

Part 3

Financial Administration

Introduction

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

Summary of Recurrent and Asset Investment Expenditure

Agency	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000
Treasury		
– Total Cost of Services	53,963	57,760
– Asset Investment Program	615	400
Western Australian Treasury Corporation		
– Asset Investment Program	800	477
Office of the Auditor General		
– Total Cost of Services	40,799	43,164
– Asset Investment Program	1,319	3,769
Finance		
– Total Cost of Services	1,675,308	1,767,579
– Asset Investment Program	111,951	93,767
Insurance Commission of Western Australia		
– Asset Investment Program	4,494	4,987

Ministerial Responsibilities

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

Division 11 Treasury

Part 3 Financial Administration

Appropriations, Expenses and Cash Assets

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
DELIVERY OF SERVICES							
Item 14 Net amount appropriated to deliver services	43,567	50,128	46,349	49,392	44,984	44,987	45,070
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975	1,101	1,108	1,108	1,120	1,127	1,137	1,137
Total appropriations provided to deliver services.....	44,668	51,236	47,457	50,512	46,111	46,124	46,207
ADMINISTERED TRANSACTIONS							
<i>Operating Subsidy Payments</i>							
Item 15 Bunbury Water Corporation	786	798	856	1,232	1,692	2,141	2,683
Item 16 Busselton Water Corporation.....	670	768	768	688	691	695	698
Item 17 Electricity Generation and Retail Corporation (Synergy)	884,895	386,669	378,745	763,303	347,036	309,431	257,035
Item 18 Forest Products Commission.....	200	200	200	220	-	-	-
Item 19 Fremantle Port Authority	-	-	-	317	326	-	-
Item 20 Kimberley Ports Authority	2,706	3,100	3,100	2,500	2,500	2,500	-
Item 21 Public Transport Authority of Western Australia.....	1,034,300	984,070	963,413	1,006,809	974,390	956,113	977,059
Item 22 Public Transport Authority of Western Australia - Replacement Services for Armadale Rail Line ^(a)	-	-	-	16,667	40,000	3,333	-
Item 23 Regional Power Corporation (Horizon Power).....	47,090	8,298	8,298	35,545	9,902	7,734	6,132
Item 24 Southern Ports Authority.....	21,482	8,078	12,372	5,565	-	-	-
Item 25 Water Corporation of Western Australia.....	218,579	364,349	393,170	472,023	514,065	516,923	517,561
Item 26 Western Australian Land Authority (DevelopmentWA)	315,356	249,783	257,557	269,934	128,454	103,334	98,294
<i>Grants, Subsidies and Transfer Payments</i>							
Item 27 Gaming and Wagering Commission ^(b)	3,800	3,900	3,900	4,000	4,100	4,200	4,300
Item 28 Goods and Services Tax (GST) Administration Costs	64,493	71,200	61,900	71,200	71,300	71,200	71,200
Item 29 Department of Jobs, Tourism, Science and Innovation ^(c)	4,010	18,924	4,824	22,605	35,225	25,050	6,200
Item 30 National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account	-	-	-	185,000	-	-	-
Item 31 Noongar Land Fund Account	-	-	-	2,800	5,600	5,600	5,600
Item 32 Provision for Aboriginal Community Controlled Sector Development ^(d)	-	1,017	1,017	713	1,658	-	-
Item 33 Provision for Aboriginal Cultural Heritage Act 2021 ^(e)	-	-	-	2,500	2,500	2,500	2,500
Item 34 Provision for Perth City Deal ^(f)	-	100,000	-	99,000	-	-	-
Item 35 Provision for COVID-19 Test Isolation Payments ^(g)	-	-	-	48,125	-	-	-
Item 36 Refund of Past Years Revenue Collections - Public Corporations	14,994	10,000	10,000	10,000	10,000	10,000	10,000
Item 37 Royalties for Regions ^(h)	761,645	873,230	788,825	928,400	826,879	810,948	720,184
Item 38 State Property - Emergency Services Levy	18,075	19,064	18,466	19,270	20,316	21,149	22,584

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
Item 39 WA Health ⁽ⁱ⁾	150	11,985	11,551	22,961	14,599	11,802	11,802
Item 40 All Other Grants, Subsidies and Transfer Payments ^(j)	1,592	4,805	124,129	2,793	3,328	9,008	9,353
<i>Comprising:</i>							
Acts of Grace / Ex Gratia Payments	-	300	300	200	200	200	200
Commonwealth Pandemic Leave Disaster Payment.....	-	2,300	2,300	-	-	-	-
Incidentals	-	240	240	200	200	200	200
Interest on Public Moneys Held in Participating Trust Fund Accounts	701	1,055	880	1,445	2,010	7,675	8,005
Administration Costs - National Tax Equivalent Regime Scheme	68	100	100	100	100	100	100
COVID-19 - Small Business Assistance Grants (Level 1 and 2 Packages)	-	-	119,543	-	-	-	-
Western Australian Land Information Authority - Valuation Services	105	120	120	140	110	125	140
Western Australian Treasury Corporation Management Fees	718	690	646	708	708	708	708
Department of Communities ^(k)	-	-	-	-	-	59,475	59,475
Department of Finance ^(l)	-	-	-	-	1,823	-	-
Metropolitan Redevelopment Authority (DevelopmentWA)	-	866	866	-	-	-	-
Provision for Unfunded Liabilities in the Government Insurance Fund	12,259	17,944	17,944	-	-	-	-
Provision for Voluntary Targeted Separation Scheme ^(m)	-	10,076	10,076	-	-	-	-
<i>Authorised by Other Statutes</i>							
Judges' Salaries and Pensions Act 1950.....	17,375	18,907	18,896	19,967	20,462	22,303	20,977
<i>Comprising:</i>							
Benefit Payments	17,160	18,674	18,674	19,723	20,216	22,052	20,721
Administration Expenses ⁽ⁿ⁾	215	233	222	244	246	251	256
Parliamentary Superannuation Act 1970	9,824	11,414	11,401	9,573	9,808	13,389	10,417
<i>Comprising:</i>							
Benefit Payments	9,539	11,140	11,140	9,287	9,519	13,094	10,117
Administration Expenses ⁽ⁿ⁾	285	274	261	286	289	295	300
State Superannuation Act 2000.....	406,654	440,919	453,593	410,842	408,682	413,054	408,860
<i>Comprising:</i>							
Pension Scheme.....	158,874	152,895	150,328	142,264	134,262	126,593	119,210
<i>Comprising:</i>							
Benefit Payments	157,356	151,437	148,906	140,905	133,000	125,405	118,098
Administration Expenses ⁽ⁿ⁾	1,518	1,458	1,422	1,359	1,262	1,188	1,112
Gold State Super	189,412	288,024	303,265	268,578	274,420	286,461	289,650
<i>Comprising:</i>							
Benefit Payments	184,294	282,768	298,076	263,738	269,907	282,172	285,602
Administration Expenses ⁽ⁿ⁾	4,777	4,638	4,949	4,649	4,320	4,093	3,849
Government Services ^(o)	341	618	240	191	193	196	199
West State Super	58,367	-	-	-	-	-	-
Western Australian Health Promotion Foundation Act 2016	23,421	23,949	23,949	24,497	25,057	25,520	25,992
Racing and Wagering Western Australia Act 2003	33,412	24,300	24,300	26,550	29,196	30,072	27,762
Unclaimed Money Act 1990	1,448	2,000	828	1,000	1,000	1,000	1,000
Loan Acts - Interest.....	629,762	578,000	582,000	589,000	623,000	618,000	595,000
Western Australian Future Health Research and Innovation Fund Act 2012.....	82,900	101,400	101,400	70,900	63,300	64,300	65,700
TOTAL RECURRENT ADMINISTERED	4,611,878	4,350,013	4,288,344	5,146,499	4,196,889	4,120,774	3,938,368
CAPITAL							
Item 102 Capital Appropriation.....	69	67	61	55	56	58	58
<i>Government Equity Contributions</i>							
Item 103 Animal Resources Authority	336	6,130	630	5,500	-	-	-
Item 104 Bunbury Water Corporation	11,900	-	10,170	11,050	-	-	-
Item 105 Department of Communities ^(p).....	-	-	-	11,700	14,700	-	-
Item 106 Department of Justice ^(q).....	713	-	-	200	3,000	3,000	1,300
Item 107 Forest Products Commission.....	-	-	14,263	11,034	-	-	-
Item 108 Electricity Generation and Retail Corporation (Synergy)	-	170,202	155,701	33,301	10,000	1,000	-

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
Item 109 Electricity Networks Corporation (Western Power).....	133,574	170,146	176,489	93,759	96,740	99,141	93,634
Item 110 Kimberley Ports Authority.....	4,000	3,500	3,500	5,500	29,500	18,500	-
Item 111 Metropolitan Redevelopment Authority (DevelopmentWA).....	211,539	1,600	1,600	2,420	-	-	-
Item 112 Pilbara Ports Authority.....	4,117	50,041	49,599	41,459	46,391	26,690	27,889
Item 113 Provision for Aluminium Composite Panel Cladding ^(r).....	-	-	-	11,440	24,880	36,680	27,827
Item 114 Royalties for Regions ^(h).....	192,879	226,312	190,727	298,840	308,431	141,168	155,317
Item 115 WA Health ^(s).....	22,610	26,960	84,905	73,829	58,870	131,216	91,447
Item 116 Western Australian Land Authority (DevelopmentWA).....	15,000	40,500	36,500	29,953	4,000	-	-
Item 117 Western Australia Police Force ^(t) ...	-	-	-	3,622	25,940	881	-
Mid West Ports Authority.....	-	-	3,000	-	-	3,745	9,662
Department of Education ^(u).....	13,400	-	-	-	-	-	-
Regional Power Corporation (Horizon Power).....	-	24,016	24,016	-	2,404	-	-
Southern Ports Authority.....	640	-	-	-	-	-	-
Water Corporation of Western Australia.....	-	-	22,910	-	-	-	-
<i>Other</i>							
Item 118 Climate Action Fund.....	-	168,000	168,000	500,000	-	-	-
Item 119 Digital Capability Fund.....	-	500,000	500,000	400,000	-	-	-
Item 120 Remote Communities Fund.....	-	-	-	350,000	-	-	-
Debt Reduction Account.....	1,546,593	2,115,221	2,115,221	-	-	-	-
Social Housing Investment Fund.....	-	750,000	750,000	-	-	-	-
Softwood Plantation Expansion Fund.....	-	350,000	350,000	-	-	-	-
New Women and Babies Hospital Account.....	-	1,787,000	1,787,000	-	-	-	-
<i>Authorised by Other Statutes</i>							
Loans (Co-operative Companies) Act 2004....	6,000	-	7,181	-	-	-	-
Loan Acts - Repayment of Borrowings.....	-	587,480	588,752	1,200,000	-	-	-
TOTAL CAPITAL ADMINISTERED.....	2,163,301	6,977,108	7,040,164	3,083,607	624,856	462,021	407,076
GRAND TOTAL.....	6,819,916	11,378,424	11,376,026	8,280,673	4,867,912	4,628,977	4,391,709
EXPENSES							
Total Cost of Services.....	49,247	58,003	53,963	57,760	52,565	52,067	52,150
Net Cost of Services ^(v).....	48,868	57,943	53,903	57,700	52,505	52,007	52,090
CASH ASSETS ^(w).....	8,626	7,149	9,037	9,456	9,875	10,294	10,713

- (a) Reflects the provision for bus replacement services during the Armadale Rail Line shutdown, which will be disbursed to the Public Transport Authority once the operating plan and public consultation is finalised.
- (b) Funding provided to the Sports Wagering Account at the Gaming and Wagering Commission of Western Australia associated with the introduction of the Point of Consumption Tax in January 2019.
- (c) Provision for the Aviation Recovery Fund (\$16.2 million), Major Events Fund (\$5 million), Future Energy Exports Cooperative Research Centre (\$1.2 million) and National Collaborative Research Infrastructure Strategy (\$180,000), pending the finalisation of agreements between the respective parties.
- (d) An amount of \$3.4 million has been provisioned to be allocated as grants to build the capacity of the Aboriginal Community Controlled Organisations linked to priorities under the National Agreement on Closing the Gap. Release of funding is subject to the finalisation of sector strengthening plans and Government consideration of funding proposals.
- (e) Provision for one-off establishment, administration and capacity building funding for Local Aboriginal Cultural Heritage Services, expected to be established through the *Aboriginal Cultural Heritage Act 2021* for Aboriginal cultural heritage protection and management in Western Australia.
- (f) Provision for State assistance towards the establishment of inner-city university campuses as part of the Perth City Deal.
- (g) Provision for eligible workers and carers with no access to paid leave or income support while awaiting COVID-19 test results. A \$320 payment is available to all eligible individuals.
- (h) Appropriations to the Royalties for Regions Special Purpose Account are split between payments for recurrent and capital purposes (based on project information). Further detail on the Royalties for Regions program is available in Budget Paper No. 3: *Economic and Fiscal Outlook*.
- (i) Includes a provision to fund the plan for the Peel Health Campus' transition back into the public sector and to address cost pressures relating to WA Country Health Services, including the operation of the residential aged care facility and the multipurpose services sites as well as delivery of renal services in the Kimberley.
- (j) Includes all administered grants, subsidies and transfers not covered elsewhere by individual Acts.

- (k) Reflects \$59.5 million in each of 2024-25 and 2025-26 provisioned for Communities' housing functions pending a review of its associated budget settings.
- (l) A provision of \$1.8 million for Finance in 2023-24, pending an assessment of the Building Asset Data and Information Platform.
- (m) Separation costs for any remaining employees who choose to leave the sector as the ongoing transition to the Commonwealth-run National Disability Insurance Scheme and Communities' Machinery of Government changes continue to be progressed. The drawdown of this funding is dependent on the timing of any further employee exits.
- (n) Superannuation scheme administration expense reflects the costs of administering an unfunded defined benefit superannuation/pension scheme by an appropriation from the Consolidated Account.
- (o) Reflects the costs for regulatory support of State superannuation schemes where the Government Employees Superannuation Board incurs these costs on behalf of the Government.
- (p) Reflects remaining funding to be applied to Communities' Asset Investment Program for the Common Ground - Mandurah project, pending Government approval of a project definition plan.
- (q) Reflects funding provisioned for a new Crisis Care Unit at Banksia Hill Detention Centre, to be released following the Government's approval of a project definition plan (\$7.5 million) and funding (\$713,000) for the Broome Regional Prison upgrade under the Custodial Infrastructure Program.
- (r) Reflects funding allocated to meet the future cost to remediate all remaining instances of aluminium composite panel cladding that have been identified across the general government building portfolio.
- (s) Reflects funding applied to major health initiatives as part of WA Health's Asset Investment Program. WA Health is required to submit business cases or project definition plans for Government approval to access these funds.
- (t) Reflects funding to be applied to the Western Australia Police Force for a new District Support Facility in Broome, following Government approval of a project definition plan.
- (u) Reflects funding applied to Education's Asset Investment Program for construction of the Stage 2 expansion of Bob Hawke College and Stage 1 of a new secondary school located in Piara Waters.
- (v) Represents Total Cost of Services (expenses) less retained revenues applied to the Department's services. Reconciliation to the total appropriations provided to deliver services includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (w) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on Treasury's Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
New Initiative					
Climate Action - Climate Coordination Unit.....	50	547	551	555	558
Ongoing Initiatives					
2022-23 Streamlined Budget Process Incentive Funding.....	-	878	-	-	-
Digital Capability Fund and the Office of Digital Government Evaluation.....	-	250	-	-	-
New Public Sector Wages Policy.....	-	328	332	-	-
Superannuation Advisory Services.....	43	43	43	43	43
Target 120 Program.....	-	250	250	-	-
Westport Program - Commercial Framework.....	-	187	-	-	-

Significant Issues Impacting the Agency

Economic Outlook

1. Western Australia's domestic economy is experiencing its strongest growth in a decade. State Final Demand (SFD) is estimated to grow by 5.25% in 2021-22, with further growth of 4% expected in 2022-23. Growth in 2021-22 has been underpinned by a strong lift in household spending, with rebounding business investment and elevated levels of Government investment driving growth in 2022-23.
2. The State's strong economic performance has created a very tight labour market, with employment estimated to grow by 5% (or 68,700 jobs) in 2021-22, and a further 2% (28,900 jobs) in 2022-23. Reflecting this, the unemployment rate is expected to decline to 3.75% in 2022-23. The tight labour market is expected to see a lift in wages growth, from an estimated 2% in 2021-22 to 2.75% in 2022-23.
3. Broader price pressures have accelerated in recent months. The Perth Consumer Price Index (CPI) is now estimated to grow by 4% in 2021-22. This reflects high global oil prices, increases in new dwelling prices and other general price increases due to supply chain disruption, Omicron absenteeism and weather events in other parts of the country.
4. Inflationary pressures are expected to moderate in 2022-23, with forecast CPI growth of 2.75%. This reflects the anticipated passing of supply chain issues and the easing of other global pressures (for example, growth in new vehicle purchase prices has begun moderating, and freight costs have eased from their recent peak).
5. Risks to the outlook remain elevated and include: the ongoing impact of the COVID-19 pandemic locally, nationally and globally (particularly in China); the Ukraine conflict and its impacts on the global economy; the extent to which current high commodity prices are sustained and flow through to the real economy (through higher incomes and/or investment); and the pace and magnitude of increases in interest rates (in Australia and globally).

