



# Western Australia State Budget 2022-23

**Budget Paper No. 2**  
Budget Statements Volume 2



**2022-23 Budget Paper** set includes:

Budget Paper No. 1 – Treasurer’s Speech

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

Budget Paper No. 3 – Economic and Fiscal Outlook

Reader’s Guide to the 2022-23 Budget Statements (available in digital format from [www.ourstatebudget.wa.gov.au](http://www.ourstatebudget.wa.gov.au))



# **2022-23 B U D G E T**

## **B U D G E T S T A T E M E N T S**

**Budget Paper No. 2**  
**Volume 2**

**PRESENTED TO THE LEGISLATIVE ASSEMBLY  
ON 12 MAY 2022**

2022-23 Budget Statements

**(Budget Paper No. 2 Volume 2)**

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### **Acknowledgement of Country**

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

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## 2022-23 BUDGET

### BUDGET STATEMENTS

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## **CHAPTER 3**

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Further information pertaining to the 2022-23 Budget Statements can be found in the associated Reader's Guide to the Budget Statements which can be accessed at the Western Australian State Budget website: <http://ourstatebudget.wa.gov.au>.

## Part 7

### Community Safety

#### Introduction

The Community Safety portfolio delivers services to ensure a safe and secure community. This includes metropolitan, regional, remote and specialist policing services, road safety awareness, a fair and just legal system, corrective services, and a timely and effective response to emergency management.

#### Summary of Recurrent and Asset Investment Expenditure

| Agency  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|---|--|-------------------------------------|
| Western Australia Police Force                |  |                                     |
| – Total Cost of Services .....                | 1,747,883                                | 1,791,922                           |
| – Asset Investment Program .....              | 110,790                                  | 102,460                             |
| Justice                                       |  |                                     |
| – Total Cost of Services .....                | 1,811,035                                | 1,805,832                           |
| – Asset Investment Program .....              | 78,557                                   | 102,602                             |
| State Solicitor's Office                      |  |                                     |
| – Total Cost of Services .....                | 59,038                                   | 62,805                              |
| – Asset Investment Program .....              | -  | 1,363                               |
| Legal Aid Commission of Western Australia     |  |                                     |
| – Asset Investment Program .....              | 1,235                                    | 4,192                               |
| Fire and Emergency Services                   |  |                                     |
| – Total Cost of Services .....                | 529,611                                  | 545,084                             |
| – Asset Investment Program .....              | 35,158                                   | 46,282                              |
| Office of the Director of Public Prosecutions |  |                                     |
| – Total Cost of Services .....                | 54,886                                   | 57,863                              |
| – Asset Investment Program .....              | 1,550                                    | 4,795                               |

| Agency   | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|--|--|-------------------------------------|
| Corruption and Crime Commission                                |  |                                     |
| – Total Cost of Services .....                                 | 28,611                                   | 31,451                              |
| – Asset Investment Program .....                               | 1,300                                    | 1,780                               |
| Chemistry Centre (WA)  |  |                                     |
| – Total Cost of Services .....                                 | 30,109                                   | 31,084                              |
| – Asset Investment Program .....                               | 2,500                                    | 2,500                               |
| Office of the Inspector of Custodial Services                  |  |                                     |
| – Total Cost of Services .....                                 | 3,690                                    | 3,763                               |
| Parliamentary Inspector of the Corruption and Crime Commission |  |                                     |
| – Total Cost of Services .....                                 | 810                                      | 818                                 |

## Ministerial Responsibilities

| Minister   | Agency   | Services   |
|--|--|--|
| Minister for Police; Road Safety; Defence Industry; Veterans Issues                        | Western Australia Police Force                                 | <ol style="list-style-type: none"> <li>1. Metropolitan Policing Services</li> <li>2. Regional and Remote Policing Services</li> <li>3. Specialist Policing Services</li> <li>4. Road Safety Commission</li> </ol>  |
| Attorney General; Minister for Electoral Affairs   | Justice  | <ol style="list-style-type: none"> <li>1. Court and Tribunal Services</li> <li>2. Advocacy, Guardianship and Administration Services</li> <li>3. Trustee Services</li> <li>4. National Redress Scheme for Institutional Child Sexual Abuse</li> <li>5. Births, Deaths and Marriages</li> <li>6. Services to Government</li> <li>7. Equal Opportunity Commission Services</li> <li>8. Legal Aid Assistance</li> </ol> |
| Minister for Mines and Petroleum; Energy; Corrective Services; Industrial Relations        | Justice  | <ol style="list-style-type: none"> <li>9. Adult Corrective Services</li> <li>10. Youth Justice Services</li> </ol>   |
|  | Office of the Inspector of Custodial Services                  | <ol style="list-style-type: none"> <li>1. Inspection and Review of Custodial Services</li> </ol>   |
| Minister for Emergency Services; Innovation and ICT; Medical Research; Volunteering        | Fire and Emergency Services                                    | <ol style="list-style-type: none"> <li>1. Community Awareness, Education and Information Services</li> <li>2. Health, Safety, Wellbeing and Training Services</li> <li>3. Delivery of Frontline Services Before, During and After Incidents</li> </ol>   |
| Attorney General; Minister for Electoral Affairs   | State Solicitor's Office                                       | <ol style="list-style-type: none"> <li>1. Legal Services to Government</li> </ol>  |
|  | Legal Aid Commission of Western Australia                      | n/a  |
|  | Office of the Director of Public Prosecutions                  | <ol style="list-style-type: none"> <li>1. Criminal Prosecutions</li> <li>2. Confiscation of Assets</li> </ol>  |
|  | Corruption and Crime Commission                                | <ol style="list-style-type: none"> <li>1. Assessing All Allegations of Serious Misconduct Received</li> <li>2. Investigating Allegations of Serious Misconduct</li> </ol>  |
|  | Parliamentary Inspector of the Corruption and Crime Commission | <ol style="list-style-type: none"> <li>1. Evaluation of the Effectiveness and Appropriateness of Corruption and Crime Commission Operations</li> </ol>   |
| Deputy Premier; Minister for State Development, Jobs and Trade; Tourism; Commerce; Science | Chemistry Centre (WA)  | <ol style="list-style-type: none"> <li>1. Research and Innovation</li> <li>2. Commercial and Scientific Information and Advice</li> <li>3. Emergency Response Management</li> </ol>  |



## Division 26 Western Australia Police Force

### Part 7 Community Safety

#### Appropriations, Expenses and Cash Assets

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>                               |                             |                             |  |                                     |                              |                              |                              |
| Item 63 Net amount appropriated to deliver services ..... | 1,467,156                   | 1,478,405                   | 1,526,277                                | 1,566,181                           | 1,570,715                    | 1,592,348                    | 1,604,192                    |
| <b>Amount Authorised by Other Statutes</b>                |                             |                             |  |                                     |                              |                              |                              |
| - Salaries and Allowances Act 1975 .....                  | 4,622                       | 4,640                       | 4,640                                    | 4,661                               | 4,682                        | 4,701                        | 4,701                        |
| Total appropriations provided to deliver services .....   | 1,471,778                   | 1,483,045                   | 1,530,917                                | 1,570,842                           | 1,575,397                    | 1,597,049                    | 1,608,893                    |
| <b>CAPITAL</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 132 Capital Appropriation .....                      | 111,551                     | 64,367                      | 78,002                                   | 73,228                              | 106,959                      | 83,621                       | 42,574                       |
| <b>TOTAL APPROPRIATIONS</b> .....                         | 1,583,329                   | 1,547,412                   | 1,608,919                                | 1,644,070                           | 1,682,356                    | 1,680,670                    | 1,651,467                    |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....                              | 1,679,108                   | 1,685,806                   | 1,747,883                                | 1,791,922                           | 1,778,409                    | 1,789,672                    | 1,802,326                    |
| Net Cost of Services <sup>(a)</sup> .....                 | 1,527,206                   | 1,527,874                   | 1,583,743                                | 1,631,543                           | 1,617,910                    | 1,627,667                    | 1,639,755                    |
| Adjusted Total Cost of Services <sup>(b)</sup> .....      | 1,613,519                   | 1,640,811                   | 1,700,094                                | 1,739,875                           | 1,723,141                    | 1,737,527                    | 1,750,300                    |
| <b>CASH ASSETS</b> <sup>(c)</sup> .....                   | 130,453                     | 72,502                      | 90,857                                   | 76,577                              | 74,499                       | 80,488                       | 86,498                       |

- (a) Represents Total Cost of Services (expenses) less retained revenues applied to Western Australia Police Force'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) Adjusted Total Cost of Services excludes Road Trauma Trust Account (RTTA) grants for road safety initiatives delivered by other entities. These grants are considered on an annual basis and contribute to the variability in the Total Cost of Services recorded from 2022-23 to 2025-26. Further detail is provided in the Total Cost of Services - Reconciliation Table.
- (c) As at 30 June each financial year.

#### Spending Changes

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

|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COVID-19 Response</b>   |  |                                     |                              |                              |                              |
| COVID-19 Emergency Management .....                                | 38,780                                   | 22,070                              | -                            | -                            | -                            |
| COVID-19 Vaccination Community Funding Program .....               | 500                                      | -                                   | -                            | -                            | -                            |
| <b>New Initiatives</b>   |  |                                     |                              |                              |                              |
| Climate Action - Capability to Estimate and Report Emissions ..... | -  | 283                                 | 287                          | -                            | -                            |
| Criminal Law (Mental Impairment) Bill .....                        | 145                                      | -                                   | -                            | -                            | -                            |
| Emergency Services Radio Network Project .....                     | 2,670                                    | -                                   | -                            | -                            | -                            |
| Implementation of Police Compensation Scheme .....                 | 1,261                                    | 2,476                               | 2,499                        | 2,503                        | 2,530                        |
| Operation Regional Shield .....                                    | 833                                      | 1,667                               | -                            | -                            | -                            |
| RTTA - 2023 Total Solar Eclipse .....                              | -  | 850                                 | -                            | -                            | -                            |
| Working with Children Amendment Bill 2021 .....                    | -  | 200                                 | -                            | -                            | -                            |

|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Ongoing Initiatives</b>   |  |                                     |                              |                              |                              |
| 950 Police Officer Program   |  |                                     |                              |                              |                              |
| Infrastructure Program (Kununurra Leasing Costs) .....               | -  | 350                                 | 360                          | 370                          | 380                          |
| Recruitment Advertising .....  | -  | 1,800                               | 1,800                        | -                            | -                            |
| Support Staff Requirements .....                                     | -  | 4,207                               | 3,953                        | 4,088                        | 4,190                        |
| Armadale Courthouse and Police Complex Operating Costs .....         | -  | 2,326                               | 2,386                        | 2,445                        | 2,506                        |
| Digital Capability Fund - ICT Transformation Program .....           | 5,125                                    | 16,335                              | 2,770                        | 2,940                        | 3,222                        |
| Government Office Accommodation Reform Program .....                 | 9  | 14                                  | 18                           | 23                           | 28                           |
| ICT Optimisation Program .....                                       | 3,740                                    | -                                   | -                            | -                            | -                            |
| Living Safe Together Intervention Program .....                      | 452                                      | 353                                 | -                            | -                            | -                            |
| National Police Checking Service .....                               | 189                                      | 217                                 | 100                          | 101                          | 103                          |
| Operation Heat Shield .....  | 3,500                                    | -                                   | -                            | -                            | -                            |
| Organised Crime Operations .....                                     | 8,658                                    | 6,000                               | 3,000                        | -                            | -                            |
| RiskCover Insurance Premiums .....                                   | -  | 3,424                               | 4,545                        | 2,678                        | 3,800                        |
| RTTA   |  |                                     |                              |                              |                              |
| Impaired Driving Detection (Alcohol and Drug) Program .....          | -  | 777                                 | -                            | -                            | -                            |
| Infringement Management Reform Program .....                         | (3,560)                                  | 3,645                               | 9,758                        | 5,235                        | 5,333                        |
| Post-Crash Response - Road Trauma Support Service .....              | -  | 117                                 | 118                          | 119                          | -                            |
| Safe Speed - Enforcement - Administration .....                      | -  | 119                                 | -                            | -                            | -                            |
| Safe Speed - Enforcement - Camera Operations and Infringements ..... | -  | 1,551                               | -                            | -                            | -                            |
| Special Plates .....   | 706                                      | 800                                 | 800                          | 800                          | 800                          |
| <b>Other</b>   |  |                                     |                              |                              |                              |
| 2022-23 Tariffs, Fees and Charges .....                              | (522)                                    | 1,834                               | 280                          | 457                          | 1,021                        |
| Non-Government Human Services Sector Indexation Adjustment .....     | -  | 9                                   | 47                           | 53                           | 87                           |
| Police Services Expenditure .....                                    | -  | 16,900                              | -                            | -                            | -                            |

## Significant Issues Impacting the Agency

1. The Western Australia Police Force mission is to provide trusted and valued policing for Western Australia.

### COVID-19 Response

2. The Western Australia Police Force performs a number of functions in the Government's response to the COVID-19 pandemic, while maintaining law enforcement, crime prevention and emergency management activities. The Commissioner of Police continues to provide leadership as the State Emergency Coordinator. The Western Australia Police Force provides support to WA Health, the Hazard Management Agency, on quarantine arrangements and compliance, border operations and assurance measures. In August 2021, the Commissioner of Police was appointed the COVID-19 Vaccine Commander to lead the State's COVID-19 Vaccine Program. In January 2022, a Deputy Commissioner of Police was appointed to this role to drive the next phase in this crucial program. Western Australia Police Force business continuity planning enables the delivery of critical policing functions to the community when infections among employees increase.

### Safe, Strong and Fair Communities

3. The Western Australia Police Force workforce is drawn from a wide variety of backgrounds and experiences, who are comprehensively trained and well led, enabling them to perform their duties safely, competently and diligently in service of the community. To meet the Government's commitment of an additional 950 police officers, the Western Australia Police Force is progressively recruiting and deploying officers across Western Australia. The recruitment program provides greater opportunities to build workforce diversity. The safety, health and welfare of the workforce remains a priority and work continues to deliver additional support to officers with work-related injuries or illness and their families. In support of the Government's commitment to boost policing by 950 police officers, this Budget allocates an additional \$16.4 million for 30 support staff, and a \$30.4 million investment in a new District Support Facility in Broome.
4. Illicit drugs have a significant impact on the community. The Western Australia Police Force targets the illicit drug trade to reduce drug-related harm in the community. The Western Australia Police Force is engaged with agencies, implementing the Government's Methamphetamine Action Plan, works with national and international law enforcement agencies and the community to address the supply of illicit drugs, and supports the progression of targeted legislative reforms which seek to drive organised crime out of Western Australia. Enforcement actions are aimed at preventing, disrupting or otherwise reducing the production and supply of illegal drugs in our community.

5. The Western Australia Police Force is committed to prioritising the safety and wellbeing of victims of family violence. Timely and quality investigation of all reports of family violence, through partnerships and information sharing with service providers, keeps perpetrators accountable. The Western Australia Police Force explores technological innovation, enhancing frontline information collection and decision-making capabilities of police officers and strengthening integration with partner agencies.
6. The Western Australia Police Force remains dedicated to contributing to the wellbeing of Aboriginal people through increased engagement to improve relationships and understanding of the issues facing Aboriginal people, to inform strategies to reduce over-representation in the justice system. The Western Australia Police Force is improving engagement and relationships between police and Aboriginal communities through the Aboriginal Police Advisory Forum, district advisory groups, and station-level community action planning with local Elders and community leaders. The Western Australia Police Force continues to proactively recruit Aboriginal police officers and staff, and to deliver cultural immersion for recruit and new-to-rank courses, station-level inductions for police officers and cultural protocol guidance through mobile phone applications.
7. The Western Australia Police Force continues to build relationships with young people, including through partnerships with not-for-profit organisations and grant-funded community service programs, such as Police and Community Youth Centres. Through involvement in recreational activities, personal development programs and safe spaces, police can identify at-risk young people, intervening and diverting them towards support services provided by government agencies and the community. To reduce further harm to victims and the broader community, the Western Australia Police Force continues to provide dedicated policing effort to young people who commit serious offences and are repeat offenders.
8. Emergencies present complex challenges, particularly in regional and remote areas. As the Hazard Management Agency for prescribed hazards including road and air crash, land and marine search and hostile and terrorist acts, the Western Australia Police Force plays an integral role for Western Australia by leading, or supporting, the response to emergencies. The Western Australia Police Force trains, conducts interagency exercises and procures equipment to develop specialist and contemporary capability and maintain collaborative relationships with partner agencies and the community.
9. In recent years, the majority of road traffic fatalities have occurred in regional areas. The Western Australia Police Force continues to target the enforcement of Category A offences, such as driving without a licence, drug or alcohol impairment, mobile phone usage, speeding, non-use of seatbelts and helmets and reckless driving, as these dangerous driver behaviours cause the most harm, including in regional Western Australia.
10. While technological acceleration presents policing challenges, it also presents opportunities to enhance the capabilities of police officers on the frontline including faster access to information for better decision-making. This Budget provides an additional \$47.9 million from the Digital Capability Fund for ICT infrastructure upgrades to modernise and consolidate critical police systems, databases and applications. Early adoption of technology provides an opportunity for the Western Australia Police Force to deliver a more responsive service to the community. Technological innovation enables the Western Australia Police Force to manage increased community expectations in responding to emerging crime types. The increasing reliance upon information holdings places greater demand upon the Western Australia Police Force to maintain resilience and recovery capabilities to protect its systems against emerging cyber security threats.

## Road Safety

11. Crashes occur due to a range of complex factors - environment, human and technology. The Road Safety Commission (the Commission) continues to advance the ability to capture, access and utilise comparable, up to date and quality data to develop new and more effective policies and programs that reduce the burden of road trauma for Western Australians. The Commission is developing interagency and intergovernmental agreements to expand, harmonise and integrate data sources which will support local, state and national efforts on road safety. There is also an opportunity to derive greater value from current funding for road safety research through collaboration across government and by establishing national research frameworks and priorities.
12. Successful, long-term road safety campaigns using traditional mass media have resulted in embedded and positive behaviour change including the use of seatbelts and the decreased social acceptance of drink driving. However, information is increasingly being consumed through digital and social media channels and ongoing market research has identified discrete cohorts and behaviours that need specific attention through more targeted education and awareness campaigns. Contemporary approaches are key to the Commission's successful road safety community education and awareness initiatives.



13. The number of regional road fatalities continues to be too high. The Regional Road Safety Program is delivering unprecedented road safety treatments across Western Australia, with \$827 million being invested by the State and Commonwealth Government, representing around 7,000km of road treatments by 2023-24. Continued Commonwealth investment to complete the Regional Road Safety Program in under 10 years could save 2,127 people from being killed or seriously injured on Western Australian roads.
14. While overall compliance with speed limits has increased over time, speeding above limits and driving at unsafe speeds for the road conditions continue to factor in 18% of fatal and serious road crashes. The Commission continues to deliver ongoing public education and enforcement efforts which address the differences in urban and regional crashes and target different road user cohorts to encourage and embed behavioural change. The Commission supports local communities to achieve lower speed limits to create safer and more liveable neighbourhoods, and to achieve the broad cultural shift that is key to meeting the *Driving Change* targets for 2030.
15. Fear of getting caught is a powerful driver of behaviour change. Research has shown that road safety cameras are a significant and effective deterrent to poor driving behaviour. Emerging technology solutions that improve road safety enforcement capability and support more timely and targeted education campaigns can have a significant impact on road safety outcomes, particularly the extension of capability to monitor seatbelt compliance and use of mobile phones. The Commission is leading the move to digital and online infringement processing as part of the infringement management reform and will develop a long-term safety camera strategy, based on the results of the Mobile Safety Camera Trial, to save lives on Western Australian roads.

## 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 Western Australian Police Force'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   |
|--|---|--|
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive. | Contribute to community safety and security.                                      | 1. Metropolitan Policing Services<br>2. Regional and Remote Policing Services<br>3. Specialist Policing Services |
|  | Improve coordination and community awareness of road safety in Western Australia. | 4. Road Safety Commission  |

### Service Summary

| Expense                                       | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Metropolitan Policing Services.....        | 559,150                     | 574,891                     | 583,767                                  | 598,685                             | 623,050                      | 631,856                      | 635,810                      |
| 2. Regional and Remote Policing Services .... | 435,016                     | 436,628                     | 470,139                                  | 488,540                             | 491,385                      | 498,268                      | 502,235                      |
| 3. Specialist Policing Services .....         | 602,132                     | 603,332                     | 624,905                                  | 625,404                             | 581,432                      | 585,035                      | 589,789                      |
| 4. Road Safety Commission .....               | 82,810                      | 70,955                      | 69,072                                   | 79,293                              | 82,542                       | 74,513                       | 74,492                       |
| <b>Total Cost of Services .....</b>           | <b>1,679,108</b>            | <b>1,685,806</b>            | <b>1,747,883</b>                         | <b>1,791,922</b>                    | <b>1,778,409</b>             | <b>1,789,672</b>             | <b>1,802,326</b>             |

## Total Cost of Services - Reconciliation Table

| Expense  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Total Cost of Service .....</b>                       | <b>1,679,108</b>            | <b>1,685,806</b>            | <b>1,747,883</b>                         | <b>1,791,922</b>                    | <b>1,778,409</b>             | <b>1,789,672</b>             | <b>1,802,326</b>             |
| Less: RTTA Grants to Other Entities <sup>(a)</sup> ..... | 65,589                      | 44,995                      | 47,789                                   | 52,047                              | 55,268                       | 52,145                       | 52,026                       |
| <b>Adjusted Total Cost of Services.....</b>              | <b>1,613,519</b>            | <b>1,640,811</b>            | <b>1,700,094</b>                         | <b>1,739,875</b>                    | <b>1,723,141</b>             | <b>1,737,527</b>             | <b>1,750,300</b>             |

(a) The Western Australia Police Force distributes RTTA grants to other government agencies, local government and non-government organisations. These grants are included in Service 4 in the Service Summary table.

## Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Contribute to community safety and security:</b>   |                   |                   |                                |                             |      |
| Rate of offences against the person (excluding family violence-related offences) per 100,000 people .....  | 847.5             | 810               | 883.2                          | 810                         | 1    |
| Rate of offences against property (excluding family violence-related offences) per 100,000 people .....  | 3,880.4           | 6,200             | 4,375.3                        | 6,200                       | 2    |
| Percentage of sworn police officer hours available for frontline policing duties .....   | 72.7%             | 75%               | 71.6%                          | 75%                         | 3    |
| Percentage of priority one and two incidents in the metropolitan area responded to within 12 minutes .....   | 76.4%             | 80%               | 71.3%                          | 80%                         | 4    |
| Percentage of priority three incidents in the metropolitan area responded to within 60 minutes .....   | 79%               | 80%               | 78.6%                          | 80%                         |      |
| Percentage of family and domestic-related incidents where an offender was processed for an offence against the person within seven days .....        | 73.7%             | 75%               | 71.6%                          | 75%                         | 5    |
| Percentage of offences against the person investigations finalised within 60 days .....  | 87.7%             | 85%               | 87.9%                          | 85%                         |      |
| Percentage of offences against property investigations finalised within 30 days .....  | 89.4%             | 90%               | 88.3%                          | 90%                         |      |
| Percentage of traffic law enforcement contacts made by police officers that target 'Category A' offences .....                                       | 98.3%             | 90%               | 98.7%                          | 90%                         | 6    |
| The percentage of the community who were 'satisfied' or 'very satisfied' with the service received during their most recent contact with police..... | 84.6%             | 82%               | 83.6%                          | 82%                         |      |
| The percentage of the community who 'agreed' or 'strongly agreed' that they have confidence in police.....   | 82.3%             | 85%               | 81.7%                          | 85%                         | 7    |
| <b>Outcome: Improve coordination and community awareness of road safety in Western Australia:</b>  |                   |                   |                                |                             |      |
| Effectiveness of road safety awareness campaigns.....  | 77%               | 70%               | 73%                            | 70%                         |      |

(a) Further detail in support of the key effectiveness indicators is provided in Western Australia Police Force's Annual Report.

## Explanation of Significant Movements

(Notes)

1. The increase in the 2021-22 Estimated Actual compared with the 2021-22 Budget and the 2020-21 Actual is mainly due to an increase in assault (non-family) and sexual offences since 2020. When the borders were re-opened and restrictions were eased, community interaction and access to alcohol through licensed venues increased, these have continued to influence the increase in above-mentioned offences in 2021-22.
2. The decrease in the 2021-22 Estimated Actual compared with the 2021-22 Budget is mainly due to a decrease in burglary, stealing and other property offences such as stealing of motor vehicles, property damage and arson offences. This is attributed to the restrictions associated with the COVID-19 pandemic. Operations and innovations targeting high-harm offenders and crime hot spots, including the State-wide Operation Heat Shield have also contributed to the decrease.
3. The decrease in the 2021-22 Estimated Actual compared to the 2021-22 Budget and the 2020-21 Actual reflects a decrease in the hours available for frontline duties as a percentage of the baseline hours (total police hours less annual and long service leave). This relates to a larger increase in baseline hours in 2021-22 due to an increase in total police officer hours, partly offset by an increase in frontline police officer hours and overtime hours during the State of Emergency declared for the COVID-19 pandemic.
4. The decrease in the 2021-22 Estimated Actual compared to the 2021-22 Budget and the 2020-21 Actual is attributable to an increase in the number of priority 1 and 2 incidents attended in 2021-22 year to date compared to 2020-21. This reflects additional demand being placed on available resources due to an increase in the number of incidents attended combined with the requirement to conduct COVID-19 quarantine and self-isolation checks.
5. The decrease in the 2021-22 Estimated Actual compared to the 2021-22 Budget and the 2020-21 Actual can be attributed to an increase in family violence related offences against the person, in combination with the dedication of resources to COVID-19 Response which has led to an overall decrease.
6. Performance has remained at over 97% since 2016-17 as a reflection of Western Australia Police Force focus on targeting 'Category A' offences to contribute to the outcome of community safety.
7. This indicator is sourced from the National Survey of Community Satisfaction with Policing conducted by The Social Research Centre on behalf of all Australian police jurisdictions. The sample size for Western Australia is 3,000. The national average for 2020-21 was 82%.

## Services and Key Efficiency Indicators

### 1. Metropolitan Policing Services

General policing services provided by districts within the metropolitan region including: crime prevention, maintaining public order and responding to and investigating criminal and general incidents.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....   | \$'000<br>559,150 | \$'000<br>574,891 | \$'000<br>583,767              | \$'000<br>598,685           | 1    |
| Less Income .....  | 9,592             | 11,683            | 11,079                         | 10,779                      |      |
| Net Cost of Service .....  | 549,558           | 563,208           | 572,688                        | 587,906                     |      |
| Employees (Full-Time Equivalents) .....  | 3,637             | 3,762             | 3,683                          | 3,952                       | 1    |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Average cost of metropolitan policing services per person in the Perth metropolitan area ..... | \$263             | \$268             | \$272                          | \$276                       |      |

## Explanation of Significant Movements

(Notes)

1. Total Cost of Service and Employees has been impacted by the COVID-19 Response, which resulted in a redirection of effort to Specialist Services since April 2020 and forecast to December 2022.

## 2. Regional and Remote Policing Services

General policing services provided by districts within regional Western Australia including: crime prevention, maintaining public order and responding to and investigating criminal and general incidents.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|---|-------------------|-------------------|--------------------------------|-----------------------------|----------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |          |
| Total Cost of Service.....  | 435,016           | 436,628           | 470,139                        | 488,540                     | 1,2      |
| Less Income .....   | 13,578            | 15,355            | 15,682                         | 15,258                      |          |
| Net Cost of Service .....   | 421,438           | 421,273           | 454,457                        | 473,282                     |          |
| <b>Employees (Full-Time Equivalents) .....</b>  | <b>2,078</b>      | <b>2,203</b>      | <b>2,192</b>                   | <b>2,280</b>                | <b>1</b> |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |          |
| Average cost of regional and remote policing services per person in regional Western Australia..... | \$809             | \$810             | \$877                          | \$911                       | 3        |

### Explanation of Significant Movements

(Notes)

1. Total Cost of Service and Employees has been impacted by the COVID-19 Response, which resulted in a redirection of effort to Specialist Services since April 2020 and forecast to December 2022.
2. The increase from 2021-22 Budget to 2022-23 Budget Target is mainly due to the proportion of the 950 Police Officer Program allocated to this service.
3. The increase from 2021-22 Budget to 2022-23 Budget Target is due to an increase in Total Cost of Services with a decrease in projected population in regional Western Australia.

## 3. Specialist Policing Services

Specialist policing services include: major crime, serious and organised crime, sex crime, commercial crime, licensing enforcement, forensic, intelligence, traffic enforcement, counter terrorism and emergency response.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|---|-------------------|-------------------|--------------------------------|-----------------------------|----------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |          |
| Total Cost of Service.....  | 602,132           | 603,332           | 624,905                        | 625,404                     | 1        |
| Less Income .....   | 28,216            | 31,004            | 32,589                         | 31,707                      |          |
| Net Cost of Service .....   | 573,916           | 572,328           | 592,316                        | 593,697                     |          |
| <b>Employees (Full-Time Equivalents) .....</b>                            | <b>3,382</b>      | <b>3,481</b>      | <b>3,467</b>                   | <b>3,342</b>                | <b>1</b> |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |          |
| Average cost of specialist services per person in Western Australia ..... | \$226             | \$225             | \$233                          | \$231                       |          |

### Explanation of Significant Movements

(Notes)

1. Total Cost of Service and Employees has been impacted by the COVID-19 Response, which resulted in a redirection of effort to Specialist Services since April 2020 and forecast to December 2022.

#### 4. Road Safety Commission

The objective of this program is to improve coordination and community awareness of road safety in Western Australia.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....   | 82,810            | 70,955            | 69,072                         | 79,293                      | 1    |
| Less Income .....  | 100,515           | 99,890            | 104,790                        | 102,634                     |      |
| Net Cost of Service .....  | (17,705)          | (28,935)          | (35,718)                       | (23,341)                    |      |
| <b>Employees (Full-Time Equivalents) .....</b>                         | <b>41</b>         | <b>44</b>         | <b>42</b>                      | <b>52</b>                   |      |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Percentage of Road Safety Commission projects completed on time.....   | 86%               | 90%               | 88%                            | 90%                         |      |
| Percentage of Road Safety Commission projects completed on budget..... | 86%               | 95%               | 100%                           | 95%                         |      |

#### Explanation of Significant Movements

(Notes)

1. The increase in the 2022-23 Budget Target compared to the 2021-22 Budget and 2021-22 Estimated Actual is due to additional spending on the Infringement Management Reform Program and the 2023 Total Solar Eclipse.

## Asset Investment Program

1. The Western Australia Police Force has a diverse range of asset classes used to support police officers in the delivery of policing services across the State.
2. The election commitment for the new Baldivis Police Station is in the land identification phase. The election commitment for the replacement Forrestfield Police Station is in the land acquisition phase. When operational, these projects will provide for a greater police presence in these localities thereby enhancing community safety.
3. New capital investment in the 2022-23 Budget largely focuses on accommodating the increase in the authorised strength of 950 additional police officers and the renewal of the aged ICT platforms and applications to current technology.

## 950 Police Officer Infrastructure Program

4. To address immediate and short-term accommodation pressures in key regional areas, an additional \$32.3 million (total \$33.9 million) will be invested towards the construction of a new District Support Facility in Broome and to fit-out a new leased facility in Kununurra. The District Support Facility is designed to place officers in a non-public facing accommodation in a less central location, resulting in a more effective use of police buildings in line with the mobile policing model.

## Digital Capability Fund - ICT Transformation Program

5. In this Budget, an additional \$17.5 million will be invested from the Digital Capability Fund (total \$22.2 million) for the Western Australia Police Force to:
  - 5.1. progressively consolidate and refresh ICT platforms and unify the current portfolio of software systems to deliver the sustained ICT service delivery required for effective and safe policing services;
  - 5.2. improve digital services, expanding the capability for members of the public to report crime online; and
  - 5.3. consolidate data currently held in data silos into richer datasets, enabling better data analytics and intelligence, and facilitating data sharing with other police and justice agencies.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>                                 |                                   |  |   |                                     |                              |                              |                              |
| <b>Election Commitments</b>                              |                                   |  |   |                                     |                              |                              |                              |
| Fleet and Equipment - Mobile State Operations            |                                   |  |   |                                     |                              |                              |                              |
| Command Centre (Vehicles) .....                          | 3,500                             | 100  | 100   | 2,900                               | 500                          | -                            | -                            |
| Land and Buildings Infrastructure                        |                                   |  |   |                                     |                              |                              |                              |
| Baldivis Police Station .....                            | 19,000                            | 637  | 637   | 4,407                               | 13,118                       | 838                          | -                            |
| Forrestfield Police Station .....                        | 22,000                            | 2,568  | 2,568   | 6,488                               | 11,820                       | 1,124                        | -                            |
| <b>COVID-19 Response</b>                                 |                                   |  |   |                                     |                              |                              |                              |
| Land and Buildings Infrastructure                        |                                   |  |   |                                     |                              |                              |                              |
| Fremantle Police Complex .....                           | 83,619                            | 928  | 899   | 7,696                               | 35,910                       | 39,085                       | -                            |
| Fremantle Water Police - Wharf and Jetty Renewal .....   | 2,580                             | 2,480  | 700   | 100                                 | -                            | -                            | -                            |
| Multifunctional Policing Facilities                      |                                   |  |   |                                     |                              |                              |                              |
| Heating Ventilation and Air Conditioning (HVAC)          |                                   |  |   |                                     |                              |                              |                              |
| Replacement Tranche 2 (Royalties for Regions (RfR))...   | 6,775                             | 5,620  | 5,388   | 1,155                               | -                            | -                            | -                            |
| HVAC Replacement Tranche 3 .....                         | 7,761                             | 3,410  | 3,313   | 4,351                               | -                            | -                            | -                            |
| Refurbishment of Police Stations .....                   | 29,607                            | 27,532   | 17,265  | 2,075                               | -                            | -                            | -                            |
| <b>Other Works in Progress</b>                           |                                   |  |   |                                     |                              |                              |                              |
| Fleet and Equipment                                      |                                   |  |   |                                     |                              |                              |                              |
| Asset Equipment Management Program 2022-2024 .....       | 26,165                            | 8,905  | 8,905   | 8,630                               | 8,630                        | -                            | -                            |
| Helicopter Replacement .....                             | 46,660                            | 10,514   | 5,296   | 32,923                              | 3,223                        | -                            | -                            |
| ICT and Radio Infrastructure                             |                                   |  |   |                                     |                              |                              |                              |
| Digital Capability Fund - ICT Transformation Program ... | 22,207                            | 8,605  | 8,605   | 13,602                              | -                            | -                            | -                            |
| Digital Policing - Mobility .....                        | 7,649                             | 7,199  | 3,013   | 450                                 | -                            | -                            | -                            |
| ICT Optimisation Program 2022-2024 .....                 | 6,513                             | 3,151  | 3,151   | 1,536                               | 1,826                        | -                            | -                            |
| National Criminal Intelligence System .....              | 5,398                             | 4,998  | 2,591   | 400                                 | -                            | -                            | -                            |

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Land and Buildings Infrastructure   |                                   |  |   |                                     |                              |                              |                              |
| 950 Police Officer Infrastructure Program .....                                     | 33,859                            | 716  | 716   | 6,322                               | 25,940                       | 881                          | -                            |
| Armadale Courthouse and Police Complex.....   | 74,220                            | 68,188   | 30,208  | 325                                 | 5,707                        | -                            | -                            |
| Custodial Facilities Upgrade Program 2022-2024 .....                                | 6,520                             | 1,240  | 1,240   | 2,640                               | 2,640                        | -                            | -                            |
| Office Space and Child Friendly Interview Rooms in<br>remote WA (Commonwealth)..... | 3,642                             | 2,642  | 1,154   | 1,000                               | -                            | -                            | -                            |
| Police Station Upgrade Program 2022-2024 .....                                      | 9,728                             | 4,494  | 4,494   | 3,960                               | 1,274                        | -                            | -                            |
| Westralia Square Accommodation.....   | 5,318                             | 4,418  | 1,000   | 900                                 | -                            | -                            | -                            |
| RTTA - Breath and Drug Bus Replacement 2021-2023 ....                               | 1,200                             | 600  | 600   | 600                                 | -                            | -                            | -                            |
| <b>COMPLETED WORKS</b>  |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>  |                                   |  |   |                                     |                              |                              |                              |
| Land and Buildings Infrastructure - Kununurra Police<br>Station Alterations .....   | 500                               | 500  | 430   | -                                   | -                            | -                            | -                            |
| <b>Other Completed Works</b>  |                                   |  |   |                                     |                              |                              |                              |
| Fleet and Equipment - Election Commitment - Meth<br>Border Force .....              | 5,471                             | 5,471  | 1,775   | -                                   | -                            | -                            | -                            |
| ICT and Radio Infrastructure  |                                   |  |   |                                     |                              |                              |                              |
| Emergency Services Radio Network.....   | 3,458                             | 3,458  | 3,458   | -                                   | -                            | -                            | -                            |
| Police Compensation IT System .....   | 1,050                             | 1,050  | 1,050   | -                                   | -                            | -                            | -                            |
| Police Radio Network - Commonwealth Legislated<br>Radio Frequency Change .....      | 11,054                            | 11,054   | 549   | -                                   | -                            | -                            | -                            |
| State-wide CCTV Network.....  | 1,885                             | 1,885  | 19  | -                                   | -                            | -                            | -                            |
| Land and Buildings Infrastructure   |                                   |  |   |                                     |                              |                              |                              |
| Election Commitment - Capel Police Station .....                                    | 5,064                             | 5,064  | 390   | -                                   | -                            | -                            | -                            |
| Multifunctional Policing Facilities HVAC Replacement<br>Tranche 1 (RfR).....        | 11,591                            | 11,591   | 467   | -                                   | -                            | -                            | -                            |
| Optus Stadium Deployment Centre .....   | 744                               | 744  | 149   | -                                   | -                            | -                            | -                            |
| RTTA - Speed Camera Replacement Program.....  | 15,121                            | 15,121   | 660   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>  |                                   |  |   |                                     |                              |                              |                              |
| Fleet and Equipment - Asset Equipment Management<br>Program 2024-2028 .....         | 14,400                            | -  | -   | -                                   | -                            | 7,200                        | 7,200                        |
| ICT and Radio Infrastructure - ICT Optimisation Program<br>2024-2028 .....          | 9,800                             | -  | -   | -                                   | -                            | 2,800                        | 7,000                        |
| Land and Buildings Infrastructure   |                                   |  |   |                                     |                              |                              |                              |
| Custodial Facilities Upgrade Program 2024-2028 .....                                | 5,280                             | -  | -   | -                                   | -                            | 2,640                        | 2,640                        |
| Police Station Upgrade Program 2024-2028 .....                                      | 7,920                             | -  | -   | -                                   | -                            | 3,960                        | 3,960                        |
| <b>Total Cost of Asset Investment Program.....</b>                                  | <b>517,259</b>                    | <b>224,883</b>                                   | <b>110,790</b>                                | <b>102,460</b>                      | <b>110,588</b>               | <b>58,528</b>                | <b>20,800</b>                |
| <b>FUNDED BY</b>  |                                   |  |   |                                     |                              |                              |                              |
| Asset Sales.....  |                                   |  | 25  | 3,226                               | -                            | -                            | -                            |
| Capital Appropriation .....   |                                   |  | 42,574  | 37,542                              | 71,009                       | 47,647                       | 6,600                        |
| Drawdowns from Royalties for Regions Fund .....                                     |                                   |  | 7,490   | 1,155                               | -                            | -                            | -                            |
| Drawdowns from the Holding Account.....   |                                   |  | 15,906  | 29,592                              | 13,639                       | 10,000                       | 14,200                       |
| Funding Included in Department of Treasury<br>Administered Item .....               |                                   |  | -   | 3,622                               | 25,940                       | 881                          | -                            |
| Funding Included in Department of Treasury - Digital<br>Capability Fund .....       |                                   |  | 8,605   | 13,602                              | -                            | -                            | -                            |
| Internal Funds and Balances.....  |                                   |  | 30,901  | 13,321                              | -                            | -                            | -                            |
| Other .....   |                                   |  | 1,796   | -                                   | -                            | -                            | -                            |
| Other Grants and Subsidies .....  |                                   |  | 3,493   | 400                                 | -                            | -                            | -                            |
| <b>Total Funding .....</b>  |                                   |  | <b>110,790</b>                                | <b>102,460</b>                      | <b>110,588</b>               | <b>58,528</b>                | <b>20,800</b>                |

## Financial Statements

### Income Statement

#### *Expenses*

1. The increase of \$44 million in the Total Cost of Services from the 2021-22 Estimated Actual to the 2022-23 Budget Year is mainly attributable to additional spending on the 950 Police Officer Program, including recruitment of additional 200 police officers in 2022-23, additional support staff, advertisement and leasing costs. Application development and licencing spending as part of the Digital Capability Fund - ICT Transformation Program has also contributed to the increase.

#### *Income*

2. A decrease in Total Income of \$3.8 million from the 2021-22 Estimated Actual to the 2022-23 Budget Year is mainly due to higher Commonwealth Grant and Road Trauma Trust Account revenue in 2021-22 (relative to 2022-23), partially offset by an estimated increase in regulatory fees and charges in 2022-23.

### Statement of Financial Position

3. Total assets are increasing over the forward estimates period, reflecting an increase in Holding Account receivables and the purchase of fixed assets under the approved Asset Investment Program (offset by depreciation).

### Statement of Cashflows

4. The smaller net decrease in cash held in the 2022-23 Budget Year relative to the 2021-22 Estimated Actual is mainly due to a higher Asset Investment Program in 2021-22 with the use of internal funds resulting from prior year carryovers in comparison to the 2022-23 Budget Year.



**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 1,182,811                   | 1,205,650                   | 1,234,379                                | 1,271,374                           | 1,298,888                    | 1,323,122                    | 1,327,789                    |
| Grants and subsidies <sup>(c)</sup> .....        | 72,835                      | 58,745                      | 63,729                                   | 59,618                              | 62,924                       | 59,888                       | 59,764                       |
| Supplies and services .....                      | 199,393                     | 192,502                     | 210,728                                  | 221,090                             | 183,050                      | 174,781                      | 179,175                      |
| Accommodation .....                              | 51,290                      | 61,222                      | 56,111                                   | 54,837                              | 55,209                       | 55,466                       | 56,280                       |
| Depreciation and amortisation .....              | 99,765                      | 96,661                      | 96,821                                   | 102,969                             | 102,345                      | 103,872                      | 104,589                      |
| Finance and interest costs .....                 | 1,903                       | 1,973                       | 1,973                                    | 1,700                               | 1,799                        | 1,754                        | 1,616                        |
| Other expenses .....                             | 71,111                      | 69,053                      | 84,142                                   | 80,334                              | 74,194                       | 70,789                       | 73,113                       |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>1,679,108</b>            | <b>1,685,806</b>            | <b>1,747,883</b>                         | <b>1,791,922</b>                    | <b>1,778,409</b>             | <b>1,789,672</b>             | <b>1,802,326</b>             |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services .....                 | 346                         | 1,081                       | 1,081                                    | 1,129                               | 1,179                        | 1,179                        | 1,179                        |
| Regulatory fees and fines .....                  | 19,686                      | 23,680                      | 23,158                                   | 26,763                              | 26,417                       | 27,007                       | 27,544                       |
| Grants and subsidies .....                       | 4,794                       | 5,415                       | 8,256                                    | 1,263                               | 510                          | 510                          | 510                          |
| Other revenue .....                              | 26,762                      | 29,266                      | 27,155                                   | 28,890                              | 30,059                       | 30,975                       | 31,004                       |
| RTTA Revenue (Service Delivery Agreement) .....  | 100,314                     | 98,490                      | 104,490                                  | 102,334                             | 102,334                      | 102,334                      | 102,334                      |
| <b>Total Income .....</b>                        | <b>151,902</b>              | <b>157,932</b>              | <b>164,140</b>                           | <b>160,379</b>                      | <b>160,499</b>               | <b>162,005</b>               | <b>162,571</b>               |
| <b>NET COST OF SERVICES .....</b>                | <b>1,527,206</b>            | <b>1,527,874</b>            | <b>1,583,743</b>                         | <b>1,631,543</b>                    | <b>1,617,910</b>             | <b>1,627,667</b>             | <b>1,639,755</b>             |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 1,471,778                   | 1,483,045                   | 1,530,917                                | 1,570,842                           | 1,575,397                    | 1,597,049                    | 1,608,893                    |
| Resources received free of charge .....          | 5,771                       | 4,264                       | 4,264                                    | 4,264                               | 4,264                        | 4,264                        | 4,264                        |
| Royalties for Regions Fund:                      |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....           | 17,553                      | 18,586                      | 17,016                                   | 18,582                              | 19,072                       | 18,836                       | 18,819                       |
| Other revenues .....                             | 9,912                       | 10,173                      | 24,561                                   | 29,642                              | 12,896                       | 9,304                        | 9,586                        |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>1,505,014</b>            | <b>1,516,068</b>            | <b>1,576,758</b>                         | <b>1,623,330</b>                    | <b>1,611,629</b>             | <b>1,629,453</b>             | <b>1,641,562</b>             |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>(22,192)</b>             | <b>(11,806)</b>             | <b>(6,985)</b>                           | <b>(8,213)</b>                      | <b>(6,281)</b>               | <b>1,786</b>                 | <b>1,807</b>                 |

(a) Full audited financial statements are published in Western Australia Police Force's Annual Report.

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 9,138, 9,384 and 9,626 respectively.

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

## DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| CCTV   |                             |                             |  |                                     |                              |                              |                              |
| Mandurah War Memorial Fund .....                                     | 350                         | -                           | -  | -                                   | -                            | -                            | -                            |
| State Strategy .....   | 435                         | 27                          | 27                                       | -                                   | -                            | -                            | -                            |
| Community Safety and Crime Prevention<br>Partnership Fund.....       | 1,190                       | 1,450                       | 1,477                                    | 1,250                               | 1,250                        | 1,250                        | 1,250                        |
| COVID-19 Vaccination Community Funding<br>Program .....              | -                           | -                           | 500                                      | -                                   | -                            | -                            | -                            |
| Election Commitment  |                             |                             |  |                                     |                              |                              |                              |
| Kalgoorlie CCTV .....  | -                           | 1,000                       | 1,000                                    | -                                   | -                            | -                            | -                            |
| Community and Youth Centres (PCYC) -<br>Carnarvon and Kununurra..... | 550                         | 1,252                       | 1,252                                    | -                                   | -                            | -                            | -                            |
| PCYC - Sustainability Funding.....                                   | -                           | 4,367                       | 4,367                                    | 4,455                               | 4,544                        | 4,634                        | 4,634                        |
| Small Commitments .....  | 19                          | 416                         | 416                                      | -                                   | -                            | -                            | -                            |
| Local Projects Local Jobs Grant.....                                 | 20                          | 104                         | 104                                      | -                                   | -                            | -                            | -                            |
| PCYC   |                             |                             |  |                                     |                              |                              |                              |
| Maintenance and Upgrades.....  | 730                         | 5,134                       | 4,865                                    | -                                   | -                            | -                            | -                            |
| Sustainability Funding .....   | 3,000                       | -                           | -  | -                                   | -                            | -                            | -                            |
| Road Safety Initiatives  |                             |                             |  |                                     |                              |                              |                              |
| Government Organisations.....  | 62,406                      | 41,899                      | 44,693                                   | 48,781                              | 51,920                       | 48,715                       | 48,715                       |
| Non-Government Organisations .....                                   | 3,183                       | 3,096                       | 3,096                                    | 3,266                               | 3,348                        | 3,430                        | 3,311                        |
| Special Plates <sup>(a)</sup> .....                                  | 952                         | -                           | 1,932                                    | 1,866                               | 1,862                        | 1,859                        | 1,854                        |
| <b>TOTAL .....</b>   | <b>72,835</b>               | <b>58,745</b>               | <b>63,729</b>                            | <b>59,618</b>                       | <b>62,924</b>                | <b>59,888</b>                | <b>59,764</b>                |

(a) A realignment of the Special Plates Fund budget from Supplies and Services to Grants and Subsidies is effective from 2022-23.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                      |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                          | 53,911                      | 9,990                       | 13,520                                   | 12,020                              | 12,020                       | 12,020                       | 12,020                       |
| Restricted cash .....                      | 12,807                      | 2,813                       | 3,031                                    | 1,517                               | 1,040                        | 1,040                        | 1,040                        |
| Restricted cash (RTTA) .....               | 42,720                      | 36,227                      | 49,961                                   | 35,365                              | 30,434                       | 33,093                       | 35,773                       |
| Holding Account receivables .....          | 18,693                      | 34,534                      | 29,592                                   | 13,639                              | 10,000                       | 14,200                       | 14,200                       |
| Receivables .....                          | 11,520                      | 12,617                      | 11,520                                   | 11,520                              | 11,520                       | 11,520                       | 11,520                       |
| Other .....                                | 7,730                       | 5,315                       | 7,730                                    | 7,730                               | 7,730                        | 7,730                        | 7,730                        |
| Assets held for sale .....                 | 2,098                       | 702                         | 2,098                                    | 2,098                               | 2,098                        | 2,098                        | 2,098                        |
| <b>Total current assets .....</b>          | <b>149,479</b>              | <b>102,198</b>              | <b>117,452</b>                           | <b>83,889</b>                       | <b>74,842</b>                | <b>81,701</b>                | <b>84,381</b>                |
| <b>NON-CURRENT ASSETS</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....          | 704,904                     | 774,739                     | 773,064                                  | 862,394                             | 954,739                      | 1,044,411                    | 1,134,800                    |
| Property, plant and equipment .....        | 1,084,969                   | 1,073,793                   | 1,113,974                                | 1,127,907                           | 1,171,647                    | 1,166,024                    | 1,121,421                    |
| Intangibles .....                          | 51,839                      | 56,436                      | 63,182                                   | 70,413                              | 65,944                       | 61,532                       | 58,320                       |
| Restricted cash .....                      | 21,015                      | 23,472                      | 24,345                                   | 27,675                              | 31,005                       | 34,335                       | 37,665                       |
| <b>Total non-current assets .....</b>      | <b>1,862,727</b>            | <b>1,928,440</b>            | <b>1,974,565</b>                         | <b>2,088,389</b>                    | <b>2,223,335</b>             | <b>2,306,302</b>             | <b>2,352,206</b>             |
| <b>TOTAL ASSETS .....</b>                  | <b>2,012,206</b>            | <b>2,030,638</b>            | <b>2,092,017</b>                         | <b>2,172,278</b>                    | <b>2,298,177</b>             | <b>2,388,003</b>             | <b>2,436,587</b>             |
| <b>CURRENT LIABILITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 229,164                     | 223,185                     | 233,367                                  | 237,570                             | 241,773                      | 245,976                      | 250,179                      |
| Payables .....                             | 5,247                       | 12,845                      | 5,247                                    | 5,247                               | 5,247                        | 5,247                        | 5,247                        |
| Borrowings and leases .....                | 31,600                      | 30,632                      | 31,892                                   | 26,890                              | 28,820                       | 26,200                       | 26,200                       |
| Other .....                                | 19,928                      | 23,570                      | 19,928                                   | 19,928                              | 19,928                       | 19,928                       | 19,928                       |
| <b>Total current liabilities .....</b>     | <b>285,939</b>              | <b>290,232</b>              | <b>290,434</b>                           | <b>289,635</b>                      | <b>295,768</b>               | <b>297,351</b>               | <b>301,554</b>               |
| <b>NON-CURRENT LIABILITIES</b>             |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 96,386                      | 94,180                      | 96,386                                   | 96,386                              | 96,386                       | 96,386                       | 96,386                       |
| Borrowings and leases .....                | 44,753                      | 22,390                      | 35,412                                   | 33,078                              | 26,226                       | 28,181                       | 28,181                       |
| Other .....                                | 2,308                       | 1,254                       | 2,308                                    | 2,308                               | 2,308                        | 2,308                        | 2,308                        |
| <b>Total non-current liabilities .....</b> | <b>143,447</b>              | <b>117,824</b>              | <b>134,106</b>                           | <b>131,772</b>                      | <b>124,920</b>               | <b>126,875</b>               | <b>126,875</b>               |
| <b>TOTAL LIABILITIES .....</b>             | <b>429,386</b>              | <b>408,056</b>              | <b>424,540</b>                           | <b>421,407</b>                      | <b>420,688</b>               | <b>424,226</b>               | <b>428,429</b>               |
| <b>EQUITY</b>                              |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                   | 1,010,393                   | 1,085,365                   | 1,102,035                                | 1,193,642                           | 1,326,541                    | 1,411,043                    | 1,453,617                    |
| Accumulated surplus/(deficit) .....        | 232,774                     | 216,702                     | 225,789                                  | 217,576                             | 211,295                      | 213,081                      | 214,888                      |
| Reserves .....                             | 339,653                     | 320,515                     | 339,653                                  | 339,653                             | 339,653                      | 339,653                      | 339,653                      |
| <b>Total equity .....</b>                  | <b>1,582,820</b>            | <b>1,622,582</b>            | <b>1,667,477</b>                         | <b>1,750,871</b>                    | <b>1,877,489</b>             | <b>1,963,777</b>             | <b>2,008,158</b>             |
| <b>TOTAL LIABILITIES AND EQUITY .....</b>  | <b>2,012,206</b>            | <b>2,030,638</b>            | <b>2,092,017</b>                         | <b>2,172,278</b>                    | <b>2,298,177</b>             | <b>2,388,003</b>             | <b>2,436,587</b>             |

(a) Full audited financial statements are published in Western Australia Police Force's Annual Report.

