
Provision of Fire Services - Memorandum of Understanding ^(c)	2017-18	2021-22	1.6	1.6	1.7	1.7	1.7	1.7	8.2
COVID-19 Legal Assistance	2019-20	2020-21	3.8	4.0	-	-	-	-	4.0
Recreational Fishing and Camping Facilities	2020-21	2022-23	1.1	0.9	0.8	0.8	-	-	2.5
Family Law Information Sharing - Schedule A - Child Protection	2019-20	2021-22	0.3	0.3	0.3	-	-	-	0.6
TOTAL OTHER				90.4	297.8	70.9	58.1	106.0	623.3
TOTAL COMMONWEALTH TIED GRANTS				5,521.4	6,639.9	6,550.6	7,124.7	5,740.6	31,577.3

(a) The timing of funding in the Western Australian Budget can be influenced by delays in Commonwealth payments or the requirement that payments be matched to the delivery of projects or services.

(b) The table excludes grants that the Commonwealth characterises as its own-purpose expenditures.

(c) Includes funding under expected agreements.

(d) The 'Average Annual Commonwealth Contribution' reflects payments over the period from 1 January 2009 (when this SPP commenced) to 2024-25.

(e) The 'Average Annual Commonwealth Contribution' reflects payments over the period from 1 January 2009 (when this SPP commenced) to 2019-20.

(f) Commonwealth funding includes \$245 million which will be paid directly to Edith Cowan University, and is not reflected in the Western Australian Treasury estimate.

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