Economic Response and Diversification

6. Treasury continues to play a lead role in providing advice to Government on the State's economic response to the impacts of COVID-19. This includes monitoring the economic impacts of the virus and associated restrictions used to manage outbreaks, providing advice on COVID-19 business assistance measures, and working with agencies to optimise the timing and delivery of various infrastructure and related recovery projects.
7. Treasury also continues to work closely with the Department of Jobs, Tourism, Science and Innovation and other agencies to support the Government's economic diversification and development objectives to ensure a strong, resilient economy over the longer term. This includes the provision of advice on policies and projects related to the priority sectors identified in Diversify WA, such as renewable hydrogen, tourism, international education and defence, and supporting associated modelling and analysis.

State Finances

8. Treasury is the lead agency assisting the Government with the formulation of the annual Budget. The 2022-23 Budget is focused on the Government's continuing response to the COVID-19 pandemic, and applying the State's strong operating surplus to current and future priorities, including support for cost of living pressures, meeting public hospital demand, jobs and economic diversification, climate action, and debt repayment.
9. The 2022-23 Budget shows that Western Australia's finances continue to perform strongly, providing capacity for the Government to reduce borrowings while also delivering increased resources for service delivery and asset investment. Western Australia is the only State with operating surpluses in all of the forecast years, and an expected decline in net debt (for a third consecutive year in 2021-22). Both Moody's and S&P Global recognised the relative strength of the State's finances with both reaffirming their existing ratings in October 2021 - at the same time, S&P Global lifted the outlook on the State's credit rating from 'stable' to 'positive', flagging a one-in-three chance of an upgrade (to AAA) in the next one to two years.

Commonwealth-State Financial Relations

10. Treasury is supporting the Treasurer in addressing issues that are considered by the Council on Federal Financial Relations (CFFR) and the Board of Treasurers. This includes providing advice on potential national reforms and ensuring that the CFFR effectively undertakes its 'gatekeeper' and review roles for new Commonwealth funding agreements. This involves working closely with the Department of the Premier and Cabinet and line agencies to agree a whole-of-State approach to Commonwealth funding agreement negotiations.
11. Treasury is also assisting the Treasurer in defending the GST distribution reforms amidst ongoing criticism from other States. This includes providing the Treasurer with analysis and comment on documentation produced by other States on the reforms, supporting the Treasurer's engagement in interjurisdictional meetings, and ongoing engagement with the Commonwealth Grants Commission to better recognise Western Australia's spending needs and policy stance during the COVID-19 pandemic, when calculating the State's GST share.

Climate Change Policy Support

12. Consistent with the recommendations of the Western Australian Climate Policy, Treasury and the Department of Water and Environmental Regulation are developing a framework to monitor, assess and report on the implications of climate change on the State's finances, infrastructure and service delivery. A new Climate Coordination Unit will be established within Treasury to enable increased support to a number of cross-agency governance bodies and working groups. This includes providing support for modelling of climate change and climate change policy impacts.
13. A Climate Change Risk Management Interim Guide was released in February 2022 to government agencies and government trading enterprises. This interim guide encourages agencies to undertake a first pass assessment of physical climate risks, including identification of treatment options (adaptation planning). Treasury will continue to monitor developments in the area of disclosure including the Taskforce on Climate Related Financial Disclosures, AASB Practice Statement 2 and the new International Sustainability Standards Board.

Commercial Advisory

14. The Government recommenced the sale of the Western Australian TAB process in October 2021, and Treasury is working closely with Racing and Wagering Western Australia to progress the transaction. Subject to a successful outcome of the Request for Binding Offers stage, a new wagering operator could be in place by the end of 2022.
15. Treasury is working closely with various agencies to progress the development of significant major projects and reforms including Westport and the associated commercial framework, the new Women and Babies Hospital, innovative community housing provision, and the transition of ownership and operational control of the Animal Resources Centre.

Delivery of Infrastructure and ICT Projects

16. To assist in the delivery of the Government's record Asset Investment Program, Treasury is supporting the Government's Major Projects Expenditure Review Sub-Committee (MPERSC), which is chaired by the Premier and is responsible for monitoring the delivery of priority infrastructure projects. Through MPERSC, the Government has endorsed various initiatives in response to capacity constraints and cost pressures in the construction market, including better coordination of tender dates to match construction industry capacity.
17. Treasury will oversee an independent review of the Digital Capability Fund (DCF) throughout the first half of 2022-23. A key aspect of the review is the effectiveness of the delivery of the ICT projects that have been funded to ensure they are achieving their expected benefits. The review will be completed in time to inform the consideration of project funding from the DCF as part of the 2023-24 Budget.

Wages Policy

18. The Government's Public Sector Wages Policy provides public sector employees with a 2.5% wage increase per annum and the choice, by industrial agreement, of either a one-off \$1,000 payment or an additional 0.25% per annum for negotiated reforms. Industrial conditions may also be negotiated, subject to Government approval.

19. Treasury is supporting the Government during the negotiations of proposed industrial reforms and will continue to work with the Government Sector Labour Relations directorate at the Department of Mines, Industry Regulation and Safety to monitor expiring public sector industrial agreements and maintain outcomes consistent with the Policy.

Health and Mental Health Funding Arrangements

20. Treasury is working closely with WA Health and the Mental Health Commission to progress key reforms to enhance the State's health and mental health funding arrangements. This includes partnering in the implementation of Sustainable Health Review recommendations to improve the funding and commissioning of services.
21. Treasury is also working with both agencies to negotiate and implement national funding arrangements through the National Partnership on COVID-19 Response, the National Health Reform Agreement 2020-2025, and the recently signed National Agreement on Mental Health and Suicide Prevention.

Government Banking Contract

22. In March 2022, the Commonwealth Bank of Australia was awarded the Government Banking Contract following a rigorous tender process conducted by Treasury. This contract provides transactional and merchant banking services to over 100 government agencies, comprising over 300 bank accounts and involving transactions totalling over \$100 billion each year. The new contract will commence on 1 December 2022 for an initial three years with two two-year extension options.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

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

Service Summary

Expense	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
1. Financial Management and Reporting	9,559	9,955	9,831	10,039	9,698	9,865	9,881
2. Economic and Revenue Forecasts and Policy Development.....	13,111	12,763	12,315	13,390	13,009	12,723	12,744
3. Evaluation and Planning of Government Service Delivery and Infrastructure Provision ...	26,577	35,285	31,817	34,331	29,858	29,479	29,525
Total Cost of Services	49,247	58,003	53,963	57,760	52,565	52,067	52,150

Outcomes and Key Effectiveness Indicators ^(a)

	2020-21 Actual	2021-22 Budget	2021-22 Estimated Actual	2022-23 Budget Target	Note
Outcome: Sustainable and transparent public sector finances:					
Status of the State's credit rating	AA+/Aa1	AA+/Aa1	AA+/Aa1	AA+/Aa1	1
Unqualified audit opinion on the Annual Report on State Finances	Yes	Yes	Yes	Yes	
Percentage of financial reports released as per agreed timeframes ^(b)	100%	100%	100%	100%	
Outcome: A strong and competitive State economy:					
Accuracy of key general government revenue forecasts:					
Tax revenue ^(c)	15.6%	+/-5%	14.4%	+/-5%	2
Royalty revenue	47%	+/-5%	13.3%	+/-5%	3
Accuracy of key economic forecasts (percentage point difference):					
Employment growth ^(d)	2.1	+/-0.5	2.5	+/-0.5	4
Real State Final Demand (SFD) growth ^(d)	3.9	+/-2	0.25	+/-2	
Outcome: Value for money outcomes in service delivery and infrastructure provision:					
Percentage of advice provided to the Expenditure Review Committee (ERC) at least 5 working days prior to its consideration	58%	90%	58%	90%	5
Percentage of Ministerially endorsed Strategic Asset Plans (SAPs) for the upcoming year received and reviewed by Treasury before the commencement of the Budget bilateral process	82%	100%	87%	100%	6

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

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

(c) For consistency with the scope of relevant Budget taxation forecasts, the Budget estimate for 2020-21 has been adjusted to account for tax reclassifications on the advice of the Australian Bureau of Statistics.

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

Explanation of Significant Movements

(Notes)

1. The State's credit ratings are just one 'notch' below triple-A for both credit rating agencies. On 27 October 2021, both Moody's and S&P Global released their annual credit opinion updates for Western Australia, with both reaffirming their existing ratings - at the same time, S&P Global lifted the outlook on the State's credit rating from 'stable' to 'positive', flagging a one-in-three chance of an upgrade (to AAA) in the next one to two years.
2. Tax revenue is estimated to be higher in the 2021-22 Estimated Actual than forecast in the 2021-22 Budget. This reflects stronger than anticipated activity in a number of sectors in the Western Australian economy, including residential property and mining, as well as high levels of household spending, flowing through to the State's tax base in the form of transfer duties, payroll tax and motor vehicle taxes.
3. Royalty revenue is estimated to be higher in the 2021-22 Estimated Actual than forecast in the 2021-22 Budget largely due to a higher than forecast iron ore price and the uninterrupted operation of the industry through the COVID-19 pandemic. The average year to date iron ore price has remained elevated since the 2021-22 Budget, with a continuation of robust demand from China and weak supply from Brazil.
4. Employment growth is estimated to be significantly higher in the 2021-22 Estimated Actual than forecast in the 2021-22 Budget. This reflects a sharper rise in the demand for labour than anticipated, with employment growth strongest in retail trade, mining, health care and transport.
5. The 2021-22 Estimated Actual for advice provided to the ERC is lower than expected due to matters requiring advice from the State Solicitor's Office, clearance from the Treasurer's/Premier's Office, input from external agencies, etc., leading to later than expected deliveries of ERC papers.
6. SAPs were received from all applicable agencies, though several were unable to provide their SAP in the required timeframes, resulting in a reported rate of 87% of SAPs received.

Services and Key Efficiency Indicators ^(a)

1. Financial Management and Reporting

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

	2020-21 Actual	2021-22 Budget	2021-22 Estimated Actual	2022-23 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	9,559	9,955	9,831	10,039	
Less Income	337	12	12	12	
Net Cost of Service	9,222	9,943	9,819	10,027	
Employees (Full-Time Equivalents)	49	49	48	49	

2. Economic and Revenue Forecasts and Policy Development

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

	2020-21 Actual	2021-22 Budget	2021-22 Estimated Actual	2022-23 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	13,111	12,763	12,315	13,390	
Less Income	8	13	13	13	
Net Cost of Service	13,103	12,750	12,302	13,377	
Employees (Full-Time Equivalents)	67	63	61	65	

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

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

	2020-21 Actual	2021-22 Budget	2021-22 Estimated Actual	2022-23 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	26,577	35,285	31,817	34,331	1
Less Income	34	35	35	35	
Net Cost of Service	26,543	35,250	31,782	34,296	
Employees (Full-Time Equivalents)	132	149	143	152	

(a) During 2021-22, Treasury received a direction under section 61(a)(b) of the *Financial Management Act 2006* (FMA) that the accountable authority is not required to report on key efficiency indicators in the annual report with respect to the 2021-22 financial year and subsequent financial years.

Explanation of Significant Movements

(Notes)

1. The 2021-22 Estimated Actual is less than the 2021-22 Budget, predominantly due to a higher than forecast vacancy rate throughout the year. In addition, \$2.2 million was reflowed from 2021-22 to 2022-23 to reflect the revised timing of expenditure associated with the Western Australian TAB project.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-22 \$'000	2021-22 Estimated Expenditure \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
COMPLETED WORKS							
ICT							
Cash Disbursement Module	275	275	215	-	-	-	-
Replacement/Upgrade - 2021-22 Program	400	400	400	-	-	-	-
NEW WORKS							
ICT - Replacement/Upgrade							
2022-23 Program	400	-	-	400	-	-	-
2023-24 Program	400	-	-	-	400	-	-
2024-25 Program	400	-	-	-	-	400	-
2025-26 Program	400	-	-	-	-	-	400
Total Cost of Asset Investment Program.....	2,275	675	615	400	400	400	400
FUNDED BY							
Drawdowns from the Holding Account.....			400	400	400	400	400
Other			215	-	-	-	-
Total Funding			615	400	400	400	400

Financial Statements

Income Statement

Expenses

1. Employee benefits expense increases in 2022-23, reflecting a carryover of underspending from 2021-22, the allocation of three additional resources for a new Climate Coordination Unit, along with finite resources for the new wages policy, Westport program and Target 120 Data Linkage program.
2. The 2021-22 Estimated Actual employee benefits expense is expected to be \$1.4 million below the 2021-22 Budget, reflecting higher than forecast employee vacancies during the year.
3. Supplies and services expense of \$2.2 million has been repositioned from 2021-22 to 2022-23 to align with the timing of expenditure predominantly related to the Western Australian TAB project.

Income

4. The 2021-22 Estimated Actual income from Government is expected to be \$4 million below the 2021-22 Budget, reflecting the repositioning of income from 2021-22 to 2022-23 to align with the revised timing of expenditure for various projects.

Statement of Financial Position

5. The cash balance increased slightly between the 2021-22 Budget and the 2022-23 Budget Year, primarily reflecting the cash carryover for the revised timing of project expenditure.

INCOME STATEMENT (a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	34,923	37,295	35,916	39,756	38,278	38,125	38,128
Grants and subsidies ^(c)	63	164	164	165	166	167	167
Supplies and services	7,055	14,067	11,415	11,917	8,224	7,879	7,959
Accommodation	4,233	3,804	3,804	3,960	4,140	4,140	4,140
Depreciation and amortisation	1,217	1,325	1,318	615	410	410	410
Finance and interest costs	5	8	6	7	7	6	6
Other expenses	1,751	1,340	1,340	1,340	1,340	1,340	1,340
TOTAL COST OF SERVICES	49,247	58,003	53,963	57,760	52,565	52,067	52,150
Income							
Other revenue	379	60	60	60	60	60	60
Total Income	379	60	60	60	60	60	60
NET COST OF SERVICES	48,868	57,943	53,903	57,700	52,505	52,007	52,090
INCOME FROM GOVERNMENT							
Service appropriations	44,668	51,236	47,457	50,512	46,111	46,124	46,207
Resources received free of charge	5,374	5,951	5,951	5,927	5,953	5,953	5,953
Royalties for Regions Fund:							
Regional and State-wide initiatives	115	134	126	134	134	134	134
Other revenues	482	1,256	995	1,546	726	215	215
TOTAL INCOME FROM GOVERNMENT	50,639	58,577	54,529	58,119	52,924	52,426	52,509
SURPLUS/(DEFICIENCY) FOR THE PERIOD	1,771	634	626	419	419	419	419

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 248, 252 and 266 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
Contributions to the Australian Accounting Standards Board	49	50	50	50	50	50	50
Contributions to the Board of Treasurers Secretariat	14	114	114	115	116	117	117
TOTAL	63	164	164	165	166	167	167

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
CURRENT ASSETS							
Cash assets	8,105	6,512	8,403	8,699	8,993	9,285	9,575
Restricted cash	8	-	-	-	-	-	-
Holding Account receivables	400	1,764	400	400	400	400	400
Receivables	278	320	278	278	278	278	278
Other.....	424	349	424	424	424	424	424
Total current assets	9,215	8,945	9,505	9,801	10,095	10,387	10,677
NON-CURRENT ASSETS							
Holding Account receivables	13,382	12,946	14,300	14,515	14,525	14,535	14,545
Property, plant and equipment.....	162	214	174	154	142	140	137
Intangibles	3,017	2,354	2,376	2,218	2,265	2,312	2,359
Restricted cash	513	637	634	757	882	1,009	1,138
Total non-current assets	17,074	16,151	17,484	17,644	17,814	17,996	18,179
TOTAL ASSETS	26,289	25,096	26,989	27,445	27,909	28,383	28,856
CURRENT LIABILITIES							
Employee provisions	8,701	8,102	8,701	8,701	8,700	8,700	8,700
Payables	850	698	850	850	850	850	850
Borrowings and leases	54	70	57	50	58	59	52
Total current liabilities	9,605	8,870	9,608	9,601	9,608	9,609	9,602
NON-CURRENT LIABILITIES							
Employee provisions	2,006	1,774	2,006	2,006	2,006	2,006	2,006
Borrowings and leases	84	115	94	83	81	77	80
Total non-current liabilities	2,090	1,889	2,100	2,089	2,087	2,083	2,086
TOTAL LIABILITIES	11,695	10,759	11,708	11,690	11,695	11,692	11,688
EQUITY							
Accumulated surplus/(deficit).....	14,594	14,337	15,281	15,755	16,214	16,691	17,168
Total equity	14,594	14,337	15,281	15,755	16,214	16,691	17,168
TOTAL LIABILITIES AND EQUITY	26,289	25,096	26,989	27,445	27,909	28,383	28,856