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                                |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                     | 1,375,798                   | 1,386,384                   | 1,434,096                                | 1,467,873                           | 1,473,052                    | 1,493,177                    | 1,504,304                    |
| Capital appropriation .....                                     | 111,551                     | 64,367                      | 78,002                                   | 73,228                              | 106,959                      | 83,621                       | 42,574                       |
| Administered equity contribution.....                           | -                           | -                           | -  | 3,622                               | 25,940                       | 881                          | -                            |
| Holding Account drawdowns .....                                 | 9,600                       | 10,985                      | 17,762                                   | 29,592                              | 13,639                       | 10,000                       | 14,200                       |
| Royalties for Regions Fund:                                     |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....                          | 17,553                      | 18,586                      | 17,016                                   | 18,582                              | 19,072                       | 18,836                       | 18,819                       |
| Regional Infrastructure and Headworks<br>Fund .....             | 593                         | 6,863                       | 7,490                                    | 1,155                               | -                            | -                            | -                            |
| Receipts paid into Consolidated Account.....                    | -                           | (2,580)                     | (2,480)                                  | -                                   | -                            | -                            | -                            |
| Other.....  | 10,214                      | 15,506                      | 32,424                                   | 42,502                              | 12,154                       | 8,562                        | 8,844                        |
| <b>Net cash provided by Government .....</b>                    | <b>1,525,309</b>            | <b>1,500,111</b>            | <b>1,584,310</b>                         | <b>1,636,554</b>                    | <b>1,650,816</b>             | <b>1,615,077</b>             | <b>1,588,741</b>             |
| <b>CASHFLOWS FROM OPERATING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....  | (1,151,683)                 | (1,201,447)                 | (1,230,176)                              | (1,267,171)                         | (1,294,685)                  | (1,318,919)                  | (1,323,586)                  |
| Grants and subsidies.....                                       | (74,731)                    | (58,745)                    | (63,729)                                 | (59,618)                            | (62,924)                     | (59,888)                     | (59,764)                     |
| Supplies and services .....                                     | (200,092)                   | (190,699)                   | (205,726)                                | (215,542)                           | (177,330)                    | (168,931)                    | (173,325)                    |
| Accommodation .....   | (51,555)                    | (61,222)                    | (56,111)                                 | (54,837)                            | (55,209)                     | (55,466)                     | (56,280)                     |
| GST payments .....  | (51,191)                    | (49,911)                    | (49,911)                                 | (49,911)                            | (49,911)                     | (49,911)                     | (49,911)                     |
| Finance and interest costs.....                                 | (1,902)                     | (1,973)                     | (1,973)                                  | (1,700)                             | (1,799)                      | (1,754)                      | (1,616)                      |
| Other payments.....   | (72,243)                    | (60,090)                    | (79,578)                                 | (72,865)                            | (70,348)                     | (67,073)                     | (69,397)                     |
| <b>Receipts <sup>(b)</sup></b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Regulatory fees and fines .....                                 | 19,572                      | 23,680                      | 23,158                                   | 26,763                              | 26,417                       | 27,007                       | 27,544                       |
| Grants and subsidies.....                                       | 3,873                       | 5,415                       | 8,256                                    | 1,263                               | 510                          | 510                          | 510                          |
| Sale of goods and services.....                                 | 277                         | 1,081                       | 1,081                                    | 1,129                               | 1,179                        | 1,179                        | 1,179                        |
| GST receipts .....  | 51,772                      | 49,911                      | 49,911                                   | 49,911                              | 49,911                       | 49,911                       | 49,911                       |
| Other receipts .....  | 25,638                      | 22,106                      | 22,595                                   | 24,330                              | 25,499                       | 26,415                       | 26,444                       |
| RTTA receipts (Service Delivery<br>Agreement) .....             | 100,314                     | 98,490                      | 104,490                                  | 102,334                             | 102,334                      | 102,334                      | 102,334                      |
| <b>Net cash from operating activities .....</b>                 | <b>(1,401,951)</b>          | <b>(1,423,404)</b>          | <b>(1,477,713)</b>                       | <b>(1,515,914)</b>                  | <b>(1,506,356)</b>           | <b>(1,514,586)</b>           | <b>(1,525,957)</b>           |
| <b>CASHFLOWS FROM INVESTING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                            | (89,508)                    | (94,344)                    | (110,790)                                | (102,460)                           | (110,588)                    | (58,528)                     | (20,800)                     |
| Proceeds from sale of non-current assets.....                   | 385                         | 25                          | 25                                       | 3,226                               | -                            | -                            | -                            |
| <b>Net cash from investing activities.....</b>                  | <b>(89,123)</b>             | <b>(94,319)</b>             | <b>(110,765)</b>                         | <b>(99,234)</b>                     | <b>(110,588)</b>             | <b>(58,528)</b>              | <b>(20,800)</b>              |
| <b>CASHFLOWS FROM FINANCING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases .....                        | (37,898)                    | (35,428)                    | (35,428)                                 | (35,686)                            | (35,950)                     | (35,974)                     | (35,974)                     |
| <b>Net cash from financing activities.....</b>                  | <b>(37,898)</b>             | <b>(35,428)</b>             | <b>(35,428)</b>                          | <b>(35,686)</b>                     | <b>(35,950)</b>              | <b>(35,974)</b>              | <b>(35,974)</b>              |
| <b>NET INCREASE/(DECREASE) IN CASH<br/>HELD .....</b>           | <b>(3,663)</b>              | <b>(53,040)</b>             | <b>(39,596)</b>                          | <b>(14,280)</b>                     | <b>(2,078)</b>               | <b>5,989</b>                 | <b>6,010</b>                 |
| Cash assets at the beginning of the reporting<br>period .....   | 134,131                     | 125,542                     | 130,453                                  | 90,857                              | 76,577                       | 74,499                       | 80,488                       |
| Net cash transferred to/from other agencies....                 | (15)                        | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Cash assets at the end of the reporting<br/>period .....</b> | <b>130,453</b>              | <b>72,502</b>               | <b>90,857</b>                            | <b>76,577</b>                       | <b>74,499</b>                | <b>80,488</b>                | <b>86,498</b>                |

(a) Full audited financial statements are published in Western Australia Police Force'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 Western Australia Police Force. 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 <sup>(a)</sup>**

|                                   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget <sup>(b)</sup><br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|-----------------------------------|-----------------------------|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Regulatory Fees and Fines</b>  |                             |  |  |                                     |                              |                              |                              |
| Departmental .....                | 8,298                       | 10,094                                     | 9,572                                    | 9,665                               | 9,883                        | 10,105                       | 10,308                       |
| Licenses .....                    | 11,295                      | 13,607                                     | 13,607                                   | 17,109                              | 16,545                       | 16,913                       | 17,247                       |
| <b>Grants and Subsidies</b>       |                             |  |  |                                     |                              |                              |                              |
| Commonwealth - Other .....        | 3,868                       | 5,416                                      | 8,257                                    | 1,264                               | 511                          | 511                          | 511                          |
| Departmental .....                | 7,809                       | 653  | 12,961                                   | 9,765                               | 6,790                        | 3,525                        | 3,525                        |
| <b>Sale of Goods and Services</b> |                             |  |  |                                     |                              |                              |                              |
| Departmental .....                | 665                         | 2,608                                      | 1,903                                    | 1,941                               | 1,981                        | 1,971                        | 1,971                        |
| <b>GST Receipts</b>               |                             |  |  |                                     |                              |                              |                              |
| GST Input Credits .....           | 48,994                      | 47,211                                     | 47,211                                   | 47,211                              | 47,211                       | 47,211                       | 47,211                       |
| GST Receipt on Sales .....        | 2,778                       | 2,700                                      | 2,700                                    | 2,700                               | 2,700                        | 2,700                        | 2,700                        |
| <b>Other receipts</b>             |                             |  |  |                                     |                              |                              |                              |
| Commonwealth - Other .....        | 2,244                       | 1,933                                      | 2,122                                    | 2,150                               | 2,033                        | 2,034                        | 2,036                        |
| Departmental .....                | 25,395                      | 25,406                                     | 21,966                                   | 23,673                              | 24,959                       | 25,674                       | 25,701                       |
| <b>TOTAL .....</b>                | <b>111,346</b>              | <b>109,628</b>                             | <b>120,299</b>                           | <b>115,478</b>                      | <b>112,613</b>               | <b>110,644</b>               | <b>111,210</b>               |

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

(b) The 2021-22 Budget has been recast for comparability purposes.

**DETAILS OF ADMINISTERED TRANSACTIONS**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>INCOME</b>  |                             |                             |  |                                     |                              |                              |                              |
| <b>Fines</b>   |                             |                             |  |                                     |                              |                              |                              |
| Firearms Licensing Infringements .....               | 228                         | 100                         | 100                                      | 100                                 | 100                          | 100                          | 100                          |
| Minor Infringement Penalties .....                   | 910                         | 710                         | 710                                      | 710                                 | 710                          | 710                          | 710                          |
| <b>Other</b>   |                             |                             |  |                                     |                              |                              |                              |
| Sale of Lost, Stolen and Forfeited Property .....    | 815                         | 600                         | 600                                      | 600                                 | 600                          | 600                          | 600                          |
| <b>TOTAL ADMINISTERED INCOME .....</b>               | <b>1,953</b>                | <b>1,410</b>                | <b>1,410</b>                             | <b>1,410</b>                        | <b>1,410</b>                 | <b>1,410</b>                 | <b>1,410</b>                 |
| <b>EXPENSES</b>                                      |                             |                             |  |                                     |                              |                              |                              |
| <b>Other</b>   |                             |                             |  |                                     |                              |                              |                              |
| All Other Expenses .....                             | 354                         | 250                         | 250                                      | 250                                 | 250                          | 250                          | 250                          |
| Receipts Paid into the Consolidated<br>Account ..... | 1,599                       | 1,160                       | 1,160                                    | 1,160                               | 1,160                        | 1,160                        | 1,160                        |
| <b>TOTAL ADMINISTERED EXPENSES .....</b>             | <b>1,953</b>                | <b>1,410</b>                | <b>1,410</b>                             | <b>1,410</b>                        | <b>1,410</b>                 | <b>1,410</b>                 | <b>1,410</b>                 |

## Division 27 **Justice**

### Part 7 **Community Safety**

#### Appropriations, Expenses and Cash Assets <sup>(a)</sup>

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>                               |                             |                             |  |                                     |                              |                              |                              |
| Item 64 Net amount appropriated to deliver services ..... | 1,331,828                   | 1,355,704                   | 1,346,480                                | <b>1,381,694</b>                    | 1,296,404                    | 1,335,536                    | 1,368,373                    |
| <b>Amount Authorised by Other Statutes <sup>(b)</sup></b> |                             |                             |  |                                     |                              |                              |                              |
| - Children's Court of Western Australia                   |                             |                             |  |                                     |                              |                              |                              |
| Act 1988 .....  | 430                         | 406                         | 406                                      | <b>407</b>                          | 408                          | 413                          | 413                          |
| - Criminal Injuries Compensation Act 2003 ...             | 68,548                      | 31,817                      | 90,000                                   | <b>41,738</b>                       | 41,738                       | 41,738                       | 41,738                       |
| - District Court of Western Australia                     |                             |                             |  |                                     |                              |                              |                              |
| Act 1969 .....  | 13,858                      | 14,580                      | 14,580                                   | <b>15,673</b>                       | 16,964                       | 18,319                       | 19,384                       |
| - Judges' Salaries and Pensions Act 1950...               | 10,909                      | 11,962                      | 11,962                                   | <b>12,700</b>                       | 13,619                       | 14,614                       | 15,420                       |
| - Salaries and Allowances Act 1975 .....                  | 32,077                      | 33,480                      | 33,656                                   | <b>35,699</b>                       | 38,186                       | 40,842                       | 42,312                       |
| - State Administrative Tribunal Act 2004 .....            | 5,313                       | 6,168                       | 6,168                                    | <b>6,689</b>                        | 7,211                        | 7,727                        | 7,727                        |
| Total appropriations provided to deliver services.....    | 1,462,963                   | 1,454,118                   | 1,503,252                                | <b>1,494,600</b>                    | 1,414,530                    | 1,459,189                    | 1,495,367                    |
| <b>CAPITAL</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 133 Capital Appropriation.....                       | 79,570                      | 95,171                      | 96,151                                   | <b>92,871</b>                       | 83,543                       | 46,978                       | 39,082                       |
| <b>TOTAL APPROPRIATIONS</b> .....                         | <b>1,542,533</b>            | <b>1,549,289</b>            | <b>1,599,403</b>                         | <b>1,587,471</b>                    | <b>1,498,073</b>             | <b>1,506,167</b>             | <b>1,534,449</b>             |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....                              | 1,765,530                   | 1,728,457                   | 1,811,035                                | <b>1,805,832</b>                    | 1,741,521                    | 1,769,117                    | 1,797,481                    |
| Net Cost of Services <sup>(c)</sup> .....                 | 1,546,583                   | 1,499,505                   | 1,573,387                                | <b>1,567,346</b>                    | 1,488,401                    | 1,510,794                    | 1,536,399                    |
| <b>CASH ASSETS <sup>(d)</sup></b> .....                   | <b>44,965</b>               | <b>30,235</b>               | <b>49,987</b>                            | <b>29,147</b>                       | <b>26,713</b>                | <b>27,049</b>                | <b>27,568</b>                |

- (a) The 2020-21 Actual and 2021-22 Estimated Actual have been recast, for comparability purposes, to account for Machinery of Government changes that took effect from 1 December 2020 (transfer of the Equal Opportunity Commission) and to reflect the establishment of the State Solicitor's Office (SSO) as an independent sub-department effective from 1 October 2021.
- (b) Excludes appropriation provided to the Department prior to the establishment of the SSO as an independent sub-department.
- (c) 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.
- (d) As at 30 June each financial year.

#### Spending Changes

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

|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COVID-19 Response</b>   |  |                                     |                              |                              |                              |
| Community Legal Centres.....   | -  | 4,501                               | -                            | -                            | -                            |
| <b>New Initiatives</b>   |  |                                     |                              |                              |                              |
| Armada Courthouse and Police Complex .....                           | -  | 352                                 | 361                          | 370                          | 379                          |
| Banksia Hill Detention Centre.....                                   | -  | 887                                 | 1,467                        | 1,480                        | 1,495                        |
| Casuarina Prison Health Services.....                                | 218                                      | 229                                 | 240                          | 252                          | 265                          |
| Enhanced Family and Domestic Violence Response Team .....            | -  | 288                                 | 291                          | 295                          | 298                          |
| Law Reform Reference Costs .....                                     | 90                                       | 374                                 | 322                          | -                            | -                            |
| Prison ICT Infrastructure Capability Uplift.....                     | -  | 320                                 | 457                          | 735                          | 1,601                        |
| Review of the <i>Corruption, Crime and Misconduct Act 2003</i> ..... | 240                                      | 121                                 | -                            | -                            | -                            |

|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Ongoing Initiatives</b>   |  |                                     |                              |                              |                              |
| Additional Mining Warden and Support Officers.....                                       | 400                                      | 881                                 | 886                          | -                            | -                            |
| Family Court of WA.....  | 576                                      | 1,608                               | 1,579                        | 1,742                        | 1,992                        |
| Justice Reform Program .....   | (14,596)                                 | (7,896)                             | (13,047)                     | 11,369                       | -                            |
| Justice Services Expenditure .....   | -  | 41,149                              | 5,404                        | 10,304                       | 18,250                       |
| Legal Aid - Therapeutic Pilot Court in the Children's Court of<br>Western Australia..... | -  | 182                                 | 186                          | -                            | -                            |
| National Legal Assistance Partnership (NLAP) Agreement 2020-2025 .....                   | 7,722                                    | 10,064                              | 10,196                       | 10,232                       | 802                          |
| National Redress Scheme.....   | 20,000                                   | 18,924                              | 20,951                       | 9,015                        | 8,293                        |
| Prison Services Evaluation.....  | 2,500                                    | 10,200                              | -                            | -                            | -                            |
| Therapeutic Pilot Court in the Children's Court of Western Australia.....                | -  | 683                                 | 697                          | -                            | -                            |
| <b>Other</b>   |  |                                     |                              |                              |                              |
| Criminal Injuries Compensation.....  | 58,183                                   | 9,921                               | 9,921                        | 9,921                        | 9,921                        |
| Non-Government Human Services Sector Indexation Adjustment.....                          | -  | 244                                 | 423                          | 611                          | 807                          |
| RiskCover Premiums .....   | -  | 48,466                              | -                            | -                            | -                            |

## Significant Issues Impacting the Agency

### COVID-19 Response

1. The Department's Emergency Response Group continues to mitigate potential disruptions to frontline services and provides strategic, structured and coordinated direction throughout the preparedness, response and recovery phases of the pandemic.
2. The Corrective Services COVID-19 Taskforce (the Taskforce) continues to undertake critical actions to ensure the Department remains focused on addressing risks from COVID-19 specifically for correctional facilities and services. This includes the review and refinement of current emergency, pandemic and containment plans, compliance audits and operational readiness assessments across the custodial and community estate.
3. The Taskforce completed three phases of COVID-19 vaccinations, commencing in July 2021 for prisoners and detainees across all Western Australian facilities. A maintenance schedule has commenced to ensure prisoners who are due a booster dose have the opportunity to receive one and provide any new prisoners/detainees received into custody the opportunity to be vaccinated.
4. Demand for legal assistance continues to increase in both family violence and civil law areas such as credit, debt, and employment law in response to the COVID-19 pandemic.
5. The Equal Opportunity Commission (EOC) experienced a significant increase in enquiries and complaints related to the COVID-19 pandemic following the mandated compliance requirements.
6. Significant work has been undertaken by the Strategic Reform division and Parliamentary Counsel's Office to give effect to pandemic-related legislative changes to the Government.

### Other Significant Issues

7. The Department is progressing the Government's legislative reform of the justice system with the passage and enactment of the *Criminal Law (Unlawful Consorting and Prohibited Insignia) Act 2021* and *Courts Legislation Amendment (Magistrates) Act 2022*. Bills currently before Parliament include: Statutes (Repeals and Minor Amendments) Bill 2021; Sentencing Legislation Amendment (Persons Linked to Terrorism) Bill 2021; Criminal Appeals Amendment Bill 2021; Civil Procedure (Representative Proceedings) Bill 2021; and Animal Welfare and Trespass Legislation Amendment Bill 2021.
8. The Parliamentary Counsel's Office continues to provide substantial drafting services to give effect to the Government's legislative and policy priorities across a diverse range of portfolios.

9. The Department is prioritising efforts to address the over representation of Aboriginal people in the criminal justice system and on achieving Closing the Gap outcomes to reduce the incarceration rate of Aboriginal adults and youth. This focus and prioritisation of effort, to realise the necessary impacts, will be achieved through a range of measures including:
  - 9.1. the Department's second 'innovate'-level Reconciliation Action Plan which started on 1 January 2022, and was officially launched in mid-February 2022; and
  - 9.2. establishing the Aboriginal Justice Advisory Committee, comprised of established and emerging Aboriginal leaders from across the State, to provide the Department with cultural advice and guidance on justice issues and to assist the Department to achieve better outcomes for Aboriginal people.
10. Consistent with the objectives of the Kimberley Youth and Community Justice Response, the Department is progressing the Kimberley Juvenile Justice Strategy through community-led initiatives, including the introduction of new night patrols, and has commenced the co-design of on-country safe place and residential facilities for young people who are in or are at-risk of coming into contact with the justice system.
11. The Department is continuing to improve the security and service delivery at Banksia Hill Detention Centre. This includes a \$25 million investment in infrastructure and developing a contemporary model of care to better respond to the complex support needs of young detainees and enhance the care and rehabilitation of young people.
12. The Western Australian Office of Crime Statistics and Research (WACSAR) is providing a cross-agency, evidence-based approach to criminal justice decision-making, policy development and evaluation of strategic initiatives. WACSAR is establishing a non-statutory Advisory Board comprising of representatives from the justice sector and university partners to provide strategic advice to WACSAR and support administration of the research grant fund.
13. The Prison Services Evaluation project continues to deliver reforms in publicly-run prisons that aim to improve prisoner outcomes, increase operational efficiency and improve safety and security.
14. Construction of the Casuarina Prison 344 bed expansion (Stage 2), as part of the Department's long-term custodial infrastructure plan, has commenced with a focus on providing accommodation and supporting infrastructure to manage male prisoners with complex needs including mental illness.
15. Planning continues for the replacement of Broome Regional Prison with a new larger facility to better meet future demand in the Kimberley region. A preferred site has been identified after consultation with Traditional Owners and the Broome community, with Government planning processes continuing.
16. The Department continues to strengthen its efforts to break the cycle of alcohol and other drug-related crime and support the Government's Methamphetamine Action Plan by delivering alcohol and other drug programs at two dedicated rehabilitation facilities at Wandoo Rehabilitation Prison for women and the Mallee Unit at Casuarina Prison. Planning has also commenced for a new alcohol and other drug unit at Bunbury Regional Prison.
17. Within the District Court and Supreme Court the median criminal time to trial continues to exceed the target. This reflects growth in committals for trial and increased case complexity, including multi-accused trials and the impacts of COVID-19 on court operations.
18. Criminal and civil time to trial in the Magistrates Court is higher than the target. This reflects a sustained high proportion of matters listed for trial, a significant increase in the seriousness of cases finalised by trial and an increase in the proportion of multi-day criminal trials. The Department is undertaking a feasibility study to address the demand for additional criminal trial facilities.
19. The number of awards assessed under the *Criminal Injuries Compensation Act 2003* increased following the appointment of an additional assessor to deal with a case backlog. In response, the Government has approved an increase in funding for Criminal Injuries Compensation payments in 2022-23 and across the outyears.



20. A range of projects are underway to divert offenders away from custodial sentences where possible. Bail Support Services and Prison In-reach Legal Services have been established at Perth Magistrates Court and in the Kimberley, servicing Broome and Derby Magistrates Courts. These services identify opportunities to reduce barriers to bail and reduce avoidable remand.
21. The Commissioner for Victims of Crime continues to lead Western Australia's participation in the National Redress Scheme (the Scheme) for survivors of institutional child sexual abuse. The number of applications to the Scheme continues to increase and the team is responding to the recommendations of the two-year review into the Scheme. Increased demand for victim services continues. The Department is also working on reviews to address Family and Domestic Violence (coercive control) and Sexual Violence, both of which are topics of considerable national discussion and reform.
22. The Public Trustee is experiencing increased demand for its services, including people being referred by the State Administrative Tribunal to have their financial affairs managed.
23. The Government has approved additional funding for the Office of the Public Advocate, which is experiencing increased demand for its statutory services, including referrals by the State Administrative Tribunal as a result of the ageing population and people with intellectual disability or mental illness who need a guardian since the implementation of the National Disability Insurance Scheme.
24. A new People, Culture and Standards division has been established to consolidate existing complaints management processes, enhance service delivery and responsiveness, provide industrial relations capability and improve staff engagement, to influence and support positive cultural change throughout the Department.
25. Legal Aid WA is working to further improve access to the Department in regional and remote areas by using video technology to set up virtual offices in areas without Legal Aid WA offices and by establishing Health Justice Partnerships with major hospitals and medical services to assist in connecting clients with wrap around services, including supporting those with mental health concerns and those experiencing family or domestic violence.
26. Demand for legal aid and family law services, and in particular protection and care applications, is continuing to increase. Legal Aid WA continues to work towards ensuring the increase in demand is addressed.
27. Private practitioners undertake approximately 70% of legal aid grants. Given the improving economic and employment circumstances in Western Australia, the demand for services of private practitioners may potentially exceed supply.

## 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  |
|--|---|---|
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive. | An efficient, accessible court and tribunal system.   | 1. Court and Tribunal Services  |
|  | Trustee, Guardianship and Administration services are accessible to all Western Australians.  | 2. Advocacy, Guardianship and Administration Services<br>3. Trustee Services<br>4. National Redress Scheme for Institutional Child Sexual Abuse |
|  | Western Australian birth, death, marriage and change of name certificates are accurate and accessible.  | 5. Births, Deaths and Marriages   |
|  | Government receives quality and timely legislative drafting and publication services.   | 6. Services to Government   |
|  | The people of Western Australia have efficient and accessible avenues of redress under the relevant legislation.                              | 7. Equal Opportunity Commission Services  |
|  | Equitable access to legal services and information.   | 8. Legal Aid Assistance   |
|  | A safe, secure and decent corrective services which contributes to community safety and reduces offenders' involvement in the justice system. | 9. Adult Corrective Services<br>10. Youth Justice Services  |

### Service Summary

| Expense   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Court and Tribunal Services .....                                  | 432,806                     | 399,410                     | 465,158                                  | 431,280                             | 441,652                      | 454,356                      | 464,776                      |
| 2. Advocacy, Guardianship and Administration Services .....           | 10,091                      | 12,178                      | 12,561                                   | 13,996                              | 15,330                       | 16,711                       | 17,422                       |
| 3. Trustee Services .....   | 26,289                      | 26,553                      | 26,960                                   | 27,594                              | 27,796                       | 28,047                       | 29,429                       |
| 4. National Redress Scheme for Institutional Child Sexual Abuse ..... | 42,010                      | 25,138                      | 45,039                                   | 41,688                              | 41,739                       | 20,989                       | 10,669                       |
| 5. Births, Deaths and Marriages .....                                 | 7,069                       | 9,009                       | 9,231                                    | 9,223                               | 9,597                        | 9,585                        | 9,927                        |
| 6. Services to Government .....                                       | 22,105                      | 27,030                      | 28,992                                   | 31,904                              | 32,193                       | 32,649                       | 25,377                       |
| 7. Equal Opportunity Commission Services .....                        | 1,771                       | 3,266                       | 3,496                                    | 3,547                               | 3,545                        | 3,546                        | 3,603                        |
| 8. Legal Aid Assistance .....   | 117,587                     | 116,864                     | 120,557                                  | 128,182                             | 127,273                      | 128,825                      | 129,080                      |
| 9. Adult Corrective Services .....                                    | 1,006,521                   | 1,006,128                   | 995,258                                  | 1,009,123                           | 939,847                      | 969,117                      | 998,353                      |
| 10. Youth Justice Services .....                                      | 99,281                      | 102,881                     | 103,783                                  | 109,295                             | 102,549                      | 105,292                      | 108,845                      |
| <b>Total Cost of Services .....</b>                                   | <b>1,765,530</b>            | <b>1,728,457</b>            | <b>1,811,035</b>                         | <b>1,805,832</b>                    | <b>1,741,521</b>             | <b>1,769,117</b>             | <b>1,797,481</b>             |

## Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: An efficient, accessible court and tribunal system:</b>   |                   |                   |                                |                             |      |
| Supreme Court - Criminal - Time to trial .....  | 53 weeks          | 39 weeks          | 55 weeks                       | 39 weeks                    | 1    |
| Supreme Court - Civil - Time to finalise non-trial matters .....  | 25 weeks          | 19 weeks          | 14 weeks                       | 19 weeks                    | 2    |
| District Court - Criminal - Time to trial .....   | 54 weeks          | 32 weeks          | 65 weeks                       | 32 weeks                    | 3    |
| State Administrative Tribunal - Time to finalise .....  | 16 weeks          | 15 weeks          | 17 weeks                       | 15 weeks                    | 4    |
| Family Court of Western Australia - Time to finalise non-trial matters .....  | 48 weeks          | 27 weeks          | 48 weeks                       | 27 weeks                    | 5    |
| Magistrates Court - Criminal and Civil - Time to trial .....  | 24 weeks          | 19 weeks          | 28 weeks                       | 19 weeks                    | 6    |
| Coroner's Court - Time to trial .....   | 140 weeks         | 128 weeks         | 133 weeks                      | 128 weeks                   |      |
| Fines Enforcement Registry - Percentage of fines satisfied within 12 months:  |                   |                   |                                |                             |      |
| Fines and costs .....   | 32%               | 35%               | 30%                            | 35%                         | 7    |
| Infringements .....   | 50%               | 57%               | 50%                            | 57%                         | 7    |
| <b>Outcome: Trustee, guardianship and administration services are accessible to all Western Australians:</b>  |                   |                   |                                |                             |      |
| Percentage of guardians of last resort allocated in one day .....   | 78%               | 95%               | 91%                            | 95%                         |      |
| Percentage of Western Australian deceased estates administered by the Public Trustee .....  | 4.3%              | 4.0%              | 4.3%                           | 4.0%                        |      |
| Percentage of clients who have services provided by the Public Trustee under an operating subsidy .....   | 64%               | 60%               | 64%                            | 60%                         |      |
| Percentage of requests for information under the National Redress Scheme responded to within eight weeks .....  | 87%               | 90%               | 86%                            | 90%                         |      |
| <b>Outcome: Western Australian birth, death, marriage and change of name certificates are accurate and accessible:</b>  |                   |                   |                                |                             |      |
| Percentage of certified certificates issued within two days .....   | 87%               | 90%               | 80%                            | 90%                         | 8    |
| Extent to which registration source information is recorded error-free .....  | 96%               | 97%               | 96%                            | 97%                         |      |
| <b>Outcome: Government receives quality and timely legislative drafting and publication services:</b>   |                   |                   |                                |                             |      |
| Extent to which legislation is drafted in a timely manner to effect the Government's legislative program .....  | 100%              | 95%               | 100%                           | 95%                         |      |
| Extent to which legislation is published in a timely manner .....   | 100%              | 98%               | 100%                           | 98%                         |      |
| <b>Outcome: The people of Western Australia have efficient and accessible avenues of redress under the relevant legislation:</b>                              |                   |                   |                                |                             |      |
| Percentage of complaints finalised within 12 months <sup>(b)</sup> .....  | 91%               | 95%               | 91%                            | 95%                         |      |
| <b>Outcome: Equitable access to legal services and information:</b>   |                   |                   |                                |                             |      |
| Percentage of eligible applicants who receive a grant of legal aid .....  | 89%               | 86%               | 89%                            | 86%                         |      |
| Percentage of people who are provided with a duty lawyer service .....  | 20%               | 20%               | 20%                            | 20%                         |      |
| Percentage of people receiving an outcome from Infoline services .....  | 75%               | 77%               | 77%                            | 77%                         |      |
| <b>Outcome: A safe, secure and decent corrective services which contributes to community safety and reduces offenders' involvement in the justice system:</b> |                   |                   |                                |                             |      |
| Adult:  |                   |                   |                                |                             |      |
| Number of escapes .....   | 5                 | nil               | 4                              | nil                         | 9    |
| Rate of return - Offender programs .....  | 41.3%             | 39%               | 34.1%                          | 39%                         | 10   |
| Average out of cell hours .....   | 10.61             | 12                | 10.53                          | 12                          | 11   |
| Rate of serious assault per 100 prisoners .....   | 1.29              | <0.48             | 0.91                           | <0.48                       | 12   |
| Successful completion of community correction orders .....  | 69.3%             | 64%               | 71.7%                          | 64%                         | 13   |
| Youth:  |                   |                   |                                |                             |      |
| Number of escapes .....   | nil               | nil               | 1                              | nil                         | 14   |
| Rate of return to detention .....   | 44.3%             | 50%               | 50.8%                          | 50%                         |      |
| Successful completion of community-based orders .....   | 63%               | 68%               | 57%                            | 68%                         | 15   |

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

(b) The EOC transitioned from a stand-alone agency to be a part of the Department during 2020-21. The actual result for the 2020-21 financial year is based on key performance indicator data for the full 2020-21 period. This includes the July to November 2020 period, prior to the transition, and December 2020 to June 2021 following the transition to the Department.

## Explanation of Significant Movements

(Notes)

1. The 2021-22 Estimated Actual is higher than the 2021-22 Budget and the 2022-23 Budget Target primarily due to the listing of lengthy multiple-accused trials and a high number of re-listed trials.
2. The 2021-22 Estimated Actual is lower than the 2021-22 Budget and the 2022-23 Budget Target primarily due to a seasonal increase in the proportion of applications for admission finalised and a decrease in the proportion of civil writs finalised. Admissions matters are typically finalised in a shorter period of time whereas civil writs generally take longer to finalise.
3. The 2021-22 Estimated Actual is higher than the 2021-22 Budget and the 2022-23 Budget Target due to an increase in demand for trials and the re-listing of jury trials that were vacated as a result of COVID-19 restrictions. Further impacting the result is an increase in the complexity of cases, including multiple-accused trials.
4. The 2021-22 Estimated Actual is higher than the 2021-22 Budget and the 2022-23 Budget Target due to an increase in the proportion of older cases finalised in the commercial and civil, and development and resources stream. Further impacting the result is an increase in workload associated with Building Commission matters.
5. The 2021-22 Estimated Actual is higher than the 2021-22 Budget and the 2022-23 Budget Target due to the long-term growth in the complexity and volume of final order parenting applications lodged, and the growth in the finalisation of these applications by court order or direction. Further impacting the Court's capacity to hear non-trial matters is the allocation of trial workload to magistrates to help address the delay to trial.
6. The 2021-22 Estimated Actual is higher than the 2021-22 Budget and the 2022-23 Budget Target due to a significant increase in the seriousness of cases finalised by trial, in addition to an increase in the proportion of criminal trials that were multi-day trials.
7. The 2021-22 Estimated Actual is lower than the 2021-22 Budget and the 2022-23 Budget Target due to the increasing debt load per case and per client. Further impacting the result is the non-suspension of licences in remote areas following the *Fines, Penalties and Infringement Notices Enforcement Amendment Act 2020 (WA)*, effective from the end of September 2020.
8. The 2021-22 Estimated Actual is lower than 2021-22 Budget and 2022-23 Budget Target due to an increase in demand for certificates as a result of the implementation of the ServiceWA application and a general increase in demand for certificates.
9. The 2021-22 Estimated Actual is higher than the 2021-22 Budget and the 2022-23 Budget Target by four escapes. Each escape is investigated by the Department to identify factors that preceded or contributed to the escape so that the risk of further escapes can be minimised.
10. The 2021-22 Estimated Actual is lower than the 2021-22 Budget and the 2022-23 Budget Target. Factors impacting the rate of return include supervision practices, program delivery and standards set for compliance and breaching. External influences, such as policing practices, drug availabilities and changes in personal circumstances can also impact the rate of return.
11. The 2021-22 Estimated Actual is lower than the 2021-22 Budget and the 2022-23 Budget Target due to enhancements in the recording of regular unlock and lockup times at adult prison facilities.
12. The 2021-22 Estimated Actual exceeds the 2021-22 Budget and the 2022-23 Budget Target. Managing a prisoner cohort is complex and assaults may be attributed to several factors. The rate of serious assault is highly variable due to the small number of incidents.
13. The 2021-22 Estimated Actual is higher than the 2021-22 Budget and the 2022-23 Budget Target due to a lower number of adults reoffending and higher compliance with the conditions of their order.
14. The 2021-22 Estimated Actual is higher than the 2021-22 Budget and the 2022-23 Budget Target by one escape. Each escape is investigated by the Department to identify factors that preceded or contributed to the escape so that the risk of further escapes can be minimised.
15. The 2021-22 Estimated Actual is lower than the 2021-22 Budget and the 2022-23 Budget Target due to an increase in the number of breached orders due to reoffending. When young people do not comply with orders and pose a risk to the community, breach action is warranted in line with the relevant legislation and the Departmental procedures.

## Services and Key Efficiency Indicators

### 1. Court and Tribunal Services

A prime task of the justice system in serving the community is the determination of cases brought before a court or tribunal. This service relates to financing the cost of delivering court facilities, administrative support and judicial staff to enable these determinations to be made. Part of this function also involves the delivery of court counselling services and a range of civil and criminal enforcement services.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                                    | \$'000<br>432,806 | \$'000<br>399,410 | \$'000<br>465,158              | \$'000<br>431,280           | 1    |
| Less Income .....   | 104,982           | 113,603           | 117,559                        | 115,043                     |      |
| Net Cost of Service .....                                     | 327,824           | 285,807           | 347,599                        | 316,237                     |      |
| <b>Employees (Full-Time Equivalents) <sup>(a)</sup></b> ..... | 1,226             | 1,260             | 1,254                          | 1,254                       |      |
| <b>Efficiency Indicators <sup>(b)</sup></b>                   |                   |                   |                                |                             |      |
| Supreme Court - Criminal - Cost per case .....                | \$194,179         | \$232,841         | \$220,716                      | \$224,087                   |      |
| Supreme Court - Civil - Cost per case .....                   | \$14,859          | \$16,169          | \$14,844                       | \$15,116                    |      |
| Court of Appeal - Cost per case .....                         | \$23,470          | \$25,741          | \$23,479                       | \$23,560                    |      |
| District Court - Criminal - Cost per case.....                | \$23,014          | \$23,197          | \$23,317                       | \$23,963                    |      |
| District Court - Civil - Cost per case.....                   | \$2,584           | \$2,681           | \$2,494                        | \$2,653                     |      |
| State Administrative Tribunal - Cost per case .....           | \$3,747           | \$3,717           | \$3,623                        | \$3,782                     |      |
| Family Court of Western Australia - Cost per case .....       | \$1,951           | \$2,023           | \$2,283                        | \$2,385                     | 2    |
| Magistrates Court - Criminal - Cost per case .....            | \$950             | \$853             | \$1,072                        | \$1,040                     | 3    |
| Magistrates Court - Civil - Cost per case .....               | \$846             | \$712             | \$889                          | \$872                       | 4    |
| Coroner's Court - Cost per case.....                          | \$7,001           | \$6,364           | \$5,624                        | \$6,174                     | 5    |
| Children's Court - Criminal - Cost per case.....              | \$1,035           | \$644             | \$847                          | \$804                       | 3    |
| Children's Court - Civil - Cost per case .....                | \$1,832           | \$1,678           | \$1,794                        | \$1,746                     |      |
| Fines Enforcement Registry - Cost per enforcement.....        | \$44              | \$39              | \$30                           | \$39                        | 6    |

(a) This includes judicial staff that are not employees of the Department.

(b) Cost per case is calculated as the total gross cost divided by finalisations (with the exception of the Fines Enforcement Registry indicator which is based on lodgements). This measures the average cost per case for all matters finalised by the court (including matters finalised without trial and those finalised administratively). As such this is not a measure of the cost per trial. A trial matter itself could be expected to cost significantly in excess of the average cost figures outlined in this table.

### Explanation of Significant Movements

(Notes)

1. The 2021-22 Estimated Actual is higher than the 2021-22 Budget due to an increase in the number of Criminal Injuries Compensation payments awarded during the year.
2. The 2021-22 Estimated Actual is higher than the 2021-22 Budget due to less finalisations in parenting interim orders.
3. The 2021-22 Estimated Actual is higher than the 2021-22 Budget due to an increase in costs following the inclusion of Western Australia Police Force court security costs as a resource received free of charge and less finalisations as a result of a lower than anticipated number of criminal lodgements.
4. The 2021-22 Estimated Actual is higher than the 2021-22 Budget due to less finalisations as a result of a continuing decline in civil lodgements for general procedure and minor case claims.
5. The 2021-22 Estimated Actual is lower than the 2021-22 Budget due to a higher number of finalisations resulting from increased inquiry matters and death certificates issued.
6. The 2021-22 Estimated Actual is lower than the 2021-22 Budget and 2022-23 Budget Target primarily due to an increase in lodgements as a result of non-voting infringements issued following the 2021 State Government Election.

## 2. Advocacy, Guardianship and Administration Services

Advocacy, guardianship and administration services protect and promote the financial interests and welfare of people with decision-making disabilities by providing:

- access to investigation and advocacy services;
- appropriate appointment of guardians and administrators and appropriate interventions in relation to Enduring Powers of Attorney and Enduring Powers of Guardianship;
- guardianship and administration community education services; and
- guardianship and administration services provided by the Public Advocate.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....  | \$'000<br>10,091  | \$'000<br>12,178  | \$'000<br>12,561               | \$'000<br>13,996            | 1    |
| Less Income .....   | 7                 | 50                | 50                             | 52                          |      |
| Net Cost of Service .....   | 10,084            | 12,128            | 12,511                         | 13,944                      |      |
| Employees (Full-Time Equivalents) .....                           | 71                | 89                | 89                             | 100                         | 1    |
| <b>Efficiency Indicators</b>                                      |                   |                   |                                |                             |      |
| Average cost of providing advocacy and guardianship services..... | \$1,573           | \$1,695           | \$1,733                        | \$1,694                     |      |

### Explanation of Significant Movements

(Notes)

1. The 2022-23 Budget Target is higher than the 2021-22 Estimated Actual due to an increase in staff and associated costs in response to the continuing demand for the services of the Office of the Public Advocate.

## 3. Trustee Services

The Public Trustee is a statutory authority within the provisions of the *Financial Management Act 2006*. It provides a funds management and investment service. It acts as trustee or financial administrator pursuant to the orders of courts or tribunals. It also administers the estates of people who die with or without a will, in accordance with the terms of the will or the relevant law and under the authority of the Supreme Court. The Public Trustee offers high-quality, personalised trustee services to meet the needs of all sectors of the Western Australian community.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                          | \$'000<br>26,289  | \$'000<br>26,553  | \$'000<br>26,960               | \$'000<br>27,594            |      |
| Less Income .....                                   | 25,826            | 26,373            | 26,373                         | 27,129                      |      |
| Net Cost of Service .....                           | 463               | 180               | 587                            | 465                         |      |
| Employees (Full-Time Equivalents) .....             | 188               | 185               | 185                            | 198                         |      |
| <b>Efficiency Indicators</b>                        |                   |                   |                                |                             |      |
| Average cost per deceased estate administered ..... | \$2,116           | \$2,246           | \$2,178                        | \$2,116                     |      |
| Average cost per trust managed.....                 | \$2,080           | \$2,042           | \$2,054                        | \$2,082                     |      |
| Average cost per will prepared .....                | \$674             | \$559             | \$723                          | \$589                       | 1    |

### Explanation of Significant Movements

(Notes)

1. The 2021-22 Estimated Actual is higher than the 2021-22 Budget and 2022-23 Budget Target due to a lower number of wills prepared. The Public Trustee has reviewed its will services and reallocated resources to meet priorities in response to COVID-19 and increased workload in other legal areas.

#### 4. National Redress Scheme for Institutional Child Sexual Abuse

The National Redress Scheme for Institutional Child Sexual Abuse (the Scheme) provides redress to survivors of institutional child sexual abuse. The Scheme:

- acknowledges that many children were sexually abused in Australian institutions;
- holds institutions accountable for this abuse; and
- helps people who have experienced institutional child sexual abuse gain access to counselling and psychological services, a direct personal response, and a monetary payment.

This service relates to the administration of Western Australia's participation in the Scheme through the Redress Coordination Unit. The Redress Coordination Unit is responsible for the coordination of Requests for Information between the Commonwealth Redress Scheme Operator and the responsible government agencies and local governments, the facilitation of direct personal responses for all State and local government agencies, and Western Australia's Scheme payments to the Commonwealth.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....              | \$'000<br>42,010  | \$'000<br>25,138  | \$'000<br>45,039               | \$'000<br>41,688            | 1    |
| Less Income .....                       | 2                 | 2                 | nil                            | nil                         |      |
| Net Cost of Service .....               | 42,008            | 25,136            | 45,039                         | 41,688                      |      |
| Employees (Full-Time Equivalents) ..... | 10                | 10                | 10                             | 10                          |      |
| <b>Efficiency Indicators</b>            |                   |                   |                                |                             |      |
| Average cost per claim.....             | \$55,790          | \$57,657          | \$60,293                       | \$59,811                    |      |

#### Explanation of Significant Movements

(Notes)

1. The 2021-22 Estimated Actual is higher than the 2021-22 Budget due to a higher than expected number of payment determinations by the Independent Decision Makers acting for the Commonwealth Scheme.

#### 5. Births, Deaths and Marriages

The purpose of the Registrar of Births, Deaths and Marriages is to create and permanently store birth, death and marriage records to enable the public to obtain documentary proof of key life events for legal, personal and historical purposes and also to enable approved organisations to obtain information for research and statistical purposes.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                  | \$'000<br>7,069   | \$'000<br>9,009   | \$'000<br>9,231                | \$'000<br>9,223             |      |
| Less Income .....                           | 7,452             | 7,670             | 8,348                          | 9,011                       |      |
| Net Cost of Service .....                   | (383)             | 1,339             | 883                            | 212                         |      |
| Employees (Full-Time Equivalents) .....     | 52                | 54                | 54                             | 54                          |      |
| <b>Efficiency Indicators</b>                |                   |                   |                                |                             |      |
| Average cost of registration services ..... | \$1.64            | \$2.02            | \$2.10                         | \$2.05                      |      |

## 6. Services to Government <sup>(a)</sup>

Services directly provided by the Department to support the outcomes and activities of other government agencies.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                     | \$'000<br>22,105  | \$'000<br>27,030  | \$'000<br>28,992               | \$'000<br>31,904            | 1    |
| Less Income .....                              | 824               | 382               | 324                            | 301                         |      |
| Net Cost of Service .....                      | 21,281            | 26,648            | 28,668                         | 31,603                      |      |
| <b>Employees (Full-Time Equivalents) .....</b> | <b>107</b>        | <b>108</b>        | <b>109</b>                     | <b>109</b>                  |      |

(a) In June 2021, Cabinet approved the establishment of the SSO as an independent sub-department of the Department under section 56 of the *Financial Management Act 2006*, effective from 1 October 2021. The key efficiency indicator previously included under Services to Government is now reported within the SSO division of the estimates. The Department is progressing an Outcome Based Management review to develop a replacement key efficiency indicator for Services to Government.

### 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 the reflow of funding from 2021-22 to 2022-23, relating to unavoidable project delays.