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
CASHFLOWS FROM GOVERNMENT							
Service appropriations.....	43,414	49,911	46,139	49,897	45,701	45,714	45,797
Capital appropriation	69	67	61	55	56	58	58
Holding Account drawdowns	400	400	400	400	400	400	400
Royalties for Regions Fund:							
Regional and State-wide initiatives.....	115	134	126	134	134	134	134
Receipts paid into Consolidated Account.....	(6,000)	-	-	-	-	-	-
Other.....	527	1,256	995	1,546	726	215	215
Net cash provided by Government	38,525	51,768	47,721	52,032	47,017	46,521	46,604
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(34,089)	(37,295)	(35,916)	(39,756)	(38,278)	(38,125)	(38,128)
Grants and subsidies.....	(63)	(164)	(164)	(165)	(166)	(167)	(167)
Supplies and services	(1,700)	(8,198)	(5,546)	(6,072)	(2,353)	(2,008)	(2,088)
Accommodation	(4,245)	(3,804)	(3,804)	(3,960)	(4,140)	(4,140)	(4,140)
GST payments	(805)	(2,281)	(2,281)	(2,281)	(2,281)	(2,281)	(2,281)
Finance and interest costs.....	(5)	(8)	(6)	(7)	(7)	(6)	(6)
Other payments.....	(1,716)	(1,340)	(1,340)	(1,340)	(1,340)	(1,340)	(1,340)
Receipts ^(b)							
GST receipts	816	2,281	2,281	2,281	2,281	2,281	2,281
Other receipts	435	142	142	142	142	142	142
Net cash from operating activities	(41,372)	(50,667)	(46,634)	(51,158)	(46,142)	(45,644)	(45,727)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(784)	(615)	(615)	(400)	(400)	(400)	(400)
Net cash from investing activities.....	(784)	(615)	(615)	(400)	(400)	(400)	(400)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	(73)	(67)	(61)	(55)	(56)	(58)	(58)
Net cash from financing activities.....	(73)	(67)	(61)	(55)	(56)	(58)	(58)
NET INCREASE/(DECREASE) IN CASH HELD	(3,704)	419	411	419	419	419	419
Cash assets at the beginning of the reporting period	12,330	6,730	8,626	9,037	9,456	9,875	10,294
Cash assets at the end of the reporting period	8,626	7,149	9,037	9,456	9,875	10,294	10,713

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

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

NET APPROPRIATION DETERMINATION

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
GST Receipts							
GST Input Credits	816	2,281	2,281	2,281	2,281	2,281	2,281
Other Receipts							
Aboriginal Community Connectors Program Evaluation	-	33	33	198	-	-	-
Other Receipts	104	82	93	82	82	82	82
Receipts from Communities for the Target 120 Program	229	286	204	415	497	165	165
Receipts from Justice for the Justice Pipeline Model	118	50	50	50	50	50	50
Senior Officer Vehicle Scheme Receipts	49	60	49	60	60	60	60
Strategic Alliance Fund Receipts	135	-	-	-	-	-	-
Sustainable Health Review - Funding and Commissioning	-	598	419	602	179	-	-
TOTAL	1,451	3,390	3,129	3,688	3,149	2,638	2,638

DETAILS OF ADMINISTERED TRANSACTIONS

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
INCOME							
Commonwealth Grants							
Compensation for Crude Oil Excise							
Condensate	18,178	26,550	35,197	35,415	28,063	23,932	20,017
GST Grants	3,006,193	3,304,175	3,368,905	5,871,702	6,133,235	6,881,131	7,383,070
Commonwealth-Funded 70% Floor	1,546,593	2,115,221	2,115,221	-	-	-	-
North West Shelf Grants	425,421	663,753	879,913	885,380	701,569	598,294	500,426
Other	207,984	1,335,964	831,285	1,202,148	1,623,056	564,966	371,500
Total Commonwealth Grants	5,204,369	7,445,663	7,230,521	7,994,645	8,485,923	8,068,323	8,275,013
GOVERNMENT ENTERPRISES							
Dividends							
Bunbury Water Corporation	2,110	-	-	910	1,085	1,265	1,757
Busselton Water Corporation	757	-	-	437	325	469	362
Electricity Networks Corporation (Western Power)	299,760	-	-	301,093	295,571	281,489	262,318
Forest Products Commission	-	-	-	-	-	815	1,144
Fremantle Port Authority	34,686	-	-	26,943	32,484	34,648	35,816
Gold Corporation	23,449	-	-	14,164	11,941	12,637	13,240
Insurance Commission of Western Australia	-	572,133	572,083	63,532	64,840	66,794	68,679
Kimberley Ports Authority	-	-	-	-	-	-	300
Mid West Ports Authority	11,627	-	-	25,340	38,504	50,924	65,702
Pilbara Ports Authority	111,913	-	-	210,681	202,591	209,734	218,634
Regional Power Corporation (Horizon Power)	6,681	-	-	5,660	7,537	10,531	15,402
Southern Ports Authority	38,982	-	-	27,593	31,683	34,705	36,999
Water Corporation of Western Australia	642,413	-	-	727,965	782,200	840,777	884,478
Western Australian Land Authority (DevelopmentWA) ^(a)	208,260	-	27,935	54,215	41,579	73,410	66,493
Western Australian Treasury Corporation	21,355	15,347	16,669	17,011	16,737	16,434	17,503
Total Dividends	1,401,993	587,480	616,687	1,475,544	1,527,077	1,634,632	1,688,827
Income Tax Equivalent Regime							
Bunbury Water Corporation	1,184	1,687	1,210	897	1,037	1,427	1,883
Busselton Water Corporation	1,019	551	552	557	579	591	632
Electricity Networks Corporation (Western Power)	84,079	105,463	110,928	113,485	127,049	110,248	98,347
Forest Products Commission	-	-	-	-	1,549	1,189	2,363
Fremantle Port Authority	23,292	19,895	17,743	17,301	21,779	22,026	22,892
Gold Corporation	17,441	6,227	8,094	6,824	7,221	7,565	7,787
Insurance Commission of Western Australia	309,600	27,486	23,396	24,029	29,150	30,033	29,555
Kimberley Ports Authority	-	-	-	-	-	-	178
Mid West Ports Authority	7,222	8,942	9,258	16,221	23,930	30,822	39,784

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
Pilbara Ports Authority	68,842	91,976	79,538	115,121	97,821	108,390	110,851
Regional Power Corporation (Horizon Power)	10,236	2,232	2,349	2,805	4,150	6,700	9,565
Southern Ports Authority	18,335	13,316	14,605	16,154	18,754	20,190	21,460
Water Corporation of Western Australia	376,699	371,019	367,017	405,810	436,686	454,131	472,699
Western Australian Land Authority (DevelopmentWA) ^(a)	26,509	15,283	15,779	23,759	27,663	23,710	22,686
Western Australian Treasury Corporation...	9,582	9,881	9,720	9,564	9,391	10,002	9,025
Total Income Tax Equivalent Regime	954,040	673,958	660,189	752,527	806,759	827,024	849,707
Local Government Rates Equivalent Regime							
Bunbury Water Corporation	84	86	104	96	98	101	103
Busselton Water Corporation	63	61	61	67	69	70	72
Electricity Generation and Retail Corporation (Synergy)	674	1,027	1,174	1,318	1,445	1,252	1,168
Electricity Networks Corporation (Western Power)	1,608	1,805	1,805	1,651	1,692	1,734	1,769
Forest Products Commission	412	255	255	390	529	670	160
Fremantle Port Authority	868	698	698	698	705	713	720
Gold Corporation	224	161	226	229	231	233	235
Kimberley Ports Authority	124	140	140	140	141	143	144
Mid West Ports Authority	868	919	868	889	911	934	958
Pilbara Ports Authority	2,995	2,897	2,983	3,057	3,134	3,212	3,292
Regional Power Corporation (Horizon Power)	795	695	695	704	722	736	751
Southern Ports Authority	918	786	659	690	704	718	732
Water Corporation of Western Australia	7,554	8,021	7,772	8,202	8,386	8,575	8,747
Western Australian Land Authority (DevelopmentWA)	7,627	8,149	8,149	8,355	8,484	8,715	8,933
Total Local Government Rates Equivalent Regime	24,814	25,700	25,589	26,486	27,251	27,806	27,784
TOTAL GOVERNMENT ENTERPRISES	2,380,847	1,287,138	1,302,465	2,254,557	2,361,087	2,489,462	2,566,318
Other							
Consolidated Account Revenue Received from Agencies	20,167,165	22,195,081	23,600,532	19,301,240	16,872,816	17,224,237	17,772,644
Gold State Superannuation Reimbursement	88,472	86,846	86,846	76,707	68,582	52,294	40,776
Interest	50,677	53,759	77,159	93,102	94,922	98,244	90,469
Loan Guarantee Fees	142,653	144,451	134,004	137,740	140,721	141,272	142,582
Pension Recoups	11,920	10,880	8,861	9,149	8,276	8,404	8,537
Other Revenue	27,913	63,215	83,903	38,098	32,036	31,975	31,914
Total Other	20,488,800	22,554,232	23,991,305	19,656,036	17,217,353	17,556,426	18,086,922
TOTAL ADMINISTERED INCOME	28,074,016	31,287,033	32,524,291	29,905,238	28,064,363	28,114,211	28,928,253
EXPENSES							
Superannuation	(865,872)	235,345	319,059	323,643	301,634	317,079	366,791
Interest	626,726	581,655	583,980	621,295	655,160	650,275	632,030
Appropriations for:							
Operating Subsidies	2,526,264	2,006,113	2,055,618	2,572,505	2,019,534	1,898,254	1,858,792
Services	18,511,462	18,631,273	19,789,122	19,978,779	19,296,935	19,668,404	20,009,740
Salaries and Allowances	108,894	110,188	111,164	113,091	115,911	118,904	120,447
Other Appropriations	2,858,513	3,566,044	3,391,139	2,692,893	2,423,165	2,603,831	2,777,417
Total Appropriations for:	24,005,133	24,313,618	25,347,043	25,357,268	23,855,545	24,289,393	24,766,396
All Other Expenses							
Royalties for Regions	812,100	860,541	746,503	914,973	810,071	798,877	713,647
Other Expenses	105,992	290,346	395,599	418,833	288,860	234,262	125,013
Total All Other Expenses	918,092	1,150,887	1,142,102	1,333,806	1,098,931	1,033,139	838,660
TOTAL ADMINISTERED EXPENSES	24,684,079	26,281,505	27,392,184	27,636,012	25,911,270	26,289,886	26,603,877

(a) The 2020-21 Actual financial data has been recast for comparative purposes due to Machinery of Government changes (which took effect from 1 July 2021) to transfer commercial land development functions from the Housing Authority to DevelopmentWA.

Western Australian Treasury Corporation

Part 3 Financial Administration

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

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax.....	9,582	9,881	9,720	9,564	9,391	10,002	9,025
Dividends ^(a)	21,355	15,347	16,669	17,011	16,737	16,434	17,503
RATIOS							
Dividend Payout Ratio (%)	75	75	75	75	75	75	75
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	1,097,166	1,197,339	1,026,461	1,056,143	1,100,660	1,110,670	1,124,992
Total Expenses ^(b)	1,065,410	1,164,402	994,060	1,024,263	1,069,358	1,077,331	1,094,909
NET PROFIT AFTER TAX.....	22,226	23,056	22,681	22,316	21,911	23,337	21,058
CASH ASSETS ^(c)	1,468,564	1,090,717	1,474,372	1,480,008	1,485,814	1,492,065	1,495,931

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

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

(c) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Government Trading Enterprise's (GTEs) Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
Key Adjustments					
Flow-on Impact of Updated Borrowing Requirements and Market Conditions on Investment Revenue.....	1,162	(700)	(1,569)	(1,629)	(108)

Significant Issues Impacting the Government Trading Enterprise

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

Financial Market and Economic Conditions

2. Geopolitical risks and fluctuating market conditions will continue to impact on the Corporation's ability to deliver its core outcome of meeting the State's borrowing needs. The Corporation funds the borrowing requirements of the Consolidated Account, Government Trading Enterprises, local government authorities, universities and the Corporation's liquidity management requirements. Debt management includes the refinancing of over \$6 billion of maturing debt per annum.
3. After a period of record low policy interest rates during the COVID-19 pandemic, central banks have started tightening monetary policy to combat higher inflation. Several central banks, including the US Federal Reserve, have ended their bond buying programs and started to lift interest rates. Expectations for higher policy interest rates, the removal of central bank support for the bond market, and higher inflation expectations have seen a sharp lift in global bond yields.
4. The Reserve Bank of Australia (RBA) ended its quantitative easing program in February, but as of Budget cut-off is yet to raise the cash rate target from its record low of 0.1%. However, most market commentators and financial market pricing expect the first cash rate increase to be in June 2022. Rising expectations for RBA cash rate hikes have seen sharp increases in money market interest rates and domestic bond yields.
5. The rise in interest rates will increase borrowing costs for the Corporation and other State Central Borrowing Authorities. Tighter monetary policy will also provide a degree of additional volatility to domestic and international financial market conditions that the Corporation will need to navigate when raising debt.
6. The rising interest rate environment will positively impact the returns achieved by the Corporation on investments. The Corporation manages funds on behalf of the Public Bank Account, Lotterywest, Landgate and its own balance sheet, which total approximately \$9 billion at 30 June 2022.
7. Western Australia's finances continue to benefit from a strong economy and elevated commodity prices, with operating surpluses forecast across the entire forward estimates period. The State's strong Budget position has reduced the amount of new funding the Corporation will need to raise in the financial markets in coming years, and enabled the Corporation to reduce its refinancing task or existing debt through targeted debt repayments in 2021 and 2022.

COVID-19

8. The COVID-19 pandemic has impacted significantly on financial markets as well as the global, Australian and Western Australian economies. The major economic policy focus has switched from supporting economic activity to combating the rising inflationary pressure generated by global supply chain disruptions and ongoing policy accommodation. The move to tighter monetary policy, in particular, has the potential to have a significant impact on the outlook for financial markets. This financial market risk has been exacerbated by Russia's invasion of Ukraine, which has provided additional uncertainty to the economic outlook and further upward pressure on inflation.
9. The fiscal policy response to the pandemic has seen a substantial increase in Commonwealth and Government debt outstanding, as well as that of other States like New South Wales and Victoria. For the Corporation, which has not seen a substantial increase in debt, the impact will be felt principally via increased volatility in financial markets as central bank policy accommodation is withdrawn. This volatile and uncertain market environment has required the Corporation to be more flexible in delivering the borrowing program than would be the case in more normal market conditions.
10. Investor diversification is critical in this environment, underlying the importance of investor engagement, with onshore and offshore marketing crucial to ensure investors are informed of Western Australia's economic and fiscal position, and the associated funding needs of the Corporation. With the easing of COVID-19 travel restrictions, face-to-face engagements will recommence during 2022-23, in addition to forums, seminars, online presentations and one-on-one virtual meetings.

Environmental, Social and Governance (ESG) Considerations

11. Demand by investors for ESG debt instruments has grown significantly and, in response, supply has tripled globally, and doubled in Australia in the past two years. This growth has been driven by the view of both investors and issuers that it signals a corporation or government's concerted efforts towards progressing social or environmental objectives aligned with the Paris Agreement and UN Sustainable Development Goals. The Corporation is in the process of establishing a Sustainability Bond Framework that will facilitate the Government's issuance of ESG debt, in support of eligible projects.
12. The Corporation will continue to coordinate effort across the public sector to update and promote the Government ESG Information Pack that was released in November 2021, as a key part of its ongoing engagement with potential and existing investors into Western Australian bonds.

Statement of Corporate Intent

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

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

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

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

Outcomes and Key Performance Indicators

	2020-21 Actual	2021-22 Budget	2021-22 Estimated Actual	2022-23 Budget Target	Note
Outcome: Achieve interest rate savings for clients:					
Estimated interest rate savings	>0.00%	>0.00%	>0.00%	>0.00%	1
Outcome: Deliver scale benefits to the State by keeping administrative expenses in proportion to revenue:					
Administration cost ratio	0.04%	<0.05%	0.04%	<0.05%	
Outcome: Deliver valued financial solutions to clients:					
Assessment of client satisfaction	100%	90%	100%	90%	
Outcome: Maintain an adequate profit:					
Pre-tax profit	\$31.7 million	\$32.9 million	\$32.4 million	\$31.9 million	
Outcome: Continual improvement of employee engagement:					
Staff engagement	60%	>65%	60%	>65%	

Explanation of Significant Movements

(Notes)

- Actual interest rate savings to clients in 2020-21 ranged between 0.15% and 0.91%. Full details are available within the Corporation's Annual Report.

Asset Investment Program

- The Corporation's Asset Investment Program consists of an ongoing program to update ICT infrastructure that supports the delivery of its services.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-22 \$'000	2021-22 Estimated Expenditure \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
COMPLETED WORKS							
Computer Hardware and Software - 2021-22 Program	800	800	800	-	-	-	-
NEW WORKS							
Computer Hardware and Software							
2022-23 Program	358	-	-	358	-	-	-
2023-24 Program	1,431	-	-	119	307	875	130
2024-25 Program	445	-	-	-	-	445	-
2025-26 Program	305	-	-	-	-	-	305
Total Cost of Asset Investment Program	3,339	800	800	477	307	1,320	435
FUNDED BY							
Internal Funds and Balances			800	477	307	1,320	435
Total Funding			800	477	307	1,320	435

Financial Statements

1. The Corporation's borrowings and client lendings have been updated to reflect the whole-of-State consolidated position at the 11 April 2022 Budget cut-off date. Consequential changes may be required to the interest expense, interest revenue from clients and administration margin at the 2022-23 Mid-year Review to reflect the allocation of debt against individual portfolios.
2. The Corporation presents its valuations based on a mark-to-market basis under AASB 9: *Financial Instruments*. Other agencies prepare forecasts on a face value basis. As most agency borrowings are raised by the Corporation, these differences are removed on consolidation for the State's whole-of-government financial forecasts.

Income Statement

3. Revenue includes interest from client authorities and interest earned on investments, with movements reflecting changes to the underlying client debt, and assumptions on investment returns across the forward estimates period. Expenditure is dominated by finance and interest costs, reflecting quarterly payments made on the Corporation's debt outstanding.
4. 2021-22 Estimated Actual interest revenue and expenditure is \$171 million and \$167 million respectively below the 2021-22 Budget, reflecting the lower borrowing needs of clients and lower interest rates during the year. Net Profit Before Tax in the 2021-22 Estimated Actual is marginally lower than 2021-22 Budget due to the net impact of interest, offset in part by lower than anticipated administration expenditure.

Statement of Financial Position

5. Lending assets include loans to authorities (Government, local government and universities). Borrowings reflect liabilities owed to third parties to fund client lending, plus a portion for the Corporation's liquidity management. Estimates are based on the latest approved borrowing requirements for the State.
6. Cash assets are high quality liquid assets that the Corporation holds as part of its liquidity management. Movements between reporting periods reflect changes in the liquidity requirements for the Corporation and the timing of upcoming maturities.

Statement of Cashflows

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

INCOME STATEMENT ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
REVENUE							
Revenue from operations							
Other revenue	1,097,166	1,197,339	1,026,461	1,056,143	1,100,660	1,110,670	1,124,992
TOTAL REVENUE.....	1,097,166	1,197,339	1,026,461	1,056,143	1,100,660	1,110,670	1,124,992
Expenses							
Employee benefits ^(b)	12,558	13,787	13,477	14,628	14,933	15,365	15,814
Supplies and services	4,558	5,354	4,994	5,665	5,741	5,596	6,063
Accommodation	1,109	986	986	1,046	1,080	1,115	1,151
Depreciation and amortisation	1,143	982	600	812	939	668	746
Finance and interest costs.....	1,043,104	1,138,061	970,750	997,821	1,042,306	1,050,163	1,066,648
Other expenses.....	2,938	5,232	3,253	4,291	4,359	4,424	4,487
TOTAL EXPENSES.....	1,065,410	1,164,402	994,060	1,024,263	1,069,358	1,077,331	1,094,909
NET PROFIT/(LOSS) BEFORE TAX	31,756	32,937	32,401	31,880	31,302	33,339	30,083
National Tax Equivalent Regime							
Current tax equivalent expense	9,582	9,881	9,720	9,564	9,391	10,002	9,025
Deferred tax equivalent expense	(52)	-	-	-	-	-	-
NET PROFIT/(LOSS) AFTER TAX	22,226	23,056	22,681	22,316	21,911	23,337	21,058
Dividends	21,355	15,347	16,669	17,011	16,737	16,434	17,503

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 75.2, 78 and 81 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
CURRENT ASSETS							
Cash assets	1,468,564	1,090,717	1,474,372	1,480,008	1,485,814	1,492,065	1,495,931
Receivables	244,293	250,458	244,297	244,276	244,276	244,276	244,276
Assets held for sale	848,432	847,183	848,432	848,432	848,432	848,432	848,432
Other investments	1,294,447	2,787,389	1,294,447	1,294,447	1,294,447	1,294,447	1,294,447
Government securities	3,264,774	2,723,022	3,264,774	3,264,774	3,264,774	3,264,774	3,264,774
Loans to authorities	7,207,758	6,100,970	5,077,257	4,659,502	5,369,071	5,894,703	7,071,278
Other	79	3,219	79	79	79	79	79
Total current assets	14,328,347	13,802,958	12,203,658	11,791,518	12,506,893	13,038,776	14,219,217
NON-CURRENT ASSETS							
Property, plant and equipment	508	429	889	755	590	709	617
Intangibles	1,042	1,044	861	685	218	751	532
Loans to authorities	47,561,161	50,887,158	45,791,163	46,196,861	46,220,802	46,267,531	45,540,101
Other	1,234	1,183	1,234	1,234	1,234	1,234	1,234
Total non-current assets	47,563,945	50,889,814	45,794,147	46,199,535	46,222,844	46,270,225	45,542,484
TOTAL ASSETS	61,892,292	64,692,772	57,997,805	57,991,053	58,729,737	59,309,001	59,761,701
CURRENT LIABILITIES							
Employee provisions	3,556	3,349	3,556	3,556	3,556	3,556	3,556
Payables	2,555,000	2,576,255	5,078	5,058	5,058	5,058	5,058
Interest payable	530,421	573,571	530,421	530,421	530,421	530,421	530,421
Borrowings	9,565,377	7,255,177	7,786,567	7,383,524	8,093,960	8,621,287	9,771,484
Total current liabilities	12,654,354	10,408,352	8,325,622	7,922,559	8,632,995	9,160,322	10,310,519
NON-CURRENT LIABILITIES							
Employee provisions	557	595	557	557	557	557	557
Borrowings and leases	16	19	12	32	32	32	32
Borrowings	49,084,430	54,124,925	49,512,667	49,903,653	49,926,727	49,971,761	49,270,709
Other	4	5	4	4	4	4	4
Total non-current liabilities	49,085,007	54,125,544	49,513,240	49,904,246	49,927,320	49,972,354	49,271,302
TOTAL LIABILITIES	61,739,361	64,533,896	57,838,862	57,826,805	58,560,315	59,132,676	59,581,821
NET ASSETS	152,931	158,876	158,943	164,248	169,422	176,325	179,880
EQUITY							
Accumulated surplus/(deficit)	152,931	158,876	158,943	164,248	169,422	176,325	179,880
TOTAL EQUITY	152,931	158,876	158,943	164,248	169,422	176,325	179,880

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
GST receipts	289	-	-	-	-	-	-
Other receipts	1,179,868	1,197,339	1,026,461	1,056,143	1,100,660	1,110,670	1,124,992
Payments							
Employee benefits	(12,307)	(13,787)	(13,477)	(14,628)	(14,933)	(15,365)	(15,814)
Supplies and services	(4,603)	(4,879)	(4,997)	(5,668)	(5,741)	(5,596)	(6,063)
Accommodation ^(b)	(1,117)	(986)	(986)	(1,046)	(1,080)	(1,115)	(1,151)
GST payments	(253)	-	-	-	-	-	-
Finance and interest costs	(1,394,402)	(1,138,061)	(970,750)	(997,821)	(1,042,306)	(1,050,163)	(1,066,648)
Other payments	(2,939)	(5,232)	(3,253)	(4,291)	(4,359)	(4,424)	(4,487)
Net cash from operating activities	(235,464)	34,394	32,998	32,689	32,241	34,007	30,829
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from sale of non-current assets	2	-	-	-	-	-	-
Other receipts	8,104,163	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Payments							
Purchase of non-current assets	(481)	(565)	(800)	(477)	(307)	(1,320)	(435)
Other payments	(6,395,759)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Net cash from investing activities	1,707,925	(565)	(800)	(477)	(307)	(1,320)	(435)
CASHFLOWS FROM FINANCING ACTIVITIES							
Receipts							
Proceeds from borrowings	18,940,467	16,393,185	13,649,612	14,987,767	15,733,614	15,571,912	15,449,145
Other proceeds	13,606,102	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Payments							
Repayment of borrowings and leases	(33,581,445)	(26,393,664)	(23,649,613)	(24,987,768)	(25,733,614)	(25,571,912)	(25,449,145)
Net cash from financing activities	(1,034,876)	(479)	(1)	(1)	-	-	-
CASHFLOWS FROM GOVERNMENT ACTIVITIES							
Payments							
Dividends to Government	(21,355)	(15,347)	(16,669)	(17,011)	(16,737)	(16,434)	(17,503)
National Tax Equivalent Regime - Income tax	(30,834)	(9,881)	(9,720)	(9,564)	(9,391)	(10,002)	(9,025)
Net cash provided to Government	52,189	25,228	26,389	26,575	26,128	26,436	26,528
NET INCREASE/(DECREASE) IN CASH HELD	385,396	8,122	5,808	5,636	5,806	6,251	3,866
Cash assets at the beginning of the reporting period	1,083,168	1,082,595	1,468,564	1,474,372	1,480,008	1,485,814	1,492,065
Cash assets at the end of the reporting period	1,468,564	1,090,717	1,474,372	1,480,008	1,485,814	1,492,065	1,495,931

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

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

Division 12 Office of the Auditor General

Part 3 Financial Administration

Appropriations, Expenses and Cash Assets

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
DELIVERY OF SERVICES							
Item 41 Net amount appropriated to deliver services	10,321	10,687	10,687	11,418	11,380	11,521	11,562
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	811	813	813	815	817	819	819
Total appropriations provided to deliver services	11,132	11,500	11,500	12,233	12,197	12,340	12,381
CAPITAL							
Item 121 Capital Appropriation	348	347	347	347	347	300	300
TOTAL APPROPRIATIONS	11,480	11,847	11,847	12,580	12,544	12,640	12,681
EXPENSES							
Total Cost of Services	36,582	38,298	40,799	43,164	43,544	44,150	44,660
Net Cost of Services ^(a)	29,087	28,333	30,350	32,343	32,593	33,066	33,485
CASH ASSETS ^(b)	5,920	5,359	5,308	5,342	5,394	5,401	5,399

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

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Office's Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
2022-23 Streamlined Budget Process Incentive Funding	-	209	-	-	-

Significant Issues Impacting the Agency

Capability and Resourcing

1. Specialist skills shortages in key professions (financial and information systems auditors, accountants, data analysts and scientists) continue to impact operations for public sector and private audit firms across Australia and New Zealand. To address this issue, the Office continues to explore more innovative recruitment approaches, as well as looking at ways to support improved local government financial reporting maturity and consequent audit efficiency for that sector. Given the increasing demands on the schedules of its audit teams, the Office is also reminding audited agencies of the need to ensure all key personnel and documentation are available within agreed audit timeframes. This will remain critical to the Office completing audits within the statutory deadlines.

Increasing Costs of Financial Audits

2. The Office has received approval for an increase of \$3.9 million from 2022-23 in the annual approved fees and charges limit for its financial audit activities across State and local government sectors. This figure also includes \$2.5 million in audit fees and charges recovered from entities in 2021-22. The increase follows a review of the Office's full cost of all fees and charges conducted as per Treasurer's instruction 810 and in accordance with Treasury's instructions to agencies for the preparation of the annual budget. It is the first time the Office has sought a significant increase in the approved fees and charges limit since assuming audit responsibility for the local government sector in 2017-18. While this figure represents an increase in the total amount the Office can recover for its financial audit activities, the Office will not recover more than what is needed to efficiently deliver audits, and all additional fees will be justified to audited agencies.
3. Several factors have contributed to the increase in the financial audit fees and charges limit. These include a rise in the volume of grant certification activities, the introduction of new accounting and auditing standards, and an increase in the level of complexity within many of the audits across both State and local government sectors. However, the main factor is the price inflation for contract audit firms engaged to perform outsourced audits for the Office. During the COVID-19 period, demand for auditing and consulting services from professional services firms has risen sharply, and the supply of audit professionals has diminished. Accordingly, public audit offices across Australia and New Zealand are seeing rises of between 40% to 60% for outsourced audit work. In the latest round of contract renewals with audit firms, the Office has received proposals seeking increases of between 30% and 110%.

Technology Transformation

4. The Office's extensive program of technology transformation continues apace, seeking greater efficiencies, improved audit quality and robust information security. The major component of this program over the next 12 months will be the final procurement phase and subsequent implementation of the Office's new audit tool and financial audit methodology, which is fundamental to delivering audits efficiently and in accordance with auditing standards. The current tool and methodology have been in place for 12 years, but the platform on which they operate is no longer supported. These updated systems will support the increasing level of audit activity the Office now undertakes across State and local government sectors.

Forensic Audit Unit in Operational Phase

5. The Office's Forensic Audit Unit is now in its operational phase and has recently tabled a report providing Parliament and the public with information about the Unit's objectives, functions and early work.
6. The Forensic Audit Unit comprises a multidisciplinary team from a wide range of relevant professions including financial auditing, data analytics, insolvency, police investigation, forensic accounting, anti-money laundering and counter-terrorism financing.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

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

Service Summary

Expense	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
1. Public Sector Auditing	36,582	38,298	40,799	43,164	43,544	44,150	44,660
Total Cost of Services	36,582	38,298	40,799	43,164	43,544	44,150	44,660

Outcomes and Key Effectiveness Indicators ^(a)

	2020-21 Actual	2021-22 Budget	2021-22 Estimated Actual	2022-23 Budget Target	Note
Outcome: An informed Parliament on public sector accountability and performance:					
The extent that the Office is effective in informing the Parliament about the public sector accountability and performance is measured by the number of tabled reports compared to targets for each of the following categories of audit matter:					
Service Delivery - Reports tabled.....	7	8	7	8	
Economic Development - Reports tabled.....	3	4	4	4	
Social and Environment - Reports tabled.....	3	4	2	4	
Governance - Reports tabled.....	20	12	12	12	

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

Services and Key Efficiency Indicators

1. Public Sector Auditing

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

	2020-21 Actual	2021-22 Budget	2021-22 Estimated Actual	2022-23 Budget Target	Note
Total Cost of Service.....	\$'000 36,582	\$'000 38,298	\$'000 40,799	\$'000 43,164	1
Less Income	7,495	9,965	10,449	10,821	
Net Cost of Service	29,087	28,333	30,350	32,343	
Employees (Full-Time Equivalents)	182	193	193	209	
Efficiency Indicators					
Total audit cost per \$ million of gross government expenditure	\$491	\$527	\$547	\$587	2
Attest audit cost per \$ million of gross government expenditure.....	\$399	\$385	\$432	\$437	
Performance audit cost per \$ million of gross government expenditure.....	\$92	\$142	\$115	\$150	
Average number of days taken after balance date to issue financial audit opinions ^(a)	79	68	79	68	3

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

Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service between the 2021-22 Estimated Actual and the 2022-23 Budget Target is primarily due to the continued extension of service delivery with the introduction of data analytics and forensic auditing, an increased program of local government auditing and information systems audits and the upgrade of core information systems.
2. The 2021-22 Estimated Actual for total audit cost per \$ million of gross government expenditure was more than budgeted primarily due to an increase in the Office's Attest (Financial) Audit fees and charges relative to gross government expenditure for the same period.
3. The average number of days is 11 days higher in the 2021-22 Estimated Actual than the 2021-22 Budget. This is due primarily to the increasingly complex auditing and reporting issues (including qualifications and significant findings) the Office is identifying across the State sector. These factors, along with the ongoing difficulties in recruiting and retaining appropriate numbers of skilled audit staff, will likely continue contributing to longer auditing timeframes. Consequently, the Office may review the 2022-23 Budget Target to see whether it remains a feasible efficiency indicator while these issues exist.