## 7. Equal Opportunity Commission Services

The EOC provides an avenue of redress for unlawful discrimination through investigating and endeavouring to conciliate complaints that fall within the jurisdiction of the *Equal Opportunity Act 1984* (the Act) and other legislation administered by the Commissioner for Equal Opportunity, and performs the general functions set out in section 80 of the Act.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                              | \$'000<br>1,771   | \$'000<br>3,266   | \$'000<br>3,496                | \$'000<br>3,547             |      |
| Less Income .....                                       | 71                | 141               | 141                            | 142                         |      |
| Net Cost of Service .....                               | 1,700             | 3,125             | 3,355                          | 3,405                       |      |
| <b>Employees (Full-Time Equivalents) .....</b>          | <b>19</b>         | <b>20</b>         | <b>20</b>                      | <b>20</b>                   |      |
| <b>Efficiency Indicators</b>                            |                   |                   |                                |                             |      |
| Average cost per complaint handled <sup>(a)</sup> ..... | \$1,689           | \$2,336           | \$1,684                        | \$1,863                     | 1    |

(a) The EOC transitioned from a standalone agency to be a part of the Department effective from 1 December 2020. The estimated actual result for the current financial year is based on key performance indicator data for the full 2020-21 period, including the July to November 2020 period, prior to the transition, and December 2020 to June 2021 following the transition to the Department.

### Explanation of Significant Movements

(Notes)

1. The 2021-22 Estimated Actual is lower than the 2021-22 Budget and the 2022-23 Budget Target due to a higher number of complaints handled during the period, including a significant number of COVID-19 related complaints.



## 8. Legal Aid Assistance

The community and target groups require access to and the provision of quality legal services. This service responds to the demand for legal assistance through application of priority guidelines. This is achieved through the provision of eligibility and merit tests to enable legal representation to be provided to legally-aided clients by grants of aid and assignment of cases to in-house or private practitioners. Legal advice, duty lawyer services and community legal education is provided to assist the wider community to access fair solutions to legal problems at the earliest opportunity.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....   | 117,587           | 116,864           | 120,557                        | 128,182                     |      |
| Less Income .....  | 54,456            | 51,119            | 58,160                         | 60,463                      |      |
| Net Cost of Service .....  | 63,131            | 65,745            | 62,397                         | 67,719                      |      |
| <b>Employees (Full-Time Equivalents) <sup>(a)</sup></b> .....        | 331               | 389               | 362                            | 415                         | 1    |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Average cost per legal representation .....                          | \$4,116           | \$3,632           | \$4,272                        | \$3,926                     | 2    |
| Average cost per legal information service <sup>(b)</sup> .....      | \$58              | \$56              | \$50                           | \$50                        | 3    |
| Average cost per legal advice .....                                  | \$332             | \$314             | \$379                          | \$378                       | 4    |
| Average cost per application for a grant of legal aid processed..... | \$426             | \$426             | \$452                          | \$452                       |      |

(a) The 2021-22 Budget FTEs have been revised from 404 due to an initial overstatement.

(b) The 2020-21 Actual number of legal information service items has been amended to included 32,013 referral services, and average cost per legal information service has been amended accordingly from \$78 as audited to \$58. This is also disclosed in the footnote of the 2020-21 audited annual key performance indicators as published in Legal Aid WA's Annual Report for the year.

### Explanation of Significant Movements

(Notes)

1. The 2021-22 Estimated Actual is lower than the 2021-22 Budget and 2022-23 Budget Target due to unavoidable delays in filling new positions.
2. The 2021-22 Estimated Actual is higher than the 2021-22 Budget and 2022-23 Budget Target mainly due to extraordinary expensive criminal cases which have increased the average cost per file.
3. The 2021-22 Estimated Actual is lower than the 2021-22 Budget due to improved efficiency and reduced supervision time in delivering legal information services.
4. The 2021-22 Estimated Actual is higher than the 2021-22 Budget mainly due to the complicated advice, negotiation and resolution to the serial family violence offender respondents, and the complexity of legal advice services to elder abuse and NDIS appeal clients. Furthermore, the family violence shuttle conference program requires additional time for each service.

## 9. Adult Corrective Services

An adult offender system that:

- contributes to community confidence;
- provides timely offender services;
- ensures court sanctions are completed; and
- contributes to reducing the rate of reoffending and imprisonment.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 1,006,521         | 1,006,127         | 995,258                        | 1,009,123                   |      |
| Less Income .....   | 24,642            | 28,612            | 25,742                         | 25,423                      |      |
| Net Cost of Service .....   | 981,879           | 977,515           | 969,516                        | 983,700                     |      |
| <b>Employees (Full-Time Equivalents) .....</b>                          | <b>4,755</b>      | <b>4,825</b>      | <b>4,800</b>                   | <b>4,800</b>                |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Cost per day of keeping an offender in custody .....                    | \$354             | \$335             | \$367                          | \$348                       | 1    |
| Cost per day of managing an offender through community supervision..... | \$36              | \$39              | \$37                           | \$33                        | 2    |

### Explanation of Significant Movements

(Notes)

1. The 2021-22 Estimated Actual is higher than the 2021-22 Budget due to a reduced average daily number of offenders managed in custody, compared to the budgeted number of adult offenders. The higher average cost reflects reduced economies of scale in managing a lower prison population.
2. The 2021-22 Estimated Actual is higher than the 2022-23 Budget Target due to a higher projected number of adult offenders managed in the community during 2022-23, resulting in increased economies of scale and a lower 2022-23 Budget Target.

## 10. Youth Justice Services

An accessible and equitable juvenile offender system which:

- diverts juveniles and offenders at risk from offending;
- provides timely intervention and resolution of justice issues;
- ensures the statutory requirements of justice are met; and
- contributes to reducing the rate of reoffending and detention.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....   | \$'000<br>99,281  | \$'000<br>102,881 | \$'000<br>103,783              | \$'000<br>109,295           |      |
| Less Income .....  | 685               | 1,000             | 951                            | 922                         |      |
| Net Cost of Service .....  | 98,596            | 101,881           | 102,832                        | 108,373                     |      |
| <b>Employees (Full-Time Equivalents) .....</b>                             | <b>603</b>        | <b>662</b>        | <b>662</b>                     | <b>672</b>                  |      |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Cost per day of keeping a young person in detention .....                  | \$1,387           | \$1,411           | \$1,283                        | \$1,352                     |      |
| Cost per day of managing a young person through community supervision..... | \$133             | \$142             | \$145                          | \$159                       | 1    |

### 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 a combination of an increased budget allocation and a lower projected number of young persons managed in the community, resulting in decreased economies of scale and a higher 2022-23 Budget Target.

## Asset Investment Program

1. To support the delivery of the Department's services, a total of \$102.6 million is budgeted to be spent on asset investment in 2022-23, which includes the following:
  - 1.1. \$52.5 million to construct and expand support buildings at Casuarina Prison Stage 2 for additional accommodation which will facilitate a further 344 beds;
  - 1.2. \$11.8 million for Banksia Hill Detention Centre to deliver urgent works and infrastructure upgrades which will improve safety and security and crisis management at the centre. Planned works will include a new crisis care unit, roof and fence remediation, improvements to secure recreational spaces, and upgrades to CCTV and ICT systems;
  - 1.3. \$4.2 million to undertake building upgrades and replacements throughout the prison estate including a range of maintenance upgrades and mechanical, electrical and security obsolescence programs;
  - 1.4. \$2.8 million for asset replacement and upgrades at Acacia Prison according to the new contract;
  - 1.5. \$2.8 million to provide a specialist Family Violence Court in Broome to offer support to Aboriginal women who have experienced family violence;
  - 1.6. \$2.8 million to provide building infrastructure and maintenance for adult custodial facilities;
  - 1.7. \$2.6 million to upgrade the security infrastructure and management systems at Casuarina Prison;
  - 1.8. \$2.6 million for building and ICT infrastructure upgrades at custodial facilities; and
  - 1.9. \$2.4 million to provide an alcohol and other drug unit at Bunbury Regional Prison.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Administrative   |                                   |  |   |                                     |                              |                              |                              |
| Information Projects   |                                   |  |   |                                     |                              |                              |                              |
| Corporate Information Management Systems .....   | 14,282                            | 11,274   | 1,002   | 980                                 | 676                          | 676                          | 676                          |
| Digital Transformation Projects - Western Australian<br>Registration System - Registry of Births, Deaths and<br>Marriages..... | 700                               | 357  | 167   | 343                                 | -                            | -                            | -                            |
| ICT Infrastructure Upgrade .....   | 34,201                            | 29,043   | 1,446   | 1,474                               | 1,228                        | 1,228                        | 1,228                        |
| Public Trustee - Management Accounting Trust<br>Environment System Refresh .....   | 2,616                             | 1,014  | 580   | 952                                 | 650                          | -                            | -                            |
| Physical Infrastructure  |                                   |  |   |                                     |                              |                              |                              |
| Replacement Office and Other Equipment .....   | 16,491                            | 9,477  | 1,606   | 1,842                               | 1,724                        | 1,724                        | 1,724                        |
| Specialist Equipment .....   | 3,405                             | 565  | -   | 1,136                               | 568                          | 568                          | 568                          |
| Banksia Hill Detention Centre Upgrades and Urgent<br>Works .....   | 21,550                            | 980  | 980   | 11,770                              | 4,500                        | 3,000                        | 1,300                        |
| Community Corrections - Office Establishment and<br>Refurbishment.....   | 7,365                             | 3,349  | 424   | 1,514                               | 834                          | 834                          | 834                          |
| Courts   |                                   |  |   |                                     |                              |                              |                              |
| Broome Aboriginal-led Specialist Family Violence Court ...   | 2,808                             | 50   | 50  | 2,758                               | -                            | -                            | -                            |
| Building Infrastructure and Maintenance .....  | 12,234                            | 7,110  | 1,281   | 1,281                               | 1,281                        | 1,281                        | 1,281                        |
| Court and Judicial Security .....  | 14,150                            | 11,830   | 580   | 580                                 | 580                          | 580                          | 580                          |
| Court Audiovisual Maintenance and Enhancements .....   | 27,939                            | 22,231   | 1,427   | 1,427                               | 1,427                        | 1,427                        | 1,427                        |
| Expansion of Restraining Orders Conferencing Pilot.....  | 1,000                             | 58   | 58  | 942                                 | -                            | -                            | -                            |
| Custodial  |                                   |  |   |                                     |                              |                              |                              |
| Acacia Prison Procurement Process.....   | 4,303                             | 1,503  | 1,503   | 2,800                               | -                            | -                            | -                            |
| Adult Facilities .....   | 56,757                            | 45,729   | 3,521   | 2,757                               | 2,757                        | 2,757                        | 2,757                        |
| Building Upgrades and Replacement.....   | 94,615                            | 80,159   | 3,357   | 4,214                               | 3,414                        | 3,414                        | 3,414                        |
| Casuarina Prison Expansion - Stage 2 .....   | 182,989                           | 72,075   | 50,075  | 52,477                              | 49,412                       | 9,025                        | -                            |
| Central Pharmacy Expansion .....   | 1,598                             | 266  | 266   | 1,332                               | -                            | -                            | -                            |
| Custodial - Ligation Minimisation Program.....   | 1,424                             | 924  | 500   | 500                                 | -                            | -                            | -                            |
| Election Commitment - Methamphetamine Action Plan -<br>Drug Testing.....   | 438                               | 306  | 132   | 132                                 | -                            | -                            | -                            |
| Greenough Regional Prison - Female Unit Upgrade .....  | 12,347                            | 11,147   | 5,523   | 1,200                               | -                            | -                            | -                            |
| Prison Industries - Mobile Plant .....   | 7,176                             | 3,834  | 420   | 1,248                               | 698                          | 698                          | 698                          |
| Regional Prison Planning .....   | 1,393                             | 1,091  | 526   | 302                                 | -                            | -                            | -                            |
| Security System Upgrade.....   | 3,240                             | 601  | 424   | 2,639                               | -                            | -                            | -                            |
| Youth Facilities.....  | 6,370                             | 4,974  | 521   | 349                                 | 349                          | 349                          | 349                          |
| <b>COMPLETED WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Courts   |                                   |  |   |                                     |                              |                              |                              |
| Integrated Case Management System Development for<br>the Family Court of Western Australia .....                               | 2,467                             | 2,467  | 1,800   | -                                   | -                            | -                            | -                            |
| Supreme Court (Stirling Gardens) Building Upgrades ....  | 2,183                             | 2,183  | 160   | -                                   | -                            | -                            | -                            |
| Custodial - Bunbury Regional Prison Expansion.....   | 24,752                            | 24,752   | 228   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Administrative - High Risk Offenders Board.....  | 542                               | -  | -   | 542                                 | -                            | -                            | -                            |
| Courts - Criminal Law Mental Impairment Bill ICT Project....   | 125                               | -  | -   | 125                                 | -                            | -                            | -                            |
| Custodial  |                                   |  |   |                                     |                              |                              |                              |
| Bunbury Prison Alcohol and Other Drug Unit .....   | 3,386                             | -  | -   | 2,370                               | 1,016                        | -                            | -                            |
| Custodial ICT Infrastructure Package .....   | 3,675                             | -  | -   | 2,616                               | 1,059                        | -                            | -                            |
| <b>Total Cost of Asset Investment Program.....</b>   | <b>568,521</b>                    | <b>349,349</b>                                   | <b>78,557</b>                                 | <b>102,602</b>                      | <b>72,173</b>                | <b>27,561</b>                | <b>16,836</b>                |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Capital Appropriation .....  |                                   |  | 66,556  | 61,858                              | 50,931                       | 12,936                       | 3,911                        |
| Drawdowns from Royalties for Regions Fund.....   |                                   |  | 50  | 5,128                               | 1,016                        | -                            | -                            |
| Drawdowns from the Holding Account.....  |                                   |  | 11,625  | 11,625                              | 11,625                       | 11,625                       | 11,625                       |
| Funding Included in Department of Treasury<br>Administered Item.....   |                                   |  | -   | 200                                 | 3,000                        | 3,000                        | 1,300                        |
| Funding Included in Department of Treasury - Digital<br>Capability Fund .....  |                                   |  | -   | 2,616                               | 1,059                        | -                            | -                            |
| Internal Funds and Balances.....   |                                   |  | 326   | 21,175                              | 4,542                        | -                            | -                            |
| <b>Total Funding .....</b>   |                                   |  | <b>78,557</b>                                 | <b>102,602</b>                      | <b>72,173</b>                | <b>27,561</b>                | <b>16,836</b>                |

## Financial Statements

### Income Statement

#### *Expenses*

1. The increase in Total Cost of Services between the 2021-22 Budget and the 2021-22 Estimated Actual (\$82.6 million or 5%) is mainly due to \$90.7 million of higher than expected grants and subsidies, primarily Criminal Injuries Compensation (CIC) and the National Redress payments. The increase in Total Cost of Services between the 2021-22 Budget and the 2022-23 Budget Year (\$77.4 million or 4%) is mainly due to grants and subsidies (\$46.8 million for NLAP, National Redress and CIC) and unavoidable service demand pressures.

#### *Income*

2. The increase in Total Income between the 2021-22 Budget and the 2021-22 Estimated Actual (\$8.7 million or 4%) is mainly due to \$8.7 million of higher than expected grants and subsidies, primarily due to additional NLAP funding. The increase in Total Income between the 2021-22 Budget and the 2022-23 Budget Year (\$9.5 million or 4%) is also mainly due to additional NLAP funding.

**INCOME STATEMENT (a)**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                                   |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....                    | 848,666                     | 831,700                     | 827,800                                  | 821,665                             | 830,615                      | 857,536                      | 884,619                      |
| Grants and subsidies <sup>(c)</sup> .....                 | 245,611                     | 188,479                     | 279,205                                  | 235,264                             | 234,139                      | 214,664                      | 206,860                      |
| Supplies and services .....                               | 340,296                     | 369,428                     | 367,727                                  | 393,158                             | 389,017                      | 396,998                      | 401,451                      |
| Accommodation .....                                       | 97,349                      | 96,276                      | 96,269                                   | 98,600                              | 98,185                       | 98,968                       | 101,402                      |
| Depreciation and amortisation .....                       | 78,905                      | 73,884                      | 73,884                                   | 74,373                              | 75,031                       | 75,861                       | 76,837                       |
| Finance and interest costs .....                          | 35,028                      | 32,987                      | 32,987                                   | 31,722                              | 29,458                       | 29,857                       | 28,074                       |
| Other expenses .....                                      | 119,675                     | 135,703                     | 133,163                                  | 151,050                             | 85,076                       | 95,233                       | 98,238                       |
| <b>TOTAL COST OF SERVICES .....</b>                       | <b>1,765,530</b>            | <b>1,728,457</b>            | <b>1,811,035</b>                         | <b>1,805,832</b>                    | <b>1,741,521</b>             | <b>1,769,117</b>             | <b>1,797,481</b>             |
| <b>Income</b>   |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services .....                          | 31,987                      | 36,278                      | 36,279                                   | 38,141                              | 41,160                       | 42,407                       | 44,204                       |
| Regulatory fees and fines .....                           | 76,371                      | 93,712                      | 93,712                                   | 90,562                              | 99,384                       | 102,434                      | 102,434                      |
| Grants and subsidies .....                                | 72,062                      | 66,969                      | 75,663                                   | 77,663                              | 78,684                       | 79,639                       | 79,889                       |
| Other revenue .....                                       | 33,780                      | 27,343                      | 27,344                                   | 27,470                              | 29,242                       | 29,193                       | 29,905                       |
| Resources received free of charge -<br>Commonwealth ..... | 4,747                       | 4,650                       | 4,650                                    | 4,650                               | 4,650                        | 4,650                        | 4,650                        |
| <b>Total Income .....</b>                                 | <b>218,947</b>              | <b>228,952</b>              | <b>237,648</b>                           | <b>238,486</b>                      | <b>253,120</b>               | <b>258,323</b>               | <b>261,082</b>               |
| <b>NET COST OF SERVICES .....</b>                         | <b>1,546,583</b>            | <b>1,499,505</b>            | <b>1,573,387</b>                         | <b>1,567,346</b>                    | <b>1,488,401</b>             | <b>1,510,794</b>             | <b>1,536,399</b>             |
| <b>INCOME FROM GOVERNMENT</b>                             |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                              | 1,462,963                   | 1,454,118                   | 1,503,252                                | 1,494,600                           | 1,414,530                    | 1,459,189                    | 1,495,367                    |
| Resources received free of charge .....                   | 11,998                      | 3,867                       | 11,281                                   | 11,281                              | 11,281                       | 11,281                       | 11,281                       |
| Royalties for Regions Fund:                               |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....                    | 9,687                       | 11,033                      | 10,551                                   | 11,475                              | 13,620                       | 13,194                       | 12,619                       |
| Other revenues .....                                      | 46,838                      | 31,615                      | 51,616                                   | 49,071                              | 49,419                       | 27,649                       | 17,651                       |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>                 | <b>1,531,486</b>            | <b>1,500,633</b>            | <b>1,576,700</b>                         | <b>1,566,427</b>                    | <b>1,488,850</b>             | <b>1,511,313</b>             | <b>1,536,918</b>             |
| <b>SURPLUS/(DEFICIENCY) FOR THE<br/>PERIOD .....</b>      | <b>(15,097)</b>             | <b>1,128</b>                | <b>3,313</b>                             | <b>(919)</b>                        | <b>449</b>                   | <b>519</b>                   | <b>519</b>                   |

(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 7,362, 7,545 and 7,632 respectively.

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

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Accused Costs Payments .....                  | 4,775                       | 1,379                       | 4,894                                    | 4,992                               | 5,105                        | 5,219                        | 5,337                        |
| Criminal Injuries Compensation Payments ..... | 68,521                      | 31,817                      | 90,000                                   | 41,738                              | 41,738                       | 41,738                       | 41,738                       |
| Legal Aid Assistance Grant .....              | 104,549                     | 111,949                     | 115,525                                  | 115,608                             | 119,063                      | 120,520                      | 121,034                      |
| National Redress Scheme .....                 | 40,890                      | 23,752                      | 43,752                                   | 40,000                              | 40,000                       | 20,000                       | 10,000                       |
| Other Grants, Subsidies and Transfer          |                             |                             |  |                                     |                              |                              |                              |
| Payments .....                                | 14,035                      | 6,246                       | 11,698                                   | 19,106                              | 14,792                       | 12,511                       | 14,075                       |
| Prisoner Gratuity Payments .....              | 12,841                      | 13,336                      | 13,336                                   | 13,820                              | 13,441                       | 14,676                       | 14,676                       |
| <b>TOTAL .....</b>                            | <b>245,611</b>              | <b>188,479</b>              | <b>279,205</b>                           | <b>235,264</b>                      | <b>234,139</b>               | <b>214,664</b>               | <b>206,860</b>               |

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                      |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                          | 29,471                      | 17,171                      | 34,807                                   | 14,142                              | 11,891                       | 12,410                       | 12,929                       |
| Restricted cash .....                      | 2,697                       | 2,989                       | 2,469                                    | 2,469                               | 2,469                        | 2,469                        | 2,469                        |
| Holding Account receivables .....          | 12,315                      | 11,625                      | 13,925                                   | 11,625                              | 11,625                       | 11,625                       | 11,625                       |
| Receivables .....                          | 16,408                      | 17,861                      | 16,409                                   | 16,409                              | 16,409                       | 16,409                       | 16,409                       |
| Other.....                                 | 15,922                      | 10,522                      | 15,986                                   | 15,986                              | 15,986                       | 15,986                       | 15,986                       |
| <b>Total current assets .....</b>          | <b>76,813</b>               | <b>60,168</b>               | <b>83,596</b>                            | <b>60,631</b>                       | <b>58,380</b>                | <b>58,899</b>                | <b>59,418</b>                |
| <b>NON-CURRENT ASSETS</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....          | 571,084                     | 633,345                     | 631,045                                  | 693,793                             | 757,199                      | 821,435                      | 886,647                      |
| Property, plant and equipment.....         | 2,370,694                   | 2,418,696                   | 2,391,656                                | 2,433,429                           | 2,445,998                    | 2,410,883                    | 2,365,811                    |
| Intangibles .....                          | 7,559                       | 6,557                       | 6,797                                    | 6,437                               | 6,230                        | 5,991                        | 5,752                        |
| Restricted cash .....                      | 12,797                      | 10,075                      | 12,711                                   | 12,536                              | 12,353                       | 12,170                       | 12,170                       |
| <b>Total non-current assets .....</b>      | <b>2,962,134</b>            | <b>3,068,673</b>            | <b>3,042,209</b>                         | <b>3,146,195</b>                    | <b>3,221,780</b>             | <b>3,250,479</b>             | <b>3,270,380</b>             |
| <b>TOTAL ASSETS .....</b>                  | <b>3,038,947</b>            | <b>3,128,841</b>            | <b>3,125,805</b>                         | <b>3,206,826</b>                    | <b>3,280,160</b>             | <b>3,309,378</b>             | <b>3,329,798</b>             |
| <b>CURRENT LIABILITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 187,041                     | 156,814                     | 186,876                                  | 185,018                             | 185,460                      | 185,277                      | 185,277                      |
| Payables .....                             | 75,170                      | 92,424                      | 76,786                                   | 77,598                              | 78,815                       | 78,815                       | 78,815                       |
| Borrowings and leases .....                | 26,530                      | 28,732                      | 28,994                                   | 29,320                              | 32,074                       | 30,952                       | 31,991                       |
| Other.....                                 | -                           | 266                         | -  | -                                   | -                            | -                            | -                            |
| <b>Total current liabilities .....</b>     | <b>288,741</b>              | <b>278,236</b>              | <b>292,656</b>                           | <b>291,936</b>                      | <b>296,349</b>               | <b>295,044</b>               | <b>296,083</b>               |
| <b>NON-CURRENT LIABILITIES</b>             |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 37,078                      | 32,834                      | 37,126                                   | 37,126                              | 37,126                       | 37,126                       | 37,126                       |
| Borrowings and leases .....                | 381,558                     | 363,529                     | 364,732                                  | 346,577                             | 326,431                      | 306,457                      | 284,937                      |
| <b>Total non-current liabilities .....</b> | <b>418,636</b>              | <b>396,363</b>              | <b>401,858</b>                           | <b>383,703</b>                      | <b>363,557</b>               | <b>343,583</b>               | <b>322,063</b>               |
| <b>TOTAL LIABILITIES.....</b>              | <b>707,377</b>              | <b>674,599</b>              | <b>694,514</b>                           | <b>675,639</b>                      | <b>659,906</b>               | <b>638,627</b>               | <b>618,146</b>               |
| <b>EQUITY</b>                              |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                   | 2,418,214                   | 2,515,938                   | 2,514,622                                | 2,615,437                           | 2,704,055                    | 2,754,033                    | 2,794,415                    |
| Accumulated surplus/(deficit).....         | (86,644)                    | (69,491)                    | (83,331)                                 | (84,250)                            | (83,801)                     | (83,282)                     | (82,763)                     |
| Reserves .....                             | -                           | 7,795                       | -  | -                                   | -                            | -                            | -                            |
| <b>Total equity .....</b>                  | <b>2,331,570</b>            | <b>2,454,242</b>            | <b>2,431,291</b>                         | <b>2,531,187</b>                    | <b>2,620,254</b>             | <b>2,670,751</b>             | <b>2,711,652</b>             |
| <b>TOTAL LIABILITIES AND EQUITY .....</b>  | <b>3,038,947</b>            | <b>3,128,841</b>            | <b>3,125,805</b>                         | <b>3,206,826</b>                    | <b>3,280,160</b>             | <b>3,309,378</b>             | <b>3,329,798</b>             |

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



**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                                |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                     | 1,388,586                   | 1,380,232                   | 1,429,366                                | 1,420,227                           | 1,339,499                    | 1,383,328                    | 1,418,530                    |
| Capital appropriation .....                                     | 79,570                      | 95,171                      | 96,151                                   | 92,871                              | 83,543                       | 46,978                       | 39,082                       |
| Administered equity contribution.....                           | 713                         | -                           | -  | 200                                 | 3,000                        | 3,000                        | 1,300                        |
| Holding Account drawdowns .....                                 | 11,625                      | 12,315                      | 12,315                                   | 13,925                              | 11,625                       | 11,625                       | 11,625                       |
| Royalties for Regions Fund:                                     |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....                          | 9,687                       | 11,033                      | 10,551                                   | 11,475                              | 13,620                       | 13,194                       | 12,619                       |
| Regional Infrastructure and Headworks<br>Fund .....             | -                           | 1,404                       | 50                                       | 5,128                               | 1,016                        | -                            | -                            |
| Other.....  | 46,838                      | 31,615                      | 51,616                                   | 51,687                              | 50,478                       | 27,649                       | 17,651                       |
| <b>Net cash provided by Government .....</b>                    | <b>1,537,019</b>            | <b>1,531,770</b>            | <b>1,600,049</b>                         | <b>1,595,513</b>                    | <b>1,502,781</b>             | <b>1,485,774</b>             | <b>1,500,807</b>             |
| <b>CASHFLOWS FROM OPERATING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....  | (817,650)                   | (831,982)                   | (828,081)                                | (823,558)                           | (830,208)                    | (857,752)                    | (884,619)                    |
| Grants and subsidies.....                                       | (232,770)                   | (173,548)                   | (264,274)                                | (220,317)                           | (219,176)                    | (199,701)                    | (191,897)                    |
| Supplies and services .....                                     | (357,109)                   | (368,874)                   | (359,839)                                | (385,191)                           | (379,103)                    | (387,085)                    | (391,529)                    |
| Accommodation .....   | (92,589)                    | (91,626)                    | (91,619)                                 | (93,950)                            | (91,657)                     | (92,440)                     | (94,874)                     |
| GST payments .....  | (70,026)                    | (61,378)                    | (61,378)                                 | (61,378)                            | (61,378)                     | (61,378)                     | (61,378)                     |
| Finance and interest costs.....                                 | (35,028)                    | (31,189)                    | (31,189)                                 | (30,926)                            | (29,458)                     | (29,857)                     | (28,074)                     |
| Other payments.....   | (110,119)                   | (132,075)                   | (129,535)                                | (147,280)                           | (84,335)                     | (95,710)                     | (98,757)                     |
| <b>Receipts <sup>(b)</sup></b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Regulatory fees and fines .....                                 | 76,371                      | 93,712                      | 93,712                                   | 90,562                              | 99,384                       | 102,434                      | 102,434                      |
| Grants and subsidies.....                                       | 72,062                      | 66,969                      | 75,663                                   | 77,663                              | 78,684                       | 79,639                       | 79,889                       |
| Sale of goods and services.....                                 | 31,973                      | 35,661                      | 35,662                                   | 37,508                              | 40,511                       | 41,758                       | 42,836                       |
| GST receipts .....  | 72,125                      | 61,378                      | 61,378                                   | 61,378                              | 61,378                       | 61,378                       | 61,378                       |
| Other receipts .....  | 20,964                      | 13,030                      | 13,030                                   | 13,156                              | 14,928                       | 14,879                       | 16,310                       |
| <b>Net cash from operating activities .....</b>                 | <b>(1,441,796)</b>          | <b>(1,419,922)</b>          | <b>(1,486,470)</b>                       | <b>(1,482,333)</b>                  | <b>(1,400,430)</b>           | <b>(1,423,835)</b>           | <b>(1,448,281)</b>           |
| <b>CASHFLOWS FROM INVESTING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                            | (58,476)                    | (94,645)                    | (78,557)                                 | (102,602)                           | (72,173)                     | (27,561)                     | (16,836)                     |
| <b>Net cash from investing activities.....</b>                  | <b>(58,476)</b>             | <b>(94,645)</b>             | <b>(78,557)</b>                          | <b>(102,602)</b>                    | <b>(72,173)</b>              | <b>(27,561)</b>              | <b>(16,836)</b>              |
| <b>CASHFLOWS FROM FINANCING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases .....                        | (30,249)                    | (30,000)                    | (30,000)                                 | (31,418)                            | (32,612)                     | (34,042)                     | (35,171)                     |
| Other proceeds .....  | 350                         | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Net cash from financing activities.....</b>                  | <b>(29,899)</b>             | <b>(30,000)</b>             | <b>(30,000)</b>                          | <b>(31,418)</b>                     | <b>(32,612)</b>              | <b>(34,042)</b>              | <b>(35,171)</b>              |
| <b>NET INCREASE/(DECREASE) IN CASH<br/>HELD .....</b>           | <b>6,848</b>                | <b>(12,797)</b>             | <b>5,022</b>                             | <b>(20,840)</b>                     | <b>(2,434)</b>               | <b>336</b>                   | <b>519</b>                   |
| Cash assets at the beginning of the reporting<br>period .....   | 38,117                      | 43,032                      | 44,965                                   | 49,987                              | 29,147                       | 26,713                       | 27,049                       |
| <b>Cash assets at the end of the reporting<br/>period .....</b> | <b>44,965</b>               | <b>30,235</b>               | <b>49,987</b>                            | <b>29,147</b>                       | <b>26,713</b>                | <b>27,049</b>                | <b>27,568</b>                |

(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<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Regulatory Fees and Fines</b>  |                             |                             |  |                                     |                              |                              |                              |
| District Court Fees.....  | 7,748                       | 8,439                       | 8,439                                    | 8,780                               | 8,866                        | 8,866                        | 8,866                        |
| Family Court Fees.....  | 7,292                       | 7,200                       | 7,200                                    | 7,560                               | 7,628                        | 7,628                        | 7,628                        |
| Fines Enforcement Registry Fees.....  | 45,057                      | 54,040                      | 54,040                                   | 52,000                              | 57,668                       | 60,718                       | 60,718                       |
| Jurors Infringement Fees.....   | 16                          | 9                           | 9  | 15                                  | 9                            | 9                            | 9                            |
| Magistrates Court Fees.....   | 6,336                       | 9,909                       | 9,909                                    | 8,052                               | 10,427                       | 10,427                       | 10,427                       |
| Sheriff's Office Fees.....  | 184                         | 309                         | 309                                      | 315                                 | 324                          | 324                          | 324                          |
| State Administrative Tribunal Fees.....   | 796                         | 913                         | 913                                      | 882                                 | 950                          | 950                          | 950                          |
| Supreme Court Fees.....   | 8,942                       | 12,893                      | 12,893                                   | 12,958                              | 13,512                       | 13,512                       | 13,512                       |
| <b>Grants and Subsidies</b>   |                             |                             |  |                                     |                              |                              |                              |
| Commonwealth Grants.....  | 72,062                      | 66,969                      | 75,663                                   | 77,663                              | 78,684                       | 79,639                       | 79,889                       |
| Departmental.....   | -                           | 479                         | 479                                      | 1,360                               | 1,365                        | 479                          | 479                          |
| <b>Sale of Goods and Services</b>   |                             |                             |  |                                     |                              |                              |                              |
| Commissioner for Equal Opportunity.....   | 68                          | 105                         | 105                                      | 105                                 | 105                          | 105                          | 105                          |
| Other Receipts.....   | 157                         | 288                         | 288                                      | 528                                 | 528                          | 528                          | 528                          |
| Proceeds from Sale of Industry Goods.....   | 2,317                       | 2,519                       | 2,519                                    | 2,689                               | 2,933                        | 3,129                        | 3,433                        |
| Public Trustee Contributions - Estate Fees<br>and Other Revenue.....                                    | 22,076                      | 24,761                      | 24,761                                   | 26,037                              | 28,636                       | 29,687                       | 30,461                       |
| Registry Births, Deaths and Marriages Fees ...  | 7,355                       | 7,989                       | 7,989                                    | 8,149                               | 8,309                        | 8,309                        | 8,309                        |
| <b>GST Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| GST Input Credits.....  | 67,219                      | 56,861                      | 56,861                                   | 56,861                              | 56,861                       | 56,861                       | 56,861                       |
| GST Receipts on Sales.....  | 4,906                       | 4,517                       | 4,517                                    | 4,517                               | 4,517                        | 4,517                        | 4,517                        |
| <b>Other Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Public Trustee Contribution - Common<br>Account Surplus Interest.....                                   | 3,729                       | 1,700                       | 1,700                                    | 1,800                               | 2,500                        | 2,500                        | 2,500                        |
| Recoup of Building Disputes Revenue.....  | 1,644                       | 1,200                       | 1,200                                    | 1,200                               | 1,200                        | 1,200                        | 1,200                        |
| Recoup of Criminal Injury Awards.....   | 5,349                       | 1,776                       | 1,776                                    | 1,776                               | 1,776                        | 1,776                        | 1,776                        |
| Recoup of Employee Contributions - Housing<br>Leased from Government Regional<br>Officers' Housing..... | 2,139                       | 2,091                       | 2,091                                    | 2,523                               | 2,928                        | 3,327                        | 3,327                        |
| Recoup of Employee Contributions -<br>Vehicles Leased from State Fleet.....                             | 220                         | 653                         | 653                                      | 668                                 | 668                          | 668                          | 668                          |
| Recoup of Other Costs.....  | 8,298                       | 7,133                       | 7,133                                    | 6,254                               | 7,121                        | 6,673                        | 8,104                        |
| Recoup of Prisoner Telephone Calls.....   | 2,507                       | 4,122                       | 4,122                                    | 4,122                               | 4,122                        | 4,122                        | 4,122                        |
| Recoup of Residential Tenancy Payments....  | 1,539                       | 1,500                       | 1,500                                    | 1,500                               | 1,500                        | 1,500                        | 1,500                        |
| Recoup of Salary Costs.....   | 41                          | 9                           | 9  | 9                                   | 9                            | 9                            | 9                            |
| <b>TOTAL</b> .....  | 277,997                     | 278,384                     | 287,078                                  | 288,323                             | 303,146                      | 307,463                      | 310,222                      |

## DETAILS OF ADMINISTERED TRANSACTIONS

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>INCOME</b>  |                             |                             |  |                                     |                              |                              |                              |
| <b>Other</b>   |                             |                             |  |                                     |                              |                              |                              |
| Confiscation of Assets .....   | 15,226                      | 11,000                      | 20,000                                   | 15,000                              | 15,000                       | 15,000                       | 15,000                       |
| Infringements Penalties .....  | 10,021                      | 9,902                       | 9,902                                    | 9,902                               | 9,902                        | 9,902                        | 9,902                        |
| Judicial Fines and Penalties.....                                      | 33,207                      | 37,032                      | 37,032                                   | 38,160                              | 38,206                       | 38,206                       | 38,206                       |
| Other Revenue .....  | 1,014                       | 742                         | 742                                      | 742                                 | 742                          | 742                          | 742                          |
| Speed and Red Light Fines.....   | 16,897                      | 22,021                      | 22,021                                   | 22,728                              | 22,728                       | 22,728                       | 22,728                       |
| <b>TOTAL ADMINISTERED INCOME .....</b>                                 | <b>76,365</b>               | <b>80,697</b>               | <b>89,697</b>                            | <b>86,532</b>                       | <b>86,578</b>                | <b>86,578</b>                | <b>86,578</b>                |
| <b>EXPENSES</b>  |                             |                             |  |                                     |                              |                              |                              |
| <b>Grants to Charitable and Other Public Bodies</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Grants Paid from the Confiscation Proceeds Account.....                | 1,756                       | 4,000                       | 5,000                                    | 4,000                               | 4,000                        | 4,000                        | 4,000                        |
| <b>Other</b>   |                             |                             |  |                                     |                              |                              |                              |
| Confiscation Expenses Paid from the Confiscation Proceeds Account..... | 11,196                      | 7,000                       | 15,836                                   | 14,400                              | 10,400                       | 10,400                       | 10,900                       |
| Other Expenses .....   | 12,257                      | 736                         | 736                                      | 736                                 | 736                          | 736                          | 736                          |
| Payment to Road Trauma Trust Account ...                               | 17,019                      | 22,021                      | 22,021                                   | 22,728                              | 22,728                       | 22,728                       | 22,728                       |
| Receipts Paid into the Consolidated Account .....                      | 43,488                      | 46,940                      | 46,940                                   | 48,068                              | 48,114                       | 48,114                       | 48,114                       |
| <b>TOTAL ADMINISTERED EXPENSES .....</b>                               | <b>85,716</b>               | <b>80,697</b>               | <b>90,533</b>                            | <b>89,932</b>                       | <b>85,978</b>                | <b>85,978</b>                | <b>86,478</b>                |

## Division 28 State Solicitor's Office

### Part 7 Community Safety

#### Appropriations, Expenses and Cash Assets

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>                               |                             |                             |  |                                     |                              |                              |                              |
| Item 65 Net amount appropriated to deliver services ..... | 39,299                      | 38,715                      | 41,158                                   | 45,222                              | 37,138                       | 37,874                       | 37,950                       |
| <b>Amount Authorised by Other Statutes</b>                |                             |                             |  |                                     |                              |                              |                              |
| - Salaries and Allowances Act 1975 .....                  | 3,340                       | 3,388                       | 3,388                                    | 4,411                               | 4,462                        | 4,515                        | 4,570                        |
| - Solicitor General Act 1969 .....                        | 555                         | 595                         | 595                                      | 596                                 | 597                          | 604                          | 604                          |
| - Suitors' Fund Act 1964 .....                            | 31                          | 31                          | 31                                       | 31                                  | 31                           | 31                           | 31                           |
| Total appropriations provided to deliver services .....   | 43,225                      | 42,729                      | 45,172                                   | 50,260                              | 42,228                       | 43,024                       | 43,155                       |
| <b>CAPITAL</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 134 Capital Appropriation .....                      | 132                         | 135                         | 110                                      | 148                                 | 151                          | 153                          | 155                          |
| <b>TOTAL APPROPRIATIONS</b> .....                         | 43,357                      | 42,864                      | 45,282                                   | 50,408                              | 42,379                       | 43,177                       | 43,310                       |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....                              | 53,204                      | 56,461                      | 59,038                                   | 62,805                              | 55,882                       | 53,574                       | 53,659                       |
| Net Cost of Services <sup>(a)</sup> .....                 | 52,543                      | 55,546                      | 58,123                                   | 61,890                              | 54,967                       | 52,659                       | 52,744                       |
| <b>CASH ASSETS <sup>(b)</sup></b> .....                   | 1,295                       | 966                         | 2,461                                    | 1,281                               | 1,464                        | 1,647                        | 1,647                        |

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the SSO'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 SSO's Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

|   | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COVID-19 Response</b>                                |  |                                     |                              |                              |                              |
| COVID-19 Expenditure .....                              | -  | 2,325                               | -                            | -                            | -                            |
| <b>New Initiatives</b>                                  |  |                                     |                              |                              |                              |
| Class Actions .....                                     | -  | 865                                 | -                            | -                            | -                            |
| Prosecution of Corruption and Crime Matters .....       | -  | 308                                 | 317                          | 326                          | 337                          |
| Replacement of Legal Practice Management System .....   | 136                                      | 346                                 | 218                          | 218                          | 119                          |
| Royal Commission into Defence and Veteran Suicide ..... | -  | 308                                 | -                            | -                            | -                            |
| Stolen Wages Class Action .....                         | -  | 3,066                               | -                            | -                            | -                            |
| <b>Ongoing Initiatives</b>                              |  |                                     |                              |                              |                              |
| Additional Senior Executive Service Positions .....     | -  | 1,434                               | 1,488                        | 1,544                        | 1,602                        |
| Civil Litigation - Institutional Abuse Claims .....     | -  | 3,026                               | 3,114                        | -                            | -                            |
| Cost Recovery Arrangements for Core Work .....          | -  | 825                                 | 825                          | 825                          | 825                          |
| High Risk Serious Offenders .....                       | 491                                      | 545                                 | 560                          | 562                          | 568                          |
| Legal Costs on Behalf of the State .....                | 1,950                                    | -                                   | -                            | -                            | -                            |

## Significant Issues Impacting the Agency

### COVID-19 Response

1. The SSO continues to provide legal advice on all COVID-19 and related matters. This includes representing the State's respondent (which may be the Chief Health Officer, Commissioner of Police, the Directors General of Departments and CEOs of statutory authorities) in disputes concerning vaccination directions issued under the *Emergency Management Act 2005*. To date, 17 matters have been lodged in various legal jurisdictions, including the Supreme Court, and seven appeals lodged with the Public Service Appeal Board.

### Other Significant Issues

2. The SSO continues to advise the State on matters concerning Mineralogy Pty Ltd, International Minerals Pty Ltd, Zeph Investments Pte Ltd and Clive Palmer.
3. While the SSO has settled almost a third of civil claims lodged under the *Civil Liability Legislation Amendment (Child Sexual Abuse Actions) Act 2018*, the complexity of matters has placed additional pressures on the resolution processes.
4. The SSO continues to provide legal advice on significant commercial matters including the new Women and Babies Hospital, the Joondalup Hospital Project, METRONET and other transport infrastructure projects and the sale of the Western Australian TAB.
5. The SSO is representing the State in the Federal Court class action concerning claimants seeking compensation for being imprisoned under the *Fines, Penalties and Infringement Notices Enforcement Act 1994* (WA).
6. Preparatory work has commenced on the class action, involving alleged breaches by the Government under the Commonwealth Racial, Age and Disability Discrimination statutes, concerning the treatment of children at Banksia Hill Detention Centre.
7. It is estimated that litigation matters will increase from 3,959 matters in 2020-21 to 4,341 during 2021-22, representing an increase of 9.6%. In response to growth in the demand for legal services, the Government has approved an additional \$25.3 million for resourcing as part of this Budget.
8. The SSO continues to be involved in the Perth Children's Hospital dispute with John Holland Group Pty Ltd.
9. Native Title matters, including Aboriginal heritage matters, have grown more complex.
10. In the *Mervyn Street v State of Western Australia* (WA Stolen Wages Class Action), the SSO is finalising documents with a view to reaching an outcome as soon as practicable.

## 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 SSO'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 Outcome  | Service                         |
|--|--|---------------------------------|
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive. | Government receives quality and timely legal services. | 1. Legal Services to Government |

### Service Summary

| Expense                              | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--------------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Legal Services to Government..... | 53,204                      | 56,461                      | 59,038                                   | 62,805                              | 55,882                       | 53,574                       | 53,659                       |
| <b>Total Cost of Services .....</b>  | <b>53,204</b>               | <b>56,461</b>               | <b>59,038</b>                            | <b>62,805</b>                       | <b>55,882</b>                | <b>53,574</b>                | <b>53,659</b>                |

### Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Government receives quality and timely legal services:</b>      |                   |                   |                                |                             |      |
| Extent to which government agencies are satisfied with legal services ..... | 100%              | 95%               | 95%                            | 95%                         |      |

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

## Services and Key Efficiency Indicators

### 1. Legal Services to Government

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                         | 53,204            | 56,461            | 59,038                         | 62,805                      |      |
| Less Income .....                                  | 661               | 915               | 915                            | 915                         |      |
| Net Cost of Service.....                           | 52,543            | 55,546            | 58,123                         | 61,890                      |      |
| Employees (Full-Time Equivalents) .....            | 248               | 257               | 262                            | 264                         |      |
| <b>Efficiency Indicators</b>                       |                   |                   |                                |                             |      |
| Average cost per legal matter <sup>(a)</sup> ..... | \$5,232           | \$5,600           | \$5,600                        | \$5,824                     | 1    |

(a) This indicator is calculated by dividing the Total Cost of Service by the number of recorded matters.

### Explanation of Significant Movements

(Notes)

- The average cost per legal matter is higher in the 2022-23 Budget Target compared to the 2020-21 Actual and the 2021-22 Estimated Actual, reflecting increased complexity of new and ongoing legal matters.

### Asset Investment Program

- A total of \$1.4 million will be spent in 2022-23 to replace the SSO's Legal Practice Management System, which is used to manage the allocation, coordination and progression of legal work.

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>NEW WORKS</b>  |                                   |  |   |                                     |                              |                              |                              |
| Legal Practice Systems.....   | 1,363                             | -  | -   | 1,363                               | -                            | -                            | -                            |
| <b>Total Cost of Asset Investment Program.....</b>                            | <b>1,363</b>                      | <b>-</b>   | <b>-</b>                                      | <b>1,363</b>                        | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |
| <b>FUNDED BY</b>  |                                   |  |   |                                     |                              |                              |                              |
| Funding Included in Department of Treasury - Digital<br>Capability Fund ..... |                                   |  | 1,062   | -                                   | -                            | -                            | -                            |
| Internal Funds and Balances.....  |                                   |  | (1,062)                                       | 1,363                               | -                            | -                            | -                            |
| <b>Total Funding .....</b>  |                                   |  | <b>-</b>                                      | <b>1,363</b>                        | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |

## Financial Statements

### Income Statement

#### Expenses

1. The increase in Total Cost of Services between the 2021-22 Budget and the 2021-22 Estimated Actual (\$2.6 million or 5%) primarily reflects legal costs incurred on behalf of the State and work associated with the *High Risk Serious Offenders Act 2020*. The increase in Total Cost of Services between the 2021-22 Estimated Actual and the 2022-23 Budget Year (\$3.8 million or 6%) is mainly due to costs associated with the management of the Western Australia Stolen Wages Class Action.

#### INCOME STATEMENT <sup>(a)</sup> (Controlled)

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 38,002                      | 42,704                      | 43,398                                   | 47,429                              | 43,180                       | 41,177                       | 41,249                       |
| Grants and subsidies <sup>(c)</sup> .....        | 2,277                       | -                           | 1,850                                    | -                                   | -                            | -                            | -                            |
| Supplies and services .....                      | 5,473                       | 4,953                       | 6,505                                    | 7,925                               | 5,120                        | 4,848                        | 4,860                        |
| Accommodation .....                              | 6,607                       | 6,490                       | 6,490                                    | 6,481                               | 6,481                        | 6,481                        | 6,481                        |
| Depreciation and amortisation .....              | 248                         | 262                         | 262                                      | 440                                 | 572                          | 539                          | 538                          |
| Finance and interest costs .....                 | 15                          | 17                          | 19                                       | 18                                  | 17                           | 17                           | 19                           |
| Other expenses .....                             | 582                         | 2,035                       | 514                                      | 512                                 | 512                          | 512                          | 512                          |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>53,204</b>               | <b>56,461</b>               | <b>59,038</b>                            | <b>62,805</b>                       | <b>55,882</b>                | <b>53,574</b>                | <b>53,659</b>                |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Other revenue .....                              | 661                         | 915                         | 915                                      | 915                                 | 915                          | 915                          | 915                          |
| <b>Total Income .....</b>                        | <b>661</b>                  | <b>915</b>                  | <b>915</b>                               | <b>915</b>                          | <b>915</b>                   | <b>915</b>                   | <b>915</b>                   |
| <b>NET COST OF SERVICES .....</b>                | <b>52,543</b>               | <b>55,546</b>               | <b>58,123</b>                            | <b>61,890</b>                       | <b>54,967</b>                | <b>52,659</b>                | <b>52,744</b>                |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 43,225                      | 42,729                      | 45,172                                   | 50,260                              | 42,228                       | 43,024                       | 43,155                       |
| Resources received free of charge .....          | 2,521                       | 2,959                       | 2,959                                    | 2,793                               | 2,798                        | 2,807                        | 2,807                        |
| Other revenues .....                             | 5,645                       | 9,858                       | 9,992                                    | 8,837                               | 9,941                        | 6,828                        | 6,782                        |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>51,391</b>               | <b>55,546</b>               | <b>58,123</b>                            | <b>61,890</b>                       | <b>54,967</b>                | <b>52,659</b>                | <b>52,744</b>                |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>(1,152)</b>              | <b>-</b>                    | <b>-</b>                                 | <b>-</b>                            | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 248, 262 and 264 respectively.