Asset Investment Program

- The Office has received an allocation of \$4.2 million from the Digital Capability Fund (\$3.1 million in 2022-23 and \$1.1 million in 2023-24) to assist with funding for the replacement of Office's audit tool and financial audit methodology.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-22 \$'000	2021-22 Estimated Expenditure \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
COMPLETED WORKS							
Computer Hardware and Software							
2019-20 Program	162	162	120	-	-	-	-
2020-21 Program	1,560	1,560	509	-	-	-	-
2021-22 Program	690	690	690	-	-	-	-
NEW WORKS							
Computer Hardware and Software							
2022-23 Program	4,914	-	-	3,769	1,145	-	-
2023-24 Program	690	-	-	-	690	-	-
2024-25 Program	1,380	-	-	-	-	690	690
Total Cost of Asset Investment Program	9,396	2,412	1,319	3,769	1,835	690	690
FUNDED BY							
Capital Appropriation			300	300	300	300	300
Drawdowns from the Holding Account			390	390	390	390	390
Funding Included in Department of Treasury - Digital Capability Fund			-	3,079	1,145	-	-
Internal Funds and Balances			629	-	-	-	-
Total Funding			1,319	3,769	1,835	690	690

Financial Statements

Income Statement

Expenses

- Total Cost of Services for the 2021-22 Estimated Actual will increase by \$2.5 million compared to the 2021-22 Budget. This is mainly due to an increase in service delivery for financial and information systems audits, forensic audits and the replacement of core information systems.

Income

- The increase in Total Income likewise reflects the increase in service delivery for financial and information systems audits, forensic audits and a proportion of the cost of information systems upgrades that is recovered through audit fees revenue in line with the Office's current strategic resourcing mix. The allocation between other revenue (local government financial audit fees) and Government revenue will be reviewed to confirm the cost recovery allocation remains appropriate.

INCOME STATEMENT ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	21,785	24,112	26,621	28,226	28,650	29,080	29,519
Supplies and services	11,278	10,554	10,554	10,848	10,784	10,899	10,899
Accommodation	2,171	1,242	1,242	1,774	1,760	1,785	1,818
Depreciation and amortisation	173	765	759	775	786	798	810
Finance and interest costs	1	6	4	2	2	3	1
Other expenses	1,174	1,619	1,619	1,539	1,562	1,585	1,613
TOTAL COST OF SERVICES	36,582	38,298	40,799	43,164	43,544	44,150	44,660
Income							
Other revenue	7,495	9,965	10,449	10,821	10,951	11,084	11,175
Total Income	7,495	9,965	10,449	10,821	10,951	11,084	11,175
NET COST OF SERVICES	29,087	28,333	30,350	32,343	32,593	33,066	33,485
INCOME FROM GOVERNMENT							
Service appropriations	11,132	11,500	11,500	12,233	12,197	12,340	12,381
Resources received free of charge	422	467	467	467	467	467	467
Other revenues	18,052	16,402	18,418	19,678	20,006	20,337	20,717
TOTAL INCOME FROM GOVERNMENT	29,606	28,369	30,385	32,378	32,670	33,144	33,565
SURPLUS/(DEFICIENCY) FOR THE PERIOD	519	36	35	35	77	78	80

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 182, 193 and 209 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
CURRENT ASSETS							
Cash assets	5,563	4,957	4,881	4,855	4,907	4,914	4,912
Holding Account receivables	390	390	390	390	390	390	390
Receivables	11,380	10,390	11,401	11,542	11,537	11,578	11,659
Other.....	648	577	648	648	648	648	648
Total current assets	17,981	16,314	17,320	17,435	17,482	17,530	17,609
NON-CURRENT ASSETS							
Holding Account receivables	4,541	4,921	4,921	5,301	5,680	6,042	6,404
Property, plant and equipment.....	341	649	803	876	900	944	1,023
Intangibles	276	200	495	3,574	4,719	4,609	4,447
Restricted cash	357	402	427	487	487	487	487
Total non-current assets	5,515	6,172	6,646	10,238	11,786	12,082	12,361
TOTAL ASSETS	23,496	22,486	23,966	27,673	29,268	29,612	29,970
CURRENT LIABILITIES							
Employee provisions	3,678	3,154	3,748	3,818	3,818	3,818	3,818
Payables	1,090	899	1,054	1,234	1,234	1,234	1,234
Borrowings and leases	25	44	36	33	39	39	32
Other.....	1,778	1,160	1,778	1,778	1,778	1,778	1,778
Total current liabilities	6,571	5,257	6,616	6,863	6,869	6,869	6,862
NON-CURRENT LIABILITIES							
Employee provisions	1,248	1,019	1,248	1,248	1,248	1,248	1,248
Borrowings and leases	30	85	73	72	92	58	43
Total non-current liabilities	1,278	1,104	1,321	1,320	1,340	1,306	1,291
TOTAL LIABILITIES.....	7,849	6,361	7,937	8,183	8,209	8,175	8,153
EQUITY							
Contributed equity	9,579	9,926	9,926	13,352	14,844	15,144	15,444
Accumulated surplus/(deficit).....	6,068	6,199	6,103	6,138	6,215	6,293	6,373
Total equity	15,647	16,125	16,029	19,490	21,059	21,437	21,817
TOTAL LIABILITIES AND EQUITY	23,496	22,486	23,966	27,673	29,268	29,612	29,970

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
CASHFLOWS FROM GOVERNMENT							
Service appropriations.....	10,361	10,730	10,730	11,463	11,428	11,588	11,629
Capital appropriation	348	347	347	347	347	300	300
Holding Account drawdowns	390	390	390	390	390	390	390
Other.....	17,642	16,087	18,103	22,442	20,836	20,337	20,717
Net cash provided by Government	28,741	27,554	29,570	34,642	33,001	32,615	33,036
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(20,901)	(24,026)	(26,535)	(28,142)	(28,566)	(29,081)	(29,519)
Supplies and services	(10,205)	(9,154)	(9,154)	(10,491)	(10,464)	(10,932)	(10,945)
Accommodation	(1,749)	(1,242)	(1,242)	(1,323)	(1,309)	(1,334)	(1,367)
GST payments	(3,144)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)
Finance and interest costs.....	(1)	(6)	(4)	(2)	(2)	(3)	(1)
Other payments.....	(1,204)	(2,204)	(2,204)	(1,531)	(1,554)	(1,577)	(1,605)
Receipts ^(b)							
GST receipts	2,864	1,800	1,800	1,800	1,800	1,800	1,800
Other receipts	6,691	9,829	10,313	10,685	10,815	11,043	11,134
Net cash from operating activities	(27,649)	(26,803)	(28,826)	(30,804)	(31,080)	(31,884)	(32,303)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(575)	(1,319)	(1,319)	(3,769)	(1,835)	(690)	(690)
Net cash from investing activities.....	(575)	(1,319)	(1,319)	(3,769)	(1,835)	(690)	(690)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	(46)	(42)	(37)	(35)	(34)	(34)	(45)
Net cash from financing activities.....	(46)	(42)	(37)	(35)	(34)	(34)	(45)
NET INCREASE/(DECREASE) IN CASH HELD	471	(610)	(612)	34	52	7	(2)
Cash assets at the beginning of the reporting period	5,449	5,969	5,920	5,308	5,342	5,394	5,401
Cash assets at the end of the reporting period	5,920	5,359	5,308	5,342	5,394	5,401	5,399

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

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

NET APPROPRIATION DETERMINATION (a)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
GST Receipts							
GST Input Credits	406	170	170	170	170	170	170
GST Receipts on Sales	2,458	1,630	1,630	1,630	1,630	1,630	1,630
Other Receipts							
Audit Fees	24,333	25,916	28,416	30,048	30,506	31,380	31,851
TOTAL	27,197	27,716	30,216	31,848	32,306	33,180	33,651

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

Division 13 Finance

Part 3 Financial Administration

Appropriations, Expenses and Cash Assets

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
DELIVERY OF SERVICES							
Item 42 Net amount appropriated to deliver services	219,458	225,976	308,176	223,688	200,051	202,191	202,108
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975	1,601	1,607	1,607	1,612	1,617	1,622	1,622
Total appropriations provided to deliver services.....	221,059	227,583	309,783	225,300	201,668	203,813	203,730
ADMINISTERED TRANSACTIONS							
Item 43 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	554,066	1,008,355	865,392	343,737	231,559	247,958	261,822
Amount Authorised by Other Statutes							
- First Home Owners Grant Act 2000	95,718	95,385	89,761	37,517	51,355	72,964	83,620
- Petroleum (Submerged Lands) Act 1982...	-	446	305	463	250	22	-
CAPITAL							
Item 122 Capital Appropriation.....	7,711	6,181	8,072	9,271	16,702	2,140	-
TOTAL APPROPRIATIONS	878,554	1,337,950	1,273,313	616,288	501,534	526,897	549,172
EXPENSES							
Total Cost of Services	1,362,382	1,549,169	1,675,308	1,767,579	1,622,464	1,343,758	1,217,675
Net Cost of Services ^(a)	1,337,011	1,530,921	1,558,524	1,749,643	1,605,016	1,326,302	1,200,219
CASH ASSETS ^(b)	161,499	128,916	156,580	158,435	162,906	167,103	172,465

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

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Department's Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
COVID-19 Response					
Household Electricity Credit Administration	-	1,773	-	-	-
Purchase of N95 Masks	3,102	-	-	-	-
Rapid Antigen Tests Purchase and Distribution	107,133	69,490	-	-	-
New Initiatives					
Asset Management Reform	-	2,959	444	809	825
New Women and Babies Hospital	330	2,489	352	-	-
Upgrade of Oracle Software	-	836	446	446	446
Ongoing Initiatives					
Administration of Royalties	449	151	152	154	156
Government Office Accommodation	3,077	1,755	1,364	4,590	-
Perth Children's Hospital - Contractual Entitlement Resolution ^(a)	-	-	-	-	-
Revised Capital Works Turnover	23,500	(89,000)	214,000	126,000	-
ServiceWA - Bunbury Trial Extension	-	1,314	548	553	-
South West Native Title Settlement	(6,733)	-	-	-	-
Other					
Land Tax Liability Enquiry Fees	1,200	-	(300)	(300)	(300)

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

Significant Issues Impacting the Agency

COVID-19 Response

1. The Department continues to play a key role in the implementation of the COVID-19 Response. There is currently over \$1 billion worth of projects under way, creating jobs and supporting Western Australian businesses. In addition to stimulus projects, the Department is responsible for delivering 146 infrastructure projects worth \$865 million, committed to by the Government during the 2021 election. Current market conditions in the building and construction industry are challenging, with a significant tightening in the last 12 months.
2. The Department is supporting the response to the COVID-19 pandemic by procuring and distributing all personal protective equipment and Rapid Antigen Tests (RATs) on behalf of non-health agencies. This includes facilitating the distribution of RATs to WA households (with an initial round of 15 free RATs per household).
3. RevenueWA continues to play a significant role delivering economic support in response to the COVID-19 pandemic. This includes administering State and Commonwealth housing grants and payroll tax waivers for eligible businesses.

Major Projects Directorate

4. A dedicated Major Projects Directorate has been established within the Department to lead the delivery of significant Western Australian infrastructure projects. Drawing on existing expertise within the Department, including from the Infrastructure Delivery Unit, the Directorate is heavily involved in projects such as the Bunbury Hospital Redevelopment, Casuarina Prison Redevelopment, Peel Health Campus Redevelopment, and the new Women and Babies Hospital.

Asset Management Reform Program

5. An Asset Management Reform Program will be implemented across the sector in a staged manner. The aim is to improve agency building asset management maturity, delivering a range of office accommodation initiatives to generate significant savings and space utilisation improvements while increasing mobility and flexibility options.

Aboriginal Procurement Policy

6. From January 2022, the Aboriginal Procurement Policy expanded to include Aboriginal participation requirements for applicable goods, services and works contracts of \$5 million and above. Suppliers will have a contractual obligation to meet an Aboriginal employment target or an Aboriginal subcontracting target under the Aboriginal participation requirements.

State Commissioning Strategy

7. Development of the State Commissioning Strategy is continuing to ensure a coordinated approach to procuring community services over the next five years to provide an opportunity to improve the delivery of community services within Western Australia and ensure a sustainable service system. The implementation plan is expected to be submitted to Government for consideration within the next six months.

RevenueWA Works

8. RevenueWA will progress amendments for proposed changes to the duties farm-in and strata subdivision concessions and land tax exemptions for residential and caravan parks and homeowners who live in full-time care. Ongoing upgrades to RevenueWA's revenue collection systems will allow the timely implementation of changes to legislative and administrative schemes and deliver improvements to customer experience.
9. RevenueWA is working on the rollout of the Lodgement and Payment Compliance Project that applies business intelligence and advanced analytics to identify taxpayers suspected of non-compliance in Land Tax, Payroll Tax, and Vehicle Licence Duty matters.

ServiceWA

10. Using insight and learnings from the trial ServiceWA centre in Bunbury, the Department is considering options for whole-of-government service delivery reform under ServiceWA.

Machinery of Government

11. Under Machinery of Government changes, the Department of Mines, Industry Regulation and Safety (DMIRS) transferred the administration and collection of mining and petroleum royalties to RevenueWA from 4 October 2021. Legislative changes and the migration of DMIRS's Royalties Management System to RevenueWA are in progress. RevenueWA has commenced initial system requirements and design work to support the transfer of the function onto a new technology platform.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

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

Service Summary

Expense	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
1. Revenue Assessment and Collection, and Grants and Subsidies Administration	67,752	79,046	76,229	77,790	71,530	71,819	70,338
2. Development and Management of Common Use Contract Arrangements, State Fleet Leasing and Disposal, and Providing Facilitation Service for Agency-specific Contracts	86,940	68,887	179,770	133,215	64,858	64,263	64,424
3. Corporate Services to Client Agencies	5,977	6,434	6,048	6,158	6,107	6,147	6,171
4. Leads the Management of Government Buildings Including Planning, Project Delivery, and Maintenance Thereof	1,201,713	1,394,802	1,413,261	1,550,416	1,479,969	1,201,529	1,076,742
Total Cost of Services	1,362,382	1,549,169	1,675,308	1,767,579	1,622,464	1,343,758	1,217,675

Outcomes and Key Effectiveness Indicators ^(a)

	2020-21 Actual	2021-22 Budget	2021-22 Estimated Actual	2022-23 Budget Target	Note
Outcome: Due and payable revenue is collected and eligible grants, subsidies and rebates paid:					
Debt as a percentage of revenue raised ^(b)	0.74%	0.96%	0.78%	0.85%	1
Extent to which correct grants, subsidies and rebates are paid	100%	100%	100%	100%	
Outcome: Value for money from public sector procurement:					
Average annual vehicle net capital cost:					
Per passenger vehicle	\$3,856	\$4,600	\$3,188	\$3,200	2
Per commercial vehicle	\$3,738	\$4,800	\$3,118	\$3,100	2
Extent to which client agencies agree that their agency contracts and common use arrangements achieved value for money	96%	92%	97%	92%	
Outcome: Value for money from the management of the Government's non-residential buildings and public works:					
Percentage of new building projects, valued over \$5 million, delivered within the approved budget	100%	100%	100%	100%	
Average office accommodation floor space per work point.....	13.74	13.7	13.7	13.65	

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

(b) The 2021-22 Budget figure was revised from 0.41% as the Royalty revenue has been removed from this measure.

Explanation of Significant Movements

(Notes)

1. The 2021-22 Estimated Actual is lower than the 2021-22 Budget due to higher than expected revenue, mainly driven by strong economic conditions. The 2022-23 Budget Target is slightly higher as revenue is expected to decrease compared to the 2021-22 levels.
2. The 2021-22 Estimated Actual is lower than the 2021-22 Budget due to continued resale price increases in the used car market. This trend is expected to continue into 2022-23 due to supply chain issues in the new car market.

Services and Key Efficiency Indicators

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

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

	2020-21 Actual	2021-22 Budget	2021-22 Estimated Actual	2022-23 Budget Target	Note
Total Cost of Service.....	\$'000 67,752	\$'000 79,046	\$'000 76,229	\$'000 77,790	1
Less Income	4,299	4,000	5,200	4,000	2
Net Cost of Service.....	63,453	75,046	71,029	73,790	
Employees (Full-Time Equivalents)	385	447	448	431	1
Efficiency Indicators					
Average cost per tax or duty determination.....	\$30.08	\$30.99	\$30.55	\$31.87	
Average cost per grant or subsidy determination.....	\$16.94	\$25.54	\$26.91	\$24.49	3

Explanation of Significant Movements

(Notes)

1. The increases from the 2020-21 Actual to the 2021-22 Budget and the 2021-22 Estimated Actual reflect the increased resourcing to support the State and Commonwealth COVID-19 Response programs.
2. The increase between the 2021-22 Budget and the 2021-22 Estimated Actual reflects additional income received from the Land Tax Liability Enquiry fees as a result of increased activity in the housing market.
3. The increase between the 2020-21 Actual and the 2021-22 Budget reflects the approved resourcing for the Building Bonus and Commonwealth's HomeBuilder grants. The decrease in the 2022-23 Budget Target against the 2021-22 Estimated Actual reflects the cessation of the stimulus housing initiatives.

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

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

	2020-21 Actual	2021-22 Budget	2021-22 Estimated Actual	2022-23 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	86,940	68,887	179,770	133,215	1
Less Income	11,012	7,865	104,908	7,250	2
Net Cost of Service	75,928	61,022	74,862	125,965	
Employees (Full-Time Equivalents)	192	211	210	208	
Efficiency Indicators					
Cost of facilitating the development and management of agency specific contracts as a percentage of the contract award value.....	1.3%	1.2%	1%	1.1%	
Average administrative cost per vehicle for financing and managing the State Fleet service.....	\$122	\$114	\$118	\$118	
Cost of developing and managing whole-of-government common use contract arrangements as a percentage of the total annual value of purchases through the arrangements	0.9%	0.9%	0.8%	0.8%	3

Explanation of Significant Movements

(Notes)

1. The increase from the 2021-22 Budget to the 2021-22 Estimated Actual and the 2022-23 Budget Target is mainly due to the cost of purchasing and distributing of RATs to households.
2. The increase between the 2021-22 Budget and 2021-22 Estimated Actual reflects the receipt of Commonwealth funding towards the costs of purchasing and distributing of RATs.
3. The 2021-22 Estimated Actual is lower than the 2021-22 Budget as a result of higher common use arrangements (CUA) turnover while internal costs have remained stable. CUA turnover increased due to higher costs and activity in several CUA areas as a result of increased demand from agencies to procure key products to manage COVID-19 requirements.

3. Corporate Services to Client Agencies

These services include corporate services directly provided by the Department to support the outcomes and activities of other agencies including Treasury and the Government Employees Superannuation Board.

	2020-21 Actual	2021-22 Budget	2021-22 Estimated Actual	2022-23 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	5,977	6,434	6,048	6,158	
Less Income	290	300	330	330	
Net Cost of Service	5,687	6,134	5,718	5,828	
Employees (Full-Time Equivalents)	24	25	25	25	

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

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

	2020-21 Actual	2021-22 Budget	2021-22 Estimated Actual	2022-23 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	1,201,713	1,394,802	1,413,261	1,550,416	1
Less Income	9,770	6,083	6,346	6,356	
Net Cost of Service	1,191,943	1,388,719	1,406,915	1,544,060	
Employees (Full-Time Equivalents)	432	500	555	574	
Efficiency Indicators					
Percentage of new building projects, valued over \$5 million, delivered within the approved timeframes	97%	100%	96%	90%	2
Percentage of high priority breakdown repairs completed within agreed timeframes	76%	75%	74%	75%	
The cost of managing government buildings including the planning, project delivery, and maintenance thereof, as a percentage of services delivered	9.33%	8.87%	8.56%	8.21%	

Explanation of Significant Movements

(Notes)

1. The 2022-23 Budget Target is higher than the 2021-22 Budget and 2021-22 Estimated Actual due to an increase in planned capital works as part of the COVID-19 Response.
2. The 2022-23 Budget Target has been reduced as it is anticipated there will be further COVID-19 workforce and supply chain related disruptions in the construction industry in 2022-23.

Asset Investment Program

1. The Department's Asset Investment Program (AIP) in 2022-23 is \$93.6 million comprising mainly of:
 - 1.1. office fit-outs, associated with government office accommodation leases, funded through lease incentives from landlords;
 - 1.2. maintaining effective RevenueWA systems through the Digital Transformation Program and ongoing software upgrades to support implementation of initiatives; and
 - 1.3. the Vehicle Acquisition Program, managed by State Fleet, which facilitates the purchase, servicing and disposal of vehicles for the Government.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-22 \$'000	2021-22 Estimated Expenditure \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
WORKS IN PROGRESS							
COVID-19 Response							
Accommodation Fit-out Projects - Parliamentary Precinct							
Office Accommodation	13,800	690	690	4,000	7,730	1,380	-
Other Works in Progress							
Accommodation Fit-out Projects							
Landgate Fit-out	6,789	276	276	471	6,042	-	-
Lease Incentive Funded Office Fit-outs	165,721	143,970	17,208	6,751	5,000	5,000	5,000
Software Development							
Digital Transformation Program	20,363	10,301	4,691	4,650	3,695	1,717	-
Financial Management Information System Upgrade	2,228	1,440	1,440	788	-	-	-
Off The Plan Transfer Duty Rebate System Upgrade	1,539	1,389	800	150	-	-	-
Stabilisation of Revenue Collection System	1,615	1,198	1,198	417	-	-	-
COMPLETED WORKS							
COVID-19 Response							
Software Development - Small Business Electricity Credit ...	760	760	226	-	-	-	-
Other Completed Works							
Accommodation Fit-out Projects							
55 St Georges Terrace - Office Fit-out	2,034	2,034	388	-	-	-	-
Bunbury Tower Fit-out	230	230	230	-	-	-	-
Gordon Stephenson House - Fit-out - Small Business							
Development Corporation	200	200	200	-	-	-	-
Government Office Accommodation Reform - The							
Quarter Karratha Office Fit-out	1,786	1,786	1,654	-	-	-	-
Governor Stirling House Shared Areas Fit-out	150	150	150	-	-	-	-
Kununurra Fit-out	70	70	70	-	-	-	-
New Public Sector Offices for Fremantle	34,278	34,278	4,600	-	-	-	-
Government Office Accommodation Reform Program	11,083	11,083	1,350	-	-	-	-
ICT Replacement - 2021-22 Program	109	109	109	-	-	-	-
Procurement Systems Replacement - 2021-22 Program	671	671	671	-	-	-	-
Vehicle Acquisitions - 2021-22 Program	76,000	76,000	76,000	-	-	-	-
NEW WORKS							
ICT Replacement							
2022-23 Program	109	-	-	109	-	-	-
2023-24 Program	109	-	-	-	109	-	-
2024-25 Program	109	-	-	-	-	109	-
2025-26 Program	109	-	-	-	-	-	109
Procurement Systems Replacement							
2022-23 Program	431	-	-	431	-	-	-
2023-24 Program	431	-	-	-	431	-	-
2024-25 Program	431	-	-	-	-	431	-
2025-26 Program	431	-	-	-	-	-	431
Vehicle Acquisitions							
2022-23 Program	76,000	-	-	76,000	-	-	-
2023-24 Program	76,000	-	-	-	76,000	-	-
2024-25 Program	76,000	-	-	-	-	76,000	-
2025-26 Program	76,000	-	-	-	-	-	76,000
Total Cost of Asset Investment Program	645,586	286,635	111,951	93,767	99,007	84,637	81,540
FUNDED BY							
Asset Sales			43,379	43,379	43,379	43,379	43,379
Capital Appropriation			8,072	9,271	16,702	2,140	-
Drawdowns from the Holding Account			540	540	540	540	540
Funding Included in Department of Treasury - Digital							
Capability Fund			1,440	788	-	-	-
Internal Funds and Balances			10,809	815	765	38,578	37,621
Other			47,711	38,974	37,621	-	-
Total Funding			111,951	93,767	99,007	84,637	81,540

Financial Statements

Income Statement

Expenses

1. Movements in Supplies and services from the 2021-22 Budget through to the 2023-24 Outyear reflect additional capital works turnover approved under the COVID-19 Response.

Income

2. The increase in grants and subsidies, and service appropriations between the 2021-22 Budget and the 2021-22 Estimated Actual is due to the receipt of Commonwealth and State Government funding respectively towards the costs of procuring and distributing of RATs as part of the COVID-19 Response.

Statement of Financial Position

3. The increase in other current assets in the 2021-22 Estimated Actual reflects temporary inventory of RATs.
4. The decrease in non-current borrowings and leases from the 2021-22 Estimated Actual to the 2022-23 Budget Year is reflective of reductions in lease liabilities for government office accommodation.

Statement of Cashflows

5. The increase in service appropriations between the 2021-22 Budget and the 2021-22 Estimated Actual mostly relates to one-off funding approved for procuring and distributing RATs as part of the COVID-19 Response.
6. Grants and subsidies 2021-22 payments reflect the cashflow timing of payments as part of the finalisation of the South West Native Title Settlement.
7. The increase in grants and subsidies receipts between the 2021-22 Budget and the 2021-22 Estimated Actual is due to the Commonwealth Government contribution for procurement and distribution of RATs as part of the State's COVID-19 Response.
8. Cashflows for other proceeds in the 2020-21 Actual include one-off receipt of lease incentives from landlords as part of government office leased accommodation.

INCOME STATEMENT ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	120,809	136,928	141,997	144,154	138,192	139,709	138,975
Grants and subsidies ^(c)	7,666	6,801	-	-	-	-	-
Supplies and services	911,664	1,054,893	1,179,565	1,270,924	1,132,879	851,408	725,615
Accommodation	33,303	33,409	36,540	36,587	37,480	36,163	36,289
Depreciation and amortisation	224,365	253,948	253,948	255,144	256,341	258,840	258,840
Finance and interest costs	56,732	56,527	56,601	54,064	50,831	50,855	51,128
Other expenses	7,843	6,663	6,657	6,706	6,741	6,783	6,828
TOTAL COST OF SERVICES	1,362,382	1,549,169	1,675,308	1,767,579	1,622,464	1,343,758	1,217,675
Income							
Sale of goods and services	4,602	4,959	6,159	4,865	4,368	4,368	4,368
Grants and subsidies	7,958	4,928	102,264	4,700	4,700	4,700	4,700
Other revenue	12,811	8,361	8,361	8,371	8,380	8,388	8,388
Total Income	25,371	18,248	116,784	17,936	17,448	17,456	17,456
NET COST OF SERVICES	1,337,011	1,530,921	1,558,524	1,749,643	1,605,016	1,326,302	1,200,219
INCOME FROM GOVERNMENT							
Service appropriations	221,059	227,583	309,783	225,300	201,668	203,813	203,730
Resources received free of charge	14,116	14,676	14,676	14,676	14,676	14,676	14,676
Royalties for Regions Fund:							
Regional Community Services Fund	105	90	90	90	90	90	90
Other appropriations	-	-	-	-	1,823	-	-
Other revenues	1,134,641	1,301,412	1,325,302	1,454,106	1,404,313	1,125,386	999,386
TOTAL INCOME FROM GOVERNMENT	1,369,921	1,543,761	1,649,851	1,694,172	1,622,570	1,343,965	1,217,882
SURPLUS/(DEFICIENCY) FOR THE PERIOD	32,910	12,840	91,327	(55,471)	17,554	17,663	17,663

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 1,033, 1,238 and 1,238 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
Capacity Building Grant Programs	904	-	-	-	-	-	-
Other	29	-	-	-	-	-	-
South West Native Title Settlement	6,733	6,801	-	-	-	-	-
TOTAL	7,666	6,801	-	-	-	-	-

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
CURRENT ASSETS							
Cash assets	157,725	126,548	152,404	153,859	157,930	162,127	167,489
Restricted cash	1,960	140	1,962	1,962	1,962	1,962	1,962
Holding Account receivables	540	540	540	540	540	540	540
Receivables	48,044	64,218	48,044	48,044	48,044	48,044	48,044
Other.....	59,146	56,800	128,636	59,146	59,146	59,146	59,146
Assets held for sale	39,700	200	-	-	-	-	-
Total current assets	307,115	248,446	331,586	263,551	267,622	271,819	277,181
NON-CURRENT ASSETS							
Holding Account receivables	684,989	755,326	755,326	823,353	889,182	957,329	1,025,476
Property, plant and equipment.....	2,104,892	2,055,252	2,053,882	1,918,300	1,809,699	1,843,363	1,793,461
Receivables	505	391	505	505	505	505	505
Intangibles	38,195	38,544	42,006	42,100	41,387	33,362	27,930
Restricted cash	1,814	2,228	2,214	2,614	3,014	3,014	3,014
Other.....	159	238	159	159	159	159	159
Total non-current assets	2,830,554	2,851,979	2,854,092	2,787,031	2,743,946	2,837,732	2,850,545
TOTAL ASSETS	3,137,669	3,100,425	3,185,678	3,050,582	3,011,568	3,109,551	3,127,726
CURRENT LIABILITIES							
Employee provisions	29,479	27,430	29,479	29,479	29,479	29,385	29,291
Payables	69,082	69,463	69,391	69,997	70,603	71,219	71,825
Borrowings and leases	188,278	168,424	188,520	188,683	188,924	189,086	189,086
Other.....	48,799	75,314	42,219	42,219	42,219	42,219	42,219
Total current liabilities	335,638	340,631	329,609	330,378	331,225	331,909	332,421
NON-CURRENT LIABILITIES							
Employee provisions	5,862	4,920	5,858	5,858	5,858	5,858	5,858
Borrowings and leases	1,590,623	1,548,056	1,562,661	1,464,078	1,390,607	1,468,103	1,468,103
Other.....	2,939	3,328	2,939	2,939	2,939	2,939	2,939
Total non-current liabilities	1,599,424	1,556,304	1,571,458	1,472,875	1,399,404	1,476,900	1,476,900
TOTAL LIABILITIES.....	1,935,062	1,896,935	1,901,067	1,803,253	1,730,629	1,808,809	1,809,321
EQUITY							
Contributed equity	1,089,493	1,088,418	1,080,170	1,098,359	1,114,415	1,116,555	1,116,555
Accumulated surplus/(deficit).....	113,114	115,072	204,441	148,970	166,524	184,187	201,850
Total equity	1,202,607	1,203,490	1,284,611	1,247,329	1,280,939	1,300,742	1,318,405
TOTAL LIABILITIES AND EQUITY	3,137,669	3,100,425	3,185,678	3,050,582	3,011,568	3,109,551	3,127,726

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
CASHFLOWS FROM GOVERNMENT							
Service appropriations.....	150,878	156,706	238,906	156,733	135,299	135,126	135,043
Capital appropriation	7,711	6,181	8,072	9,271	16,702	2,140	-
Holding Account drawdowns	517	540	540	540	540	540	540
Royalties for Regions Fund:							
Regional Community Services Fund	1,655	90	90	90	90	90	90
Other.....	1,130,524	1,310,210	1,335,540	1,463,600	1,413,019	1,134,094	1,008,094
Administered appropriations	-	-	-	-	1,823	-	-
Net cash provided by Government	1,291,285	1,473,727	1,583,148	1,630,234	1,567,473	1,271,990	1,143,767
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(118,007)	(136,932)	(142,001)	(144,158)	(138,196)	(139,803)	(139,069)
Grants and subsidies.....	(847)	(6,801)	(6,801)	-	-	-	-
Supplies and services	(810,267)	(971,001)	(1,165,163)	(1,117,448)	(1,049,065)	(767,594)	(641,801)
Accommodation	(33,227)	(34,253)	(37,384)	(37,431)	(38,324)	(37,007)	(37,133)
GST payments	(127,071)	(133,858)	(133,858)	(133,858)	(133,858)	(133,858)	(133,858)
Finance and interest costs.....	(55,646)	(55,669)	(55,669)	(53,353)	(50,294)	(50,318)	(50,591)
Other payments.....	(85,471)	(104,946)	(104,946)	(104,995)	(105,030)	(105,072)	(105,117)
Receipts ^(b)							
Grants and subsidies.....	8,482	4,928	102,264	4,700	4,700	4,700	4,700
Sale of goods and services.....	4,592	4,000	5,200	4,000	3,500	3,500	3,500
GST receipts	128,655	134,464	134,464	134,464	134,464	134,464	134,464
Other receipts	5,090	7,376	7,376	7,386	7,395	7,403	7,403
Net cash from operating activities	(1,083,717)	(1,292,692)	(1,396,518)	(1,440,693)	(1,364,708)	(1,083,585)	(957,502)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(89,212)	(108,611)	(111,951)	(93,767)	(99,007)	(84,637)	(81,540)
Proceeds from sale of non-current assets.....	31,545	43,379	43,379	43,379	43,379	43,379	43,379
Other receipts	-	15,140	15,140	6,353	5,000	5,000	5,000
Net cash from investing activities.....	(57,667)	(50,092)	(53,432)	(44,035)	(50,628)	(36,258)	(33,161)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases.....	(164,708)	(145,731)	(145,731)	(149,327)	(152,809)	(153,093)	(152,885)
Proceeds from borrowings.....	30,000	-	-	-	-	-	-
Other proceeds	62,511	7,966	8,349	5,676	5,143	5,143	5,143
Net cash from financing activities.....	(72,197)	(137,765)	(137,382)	(143,651)	(147,666)	(147,950)	(147,742)
NET INCREASE/(DECREASE) IN CASH HELD	77,704	(6,822)	(4,184)	1,855	4,471	4,197	5,362
Cash assets at the beginning of the reporting period	83,417	135,738	161,499	156,580	158,435	162,906	167,103
Net cash transferred to/from other agencies	378	-	(735)	-	-	-	-
Cash assets at the end of the reporting period	161,499	128,916	156,580	158,435	162,906	167,103	172,465