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

#### DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Act of Grace Payments .....              | 1,895                       | -                           | -  | -                                   | -                            | -                            | -                            |
| Legal Costs on Behalf of the State ..... | 382                         | -                           | 1,850                                    | -                                   | -                            | -                            | -                            |
| <b>TOTAL .....</b>                       | <b>2,277</b>                | <b>-</b>                    | <b>1,850</b>                             | <b>-</b>                            | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |



**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                     |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                         | 592                         | 169                         | 1,664                                    | 301                                 | 301                          | 301                          | 301                          |
| Receivables .....                         | 1,003                       | 1,379                       | 817                                      | 516                                 | 516                          | 516                          | 516                          |
| Other .....                               | 486                         | 44                          | 44                                       | 44                                  | 44                           | 44                           | 44                           |
| Total current assets .....                | 2,081                       | 1,592                       | 2,525                                    | 861                                 | 861                          | 861                          | 861                          |
| <b>NON-CURRENT ASSETS</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....         | 8,827                       | 9,088                       | 9,089                                    | 9,529                               | 10,101                       | 10,640                       | 11,178                       |
| Property, plant and equipment .....       | 1,057                       | 505                         | 1,008                                    | 767                                 | 671                          | 528                          | 413                          |
| Intangibles .....                         | 112                         | 374                         | 72                                       | 1,260                               | 954                          | 681                          | 409                          |
| Restricted cash .....                     | 703                         | 797                         | 797                                      | 980                                 | 1,163                        | 1,346                        | 1,346                        |
| Total non-current assets .....            | 10,699                      | 10,764                      | 10,966                                   | 12,536                              | 12,889                       | 13,195                       | 13,346                       |
| <b>TOTAL ASSETS</b> .....                 | 12,780                      | 12,356                      | 13,491                                   | 13,397                              | 13,750                       | 14,056                       | 14,207                       |
| <b>CURRENT LIABILITIES</b>                |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 7,632                       | 7,756                       | 8,004                                    | 8,187                               | 8,370                        | 8,553                        | 8,553                        |
| Payables .....                            | 147                         | 169                         | 171                                      | 166                                 | 164                          | 164                          | 164                          |
| Borrowings and leases .....               | 115                         | 114                         | 143                                      | 125                                 | 139                          | 136                          | 126                          |
| Other .....                               | 24                          | -                           | -  | -                                   | -                            | -                            | -                            |
| Total current liabilities .....           | 7,918                       | 8,039                       | 8,318                                    | 8,478                               | 8,673                        | 8,853                        | 8,843                        |
| <b>NON-CURRENT LIABILITIES</b>            |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 1,506                       | 1,458                       | 1,608                                    | 1,608                               | 1,608                        | 1,608                        | 1,608                        |
| Borrowings and leases .....               | 262                         | 128                         | 253                                      | 165                                 | 187                          | 177                          | 202                          |
| Total non-current liabilities .....       | 1,768                       | 1,586                       | 1,861                                    | 1,773                               | 1,795                        | 1,785                        | 1,810                        |
| <b>TOTAL LIABILITIES</b> .....            | 9,686                       | 9,625                       | 10,179                                   | 10,251                              | 10,468                       | 10,638                       | 10,653                       |
| <b>EQUITY</b>                             |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                  | 4,246                       | 2,731                       | 4,464                                    | 4,298                               | 4,434                        | 4,570                        | 4,706                        |
| Accumulated surplus/(deficit) .....       | (1,152)                     | -                           | (1,152)                                  | (1,152)                             | (1,152)                      | (1,152)                      | (1,152)                      |
| <b>Total equity</b> .....                 | 3,094                       | 2,731                       | 3,312                                    | 3,146                               | 3,282                        | 3,418                        | 3,554                        |
| <b>TOTAL LIABILITIES AND EQUITY</b> ..... | 12,780                      | 12,356                      | 13,491                                   | 13,397                              | 13,750                       | 14,056                       | 14,207                       |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                 | 42,977                      | 42,467                      | 44,910                                   | 49,820                              | 41,656                       | 42,485                       | 42,617                       |
| Capital appropriation .....                                 | 132                         | 135                         | 110                                      | 148                                 | 151                          | 153                          | 155                          |
| Other.....  | 5,645                       | 9,858                       | 11,054                                   | 8,837                               | 9,941                        | 6,828                        | 6,782                        |
| <b>Net cash provided by Government .....</b>                | <b>48,754</b>               | <b>52,460</b>               | <b>56,074</b>                            | <b>58,805</b>                       | <b>51,748</b>                | <b>49,466</b>                | <b>49,554</b>                |
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....                                      | (38,002)                    | (42,522)                    | (43,295)                                 | (47,246)                            | (42,997)                     | (40,995)                     | (41,249)                     |
| Grants and subsidies.....                                   | (2,277)                     | -                           | (1,850)                                  | -                                   | -                            | -                            | -                            |
| Supplies and services .....                                 | (2,952)                     | (1,994)                     | (3,546)                                  | (5,132)                             | (2,322)                      | (2,041)                      | (2,054)                      |
| Accommodation .....   | (6,607)                     | (6,490)                     | (6,490)                                  | (6,481)                             | (6,481)                      | (6,481)                      | (6,481)                      |
| Finance and interest costs.....                             | (15)                        | (17)                        | (19)                                     | (18)                                | (17)                         | (17)                         | (19)                         |
| Other payments.....   | (582)                       | (2,034)                     | (514)                                    | (512)                               | (512)                        | (511)                        | (511)                        |
| <b>Receipts <sup>(b)</sup></b>                              |                             |                             |  |                                     |                              |                              |                              |
| Other receipts .....  | 661                         | 915                         | 915                                      | 915                                 | 915                          | 915                          | 915                          |
| <b>Net cash from operating activities .....</b>             | <b>(49,774)</b>             | <b>(52,142)</b>             | <b>(54,799)</b>                          | <b>(58,474)</b>                     | <b>(51,414)</b>              | <b>(49,130)</b>              | <b>(49,399)</b>              |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                        | -                           | (301)                       | -  | (1,363)                             | -                            | -                            | -                            |
| <b>Net cash from investing activities.....</b>              | <b>-</b>                    | <b>(301)</b>                | <b>-</b>                                 | <b>(1,363)</b>                      | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases.....                     | (132)                       | (135)                       | (109)                                    | (148)                               | (151)                        | (153)                        | (155)                        |
| <b>Net cash from financing activities.....</b>              | <b>(132)</b>                | <b>(135)</b>                | <b>(109)</b>                             | <b>(148)</b>                        | <b>(151)</b>                 | <b>(153)</b>                 | <b>(155)</b>                 |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>           | <b>(1,152)</b>              | <b>(118)</b>                | <b>1,166</b>                             | <b>(1,180)</b>                      | <b>183</b>                   | <b>183</b>                   | <b>-</b>                     |
| Cash assets at the beginning of the reporting period .....  | 2,447                       | 1,084                       | 1,295                                    | 2,461                               | 1,281                        | 1,464                        | 1,647                        |
| <b>Cash assets at the end of the reporting period .....</b> | <b>1,295</b>                | <b>966</b>                  | <b>2,461</b>                             | <b>1,281</b>                        | <b>1,464</b>                 | <b>1,647</b>                 | <b>1,647</b>                 |

(a) Full audited financial statements are published in the SSO'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 SSO. 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<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|-----------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Sale of Goods and Services</b> |                             |                             |  |                                     |                              |                              |                              |
| State Solicitor Fees .....        | 5,645                       | 6,782                       | 6,782                                    | 5,500                               | 6,782                        | 6,782                        | 6,782                        |
| <b>Other Receipts</b>             |                             |                             |  |                                     |                              |                              |                              |
| Recoup of Legal Costs .....       | 553                         | 915                         | 915                                      | 915                                 | 915                          | 915                          | 915                          |
| Recoup of Other Costs .....       | 108                         | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>TOTAL .....</b>                | <b>6,306</b>                | <b>7,697</b>                | <b>7,697</b>                             | <b>6,415</b>                        | <b>7,697</b>                 | <b>7,697</b>                 | <b>7,697</b>                 |

**DETAILS OF ADMINISTERED TRANSACTIONS**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>INCOME</b>                            |                             |                             |  |                                     |                              |                              |                              |
| <b>Other</b>                             |                             |                             |  |                                     |                              |                              |                              |
| Land Acquisition .....                   | 186,339                     | -                           | -  | -                                   | -                            | -                            | -                            |
| Suitors' Fund .....                      | 40                          | 164                         | 100                                      | 164                                 | 164                          | 164                          | 164                          |
| <b>TOTAL ADMINISTERED INCOME .....</b>   | <b>186,379</b>              | <b>164</b>                  | <b>100</b>                               | <b>164</b>                          | <b>164</b>                   | <b>164</b>                   | <b>164</b>                   |
| <b>EXPENSES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Other</b>                             |                             |                             |  |                                     |                              |                              |                              |
| Payment of Land Acquisition.....         | 182,360                     | -                           | -  | -                                   | -                            | -                            | -                            |
| Payment of Suitors' Fund.....            | 51                          | 164                         | 100                                      | 164                                 | 164                          | 164                          | 164                          |
| <b>TOTAL ADMINISTERED EXPENSES .....</b> | <b>182,411</b>              | <b>164</b>                  | <b>100</b>                               | <b>164</b>                          | <b>164</b>                   | <b>164</b>                   | <b>164</b>                   |

# Legal Aid Commission of Western Australia

## Part 7 Community Safety

### Asset Investment Program

1. The Commission's Asset Investment Program (AIP) for 2022-23 is estimated at \$4.2 million, comprising of a computer hardware and software replacement program and office fit-outs. The AIP will be funded from internal cash balances.

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>                                |                                   |  |   |                                     |                              |                              |                              |
| Computer Hardware and Software Replacement Program..... | 14,711                            | 7,608  | 438   | 3,973                               | 1,352                        | 964                          | 814                          |
| Office Refurbishment and Fit-outs .....                 | 5,680                             | 4,297  | 797   | 219                                 | -                            | 200                          | 964                          |
| <b>Total Cost of Asset Investment Program.....</b>      | <b>20,391</b>                     | <b>11,905</b>                                    | <b>1,235</b>                                  | <b>4,192</b>                        | <b>1,352</b>                 | <b>1,164</b>                 | <b>1,778</b>                 |
| <b>FUNDED BY</b>  |                                   |  |   |                                     |                              |                              |                              |
| Internal Funds and Balances.....                        |                                   |  | 1,235   | 4,192                               | 1,352                        | 1,164                        | 1,778                        |
| <b>Total Funding .....</b>                              |                                   |  | <b>1,235</b>                                  | <b>4,192</b>                        | <b>1,352</b>                 | <b>1,164</b>                 | <b>1,778</b>                 |

## Division 29 Fire and Emergency Services

### Part 7 Community Safety

#### Appropriations, Expenses and Cash Assets

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 66 Net amount appropriated to deliver services .....                                    | 94,266                      | 53,806                      | 62,978                                   | 58,585                              | 44,756                       | 44,086                       | 37,318                       |
| Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 .....                 | 1,041                       | 1,045                       | 1,045                                    | 1,048                               | 1,050                        | 1,053                        | 1,053                        |
| Total appropriations provided to deliver services.....                                       | 95,307                      | 54,851                      | 64,023                                   | 59,633                              | 45,806                       | 45,139                       | 38,371                       |
| <b>ADMINISTERED TRANSACTIONS</b>   |                             |                             |  |                                     |                              |                              |                              |
| Item 67 Amount provided for Administered Grants, Subsidies and Other Transfer Payments ..... | 85,000                      | 166,960                     | 176,960                                  | 96,900                              | 60,700                       | 45,000                       | 45,000                       |
| <b>CAPITAL</b>   |                             |                             |  |                                     |                              |                              |                              |
| Item 135 Capital Appropriation.....  | 2,540                       | 6,850                       | 7,266                                    | 1,833                               | 1,620                        | 10,920                       | 20                           |
| <b>TOTAL APPROPRIATIONS .....</b>  | <b>182,847</b>              | <b>228,661</b>              | <b>248,249</b>                           | <b>158,366</b>                      | <b>108,126</b>               | <b>101,059</b>               | <b>83,391</b>                |
| <b>EXPENSES</b>  |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....   | 478,522                     | 496,169                     | 529,611                                  | 545,084                             | 499,218                      | 500,830                      | 501,043                      |
| Net Cost of Services (a) .....   | 101,353                     | 108,776                     | 137,554                                  | 129,914                             | 59,144                       | 47,474                       | 32,969                       |
| <b>CASH ASSETS (b) .....</b>   | <b>84,141</b>               | <b>33,401</b>               | <b>59,944</b>                            | <b>34,971</b>                       | <b>47,146</b>                | <b>59,574</b>                | <b>73,726</b>                |

(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<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>New Initiatives</b>  |  |                                     |                              |                              |                              |
| Aerial Bushfire Surveillance - Large Air Tanker .....                                     | -  | 2,700                               | 2,702                        | 2,770                        | 2,840                        |
| Consolidated Emergency Services Acts .....  | 370                                      | -                                   | -                            | -                            | -                            |
| Direct Brigade Alarms Network - 4G Upgrade .....  | -  | 3,421                               | 500                          | -                            | -                            |
| Emergency WA .....  | (240)                                    | 671                                 | 1,389                        | 1,281                        | 3,008                        |
| Financial Management Information System .....   | -  | 3,484                               | 2,092                        | 206                          | 201                          |
| Jandakot Consolidated Aviation Airbase .....  | -  | 687                                 | 3,286                        | 3,339                        | 3,391                        |
| Warmun Community Flood Mitigation .....   | 100                                      | -                                   | 20                           | 20                           | 20                           |
| Workforce Management Solution .....   | -  | -                                   | 92                           | 1,514                        | 1,303                        |
| <b>Ongoing Initiatives</b>  |  |                                     |                              |                              |                              |
| Bushfire Framework Review .....   | 243                                      | 474                                 | -                            | -                            | -                            |
| Emergency Services Rescue Helicopter - New Lease Arrangements .....                       | 4,905                                    | 4,905                               | 5,613                        | 5,811                        | 5,478                        |
| Indian Ocean Territories - Service Delivery Arrangements .....                            | 534                                      | -                                   | -                            | -                            | -                            |
| Memorandum of Understanding with Department of Education - Bushfire Risk Management ..... | 451                                      | 455                                 | 458                          | -                            | -                            |
| Royal Commission into National Natural Disaster Arrangements .....                        | 75                                       | 207                                 | 154                          | -                            | -                            |
| State Natural Disaster Recovery (a) .....   | 29,542                                   | 35,958                              | 876                          | -                            | -                            |

|   | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Volunteer Fuel Card - Metropolitan Area .....                 | 70                                       | 70                                  | 70                           | 70                           | 70                           |
| Western Australian Emergency Management Training Centre ..... | -  | 1,700                               | -                            | -                            | -                            |
| <b>Other</b>  |  |                                     |                              |                              |                              |
| RiskCover Insurance Premiums .....                            | -  | 649                                 | 369                          | (227)                        | 1,448                        |

(a) State Natural Disaster Recovery packages delivered by the Department are primarily funded through the Disaster Recovery Funding Arrangements Western Australia (DRFAWA) under recovery packages, approved as part of the 2021-22 Budget.

## Significant Issues Impacting the Agency

### Climate Change

1. The challenges posed by a changing climate have continued to result in more frequent and intense bushfires, storms, heatwaves and floods. The extended northern and southern fire seasons have resulted in overlapping seasons which has driven changes to risk management practices, equipment repair and maintenance practices, and incident response coordination.
2. The Department is transforming processes and systems to improve asset investment and equipment replacement plans, seasonal risk assessments and resource allocation, and bushfire risk mitigation activities. It is also progressing increased regional crewing and prioritising the need to develop and implement a more comprehensive recovery capability.

### Aviation Capability

3. An additional \$11 million will be spent over the forward estimates period to enhance Western Australia's aerial bushfire suppression capability through a three-year lease for a Large Air Tanker (LAT) (and accompanying lead aircraft) based at the Busselton Margaret River Airport each year during the peak bushfire season. The dedicated Western Australia based LAT will increase the State's suppression capability and improve early bushfire response.
4. An amount of \$12.5 million will be spent over the forward estimates period to establish and fit-out a new aviation and maintenance facilities base within the Jandakot Airport precinct. The base will allow the Department to house all its current aircraft (including the Emergency Rescue Service Helicopters) and aviation maintenance facilities. The new base will replace the current facilities located at various sites around the Jandakot Airport and temporary buildings at the Serpentine Airfield and will enable optimised aviation emergency management and shorter response and recovery times.

### Recovery from Major Incident Events

5. Recovery efforts for the Wooroloo bushfire, Severe Tropical Cyclone (STC) Seroja, Shackleton Complex/Narrogin East Bushfires and other recovery programs across Western Australia have placed an unprecedented demand on the Department exposing the need for added capacity and capability. An additional \$4.2 million will be spent over 2021-22 to 2023-24 on fixed term and contracted resources to provide operational recovery support, to address backlog issues associated with processing claims and to accelerate payment of recovery packages. Each incident has required significant coordination, assurance and reporting across an unprecedented total of 24 local governments. A review of the Department's State Recovery Coordination capacity, enabling ongoing management of support packages, monitoring and evaluating programs and coordinating effort across Western Australia is being undertaken.

### Managing Service Delivery through the COVID-19 Pandemic

6. The Asset Investment Program (AIP) is adversely impacted by increasing global supply chain disruption and local construction demand. The Department has revised contracts to maintain appliance component manufacture with assembly occurring once cab-chassis are received and established long-term cab-chassis supply arrangements which are now being realised. Local construction labour and material shortages have resulted in price increases and delays. As a result, the Department is reprioritising and rescoping works and pursuing alternate building designs and construction techniques.

7. The continued delivery of safety services remains a focus, with COVID-19 business continuity plans enacted both for frontline and back-office services throughout the State, managed by a dedicated Incident Response Team.

### Business and Emergency Management Systems

8. The increasing workload has highlighted the need to establish new governance structures to investigate, evaluate and prioritise changes required to improve business processes, work procedures and the supporting systems. These changes need to consider the existing capacity and capability for change and must be planned to take effect outside the northern and southern fire seasons to minimise business interruption and any adverse impact on community safety outcomes.

### 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   |
|--|--|--|
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive. | Western Australian communities recognise and understand their local hazard risks and can effectively manage them.                  | 1. Community Awareness, Education and Information Services           |
|  | A diverse team of volunteers and staff with a wide range of skills, who have access to development programs.                       | 2. Health, Safety, Wellbeing and Training Services                   |
|  | Risk is reduced and managed through innovation and continuous improvement across all hazards before, during and after emergencies. | 3. Delivery of Frontline Services Before, During and After Incidents |

#### Service Summary

| Expense  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Community Awareness, Education and Information Services.....            | 10,930                      | 10,465                      | 10,090                                   | 11,345                              | 12,603                       | 12,589                       | 12,329                       |
| 2. Health, Safety, Wellbeing and Training Services.....                    | 28,095                      | 22,766                      | 27,595                                   | 27,190                              | 25,851                       | 24,056                       | 24,064                       |
| 3. Delivery of Frontline Services Before, During and After Incidents ..... | 439,497                     | 462,938                     | 491,926                                  | 506,549                             | 460,764                      | 464,185                      | 464,650                      |
| <b>Total Cost of Services .....</b>  | <b>478,522</b>              | <b>496,169</b>              | <b>529,611</b>                           | <b>545,084</b>                      | <b>499,218</b>               | <b>500,830</b>               | <b>501,043</b>               |

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Western Australian communities recognise and understand their local hazard risks and can effectively manage them:</b>                  |                   |                   |                                |                             |      |
| Proportion of community members who recognise their local natural hazard risks and are prepared to take action .....                               | 20%               | 20%               | 20%                            | 20%                         |      |
| <b>Outcome: A diverse team of volunteers and staff with a wide range of skills, who have access to development programs:</b>                       |                   |                   |                                |                             |      |
| Proportions of scheduled operational courses delivered .....   | 82%               | 80%               | 80%                            | 80%                         |      |
| <b>Outcome: Risk is reduced and managed through innovation and continuous improvement across all hazards before, during and after emergencies:</b> |                   |                   |                                |                             |      |
| Proportion of Level 3 incident impact statements completed and endorsed by the State Recovery Coordinator .....                                    | 100%              | 80%               | 100%                           | 80%                         | 1    |
| Proportion of structure fire reports completed within specified timeframes ....  | 86%               | 90%               | 88%                            | 90%                         |      |
| Proportion of responses to Emergency Service Levy 1 and Emergency Service Levy 2 incidents within target timeframes .....                          | 94%               | 90%               | 92%                            | 90%                         |      |
| Proportion of structure fires confined to object or room of origin.....  | 75%               | 72%               | 73%                            | 72%                         |      |

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

**Explanation of Significant Movements**

(Notes)

1. This indicator measures the number of impact statements completed by all parties and endorsed by the State Recovery Coordinator within 60 days of the closure of an incident. The 2021-22 Estimated Actual is higher compared to the 2021-22 Budget and the 2022-23 Budget Target due to successful engagement with local governments and communities during Level 3 incidents shortening the process of impact statements completion. A revision to this target will be undertaken over the next 12 months.

**Services and Key Efficiency Indicators****1. Community Awareness, Education and Information Services**

Provision of generic and targeted awareness, education and information programs before an incident and emergency hazard information during an incident via social media, telephone call centre, television and radio interviews to increase community awareness of preventable and natural hazards and support their ability to take action.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|--|-------------------|-------------------|--------------------------------|-----------------------------|----------|
| Total Cost of Service.....   | \$'000<br>10,930  | \$'000<br>10,465  | \$'000<br>10,090               | \$'000<br>11,345            | 1        |
| Less Income .....  | 7,139             | 7,393             | 7,459                          | 7,955                       |          |
| Net Cost of Service .....  | 3,791             | 3,072             | 2,631                          | 3,390                       |          |
| <b>Employees (Full-Time Equivalents) .....</b>   | <b>37</b>         | <b>37</b>         | <b>40</b>                      | <b>45</b>                   | <b>2</b> |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |          |
| Average cost per household to deliver education and awareness programs and emergency hazard information to the community ..... | \$10.57           | \$9.98            | \$9.62                         | \$10.66                     | 3        |



**Explanation of Significant Movements**

(Notes)

1. The 2022-23 Budget Target is higher compared to the 2021-22 Budget reflecting the increase in resourcing for the delivery of a next generation Emergency WA platform that will transform the way emergency information is delivered to the Western Australian communities.
2. The 2022-23 Budget Target primarily recognises the additional FTEs associated with the Emergency WA upgrade.
3. The 2022-23 Budget Target is higher compared to the 2021-22 Budget the 2021-22 Estimated Actual as a result of the increase in the Total Cost of Services associated with additional costs of the Emergency WA upgrade.

**2. Health, Safety, Wellbeing and Training Services**

Services provided to ensure that frontline emergency personnel, including volunteers, are not only trained and supported, to maintain their physical and mental health while providing safe and efficient services to the community.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 28,095            | 22,766            | 27,595                         | 27,190                      | 1    |
| Less Income .....   | 21,418            | 18,482            | 18,647                         | 19,888                      |      |
| Net Cost of Service .....   | 6,677             | 4,284             | 8,948                          | 7,302                       |      |
| <b>Employees (Full-Time Equivalents) .....</b>  | <b>116</b>        | <b>118</b>        | <b>119</b>                     | <b>119</b>                  |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Average cost per population to deliver health, safety, wellbeing and training services..... | \$10.50           | \$8.45            | \$10.19                        | \$9.91                      |      |

**Explanation of Significant Movements**

(Notes)

1. The 2021-22 Estimated Actual and 2022-23 Budget Target are higher compared to the 2021-22 Budget as a result of the reclassification of costs of the Western Australian Emergency Management Training Centre including instructors for the trainee firefighter schools and resourcing associated with the 2021 election commitment for additional regional firefighters. In the 2021-22 Budget these costs have been recognised in the Delivery of Frontline Services Before, During and After Incidents.

**3. Delivery of Frontline Services Before, During and After Incidents**

Services provided by frontline personnel, including volunteers, to enable the community to prevent where possible, prepare for, respond to and recover from emergency incidents.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|--|-------------------|-------------------|--------------------------------|-----------------------------|----------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |          |
| Total Cost of Service.....                                     | 439,497           | 462,938           | 491,926                        | 506,549                     | 1,2      |
| Less Income .....  | 348,612           | 361,518           | 365,951                        | 387,327                     | 3        |
| Net Cost of Service .....                                      | 90,885            | 101,420           | 125,975                        | 119,222                     |          |
| <b>Employees (Full-Time Equivalents) .....</b>                 | <b>1,591</b>      | <b>1,634</b>      | <b>1,659</b>                   | <b>1,676</b>                | <b>4</b> |
| <b>Efficiency Indicators</b>                                   |                   |                   |                                |                             |          |
| Average cost per population to deliver frontline services..... | \$164.28          | \$171.84          | \$181.70                       | \$184.66                    |          |

## Explanation of Significant Movements

(Notes)

1. The 2021-22 Estimated Actual is higher compared to the 2021-22 Budget reflecting the new Emergency Rescue Helicopter Service contract and additional resourcing required to provide continued and coordinated State support to communities and local governments impacted by STC Seroja and Wooroloo bushfire.
2. The 2022-23 Budget Target sees a further increase compared to the 2021-22 Estimated Actual and includes direct resourcing for new and ongoing initiatives including continued STC Seroja recovery, upgrade of the Direct Brigade Alarms System, provision of a Western Australian based Large Air Tanker capability, development of a Jandakot Consolidated Aviation Airbase and delivery of a next generation Emergency WA platform. The cost also includes a portion of the increase in corporate costs attributable to the replacement of the Financial Management Information System.
3. The increase in the 2022-23 Budget Target compared to the 2021-22 Budget and the 2021-22 Estimated Actual is due to the additional Emergency Service Levy revenue required for the delivery of new and ongoing initiatives.
4. The 2021-22 Estimated Actual is 25 FTEs higher compared to the 2021-22 Budget due to a number of finite positions to support the recovery effort after STC Seroja and additional resources to assist with bushfire risk mitigation and planning. A further increase of 17 FTEs in the 2022-23 Budget Target reflects the uplift in regional firefighting resources and the increase in corporate FTEs attributable to the replacement of the Financial Management Information System.

## Asset Investment Program

1. The Department's Asset Investment Program (AIP) for 2022-23 totals \$46.3 million, comprising Works in Progress of \$41.4 million and New Works of \$4.9 million. The AIP is established in conjunction with the application of a resource-to-risk/fit-for-purpose model to determine the asset needs to effectively deliver emergency services throughout the State. Facility requirements are based on spatial planning linked to coverage areas, hazard types and response times. The prioritisation of new and replacement stations and facilities involves consideration of demographics, dwellings and traffic volumes. The replacement operational response vehicles and new capabilities are developed through stakeholder engagement, changing technology, and implementing improvements in safety features through research and development and from outcomes of incident inquiries.
2. During 2021-22 the delivery of vehicle build programs was significantly impacted by the COVID-19 pandemic with cab-chassis shipments into Australia being delayed by overseas plant closures and component supply constraints. Local appliance component build contracts were revised to maintain workforce productivity. Cab-chassis delays have resulted in deferred final vehicle assembly and commissioning costs of \$10.3 million and a more realistic delivery program has been recognised across the forward estimates period.
3. Construction material and labour supply constraints have resulted in delays to all land and buildings programs with a further \$10.9 million in 2021-22 underspends carried over and reprofiled across the forward estimates period.
4. An overview of the 2022-23 program is as follows:
  - 4.1. \$26.7 million has been provided for land and building works, comprising of:
    - 4.1.1. \$10.4 million for facility modifications;
    - 4.1.2. \$10.3 million for the upgrade of volunteer facilities;
    - 4.1.3. \$4.5 million for the purchase of land for the new Career Fire and Rescue Service (CFRS) South-East Metropolitan and North Coastal Metropolitan Fire Stations; and
    - 4.1.4. \$1.5 million for the completion of the Bushfire Centre of Excellence, CFRS Cockburn Fire Station, CFRS Kensington Fire Station and the Koolinup Emergency Service Centre.
  - 4.2. \$14.2 million for ongoing vehicle replacement programs in line with the Department's maintenance and serviceable life replacement strategies;
  - 4.3. \$2.8 million for plant and equipment works including \$355,000 for a Fixed Repeater Tower in Esperance, which will contribute to the enhanced bushfire management and volunteer capability in the Goldfields-Esperance region; and \$400,000 for the installation and commissioning costs of a flood warning system including two river gauges and four rainfall gauges for the Warmun Remote Aboriginal Community; and
  - 4.4. \$2.6 million for intangible assets, including:
    - 4.4.1. \$2.2 million for the upgrade and replacement of critical information technology systems including the Workforce Management Solution, Emergency WA and Financial Management Information System; and
    - 4.4.2. \$358,000 for design costs associated with new vehicle development projects. These costs will be capitalised as an intangible asset in accordance with the Australian Accounting Standards.

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>  |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>  |                                   |  |   |                                     |                              |                              |                              |
| Land and Building Works - Volunteer Fire and Rescue Service (VFRS)/Volunteer Fire and Emergency Service (VFES) Facilities Upgrades..... | 7,000                             | 2,257  | 1,850   | 3,743                               | 1,000                        | -                            | -                            |
| <b>Other Works in Progress</b>  |                                   |  |   |                                     |                              |                              |                              |
| Intangible Asset Development.....   | 24,137                            | 2,491  | 1,454   | 2,611                               | 5,098                        | 9,133                        | 4,804                        |
| Land and Building Works   |                                   |  |   |                                     |                              |                              |                              |
| Bushfire Centre of Excellence.....  | 13,815                            | 13,513   | 478   | 302                                 | -                            | -                            | -                            |
| Career Fire Rescue Service (CFRS) Cockburn Fire Station.....  | 10,858                            | 10,718   | 223   | 140                                 | -                            | -                            | -                            |
| CFRS Kensington Fire Station.....   | 7,752                             | 7,441  | 69  | 311                                 | -                            | -                            | -                            |
| Facility Modifications .....  | 55,612                            | 33,063   | 8,225   | 10,418                              | 3,162                        | 4,485                        | 4,484                        |
| Koolinup Emergency Service Centre in Collie.....  | 12,881                            | 12,107   | 3,580   | 774                                 | -                            | -                            | -                            |
| VFRS/VFES Upgrade and Replacement Program .....   | 22,185                            | 4,277  | 1,500   | 6,519                               | 2,665                        | 1,362                        | 1,362                        |
| Plant and Equipment Works - Equipment Replacement Program .....   | 29,082                            | 17,682   | 2,635   | 2,400                               | 2,000                        | 2,000                        | 2,000                        |
| Vehicle Programs  |                                   |  |   |                                     |                              |                              |                              |
| Primary Fire and Emergency Fleet .....  | 122,588                           | 38,633   | 14,209  | 13,184                              | 14,628                       | 23,878                       | 32,265                       |
| Secondary Fire and Emergency Fleet.....   | 7,277                             | 1,221  | 935   | 1,025                               | 1,027                        | 1,918                        | 2,086                        |
| <b>NEW WORKS</b>  |                                   |  |   |                                     |                              |                              |                              |
| Land and Building Works   |                                   |  |   |                                     |                              |                              |                              |
| CFRS North Coastal Metropolitan Fire Station.....   | 2,500                             | -  | -   | 2,500                               | -                            | -                            | -                            |
| CFRS South East Metropolitan Fire Station .....   | 12,500                            | -  | -   | 2,000                               | 1,600                        | 8,900                        | -                            |
| Plant and Equipment Works - Fixed Repeater Tower (Esperance) .....  | 355                               | -  | -   | 355                                 | -                            | -                            | -                            |
| <b>Total Cost of Asset Investment Program .....</b>   | <b>328,542</b>                    | <b>143,403</b>                                   | <b>35,158</b>                                 | <b>46,282</b>                       | <b>31,180</b>                | <b>51,676</b>                | <b>47,001</b>                |
| <b>FUNDED BY</b>  |                                   |  |   |                                     |                              |                              |                              |
| Asset Sales.....  |                                   |  | -   | -                                   | 403                          | 420                          | 420                          |
| Capital Appropriation .....   |                                   |  | 7,266   | 1,833                               | 1,620                        | 10,920                       | 20                           |
| Drawdowns from Royalties for Regions Fund .....   |                                   |  | 1,794   | 774                                 | -                            | -                            | -                            |
| Fire and Emergency Services Levy .....  |                                   |  | 3,321   | 2,991                               | 6,038                        | 9,690                        | 8,560                        |
| Funding Included in Department of Treasury - Digital Capability Fund .....  |                                   |  | -   | 1,050                               | 3,657                        | 4,023                        | 824                          |
| Internal Funds and Balances.....  |                                   |  | 22,142  | 39,634                              | 19,462                       | 26,623                       | 37,177                       |
| Other Grants and Subsidies .....  |                                   |  | 635   | -                                   | -                            | -                            | -                            |
| <b>Total Funding .....</b>  |                                   |  | <b>35,158</b>                                 | <b>46,282</b>                       | <b>31,180</b>                | <b>51,676</b>                | <b>47,001</b>                |

## Financial Statements

### Income Statement

#### *Expenses*

1. The 2021-22 Estimated Actual Estimate and 2022-23 Budget Year Total Cost of Service are forecast to increase by \$33.4 million and \$48.9 million respectively compared to the 2021-22 Budget and reflect the following:
  - 1.1. additional resourcing required to provide continued and coordinated State support to communities and local governments impacted by STC Seroja and the Wooroloo bushfire. The increase will enable the delivery of the required support packages by the Department and sustain an appropriate State Recovery Coordination. STC Seroja assistance packages including recovery and resilience grants for insured residents, temporary workers accommodation, community recovery officers, clean-up for uninsured residents and development and coordination of the monitoring and evaluation framework;
  - 1.2. ongoing initiatives, including the upgrade of the Direct Brigade Alarm System to 4G connectivity ahead of the scheduled 3G service decommissioning by Telstra in 2024, and additional seed funding for the next stage of the Western Australian Emergency Management Training Centre development project; and
  - 1.3. new initiatives, including provision of a Western Australian based Large Air Tanker capability, replacement of the Financial Management Information System, development of a consolidated aviation airbase and the delivery of a next generation Emergency WA platform that will transform the way emergency information is delivered to West Australians.

#### *Income*

2. The increase in Total Income of \$23.1 million between the 2022-23 Budget Year and 2021-22 Estimated Actual is primarily the result of an increase in Emergency Services Levy revenue by 5% in 2022-23 Budget Year.
3. Income from Government in the 2021-22 Budget Estimate and in the 2022-23 Budget Year are higher compared to the 2021-22 Budget as a result of:
  - 3.1. additional service appropriation for new and ongoing initiatives including the new lease for the Emergency Rescue Helicopter (ERHS) service, seed funding for the next stage of the Western Australian Emergency Management Training Centre development project, provision of a Western Australian based Large Air Tanker capability, a contribution to the Jandakot Consolidated Aviation Airbase and for continued and coordinated State support to local governments and communities impacted by bushfire and natural hazards including the recovery required after STC Seroja and Wooroloo bushfire;
  - 3.2. additional contributions from the Royalties for Regions (RfR) Regional Community Services Fund to meet the costs of the 2021 election commitment for additional regional firefighters; and
  - 3.3. grants from the Disaster Recovery Funding Arrangements Western Australia (DRFAWA) for the reimbursement of eligible expenditure incurred by the Department in the delivery of recovery packages associated with STC Seroja and Wooroloo bushfire.

### Statement of Financial Position

4. The significant increase in Total Assets and Total Liabilities from the 2023-24 outyear reflects the right of use asset and lease liability associated with a new contract to secure contemporary, future focused, innovative all-hazard ERHS aircraft with increased capability, range and capacity.

### Statement of Cashflows

5. The cashflows from service appropriations in the 2020-21 Actual is higher compared to all other years due to \$25.7 million in supplementary funding received for unforeseen costs associated with bushfire suppression, natural hazard incidents and the COVID-19 pandemic.

6. The increase in cashflows from service appropriations in the 2021-22 Estimated Actual and 2022-23 Budget Year compared to the 2021-22 Budget reflects additional service appropriation for new and ongoing initiatives including the new lease for the ERHS service, seed funding for the next stage of the Western Australian Emergency Management Training Centre development project, provision of a Western Australian based Large Air Tanker capability, a contribution to the Jandakot Consolidated Aviation Airbase and for continued and coordinated State support to local governments and communities impacted by bushfire and natural hazards including the recovery required after STC Seroja and Wooroloo bushfire.
7. Capital appropriation across the 2022-23 Budget Year and outyears reflects funding for the purchase of land for a new CFRS Fire Station in the South East Metropolitan Region and facility modifications for the new consolidated aviation base.
8. The contribution from the RfR Regional Infrastructure and Headworks Fund ends in the 2022-23 Budget Year and reflects the funding of the 2021 election commitment to upgrade the Kalgoorlie CFRS in 2021-22 and the completion of the Koolinup Emergency Services Centre in Collie.
9. RfR funding from the Regional Community Services Fund over the forward estimates period recognises contributions to meet the cost of the Volunteer Fuel Card scheme, regional workers incentive allowance payments and the 2021 election commitment for additional regional firefighters.
10. Payments for the purchase of assets in the 2021-22 Estimated Actual is lower compared to the 2021-22 Budget by \$20.6 million, primarily due to underspends in the land and building, and vehicle programs as a result of AIP delivery challenges arising from the COVID-19 pandemic and market constraints. The profile of the AIP program has been reviewed in conjunction with the Department of Finance to determine more realistic delivery timeframes over the forward estimates period. The revised profile over the forward estimates period is reflected in the payment for the purchase of assets.

**INCOME STATEMENT (a)**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 236,268                     | 241,022                     | 244,960                                  | 247,375                             | 246,342                      | 246,414                      | 246,351                      |
| Grants and subsidies <sup>(c)</sup> .....        | 49,119                      | 79,551                      | 91,521                                   | 96,853                              | 63,002                       | 65,208                       | 61,050                       |
| Supplies and services .....                      | 95,695                      | 79,777                      | 91,375                                   | 94,933                              | 81,526                       | 80,664                       | 81,381                       |
| Accommodation .....                              | 10,760                      | 10,817                      | 10,460                                   | 10,860                              | 10,887                       | 10,845                       | 10,976                       |
| Depreciation and amortisation .....              | 44,205                      | 40,977                      | 40,915                                   | 42,399                              | 46,289                       | 47,216                       | 49,418                       |
| Finance and interest costs .....                 | 1,613                       | 2,767                       | 2,756                                    | 2,424                               | 6,391                        | 5,916                        | 5,545                        |
| Other expenses .....                             | 40,862                      | 41,258                      | 47,624                                   | 50,240                              | 44,781                       | 44,567                       | 46,322                       |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>478,522</b>              | <b>496,169</b>              | <b>529,611</b>                           | <b>545,084</b>                      | <b>499,218</b>               | <b>500,830</b>               | <b>501,043</b>               |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services .....                 | 9,029                       | 9,422                       | 9,422                                    | 9,339                               | 9,242                        | 9,147                        | 9,147                        |
| Emergency Services Levy .....                    | 351,210                     | 366,360                     | 369,649                                  | 394,415                             | 417,916                      | 434,776                      | 449,494                      |
| Grants and subsidies .....                       | 10,408                      | 7,233                       | 8,608                                    | 6,985                               | 6,985                        | 4,479                        | 4,479                        |
| Other revenue .....                              | 6,522                       | 4,378                       | 4,378                                    | 4,431                               | 5,931                        | 4,954                        | 4,954                        |
| <b>Total Income .....</b>                        | <b>377,169</b>              | <b>387,393</b>              | <b>392,057</b>                           | <b>415,170</b>                      | <b>440,074</b>               | <b>453,356</b>               | <b>468,074</b>               |
| <b>NET COST OF SERVICES .....</b>                | <b>101,353</b>              | <b>108,776</b>              | <b>137,554</b>                           | <b>129,914</b>                      | <b>59,144</b>                | <b>47,474</b>                | <b>32,969</b>                |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 95,307                      | 54,851                      | 64,023                                   | 59,633                              | 45,806                       | 45,139                       | 38,371                       |
| Resources received free of charge .....          | 1,425                       | 2,273                       | 2,273                                    | 2,273                               | 2,273                        | 2,273                        | 2,273                        |
| Royalties for Regions Fund:                      |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....           | 847                         | 3,061                       | 2,658                                    | 4,185                               | 5,825                        | 5,858                        | 5,858                        |
| Other revenues .....                             | 31,168                      | 34,726                      | 60,239                                   | 66,923                              | 28,401                       | 27,188                       | 31,071                       |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>128,747</b>              | <b>94,911</b>               | <b>129,193</b>                           | <b>133,014</b>                      | <b>82,305</b>                | <b>80,458</b>                | <b>77,573</b>                |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>27,394</b>               | <b>(13,865)</b>             | <b>(8,361)</b>                           | <b>3,100</b>                        | <b>23,161</b>                | <b>32,984</b>                | <b>44,604</b>                |

(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 1,744, 1,818 and 1,840 respectively.

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

## DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Year | 2023-24<br>Outyear | 2024-25<br>Outyear | 2025-26<br>Outyear |
|---|-------------------|-------------------|--------------------------------|---------------------------|--------------------|--------------------|--------------------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                    | \$'000             | \$'000             | \$'000             |
| All West Australians Reducing Emergencies                   |                   |                   |                                |                           |                    |                    |                    |
| Program .....   | 219               | 200               | 101                            | 125                       | 200                | 200                | 200                |
| Australian Fire Danger Rating System .....                  | 233               | 233               | 233                            | -                         | -                  | -                  | -                  |
| Bushfire Mitigation Activity Fund                           |                   |                   |                                |                           |                    |                    |                    |
| Emergency Services Levy (ESL) <sup>(a)</sup> .....          | 1,806             | 13,479            | 7,430                          | 11,348                    | 5,836              | 5,835              | 5,906              |
| Royalties for Regions .....                                 | 3,642             | 1,280             | 1,384                          | 1,149                     | 1,019              | -                  | -                  |
| Bushfire Risk Management Planning .....                     | 2,306             | 1,409             | 1,409                          | 1,409                     | 1,409              | 1,409              | 1,426              |
| Chemistry Centre - Emergency Response                       |                   |                   |                                |                           |                    |                    |                    |
| Services .....  | 1,500             | 1,500             | 1,500                          | 1,500                     | 1,500              | 1,500              | 1,500              |
| Deputy Commissioner Operations - Operational                |                   |                   |                                |                           |                    |                    |                    |
| Efficiency Payment .....                                    | 910               | 914               | 914                            | 928                       | 928                | 928                | 928                |
| ESL Private Brigade Subsidy .....                           | 201               | 271               | 271                            | 275                       | 275                | 275                | 278                |
| Local Government - Community Emergency                      |                   |                   |                                |                           |                    |                    |                    |
| Service Managers .....                                      | 2,371             | 2,646             | 2,621                          | 2,713                     | 2,713              | 2,713              | 2,746              |
| Local Government Emergency Services                         |                   |                   |                                |                           |                    |                    |                    |
| Grants .....  | 24,518            | 38,682            | 38,431                         | 35,149                    | 35,149             | 35,408             | 35,836             |
| National Disaster Risk Reduction .....                      | -                 | 2,506             | 1,280                          | 1,525                     | 2,310              | 4,815              | -                  |
| Natural Disaster Resilience Program .....                   | 300               | 711               | 909                            | 257                       | 38                 | -                  | -                  |
| Other .....   | 1,294             | 984               | 984                            | 984                       | 984                | 984                | 984                |
| Prepared Communities .....                                  | 600               | -                 | -                              | -                         | -                  | -                  | -                  |
| Shire of Gingin .....                                       | -                 | 1,225             | 1,883                          | -                         | -                  | -                  | -                  |
| Shire of Trayning .....                                     | -                 | 515               | 515                            | -                         | -                  | -                  | -                  |
| STC Seroja Recovery Packages <sup>(b)</sup> .....           | -                 | -                 | 18,590                         | 28,850                    | -                  | -                  | -                  |
| Surf Life Saving Western Australia .....                    | 1,381             | 1,381             | 1,381                          | 1,381                     | 1,381              | 1,381              | 1,381              |
| Volunteer Fuel Card .....                                   | 533               | 1,000             | 1,070                          | 1,070                     | 1,070              | 1,070              | 1,070              |
| Volunteer Marine Rescue Service (VMRS) <sup>(c)</sup> ..... | 7,305             | 10,615            | 10,615                         | 8,190                     | 8,190              | 8,690              | 8,795              |
| <b>TOTAL .....</b>  | <b>49,119</b>     | <b>79,551</b>     | <b>91,521</b>                  | <b>96,853</b>             | <b>63,002</b>      | <b>65,208</b>      | <b>61,050</b>      |

- (a) The 2022-23 Budget Year shows an increase of \$3.9 million compared to the 2021-22 Estimated Actual primarily due to a \$5.5 million carryover from 2021-22 to 2022-23 as a result of a number of factors including weather conditions, eligibility of local government to participate in the program and the COVID-19 pandemic impacting mitigation works.
- (b) The 2021-22 Estimated Actual and 2022-23 Budget Year reflect \$47.4 million in grants assistance to communities impacted by STC Seroja. A \$43 million recovery and resilience reimbursement grants package supports insured residents to 'build back better' and improve the resilience of properties to future cyclones. In addition, \$3.9 million is recognised as a grant to local governments to provide temporary solutions to the accommodation shortage for workers involved in the rebuilding effort and secondary workers undertaking harvest, service industry work and other activities in inland communities. The grants are administered by the Department and funded through DRFAWA.
- (c) The 2021-22 Estimated Actual reflects the carryover of \$2 million in capital grant expenditure from 2020-21 to VMRS Groups. The provision of vessels and vessel components for refits and new builds was delayed due to the impact of the COVID-19 pandemic.