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

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

NET APPROPRIATION DETERMINATION

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
Grants and Subsidies							
Indian Ocean Territories Commonwealth Grant	8,482	4,700	4,700	4,700	4,700	4,700	4,700
National Partnership on COVID-19 Response	-	228	97,564	-	-	-	-
Sale of Goods and Services							
Contract Services	809,745	970,633	994,409	1,121,263	1,071,771	793,153	667,153
Land Tax Liability Enquiry Fee	4,212	3,200	4,700	3,500	3,000	3,000	3,000
Merchant Fees	379	800	500	500	500	500	500
GST Receipts							
GST Input Credits	4,082	12,374	12,374	12,374	12,374	12,374	12,374
GST Receipts on Sales	124,573	122,090	122,090	122,090	122,090	122,090	122,090
Other Receipts							
Corporate Services Cost Recoup	606	480	480	480	480	480	480
Executive Vehicle Scheme	67	100	100	100	100	100	100
Government Office Accommodation Lease Incentive Receipts	267,601	276,241	276,355	277,331	277,560	277,605	277,605
Other Receipts	2,036	13,365	13,365	13,745	13,717	13,365	13,365
Paid Parental Leave Receipts	575	500	500	500	500	500	500
Procurement Services	4,195	2,800	2,800	2,800	2,800	2,800	2,800
Receipt of Employee Contributions - Government Regional Officer Housing	118	127	127	137	146	154	154
State Fleet Revenue	50,672	53,340	53,340	53,340	53,340	53,340	53,340
TOTAL	1,277,343	1,460,978	1,583,404	1,612,860	1,563,078	1,284,161	1,158,161

DETAILS OF ADMINISTERED TRANSACTIONS (a)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
INCOME							
Taxation							
Insurance Duty	727,537	771,189	818,209	808,792	832,263	856,439	880,941
Land Tax	755,930	763,651	761,751	798,680	798,829	806,196	814,273
Metropolitan Region Improvement Tax.....	84,620	83,897	83,897	88,100	88,029	88,729	89,435
Payroll Tax	3,749,400	4,060,351	4,353,242	4,585,417	4,587,958	4,725,992	4,868,184
Point of Consumption Tax.....	113,699	83,082	115,570	95,681	105,216	108,373	111,624
Transfer Duty.....	1,862,365	1,581,067	2,264,866	1,941,528	1,781,781	1,788,457	1,935,938
Foreign Buyers Surcharge Duty	17,263	17,120	22,100	20,336	23,068	24,543	27,193
Landholder Duty	225,291	155,616	312,712	119,904	119,904	119,904	119,904
Total Duty on Transfers	2,104,919	1,753,803	2,599,678	2,081,768	1,924,753	1,932,904	2,083,035
Vehicle Licence Duty	514,293	397,233	560,148	440,176	371,036	387,264	406,065
Commonwealth Mirror Taxes	46,417	51,527	55,077	57,993	58,023	59,695	61,417
Royalties							
Alumina	90,850	96,989	113,838	116,160	116,477	119,210	128,425
Copper	70,449	87,067	89,448	67,709	62,322	62,539	60,337
Gold	406,908	418,134	437,244	480,665	520,579	520,185	494,516
Iron Ore.....	11,354,767	9,193,180	10,290,209	5,645,067	4,903,453	5,089,814	5,274,697
Lithium	49,716	83,764	255,287	446,783	370,825	262,480	233,219
Nickel	85,748	122,565	144,575	160,353	163,357	171,131	177,784
Other	119,576	134,111	146,610	161,807	180,196	179,294	182,735
Petroleum - State Component.....	2,670	9,143	12,703	14,520	10,783	22,334	21,586
Other Revenue							
Office Lease Rental Revenue	39,447	39,700	39,700	39,700	39,700	39,700	39,700
Other Income.....	64,887	62,057	61,986	64,431	66,786	68,445	69,823
Appropriations							
First Home Owner Grant Act 2000	95,718	95,385	89,761	37,517	51,355	72,964	83,620
Petroleum (Submerged Lands) Act 1982....	-	446	305	463	250	22	-
Administered Grants and Transfer Payments.....	554,066	1,008,355	865,392	343,737	231,559	247,958	261,822
TOTAL ADMINISTERED INCOME	21,031,617	19,315,629	21,894,630	16,535,519	15,483,749	15,821,668	16,343,238
EXPENSES							
Grants and Subsidies							
Building Bonus Homebuyers Grant	133,320	392,620	349,620	43,000	-	-	-
Energy Concession Extension Scheme.....	2,223	2,275	2,278	2,353	2,439	2,532	2,629
Energy Concessions							
\$500 Small Business and Charities Electricity Credit for Non-Synergy and Horizon Customers.....	-	24,500	561	-	-	-	-
\$600 Household Electricity Credit for Non-Synergy and Horizon Power Customers.....	10,117	-	-	-	-	-	-
\$400 Household Electricity Credit for Non-Synergy and Horizon Power Customers.....	-	-	-	8,000	-	-	-
First Home Owner Scheme.....	95,718	95,385	89,761	37,517	51,355	72,964	83,620
Life Support Equipment Subsidy Scheme ..	1,224	1,350	1,254	1,296	1,343	1,394	1,448
National Partnership on Homebuilder.....	118,875	387,025	319,025	68,000	-	-	-
Off the Plan Duty Rebate Scheme	1,759	15,400	6,373	18,218	16,564	18,131	15,906
Payroll Tax Rebates Scheme.....	6	50	50	50	50	50	50
Pensioner Concessions							
Emergency Services Levy	20,661	23,500	22,158	23,787	25,612	27,631	29,810
Local Government Rates.....	105,537	110,500	113,184	121,505	130,827	141,142	152,270
Petroleum (Submerged Lands) Act 1982....	-	446	305	463	250	22	-
Small Business Payroll Tax Grant.....	106,523	-	-	-	-	-	-
South West Native Title Settlement Agreement - Cultural Centre.....	4,911	-	39	50	-	-	-
Thermoregulatory Dysfunction Energy Subsidy.....	1,868	2,200	1,914	1,978	2,049	2,128	2,209
Other Expenses							
Refund of Past Years Tax Revenue	29,685	46,975	46,975	48,550	50,675	52,950	55,500
Refunds of Past Years Royalties Revenues ...	22,269	1,960	2,000	2,000	2,000	2,000	2,000
Expected Credit Losses Expense	(3,145)	-	-	-	-	-	-
Other Expenses.....	65,094	62,057	61,986	64,431	66,786	68,445	69,823
Payments to Consolidated Account.....	18,697,488	20,550,090	21,810,573	17,614,968	15,121,545	15,409,833	15,891,245
TOTAL ADMINISTERED EXPENSES	19,414,133	21,716,333	22,828,056	18,056,166	15,471,495	15,799,222	16,306,510

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

Insurance Commission of Western Australia

Part 3 Financial Administration

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

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
INSURANCE COMMISSION OF WESTERN AUSTRALIA REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax.....	309,600	27,486	23,396	24,029	29,150	30,033	29,555
Dividends ^(a)	-	572,133	572,083	63,532	64,840	66,794	68,679
RATIOS							
Dividend Payout Ratio (%) ^(b)	75	75	75	75	75	75	75
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	2,827,884	1,208,689	1,256,639	1,315,742	1,394,766	1,459,994	1,528,833
Total Expenses ^(c)	1,231,284	1,055,992	1,083,432	1,095,360	1,182,956	1,236,569	1,298,047
NET PROFIT AFTER TAX ^(d)	1,124,500	106,888	121,230	154,267	148,267	156,398	161,551
CASH ASSETS ^(e)	405,635	877,580	387,123	382,976	373,977	365,637	363,910
RISCOVER FUND GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	520,185	401,965	420,186	473,983	502,401	528,614	556,662
Total Expenses	517,231	379,044	406,587	443,045	466,571	499,560	524,167
NET PROFIT	2,954	22,921	13,599	30,938	35,830	29,054	32,495
CASH ASSETS ^(e)	8,163	5	2	4	9	10	16

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

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

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

(d) The 2020-21 Actual result differs from the Commission's Annual Report due to the treatment of Transfers to Reserves.

(e) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Government Trading Enterprise's (GTE's) Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
Key Adjustments					
2022-23 Tariff, Fees and Charges (Household Model) - Motor Injury					
Insurance Premiums	-	653	(397)	1,113	2,716
Investment Income, Capital and Other Activities	1,982	(7,295)	(4,972)	(7,694)	(11,185)
Underwriting Activities - Revised Claims Expense Forecasts ^(a)	1,370	17,844	(6,770)	(9,264)	(14,558)

(a) Based on valuations provided by the independent actuary (dated September 2021).

Significant Issues Impacting the Government Trading Enterprise

1. The Commission seeks to price its insurance products to reflect the full cost of claims and scheme running costs, and to minimise reliance on subsidisation from investment returns.
2. Motor injury insurance premiums in Western Australia remain affordable at \$426.10 (including GST, and \$468.71 including insurance duty) for a family vehicle. This compares favourably to premiums that range up to \$576 for motor vehicle owners in other parts of Australia.
3. Premium rates, claims estimates and investment returns have major impacts on the Commission's profit, solvency and capital adequacy. Actuarial and investment forecasts are both highly sensitive to external influences outside the direct control of the Commission. Economic factors can materially affect both investment returns and the value of claims liabilities.
4. In determining the amount of any recommended dividend or capital return, the Commission's Board takes into account its capital adequacy position and the extent to which the organisation has the liquidity to support those payments.
5. In December 2021, the Commission made a total dividend payment of \$515.8 million (including proceeds from the Bell Group settlement) for 2020-21. A further dividend of \$56.3 million will be paid in June 2022. During 2020-21, the Commission paid \$254.3 million in income tax equivalents to Government (largely as a result of the tax payable on the Bell settlement proceeds).
6. Effective 1 July 2018, the *Civil Liability Act 2002* was amended to remove the statute of limitations for child sexual abuse claims. The Commission and the RiskCover Fund continue to be exposed to current and future claims arising from this legislative change. During 2021-22, a special dividend of \$130.3 million was transferred from the Third Party Insurance Fund to the Government Insurance Fund to partially fund child sexual abuse claims that would otherwise have to be funded from the Consolidated Account.
7. Global reinsurance and insurance market conditions are challenging in terms of capacity and pricing. There has been a withdrawal of capacity as reinsurers' appetite for certain types of business has deteriorated. This has resulted in increasingly difficult insurance and reinsurance market conditions. The outlook for the immediate future is for those conditions to continue. Natural disasters globally and across Australia and the COVID-19 pandemic have resulted in significant increases in the costs of reinsurance. These costs will put pressure on RiskCover Fund premiums.
8. Government workers' compensation claim frequency, severity and duration have continued to rise over prior years. This trend driving higher costs is expected to continue over the forward estimates period resulting in increases to RiskCover Fund agency premiums. The Commission is working with agencies to reduce claims.

Statement of Corporate Intent

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

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

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

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

Outcomes and Key Performance Indicators ^(a)

	2020-21 Actual	2021-22 Budget	2021-22 Estimated Actual	2022-23 Budget Target	Note
Outcome: Sustainable financial resources to meet our objectives:					
Solvency level.....	144.5%	133.9%	134%	133.2%	
Main Fund:					
Investment rolling 7 year return	7.5%	4.5%	4.5%	4.8%	
Annual investment rate of return	17.7%	4.2%	4.2%	4.6%	
Investment management expense ratio	0.64%	0.58%	0.58%	0.62%	
MVCIF:					
Investment rolling 7 year return ^(b)	n/a	n/a	n/a	5%	
Annual investment rate of return	17.8%	4.6%	4.6%	5.1%	
Investment management expense ratio	0.6%	0.56%	0.56%	0.51%	
Outcome: Fully funded Third Party Insurance Fund (TPIF), Motor Vehicle (Catastrophic Injuries) Fund (MVCIF) and RiskCover Fund:					
TPIF:					
Solvency level	164%	143%	147.2%	145.7%	1
Net loss ratio	87.6%	92%	92.7%	98%	
Net expense ratio	8%	7.6%	7.5%	7.7%	
Net combined ratio	95.6%	99.6%	100.2%	105.7%	2
MVCIF:					
Solvency level	131.5%	128%	129.4%	128.5%	
Net loss ratio	63%	106.1%	121.7%	90%	
Net expense ratio	5.8%	5.7%	5.4%	6.2%	
Net combined ratio	68.8%	111.8%	127.1%	96.2%	3
RiskCover Fund:					
Solvency level	123.3%	132.3%	123.9%	126.6%	4
Net loss ratio	131.7%	94.8%	96.6%	95.6%	
Net expense ratio	9.4%	10.6%	10.1%	9.5%	
Net combined ratio	141.1%	105.4%	106.7%	105.1%	
Outcome: Provide efficient, timely and affordable insurance services that deliver care and compensation to claimants and agencies:					
Motor Injury Insurance (MII):					
Affordability index	24.3%	30%	30%	27.5%	
Proportion of claims payments made for the direct benefit of claimants	94.7%	94.5%	94.5%	95%	
Timeliness of liability determination	81.8%	80%	80%	80%	
Claim administration costs as a ratio of gross claims paid	6.5%	6.4%	6.4%	6.1%	
Customer satisfaction	63%	65%	65%	65%	
Median claim duration	18.6 months	17.5 months	17.5 months	17.5 months	
RiskCover Fund:					
Affordability index	1.54%	1.68%	1.68%	1.5%	
Proportion of claims payments made for the direct benefit of claimants	92.5%	90%	90%	90%	
Timeliness of liability determination	97.5%	90%	90%	90%	
Claim administration costs as a ratio of gross claims paid	11.7%	11.9%	11.5%	10.5%	
Customer satisfaction	76%	75%	75%	75%	
Median claim duration	5.2 months	4.8 months	4.8 months	4.8 months	

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

(b) New key performance indicator implemented in 2022-23, when the MVCIF reaches seven years from inception.

Explanation of Significant Movements

(Notes)

1. The TPIF's solvency level is forecast to increase to 147.2% in the 2021-22 Estimated Actual compared to the 2021-22 Budget, and to then decrease slightly to 145.7% in the 2022-23 Budget Target. These movements reflect the flow-on impact of the Fund's strong financial performance in 2020-21, offset by dividend payments of \$572.1 million in 2021-22.
2. The net combined ratio of 105.7% for the TPIF reflects the Fund's higher than expected underwriting loss in the 2022-23 Budget Target, compared to the 2021-22 Estimated Actual and 2021-22 Budget. The loss is largely a result of an increase in claims expenses, due to the continuing rise in the number of 'harvested' claims and larger average claim size driven by higher inflation rates than previously forecast by the Commission's actuary.
3. The MVCIF's net combined ratio is projected to increase to 127.1% in the 2021-22 Estimated Actual compared to the 2021-22 Budget, and to then decrease to 96.2% in the 2022-23 Budget Target. The 2021-22 Estimated Actual reflects the Fund's underwriting loss forecast for the year. The forecast loss is largely due to an increase in claims costs driven by higher forecast inflation rates (partly offset by the increase in the long-term discount rates). These movements reflect the financial volatility experienced by the MVCIF as it continues to grow.
4. The RiskCover Fund's solvency level is expected to decrease to 123.9% in the 2021-22 Estimated Actual, due to the Fund's underwriting loss forecast for the year. The loss is largely attributable to higher than expected claims costs driven by the increase in the number of claims and average claims size, mainly in Liability and Workers' Compensation classes.

Asset Investment Program

1. The Commission's Asset Investment Program across the forward estimates period totals \$20.4 million. The major components include:
 - 1.1. \$12.5 million for ICT software incorporating systems developed for use by the Commission's customers, application development software, performance monitoring applications, core insurance system enhancements, general desktop applications and expenditure to upgrade a range of systems identified in the Commission's strategic planning; and
 - 1.2. \$4.1 million for ICT hardware, including scheduled replacement of network infrastructure, desktop workstations, storage, ICT security and enhanced disaster recovery capability catering for operational capacity requirements.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-22 \$'000	2021-22 Estimated Expenditure \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
COMPLETED WORKS							
ICT Hardware - 2021-22 Program	955	955	955	-	-	-	-
ICT Software - 2021-22 Program	2,950	2,950	2,950	-	-	-	-
Motor Vehicles - 2021-22 Program	199	199	199	-	-	-	-
Other Fixed Assets - 2021-22 Program	290	290	290	-	-	-	-
Plant and Equipment - 2021-22 Program	100	100	100	-	-	-	-
NEW WORKS							
ICT Hardware							
2022-23 Program	1,285	-	-	1,285	-	-	-
2023-24 Program	960	-	-	-	960	-	-
2024-25 Program	935	-	-	-	-	935	-
2025-26 Program	905	-	-	-	-	-	905
ICT Software							
2022-23 Program	2,920	-	-	2,920	-	-	-
2023-24 Program	3,345	-	-	-	3,345	-	-
2024-25 Program	3,020	-	-	-	-	3,020	-
2025-26 Program	3,250	-	-	-	-	-	3,250
Motor Vehicles							
2022-23 Program	558	-	-	558	-	-	-
2023-24 Program	800	-	-	-	800	-	-
2024-25 Program	800	-	-	-	-	800	-
2025-26 Program	800	-	-	-	-	-	800
Other Fixed Assets							
2022-23 Program	180	-	-	180	-	-	-
2023-24 Program	120	-	-	-	120	-	-
2024-25 Program	120	-	-	-	-	120	-
2025-26 Program	120	-	-	-	-	-	120
Plant and Equipment							
2022-23 Program	44	-	-	44	-	-	-
2023-24 Program	80	-	-	-	80	-	-
2024-25 Program	80	-	-	-	-	80	-
2025-26 Program	60	-	-	-	-	-	60
Total Cost of Asset Investment Program	24,876	4,494	4,494	4,987	5,305	4,955	5,135
FUNDED BY							
Internal Funds and Balances			4,494	4,987	5,305	4,955	5,135
Total Funding			4,494	4,987	5,305	4,955	5,135

Financial Statements

Insurance Commission of Western Australia

Income Statement

Revenue

1. The 2020-21 Actual Total Revenue reflects the exceptionally strong investment returns of \$1 billion, combined with the Bell Group settlement proceeds received during the financial year of \$666 million.
2. Total Revenue is forecast to increase by \$59.1 million in the 2022-23 Budget Year compared to the 2021-22 Estimated Actual. This projected increase is mainly driven by an upward revision to investment income forecasts for 2022-23. This results from an increase in the Consumer Price Index (CPI) projection and the positive flow-on impact of holding higher investments assets (after dividend and tax payments) than was previously forecast for 2021-22 due to the very strong investment performance in 2020-21. Investment income is based on forecast returns of CPI +3% for the Main Investment Fund and CPI +3.25% for the Motor Vehicle (Catastrophic Injuries) Fund.