**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                      |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                          | 69,938                      | 25,828                      | 54,709                                   | 31,204                              | 42,486                       | 56,160                       | 70,332                       |
| Restricted cash .....                      | 13,452                      | 3,819                       | 4,484                                    | 3,016                               | 3,909                        | 2,663                        | 2,643                        |
| Receivables .....                          | 14,440                      | 14,444                      | 14,440                                   | 14,440                              | 14,440                       | 14,440                       | 14,440                       |
| Other .....                                | 18,965                      | 19,095                      | 18,965                                   | 18,965                              | 18,965                       | 18,965                       | 18,965                       |
| <b>Total current assets .....</b>          | <b>116,795</b>              | <b>63,186</b>               | <b>92,598</b>                            | <b>67,625</b>                       | <b>79,800</b>                | <b>92,228</b>                | <b>106,380</b>               |
| <b>NON-CURRENT ASSETS</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....          | 63,112                      | 70,298                      | 70,256                                   | 78,466                              | 86,847                       | 94,577                       | 104,262                      |
| Property, plant and equipment .....        | 432,661                     | 544,873                     | 513,793                                  | 525,204                             | 638,495                      | 641,014                      | 644,701                      |
| Intangibles .....                          | 10,041                      | 8,779                       | 9,242                                    | 11,853                              | 16,951                       | 25,714                       | 28,190                       |
| Restricted cash .....                      | 751                         | 3,754                       | 751                                      | 751                                 | 751                          | 751                          | 751                          |
| <b>Total non-current assets .....</b>      | <b>506,565</b>              | <b>627,704</b>              | <b>594,042</b>                           | <b>616,274</b>                      | <b>743,044</b>               | <b>762,056</b>               | <b>777,904</b>               |
| <b>TOTAL ASSETS .....</b>                  | <b>623,360</b>              | <b>690,890</b>              | <b>686,640</b>                           | <b>683,899</b>                      | <b>822,844</b>               | <b>854,284</b>               | <b>884,284</b>               |
| <b>CURRENT LIABILITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 32,718                      | 33,126                      | 32,406                                   | 33,668                              | 34,444                       | 34,568                       | 34,568                       |
| Payables .....                             | 8,986                       | 4,777                       | 6,372                                    | 5,596                               | 5,472                        | 5,348                        | 5,348                        |
| Borrowings and leases .....                | 7,143                       | 17,836                      | 18,632                                   | 18,921                              | 20,603                       | 20,876                       | 20,777                       |
| Other .....                                | 231                         | 231                         | 231                                      | 231                                 | 231                          | 231                          | 231                          |
| <b>Total current liabilities .....</b>     | <b>49,078</b>               | <b>55,970</b>               | <b>57,641</b>                            | <b>58,416</b>                       | <b>60,750</b>                | <b>61,023</b>                | <b>60,924</b>                |
| <b>NON-CURRENT LIABILITIES</b>             |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 12,189                      | 12,189                      | 12,189                                   | 12,189                              | 12,189                       | 12,189                       | 12,189                       |
| Borrowings and leases .....                | 43,983                      | 97,680                      | 98,603                                   | 83,433                              | 191,513                      | 174,693                      | 158,230                      |
| <b>Total non-current liabilities .....</b> | <b>56,172</b>               | <b>109,869</b>              | <b>110,792</b>                           | <b>95,622</b>                       | <b>203,702</b>               | <b>186,882</b>               | <b>170,419</b>               |
| <b>TOTAL LIABILITIES .....</b>             | <b>105,250</b>              | <b>165,839</b>              | <b>168,433</b>                           | <b>154,038</b>                      | <b>264,452</b>               | <b>247,905</b>               | <b>231,343</b>               |
| <b>EQUITY</b>                              |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                   | 372,432                     | 380,345                     | 380,761                                  | 384,418                             | 389,695                      | 404,638                      | 405,482                      |
| Accumulated surplus/(deficit) .....        | 88,040                      | 76,622                      | 79,679                                   | 82,779                              | 105,940                      | 138,924                      | 183,528                      |
| Reserves .....                             | 57,638                      | 68,084                      | 57,767                                   | 62,664                              | 62,757                       | 62,817                       | 63,931                       |
| <b>Total equity .....</b>                  | <b>518,110</b>              | <b>525,051</b>              | <b>518,207</b>                           | <b>529,861</b>                      | <b>558,392</b>               | <b>606,379</b>               | <b>652,941</b>               |
| <b>TOTAL LIABILITIES AND EQUITY .....</b>  | <b>623,360</b>              | <b>690,890</b>              | <b>686,640</b>                           | <b>683,899</b>                      | <b>822,844</b>               | <b>854,284</b>               | <b>884,284</b>               |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                                |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                     | 87,034                      | 47,665                      | 56,879                                   | 51,423                              | 37,425                       | 37,409                       | 28,686                       |
| Capital appropriation .....                                     | 2,540                       | 6,850                       | 7,266                                    | 1,833                               | 1,620                        | 10,920                       | 20                           |
| Royalties for Regions (RfR) Fund:                               |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....                          | 847                         | 3,061                       | 2,658                                    | 4,185                               | 5,825                        | 5,858                        | 5,858                        |
| Regional Infrastructure and Headworks<br>Fund .....             | 8,825                       | 1,794                       | 1,794                                    | 774                                 | -                            | -                            | -                            |
| Other.....  | 28,007                      | 34,726                      | 60,039                                   | 67,873                              | 31,959                       | 31,211                       | 30,845                       |
| <b>Net cash provided by Government .....</b>                    | <b>127,253</b>              | <b>94,096</b>               | <b>128,636</b>                           | <b>126,088</b>                      | <b>76,829</b>                | <b>85,398</b>                | <b>65,409</b>                |
| <b>CASHFLOWS FROM OPERATING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....  | (237,447)                   | (242,951)                   | (246,842)                                | (246,904)                           | (245,703)                    | (246,427)                    | (246,364)                    |
| Grants and subsidies.....                                       | (59,995)                    | (79,551)                    | (91,521)                                 | (94,095)                            | (63,002)                     | (65,208)                     | (61,050)                     |
| Supplies and services .....                                     | (86,610)                    | (79,607)                    | (91,629)                                 | (95,026)                            | (79,167)                     | (78,335)                     | (79,107)                     |
| Accommodation .....   | (11,797)                    | (10,925)                    | (10,568)                                 | (10,968)                            | (10,888)                     | (10,846)                     | (10,977)                     |
| GST payments .....  | (26,186)                    | (18,794)                    | (18,794)                                 | (18,794)                            | (18,794)                     | (18,794)                     | (18,794)                     |
| Finance and interest costs.....                                 | (1,650)                     | (2,767)                     | (2,756)                                  | (2,424)                             | (6,391)                      | (5,916)                      | (5,545)                      |
| Other payments.....   | (47,467)                    | (41,787)                    | (47,777)                                 | (50,375)                            | (44,762)                     | (44,555)                     | (46,310)                     |
| <b>Receipts <sup>(b)</sup></b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Emergency Services Levy .....                                   | 352,181                     | 366,360                     | 369,649                                  | 394,415                             | 417,916                      | 434,776                      | 449,494                      |
| Grants and subsidies.....                                       | 10,428                      | 7,233                       | 8,808                                    | 7,085                               | 7,085                        | 4,479                        | 4,479                        |
| Sale of goods and services.....                                 | 12,337                      | 10,322                      | 10,322                                   | 9,339                               | 9,242                        | 9,147                        | 10,197                       |
| GST receipts .....  | 26,603                      | 18,794                      | 18,794                                   | 18,794                              | 18,794                       | 18,794                       | 18,794                       |
| Other receipts .....  | 7,528                       | 3,280                       | 3,280                                    | 3,541                               | 3,584                        | 3,634                        | 3,634                        |
| <b>Net cash from operating activities .....</b>                 | <b>(62,075)</b>             | <b>(70,393)</b>             | <b>(99,034)</b>                          | <b>(85,412)</b>                     | <b>(12,086)</b>              | <b>749</b>                   | <b>18,451</b>                |
| <b>CASHFLOWS FROM INVESTING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                            | (46,792)                    | (55,720)                    | (35,158)                                 | (46,282)                            | (31,180)                     | (51,676)                     | (47,001)                     |
| Proceeds from sale of non-current assets.....                   | 756                         | -                           | -  | -                                   | 403                          | 420                          | 420                          |
| <b>Net cash from investing activities.....</b>                  | <b>(46,036)</b>             | <b>(55,720)</b>             | <b>(35,158)</b>                          | <b>(46,282)</b>                     | <b>(30,777)</b>              | <b>(51,256)</b>              | <b>(46,581)</b>              |
| <b>CASHFLOWS FROM FINANCING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases.....                         | (43,106)                    | (42,644)                    | (42,590)                                 | (43,316)                            | (45,740)                     | (46,412)                     | (47,076)                     |
| Proceeds from borrowings.....                                   | 23,737                      | 23,949                      | 23,949                                   | 23,949                              | 23,949                       | 23,949                       | 23,949                       |
| <b>Net cash from financing activities.....</b>                  | <b>(19,369)</b>             | <b>(18,695)</b>             | <b>(18,641)</b>                          | <b>(19,367)</b>                     | <b>(21,791)</b>              | <b>(22,463)</b>              | <b>(23,127)</b>              |
| <b>NET INCREASE/(DECREASE) IN CASH<br/>HELD .....</b>           | <b>(227)</b>                | <b>(50,712)</b>             | <b>(24,197)</b>                          | <b>(24,973)</b>                     | <b>12,175</b>                | <b>12,428</b>                | <b>14,152</b>                |
| Cash assets at the beginning of the reporting<br>period .....   | 84,368                      | 84,113                      | 84,141                                   | 59,944                              | 34,971                       | 47,146                       | 59,574                       |
| <b>Cash assets at the end of the reporting<br/>period .....</b> | <b>84,141</b>               | <b>33,401</b>               | <b>59,944</b>                            | <b>34,971</b>                       | <b>47,146</b>                | <b>59,574</b>                | <b>73,726</b>                |

(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<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Grants and Subsidies</b>  |                             |                             |  |                                     |                              |                              |                              |
| Commonwealth Grants .....  | 6,625                       | 2,818                       | 3,352                                    | 2,818                               | 2,818                        | 2,818                        | 2,818                        |
| Disaster Recovery Funding Arrangements<br>Western Australia <sup>(a)</sup> ..... | -                           | 2,298                       | 30,279                                   | 37,027                              | 571                          | -                            | -                            |
| National Partnership Agreements<br>COVID-19 Response .....                       | -                           | 248                         | 285                                      | -                                   | -                            | -                            | -                            |
| National Disaster Risk Reduction .....   | 2,506                       | 2,506                       | 2,506                                    | 2,506                               | 2,506                        | -                            | -                            |
| National Flood Mitigation Infrastructure<br>Program .....                        | -                           | -                           | 700                                      | -                                   | -                            | -                            | -                            |
| Provision of Fire Services .....   | 1,604                       | 1,661                       | 1,661                                    | 1,661                               | 1,661                        | 1,661                        | 1,661                        |
| Other Grants .....   | 1,485                       | 1,272                       | 1,376                                    | 1,149                               | 1,019                        | -                            | -                            |
| Road Trauma Trust Grant .....  | 4,610                       | 4,650                       | 4,650                                    | -                                   | -                            | -                            | -                            |
| <b>Sale of Goods and Services</b>  |                             |                             |  |                                     |                              |                              |                              |
| Sale of Goods and Services .....   | 2,352                       | 900                         | 900                                      | -                                   | -                            | -                            | -                            |
| <b>GST Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| GST Input Credits .....  | 24,028                      | 17,544                      | 17,544                                   | 17,544                              | 17,544                       | 17,544                       | 17,544                       |
| GST Receipts on Sales .....  | 2,575                       | 1,250                       | 1,250                                    | 1,250                               | 1,250                        | 1,250                        | 1,250                        |
| <b>Other Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| Other Sundry Receipts .....  | 8,180                       | 3,780                       | 4,231                                    | 4,496                               | 4,542                        | 4,134                        | 4,134                        |
| <b>TOTAL .....</b>   | <b>53,965</b>               | <b>38,927</b>               | <b>68,734</b>                            | <b>68,451</b>                       | <b>31,911</b>                | <b>27,407</b>                | <b>27,407</b>                |

(a) A drawdown from the DRFAWA through a claims reimbursement process over the 2021-22 Estimated Actual, 2022-23 Budget Year and 2023-24 Outyear is required to predominantly fund STC Seroja recovery and resilience grants, provision of temporary workers accommodation, caravans purchased for temporary accommodation for displaced residents and the clean-up assistance program for uninsured residents.

## DETAILS OF ADMINISTERED TRANSACTIONS

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>INCOME</b>   |                             |                             |  |                                     |                              |                              |                              |
| <b>Other</b>  |                             |                             |  |                                     |                              |                              |                              |
| Appropriations <sup>(a)</sup> .....                               | 85,000                      | 166,960                     | 176,960                                  | 96,900                              | 60,700                       | 45,000                       | 45,000                       |
| <b>TOTAL ADMINISTERED INCOME .....</b>                            | <b>85,000</b>               | <b>166,960</b>              | <b>176,960</b>                           | <b>96,900</b>                       | <b>60,700</b>                | <b>45,000</b>                | <b>45,000</b>                |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| <b>Grants to Charitable and Other Public Bodies</b>               |                             |                             |  |                                     |                              |                              |                              |
| Disaster Recovery Funding Arrangements<br>Western Australia ..... | 74,998                      | 225,991                     | 235,991                                  | 96,900                              | 60,700                       | 45,000                       | 45,000                       |
| <b>TOTAL ADMINISTERED EXPENSES .....</b>                          | <b>74,998</b>               | <b>225,991</b>              | <b>235,991</b>                           | <b>96,900</b>                       | <b>60,700</b>                | <b>45,000</b>                | <b>45,000</b>                |

(a) The DRFAWA are jointly funded by State and Commonwealth Governments and administered by the Department to provide assistance to the communities to recover from eligible natural disaster events. The 2021-22 Estimated Actual, and forward estimates period include additional funding of \$119.4 million in recovery assistance packages for STC Seroja (\$104.5 million for clean-up, rebuilding, community outreach and welfare, and temporary accommodation for residents; \$14.9 million for temporary workers accommodation). An additional \$80.2 million has been provided for the replacement cost of public infrastructure as a result of a number of natural disaster events, including the Wooroloo bushfire and flooding in Carnarvon.

**RURAL FIRE DIVISION**

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Year | 2023-24<br>Outyear | 2024-25<br>Outyear | 2025-26<br>Outyear |
|---|-------------------|-------------------|--------------------------------|---------------------------|--------------------|--------------------|--------------------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                    | \$'000             | \$'000             | \$'000             |
| Bushfire Centre of Excellence (BCoE) <sup>(a)</sup> |                   |                   |                                |                           |                    |                    |                    |
| Capital Costs.....                                  | 7,785             | 780               | 478                            | 302                       | -                  | -                  | -                  |
| Operating Costs .....                               | 3,408             | 5,571             | 5,571                          | 5,801                     | 5,801              | 5,801              | 5,801              |
| Bushfire Risk Management <sup>(b)</sup> .....       | 14,290            | 23,633            | 18,688                         | 21,936                    | 16,307             | 14,829             | 14,917             |
| Bushfire Technical Services .....                   | 1,111             | 1,168             | 1,243                          | 1,314                     | 1,168              | 1,168              | 1,168              |
| Land Use Planning.....                              | 723               | 736               | 820                            | 900                       | 736                | 736                | 736                |
| Office of Bushfire Risk Management .....            | 964               | 1,306             | 1,390                          | 1,470                     | 1,306              | 1,306              | 1,306              |
| Rural Fire Executive.....                           | 1,144             | 1,158             | 1,158                          | 1,158                     | 1,158              | 1,158              | 1,158              |
| <b>TOTAL RURAL FIRE DIVISION .....</b>              | <b>29,425</b>     | <b>34,352</b>     | <b>29,348</b>                  | <b>32,881</b>             | <b>26,476</b>      | <b>24,998</b>      | <b>25,086</b>      |

(a) BCoE expenditure includes operating costs and capital works included in the AIP.

(b) Detailed breakdown of expenditure for the Bushfire Risk Management directorate is shown in the table below.

**BUSHFIRE RISK MANAGEMENT**

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Year | 2023-24<br>Outyear | 2024-25<br>Outyear | 2025-26<br>Outyear |
|---|-------------------|-------------------|--------------------------------|---------------------------|--------------------|--------------------|--------------------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                    | \$'000             | \$'000             | \$'000             |
| Local Government  |                   |                   |                                |                           |                    |                    |                    |
| Mitigation Activity Fund (MAF) ESL Grants<br>Program <sup>(a)</sup> ..... | 1,806             | 13,479            | 7,430                          | 11,348                    | 5,836              | 5,835              | 5,906              |
| MAF RfR Grants Program <sup>(b)</sup> .....                               | 3,642             | 1,280             | 1,384                          | 1,149                     | 1,019              | -                  | -                  |
| Bushfire Risk Planning Coordinator Support<br>Program .....               | 2,306             | 1,409             | 1,409                          | 1,409                     | 1,409              | 1,409              | 1,426              |
| Department Mitigation Works   |                   |                   |                                |                           |                    |                    |                    |
| Bushfire Awareness Campaign.....  | 1,000             | 1,010             | 1,010                          | 1,020                     | 1,030              | 1,030              | 1,030              |
| Grain Harvest <sup>(c)</sup> .....  | -                 | -                 | 1,549                          | -                         | -                  | -                  | -                  |
| Bushfire Risk Management Branch <sup>(d)</sup> .....                      | 1,707             | 1,955             | 1,955                          | 2,055                     | 2,055              | 2,055              | 2,055              |
| Memorandum of Understanding (MOU)   |                   |                   |                                |                           |                    |                    |                    |
| Department of Education <sup>(e)</sup> .....                              | 217               | -                 | 451                            | 455                       | 458                | -                  | -                  |
| Unallocated Crown Land (UCL) <sup>(f)</sup>                               |                   |                   |                                |                           |                    |                    |                    |
| Department ESL Contribution .....   | 3,112             | 4,000             | 3,000                          | 4,000                     | 4,000              | 4,000              | 4,000              |
| Department of Planning, Lands and<br>Heritage (DPLH) Contribution.....    | 500               | 500               | 500                            | 500                       | 500                | 500                | 500                |
| <b>TOTAL BUSHFIRE RISK MANAGEMENT .....</b>                               | <b>14,290</b>     | <b>23,633</b>     | <b>18,688</b>                  | <b>21,936</b>             | <b>16,307</b>      | <b>14,829</b>      | <b>14,917</b>      |

(a) The 2022-23 Budget Year shows an increase of \$3.9 million compared to 2021-22 Estimated Actual due to a \$5.5 million carryover from 2021-22 to 2022-23 as a result of a number of factors including weather conditions, eligibility of local government to participate in the program and the COVID-19 pandemic impacting mitigation works.

(b) The Department administers bushfire mitigation activity grant funding on behalf of DPLH. The funding for this initiative is provided to DPLH from the RfR program. The table reflects the allocation of the funding to the Department based on estimates provided by DPLH.

(c) The Grain Harvest was funded by MAF ESL Grants Program in 2021-22 through a re-classification from grants and subsidies to services and contracts as part of 2022-23 Budget process.

(d) Includes three Bushfire Risk Management Officers that are part of the Bushfire Risk Management branch of the Rural Fire Division command.

(e) The MOU between the Department and Education for the provision of bushfire risk services expired in June 2020-21 and a new MOU was finalised and approved through 2021-22 Mid-year Review process.

(f) The UCL budget is funded by DPLH and MAF ESL Grants Program. Department ESL Contribution of \$4 million per annum was provided for the forward estimates period through the 2021-22 Budget submission.

# Division 30 Office of the Director of Public Prosecutions

## Part 7 Community Safety

### Appropriations, Expenses and Cash Assets

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>                               |                             |                             |  |                                     |                              |                              |                              |
| Item 68 Net amount appropriated to deliver services ..... | 39,575                      | 42,785                      | 45,199                                   | 46,442                              | 48,956                       | 53,022                       | 53,926                       |
| <b>Amount Authorised by Other Statutes</b>                |                             |                             |  |                                     |                              |                              |                              |
| - Salaries and Allowances Act 1975 .....                  | 3,763                       | 3,325                       | 4,125                                    | 4,145                               | 4,178                        | 4,206                        | 4,211                        |
| Total appropriations provided to deliver services.....    | 43,338                      | 46,110                      | 49,324                                   | 50,587                              | 53,134                       | 57,228                       | 58,137                       |
| <b>CAPITAL</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 136 Capital Appropriation.....                       | -                           | 768                         | 768                                      | 286                                 | 146                          | 146                          | 146                          |
| <b>TOTAL APPROPRIATIONS</b> .....                         | 43,338                      | 46,878                      | 50,092                                   | 50,873                              | 53,280                       | 57,374                       | 58,283                       |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....                              | 53,606                      | 51,672                      | 54,886                                   | 57,863                              | 61,217                       | 65,547                       | 66,469                       |
| Net Cost of Services <sup>(a)</sup> .....                 | 53,354                      | 51,622                      | 54,836                                   | 57,813                              | 61,167                       | 65,497                       | 66,419                       |
| <b>CASH ASSETS <sup>(b)</sup></b> .....                   | 4,653                       | 3,300                       | 5,051                                    | 4,352                               | 4,352                        | 4,352                        | 4,352                        |

(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<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>New Initiatives</b>   |  |                                     |                              |                              |                              |
| Children's Court Matters.....  | 187                                      | 1,297                               | 747                          | 1,047                        | 747                          |
| Consultant State Prosecutors.....  | 800                                      | 805                                 | 809                          | 815                          | 820                          |
| Strategic Asset Portfolio.....   | -  | -                                   | 550                          | 1,100                        | 1,100                        |
| <b>Ongoing Initiatives</b>   |  |                                     |                              |                              |                              |
| Cost and Demand Pressures .....  | 2,359                                    | 884                                 | 944                          | 358                          | 979                          |
| Legal Information Service.....   | -  | 324                                 | 327                          | -                            | -                            |
| Major Crime and Complex Prosecutions.....                                    | -  | 1,051                               | 1,063                        | 1,076                        | 1,089                        |
| <b>Other</b>   |  |                                     |                              |                              |                              |
| Transfer of Dangerous Sexual Offender Unit to State Solicitor's Office ..... | (132)                                    | (188)                               | (199)                        | (199)                        | (199)                        |

## Significant Issues Impacting the Agency

1. The Office continues to respond to the increasing use of digital evidence in the criminal justice system, which is making case handling much more complex and time consuming. \$9.7 million has been provisioned through the Digital Capability Fund for the Office's established program of works that will transform the receipt, handling, distribution and storage of case matters over the forward estimates period. This program of works targets change and justice pipeline process management, digitisation of evidence handling, automation and data collaboration across the criminal justice sector. This program will provide for better prosecutions for the State, prepares the Office for the continued evolution and growth in digital evidence, and supports the Digital Strategy for the Western Australia Government 2021-2025 within the criminal justice system.
2. The Office has been provided with \$3.5 million to progress the early resolution initiative for Children's Court matters heard in Perth. This will further enable improved capacity for specialist prosecution of advice on regional Children's Court matters, reduce time spent in custody by young people, and deliver benefits across the Justice Pipeline.
3. The Office has received \$4.3 million to continue to address the sustained increase of major crime and complex prosecutions for the significant murder, systemic fraud and corruption cases originating from the State Crime Division of the Western Australia Police Force and the Corruption and Crime Commission. These high public interest cases require suitably experienced senior prosecutorial oversight to effectively manage the specialised brief-preparation processes, sophistication and volume of evidentiary material.
4. The COVID-19 pandemic caused substantial disruptions to court proceedings, requiring trial re-listings and numerous procedural adjustments creating backlogs in judicial processes. The indictable caseload managed by the Office is projected to remain at an increased level across the forward estimates period. Provisions have been made towards addressing this anticipated growth.
5. Reforms to the criminal law in Western Australia over the forward estimates period are expected to have a measurable impact on the indictable caseload and need for specialist prosecutorial services.
6. Following the functional transfer of proceedings relating to dangerous sexual and violent offenders under the *High Risk Serious Offenders Act 2020* to the State Solicitor's Office, the Office continues the provision of historical legal information. Further, the Office is responding to elevated demand for provision of legal information services from numerous government agencies and associated parties.

## 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 Office'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 Outcome  | Services  |
|--|--|---|
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive. | That the people of Western Australia are provided with a fair and just criminal prosecution service. | 1. Criminal Prosecutions<br>2. Confiscation of Assets |

## Service Summary

| Expense                             | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|-------------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Criminal Prosecutions .....      | 49,876                      | 48,422                      | 51,119                                   | 54,063                              | 57,417                       | 61,747                       | 62,669                       |
| 2. Confiscation of Assets .....     | 3,730                       | 3,250                       | 3,767                                    | 3,800                               | 3,800                        | 3,800                        | 3,800                        |
| <b>Total Cost of Services .....</b> | <b>53,606</b>               | <b>51,672</b>               | <b>54,886</b>                            | <b>57,863</b>                       | <b>61,217</b>                | <b>65,547</b>                | <b>66,469</b>                |

## Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: That the people of Western Australia are provided with a fair and just criminal prosecution service:</b> |                   |                   |                                |                             |      |
| Early advice to Court on charges: Indictment filed within three months of committal .....                            | 65.5%             | 85%               | 67.8%                          | 85%                         | 1    |
| Establishing a case to answer .....  | 99.6%             | 98%               | 99.8%                          | 98%                         | 2    |
| Convictions after trial .....  | 59.4%             | 50%               | 63.2%                          | 50%                         | 3    |
| Application for a Declaration of Confiscations filed within four months of the Drug Trafficker Declaration .....     | 10.7%             | 60%               | 5%                             | 20%                         | 4    |

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

## Explanation of Significant Movements

(Notes)

1. The number of indictments filed within three months of committal did not meet the 85% target as a result of the impacts from the COVID-19 restrictions and interruption of service delivery across the broader justice system. This caused delays in cases progressing to committal stage and adjournments of committal hearings. The Office will continue to progress this backlog of committals and meet the prosecution service demands.
2. Establishing a case to answer refers to the completed trials that do not have a Judge-directed acquittal recorded against all charges over total completed trials. The 2021-22 Estimated Actual exceeds the 2021-22 Budget, driven by the Office's pre-trial review process, which effectively identified unsuitable cases prior to trial, resulting in appropriate action and allocation of prosecutorial effort.
3. The 2021-22 Estimated Actual exceeds the 2021-22 Budget, reflecting the consistent approach of the Office in assessing and preparing matters prior to trial, and effectively preparing and prosecuting trials.
4. The Office manages Drug Trafficker Declarations which includes confiscated property, land and assets. The preparation of applications for confiscation in these matters is a highly complex process and requires significant liaison with numerous engagements throughout the process, including input from numerous participants across the justice system and stakeholders with interests in these seized assets. The length of time taken along with the increased complexity and prosecution work effort has contributed to the 2021-22 Estimated Actual remaining lower than the 2021-22 Budget. The Office has revised the 2022-23 Budget Target down to more appropriate and sustainable levels.

## Services and Key Efficiency Indicators

### 1. Criminal Prosecutions

The Office conducts prosecutions against people accused of serious breaches of the State's criminal laws. These prosecutions are principally conducted on indictment in the Supreme and District Courts sitting at Perth as well as in major regional locations.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|--|-------------------|-------------------|--------------------------------|-----------------------------|----------|
| Total Cost of Service.....                     | \$'000<br>49,876  | \$'000<br>48,422  | \$'000<br>51,119               | \$'000<br>54,063            |          |
| Less Income .....                              | 252               | 50                | 50                             | 50                          |          |
| Net Cost of Service .....                      | 49,624            | 48,372            | 51,069                         | 54,013                      |          |
| <b>Employees (Full-Time Equivalents) .....</b> | <b>263</b>        | <b>318</b>        | <b>321</b>                     | <b>347</b>                  | <b>1</b> |
| <b>Efficiency Indicators</b>                   |                   |                   |                                |                             |          |
| Cost per prosecution .....                     | \$16,462          | \$15,000          | \$18,257                       | \$18,000                    | 2        |

### Explanation of Significant Movements

(Notes)

1. The increase in Full-time Equivalents (FTEs) from the 2021-22 Budget to the 2021-22 Estimated Actual is the sum of all spending changes affecting the 2021-22 Budget FTE impact since the original budget was endorsed. The 2021-22 Estimated Actual to 2022-23 Budget Target will increase as a result of the increase in demand and the activity across the broader justice system.
2. The 2021-22 Estimated Actual for the cost per prosecution continues to trend upwards compared to the 2021-22 Budget as a result of fewer indictable cases (an anticipated 7% reduction) caused by COVID-19 interruptions across the broader justice system, case backlogs that the Office is required to manage, the sustained increase in case management complexity driven by the increase in the volume of digital evidence, the costs required to securely manage this material, and the increases in court trial days.

### 2. Confiscation of Assets

The Office institutes and conducts proceedings in a fair and just manner to confiscate property acquired as a result of criminal activity, property used for criminal activity and the property of declared drug traffickers. The cost to operate the Office's Confiscations Team and to manage confiscation legal work is generally recouped from the Confiscation Proceeds Account established under the *Criminal Property Confiscation Act 2000*.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|--|-------------------|-------------------|--------------------------------|-----------------------------|----------|
| Total Cost of Service.....                     | \$'000<br>3,730   | \$'000<br>3,250   | \$'000<br>3,767                | \$'000<br>3,800             | 1        |
| Less Income .....                              | nil               | nil               | nil                            | nil                         |          |
| Net Cost of Service .....                      | 3,730             | 3,250             | 3,767                          | 3,800                       |          |
| <b>Employees (Full-Time Equivalents) .....</b> | <b>16</b>         | <b>16</b>         | <b>21</b>                      | <b>21</b>                   | <b>1</b> |
| <b>Efficiency Indicators</b>                   |                   |                   |                                |                             |          |
| Ratio of cost to return <sup>(a)</sup> .....   | 24.5%             | 25%               | 15.2%                          | 25%                         | 2        |

(a) The ratio of cost to return is calculated by dividing the total cost to operate the Office's confiscation activity by the total confiscations revenue collected.



**Explanation of Significant Movements**

(Notes)

1. The 2021-22 Estimated Actual FTEs exceeds the 2021-22 Budget as the Office responds to increased service demands associated with confiscation activities, which is expected to continue across the 2022-23 Budget Target.
2. The 2021-22 Estimated Actual ratio of cost to return is under the 2021-22 Budget due to confiscation collections exceeding planned levels.

**Asset Investment Program**

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>  |                                   |  |   |                                     |                              |                              |                              |
| Digital Transformation and Change Management  |                                   |  |   |                                     |                              |                              |                              |
| Digital Transformation and Service Enhancement.....   | 981                               | 503  | -   | -                                   | -                            | 189                          | 289                          |
| Strategic Asset Portfolio .....   | 9,165                             | 1,200  | 1,200   | 4,570                               | 3,395                        | -                            | -                            |
| Equipment Replacement   |                                   |  |   |                                     |                              |                              |                              |
| Desktop Devices .....   | 1,683                             | 833  | 250   | 225                                 | 125                          | 250                          | 250                          |
| Furniture and Fittings, Portable and Attractive items,<br>including Dictation and Transcript Equipment..... | 200                               | 100  | 100   | -                                   | -                            | 100                          | -                            |
| Print and Photocopy Services.....   | 279                               | 165  | -   | -                                   | 114                          | -                            | -                            |
| <b>NEW WORKS</b>  |                                   |  |   |                                     |                              |                              |                              |
| Equipment Replacement - Prosecution Services - Video<br>Recording and Conferencing .....                    | 200                               | -  | -   | -                                   | 200                          | -                            | -                            |
| <b>Total Cost of Asset Investment Program.....</b>  | <b>12,508</b>                     | <b>2,801</b>                                     | <b>1,550</b>                                  | <b>4,795</b>                        | <b>3,834</b>                 | <b>539</b>                   | <b>539</b>                   |
| <b>FUNDED BY</b>  |                                   |  |   |                                     |                              |                              |                              |
| Capital Appropriation .....   |                                   |  | 675   | 188                                 | -                            | -                            | -                            |
| Drawdowns from the Holding Account.....   |                                   |  | 458   | 106                                 | 439                          | 539                          | 539                          |
| Funding Included in Department of Treasury - Digital<br>Capability Fund .....                               |                                   |  | -   | 3,581                               | 3,395                        | -                            | -                            |
| Internal Funds and Balances.....  |                                   |  | 417   | 920                                 | -                            | -                            | -                            |
| <b>Total Funding .....</b>  |                                   |  | <b>1,550</b>                                  | <b>4,795</b>                        | <b>3,834</b>                 | <b>539</b>                   | <b>539</b>                   |

## Financial Statements

### Income Statement

#### *Expenses*

1. The Total Cost of Services for the 2021-22 Estimated Actual is higher than the 2021-22 Budget as the Office responded to unavoidable and sustained service demand pressures to meet criminal prosecution caseloads whilst accommodating the significant interruptions across the broader justice pipeline caused by COVID-19. The Total Cost of Services for the 2022-23 Budget Year increases by \$3 million compared to the 2021-22 Estimated Actual as the Office increases its prosecution workforce, associated accommodation needs, and core operating platforms to effectively address the growth in demand and complexities associated with delivery of criminal prosecution activities.

#### *Income*

2. The increase in Total Income from Government in the 2021-22 Budget compared to the 2021-22 Estimated Actual is driven by the increase in service appropriations provided to address cost and demand pressures to effectively manage the State's major crime and complex prosecutions. The Total Income from Government for the 2022-23 Budget Year is higher than the 2021-22 Estimated Actual by \$2.3 million to address the ongoing demand for criminal prosecution services, including provisions to prosecute major crime and complex prosecutions.

### Statement of Financial Position

3. The current assets for the 2021-22 Estimated Actual exceed 2021-22 Budget as cash and restricted cash assets are provisioned for the Office's Asset Investment Program. The total non-current assets, particularly intangibles, for the 2022-23 Budget Year exceed the 2021-22 Estimated Actual by \$5.5 million as the Office progresses the program of works within the Asset Investment Program. There is a corresponding increase of \$3.9 million over this period in the Office's contributed equity which substantially funds the Asset Investment Program.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 39,877                      | 39,764                      | 41,361                                   | 43,904                              | 47,487                       | 51,049                       | 51,481                       |
| Supplies and services .....                      | 4,325                       | 3,135                       | 4,195                                    | 4,122                               | 4,531                        | 4,685                        | 4,976                        |
| Accommodation .....                              | 4,872                       | 4,410                       | 4,410                                    | 5,493                               | 5,018                        | 5,294                        | 5,298                        |
| Depreciation and amortisation .....              | 651                         | 1,031                       | 1,031                                    | 1,091                               | 903                          | 1,217                        | 1,217                        |
| Finance and interest costs .....                 | 9                           | 19                          | 19                                       | 21                                  | 19                           | 19                           | 19                           |
| Other expenses .....                             | 3,872                       | 3,313                       | 3,870                                    | 3,232                               | 3,259                        | 3,283                        | 3,478                        |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>53,606</b>               | <b>51,672</b>               | <b>54,886</b>                            | <b>57,863</b>                       | <b>61,217</b>                | <b>65,547</b>                | <b>66,469</b>                |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Other revenue .....                              | 252                         | 50                          | 50                                       | 50                                  | 50                           | 50                           | 50                           |
| <b>Total Income .....</b>                        | <b>252</b>                  | <b>50</b>                   | <b>50</b>                                | <b>50</b>                           | <b>50</b>                    | <b>50</b>                    | <b>50</b>                    |
| <b>NET COST OF SERVICES .....</b>                | <b>53,354</b>               | <b>51,622</b>               | <b>54,836</b>                            | <b>57,813</b>                       | <b>61,167</b>                | <b>65,497</b>                | <b>66,419</b>                |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 43,338                      | 46,110                      | 49,324                                   | 50,587                              | 53,134                       | 57,228                       | 58,137                       |
| Resources received free of charge .....          | 793                         | 793                         | 793                                      | 793                                 | 793                          | 793                          | 793                          |
| Other revenues .....                             | 7,469                       | 5,605                       | 5,605                                    | 6,675                               | 7,240                        | 7,476                        | 7,489                        |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>51,600</b>               | <b>52,508</b>               | <b>55,722</b>                            | <b>58,055</b>                       | <b>61,167</b>                | <b>65,497</b>                | <b>66,419</b>                |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>(1,754)</b>              | <b>886</b>                  | <b>886</b>                               | <b>242</b>                          | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |

(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 279, 342 and 368 respectively.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                      |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                          | 2,039                       | 2,771                       | 4,361                                    | 3,662                               | 3,662                        | 3,662                        | 3,662                        |
| Restricted cash .....                      | 1,924                       | -                           | -  | -                                   | -                            | -                            | -                            |
| Holding Account receivables .....          | 1,000                       | 150                         | 458                                      | 150                                 | 439                          | 539                          | 539                          |
| Receivables .....                          | 2,235                       | 3,018                       | 2,235                                    | 2,256                               | 2,256                        | 2,256                        | 2,256                        |
| Other.....                                 | 950                         | 180                         | 950                                      | 950                                 | 950                          | 950                          | 950                          |
| <b>Total current assets .....</b>          | <b>8,148</b>                | <b>6,119</b>                | <b>8,004</b>                             | <b>7,018</b>                        | <b>7,307</b>                 | <b>7,407</b>                 | <b>7,407</b>                 |
| <b>NON-CURRENT ASSETS</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....          | 5,583                       | 6,597                       | 6,740                                    | 8,019                               | 8,194                        | 8,772                        | 9,450                        |
| Property, plant and equipment.....         | 1,255                       | 1,088                       | 1,080                                    | 1,157                               | 938                          | 741                          | 544                          |
| Intangibles .....                          | 339                         | 2,440                       | 1,264                                    | 4,965                               | 8,199                        | 7,864                        | 7,529                        |
| Restricted cash .....                      | 690                         | 529                         | 690                                      | 690                                 | 690                          | 690                          | 690                          |
| <b>Total non-current assets .....</b>      | <b>7,867</b>                | <b>10,654</b>               | <b>9,774</b>                             | <b>14,831</b>                       | <b>18,021</b>                | <b>18,067</b>                | <b>18,213</b>                |
| <b>TOTAL ASSETS .....</b>                  | <b>16,015</b>               | <b>16,773</b>               | <b>17,778</b>                            | <b>21,849</b>                       | <b>25,328</b>                | <b>25,474</b>                | <b>25,620</b>                |
| <b>CURRENT LIABILITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 8,169                       | 6,666                       | 7,933                                    | 7,579                               | 7,579                        | 7,579                        | 7,579                        |
| Payables .....                             | 769                         | 764                         | 884                                      | 884                                 | 884                          | 884                          | 884                          |
| Other.....                                 | 226                         | 508                         | 226                                      | 226                                 | 226                          | 226                          | 226                          |
| <b>Total current liabilities .....</b>     | <b>9,164</b>                | <b>7,938</b>                | <b>9,043</b>                             | <b>8,689</b>                        | <b>8,689</b>                 | <b>8,689</b>                 | <b>8,689</b>                 |
| <b>NON-CURRENT LIABILITIES</b>             |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 2,535                       | 2,165                       | 2,571                                    | 2,625                               | 2,625                        | 2,625                        | 2,625                        |
| Borrowings and leases .....                | 302                         | 404                         | 296                                      | 258                                 | 196                          | 196                          | 196                          |
| <b>Total non-current liabilities .....</b> | <b>2,837</b>                | <b>2,569</b>                | <b>2,867</b>                             | <b>2,883</b>                        | <b>2,821</b>                 | <b>2,821</b>                 | <b>2,821</b>                 |
| <b>TOTAL LIABILITIES.....</b>              | <b>12,001</b>               | <b>10,507</b>               | <b>11,910</b>                            | <b>11,572</b>                       | <b>11,510</b>                | <b>11,510</b>                | <b>11,510</b>                |
| <b>EQUITY</b>                              |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                   | 7,138                       | 8,052                       | 7,906                                    | 11,773                              | 15,314                       | 15,460                       | 15,606                       |
| Accumulated surplus/(deficit).....         | (3,124)                     | (2,186)                     | (2,238)                                  | (1,996)                             | (1,996)                      | (1,996)                      | (1,996)                      |
| Other.....                                 | -                           | 400                         | 200                                      | 500                                 | 500                          | 500                          | 500                          |
| <b>Total equity .....</b>                  | <b>4,014</b>                | <b>6,266</b>                | <b>5,868</b>                             | <b>10,277</b>                       | <b>13,818</b>                | <b>13,964</b>                | <b>14,110</b>                |
| <b>TOTAL LIABILITIES AND EQUITY .....</b>  | <b>16,015</b>               | <b>16,773</b>               | <b>17,778</b>                            | <b>21,849</b>                       | <b>25,328</b>                | <b>25,474</b>                | <b>25,620</b>                |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                 | 42,121                      | 45,037                      | 48,251                                   | 49,466                              | 52,231                       | 56,011                       | 56,920                       |
| Capital appropriation .....                                 | -                           | 768                         | 768                                      | 286                                 | 146                          | 146                          | 146                          |
| Holding Account drawdowns .....                             | 400                         | 458                         | 458                                      | 150                                 | 439                          | 539                          | 539                          |
| Other.....  | 7,469                       | 5,605                       | 5,605                                    | 10,256                              | 10,635                       | 7,476                        | 7,489                        |
| <b>Net cash provided by Government .....</b>                | <b>49,990</b>               | <b>51,868</b>               | <b>55,082</b>                            | <b>60,158</b>                       | <b>63,451</b>                | <b>64,172</b>                | <b>65,094</b>                |
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....                                      | (38,452)                    | (39,764)                    | (41,361)                                 | (43,904)                            | (47,487)                     | (51,049)                     | (51,481)                     |
| Supplies and services .....                                 | (3,662)                     | (1,644)                     | (2,704)                                  | (2,630)                             | (3,240)                      | (3,394)                      | (3,685)                      |
| Accommodation .....   | (4,872)                     | (4,410)                     | (4,410)                                  | (5,493)                             | (5,018)                      | (5,294)                      | (5,298)                      |
| GST payments .....  | (1,345)                     | (840)                       | (840)                                    | (840)                               | (840)                        | (840)                        | (840)                        |
| Finance and interest costs.....                             | (9)                         | (19)                        | (19)                                     | (21)                                | (19)                         | (19)                         | (19)                         |
| Other payments.....   | (4,062)                     | (3,984)                     | (4,541)                                  | (3,916)                             | (3,751)                      | (3,775)                      | (3,970)                      |
| <b>Receipts <sup>(b)</sup></b>                              |                             |                             |  |                                     |                              |                              |                              |
| GST receipts .....  | 1,033                       | 834                         | 834                                      | 834                                 | 834                          | 834                          | 834                          |
| Other receipts .....  | 321                         | 50                          | 50                                       | 50                                  | 50                           | 50                           | 50                           |
| <b>Net cash from operating activities .....</b>             | <b>(51,048)</b>             | <b>(49,777)</b>             | <b>(52,991)</b>                          | <b>(55,920)</b>                     | <b>(59,471)</b>              | <b>(63,487)</b>              | <b>(64,409)</b>              |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                        | (408)                       | (2,364)                     | (1,550)                                  | (4,795)                             | (3,834)                      | (539)                        | (539)                        |
| <b>Net cash from investing activities.....</b>              | <b>(408)</b>                | <b>(2,364)</b>              | <b>(1,550)</b>                           | <b>(4,795)</b>                      | <b>(3,834)</b>               | <b>(539)</b>                 | <b>(539)</b>                 |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases .....                    | (21)                        | (143)                       | (143)                                    | (142)                               | (146)                        | (146)                        | (146)                        |
| <b>Net cash from financing activities.....</b>              | <b>(21)</b>                 | <b>(143)</b>                | <b>(143)</b>                             | <b>(142)</b>                        | <b>(146)</b>                 | <b>(146)</b>                 | <b>(146)</b>                 |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>           | <b>(1,487)</b>              | <b>(416)</b>                | <b>398</b>                               | <b>(699)</b>                        | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |
| Cash assets at the beginning of the reporting period .....  | 6,140                       | 3,716                       | 4,653                                    | 5,051                               | 4,352                        | 4,352                        | 4,352                        |
| <b>Cash assets at the end of the reporting period .....</b> | <b>4,653</b>                | <b>3,300</b>                | <b>5,051</b>                             | <b>4,352</b>                        | <b>4,352</b>                 | <b>4,352</b>                 | <b>4,352</b>                 |

(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**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Grants and Subsidies</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Contribution from the Confiscation Proceeds<br>Account ..... | 7,164                       | 5,300                       | 5,300                                    | 6,351                               | 6,363                        | 6,376                        | 6,389                        |
| <b>GST Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| GST Input Credits .....                                      | 1,025                       | 832                         | 832                                      | 832                                 | 832                          | 832                          | 832                          |
| GST Receipts on Sales .....                                  | 8                           | 2                           | 2  | 2                                   | 2                            | 2                            | 2                            |
| <b>Other Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| Employee Contributions to Employee Vehicle<br>Scheme .....   | 91                          | 50                          | 50                                       | 50                                  | 50                           | 50                           | 50                           |
| Other Receipts .....   | 230                         | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>TOTAL .....</b>   | <b>8,518</b>                | <b>6,184</b>                | <b>6,184</b>                             | <b>7,235</b>                        | <b>7,247</b>                 | <b>7,260</b>                 | <b>7,273</b>                 |

## Division 31 **Corruption and Crime Commission**

### Part 7 **Community Safety**

#### **Appropriations, Expenses and Cash Assets**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Item 69 Net amount appropriated to deliver services .....                                   | 26,882                      | 27,351                      | 27,351                                   | 30,190                              | 27,827                       | 28,131                       | 28,207                       |
| <b>Amount Authorised by Other Statutes - Corruption and Crime Commission Act 2003 .....</b> | 502                         | 503                         | 503                                      | 504                                 | 505                          | 506                          | 506                          |
| Total appropriations provided to deliver services.....                                      | 27,384                      | 27,854                      | 27,854                                   | 30,694                              | 28,332                       | 28,637                       | 28,713                       |
| <b>CAPITAL</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 137 Capital Appropriation.....   | 243                         | 219                         | 219                                      | 695                                 | 249                          | 208                          | 207                          |
| <b>TOTAL APPROPRIATIONS .....</b>   | 27,627                      | 28,073                      | 28,073                                   | 31,389                              | 28,581                       | 28,845                       | 28,920                       |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....  | 27,927                      | 28,611                      | 28,611                                   | 31,451                              | 28,996                       | 29,301                       | 29,377                       |
| Net Cost of Services <sup>(a)</sup> .....   | 27,789                      | 28,571                      | 28,571                                   | 31,411                              | 28,956                       | 29,261                       | 29,337                       |
| <b>CASH ASSETS <sup>(b)</sup> .....</b>   | 9,753                       | 9,551                       | 9,575                                    | 9,397                               | 9,219                        | 9,041                        | 8,863                        |

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the Commission'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 Commission's Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Continuance of the Unexplained Wealth Function ..... | -  | 2,804                               | -                            | -                            | -                            |

## Significant Issues Impacting the Agency

1. The *Criminal Property Confiscation Act 2000* (CPC Act) allows for the confiscation of wealth acquired by unlawful means. The Commission investigates and conducts civil proceedings under the CPC Act and utilises coercive powers under the *Corruption, Crime and Misconduct Act 2003* (CCM Act) to advance unexplained wealth and criminal benefits investigations. Additional funding of \$2.8 million (plus \$480,000 for capital works) is provided in the Budget to continue the operation of the unexplained wealth function in 2022-23.
2. The Commission must assess every allegation of serious misconduct or police misconduct under the CCM Act. The number of allegations assessed each year continues to increase. In addition, the assessment process is increasingly complex as more information, such as body worn camera footage, becomes available to the Commission. These factors have placed pressure on the assessment process and the Commission is conducting a review to identify efficiencies and process improvements.
3. The Attorney General has issued instructions for the reform of the CCM Act. The Commission is advised it will play a key part in the consultation process.

## 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 Commission'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 Outcome  | Services  |
|--|--|---|
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive. | The integrity of the Public Sector continuously improves and the incidence of misconduct is reduced. | <ol style="list-style-type: none"> <li>1. Assessing All Allegations of Serious Misconduct Received</li> <li>2. Investigating Allegations of Serious Misconduct</li> </ol> |

### Service Summary

| Expense   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Assessing All Allegations of Serious Misconduct Received ..... | 4,428                       | 4,538                       | 4,538                                    | 4,544                               | 4,599                        | 4,647                        | 4,660                        |
| 2. Investigating Allegations of Serious Misconduct.....           | 23,499                      | 24,073                      | 24,073                                   | 26,907                              | 24,397                       | 24,654                       | 24,717                       |
| <b>Total Cost of Services .....</b>                               | <b>27,927</b>               | <b>28,611</b>               | <b>28,611</b>                            | <b>31,451</b>                       | <b>28,996</b>                | <b>29,301</b>                | <b>29,377</b>                |



**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: The integrity of the Public Sector continuously improves and the incidence of misconduct is reduced:</b> |                   |                   |                                |                             |      |
| Number of allegations received .....   | 7,190             | 5,000             | 5,000                          | 5,000                       | 1    |
| Allegations as a percentage of people employed within Public Authorities under the Commission's jurisdiction.....    | 3.6%              | 2.6%              | 2.6%                           | 2.6%                        | 2    |
| Number of investigations.....  | 58                | 50                | 50                             | 50                          | 3    |
| Number of reports published .....  | 33                | 40                | 40                             | 40                          | 4    |

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

**Explanation of Significant Movements**

(Notes)

1. The 2020-21 Actual is higher than the 2021-22 Budget as a result of different factors, including increased awareness and confidence in the work of the Commission, increased reporting, continued liaison with public sector agencies and continuous improvement within the assessment process.
2. The 2020-21 Actual is higher than the 2021-22 Budget due to the increased number of allegations received.
3. The 2020-21 Actual is higher than the 2021-22 Budget due to an increase in the number of self-initiated serious misconduct investigations conducted under section 26 of *Corruption, Crime and Misconduct Act 2003*.
4. The 2020-21 Actual is lower than the 2021-22 Budget due to an increase in the number of complex and protracted investigations on hand during the year.

**Services and Key Efficiency Indicators****1. Assessing All Allegations of Serious Misconduct Received**

The Commission has responsibility for assessing all allegations of serious misconduct within the public sector and ensuring that they are appropriately dealt with either by the Commission or another public authority.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                               | \$'000<br>4,428   | \$'000<br>4,538   | \$'000<br>4,538                | \$'000<br>4,544             |      |
| Less Income .....  | 18                | 6                 | 6                              | 6                           |      |
| Net Cost of Service .....                                | 4,410             | 4,532             | 4,532                          | 4,538                       |      |
| <b>Employees (Full-Time Equivalents) .....</b>           | <b>32</b>         | <b>32</b>         | <b>32</b>                      | <b>32</b>                   |      |
| <b>Efficiency Indicators</b>                             |                   |                   |                                |                             |      |
| Percentage of assessments completed within 28 days ..... | 81%               | 80%               | 80%                            | 80%                         | 1    |
| Average cost of assessment .....                         | \$578             | \$908             | \$908                          | \$908                       |      |

**Explanation of Significant Movements**

(Notes)

1. The 2020-21 Actual is lower than the 2021-22 Budget due to an increase in the number of allegations received, which is offset by an underspend in overhead costs.

## 2. Investigating Allegations of Serious Misconduct

The Commission investigates matters which are serious and significant and where it believes it can have the most impact in improving the integrity of the public sector.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....   | \$'000<br>23,499  | \$'000<br>24,073  | \$'000<br>24,073               | \$'000<br>26,907            | 1    |
| Less Income .....  | 120               | 34                | 34                             | 34                          |      |
| Net Cost of Service .....  | 23,379            | 24,039            | 24,039                         | 26,873                      |      |
| <b>Employees (Full-Time Equivalents) .....</b>                               | <b>93</b>         | <b>93</b>         | <b>93</b>                      | <b>105</b>                  |      |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Percentage of investigations completed within 12 months .....                | 67%               | 80%               | 80%                            | 80%                         | 2    |
| Average time (days) to complete an investigation into serious misconduct.... | 347               | 350               | 350                            | 350                         |      |

### Explanation of Significant Movements

(Notes)

1. The 2022-23 Target Budget is higher than 2021-22 Budget due to additional funding received for the continuance of the unexplained wealth function.
2. The 2020-21 Actual is lower than the 2021-22 Budget due to the increased complexity and number of matters investigated by the Commission. Resources have been diverted from other investigative priorities to assist with unexplained wealth investigations and investigations relating to Communities which has negatively impacted on the time taken to complete matters.

## Asset Investment Program

1. The Commission's Asset Investment Program provides for the replacement of business systems and equipment across the Budget and forward estimates period.
2. The Commission has received an additional \$480,000 in 2022-23 Budget Year for information technology and accommodation fit-out for continuance of the unexplained wealth function.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COMPLETED WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Office and Security Equipment - 2021-22 Program .....            | 97                                | 97   | 97  | -                                   | -                            | -                            | -                            |
| Operations Support Equipment - 2021-22 Program .....             | 398                               | 398  | 398   | -                                   | -                            | -                            | -                            |
| Technology and Business Support Systems<br>2021-22 Program ..... | 805                               | 805  | 805   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Office and Security Equipment                                    |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 80                                | -  | -   | 80                                  | -                            | -                            | -                            |
| 2023-24 Program .....  | 60                                | -  | -   | -                                   | 60                           | -                            | -                            |
| 2024-25 Program .....  | 10                                | -  | -   | -                                   | -                            | 10                           | -                            |
| 2025-26 Program .....  | 10                                | -  | -   | -                                   | -                            | -                            | 10                           |
| Operations Support Equipment                                     |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 925                               | -  | -   | 925                                 | -                            | -                            | -                            |
| 2023-24 Program .....  | 775                               | -  | -   | -                                   | 775                          | -                            | -                            |
| 2024-25 Program .....  | 740                               | -  | -   | -                                   | -                            | 740                          | -                            |
| 2025-26 Program .....  | 765                               | -  | -   | -                                   | -                            | -                            | 765                          |
| Technology and Business Support Systems                          |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 295                               | -  | -   | 295                                 | -                            | -                            | -                            |
| 2023-24 Program .....  | 465                               | -  | -   | -                                   | 465                          | -                            | -                            |
| 2024-25 Program .....  | 550                               | -  | -   | -                                   | -                            | 550                          | -                            |
| 2025-26 Program .....  | 525                               | -  | -   | -                                   | -                            | -                            | 525                          |
| Unexplained Wealth Functions                                     |                                   |  |   |                                     |                              |                              |                              |
| Accommodation Fit-out .....                                      | 240                               | -  | -   | 240                                 | -                            | -                            | -                            |
| Information Technology .....                                     | 240                               | -  | -   | 240                                 | -                            | -                            | -                            |
| <b>Total Cost of Asset Investment Program .....</b>              | <b>6,980</b>                      | <b>1,300</b>                                     | <b>1,300</b>                                  | <b>1,780</b>                        | <b>1,300</b>                 | <b>1,300</b>                 | <b>1,300</b>                 |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Capital Appropriation .....                                      |                                   |  | -   | 480                                 | -                            | -                            | -                            |
| Drawdowns from the Holding Account .....                         |                                   |  | 1,300   | 1,300                               | 1,300                        | 1,300                        | 1,300                        |
| <b>Total Funding .....</b>                                       |                                   |  | <b>1,300</b>                                  | <b>1,780</b>                        | <b>1,300</b>                 | <b>1,300</b>                 | <b>1,300</b>                 |

## Financial Statements

### Income Statement

#### Expenses

1. In the 2022-23 Budget Year, employee benefits and supplies and services have increased by \$2.8 million resulting from the continuance of the unexplained wealth function. The Commission will report back to Government on the ongoing funding arrangements.

#### INCOME STATEMENT <sup>(a)</sup> (Controlled)

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 18,568                      | 18,883                      | 18,883                                   | 21,150                              | 19,337                       | 19,560                       | 19,560                       |
| Supplies and services .....                      | 4,606                       | 4,715                       | 4,715                                    | 5,160                               | 4,528                        | 4,608                        | 4,689                        |
| Accommodation .....                              | 2,396                       | 2,515                       | 2,515                                    | 2,565                               | 2,617                        | 2,617                        | 2,617                        |
| Depreciation and amortisation .....              | 1,565                       | 1,766                       | 1,766                                    | 1,764                               | 1,761                        | 1,760                        | 1,760                        |
| Finance and interest costs .....                 | 9                           | 9                           | 9  | 13                                  | 17                           | 20                           | 15                           |
| Other expenses .....                             | 783                         | 723                         | 723                                      | 799                                 | 736                          | 736                          | 736                          |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>27,927</b>               | <b>28,611</b>               | <b>28,611</b>                            | <b>31,451</b>                       | <b>28,996</b>                | <b>29,301</b>                | <b>29,377</b>                |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Other revenue .....                              | 138                         | 40                          | 40                                       | 40                                  | 40                           | 40                           | 40                           |
| <b>Total Income .....</b>                        | <b>138</b>                  | <b>40</b>                   | <b>40</b>                                | <b>40</b>                           | <b>40</b>                    | <b>40</b>                    | <b>40</b>                    |
| <b>NET COST OF SERVICES .....</b>                | <b>27,789</b>               | <b>28,571</b>               | <b>28,571</b>                            | <b>31,411</b>                       | <b>28,956</b>                | <b>29,261</b>                | <b>29,337</b>                |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 27,384                      | 27,854                      | 27,854                                   | 30,694                              | 28,332                       | 28,637                       | 28,713                       |
| Resources received free of charge .....          | 414                         | 475                         | 475                                      | 475                                 | 475                          | 475                          | 475                          |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>27,798</b>               | <b>28,329</b>               | <b>28,329</b>                            | <b>31,169</b>                       | <b>28,807</b>                | <b>29,112</b>                | <b>29,188</b>                |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>9</b>                    | <b>(242)</b>                | <b>(242)</b>                             | <b>(242)</b>                        | <b>(149)</b>                 | <b>(149)</b>                 | <b>(149)</b>                 |

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 125, 125 and 137 respectively.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                      |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                          | 9,427                       | 9,161                       | 9,184                                    | 8,941                               | 8,698                        | 8,455                        | 8,212                        |
| Holding Account receivables .....          | 1,300                       | 1,300                       | 1,300                                    | 1,300                               | 1,300                        | 1,300                        | 1,300                        |
| Receivables .....                          | 248                         | 319                         | 248                                      | 248                                 | 248                          | 248                          | 248                          |
| Other.....                                 | 1,208                       | 781                         | 1,144                                    | 1,080                               | 1,016                        | 952                          | 889                          |
| <b>Total current assets .....</b>          | <b>12,183</b>               | <b>11,561</b>               | <b>11,876</b>                            | <b>11,569</b>                       | <b>11,262</b>                | <b>10,955</b>                | <b>10,649</b>                |
| <b>NON-CURRENT ASSETS</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....          | 15,543                      | 15,969                      | 16,009                                   | 16,473                              | 17,026                       | 17,578                       | 18,122                       |
| Property, plant and equipment.....         | 3,083                       | 2,791                       | 2,648                                    | 2,796                               | 2,557                        | 2,260                        | 1,951                        |
| Receivables .....                          | 146                         | 145                         | 146                                      | 146                                 | 146                          | 146                          | 146                          |
| Intangibles .....                          | 334                         | 483                         | 409                                      | 436                                 | 776                          | 651                          | 526                          |
| Restricted cash .....                      | 326                         | 390                         | 391                                      | 456                                 | 521                          | 586                          | 651                          |
| <b>Total non-current assets .....</b>      | <b>19,432</b>               | <b>19,778</b>               | <b>19,603</b>                            | <b>20,307</b>                       | <b>21,026</b>                | <b>21,221</b>                | <b>21,396</b>                |
| <b>TOTAL ASSETS .....</b>                  | <b>31,615</b>               | <b>31,339</b>               | <b>31,479</b>                            | <b>31,876</b>                       | <b>32,288</b>                | <b>32,176</b>                | <b>32,045</b>                |
| <b>CURRENT LIABILITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 3,581                       | 3,463                       | 3,581                                    | 3,581                               | 3,581                        | 3,581                        | 3,581                        |
| Payables .....                             | 131                         | 154                         | 131                                      | 131                                 | 131                          | 131                          | 131                          |
| Borrowings and leases .....                | 213                         | 211                         | 212                                      | 226                                 | 228                          | 241                          | 252                          |
| Other.....                                 | 125                         | 191                         | 125                                      | 125                                 | 125                          | 125                          | 125                          |
| <b>Total current liabilities .....</b>     | <b>4,050</b>                | <b>4,019</b>                | <b>4,049</b>                             | <b>4,063</b>                        | <b>4,065</b>                 | <b>4,078</b>                 | <b>4,089</b>                 |
| <b>NON-CURRENT LIABILITIES</b>             |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 1,325                       | 956                         | 1,325                                    | 1,325                               | 1,325                        | 1,325                        | 1,325                        |
| Borrowings and leases .....                | 357                         | 230                         | 245                                      | 175                                 | 485                          | 301                          | 101                          |
| <b>Total non-current liabilities .....</b> | <b>1,682</b>                | <b>1,186</b>                | <b>1,570</b>                             | <b>1,500</b>                        | <b>1,810</b>                 | <b>1,626</b>                 | <b>1,426</b>                 |
| <b>TOTAL LIABILITIES.....</b>              | <b>5,732</b>                | <b>5,205</b>                | <b>5,619</b>                             | <b>5,563</b>                        | <b>5,875</b>                 | <b>5,704</b>                 | <b>5,515</b>                 |
| <b>EQUITY</b>                              |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                   | 12,709                      | 12,953                      | 12,928                                   | 13,623                              | 13,872                       | 14,080                       | 14,287                       |
| Accumulated surplus/(deficit).....         | 13,174                      | 13,181                      | 12,932                                   | 12,690                              | 12,541                       | 12,392                       | 12,243                       |
| <b>Total equity .....</b>                  | <b>25,883</b>               | <b>26,134</b>               | <b>25,860</b>                            | <b>26,313</b>                       | <b>26,413</b>                | <b>26,472</b>                | <b>26,530</b>                |
| <b>TOTAL LIABILITIES AND EQUITY .....</b>  | <b>31,615</b>               | <b>31,339</b>               | <b>31,479</b>                            | <b>31,876</b>                       | <b>32,288</b>                | <b>32,176</b>                | <b>32,045</b>                |

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

**STATEMENT OF CASHFLOWS (a)**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                 | 25,951                      | 26,088                      | 26,088                                   | 28,930                              | 26,479                       | 26,785                       | 26,869                       |
| Capital appropriation .....                                 | 243                         | 219                         | 219                                      | 695                                 | 249                          | 208                          | 207                          |
| Holding Account drawdowns .....                             | 1,300                       | 1,300                       | 1,300                                    | 1,300                               | 1,300                        | 1,300                        | 1,300                        |
| Other.....  | 6                           | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Net cash provided by Government .....</b>                | <b>27,500</b>               | <b>27,607</b>               | <b>27,607</b>                            | <b>30,925</b>                       | <b>28,028</b>                | <b>28,293</b>                | <b>28,376</b>                |
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....                                      | (18,172)                    | (18,823)                    | (18,823)                                 | (21,090)                            | (19,277)                     | (19,500)                     | (19,500)                     |
| Supplies and services .....                                 | (4,526)                     | (4,307)                     | (4,307)                                  | (4,752)                             | (4,120)                      | (4,200)                      | (4,281)                      |
| Accommodation .....   | (2,396)                     | (2,515)                     | (2,515)                                  | (2,565)                             | (2,617)                      | (2,617)                      | (2,617)                      |
| GST payments .....  | (854)                       | (1,112)                     | (1,112)                                  | (1,232)                             | (1,112)                      | (1,112)                      | (1,120)                      |
| Finance and interest costs.....                             | (9)                         | (9)                         | (9)                                      | (12)                                | (55)                         | (19)                         | (15)                         |
| Other payments.....   | (766)                       | (656)                       | (656)                                    | (732)                               | (669)                        | (669)                        | (669)                        |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| GST receipts .....  | 856                         | 1,116                       | 1,116                                    | 1,236                               | 1,116                        | 1,116                        | 1,124                        |
| Other receipts .....  | 260                         | 40                          | 40                                       | 40                                  | 40                           | 40                           | 40                           |
| <b>Net cash from operating activities .....</b>             | <b>(25,607)</b>             | <b>(26,266)</b>             | <b>(26,266)</b>                          | <b>(29,107)</b>                     | <b>(26,694)</b>              | <b>(26,961)</b>              | <b>(27,038)</b>              |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                        | (1,197)                     | (1,300)                     | (1,300)                                  | (1,780)                             | (1,300)                      | (1,300)                      | (1,300)                      |
| Other receipts .....  | 44                          | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Net cash from investing activities.....</b>              | <b>(1,153)</b>              | <b>(1,300)</b>              | <b>(1,300)</b>                           | <b>(1,780)</b>                      | <b>(1,300)</b>               | <b>(1,300)</b>               | <b>(1,300)</b>               |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases .....                    | (244)                       | (219)                       | (219)                                    | (216)                               | (212)                        | (210)                        | (216)                        |
| <b>Net cash from financing activities.....</b>              | <b>(244)</b>                | <b>(219)</b>                | <b>(219)</b>                             | <b>(216)</b>                        | <b>(212)</b>                 | <b>(210)</b>                 | <b>(216)</b>                 |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>           | <b>496</b>                  | <b>(178)</b>                | <b>(178)</b>                             | <b>(178)</b>                        | <b>(178)</b>                 | <b>(178)</b>                 | <b>(178)</b>                 |
| Cash assets at the beginning of the reporting period .....  | 9,257                       | 9,729                       | 9,753                                    | 9,575                               | 9,397                        | 9,219                        | 9,041                        |
| <b>Cash assets at the end of the reporting period .....</b> | <b>9,753</b>                | <b>9,551</b>                | <b>9,575</b>                             | <b>9,397</b>                        | <b>9,219</b>                 | <b>9,041</b>                 | <b>8,863</b>                 |

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

## Division 32 **Chemistry Centre (WA)**

### Part 7 **Community Safety**

#### **Appropriations, Expenses and Cash Assets**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>                               |                             |                             |  |                                     |                              |                              |                              |
| Item 70 Net amount appropriated to deliver services ..... | 6,788                       | 6,771                       | 6,771                                    | 6,938                               | 6,974                        | 7,005                        | 7,036                        |
| <b>Amount Authorised by Other Statutes</b>                |                             |                             |  |                                     |                              |                              |                              |
| - Salaries and Allowances Act 1975 .....                  | 251                         | 252                         | 252                                      | 253                                 | 254                          | 255                          | 255                          |
| Total appropriations provided to deliver services .....   | 7,039                       | 7,023                       | 7,023                                    | 7,191                               | 7,228                        | 7,260                        | 7,291                        |
| <b>CAPITAL</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 138 Capital Appropriation .....                      | 2,500                       | 2,500                       | 2,500                                    | 2,500                               | 2,500                        | 2,500                        | 2,500                        |
| <b>TOTAL APPROPRIATIONS</b> .....                         | 9,539                       | 9,523                       | 9,523                                    | 9,691                               | 9,728                        | 9,760                        | 9,791                        |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....                              | 28,450                      | 30,109                      | 30,109                                   | 31,084                              | 31,899                       | 32,682                       | 32,767                       |
| Net Cost of Services <sup>(a)</sup> .....                 | 22,308                      | 24,171                      | 24,171                                   | 25,080                              | 25,772                       | 26,486                       | 26,439                       |
| <b>CASH ASSETS</b> <sup>(b)</sup> .....                   | 5,112                       | 4,325                       | 5,074                                    | 5,007                               | 5,262                        | 5,723                        | 6,268                        |

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the Centre'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 Centre's Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 2022-23 Streamlined Budget Process Incentive Funding ..... | -  | 136                                 | -                            | -                            | -                            |

## Significant Issues Impacting the Agency

### Keeping the State Safe

1. The Centre works closely with police, the justice system and emergency services to help keep the State safe.
  - 1.1. There is increased demand for forensic analysis following the introduction of a new 'polydrug' offence for driving while affected by a combination of alcohol and drugs, as well as ongoing expansion of drug testing capabilities for those involved in traffic accidents.
  - 1.2. Emergency Response staff are on call 24/7 to support the Department of Fire and Emergency Services (DFES) in responding to hazardous chemical, biological, or radiological threats that may impact public safety, public health and critical infrastructure.
  - 1.3. The expansion of forensic proteomic capabilities, including a pilot study into hair peptides, will further enhance the value of forensic evidence and its significance in criminal investigations and cold case reviews.
  - 1.4. The Centre is developing internationally renowned expertise in fibre analysis and a world-leading fibres database that enhances evidence interpretations, assisting the Western Australia Police Force in criminal investigations and cold case reviews and supporting justice system outcomes.
  - 1.5. Expertise in analysis and identification of 'designer drugs' continues to help save lives and reduce the health impacts of illicit drug use in the community. Pioneered by the Centre and the Royal Perth Hospital Emergency Department, the Emerging Drugs Network of Australia project assists in the treatment of patients by medical specialists and establishes an 'early warning system' to enable targeted and rapid harm-reduction responses, an approach now adopted nationally.

### Supports Diversifying the Economy and Creating Jobs for the Future

2. The Centre continues to focus efforts to develop scientific capability to solve complex problems for the State, grow its commercial business and pursue high-quality research and innovation to support the growth of established and emerging industries and job creation.
  - 2.1. The Centre is using the Leaching Environmental Assessment Framework to assess the long-term environmental impact of mining by-products for a variety of applications, such as use in construction and landfill. By diverting traditional waste materials into a new stream, the Centre continues to support the circular economy and reduce storage and disposal costs and the environmental footprint of these materials.
  - 2.2. The Centre is partnering with several Cooperative Research Centres (CRCs), such as:
    - 2.2.1. the CRC for Transformation in Mining Economies (CRC-TiME) and the CRC for Future Battery Industries (CRC-FBI). The Centre continues to explore opportunities for transformation beyond the life of mine operations, and innovative approaches to support the growth of battery industries to power Western Australia's future; and
    - 2.2.2. the CRC Fight Food Waste. The Centre collaborates with this CRC to reduce food waste throughout the supply chain and transform waste into innovative high-value co-products.
  - 2.3. To support local, national and international business, the Centre is providing high-quality chemical analysis by:
    - 2.3.1. holding Therapeutic Goods Administration and National Association of Testing Authorities accreditation to undertake analysis to support the emerging hemp and medicinal cannabis industry; and
    - 2.3.2. assisting producers to verify the authenticity of a range of products, such as seafood, honey and pork for important domestic and export markets.



## Education and Collaboration

3. The Centre plays an important role in the State's commitment to increasing participation in Science, Technology, Engineering and Mathematics (STEM) education.
  - 3.1. The Centre is building a skilled workforce for the future by providing postgraduate student supervision, with multiple students completing higher education studies at the Master and Doctorate level across a range of fields including proteomics, explosives, gunshot residue, new illicit drug detection capability, trace evidence, toxicology, agriculture and environmental science; and
  - 3.2. The Centre is also supporting the State's commitment to increase participation in STEM education through an education outreach program that includes school visits, guest lecturing, webinars, career expos and participation in science-related community events which aims to promote chemistry-related education in the broader community and an ongoing collaboration with Clontarf Aboriginal College to support its science curriculum.

## 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).

## Outcomes, Services and Key Performance Information

### Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the Agency's services, 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 Goals   | Desired Outcomes                    | Services  |
|--|-------------------------------------|---|
| WA Jobs Plan:<br>Diversifying the WA economy,<br>creating local jobs for the<br>future.              | Quality research and<br>innovation. | 1. Research and Innovation                          |
| Safe, Strong and Fair<br>Communities:<br>Supporting our local and<br>regional communities to thrive. | Quality scientific advice.          | 2. Commercial and Scientific Information and Advice |
|  | Quality emergency response.         | 3. Emergency Response Management                    |

### Service Summary

| Expense   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Research and Innovation.....                             | 2,736                       | 2,896                       | 2,870                                    | 2,962                               | 3,040                        | 3,115                        | 3,123                        |
| 2. Commercial and Scientific Information and<br>Advice..... | 23,690                      | 25,071                      | 25,102                                   | 25,915                              | 26,595                       | 27,248                       | 27,319                       |
| 3. Emergency Response Management.....                       | 2,024                       | 2,142                       | 2,137                                    | 2,207                               | 2,264                        | 2,319                        | 2,325                        |
| <b>Total Cost of Services .....</b>                         | <b>28,450</b>               | <b>30,109</b>               | <b>30,109</b>                            | <b>31,084</b>                       | <b>31,899</b>                | <b>32,682</b>                | <b>32,767</b>                |

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Quality research and innovation:</b>   |                   |                   |                                |                             |      |
| Contribution to scientific forums .....  | 60                | 60                | 60                             | 60                          |      |
| <b>Outcome: Quality scientific advice:</b>   |                   |                   |                                |                             |      |
| Proficiency rating for the accredited services .....                                       | 88%               | 95%               | 96%                            | 95%                         |      |
| <b>Outcome: Quality emergency response:</b>  |                   |                   |                                |                             |      |
| Average mobilisation time for emergency response incidents .....                           | 16 minutes        | 20 minutes        | 15 minutes                     | 20 minutes                  | 1    |
| Availability of emergency response workforce to meet agreed interagency requirements ..... | 100%              | 100%              | 100%                           | 100%                        |      |

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

**Explanation of Significant Movements**

(Notes)

1. The improved 2021-22 Estimated Actual compared to the 2021-22 Budget reflects maintenance of a high level of capability and readiness of the Centre's emergency responders in minimising harm to the community through rapid mobilisation to HAZMAT incidents. The 2022-23 Budget Target is consistent with the mobilisation time target in the Centre's Memorandum of Understanding with DFES.

**Services and Key Efficiency Indicators****1. Research and Innovation**

Delivery of quality project-based knowledge, know-how and/or intellectual property relevant to State development, public health and safety, or the delivery of the Centre's other services.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service .....   | 2,736             | 2,896             | 2,870                          | 2,962                       |      |
| Less Income .....   | 1,248             | 1,220             | 1,153                          | 1,166                       |      |
| Net Cost of Service .....   | 1,488             | 1,676             | 1,717                          | 1,796                       |      |
| <b>Employees (Full-Time Equivalents) .....</b>                      | <b>9</b>          | <b>9</b>          | <b>9</b>                       | <b>9</b>                    |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Publications per research and innovation full-time equivalent ..... | 3.3               | 4.2               | 2.9                            | 2.9                         | 1    |

**Explanation of Significant Movements**

(Notes)

1. The 2021-22 Estimated Actual was lower than the 2021-22 Budget primarily due to the cancellation or deferral of a number of research conferences and activities as a result of COVID-19.

## 2. Commercial and Scientific Information and Advice

Development and delivery of quality scientific information and advice, on a commercial basis, to Government, industry and the community.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 23,690            | 25,071            | 25,102                         | 25,915                      | 1    |
| Less Income .....   | 4,894             | 4,718             | 4,785                          | 4,838                       |      |
| Net Cost of Service .....   | 18,796            | 20,353            | 20,317                         | 21,077                      |      |
| Employees (Full-Time Equivalents) .....   | 99                | 105               | 105                            | 107                         |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Average cost of providing commercial scientific information and advice per applicable full-time equivalent..... | \$240,000         | \$243,000         | \$241,000                      | \$243,000                   |      |

### Explanation of Significant Movements

(Notes)

1. The 2022-23 Budget Target for Total Cost of Service is estimated to increase by \$0.8 million compared to the 2021-22 Estimated Actual. This mainly reflects the laboratory costs of servicing higher levels of Western Australia Police Force forensic activities as well as general annual cost increases.

## 3. Emergency Response Management

Specialist technical advice and support to Government and industry in managing the risks arising from unmanaged chemical-biological-radiological releases.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....   | 2,024             | 2,142             | 2,137                          | 2,207                       |      |
| Less Income .....  | nil               | nil               | nil                            | nil                         |      |
| Net Cost of Service .....  | 2,024             | 2,142             | 2,137                          | 2,207                       |      |
| Employees (Full-Time Equivalents) .....  | 7                 | 7                 | 7                              | 7                           |      |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Average cost to maintain an emergency response capability per Western Australian ..... | \$0.75            | \$0.80            | \$0.80                         | \$0.82                      |      |

## Asset Investment Program

1. In 2022-23, the Centre's Asset Investment Program totals \$2.5 million to be spent on the replacement of key scientific equipment to ensure that the Centre continues to provide high quality specialised services to Government and non-government clients. In addition, some capital will continue to be invested to progress automation and innovation through the modernisation of the laboratory information management system.

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COMPLETED WORKS</b>                                |                                   |  |   |                                     |                              |                              |                              |
| Capital Equipment Replacement - 2021-22 Program ..... | 2,500                             | 2,500  | 2,500   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>                                      |                                   |  |   |                                     |                              |                              |                              |
| Capital Equipment Replacement                         |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                                 | 2,500                             | -  | -   | 2,500                               | -                            | -                            | -                            |
| 2023-24 Program .....                                 | 2,500                             | -  | -   | -                                   | 2,500                        | -                            | -                            |
| 2024-25 Program .....                                 | 2,500                             | -  | -   | -                                   | -                            | 2,500                        | -                            |
| 2025-26 Program .....                                 | 2,500                             | -  | -   | -                                   | -                            | -                            | 2,500                        |
| <b>Total Cost of Asset Investment Program .....</b>   | <b>12,500</b>                     | <b>2,500</b>                                     | <b>2,500</b>                                  | <b>2,500</b>                        | <b>2,500</b>                 | <b>2,500</b>                 | <b>2,500</b>                 |
| <b>FUNDED BY</b>                                      |                                   |  |   |                                     |                              |                              |                              |
| Capital Appropriation .....                           |                                   |  | 2,500   | 2,500                               | 2,500                        | 2,500                        | 2,500                        |
| <b>Total Funding .....</b>                            |                                   |  | <b>2,500</b>                                  | <b>2,500</b>                        | <b>2,500</b>                 | <b>2,500</b>                 | <b>2,500</b>                 |

## Financial Statements

### Income Statement

#### Expenses

1. The 2022-23 Budget Year Total Cost of Services is estimated to increase by \$1 million compared to the 2021-22 Estimated Actual. The increase mainly reflects the laboratory costs of servicing higher levels of Western Australia Police Force forensic activities as well as general annual cost increases.

#### Income

2. The 2022-23 Budget Year Total Income From Government is estimated to increase by \$0.7 million compared to the 2021-22 Estimated Actual, primarily reflecting increased Western Australia Police Force funding for forensic activities.

### Statement of Financial Position

3. Total assets are expected to increase by \$1.2 million between 2021-22 and 2022-23. This is primarily attributable to the replacement of key scientific equipment as outlined in the Asset Investment Program and ongoing contributions to the Accommodation Sinking Fund for future building works expected to be undertaken.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 15,152                      | 15,743                      | 15,743                                   | 16,233                              | 16,675                       | 17,083                       | 17,085                       |
| Supplies and services .....                      | 2,393                       | 2,728                       | 2,728                                    | 2,924                               | 2,984                        | 3,045                        | 3,108                        |
| Accommodation .....                              | 5,664                       | 5,744                       | 5,744                                    | 5,763                               | 5,785                        | 5,790                        | 5,800                        |
| Depreciation and amortisation .....              | 2,022                       | 2,065                       | 2,065                                    | 2,270                               | 2,435                        | 2,694                        | 2,655                        |
| Finance and interest costs .....                 | 3                           | 4                           | 4  | 4                                   | 10                           | 10                           | 3                            |
| Other expenses .....                             | 3,216                       | 3,825                       | 3,825                                    | 3,890                               | 4,010                        | 4,060                        | 4,116                        |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>28,450</b>               | <b>30,109</b>               | <b>30,109</b>                            | <b>31,084</b>                       | <b>31,899</b>                | <b>32,682</b>                | <b>32,767</b>                |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services .....                 | 6,113                       | 5,855                       | 5,855                                    | 5,931                               | 6,044                        | 6,123                        | 6,245                        |
| Other revenue .....                              | 29                          | 83                          | 83                                       | 73                                  | 83                           | 73                           | 83                           |
| <b>Total Income .....</b>                        | <b>6,142</b>                | <b>5,938</b>                | <b>5,938</b>                             | <b>6,004</b>                        | <b>6,127</b>                 | <b>6,196</b>                 | <b>6,328</b>                 |
| <b>NET COST OF SERVICES .....</b>                | <b>22,308</b>               | <b>24,171</b>               | <b>24,171</b>                            | <b>25,080</b>                       | <b>25,772</b>                | <b>26,486</b>                | <b>26,439</b>                |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 7,039                       | 7,023                       | 7,023                                    | 7,191                               | 7,228                        | 7,260                        | 7,291                        |
| Resources received free of charge .....          | 12                          | -                           | -  | -                                   | -                            | 10                           | 10                           |
| Other revenues .....                             | 15,496                      | 15,775                      | 15,775                                   | 16,305                              | 16,941                       | 17,342                       | 17,659                       |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>22,547</b>               | <b>22,798</b>               | <b>22,798</b>                            | <b>23,496</b>                       | <b>24,169</b>                | <b>24,612</b>                | <b>24,960</b>                |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>239</b>                  | <b>(1,373)</b>              | <b>(1,373)</b>                           | <b>(1,584)</b>                      | <b>(1,603)</b>               | <b>(1,874)</b>               | <b>(1,479)</b>               |

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 135, 141 and 143 respectively.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                     |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                         | 4,766                       | 3,868                       | 4,598                                    | 4,551                               | 4,826                        | 5,347                        | 5,922                        |
| Restricted cash .....                     | 346                         | 457                         | 476                                      | 456                                 | 436                          | 376                          | 346                          |
| Receivables .....                         | 2,036                       | 2,479                       | 2,520                                    | 2,997                               | 3,349                        | 3,000                        | 3,150                        |
| Other.....                                | 633                         | 660                         | 633                                      | 733                                 | 743                          | 743                          | 763                          |
| Total current assets .....                | 7,781                       | 7,464                       | 8,227                                    | 8,737                               | 9,354                        | 9,466                        | 10,181                       |
| <b>NON-CURRENT ASSETS</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Property, plant and equipment.....        | 6,662                       | 7,321                       | 7,154                                    | 7,456                               | 7,632                        | 7,333                        | 7,825                        |
| Intangibles .....                         | 967                         | 895                         | 933                                      | 893                                 | 841                          | 974                          | 336                          |
| Other.....                                | 3,518                       | 4,059                       | 3,916                                    | 4,315                               | 4,714                        | 5,113                        | 5,512                        |
| Total non-current assets .....            | 11,147                      | 12,275                      | 12,003                                   | 12,664                              | 13,187                       | 13,420                       | 13,673                       |
| <b>TOTAL ASSETS .....</b>                 | <b>18,928</b>               | <b>19,739</b>               | <b>20,230</b>                            | <b>21,401</b>                       | <b>22,541</b>                | <b>22,886</b>                | <b>23,854</b>                |
| <b>CURRENT LIABILITIES</b>                |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 3,150                       | 2,684                       | 3,150                                    | 3,150                               | 3,150                        | 3,150                        | 3,150                        |
| Payables .....                            | 459                         | 254                         | 459                                      | 459                                 | 459                          | 459                          | 359                          |
| Borrowings and leases .....               | 53                          | 24                          | 24                                       | 24                                  | 24                           | 24                           | 46                           |
| Other.....                                | 593                         | 1,053                       | 723                                      | 903                                 | 1,033                        | 670                          | 650                          |
| Total current liabilities .....           | 4,255                       | 4,015                       | 4,356                                    | 4,536                               | 4,666                        | 4,303                        | 4,205                        |
| <b>NON-CURRENT LIABILITIES</b>            |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 1,440                       | 1,239                       | 1,440                                    | 1,440                               | 1,440                        | 1,440                        | 1,440                        |
| Borrowings and leases .....               | 38                          | 33                          | 31                                       | 24                                  | 55                           | 55                           | 18                           |
| Other.....                                | 26                          | 36                          | 26                                       | 26                                  | 26                           | 26                           | 26                           |
| Total non-current liabilities .....       | 1,504                       | 1,308                       | 1,497                                    | 1,490                               | 1,521                        | 1,521                        | 1,484                        |
| <b>TOTAL LIABILITIES.....</b>             | <b>5,759</b>                | <b>5,323</b>                | <b>5,853</b>                             | <b>6,026</b>                        | <b>6,187</b>                 | <b>5,824</b>                 | <b>5,689</b>                 |
| <b>EQUITY</b>                             |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                  | 18,526                      | 21,026                      | 21,026                                   | 23,526                              | 26,026                       | 28,526                       | 31,026                       |
| Accumulated surplus/(deficit).....        | (5,357)                     | (6,610)                     | (6,649)                                  | (8,151)                             | (9,672)                      | (11,464)                     | (12,861)                     |
| <b>Total equity .....</b>                 | <b>13,169</b>               | <b>14,416</b>               | <b>14,377</b>                            | <b>15,375</b>                       | <b>16,354</b>                | <b>17,062</b>                | <b>18,165</b>                |
| <b>TOTAL LIABILITIES AND EQUITY .....</b> | <b>18,928</b>               | <b>19,739</b>               | <b>20,230</b>                            | <b>21,401</b>                       | <b>22,541</b>                | <b>22,886</b>                | <b>23,854</b>                |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                 | 7,039                       | 7,023                       | 7,023                                    | 7,191                               | 7,228                        | 7,260                        | 7,291                        |
| Capital appropriation .....                                 | 2,500                       | 2,500                       | 2,500                                    | 2,500                               | 2,500                        | 2,500                        | 2,500                        |
| Other <sup>(b)</sup> .....                                  | 15,189                      | 15,675                      | 15,675                                   | 16,074                              | 16,830                       | 17,164                       | 17,659                       |
| <b>Net cash provided by Government .....</b>                | <b>24,728</b>               | <b>25,198</b>               | <b>25,198</b>                            | <b>25,765</b>                       | <b>26,558</b>                | <b>26,924</b>                | <b>27,450</b>                |
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....                                      | (14,939)                    | (15,662)                    | (15,662)                                 | (16,210)                            | (16,652)                     | (16,987)                     | (16,988)                     |
| Supplies and services .....                                 | (2,490)                     | (2,728)                     | (2,728)                                  | (2,964)                             | (2,994)                      | (3,132)                      | (3,266)                      |
| Accommodation .....   | (6,356)                     | (5,977)                     | (5,977)                                  | (5,972)                             | (5,991)                      | (5,996)                      | (6,002)                      |
| GST payments .....  | (1,937)                     | (1,991)                     | (1,991)                                  | (2,015)                             | (2,207)                      | (2,095)                      | (2,384)                      |
| Finance and interest costs.....                             | (3)                         | (4)                         | (4)                                      | (4)                                 | (10)                         | -                            | (3)                          |
| Other payments.....   | (3,353)                     | (3,867)                     | (3,867)                                  | (4,019)                             | (3,993)                      | (4,169)                      | (4,273)                      |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....                             | 5,930                       | 5,552                       | 5,552                                    | 5,866                               | 5,885                        | 6,357                        | 6,175                        |
| GST receipts .....  | 2,112                       | 1,989                       | 1,989                                    | 2,014                               | 2,176                        | 2,095                        | 2,383                        |
| Other receipts .....  | 11                          | 11                          | 11                                       | 11                                  | 11                           | -                            | 11                           |
| <b>Net cash from operating activities .....</b>             | <b>(21,025)</b>             | <b>(22,677)</b>             | <b>(22,677)</b>                          | <b>(23,293)</b>                     | <b>(23,775)</b>              | <b>(23,927)</b>              | <b>(24,347)</b>              |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                        | (2,500)                     | (2,500)                     | (2,500)                                  | (2,500)                             | (2,500)                      | (2,500)                      | (2,500)                      |
| <b>Net cash from investing activities.....</b>              | <b>(2,500)</b>              | <b>(2,500)</b>              | <b>(2,500)</b>                           | <b>(2,500)</b>                      | <b>(2,500)</b>               | <b>(2,500)</b>               | <b>(2,500)</b>               |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases.....                     | (55)                        | (59)                        | (59)                                     | (39)                                | (28)                         | (36)                         | (58)                         |
| <b>Net cash from financing activities.....</b>              | <b>(55)</b>                 | <b>(59)</b>                 | <b>(59)</b>                              | <b>(39)</b>                         | <b>(28)</b>                  | <b>(36)</b>                  | <b>(58)</b>                  |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>           | <b>1,148</b>                | <b>(38)</b>                 | <b>(38)</b>                              | <b>(67)</b>                         | <b>255</b>                   | <b>461</b>                   | <b>545</b>                   |
| Cash assets at the beginning of the reporting period .....  | 3,964                       | 4,363                       | 5,112                                    | 5,074                               | 5,007                        | 5,262                        | 5,723                        |
| <b>Cash assets at the end of the reporting period .....</b> | <b>5,112</b>                | <b>4,325</b>                | <b>5,074</b>                             | <b>5,007</b>                        | <b>5,262</b>                 | <b>5,723</b>                 | <b>6,268</b>                 |

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

(b) Receipts from Government agencies for services provided including chemical analyses, research and advice.

# Division 33 Office of the Inspector of Custodial Services

## Part 7 Community Safety

### Appropriations, Expenses and Cash Assets

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 71 Net amount appropriated to deliver services .....                    | 3,275                       | 3,353                       | 3,353                                    | 3,426                               | 3,399                        | 3,437                        | 3,449                        |
| Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ..... | 247                         | 249                         | 249                                      | 250                                 | 251                          | 252                          | 252                          |
| Total appropriations provided to deliver services.....                       | 3,522                       | 3,602                       | 3,602                                    | 3,676                               | 3,650                        | 3,689                        | 3,701                        |
| <b>CAPITAL</b>   |                             |                             |  |                                     |                              |                              |                              |
| Capital Appropriation .....  | 227                         | 236                         | 236                                      | -                                   | -                            | -                            | -                            |
| <b>TOTAL APPROPRIATIONS</b> .....  | 3,749                       | 3,838                       | 3,838                                    | 3,676                               | 3,650                        | 3,689                        | 3,701                        |
| <b>EXPENSES</b>  |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....   | 3,564                       | 3,689                       | 3,690                                    | 3,763                               | 3,737                        | 3,776                        | 3,788                        |
| Net Cost of Services <sup>(a)</sup> .....                                    | 3,559                       | 3,684                       | 3,685                                    | 3,758                               | 3,732                        | 3,771                        | 3,783                        |
| <b>CASH ASSETS</b> <sup>(b)</sup> .....                                      | 474                         | 343                         | 475                                      | 456                                 | 465                          | 474                          | 484                          |

(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<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 2022-23 Streamlined Budget Process Incentive Funding ..... | -  | 67                                  | -                            | -                            | -                            |

### Significant Issues Impacting the Agency

1. Against the backdrop of the challenges presented by the COVID-19 pandemic, the Office continues to meet its statutory inspection obligations while ensuring the safety of staff, volunteers, prisoners and juvenile detention centre detainees.
2. In December 2017, the Commonwealth ratified the United Nations Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT). OPCAT requires Australia to establish a National Preventative Mechanism (NPM), which will require a network of designated NPMs for each State and Territory. The Office has been nominated as one of the two NPMs for Western Australia.



## 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 Office'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 Outcome  | Service  |
|--|--|--|
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive. | The Parliament, Minister and other stakeholders are informed on the performance of custodial services. | 1. Inspection and Review of Custodial Services |

### Service Summary

| Expense  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Inspection and Review of Custodial Services ..... | 3,564                       | 3,689                       | 3,690                                    | 3,763                               | 3,737                        | 3,776                        | 3,788                        |
| <b>Total Cost of Services .....</b>                  | <b>3,564</b>                | <b>3,689</b>                | <b>3,690</b>                             | <b>3,763</b>                        | <b>3,737</b>                 | <b>3,776</b>                 | <b>3,788</b>                 |

### Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: The Parliament, Minister and other stakeholders are informed on the performance of custodial services:</b> |                   |                   |                                |                             |      |
| Number of recommendations made .....   | 91                | 100               | 110                            | 100                         | 1    |
| Percentage of recommendations accepted .....   | 87%               | 80%               | 85%                            | 80%                         |      |

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

### Explanation of Significant Movements

(Notes)

1. The number of recommendations in the 2021-22 Estimated Actual is above the 2021-22 Budget due to several recommendations made in the Hakea Prison Inspection Report. The Office operates on a three-year inspection cycle for each prison, juvenile detention centre, court custody centre and prescribed lockup. The number of recommendations made may vary depending on which facilities are inspected in a given year and the complexity of each inspection.

## Services and Key Efficiency Indicators

### 1. Inspection and Review of Custodial Services

Inspection of prisons, court custody centres and juvenile detention centres, coordination of the independent visitor service and review of custodial services.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                                | \$'000<br>3,564   | \$'000<br>3,689   | \$'000<br>3,690                | \$'000<br>3,763             |      |
| Less Income .....   | 5                 | 5                 | 5                              | 5                           |      |
| Net Cost of Service .....                                 | 3,559             | 3,684             | 3,685                          | 3,758                       |      |
| <b>Employees (Full-Time Equivalents) .....</b>            | <b>16</b>         | <b>18</b>         | <b>17</b>                      | <b>18</b>                   |      |
| <b>Efficiency Indicators</b>                              |                   |                   |                                |                             |      |
| Average cost per report.....                              | \$341             | \$245             | \$305                          | \$245                       | 1    |
| Average cost per independent visitors' scheme report..... | \$3               | \$2               | \$2                            | \$2                         |      |
| Average cost per liaison visit.....                       | \$8               | \$10              | \$10                           | \$10                        |      |

### Explanation of Significant Movements

(Notes)

1. The increase in the average cost per report in the 2021-22 Estimated Actual compared to the 2021-22 Budget was the result of fewer reports being produced due to COVID-19 disruptions.

## Financial Statements

### INCOME STATEMENT <sup>(a)</sup> (Controlled)

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 2,442                       | 2,465                       | 2,465                                    | 2,560                               | 2,524                        | 2,553                        | 2,553                        |
| Supplies and services .....                      | 619                         | 525                         | 525                                      | 503                                 | 510                          | 520                          | 532                          |
| Accommodation .....                              | 312                         | 88                          | 337                                      | 337                                 | 337                          | 337                          | 337                          |
| Depreciation and amortisation .....              | 9                           | 244                         | 9  | 8                                   | 8                            | 8                            | 8                            |
| Finance and interest costs .....                 | 1                           | 14                          | 1  | 1                                   | 2                            | 2                            | 2                            |
| Other expenses .....                             | 181                         | 353                         | 353                                      | 354                                 | 356                          | 356                          | 356                          |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>3,564</b>                | <b>3,689</b>                | <b>3,690</b>                             | <b>3,763</b>                        | <b>3,737</b>                 | <b>3,776</b>                 | <b>3,788</b>                 |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Other revenue .....                              | 5                           | 5                           | 5  | 5                                   | 5                            | 5                            | 5                            |
| <b>Total Income .....</b>                        | <b>5</b>                    | <b>5</b>                    | <b>5</b>                                 | <b>5</b>                            | <b>5</b>                     | <b>5</b>                     | <b>5</b>                     |
| <b>NET COST OF SERVICES</b>                      | <b>3,559</b>                | <b>3,684</b>                | <b>3,685</b>                             | <b>3,758</b>                        | <b>3,732</b>                 | <b>3,771</b>                 | <b>3,783</b>                 |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 3,522                       | 3,602                       | 3,602                                    | 3,676                               | 3,650                        | 3,689                        | 3,701                        |
| Resources received free of charge .....          | 90                          | 88                          | 88                                       | 88                                  | 88                           | 88                           | 88                           |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>3,612</b>                | <b>3,690</b>                | <b>3,690</b>                             | <b>3,764</b>                        | <b>3,738</b>                 | <b>3,777</b>                 | <b>3,789</b>                 |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>53</b>                   | <b>6</b>                    | <b>5</b>                                 | <b>6</b>                            | <b>6</b>                     | <b>6</b>                     | <b>6</b>                     |

(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 16, 17 and 18 respectively.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                     |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                         | 452                         | 321                         | 453                                      | 434                                 | 443                          | 452                          | 462                          |
| Restricted cash .....                     | 22                          | -                           | 22                                       | 22                                  | 22                           | 22                           | 22                           |
| Holding Account receivables .....         | -                           | 1                           | 1  | 1                                   | 2                            | 2                            | 2                            |
| Receivables .....                         | 35                          | 29                          | 35                                       | 35                                  | 35                           | 35                           | 35                           |
| Other.....                                | 27                          | 27                          | 27                                       | 27                                  | 27                           | 27                           | 27                           |
| Total current assets .....                | 536                         | 378                         | 538                                      | 519                                 | 529                          | 538                          | 548                          |
| <b>NON-CURRENT ASSETS</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....         | 641                         | 923                         | 884                                      | 912                                 | 912                          | 913                          | 913                          |
| Property, plant and equipment.....        | 15                          | 21                          | 29                                       | 21                                  | 34                           | 34                           | 26                           |
| Restricted cash .....                     | -                           | 22                          | -  | -                                   | -                            | -                            | -                            |
| Total non-current assets .....            | 656                         | 966                         | 913                                      | 933                                 | 946                          | 947                          | 939                          |
| <b>TOTAL ASSETS .....</b>                 | <b>1,192</b>                | <b>1,344</b>                | <b>1,451</b>                             | <b>1,452</b>                        | <b>1,475</b>                 | <b>1,485</b>                 | <b>1,487</b>                 |
| <b>CURRENT LIABILITIES</b>                |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 601                         | 535                         | 601                                      | 601                                 | 601                          | 601                          | 601                          |
| Payables .....                            | 65                          | 65                          | 68                                       | 71                                  | 74                           | 78                           | 74                           |
| Borrowings and leases .....               | 8                           | 9                           | 9  | 7                                   | 9                            | 9                            | 9                            |
| Other.....                                | 46                          | 62                          | 46                                       | 46                                  | 46                           | 46                           | 46                           |
| Total current liabilities .....           | 720                         | 671                         | 724                                      | 725                                 | 730                          | 734                          | 730                          |
| <b>NON-CURRENT LIABILITIES</b>            |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 72                          | 64                          | 72                                       | 72                                  | 72                           | 72                           | 72                           |
| Borrowings and leases .....               | 7                           | 21                          | 21                                       | 15                                  | 27                           | 27                           | 27                           |
| Total non-current liabilities .....       | 79                          | 85                          | 93                                       | 87                                  | 99                           | 99                           | 99                           |
| <b>TOTAL LIABILITIES.....</b>             | <b>799</b>                  | <b>756</b>                  | <b>817</b>                               | <b>812</b>                          | <b>829</b>                   | <b>833</b>                   | <b>829</b>                   |
| <b>EQUITY</b>                             |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                  | 728                         | 964                         | 964                                      | 964                                 | 964                          | 964                          | 964                          |
| Accumulated surplus/(deficit).....        | (335)                       | (376)                       | (330)                                    | (324)                               | (318)                        | (312)                        | (306)                        |
| <b>Total equity .....</b>                 | <b>393</b>                  | <b>588</b>                  | <b>634</b>                               | <b>640</b>                          | <b>646</b>                   | <b>652</b>                   | <b>658</b>                   |
| <b>TOTAL LIABILITIES AND EQUITY .....</b> | <b>1,192</b>                | <b>1,344</b>                | <b>1,451</b>                             | <b>1,452</b>                        | <b>1,475</b>                 | <b>1,485</b>                 | <b>1,487</b>                 |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                 | 3,278                       | 3,338                       | 3,358                                    | 3,648                               | 3,649                        | 3,688                        | 3,701                        |
| Capital appropriation .....                                 | 227                         | 236                         | 236                                      | -                                   | -                            | -                            | -                            |
| <b>Net cash provided by Government .....</b>                | <b>3,505</b>                | <b>3,574</b>                | <b>3,594</b>                             | <b>3,648</b>                        | <b>3,649</b>                 | <b>3,688</b>                 | <b>3,701</b>                 |
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....                                      | (2,357)                     | (2,465)                     | (2,465)                                  | (2,560)                             | (2,524)                      | (2,553)                      | (2,553)                      |
| Supplies and services .....                                 | (527)                       | (433)                       | (433)                                    | (411)                               | (418)                        | (428)                        | (440)                        |
| Accommodation .....   | (342)                       | (88)                        | (337)                                    | (337)                               | (337)                        | (337)                        | (337)                        |
| GST payments .....  | (115)                       | (42)                        | (42)                                     | (42)                                | (42)                         | (42)                         | (42)                         |
| Finance and interest costs.....                             | (1)                         | (14)                        | (1)                                      | (1)                                 | (2)                          | (2)                          | (2)                          |
| Other payments.....   | (181)                       | (354)                       | (354)                                    | (355)                               | (357)                        | (357)                        | (357)                        |
| <b>Receipts <sup>(b)</sup></b>                              |                             |                             |  |                                     |                              |                              |                              |
| GST receipts .....  | 105                         | 42                          | 42                                       | 42                                  | 42                           | 42                           | 42                           |
| Other receipts .....  | 5                           | 5                           | 5  | 5                                   | 5                            | 5                            | 5                            |
| <b>Net cash from operating activities .....</b>             | <b>(3,413)</b>              | <b>(3,349)</b>              | <b>(3,585)</b>                           | <b>(3,659)</b>                      | <b>(3,633)</b>               | <b>(3,672)</b>               | <b>(3,684)</b>               |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases.....                     | (9)                         | (244)                       | (8)                                      | (8)                                 | (7)                          | (7)                          | (7)                          |
| <b>Net cash from financing activities.....</b>              | <b>(9)</b>                  | <b>(244)</b>                | <b>(8)</b>                               | <b>(8)</b>                          | <b>(7)</b>                   | <b>(7)</b>                   | <b>(7)</b>                   |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>           | <b>83</b>                   | <b>(19)</b>                 | <b>1</b>                                 | <b>(19)</b>                         | <b>9</b>                     | <b>9</b>                     | <b>10</b>                    |
| Cash assets at the beginning of the reporting period .....  | 391                         | 362                         | 474                                      | 475                                 | 456                          | 465                          | 474                          |
| <b>Cash assets at the end of the reporting period .....</b> | <b>474</b>                  | <b>343</b>                  | <b>475</b>                               | <b>456</b>                          | <b>465</b>                   | <b>474</b>                   | <b>484</b>                   |

(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**

|                         | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|-------------------------|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>GST Receipts</b>     |                             |                             |  |                                     |                              |                              |                              |
| GST Input Credits ..... | 105                         | 42                          | 42                                       | 42                                  | 42                           | 42                           | 42                           |
| <b>Other Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Other Receipts .....    | 5                           | 5                           | 5  | 5                                   | 5                            | 5                            | 5                            |
| <b>TOTAL .....</b>      | <b>110</b>                  | <b>47</b>                   | <b>47</b>                                | <b>47</b>                           | <b>47</b>                    | <b>47</b>                    | <b>47</b>                    |

# Division 34 **Parliamentary Inspector of the Corruption and Crime Commission**

## Part 7 **Community Safety**

### Appropriations, Expenses and Cash Assets

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 72 Net amount appropriated to deliver services .....                                    | 480                         | 488                         | 488                                      | <b>495</b>                          | 504                          | 506                          | 477                          |
| <b>Amount Authorised by Other Statutes - Corruption, Crime and Misconduct Act 2003</b> ..... | 179                         | 180                         | 180                                      | <b>181</b>                          | 182                          | 183                          | 183                          |
| Total appropriations provided to deliver services.....                                       | 659                         | 668                         | 668                                      | <b>676</b>                          | 686                          | 689                          | 660                          |
| <b>TOTAL APPROPRIATIONS</b> .....  | 659                         | 668                         | 668                                      | <b>676</b>                          | 686                          | 689                          | 660                          |
| <b>EXPENSES</b>  |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....   | 576                         | 810                         | 810                                      | <b>818</b>                          | 828                          | 831                          | 802                          |
| Net Cost of Services <sup>(a)</sup> .....  | 574                         | 810                         | 810                                      | <b>818</b>                          | 828                          | 831                          | 802                          |
| <b>CASH ASSETS</b> <sup>(b)</sup> .....  | 522                         | 343                         | 522                                      | <b>522</b>                          | 522                          | 522                          | 522                          |

(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<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 2022-23 Streamlined Budget Process Incentive Funding ..... | -  | 9                                   | -                            | -                            | -                            |

### Significant Issues Impacting the Agency

- On 23 November 2020, Mr Matthew Zilko SC was appointed as Parliamentary Inspector of the Corruption and Crime Commission for a five-year term. Both the Hon John Chaney SC and Mr Matthew Howard SC were reappointed as Acting Parliamentary Inspectors on 23 March 2022.