Expenses

3. The 2020-21 Actual Total Expenses reflects the significant investment return allocated to the RiskCover Fund and increased claims expenses following the inclusion of historic child abuse claims in the outstanding claims provisions at 30 June 2021.
4. Total National Tax Equivalent Regime expenses are forecast to decrease by \$420.1 million in the 2021-22 Estimated Actual compared to the 2020-21 Actual. This movement is a result of the tax paid on the strong investment returns and Bell Group settlement proceeds received in the 2020-21 financial year.
5. Total Dividend expense will increase by \$572.1 million in the 2021-22 Estimated Actual compared to the 2020-21 Actual, and then decrease by \$508.6 million in the 2022-23 Budget Year. The 2021-22 Estimated Actual reflects the large dividend payment of \$515.8 million arising from the strong investment returns and Bell Group settlement proceeds received in the 2020-21 Actual. A further dividend of \$56.3 million will be paid in June 2022. During 2021-22, a special dividend of \$130.3 million was transferred from the Third Party Insurance Fund to the Government Insurance Fund to partially fund child sexual abuse claims that would otherwise have to be funded from the Consolidated Account.

Statement of Financial Position

6. Total Equity is forecast to decrease by \$459.4 million in the 2021-22 Estimated Actual compared to the 2020-21 Actual as a result of the dividend and tax expenses outlined above.
7. Total Equity is forecast to increase by \$62.5 million in the 2022-23 Budget Year compared to the 2021-22 Estimated Actual largely due to forecast growth in investment assets.

Statement of Cashflows

8. The 2022-23 Budget Year closing cash assets balance of \$383 million represents a decrease of \$22.7 million when compared to the 2020-21 Actual and a decrease of \$4.1 million from the 2021-22 Estimated Actual.
9. These movements primarily reflect the strong investment returns and Bell Group settlement proceeds received in the 2020-21 Actual, then partly offset by payments to government (dividends and tax) of \$758.6 million in the 2021-22 Estimated Actual.

INCOME STATEMENT ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
REVENUE							
Revenue from operations							
Premium revenue.....	851,782	889,823	890,081	917,226	950,097	987,316	1,026,161
Other revenue.....	1,976,102	318,866	366,558	398,516	444,669	472,678	502,672
TOTAL REVENUE.....	2,827,884	1,208,689	1,256,639	1,315,742	1,394,766	1,459,994	1,528,833
Expenses							
Claim expenses.....	940,331	874,082	907,206	887,028	960,746	1,006,741	1,059,024
Employee benefits ^(b)	41,697	44,498	43,471	46,209	47,007	48,164	48,383
Accommodation.....	266	300	300	300	306	312	318
Depreciation and amortisation.....	5,608	5,341	5,254	5,657	6,973	7,154	6,573
Finance and interest costs.....	144,434	40,767	36,334	50,455	58,330	61,792	65,454
Other expenses.....	98,948	91,004	90,867	105,711	109,594	112,406	118,295
TOTAL EXPENSES.....	1,231,284	1,055,992	1,083,432	1,095,360	1,182,956	1,236,569	1,298,047
NET PROFIT/(LOSS) BEFORE TAX ^(c).....	1,596,600	152,697	173,207	220,382	211,810	223,425	230,786
National Tax Equivalent Regime							
Current tax equivalent expense.....	309,600	27,486	23,396	24,029	29,150	30,033	29,555
Deferred tax equivalent expense.....	162,500	18,323	28,581	42,086	34,393	36,994	39,680
NET PROFIT/(LOSS) AFTER TAX ^(c).....	1,124,500	106,888	121,230	154,267	148,267	156,398	161,551
Dividends.....	-	572,133	572,083	63,532	64,840	66,794	68,679

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

(b) The full-time equivalents, including the RiskCover Fund, for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 387, 400 and 429 respectively.

(c) The 2020-21 Actual results differ to the Commission's Annual Report due to the treatment of Transfers to Reserves.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
CURRENT ASSETS							
Cash assets	405,635	877,580	387,123	382,976	373,977	365,637	363,910
Receivables	79,175	62,131	83,323	91,507	91,614	85,822	85,522
Other investments	5,510,421	4,951,611	5,368,815	5,712,737	6,106,267	6,512,537	6,932,200
Government securities	124,174	4,626	120,981	128,737	137,611	146,773	156,237
Other	5,165	6,850	5,165	5,165	5,165	5,165	5,165
Total current assets	6,124,570	5,902,798	5,965,407	6,321,122	6,714,634	7,115,934	7,543,034
NON-CURRENT ASSETS							
Property, plant and equipment	16,429	14,467	14,105	12,028	9,047	6,067	3,774
Intangibles	4,503	6,353	6,019	7,167	8,183	8,701	9,262
Receivables	486,688	309,316	483,231	459,935	435,934	417,742	400,868
Other investments	958,556	962,099	933,905	993,774	1,062,281	1,133,005	1,206,062
Total non-current assets	1,466,176	1,292,235	1,437,260	1,472,904	1,515,445	1,565,515	1,619,966
TOTAL ASSETS	7,590,746	7,195,033	7,402,667	7,794,026	8,230,079	8,681,449	9,163,000
CURRENT LIABILITIES							
Outstanding claims	588,207	546,364	589,162	597,490	597,723	592,053	591,856
Employee provisions	7,886	5,985	7,872	7,888	7,904	7,920	7,936
Payables	149,550	131,043	148,305	109,714	108,951	101,377	95,926
Borrowings and leases	3,255	3,460	3,460	3,680	3,909	2,783	11
Other	1,257,622	1,290,799	1,313,900	1,381,501	1,459,066	1,539,755	1,627,033
Total current liabilities	2,006,520	1,977,651	2,062,699	2,100,273	2,177,553	2,243,888	2,322,762
NON-CURRENT LIABILITIES							
Outstanding claims	3,063,417	3,175,115	3,415,257	3,696,688	4,020,183	4,352,551	4,690,774
Employee provisions	7,448	8,358	7,506	7,565	7,625	7,686	7,748
Borrowings and leases	13,782	10,342	10,342	6,672	2,762	-	-
Other	161,858	202,208	28,581	42,087	34,393	36,994	39,681
Total non-current liabilities	3,246,505	3,396,023	3,461,686	3,753,012	4,064,963	4,397,231	4,738,203
TOTAL LIABILITIES	5,253,025	5,373,674	5,524,385	5,853,285	6,242,516	6,641,119	7,060,965
NET ASSETS	2,337,721	1,821,359	1,878,282	1,940,741	1,987,563	2,040,330	2,102,035
EQUITY							
Accumulated surplus/(deficit)	2,311,909	1,798,657	1,861,056	1,951,791	2,035,218	2,124,822	2,217,694
Reserves	25,812	22,702	17,226	(11,050)	(47,655)	(84,492)	(115,659)
TOTAL EQUITY	2,337,721	1,821,359	1,878,282	1,940,741	1,987,563	2,040,330	2,102,035

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Premium receipts	964,296	992,127	996,808	1,028,420	1,068,359	1,110,812	1,154,318
GST receipts	127,014	122,511	126,193	132,045	139,139	145,136	150,749
Other receipts	872,730	206,491	254,951	216,097	307,501	324,384	337,331
Payments							
Claim payments	(506,425)	(548,475)	(574,137)	(619,832)	(668,607)	(711,630)	(748,075)
Employee benefits	(40,530)	(44,427)	(43,398)	(46,135)	(46,931)	(48,087)	(48,305)
Accommodation ^(b)	(266)	(300)	(300)	(300)	(306)	(312)	(318)
GST payments	(126,871)	(122,511)	(126,193)	(132,045)	(139,139)	(145,136)	(150,749)
Finance and interest costs	(144,434)	(40,767)	(36,333)	(50,455)	(58,329)	(61,792)	(65,454)
Other payments	(185,532)	(189,291)	(189,593)	(207,623)	(215,464)	(222,453)	(232,683)
Net cash from operating activities	959,982	375,358	407,998	320,172	386,223	390,922	396,814
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from sale of non-current assets	353	89	89	258	296	296	296
Other receipts	3,873,961	2,311,037	2,495,748	2,628,219	2,763,573	2,900,540	3,048,509
Payments							
Purchase of non-current assets	(3,157)	(4,494)	(4,494)	(4,987)	(5,305)	(4,955)	(5,135)
Other payments	(4,863,940)	(2,024,197)	(2,155,996)	(2,789,626)	(3,013,266)	(3,152,429)	(3,298,758)
Net cash from investing activities	(992,783)	282,435	335,347	(166,136)	(254,702)	(256,548)	(255,088)
CASHFLOWS FROM FINANCING ACTIVITIES							
Payments							
Repayment of borrowings and leases	(3,073)	(3,266)	(3,275)	(3,450)	(3,681)	(3,921)	(2,774)
Net cash from financing activities	(3,073)	(3,266)	(3,275)	(3,450)	(3,681)	(3,921)	(2,774)
CASHFLOWS FROM GOVERNMENT							
Receipts							
Administered appropriations ^(c)	1,857	-	-	-	-	-	-
Payments							
Dividends to Government	-	(572,133)	(572,083)	(63,532)	(64,840)	(66,794)	(68,679)
National Tax Equivalent Regime - Income tax	(254,293)	(102,473)	(186,499)	(91,201)	(71,999)	(71,999)	(72,000)
Net cash provided to Government	252,436	674,606	758,582	154,733	136,839	138,793	140,679
NET INCREASE/(DECREASE) IN CASH HELD	(288,310)	(20,079)	(18,512)	(4,147)	(8,999)	(8,340)	(1,727)
Cash assets at the beginning of the reporting period	693,945	897,659	405,635	387,123	382,976	373,977	365,637
Cash assets at the end of the reporting period	405,635	877,580	387,123	382,976	373,977	365,637	363,910

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

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

(c) Income tax refund of past years revenue under National Tax Equivalent Regime.

RiskCover Fund**Income Statement***Revenue*

1. Total Revenue is forecast to decrease by \$100 million in the 2021-22 Estimated Actual compared to the 2020-21 Actual, and to then increase by \$53.8 million in the 2022-23 Budget Year.
2. The RiskCover Fund is forecast to receive investment income of \$36 million in the 2021-22 Estimated Actual, compared to an investment income of \$144 million in the 2020-21 Actual. The 2022-23 Budget Year includes investment income of \$50.2 million.

Expenses

3. Total Expenses are estimated to decrease by \$110.6 million in the 2021-22 Estimated Actual compared to the 2020-21 Actual, and to then increase by \$36.5 million in the 2022-23 Budget Year.
4. These movements reflect higher than expected claims costs in the 2020-21 Actual, due to an increase in the number and cost of new claims in the Workers' Compensation and Liability (including the provision for historic child sexual abuse claims) classes, whilst the 2021-22 Estimated Actual and 2022-23 Budget Year reflect lower projected increases in claims estimates by the Commission's actuary.

Statement of Financial Position

5. Total Equity is forecast to increase by \$13.6 million in the 2021-22 Estimated Actual compared to the 2020-21 Actual, and a further \$30.9 million in the 2022-23 Budget Year.
6. These movements reflect a projected increase in investment assets resulting from positive investment returns, partially offset by an increase in future outstanding claims liabilities.

INCOME STATEMENT ^(a)
(Controlled)

	2020-21 Actual	2021-22 Budget	2021-22 Estimated Actual	2022-23 Budget Year	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE							
Revenue from operations							
Premium revenue.....	368,158	352,965	365,717	413,760	434,941	457,101	480,669
Other revenue.....	152,027	49,000	54,469	60,223	67,460	71,513	75,993
TOTAL REVENUE.....	520,185	401,965	420,186	473,983	502,401	528,614	556,662
Expenses							
Claim expenses.....	459,087	313,531	328,985	370,440	386,060	411,363	428,994
Other expenses.....	58,144	65,513	77,602	72,605	80,511	88,197	95,173
TOTAL EXPENSES.....	517,231	379,044	406,587	443,045	466,571	499,560	524,167
NET PROFIT/(LOSS).....	2,954	22,921	13,599	30,938	35,830	29,054	32,495

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

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
CURRENT ASSETS							
Cash assets	8,163	5	2	4	9	10	16
Receivables	9,885	31,354	13,482	13,734	13,986	14,122	14,434
Other investments	905,068	944,879	953,316	1,011,635	1,076,808	1,144,048	1,217,557
Other.....	-	3,127	6,130	6,130	6,130	6,130	6,130
Total current assets	923,116	979,365	972,930	1,031,503	1,096,933	1,164,310	1,238,137
NON-CURRENT ASSETS							
Receivables	108,406	52,573	108,406	108,406	108,406	108,406	108,406
Total non-current assets	108,406	52,573	108,406	108,406	108,406	108,406	108,406
TOTAL ASSETS	1,031,522	1,031,938	1,081,336	1,139,909	1,205,339	1,272,716	1,346,543
CURRENT LIABILITIES							
Outstanding claims.....	281,754	242,786	275,318	270,369	263,771	257,173	250,575
Payables.....	48,318	38,241	48,318	48,318	48,318	48,318	48,318
Total current liabilities	330,072	281,027	323,636	318,687	312,089	305,491	298,893
NON-CURRENT LIABILITIES							
Outstanding claims.....	506,240	499,077	548,891	581,475	617,673	662,594	710,524
Total non-current liabilities	506,240	499,077	548,891	581,475	617,673	662,594	710,524
TOTAL LIABILITIES.....	836,312	780,104	872,527	900,162	929,762	968,085	1,009,417
NET ASSETS	195,210	251,834	208,809	239,747	275,577	304,631	337,126
EQUITY							
Contributed equity	(379,021)	(379,021)	(379,021)	(379,021)	(379,021)	(379,021)	(379,021)
Accumulated surplus/(deficit).....	574,231	630,855	587,830	618,768	654,598	683,652	716,147
TOTAL EQUITY	195,210	251,834	208,809	239,747	275,577	304,631	337,126

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2020-21 Actual \$'000	2021-22 Budget \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Year \$'000	2023-24 Outyear \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Premium receipts	324,461	352,965	357,334	413,760	434,941	457,101	480,669
GST receipts	34,971	46,799	48,573	54,875	57,993	61,387	64,792
Other receipts	149,559	48,187	42,895	58,564	65,522	69,424	73,488
Payments							
Claim payments	(276,930)	(287,579)	(292,770)	(342,804)	(356,459)	(373,042)	(387,661)
GST payments	(35,282)	(46,799)	(48,573)	(54,876)	(57,993)	(61,386)	(64,792)
Other payments	(58,144)	(64,234)	(67,372)	(71,198)	(78,826)	(86,243)	(92,981)
Net cash from operating activities	138,635	49,339	40,087	58,321	65,178	67,241	73,515
CASHFLOWS FROM INVESTING ACTIVITIES							
Payments							
Other payments	(144,990)	(49,337)	(48,248)	(58,319)	(65,173)	(67,240)	(73,509)
Net cash from investing activities	(144,990)	(49,337)	(48,248)	(58,319)	(65,173)	(67,240)	(73,509)
NET INCREASE/(DECREASE) IN CASH HELD	(6,355)	2	(8,161)	2	5	1	6
Cash assets at the beginning of the reporting period	14,518	3	8,163	2	4	9	10
Cash assets at the end of the reporting period	8,163	5	2	4	9	10	16

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