## Resource Agreement

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

## Outcomes, Services and Key Performance Information

### Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the Agency's services, 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 Outcome   | Service  |
|--|---|--|
| Strong and Sustainable Finances:<br>Responsible, achievable, affordable budget management. | An informed Parliament on the integrity of the Corruption and Crime Commission. | 1. Evaluation of the Effectiveness and Appropriateness of Corruption and Crime Commission Operations |

### Service Summary

| Expense  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Evaluation of the Effectiveness and Appropriateness of Corruption and Crime Commission Operations ..... | 576                         | 810                         | 810                                      | 818                                 | 828                          | 831                          | 802                          |
| <b>Total Cost of Services .....</b>  | <b>576</b>                  | <b>810</b>                  | <b>810</b>                               | <b>818</b>                          | <b>828</b>                   | <b>831</b>                   | <b>802</b>                   |

### Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: An informed Parliament on the integrity of the Corruption and Crime Commission:</b> |                   |                   |                                |                             |      |
| Number of reports completed and tabled in Parliament within target timeframes .....             | 1                 | 1                 | 3                              | 1                           | 1    |

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

### Explanation of Significant Movements

(Notes)

1. The Parliamentary Inspector tables an Annual Report in Parliament each year setting out the work of the Office. The Parliamentary Inspector is also empowered to report to Parliament on any other matters arising in the exercise of his functions, and in 2021-22 he provided two such reports. These additional reports were tabled in Parliament on 24 March 2022.

**Services and Key Efficiency Indicators****1. Evaluation of the Effectiveness and Appropriateness of Corruption and Crime Commission Operations**

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 576               | 810               | 810                            | 818                         |      |
| Less Income .....   | 2                 | nil               | nil                            | nil                         |      |
| Net Cost of Service .....   | 574               | 810               | 810                            | 818                         |      |
| <b>Employees (Full-Time Equivalents) .....</b>                          | <b>2</b>          | <b>2</b>          | <b>2</b>                       | <b>2</b>                    |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Average cost per investigation/case .....                               | \$5,056           | \$5,500           | \$5,110                        | \$5,500                     | 1    |
| Cost of audit function as a percentage of total cost of operations..... | 35%               | 38%               | 41%                            | 41%                         |      |

**Explanation of Significant Movements**

(Notes)

1. The 2021-22 Estimated Actual for the average cost per investigation/case is lower than the 2021-22 Budget as a higher number of investigations/cases have been finalised than originally budgeted.



## Financial Statements

### INCOME STATEMENT <sup>(a)</sup> (Controlled)

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 297                         | 457                         | 457                                      | 460                                 | 464                          | 468                          | 468                          |
| Supplies and services .....                      | 132                         | 203                         | 203                                      | 200                                 | 200                          | 200                          | 200                          |
| Accommodation .....                              | 68                          | 75                          | 75                                       | 79                                  | 93                           | 93                           | 93                           |
| Depreciation and amortisation .....              | 31                          | 32                          | 32                                       | 32                                  | 32                           | 30                           | -                            |
| Other expenses .....                             | 48                          | 43                          | 43                                       | 47                                  | 39                           | 40                           | 41                           |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>576</b>                  | <b>810</b>                  | <b>810</b>                               | <b>818</b>                          | <b>828</b>                   | <b>831</b>                   | <b>802</b>                   |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Other revenue .....                              | 2                           | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Total Income .....</b>                        | <b>2</b>                    | <b>-</b>                    | <b>-</b>                                 | <b>-</b>                            | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |
| <b>NET COST OF SERVICES .....</b>                | <b>574</b>                  | <b>810</b>                  | <b>810</b>                               | <b>818</b>                          | <b>828</b>                   | <b>831</b>                   | <b>802</b>                   |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 659                         | 668                         | 668                                      | 676                                 | 686                          | 689                          | 660                          |
| Resources received free of charge .....          | 120                         | 142                         | 142                                      | 142                                 | 142                          | 142                          | 142                          |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>779</b>                  | <b>810</b>                  | <b>810</b>                               | <b>818</b>                          | <b>828</b>                   | <b>831</b>                   | <b>802</b>                   |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>205</b>                  | <b>-</b>                    | <b>-</b>                                 | <b>-</b>                            | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |

(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 2, 2 and 2 respectively.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                      |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                          | 522                         | 343                         | 522                                      | 522                                 | 522                          | 522                          | 522                          |
| Receivables .....                          | 4                           | 2                           | 4  | 4                                   | 4                            | 4                            | 4                            |
| Other.....                                 | -                           | 8                           | -  | -                                   | -                            | -                            | -                            |
| <b>Total current assets .....</b>          | <b>526</b>                  | <b>353</b>                  | <b>526</b>                               | <b>526</b>                          | <b>526</b>                   | <b>526</b>                   | <b>526</b>                   |
| <b>NON-CURRENT ASSETS</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....          | 291                         | 323                         | 323                                      | 355                                 | 387                          | 417                          | 417                          |
| Property, plant and equipment.....         | 127                         | 94                          | 95                                       | 63                                  | 31                           | 1                            | 1                            |
| <b>Total non-current assets .....</b>      | <b>418</b>                  | <b>417</b>                  | <b>418</b>                               | <b>418</b>                          | <b>418</b>                   | <b>418</b>                   | <b>418</b>                   |
| <b>TOTAL ASSETS .....</b>                  | <b>944</b>                  | <b>770</b>                  | <b>944</b>                               | <b>944</b>                          | <b>944</b>                   | <b>944</b>                   | <b>944</b>                   |
| <b>CURRENT LIABILITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 25                          | 74                          | 25                                       | 25                                  | 25                           | 25                           | 25                           |
| Payables.....                              | 7                           | -                           | 7  | 7                                   | 7                            | 7                            | 7                            |
| <b>Total current liabilities .....</b>     | <b>32</b>                   | <b>74</b>                   | <b>32</b>                                | <b>32</b>                           | <b>32</b>                    | <b>32</b>                    | <b>32</b>                    |
| <b>NON-CURRENT LIABILITIES</b>             |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 3                           | -                           | 3  | 3                                   | 3                            | 3                            | 3                            |
| <b>Total non-current liabilities .....</b> | <b>3</b>                    | <b>-</b>                    | <b>3</b>                                 | <b>3</b>                            | <b>3</b>                     | <b>3</b>                     | <b>3</b>                     |
| <b>TOTAL LIABILITIES.....</b>              | <b>35</b>                   | <b>74</b>                   | <b>35</b>                                | <b>35</b>                           | <b>35</b>                    | <b>35</b>                    | <b>35</b>                    |
| <b>EQUITY</b>                              |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                   | 160                         | 160                         | 160                                      | 160                                 | 160                          | 160                          | 160                          |
| Accumulated surplus/(deficit).....         | 749                         | 536                         | 749                                      | 749                                 | 749                          | 749                          | 749                          |
| <b>Total equity .....</b>                  | <b>909</b>                  | <b>696</b>                  | <b>909</b>                               | <b>909</b>                          | <b>909</b>                   | <b>909</b>                   | <b>909</b>                   |
| <b>TOTAL LIABILITIES AND EQUITY .....</b>  | <b>944</b>                  | <b>770</b>                  | <b>944</b>                               | <b>944</b>                          | <b>944</b>                   | <b>944</b>                   | <b>944</b>                   |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                 | 627                         | 636                         | 636                                      | 644                                 | 654                          | 659                          | 660                          |
| <b>Net cash provided by Government .....</b>                | <b>627</b>                  | <b>636</b>                  | <b>636</b>                               | <b>644</b>                          | <b>654</b>                   | <b>659</b>                   | <b>660</b>                   |
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....                                      | (341)                       | (457)                       | (457)                                    | (460)                               | (464)                        | (468)                        | (468)                        |
| Supplies and services .....                                 | (12)                        | (62)                        | (62)                                     | (59)                                | (59)                         | (59)                         | (59)                         |
| Accommodation .....   | (55)                        | (75)                        | (75)                                     | (79)                                | (93)                         | (93)                         | (93)                         |
| GST payments .....  | (13)                        | (16)                        | (16)                                     | (16)                                | (16)                         | (16)                         | (16)                         |
| Other payments.....   | (39)                        | (42)                        | (42)                                     | (46)                                | (38)                         | (39)                         | (40)                         |
| <b>Receipts <sup>(b)</sup></b>                              |                             |                             |  |                                     |                              |                              |                              |
| GST receipts .....  | 4                           | 16                          | 16                                       | 16                                  | 16                           | 16                           | 16                           |
| <b>Net cash from operating activities .....</b>             | <b>(456)</b>                | <b>(636)</b>                | <b>(636)</b>                             | <b>(644)</b>                        | <b>(654)</b>                 | <b>(659)</b>                 | <b>(660)</b>                 |
| Cash assets at the beginning of the reporting period .....  | 351                         | 343                         | 522                                      | 522                                 | 522                          | 522                          | 522                          |
| <b>Cash assets at the end of the reporting period .....</b> | <b>522</b>                  | <b>343</b>                  | <b>522</b>                               | <b>522</b>                          | <b>522</b>                   | <b>522</b>                   | <b>522</b>                   |

(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**

|                         | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|-------------------------|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>GST Receipts</b>     |                             |                             |  |                                     |                              |                              |                              |
| GST Input Credits ..... | 4                           | 16                          | 16                                       | 16                                  | 16                           | 16                           | 16                           |
| <b>TOTAL .....</b>      | <b>4</b>                    | <b>16</b>                   | <b>16</b>                                | <b>16</b>                           | <b>16</b>                    | <b>16</b>                    | <b>16</b>                    |

## Part 8

### Community Services

#### Introduction

The Community Services portfolio works with communities to support people with disabilities, vulnerable families, children and young people at risk and seniors. The portfolio particularly focuses on breaking disadvantage to improve lives and cultivating vibrant, inclusive communities through sport, culture and arts industries.

#### Summary of Recurrent and Asset Investment Expenditure

| Agency  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|---|--|-------------------------------------|
| Communities                                     |  |                                     |
| – Total Cost of Services .....                  | 3,332,153                                | 3,298,098                           |
| – Asset Investment Program .....                | 350,067                                  | 471,441                             |
| Keystart Housing Scheme Trust                   |  |                                     |
| – Asset Investment Program .....                | 2,050                                    | 1,550                               |
| Local Government, Sport and Cultural Industries |  |                                     |
| – Total Cost of Services .....                  | 490,631                                  | 517,409                             |
| – Asset Investment Program .....                | 55,731                                   | 82,100                              |
| Western Australian Sports Centre Trust          |  |                                     |
| – Total Cost of Services .....                  | 218,447                                  | 258,251                             |
| – Asset Investment Program .....                | 64,835                                   | 32,810                              |
| Western Australian Institute of Sport           |  |                                     |
| – Asset Investment Program .....                | 143                                      | 143                                 |

| Agency                           | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|----------------------------------|--|-------------------------------------|
| Lotteries Commission             |  |                                     |
| – Asset Investment Program ..... | 6,309                                    | 4,350                               |
| Metropolitan Cemeteries Board    |  |                                     |
| – Asset Investment Program ..... | 8,314                                    | 11,014                              |

## Ministerial Responsibilities

| Minister   | Agency  | Services  |
|--|---|---|
| Minister for Child Protection; Women's Interests; Prevention of Family and Domestic Violence; Community Services | Communities                                     | 1. Community Services<br>2. Homelessness Support Services<br>3. Earlier Intervention and Family Support Services<br>4. Preventing and Responding to Family and Domestic Violence<br>5. Child Protection Assessments and Investigations<br>6. Care Arrangements and Support Services for Children in the Chief Executive Officer's Care  |
| Minister for Disability Services; Fisheries; Seniors and Ageing; Small Business                                  |   |   |
| Minister for Housing; Lands; Homelessness; Local Government  |   |   |
| Minister for Emergency Services; Innovation and ICT; Medical Research; Volunteering                              |   |   |
| Minister for Water; Forestry; Youth  |   |   |
| Minister for Housing; Lands; Homelessness; Local Government  | Communities                                     | 7. Rental Housing<br>8. Home Loans<br>9. Land and Housing Supply  |
| Minister for Disability Services; Fisheries; Seniors and Ageing; Small Business                                  | Communities                                     | 10. Supporting People with Disability to Access Services and Participate in Their Community<br>11. Living Supports and Care for People with Disability  |
| Minister for Housing; Lands; Homelessness; Local Government  | Keystart Housing Scheme Trust                   | n/a   |
| Minister for Culture and the Arts; Sport and Recreation; International Education; Heritage; Leader of the House  | Local Government, Sport and Cultural Industries | 1. Cultural and Arts Industry Support<br>3. Asset and Infrastructure Support Services to Client Agencies<br>5. Sport and Recreation Industry Support<br>6. Cultural Heritage Management and Conservation<br>7. Cultural Heritage Access and Community Engagement and Education<br>8. State Library Services<br>9. Public Library Support<br>10. Venue Management Services<br>11. Collections Management, Research and Conservation Services<br>12. Collections Effectively Documented and Digitised<br>13. Public Sites, Public Programs and Collections Accessed On-site<br>14. Online Access to Collections, Expertise and Programs<br>15. Museum Services to the Regions |
| Minister for Housing; Lands; Homelessness; Local Government  | Local Government, Sport and Cultural Industries | 2. Regulation and Support of Local Government   |
| Minister for Finance; Racing and Gaming; Aboriginal Affairs; Citizenship and Multicultural Interests             | Local Government, Sport and Cultural Industries | 4. Regulation of the Gambling and Liquor Industries   |
| Minister for Culture and the Arts; Sport and Recreation; International Education; Heritage; Leader of the House  | Western Australian Sports Centre Trust          | 1. Deliver Training and Competition Facilities for High Performance Sport<br>2. Provision of Venues and Precincts Delivering Quality Sport and Entertainment Experiences  |
|  | Western Australian Institute of Sport           | n/a   |

| Minister   | Agency                        | Services |
|--|-------------------------------|----------|
| Premier; Treasurer; Minister for Public Sector Management; Federal-State Relations | Lotteries Commission          | n/a      |
| Minister for Housing; Lands; Homelessness; Local Government                        | Metropolitan Cemeteries Board | n/a      |

## Division 35 Communities

### Part 8 Community Services

#### Appropriations, Expenses and Cash Assets

|   | 2020-21<br>Actual <sup>(a)</sup><br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>                               |  |                             |  |                                     |                              |                              |                              |
| Item 73 Net amount appropriated to deliver services ..... | 1,866,948                                  | 1,955,111                   | 2,134,280                                | 2,089,883                           | 2,079,340                    | 2,083,995                    | 2,157,806                    |
| <b>Amount Authorised by Other Statutes</b>                |  |                             |  |                                     |                              |                              |                              |
| - Salaries and Allowances Act 1975 .....                  | 492  | 493                         | 493                                      | 494                                 | 494                          | 494                          | 494                          |
| Total appropriations provided to deliver services .....   | 1,867,440                                  | 1,955,604                   | 2,134,773                                | 2,090,377                           | 2,079,834                    | 2,084,489                    | 2,158,300                    |
| <b>CAPITAL</b>  |  |                             |  |                                     |                              |                              |                              |
| Item 139 Capital Appropriation .....                      | 182,129                                    | 165,962                     | 107,813                                  | 281,006                             | 174,123                      | 100,715                      | 85,111                       |
| <b>TOTAL APPROPRIATIONS</b> .....                         | 2,049,569                                  | 2,121,566                   | 2,242,586                                | 2,371,383                           | 2,253,957                    | 2,185,204                    | 2,243,411                    |
| <b>EXPENSES</b>   |  |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....                              | 3,195,474                                  | 3,227,998                   | 3,332,153                                | 3,298,098                           | 3,270,092                    | 3,314,448                    | 3,431,942                    |
| Net Cost of Services <sup>(b)</sup> .....                 | 2,542,830                                  | 2,600,153                   | 2,751,204                                | 2,710,228                           | 2,610,089                    | 2,645,282                    | 2,741,057                    |
| <b>CASH ASSETS</b> <sup>(c)</sup> .....                   | 370,500                                    | 194,514                     | 193,556                                  | 95,132                              | 122,267                      | 267,157                      | 293,052                      |

(a) The 2020-21 Actual financial data has been recast and revised 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.

(b) 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.

(c) As at 30 June each financial year.

#### Spending Changes

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

|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COVID-19 Response</b>   |  |                                     |                              |                              |                              |
| Preparedness in the Care Sector .....  | 1,400                                    | -                                   | -                            | -                            | -                            |
| Self-isolation Accommodation .....   | 11,296                                   | -                                   | -                            | -                            | -                            |
| Small Business Financial Counselling and Advisory Services .....                       | 1,210                                    | -                                   | -                            | -                            | -                            |
| State Welfare Incident Coordination Centre .....                                       | 4,481                                    | 4,481                               | -                            | -                            | -                            |
| Test Isolation Payment .....   | 30,000                                   | 1,875                               | -                            | -                            | -                            |
| <b>New Initiatives</b>   |  |                                     |                              |                              |                              |
| Children and Community Services Amendment Bill 2021 .....                              | 875                                      | 2,251                               | 1,429                        | 1,439                        | 1,449                        |
| Digital Capability Fund  |  |                                     |                              |                              |                              |
| 1 Finance - Single Finance System .....  | 3,796                                    | 4,020                               | -                            | -                            | -                            |
| 1 Human Resource Management System Project .....                                       | 1,269                                    | 5,410                               | 2,727                        | -                            | -                            |
| Election Commitments   |  |                                     |                              |                              |                              |
| Family and Domestic Violence (FDV) One-Stop Hub - Armadale .....                       | (215)                                    | 4,661                               | 3,362                        | 3,348                        | 3,503                        |
| Seniors' Safety and Security Rebate Resourcing .....                                   | 347                                      | 354                                 | -                            | -                            | -                            |
| Enhanced FDV Response Team .....   | -  | 3,641                               | 948                          | 958                          | 969                          |
| Kimberley Youth and Community Justice Response   |  |                                     |                              |                              |                              |
| Broome Night Patrols and Youth Services .....  | -  | 550                                 | 550                          | -                            | -                            |
| Intensive Family Support .....   | -  | 500                                 | 500                          | 500                          | 500                          |
| National Partnership Agreement - Family Domestic Sexual Violence Responses .....       | 7,535                                    | -                                   | -                            | -                            | -                            |
| North West Aboriginal Housing Fund - Fitzroy Crossing Aboriginal Housing Program ..... | -  | 215                                 | 190                          | 349                          | 351                          |



|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Perth Children's Court - Therapeutic Pilot.....  | -  | 209                                 | 213                          | -                            | -                            |
| Safe Perth City Initiative.....  | 1,753                                    | 1,055                               | -                            | -                            | -                            |
| Working with Children Check Reforms .....  | -  | 2,198                               | 2,032                        | -                            | -                            |
| <b>Ongoing Initiatives</b>   |  |                                     |                              |                              |                              |
| Aboriginal Representative Organisations.....   | (328)                                    | 662                                 | 1,003                        | -                            | -                            |
| Cadets of Western Australia.....   | -  | 555                                 | 542                          | 554                          | 554                          |
| Child Protection - Delivery of Services.....   | 2,017                                    | 5,726                               | 4,097                        | (2,117)                      | 32,042                       |
| Community Housing - Crisis Accommodation .....   | 8,916                                    | 8,620                               | 339                          | 233                          | (1,413)                      |
| Criminal Law (Mental Impairment) Bill 2021.....  | 104                                      | -                                   | -                            | -                            | -                            |
| Disaster Recovery Assistance Package for Severe Tropical Cyclone Seroja<br>and Other Events..... | 7,049                                    | 5,680                               | -                            | -                            | -                            |
| Extension of HEART and Koort Boodja Homelessness Response .....                                  | -  | 3,726                               | -                            | -                            | -                            |
| Extension of Service Contracts .....   | -  | 24,890                              | 17,107                       | 11,066                       | 10,878                       |
| Geraldton and Kununurra Aboriginal Short Stay Accommodation .....                                | -  | 640                                 | -                            | -                            | -                            |
| Historical Institutional Abuse in Care .....   | 448                                      | 1,509                               | 1,489                        | -                            | -                            |
| Housing and Homelessness Investment Package - Land Acquisitions .....                            | 698                                      | 646                                 | (29)                         | -                            | -                            |
| National Disability Insurance Scheme (NDIS) Worker Screening .....                               | 1,413                                    | 2,030                               | 1,991                        | 1,991                        | 1,991                        |
| National Redress Scheme Resourcing .....   | -  | 1,116                               | 1,092                        | -                            | -                            |
| North West Aboriginal Housing Fund   |  |                                     |                              |                              |                              |
| East Kimberley Transitional Housing Program .....  | 1  | (766)                               | 590                          | 1,229                        | 898                          |
| Jalbi Jiya (Your Home) Program .....   | (219)                                    | (216)                               | (267)                        | (766)                        | 524                          |
| Pioneer Park Homelessness Response.....  | 1,165                                    | -                                   | -                            | -                            | -                            |
| Redevelopment Site Management and Security .....   | 381                                      | 138                                 | -                            | -                            | -                            |
| Regional FDV Services in the Kimberley .....   | -  | 455                                 | 1,248                        | 1,480                        | 1,313                        |
| Regional Renewal Program .....   | (837)                                    | 3,990                               | 2,928                        | -                            | -                            |
| Regulation and Quality Assurance to Safeguard Children.....                                      | -  | 3,634                               | 3,553                        | 3,587                        | 3,621                        |
| Royal Commission and Harmful Sexual Behaviour Intervention Program.....                          | -  | 1,732                               | 2,120                        | 2,123                        | -                            |
| Seniors Peak Body .....  | -  | 210                                 | 210                          | -                            | -                            |
| Social Housing Economic Recovery Package - New Builds .....                                      | 6,012                                    | 15,961                              | 11,076                       | -                            | -                            |
| Social Housing Strategy - Removal of Sales Target 2022-23.....                                   | -  | 1,708                               | -                            | -                            | -                            |
| South West Native Title.....   | 827                                      | 760                                 | 595                          | 426                          | 268                          |
| Strengthening Child Protection Services and Aboriginal Outcomes.....                             | -  | 2,718                               | 4,656                        | 4,760                        | 4,865                        |
| Target 120 Expansion .....   | -  | 5,883                               | 5,217                        | -                            | -                            |
| WA Seniors Card .....  | -  | 124                                 | 124                          | 124                          | 124                          |
| Yamatji Nation Indigenous Land Use Agreement.....  | (481)                                    | 351                                 | 85                           | (284)                        | 344                          |
| <b>Other</b>   |  |                                     |                              |                              |                              |
| 2022-23 Tariffs, Fees and Charges .....  | 246                                      | 284                                 | 347                          | 349                          | 359                          |
| Adjustment to Repayment of Borrowings and Commonwealth Debt.....                                 | (37)                                     | (255)                               | (598)                        | (4,632)                      | (6,231)                      |
| Digital Capability Fund - Property Asset Management System Project.....                          | 1,025                                    | 3,177                               | 232                          | 232                          | 193                          |
| Disability Services - Services Delivered by the Commonwealth .....                               | (41,684)                                 | (41,684)                            | (41,684)                     | (41,684)                     | (41,684)                     |
| Esperance Energy Supply Grants Scheme.....   | -  | 1,200                               | -                            | -                            | -                            |
| Government Office Accommodation .....  | 11,939                                   | (39)                                | (29)                         | (19)                         | (8)                          |
| National Disability Insurance Scheme Participants .....  | 78,500                                   | -                                   | -                            | -                            | -                            |
| National Housing and Homelessness Agreement (NHHA).....  | 689                                      | 1,494                               | 1,762                        | 2,204                        | 5,043                        |
| Non-Government Human Services Sector Indexation.....   | -  | 2,258                               | 3,582                        | 5,175                        | 1,473                        |

## Significant Issues Impacting the Agency

### COVID-19 and Emergency Welfare Services

- As Western Australia continues to progress through the COVID-19 pandemic and its recovery phase, vulnerable cohorts and welfare continue to be a focus for the Department. The Department is responsible for leading the State's emergency welfare response to the COVID-19 pandemic and will continue to invest in vulnerable cohorts and services that support Western Australia's social recovery.
- In accordance with emergency management legislation, the Department is responsible for providing emergency accommodation, emergency food provision, emergency clothing and personal requisites, personal support services, registration and reunification, and financial assistance. Additional investment includes:
  - \$11.3 million to purchase commercial accommodation throughout the State for use as emergency self-isolation accommodation. In addition, the Department has purchased temporary transportable accommodation to provide support where commercial accommodation is not available; and
  - \$1.4 million to the Western Australian Council of Social Service to provide small grants to community service organisations to cover the costs of cleaning and incidental expenses incurred as a result of managing COVID-19, and to provide support for the development of a sector-wide response for surge workforce requirements.

## Child Protection and Earlier Intervention Services

3. Over the first three quarters of 2021-22, the total number of children in care has reduced from 5,344 to 5,144, a 3.7% reduction. The number of Aboriginal children in care reduced from 3,056 to 2,955, a reduction of 3.3%. In 2022-23, the Department will continue progressing its child protection reforms and will implement further measures that will improve outcomes over the forward estimates period.
  - 3.1. In recognition of continuing successes with earlier intervention strategies, the Government has invested an additional \$20.8 million in additional funding to further expand these services.
  - 3.2. A review of the effectiveness of the Department's Earlier Intervention and Family Support Strategy, comprising the Aboriginal In-home Support Service (AISS) and the Intensive Family Support Service (IFSS), during 2021 found that referrals for keeping children safe at home resulted in 94% of children for AISS and 86% for IFSS not being in care 12 months later. The Department will continue to progress earlier intervention supports in 2021-22 and beyond, including a regional expansion and ongoing monitoring and evaluation.
  - 3.3. The Department will continue to invest in pre-birth planning to promote and improve its response to vulnerable unborn and newborn infants. The program began in 2018 and the number of newborns entering care from King Edward Memorial Hospital has continued to decline with a 52% decrease in the number of newborn babies entering care and a 54% decrease in the number of Aboriginal newborn infants entering care. In 2022-23, \$1 million will be invested by the Department in pre-birth planning as part of the early intervention strategies.
  - 3.4. Other spending includes:
    - 3.4.1. \$1.3 million over 12 months to pilot Aboriginal Representative Organisations in the Armadale and Kimberley regions to empower Aboriginal families and support them to keep their children safe;
    - 3.4.2. \$3.5 million over 2021-22 and 2022-23 to establish a health navigator program for vulnerable children. The Health Navigator Pilot Program will help foster carers access health and mental health services for children in care. It will be trialled in Mirrabooka and the South West. The pilot program is being jointly delivered by the Department and WA Health, with input from key stakeholders and young people; and
    - 3.4.3. \$715,000 over 2020-21 and 2021-22 to implement the Aboriginal Family Led Decision Making pilot program in both Mirrabooka and the Mid West Gascoyne. Aboriginal Community Controlled Organisations at each pilot site have independent Aboriginal convenors to facilitate a culturally safe process that supports Aboriginal families, so they can make decisions on how to best keep their children safe and connected with their community. This process aims to address the overrepresentation of Aboriginal children in the child protection system.
4. To support implementation of the *Children and Community Services Amendment Act 2021*, and in line with strengthened enforcement powers, the Department has invested \$2 million to support expansion of mandatory reporting of child sexual abuse in Western Australia and a further \$2.9 million on improved capabilities to investigate offences, such as failure to make a mandatory report.
5. The Department is strengthening the *Working with Children (Criminal Record Checking) Act 2004* by progressing legislative amendments that respond to the recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse.
  - 5.1. \$4.2 million in new funding is being provided to implement a first phase of proposed reforms intended to progress in 2022-23, which seeks to address certain key recommendations from the Royal Commission and other matters of the highest priority.
  - 5.2. \$2.4 million of this funding has been allocated from the Digital Capability Fund, which was established to drive strategic and targeted investment in digital transformation across Western Australia.

6. The Target 120 Program is an early intervention program for young people at risk of becoming repeat offenders and works intensively with the individual and their family, including their siblings. The Program focuses on a cohort of high-risk young people identified as interacting with police and the justice system but who have not yet been in detention. Additional investment of \$11.1 million will roll-out the Government's successful program to nine additional sites, including in the Kimberley and the Pilbara.

### **Social Housing and Homelessness**

7. In September 2021, the Government boosted social housing investment by a record \$875 million to deliver a range of outcomes, including funding the delivery of 3,300 homes and stemming the attrition of dwellings from the social housing pool by carrying out refurbishment and maintenance work to many thousands more.
8. A number of factors, including supply chain and workforce availability issues related to COVID-19, are causing significant delivery challenges. The heated residential housing market, a lack of trade and material availability and cost escalations have resulted in difficult delivery conditions.
9. Despite these challenges, the Department has achieved a significant number of social housing completions in the first six months of this financial year through several delivery strategies, including spot purchasing and alternative construction methods, such as timber frames and modular and pre-fabricated builds.
10. The Department has adapted its operations to ensure it continues to deliver new social housing and minimises attrition of housing stock despite difficult market conditions.
  - 10.1. The use of a spot purchase program has been an effective lever to boost social housing in tough market conditions. Given the success of the program, it has been expanded from \$47.7 million to \$139 million over the forward estimates period.
  - 10.2. Leveraging the capacity of the community housing sector through grants, the Department has awarded:
    - 10.2.1. \$57.5 million of grants for refurbishments to 47 community housing organisations; and
    - 10.2.2. \$39 million of grants for new builds to support an estimated \$62 million of projects and deliver more than 170 new social housing dwellings.
  - 10.3. Utilising alternative materials including lightweight construction (timber/metal frames), modular and prefabricated builds, masonry veneer and panel wall systems allows for diversification and less reliance on materials that are in short supply.
11. Demand for public housing has grown. Boosting social housing stock and minimising attrition of stock from the social housing system is critical to addressing this issue.
12. In addition to increases in social housing capacity, and guided by All Paths Lead to a Home: Western Australia's 10-year Strategy on Homelessness, the Government is boosting its spending on homelessness intervention services, including:
  - 12.1. \$2.8 million for the Safe Perth City Initiative to provide a coordinated response to address homelessness and antisocial behaviour in the Perth CBD and Northbridge. The Safe Perth City Initiative is a collaborative partnership currently involving the Department, Western Australia Police Force, City of Perth and specialist homelessness services; and
  - 12.2. \$3.7 million for Koort Boodja and the homelessness engagement, assessment and response team (HEART) to support existing efforts to respond to the increasing prevalence of people experiencing homelessness and sleeping rough across the Perth metropolitan area. HEART is a collaborative partnership, comprising St Patrick's Community Support Centre, Uniting WA and Wungening Aboriginal Corporation, providing intensive case management support to identified homelessness hotspots across the metropolitan area. Koort Boodja provides an interim low barrier supported accommodation option delivered by Uniting WA, providing residents with wrap-around and case management support.

13. During 2022-23, the Department will also be entering into negotiations with the Commonwealth with respect to the renewal of the NHHA which expires on 30 June 2023, and the continuation of social and community sector supplementation payments. The NHHA recognises the Commonwealth and the States and Territories' mutual interest in improving housing outcomes across the housing spectrum, including outcomes for Australians who are homeless or at risk of homelessness, and the need to work together to achieve those outcomes.

### **Disability Services**

14. The transition of people with disability to the NDIS is now complete; however, the Department continues to support approximately 200 people with disability who are ineligible for the NDIS and require specialist disability services, and this number is increasing. The Department leads and drives A Western Australia for Everyone: State Disability Strategy 2020-2030 to build a more inclusive and accessible community and deliver services to the 411,500 Western Australians with disabilities, only 10% of whom are eligible for the NDIS.
15. Establishing the Office of Disability (the Office) is a key State Disability Strategy initiative. The Office was launched in December 2021, with a budget of \$13.4 million over four years to drive the Strategy and Government commitment to increase the representation of people with disability employed in the public sector to 5%. The Office is also leading the transition and development of the full scheme NDIS Bilateral Agreement due in June 2023, stewardship of the disability sector, especially in thin markets, and monitoring and managing the NDIS interface issues with the disability sector and mainstream agencies.
16. From 2021-22, \$5 million over four years has been committed to an Innovation Fund to develop new and emerging initiatives to assist people with disability to continue education, gain employment and increase independence. Seven initiatives developed through 2021-22 and 2022-23 have been allocated \$2.5 million, with the remainder to support further initiatives.
17. The demand for individual advocacy to support people with disability to navigate the NDIS has increased over the past three years and has not abated. From 2022-23, \$15 million over three years has been committed for individual and systemic advocacy.
18. The Government will provide a \$78.5 million increase to meet the State's 50% contribution to individual packages for the increasing number of NDIS participants in Western Australia in 2022. This is a shared contribution with the Commonwealth.
19. The Department will be entering into negotiations with the Commonwealth during 2022-23 to replace the existing Bilateral Agreement for a Transition to the NDIS in Western Australia, which expires on 30 June 2023.

### **Family and Domestic Violence**

20. The Department, guided by Path to Safety: Western Australia's Strategy to Reduce FDV 2020-2030, is implementing the Government's funding boost to help prevent FDV. The Government has invested new funding into the FDV sector in new services and programs backed up by its 10-year Strategy. In 2022-23, Western Australia's third one-stop FDV hub in Armadale is being established on the success of similar FDV hubs in Mirrabooka and Kalgoorlie in late 2020. A fourth FDV hub is also set to be established in the Kimberley.
21. The Department is continuing to improve the safety of our children and young people through the implementation of the \$29.5 million Safe Home Safe Family package and expansion of the Respectful Relationships program, with an additional commitment of \$3 million over five years from 2021-22 to 2025-26.
22. The Department has recently released the draft 10-year Aboriginal Family Safety Strategy for public consultation. Since mid-2021, to help inform the Strategy, there has been extensive engagement with 215 community members, over 150 stakeholders and over 180 of the Department's staff members across the State.

## Community Services

23. The Western Australia Seniors Strategy (the Strategy) is a whole-of-government 10-year strategy, led by the Department, to support older Western Australians of all backgrounds throughout the State to live their best life as they age, and support Western Australia's ageing population (as at 30 June 2020, 20.8% of the Western Australian population was aged 60 years and over and this is estimated to increase to 24.7% by 2031). Public consultation opened in November 2021 via survey, with public consultation sessions to be held across the State in May and June 2022.
- 23.1. The Strategy is expected to be released in 2023 and will be supported by two-year Action Plans. It is anticipated the Strategy will support older people to be at the centre of decision-making for matters critical to themselves, such as where they live and how they choose to contribute to society. This will ensure that older people continue to take part in their local community through volunteering, recreational and economic activities, thus reducing loneliness and decreasing the demand for health, mental health and aged care services.
24. The Safety and Security Rebate was reintroduced in August 2021 with WA Seniors Card members able to claim up to \$400 per household towards the purchase of eligible home security or safety items. This rebate has allowed some of the most vulnerable in the Western Australian community to have financial support to make their homes safer and more secure. There has been significant demand for the rebate, with more than 10,000 processed applications as at 31 March 2022.
25. Young people have been disproportionately impacted by the COVID-19 pandemic. The Beyond 2020 – WA Youth Action Plan 2020-22 demonstrates a whole-of-government approach to supporting young Western Australians through the pandemic and beyond. The Action Plan supports all levels of government to engage with young people directly to ensure their voices are amplified, and that they assist in the design of programs, and influence the decisions impacting the lives of young people in Western Australia.
26. The Department will deliver the Government's commitment to support the viability of regional childcare by providing \$5.1 million to retain childcare workers in the regions and establish a sustainable model to support regional childcare. A grants program to develop attraction and retention workforce packages through local government authorities has commenced, with the first grant round closing in early March 2022.

## Other Strategic Issues

27. The State Commissioning Strategy is being developed to ensure greater cohesion between Government, service providers, peak bodies and consumer advocates around the development and delivery of services, with the aim of ensuring all services remain contemporary and are agile enough to change to meet the needs of service users.
- 27.1. The Department is taking a coordinated approach to commissioning of services and has developed and published an Agency Commissioning Plan. The Department's initial focus will be on the following four priority areas: Out-of-Home Care, FDV, Homelessness, and Child Sexual Abuse Therapeutic Services. A continuation of temporary supplementation, approved in 2021-22, will be provided for the term of extensions for eligible contracts expiring in 2022.
28. A significant body of work has been undertaken across a range of programs and initiatives to ensure better outcomes for Aboriginal staff and the communities the Department serves. The State-wide engagement to inform the development of the Aboriginal Cultural Framework will be completed in 2022.

## 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   |
|--|--|--|
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive. | Access to quality services that enables active participation in the Western Australian community by individuals and families.                          | 1. Community Services  |
|  | Families and individuals experiencing family and domestic violence, homelessness or other crises are assisted to build their capabilities and be safe. | 2. Homelessness Support Services<br>3. Earlier Intervention and Family Support Services<br>4. Preventing and Responding to FDV                         |
|  | Children and young people needing protection are safe from abuse and harm.   | 5. Child Protection Assessments and Investigations   |
|  | Children and young people in the Chief Executive Officer's (CEO's) care receive a high quality of care and have much improved life outcomes.           | 6. Care Arrangements and Support Services for Children in the CEO's Care   |
|  | Affordable housing options are available to eligible Western Australians.  | 7. Rental Housing<br>8. Home Loans<br>9. Land and Housing Supply   |
|  | Life is enhanced for people with disability in the Western Australian community.   | 10. Supporting People with Disability to Access Services and Participate in Their Community<br>11. Living Supports and Care for People with Disability |

**Service Summary**

| Expense   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Community Services .....   | 148,158                     | 204,728                     | 236,623                                  | 210,358                             | 183,798                      | 167,843                      | 169,272                      |
| 2. Homelessness Support Services .....  | 59,752                      | 74,640                      | 79,236                                   | 83,638                              | 70,690                       | 60,816                       | 63,450                       |
| 3. Earlier Intervention and Family Support<br>Services .....  | 89,122                      | 93,025                      | 88,015                                   | 98,583                              | 97,031                       | 96,555                       | 104,964                      |
| 4. Preventing and Responding to FDV .....   | 69,764                      | 54,675                      | 88,831                                   | 73,658                              | 65,677                       | 64,204                       | 63,953                       |
| 5. Child Protection Assessments and<br>Investigations .....   | 88,143                      | 109,139                     | 95,343                                   | 98,367                              | 102,839                      | 109,836                      | 118,476                      |
| 6. Care Arrangements and Support Services<br>for Children in the CEO's Care .....                       | 489,843                     | 481,121                     | 496,981                                  | 508,077                             | 515,066                      | 531,883                      | 562,394                      |
| 7. Rental Housing .....   | 870,040                     | 957,537                     | 945,913                                  | 1,013,986                           | 900,020                      | 868,664                      | 872,339                      |
| 8. Home Loans .....   | 40,670                      | 82,564                      | 67,875                                   | 68,218                              | 100,372                      | 118,797                      | 126,656                      |
| 9. Land and Housing Supply .....  | 209,234                     | 59,514                      | 86,083                                   | 69,307                              | 126,423                      | 143,491                      | 161,059                      |
| 10. Supporting People with Disability to Access<br>Services and Participate in Their<br>Community ..... | 96,281                      | 60,417                      | 73,001                                   | 68,681                              | 68,433                       | 68,796                       | 68,938                       |
| 11. Living Supports and Care for People with<br>Disability .....  | 148,437                     | 130,400                     | 75,514                                   | 58,944                              | 58,897                       | 60,205                       | 60,653                       |
| 12. NDIS Contributions <sup>(a)</sup> .....   | 886,030                     | 920,238                     | 998,738                                  | 946,281                             | 980,846                      | 1,023,358                    | 1,059,788                    |
| <b>Total Cost of Services .....</b>   | <b>3,195,474</b>            | <b>3,227,998</b>            | <b>3,332,153</b>                         | <b>3,298,098</b>                    | <b>3,270,092</b>             | <b>3,314,448</b>             | <b>3,431,942</b>             |

(a) Cash payments to the National Disability Insurance Agency (NDIA). Note that this reflects the State's cash contributions only.

## Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Access to quality services that enables active participation in the Western Australian community by individuals and families:</b>                                      |                   |                   |                                |                             |      |
| Percentage of assessed early childhood education and care services that met or exceeded national standards .....   | 75%               | 75%               | 75%                            | 75%                         |      |
| The take-up rate of Seniors Card .....   | 95%               | 95%               | 94%                            | 94%                         |      |
| Proportion of working with children cards issued within 30 days of lodgement where the applicant had no criminal record .....  | 98%               | 98%               | 98%                            | 98%                         |      |
| Proportion of decisions finalised within 60 days where the applicant for a working with children card had a criminal record .....  | 98%               | 96%               | 97%                            | 97%                         |      |
| <b>Outcome: Families and individuals experiencing FDV, homelessness or other crises are assisted to build their capabilities and be safe:</b>                                      |                   |                   |                                |                             |      |
| Percentage of homelessness clients with some or all goals achieved at the completion of a homelessness service support period .....  | 88%               | 85%               | 89%                            | 88%                         |      |
| Percentage of clients who received an earlier intervention and family support service whose child(ren) did not enter care within 12 months of service completion .....             | 86%               | 90%               | 87%                            | 90%                         |      |
| Percentage of departmental clients who were assessed and received a response as a result of a FDV incident and did not require another FDV-related response within 12 months ..... | 75%               | 80%               | 75%                            | 80%                         |      |
| <b>Outcome: Children and young people needing protection are safe from abuse and harm:</b>   |                   |                   |                                |                             |      |
| Improved safety:   |                   |                   |                                |                             |      |
| Proportion of children not subject to a subsequent substantiation of harm within 12 months of a previous substantiation of harm .....  | 91%               | 95%               | 92%                            | 95%                         |      |
| Proportion of children not subject to a substantiation of harm 12 months after an assessment of harm that was unsubstantiated .....  | 95%               | 95%               | 94%                            | 95%                         |      |
| <b>Outcome: Children and young people in the CEO's care receive a high quality of care and have much improved life outcomes:</b>   |                   |                   |                                |                             |      |
| Proportion of Aboriginal children in the CEO's care placed in accordance with the Aboriginal and Torres Strait Islander Child Placement Principle ....                             | 66%               | 80%               | 65%                            | 80%                         | 1    |
| Proportion of children in the CEO's care with comprehensive care planning undertaken within set timeframes .....   | 76%               | 90%               | 74%                            | 90%                         | 2    |
| <b>Outcome: Affordable housing options are available to eligible Western Australians:</b>  |                   |                   |                                |                             |      |
| Responsiveness - Total housing assistances provided relative to the public rental waiting list .....   | 0.77              | 0.55              | 0.52                           | 0.45                        | 3    |
| Waiting times for accommodation - Applicants housed:   |                   |                   |                                |                             |      |
| Average (weeks) .....  | 102               | 103               | 116                            | 115                         | 4    |
| Median (weeks) .....   | 58                | 62                | 83                             | 75                          | 4    |
| <b>Outcome: Life is enhanced for people with disability in the Western Australian community:</b>   |                   |                   |                                |                             |      |
| Proportion of quality evaluations which met national standards .....   | n/a               | n/a               | n/a                            | n/a                         |      |
| Percentage of service users who achieved their individual plan outcomes ....   | 81%               | 80%               | 84%                            | 80%                         |      |
| Proportion of the population in need who received services .....   | n/a               | n/a               | n/a                            | n/a                         |      |
| Proportion of service users who achieved community participation outcomes .....  | 73%               | 73%               | 76%                            | 73%                         |      |

(a) Further detail in support of the key effectiveness indicators is provided in the Annual Reports of the Department, the Disability Services Commission, and the Housing Authority.



## Explanation of Significant Movements

(Notes)

- Performance against this indicator is reflective of historical limited care arrangements with Aboriginal carers or relatives, as well as complex factors that must be considered with care arrangement decision-making. The result compares favourably to other child protection jurisdictions nationally (63.8%), as published in the Report on Government Services 2022. The Department continues to proactively work towards an increased number of culturally appropriate care arrangement options for Aboriginal children in care, through consultations with Aboriginal Representative Organisations and reinforcing the placement principle within the *Children and Community Services Act 2004*.
- These results are attributed to ongoing impacts of the COVID-19 pandemic and complexities with convening care planning and engagement with significant numbers of parties involved. It is anticipated these impacts will continue to affect this performance indicator throughout the remainder of the calendar year; however increased efforts in staff recruitment and Departmental focus on comprehensive care planning will attempt to alleviate these impacts.
- The 2021-22 Estimated Actual result is lower than the 2021-22 Budget, primarily due to a significant reduction in the number of bond assistance loans, which is expected to continue into 2022-23. A lack of affordability and supply in the private rental market has resulted in a steadily increasing public housing waitlist, which has also contributed to the 2021-22 Estimated Actual result. A recent increase to income eligibility will also likely add to the public housing waitlist, as more people will be deemed eligible. Action is being taken to reduce the waitlist (construction of new builds including modular, reallocation of existing stock, reducing vacated maintenance wait times). However this is unlikely to result in substantial change in the short term (12 to 18 months).
- Wait times have remained higher (longer) as a result of lower than normal new vacancies. In addition to a continued limited choice of private market options for potential applicants that may have otherwise taken up these opportunities, issues such as labour and material shortages affect the timeliness of re-letting properties. It is anticipated these longer wait times will continue throughout the 2022-23 Budget Target.

## Services and Key Efficiency Indicators

### 1. Community Services

Provision of community services across Western Australia, Working with Children checks to increase child safety, regulation and quality assurance of early education and care services, and delivery of benefits and concessions including Seniors Card and other support services.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|---|-------------------|-------------------|--------------------------------|-----------------------------|----------|
| Total Cost of Service.....  | \$'000<br>148,158 | \$'000<br>204,728 | \$'000<br>236,623              | \$'000<br>210,358           | 1        |
| Less Income .....   | 14,483            | 13,971            | 17,964                         | 15,822                      | 1        |
| Net Cost of Service .....   | 133,675           | 190,757           | 218,659                        | 194,536                     |          |
| <b>Employees (Full-Time Equivalents) .....</b>  | <b>299</b>        | <b>384</b>        | <b>411</b>                     | <b>456</b>                  | <b>2</b> |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |          |
| Average cost per licensed childcare service for regulation and support <sup>(a)</sup> ..... | \$6,703           | \$6,938           | \$7,285                        | \$9,369                     | 3        |
| Average management cost per Seniors Card <sup>(b)</sup> .....                               | \$6.33            | \$6.56            | \$5.82                         | \$6.16                      | 4        |
| Average cost per Working with Children Card application processed <sup>(c)</sup> .....      | \$30              | \$32              | \$31                           | \$38                        | 5        |

(a) The number of licensed childcare services for regulation and support for the 2020-21 Actual, 2021-22 Budget, 2021-22 Estimated Actual and 2022-23 Budget Target are 1,280, 1,380, 1,380 and 1,412 respectively.

(b) The number of Seniors Card applications for the 2020-21 Actual, 2021-22 Budget, 2021-22 Estimated Actual and 2022-23 Budget Target are 404,094, 422,679, 405,572 and 400,023 respectively.

(c) The number of Working with Children Card applications for the 2020-21 Actual, 2021-22 Budget, 2021-22 Estimated Actual and 2022-23 Budget Target are 145,878, 145,000, 148,500 and 150,000 respectively.

## Explanation of Significant Movements

(Notes)

1. The movements between 2020-21 Actual, 2021-22 Budget and 2021-22 Estimated Actual mostly reflect funding for the COVID-19 Response such as the Test Isolation Payment and emergency self-isolation accommodation, emergency services relating to major disasters such as Severe Tropical Cyclone Seroja and the reprofiling of Essential and Municipal Services spending in remote Aboriginal communities. The movement between the 2021-22 Estimated Actual and 2022-23 Budget Target reflects one-off expenditure related to the COVID-19 Response for 2021-22.
2. The movement between 2020-21 Actual and 2021-22 Estimated Actual is primarily due to additional resources to manage the State's welfare emergency management response to the COVID-19 pandemic, the workload associated with civil litigation for survivors of institutional child sexual abuse and associated information requests, and administration of worker screening for the NDIS. The movement between the 2021-22 Budget and 2022-23 Budget Target is primarily due to additional resources for the Education and Care Regulatory Unit, Emergency Welfare Services, and to administer the COVID-19 Test Isolation Payment Scheme.
3. The movement between 2020-21 Actual and 2021-22 Estimated Actual is mainly due to delays, in 2020-21, in the recruitment and training of assessors for the Early Childhood Regulatory Unit alongside lower operational expenditure due to COVID-19 travel restrictions. The movement between the 2021-22 Estimated Actual and the 2022-23 Budget Target is mainly due to additional resources to enable the Department to better meet its legislated, regulatory and compliance functions for the safe provision of education and care to childcare services. This includes additional visits to regional districts, which have been limited due to travel restrictions. The movement is also attributable to an overhead allocation, which varies from year to year based on the structure and priorities of the Department.
4. The movement between the 2021-22 Budget and 2021-22 Estimated Actual mainly reflects the delays in the recruitment of staff and general operating expenditure associated with a decrease in public events due to the COVID-19 pandemic concerns/restrictions. The movement is also attributable to the overhead allocation, which varies from year to year based on the structure and priorities of the agency.
5. The movement between the 2021-22 Estimated Actual and 2022-23 Budget Target reflects impacts of the planned reforms to Working with Children checks, providing for upgrades to the Department's ICT systems and staffing required to implement changes. Further, as direct resourcing for Working with Children Checks increases, the proportion of overhead costs allocated to the service also increases.

## 2. Homelessness Support Services

A range of accommodation and related support services for individuals and families who are homeless or at risk of homelessness.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 59,752            | 74,640            | 79,236                         | 83,638                      | 1    |
| Less Income .....   | 26,905            | 28,441            | 28,544                         | 29,391                      |      |
| Net Cost of Service .....   | 32,847            | 46,199            | 50,692                         | 54,247                      |      |
| Employees (Full-Time Equivalents) .....                                   | 13                | 16                | 17                             | 18                          | 2    |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Average cost per homelessness support service client <sup>(a)</sup> ..... | \$3,320           | \$4,147           | \$4,526                        | \$4,647                     | 3    |

(a) The number of clients for the 2020-21 Actual, 2021-22 Budget, 2021-22 Estimated Actual and 2022-23 Budget Target are 17,998, 18,000, 17,505 and 18,000 respectively.

**Explanation of Significant Movements**

(Notes)

1. The movements between the 2020-21 Actual, 2021-22 Budget and 2021-22 Estimated Actual mainly reflect additional funding on homelessness services under the Housing and Homelessness Investment Package and the Boorloo Bidee Mia homelessness response.
2. The movement between the 2020-21 Actual and 2021-22 Estimated Actual reflects the Boorloo Bidee Mia transitional accommodation service and the Safe Perth City Initiative.
3. The movement between the 2020-21 Actual and 2021-22 Estimated Actual reflects additional spending associated with the Boorloo Bidee Mia homelessness response, the Housing First Homelessness Initiative and Commonwealth NHHA funding.

**3. Earlier Intervention and Family Support Services**

Earlier and more intense services to divert children and young people from the child protection system and prevent them from needing to enter care.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....   | 89,122            | 93,025            | 88,015                         | 98,583                      | 1    |
| Less Income .....  | 2,515             | 315               | 409                            | 375                         | 2    |
| Net Cost of Service .....  | 86,607            | 92,710            | 87,606                         | 98,208                      |      |
| <b>Employees (Full-Time Equivalents) .....</b>                                     | <b>357</b>        | <b>365</b>        | <b>366</b>                     | <b>384</b>                  |      |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Average cost per earlier intervention and family support case <sup>(a)</sup> ..... | \$6,966           | \$7,442           | \$6,943                        | \$7,824                     | 1    |

(a) The number of cases for the 2020-21 Actual, 2021-22 Budget, 2021-22 Estimated Actual and 2022-23 Budget Target are 12,796, 12,500, 12,677 and 12,600 respectively.

**Explanation of Significant Movements**

(Notes)

1. The movement between the 2021-22 Estimated Actual and 2022-23 Budget Target mostly reflects the expansion of earlier intervention services (Aboriginal In-Home Support Services and Family Support Networks) into priority regional areas and the expansion of Target 120.
2. The movement between 2020-21 Actual, 2021-22 Budget and 2021-22 Estimated Actual mainly reflects the accounting treatment associated with the transfer of leave for staff from the former Housing Authority and Disability Services Commission.

#### 4. Preventing and Responding to Family and Domestic Violence

A range of services to people experiencing, or at risk of, FDV, including the provision of crisis accommodation, counselling and community-based response teams that provide coordinated agency responses to FDV incidents.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|--|-------------------|-------------------|--------------------------------|-----------------------------|----------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |          |
| Total Cost of Service.....                     | 69,764            | 54,675            | 88,831                         | 73,658                      | 1        |
| Less Income .....                              | 31,133            | 21,288            | 28,889                         | 21,376                      | 1        |
| Net Cost of Service .....                      | 38,631            | 33,387            | 59,942                         | 52,282                      |          |
| <b>Employees (Full-Time Equivalents) .....</b> | <b>42</b>         | <b>46</b>         | <b>45</b>                      | <b>52</b>                   | <b>2</b> |
| <b>Efficiency Indicators</b>                   |                   |                   |                                |                             |          |
| Average cost per FDV case <sup>(a)</sup> ..... | \$4,614           | \$3,507           | \$4,994                        | \$4,150                     | 1        |

(a) The number of cases for the 2020-21 Actual, 2021-22 Budget, 2021-22 Estimated Actual and 2022-23 Budget Target are 15,127, 15,590, 17,788 and 17,750 respectively.

#### Explanation of Significant Movements

(Notes)

1. The movements between 2020-21 Actual, 2021-22 Budget and 2021-22 Estimated Actual mainly reflect Commonwealth-funded programs for FDV responses to COVID-19 and FDV sexual response initiatives, along with State-funded programs through the Social Recovery Plan and election commitments. The movement between the 2021-22 Estimated Actual and 2022-23 Budget Target mainly represents the cessation of Commonwealth-funding for time-limited initiatives.
2. The movement between the 2021-22 Budget and 2022-23 Budget Target is primarily due to additional resources for implementation of the Enhanced FDV Response Team Model, and the operation of the Armadale FDV Hub.

#### 5. Child Protection Assessments and Investigations

Assessing concerns reported to the Department about the wellbeing of children and young people and responding appropriately, including child protection assessments, investigations and making applications for court orders.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....   | 88,143            | 109,139           | 95,343                         | 98,367                      | 1    |
| Less Income .....  | 3,807             | 782               | 629                            | 578                         | 2    |
| Net Cost of Service .....  | 84,336            | 108,357           | 94,714                         | 97,789                      |      |
| <b>Employees (Full-Time Equivalents) .....</b>                                 | <b>562</b>        | <b>575</b>        | <b>577</b>                     | <b>614</b>                  |      |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Average cost per child involved in child protection cases <sup>(a)</sup> ..... | \$4,985           | \$6,063           | \$5,297                        | \$5,786                     |      |

(a) The number of cases for the 2020-21 Actual, 2021-22 Budget, 2021-22 Estimated Actual and 2022-23 Budget Target are 17,679, 18,000, 18,000 and 17,000 respectively.

## Explanation of Significant Movements

(Notes)

1. The movements between the 2020-21 Actual, 2021-22 Budget, 2021-22 Estimated Actual and 2022-23 Budget Target reflect the priorities of the Department each year based on needs and current trends. The movements are also reflective of the approved demand funding applied each year across the necessary services.
2. The movement between 2020-21 Actual, 2021-22 Budget and 2021-22 Estimated Actual mainly reflects the accounting treatment associated with the transfer of leave for staff from the Housing Authority and Disability Services Commission.

### 6. Care Arrangements and Support Services for Children in the CEO's Care

Provision of safe and stable care arrangements and other support services for the safety, support and wellbeing of children and young people in the care of the CEO.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....   | 489,843           | 481,121           | 496,981                        | 508,077                     |      |
| Less Income .....  | 13,332            | 2,149             | 2,186                          | 2,010                       | 1    |
| Net Cost of Service.....   | 476,511           | 478,972           | 494,795                        | 506,067                     |      |
| Employees (Full-Time Equivalents) .....  | 1,589             | 1,614             | 1,622                          | 1,646                       |      |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Average cost per day of a foster care arrangement <sup>(a)</sup> .....                       | \$148             | \$140             | \$163                          | \$169                       | 2    |
| Average cost per day of a residential-based care arrangement <sup>(b)</sup> .....            | \$2,036           | \$2,088           | \$1,981                        | \$1,999                     |      |
| Average cost per day of an exceptionally complex needs care arrangement <sup>(c)</sup> ..... | \$1,951           | \$1,618           | \$1,878                        | \$1,652                     | 3    |
| Average cost per day of a secure care arrangement <sup>(d)</sup> .....                       | \$5,837           | \$6,212           | \$7,401                        | \$7,513                     | 4    |
| Average cost per day to plan for and support a child in the CEO's care <sup>(e)</sup> ....   | \$70              | \$68              | \$64                           | \$68                        |      |

- (a) The number of foster care arrangements for the 2020-21 Actual, 2021-22 Budget, 2021-22 Estimated Actual and 2022-23 Budget Target are 1,662,621, 1,700,000, 1,621,886 and 1,600,000 respectively.
- (b) The number of residential-based care arrangements for the 2020-21 Actual, 2021-22 Budget, 2021-22 Estimated Actual and 2022-23 Budget Target are 32,416, 34,000, 34,540 and 34,000 respectively.
- (c) The number of days of exceptionally complex needs care arrangements for the 2020-21 Actual, 2021-22 Budget, 2021-22 Estimated Actual and 2022-23 Budget Target are 10,697, 10,500, 11,530 and 13,000 respectively.
- (d) The number of days of secure care arrangements for the 2020-21 Actual, 2021-22 Budget, 2021-22 Estimated Actual and 2022-23 Budget Target are 1,056, 1,100, 870 and 850 respectively.
- (e) The number of days in the CEO's care for the 2020-21 Actual, 2021-22 Budget, 2021-22 Estimated Actual and 2022-23 Budget Target are 1,963,144, 2,000,000, 1,930,840 and 1,900,000 respectively.

## Explanation of Significant Movements

(Notes)

1. The movement between 2020-21 Actual, 2021-22 Budget and 2021-22 Estimated Actual mainly reflects the accounting treatment associated with the transfer of leave for staff from the Housing Authority and Disability Services Commission.
2. The movements between the 2020-21 Actual, 2021-22 Budget and 2021-22 Estimated Actual mainly reflect additional overhead expenditure associated with children's subsidies and payments to providers for specialised fostering placements, noting the expected number of arrangements have reduced slightly whilst fixed costs have remained the same.
3. The movements between the 2020-21 Actual, 2021-22 Budget and 2021-22 Estimated Actual mainly reflect a growing number of young people with increasingly complex needs. This has driven increase costs through placing individuals in interim arrangements. The decrease in the 2022-23 Budget Target reflects expected efficiencies as longer-term solutions are implemented within the placement process.
4. The movements between the 2020-21 Actual, 2021-22 Budget and 2021-22 Estimated Actual mainly reflect the capacity of the secure care centre being reduced due to implementation of safety precautions in response to the COVID-19 pandemic, and the centre continuing to incur unavoidable fixed costs.

## 7. Rental Housing

Provision of housing to eligible Western Australians through public housing, community housing managed properties, rental housing for key workers in regional Western Australia, Government Regional Officers' Housing (GROH) and properties for remote Aboriginal communities.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                              | 870,040           | 957,537           | 945,913                        | 1,013,986                   |      |
| Less Income .....                                       | 407,589           | 446,269           | 412,599                        | 435,968                     |      |
| Net Cost of Service .....                               | 462,451           | 511,268           | 533,314                        | 578,018                     |      |
| Employees (Full-Time Equivalents) .....                 | 1,504             | 1,483             | 1,474                          | 1,493                       |      |
| <b>Efficiency Indicators</b>                            |                   |                   |                                |                             |      |
| Average operating cost per public rental property ..... | \$17,207          | \$18,109          | \$18,284                       | \$19,015                    |      |
| Average operating cost per GROH rental property .....   | \$12,167          | \$12,844          | \$13,462                       | \$13,621                    | 1    |

### Explanation of Significant Movements

(Notes)

1. The movement between the 2020-21 Actual and 2021-22 Estimated Actual mainly reflects additional maintenance spending in 2021-22 on the Social Housing Economic Recovery Package.

## 8. Home Loans

Enabling the financing of home ownership for eligible applicants.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                           | 40,670            | 82,564            | 67,875                         | 68,218                      | 1    |
| Less Income .....                                    | 2,960             | 5,598             | 2,293                          | 4,323                       | 1    |
| Net Cost of Service .....                            | 37,710            | 76,966            | 65,582                         | 63,895                      |      |
| Employees (Full-Time Equivalents) .....              | 27                | 26                | 26                             | 26                          |      |
| <b>Efficiency Indicators</b>                         |                   |                   |                                |                             |      |
| Average operating cost per current loan account..... | \$1,145           | \$2,986           | \$1,976                        | \$3,390                     | 2    |

### Explanation of Significant Movements

(Notes)

1. The movements between the 2020-21 Actual, 2021-22 Budget and 2021-22 Estimated Actual largely reflect the level of borrowings and current cash rates, which impacts on Keystart's costs of borrowings.
2. The movements between the 2020-21 Actual, 2021-22 Budget, 2021-22 Estimated Actual and 2022-23 Budget Target are mainly a result of increasing property prices across the State, thereby enabling a significant number of Keystart customers to refinance with other providers, reducing loan numbers. The movement between the 2021-22 Budget and 2021-22 Estimated Actual is mainly a result of impairment charges.

## 9. Land and Housing Supply

Development of land for housing and the provision of housing for sale to the Western Australian housing market.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                                    | 209,234           | 59,514            | 86,083                         | 69,307                      | 1    |
| Less Income .....   | 95,415            | 24,685            | 55,686                         | 46,961                      | 1    |
| Net Cost of Service .....                                     | 113,819           | 34,829            | 30,397                         | 22,346                      |      |
| Employees (Full-Time Equivalents) .....                       | 118               | 115               | 114                            | 116                         |      |
| <b>Efficiency Indicators</b>                                  |                   |                   |                                |                             |      |
| Average operating cost per lot developed <sup>(a)</sup> ..... | n/a               | n/a               | n/a                            | n/a                         |      |
| Average operating cost per property sold .....                | \$24,826          | \$16,354          | \$66,998                       | \$73,960                    | 2    |

(a) Due to Machinery of Government changes, commercial land development functions have transferred to DevelopmentWA. This efficiency indicator no longer measures developed lots and the Department has been exempted from reporting on this indicator.

### Explanation of Significant Movements

(Notes)

1. The movements between the 2020-21 Actual, 2021-22 Budget and 2021-22 Estimated Actual largely reflect the write-down of vacant land carrying values following the transfer of assets to DevelopmentWA. The movement between the 2021-22 Estimated Actual and 2022-23 Budget Target is mainly due to the remaining Joint Ventures transferring to DevelopmentWA in 2022-23.
2. The variance between the 2020-21 Actual and 2021-22 Estimated Actual reflects the Department repurposing properties previously budgeted for sale as social housing to provide a quick-to-market option to relieve housing pressures faced by vulnerable households.

## 10. Supporting People with Disability to Access Services and Participate in Their Community

This service area assists people with disability to identify their personal goals and have choice and control in decision-making through a planning process and provides them with opportunities to develop their potential for full social independence through the use of supports and assistive technology.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 96,281            | 60,417            | 73,001                         | 68,681                      | 1    |
| Less Income .....   | 9,073             | 13,233            | 55                             | 61                          | 1    |
| Net Cost of Service .....   | 87,208            | 47,184            | 72,946                         | 68,620                      |      |
| Employees (Full-Time Equivalents) .....   | 159               | 120               | 120                            | 120                         | 2    |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Proportion of individual plans commenced within the required timeframe.....                                   | 97%               | 93%               | 91%                            | 93%                         |      |
| Average cost per service activity for community participation for people with disability <sup>(a)</sup> ..... | n/a               | n/a               | n/a                            | n/a                         |      |

(a) Data for this efficiency indicator is collected from external disability service providers. Performance indicator data was not collected from these organisations in 2020-21 due to the impacts of the COVID-19 pandemic. From 2020-21, the majority of State-funded clients and services had transitioned to the NDIS and the Department has been exempted from reporting on this indicator.

## Explanation of Significant Movements

(Notes)

1. The movement between the 2020-21 Actual and 2021-22 Estimated Actual mainly reflects the transition of State clients to the Commonwealth-administered NDIS, which has resulted in reduced expenditure and income on State-administered disability service supports. The movement between the 2021-22 Budget and 2021-22 Estimated Actual mainly reflects the cessation of Commonwealth-funded non-NDIS programs, with the 2021-22 Estimated Actual and 2022-23 Budget Target reflecting ongoing non-NDIS functions that will be provided by the State.
2. The decrease in FTEs between the 2020-21 Actual and the 2021-22 Budget reflects the impact of the transition to the NDIS.

## 11. Living Supports and Care for People with Disability

These services include a range of supported accommodation and community services that enable people with disability to live as independently as possible in their community with the support of general and specialised support and services.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|---|-------------------|-------------------|--------------------------------|-----------------------------|----------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |          |
| Total Cost of Service .....   | 148,437           | 130,400           | 75,514                         | 58,944                      | 1        |
| Less Income .....   | 45,432            | 75,801            | 31,695                         | 31,005                      | 1        |
| Net Cost of Service .....   | 103,005           | 54,599            | 43,819                         | 27,939                      |          |
| <b>Employees (Full-Time Equivalents) .....</b>  | <b>696</b>        | <b>656</b>        | <b>656</b>                     | <b>656</b>                  | <b>2</b> |
| <b>Efficiency Indicators <sup>(a)</sup></b>   |                   |                   |                                |                             |          |
| Average cost per service activity for community living support for people with disability .....     | n/a               | n/a               | n/a                            | n/a                         |          |
| Average cost per service activity for independent living support for people with disability .....   | n/a               | n/a               | n/a                            | n/a                         |          |
| Average cost per service activity for therapy and specialised care for people with disability ..... | n/a               | n/a               | n/a                            | n/a                         |          |
| Average cost per service activity for residential services for people with disability .....         | n/a               | n/a               | n/a                            | n/a                         |          |

(a) Data for these indicators is collected from external disability service providers. Performance indicator data was not collected from these organisations in 2020-21 due to the impacts of the COVID-19 pandemic. From 2020-21, the majority of State-funded clients and services had transitioned to the NDIS and the Department has been exempted from reporting on this indicator.

## Explanation of Significant Movements

(Notes)

1. The movement between the 2020-21 Actual and 2021-22 Estimated Actual mainly reflect the transition of State clients to the Commonwealth-administered NDIS, which has resulted in reduced expenditure and income on State-administered disability service supports. The movement between the 2021-22 Budget and 2021-22 Estimated Actual mainly reflects the cessation of Commonwealth-funded non-NDIS programs, with the 2021-22 Estimated Actual and 2022-23 Budget Target reflecting ongoing non-NDIS functions that will be provided by the State.
2. The decrease in FTEs between the 2020-21 Actual and the 2021-22 Budget reflects the impact of the transition to the NDIS.



## Asset Investment Program

1. The Department's Asset Investment Program is \$1.1 billion across the forward estimates period. Significant capital investments include:

1.1 more than \$941.2 million of capital investment from 2022-23 to 2025-26 to increase and renew public housing, homelessness, and other crisis accommodation across Western Australia, including through the Government's Social Housing Economic Recovery Package, the Housing and Homelessness Investment Package, and the Social Housing Strategy Package; and

1.2 \$99.4 million of capital investment from 2022-23 to 2025-26 into GROH.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Aboriginal Short Stay Accommodation  |                                   |  |   |                                     |                              |                              |                              |
| East Kimberley .....   | 21,300                            | 222  | 222   | 2,500                               | 18,578                       | -                            | -                            |
| Geraldton .....  | 18,000                            | 349  | 349   | 6,000                               | 11,651                       | -                            | -                            |
| Perth .....  | 25,750                            | 5,271  | 5,271   | 5,660                               | 11,759                       | 3,060                        | -                            |
| Building Minor Works .....   | 2,500                             | 500  | 500   | 500                                 | 500                          | 500                          | 500                          |
| Computer Hardware and Software Program .....   | 8,490                             | 1,698  | 1,698   | 1,698                               | 1,698                        | 1,698                        | 1,698                        |
| Crisis Accommodation Program .....   | 76,381                            | 3,750  | 3,750   | 22,660                              | 7,779                        | 20,654                       | 21,538                       |
| FDV Women's Refuge - Peel .....  | 5,650                             | 5,632  | 1,369   | 18                                  | -                            | -                            | -                            |
| Goodstart Shared Equity Program .....  | 32,277                            | 3,319  | 3,319   | 4,619                               | 7,000                        | 6,825                        | 10,514                       |
| GROH Program .....   | 123,815                           | 24,404   | 24,404  | 23,778                              | 23,021                       | 26,306                       | 26,306                       |
| Housing and Homelessness Investment Package  |                                   |  |   |                                     |                              |                              |                              |
| Common Ground  |                                   |  |   |                                     |                              |                              |                              |
| Perth .....  | 45,400                            | 3,798  | 3,401   | 18,904                              | 22,200                       | 498                          | -                            |
| Mandurah .....   | 28,100                            | 1,700  | 1,615   | 11,700                              | 14,700                       | -                            | -                            |
| Land Acquisition .....   | 38,271                            | 33,098   | 24,115  | 5,173                               | -                            | -                            | -                            |
| New Social Housing Builds .....  | 94,242                            | 35,066   | 29,478  | 41,731                              | 17,445                       | -                            | -                            |
| Shared Equity .....  | 19,268                            | 5,473  | 3,300   | 3,120                               | 8,046                        | 2,629                        | -                            |
| Investment into New Social Housing .....   | 353,274                           | 97,338   | 97,338  | 143,015                             | 71,923                       | 26,691                       | 14,307                       |
| Land   |                                   |  |   |                                     |                              |                              |                              |
| Acquisition Program .....  | 269,581                           | 52,546   | 52,546  | 56,285                              | 50,714                       | 55,018                       | 55,018                       |
| Redevelopment Program .....  | 9,520                             | -  | -   | -                                   | 9,520                        | -                            | -                            |
| Urban Renewal .....  | 4,770                             | 3,288  | 3,288   | 850                                 | 632                          | -                            | -                            |
| METRONET Social and Affordable Housing and Jobs<br>Package .....                     | 94,909                            | 50,448   | 27,686  | 34,140                              | 10,321                       | -                            | -                            |
| North West Aboriginal Housing Fund - Hedland   |                                   |  |   |                                     |                              |                              |                              |
| Transitional Housing Project .....   | 1,000                             | 500  | 500   | 500                                 | -                            | -                            | -                            |
| Offices Program .....  | 12,773                            | 2,154  | 2,154   | 4,239                               | 3,102                        | 1,639                        | 1,639                        |
| Regional Renewal .....   | 13,559                            | 2,003  | 2,003   | 5,437                               | 6,119                        | -                            | -                            |
| Disability Services Social Housing Program .....                                     | 26,124                            | 22,071   | 1,783   | -                                   | -                            | 4,053                        | -                            |
| Social Housing Economic Recovery Package (SHERP)                                     |                                   |  |   |                                     |                              |                              |                              |
| New Builds .....   | 50,467                            | 7,468  | 6,110   | 24,475                              | 18,524                       | -                            | -                            |
| Refurbishments .....   | 101,775                           | 42,010   | 33,000  | 38,215                              | 21,550                       | -                            | -                            |
| Land Acquisition .....   | 23,156                            | 2,736  | 2,036   | 10,060                              | 10,360                       | -                            | -                            |
| Step Up/Step Down Mental Health Facilities - Karratha .....                          | 7,202                             | 5,902  | 5,645   | 1,300                               | -                            | -                            | -                            |
| <b>COMPLETED WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| FDV Women's Refuge - Kwinana .....   | 5,481                             | 5,481  | 1,199   | -                                   | -                            | -                            | -                            |
| Housing and Homelessness Investment Package - Social<br>Housing Refurbishments ..... | 3,950                             | 3,950  | 3,950   | -                                   | -                            | -                            | -                            |
| Mental Health Care Units .....   | 2,949                             | 2,949  | 1,321   | -                                   | -                            | -                            | -                            |
| North West Aboriginal Housing Fund   |                                   |  |   |                                     |                              |                              |                              |
| East Kimberley Transitional Housing Project .....                                    | 27,607                            | 27,607   | 1,153   | -                                   | -                            | -                            | -                            |
| Jalbi Jiya (Your Home) Program .....   | 7,355                             | 7,355  | 75  | -                                   | -                            | -                            | -                            |
| Reconfiguration of Spinal Cord Injury Project .....                                  | 6,786                             | 6,786  | 3,799   | -                                   | -                            | -                            | -                            |
| Broome Move to Town Program .....  | 12,277                            | 12,277   | 1,049   | -                                   | -                            | -                            | -                            |
| West Pilbara Plan - Roebourne Refurbishments .....                                   | 3,080                             | 3,080  | 280   | -                                   | -                            | -                            | -                            |
| Step Up/Step Down Mental Health Facilities   |                                   |  |   |                                     |                              |                              |                              |
| Geraldton .....  | 4,154                             | 4,154  | 70  | -                                   | -                            | -                            | -                            |
| Kalgoorlie .....   | 6,399                             | 6,399  | 291   | -                                   | -                            | -                            | -                            |

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>NEW WORKS</b>  |                                   |  |   |                                     |                              |                              |                              |
| Affordable Housing Shared Equity Program .....  | 3,648                             | -  | -   | -                                   | 792                          | 1,428                        | 1,428                        |
| Holding Costs Program .....   | 469                               | -  | -   | 97                                  | 124                          | 124                          | 124                          |
| North West Aboriginal Housing Fund - Fitzroy Crossing<br>Aboriginal Housing Program ..... | 15,583                            | -  | -   | 4,767                               | 5,479                        | 2,790                        | 2,547                        |
| <b>Total Cost of Asset Investment Program .....</b>                                       | <b>1,607,292</b>                  | <b>492,782</b>                                   | <b>350,067</b>                                | <b>471,441</b>                      | <b>353,537</b>               | <b>153,913</b>               | <b>135,619</b>               |
| <b>FUNDED BY</b>  |                                   |  |   |                                     |                              |                              |                              |
| Asset Sales .....   |                                   |  | 18,530  | 24,976                              | 88,351                       | 80,428                       | 73,786                       |
| Borrowings .....  |                                   |  | -   | -                                   | 100,000                      | -                            | -                            |
| Capital Appropriation .....   |                                   |  | 90,008  | 252,755                             | 167,858                      | 94,465                       | 78,822                       |
| Commonwealth Grants .....   |                                   |  | 5,867   | 1,066                               | 1,067                        | -                            | -                            |
| Drawdowns from Royalties for Regions Fund .....   |                                   |  | 2,003   | 5,455                               | 4,479                        | -                            | -                            |
| Drawdowns from the Holding Account .....  |                                   |  | 68  | 68                                  | 68                           | 68                           | 68                           |
| Funding Included in Department of Treasury<br>Administered Item .....                     |                                   |  | -   | 11,700                              | 14,700                       | -                            | -                            |
| Internal Funds and Balances .....   |                                   |  | 183,355                                       | 77,448                              | (132,039)                    | (144,871)                    | (140,637)                    |
| Other .....   |                                   |  | 50,236  | 92,706                              | 103,574                      | 121,033                      | 121,033                      |
| Other Grants and Subsidies .....  |                                   |  | -   | 5,267                               | 5,479                        | 2,790                        | 2,547                        |
| <b>Total Funding .....</b>  |                                   |  | <b>350,067</b>                                | <b>471,441</b>                      | <b>353,537</b>               | <b>153,913</b>               | <b>135,619</b>               |

## Financial Statements

### Income Statement

#### Expenses

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

#### Income

- Total Income in 2021-22 Estimated Actual is expected to decrease by 11% compared to 2020-21 Actual, mostly as a result of repurposing properties into social housing, where those properties had previously been flagged for sale.
- Total Income from Government in 2021-22 Estimated Actual is expected to increase by 17.6% on the 2020-21 Actual, mostly due to additional funding to offset lower than forecast Commonwealth revenue for the State's Supported Community Living accommodation services, and to meet increased payments to the NDIA as a result of growth in participant numbers.

### Statement of Cashflows

- The Department's end-of-year cash position for the 2021-22 Estimated Actual is expected to decrease by 47.8% compared to 2020-21 Actual. This is primarily due to initiatives to boost social housing, such as repurposing properties as social housing, accelerating the delivery of social housing through a regional modular build program, and the spot purchase program.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 625,396                     | 622,388                     | 619,948                                  | 652,990                             | 653,544                      | 663,420                      | 688,116                      |
| Grants and subsidies <sup>(c)</sup> .....        | 1,087,706                   | 1,163,449                   | 1,318,764                                | 1,233,229                           | 1,222,089                    | 1,239,505                    | 1,281,437                    |
| Supplies and services .....                      | 666,907                     | 668,862                     | 615,975                                  | 662,818                             | 636,825                      | 634,483                      | 653,598                      |
| Accommodation .....                              | 244,416                     | 307,635                     | 307,579                                  | 280,631                             | 270,348                      | 274,797                      | 279,729                      |
| Depreciation and amortisation .....              | 169,196                     | 137,400                     | 155,831                                  | 156,702                             | 153,553                      | 153,537                      | 154,189                      |
| Finance and interest costs .....                 | 51,611                      | 64,514                      | 48,990                                   | 54,622                              | 84,620                       | 101,351                      | 109,815                      |
| Cost of land sold .....                          | 3,468                       | -                           | 6,450                                    | 400                                 | 400                          | 400                          | 18,084                       |
| Net assets transferred out .....                 | 50,171                      | 12,048                      | 514                                      | -                                   | -                            | -                            | -                            |
| Other expenses .....                             | 296,603                     | 251,702                     | 258,102                                  | 256,706                             | 248,713                      | 246,955                      | 246,974                      |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>3,195,474</b>            | <b>3,227,998</b>            | <b>3,332,153</b>                         | <b>3,298,098</b>                    | <b>3,270,092</b>             | <b>3,314,448</b>             | <b>3,431,942</b>             |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services .....                 | 134,126                     | 100,565                     | 95,294                                   | 84,736                              | 166,203                      | 183,126                      | 202,837                      |
| Regulatory fees and fines .....                  | 106                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Grants and subsidies .....                       | 189,730                     | 206,213                     | 192,600                                  | 180,538                             | 173,247                      | 174,865                      | 177,411                      |
| Interest revenue .....                           | 1,084                       | 49                          | 49                                       | 35                                  | 21                           | 21                           | 21                           |
| Rent .....                                       | 242,815                     | 282,598                     | 260,945                                  | 291,129                             | 299,775                      | 299,740                      | 299,272                      |
| Other revenue .....                              | 84,783                      | 38,420                      | 32,061                                   | 31,432                              | 20,757                       | 11,414                       | 11,344                       |
| <b>Total Income .....</b>                        | <b>652,644</b>              | <b>627,845</b>              | <b>580,949</b>                           | <b>587,870</b>                      | <b>660,003</b>               | <b>669,166</b>               | <b>690,885</b>               |
| <b>NET COST OF SERVICES .....</b>                | <b>2,542,830</b>            | <b>2,600,153</b>            | <b>2,751,204</b>                         | <b>2,710,228</b>                    | <b>2,610,089</b>             | <b>2,645,282</b>             | <b>2,741,057</b>             |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 1,867,440                   | 1,955,604                   | 2,134,773                                | 2,090,377                           | 2,079,834                    | 2,084,489                    | 2,158,300                    |
| Resources received free of charge .....          | 11,319                      | 8,711                       | 8,711                                    | 8,711                               | 8,711                        | 8,711                        | 8,711                        |
| Royalties for Regions Fund:                      |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....           | 83,303                      | 129,661                     | 105,328                                  | 152,171                             | 139,426                      | 123,464                      | 127,804                      |
| Regional Infrastructure and Headworks Fund ..... | -                           | -                           | -  | 18                                  | -                            | -                            | -                            |
| Other appropriations .....                       | -                           | -                           | -  | -                                   | -                            | 59,475                       | 59,475                       |
| Interest revenue .....                           | 22,732                      | 42,945                      | 26,849                                   | 35,484                              | 67,692                       | 88,592                       | 98,767                       |
| Rent .....                                       | 86,002                      | 85,097                      | 85,097                                   | 86,389                              | 87,557                       | 88,945                       | 88,945                       |
| Dividend contribution .....                      | 155,837                     | 120,987                     | 128,764                                  | 101,322                             | 97,017                       | 105,122                      | 113,006                      |
| Other revenues .....                             | 51,023                      | 205,558                     | 187,880                                  | 153,654                             | 83,474                       | 49,982                       | 48,718                       |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>2,277,656</b>            | <b>2,548,563</b>            | <b>2,677,402</b>                         | <b>2,628,126</b>                    | <b>2,563,711</b>             | <b>2,608,780</b>             | <b>2,703,726</b>             |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>(265,174)</b>            | <b>(51,590)</b>             | <b>(73,802)</b>                          | <b>(82,102)</b>                     | <b>(46,378)</b>              | <b>(36,502)</b>              | <b>(37,331)</b>              |

(a) Full audited financial statements are published in the Annual Reports for the Department, Disability Services Commission, and the Housing Authority.

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 5,366, 5,428 and 5,581 respectively.

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

## DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Child Protection and Family Support</b>  |                             |                             |  |                                     |                              |                              |                              |
| Child Protection Grants .....   | 520                         | 550                         | 550                                      | 550                                 | 550                          | 550                          | 550                          |
| Children in Care Initiatives .....  | -                           | 306                         | 464                                      | -                                   | -                            | -                            | -                            |
| Historical Institutional Abuse of Children .....                                    | 3,816                       | -                           | 448                                      | -                                   | -                            | -                            | -                            |
| Home Stretch Pilot Program .....  | 358                         | -                           | -  | -                                   | -                            | -                            | -                            |
| National Centre and WA Centre for the<br>Prevention of Child Sexual Abuse .....     | -                           | 1,499                       | 1,499                                    | 457                                 | 457                          | 457                          | -                            |
| Out-of-Home Care, Foster Carer and Family<br>Support Grants .....                   | 109,309                     | 118,070                     | 118,070                                  | 121,653                             | 141,263                      | 150,050                      | 159,222                      |
| Target 120 .....  | 1,108                       | 3,741                       | 3,741                                    | 8,282                               | 4,500                        | -                            | -                            |
| <b>Community Services</b>   |                             |                             |  |                                     |                              |                              |                              |
| Bereavement Assistance .....  | 961                         | 705                         | 705                                      | 705                                 | 705                          | 705                          | 705                          |
| Community Gardens .....   | 100                         | 100                         | 100                                      | 100                                 | 100                          | 100                          | 100                          |
| Disaster Recovery Arrangements - Severe<br>Tropical Cyclone Seroja .....            | 2,962                       | -                           | 900                                      | -                                   | -                            | -                            | -                            |
| Grandcarers Support Grants .....  | 125                         | 1,050                       | 1,050                                    | 1,050                               | 1,050                        | 1,050                        | 1,050                        |
| Hardship Utility Grant Scheme .....   | 2,760                       | 10,000                      | 10,000                                   | 10,000                              | 10,000                       | 10,000                       | 10,000                       |
| Social Support Coordinator .....  | 175                         | 175                         | 175                                      | 178                                 | 182                          | 186                          | 192                          |
| Woorloo Fire Recovery .....   | 191                         | 164                         | 164                                      | -                                   | -                            | -                            | -                            |
| <b>COVID-19 Response</b>  |                             |                             |  |                                     |                              |                              |                              |
| Carer's and Other Payments .....  | 269                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Financial Counselling .....   | 3,159                       | -                           | 1,210                                    | -                                   | -                            | -                            | -                            |
| National Partnership Agreement - Family<br>Domestic Sexual Violence Responses ..... | -                           | -                           | 4,328                                    | -                                   | -                            | -                            | -                            |
| National Partnership on COVID-19 Domestic<br>and Family Violence Response .....     | 4,773                       | 8,122                       | 8,122                                    | -                                   | -                            | -                            | -                            |
| Preparedness in the Care Sector .....   | -                           | -                           | 1,400                                    | -                                   | -                            | -                            | -                            |
| Rent Freeze - Payments to Community<br>Housing Organisations .....                  | -                           | 2,353                       | 1,631                                    | -                                   | -                            | -                            | -                            |
| Test Isolation Payment .....  | -                           | -                           | 28,875                                   | -                                   | -                            | -                            | -                            |
| <b>Disability Services</b>  |                             |                             |  |                                     |                              |                              |                              |
| Community Aids and Equipment Program .....  | 11,257                      | 7,500                       | 7,500                                    | 7,500                               | 7,500                        | 7,500                        | 7,500                        |
| NDIS  |                             |                             |  |                                     |                              |                              |                              |
| Contributions .....   | 886,030                     | 920,238                     | 998,738                                  | 946,281                             | 980,846                      | 1,023,358                    | 1,059,788                    |
| Vocational Education and Training .....   | 3,000                       | 5,393                       | 5,393                                    | 2,081                               | -                            | -                            | -                            |
| <b>Election Commitments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Access to Regional Childcare .....  | -                           | 383                         | 383                                      | 1,431                               | 1,432                        | 1,433                        | 351                          |
| Baldivis Men's Shed .....   | -                           | 1,000                       | 1,000                                    | -                                   | -                            | -                            | -                            |
| Boost to Primary Prevention FDV Services .....                                      | -                           | -                           | 279                                      | 3,704                               | 189                          | -                            | -                            |
| Elder Rights WA .....   | -                           | 1,000                       | 1,000                                    | 1,000                               | 1,000                        | 1,000                        | 1,000                        |
| Grandcarers Support Scheme .....  | 1,514                       | 1,500                       | 1,500                                    | 1,529                               | 1,563                        | 1,602                        | 1,602                        |
| Local Government Homelessness Fund .....  | -                           | 1,500                       | 1,500                                    | 1,500                               | 1,500                        | 1,500                        | -                            |
| Micro-Enterprise Support .....  | -                           | 500                         | 500                                      | -                                   | -                            | -                            | -                            |
| Pets in Crisis Support Program Expansion .....                                      | -                           | 195                         | 195                                      | 259                                 | 456                          | 386                          | 386                          |
| Respectful Relationships Expansion .....  | -                           | 68                          | 68                                       | 721                                 | 741                          | 760                          | 760                          |
| Safe at Home Package .....  | -                           | -                           | -  | 1,041                               | 1,064                        | 1,187                        | 821                          |
| Safety and Security for Seniors – Rebate .....                                      | -                           | 3,000                       | 5,000                                    | 3,000                               | 2,000                        | 2,000                        | 3,000                        |
| Scouts Hall Tapping .....   | -                           | 3,000                       | 3,000                                    | -                                   | -                            | -                            | -                            |
| Small Commitments .....   | 1,348                       | -                           | -  | -                                   | -                            | -                            | -                            |
| Subsidise Driving Lessons and Dental for<br>Women Exiting Refuges .....             | -                           | 227                         | 374                                      | 381                                 | 387                          | 397                          | 401                          |
| Teenagers in Need of Crisis Accommodation<br>Facility .....                         | -                           | 820                         | -  | 418                                 | 854                          | 876                          | 898                          |
| Volunteering WA Digital Platform .....  | -                           | -                           | 100                                      | 45                                  | 15                           | 15                           | 15                           |
| <b>Homelessness</b>   |                             |                             |  |                                     |                              |                              |                              |
| Accommodation and Support Services  |                             |                             |  |                                     |                              |                              |                              |
| Passages Resources Centre Peel .....  | 250                         | 255                         | 255                                      | 262                                 | 269                          | -                            | -                            |
| Boorloo Bidee Mia .....   | -                           | -                           | 1,900                                    | 1,993                               | 2,091                        | -                            | -                            |
| HEART and Koort Boodja .....  | -                           | -                           | -  | 3,726                               | -                            | -                            | -                            |
| Living Independently For the First Time .....                                       | 260                         | 260                         | 260                                      | 260                                 | 260                          | 260                          | 260                          |
| Pioneer Park Homelessness Response .....  | 2,049                       | -                           | 868                                      | -                                   | -                            | -                            | -                            |
| Safe Night Spaces .....   | -                           | 2,150                       | 2,150                                    | 2,150                               | -                            | -                            | -                            |
| Tuart Place .....   | 330                         | 165                         | 165                                      | 330                                 | 330                          | 330                          | 330                          |

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Housing</b>  |                             |                             |  |                                     |                              |                              |                              |
| Community Housing - Crisis Accommodation.....                             | -                           | -                           | 8,681                                    | 8,014                               | -                            | -                            | -                            |
| Ganallili Accommodation and Transitional<br>Housing Project.....          | -                           | 4,734                       | 2,474                                    | 3,439                               | -                            | -                            | -                            |
| Other Housing Grants .....  | 614                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Resolution of Native Title in the South West of<br>Western Australia..... | 9,510                       | 2,000                       | -  | -                                   | -                            | -                            | -                            |
| Robe River Kuruma Aboriginal Corporation .....                            | -                           | -                           | -  | 230                                 | 235                          | 241                          | -                            |
| SHERP   |                             |                             |  |                                     |                              |                              |                              |
| Maintenance .....   | 620                         | 6,850                       | 9,230                                    | 6,850                               | -                            | -                            | -                            |
| New Builds .....  | -                           | -                           | 6,000                                    | 15,950                              | 11,050                       | -                            | -                            |
| Refurbishments .....  | -                           | -                           | 23,250                                   | 23,336                              | -                            | -                            | -                            |
| <b>Other</b>  |                             |                             |  |                                     |                              |                              |                              |
| Essential and Municipal Services Upgrade<br>Program .....                 | -                           | 7,850                       | 6,779                                    | 12,082                              | 12,503                       | -                            | -                            |
| Other Grants .....  | 1,496                       | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Prevention of FDV</b>  |                             |                             |  |                                     |                              |                              |                              |
| Culturally Appropriate Services to FDV Victims ....                       | 322                         | 445                         | 445                                      | 445                                 | 336                          | 336                          | 336                          |
| FDV   |                             |                             |  |                                     |                              |                              |                              |
| Counselling .....   | 273                         | 272                         | 272                                      | 273                                 | 280                          | 280                          | 288                          |
| Initiatives .....   | 5,236                       | 8,364                       | 8,364                                    | 2,898                               | -                            | -                            | -                            |
| Support .....   | 241                         | 186                         | 186                                      | 186                                 | 186                          | 186                          | 186                          |
| Keeping Women Safe in Their Homes.....                                    | 737                         | 737                         | 737                                      | 351                                 | -                            | -                            | -                            |
| Kimberley Family Violence Service .....                                   | 544                         | 1,326                       | 1,326                                    | 1,197                               | 1,248                        | 1,480                        | 1,313                        |
| Marrin Bowa Dumbara Aboriginal FDV<br>Services .....                      | 823                         | -                           | 838                                      | 859                                 | -                            | -                            | -                            |
| Our Watch Program .....   | 114                         | 129                         | 129                                      | 129                                 | 129                          | 129                          | 129                          |
| Pets in Crisis.....   | 102                         | 105                         | 105                                      | 108                                 | 111                          | 114                          | 114                          |
| Respectful Relationships.....   | 278                         | 277                         | 277                                      | 168                                 | 168                          | 168                          | 168                          |
| Two FDV One-Stop Hubs.....  | 3,004                       | 3,818                       | 3,818                                    | 4,010                               | 4,111                        | -                            | -                            |
| Women's Refuge Peel .....   | 911                         | 1,677                       | 1,422                                    | 1,540                               | 1,556                        | 2,704                        | 1,807                        |
| <b>Seniors</b>  |                             |                             |  |                                     |                              |                              |                              |
| Elder Abuse Prevention Initiatives .....                                  | 656                         | 65                          | 65                                       | -                                   | 185                          | -                            | -                            |
| Seniors Cost of Living Rebates .....                                      | 24,646                      | 27,456                      | 27,449                                   | 27,400                              | 27,400                       | 27,400                       | 27,400                       |
| Seniors Support Initiative .....  | 183                         | -                           | 188                                      | -                                   | -                            | -                            | -                            |
| <b>Volunteering</b>   |                             |                             |  |                                     |                              |                              |                              |
| Volunteering Grants .....   | 30                          | 30                          | 30                                       | 30                                  | 30                           | 30                           | 30                           |
| <b>Women's Interests</b>  |                             |                             |  |                                     |                              |                              |                              |
| Women's Grants .....  | 109                         | 85                          | 85                                       | 85                                  | 85                           | 85                           | 85                           |
| <b>Youth</b>  |                             |                             |  |                                     |                              |                              |                              |
| Empowered Youth Network.....  | -                           | 404                         | 404                                      | 412                                 | 522                          | -                            | -                            |
| Youth Support Grants .....  | 633                         | 650                         | 650                                      | 650                                 | 650                          | 650                          | 650                          |
| <b>TOTAL .....</b>  | <b>1,087,706</b>            | <b>1,163,449</b>            | <b>1,318,764</b>                         | <b>1,233,229</b>                    | <b>1,222,089</b>             | <b>1,239,505</b>             | <b>1,281,437</b>             |

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                      |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                          | 291,875                     | 154,908                     | 150,770                                  | 50,402                              | 76,822                       | 221,197                      | 246,457                      |
| Restricted cash .....                      | 69,112                      | 30,434                      | 31,367                                   | 31,367                              | 31,367                       | 31,167                       | 30,967                       |
| Holding Account receivables .....          | 951                         | 68                          | 951                                      | 951                                 | 951                          | 951                          | 951                          |
| Receivables .....                          | 306,565                     | 283,331                     | 277,431                                  | 242,023                             | 249,593                      | 277,296                      | 289,103                      |
| Loans and advances .....                   | 925,576                     | 1,005,854                   | 1,022,270                                | 1,100,163                           | 1,170,528                    | 1,247,552                    | 1,330,519                    |
| Other .....                                | 236,929                     | 501,147                     | 263,326                                  | 260,625                             | 276,994                      | 354,400                      | 354,400                      |
| Assets held for sale .....                 | 5,161                       | 11,568                      | 5,161                                    | 5,161                               | 5,161                        | 5,161                        | 5,161                        |
| <b>Total current assets .....</b>          | <b>1,836,169</b>            | <b>1,987,310</b>            | <b>1,751,276</b>                         | <b>1,690,692</b>                    | <b>1,811,416</b>             | <b>2,137,724</b>             | <b>2,257,558</b>             |
| <b>NON-CURRENT ASSETS</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....          | 219,205                     | 242,461                     | 241,066                                  | 262,476                             | 283,887                      | 305,282                      | 326,689                      |
| Property, plant and equipment .....        | 12,004,985                  | 11,518,664                  | 12,069,465                               | 12,240,032                          | 12,205,710                   | 12,046,456                   | 11,771,416                   |
| Loans and advances .....                   | 4,173,748                   | 4,509,293                   | 3,591,996                                | 3,805,809                           | 4,103,968                    | 4,432,334                    | 4,753,555                    |
| Receivables .....                          | 35,174                      | 82                          | 35,174                                   | 35,174                              | 35,174                       | 35,174                       | 35,174                       |
| Intangibles .....                          | 14,849                      | 9,641                       | 10,509                                   | 5,498                               | (492)                        | (6,482)                      | (9,185)                      |
| Restricted cash .....                      | 9,513                       | 9,172                       | 11,419                                   | 13,363                              | 14,078                       | 14,793                       | 15,628                       |
| Other .....                                | 124,010                     | 179,768                     | 209,654                                  | 262,943                             | 369,215                      | 305,920                      | 427,469                      |
| <b>Total non-current assets .....</b>      | <b>16,581,484</b>           | <b>16,469,081</b>           | <b>16,169,283</b>                        | <b>16,625,295</b>                   | <b>17,011,540</b>            | <b>17,133,477</b>            | <b>17,320,746</b>            |
| <b>TOTAL ASSETS .....</b>                  | <b>18,417,653</b>           | <b>18,456,391</b>           | <b>17,920,559</b>                        | <b>18,315,987</b>                   | <b>18,822,956</b>            | <b>19,271,201</b>            | <b>19,578,304</b>            |
| <b>CURRENT LIABILITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 138,954                     | 141,809                     | 140,933                                  | 142,912                             | 144,891                      | 146,870                      | 148,933                      |
| Payables .....                             | 67,268                      | 123,422                     | 66,208                                   | 62,398                              | 50,762                       | 51,762                       | 49,570                       |
| Borrowings and leases .....                | 112,317                     | 132,249                     | 112,933                                  | 112,807                             | 113,002                      | 112,967                      | 112,810                      |
| Other .....                                | 319,347                     | 155,388                     | 292,489                                  | 287,489                             | 288,548                      | 291,438                      | 286,764                      |
| <b>Total current liabilities .....</b>     | <b>637,886</b>              | <b>552,868</b>              | <b>612,563</b>                           | <b>605,606</b>                      | <b>597,203</b>               | <b>603,037</b>               | <b>598,077</b>               |
| <b>NON-CURRENT LIABILITIES</b>             |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 27,742                      | 28,967                      | 27,742                                   | 27,742                              | 27,742                       | 27,742                       | 27,742                       |
| Borrowings and leases .....                | 5,711,276                   | 6,126,544                   | 5,148,270                                | 5,361,837                           | 5,723,885                    | 6,081,201                    | 6,346,357                    |
| Other .....                                | 105,586                     | 68,047                      | 54,650                                   | 44,477                              | 50,875                       | 71,758                       | 71,758                       |
| <b>Total non-current liabilities .....</b> | <b>5,844,604</b>            | <b>6,223,558</b>            | <b>5,230,662</b>                         | <b>5,434,056</b>                    | <b>5,802,502</b>             | <b>6,180,701</b>             | <b>6,445,857</b>             |
| <b>TOTAL LIABILITIES .....</b>             | <b>6,482,490</b>            | <b>6,776,426</b>            | <b>5,843,225</b>                         | <b>6,039,662</b>                    | <b>6,399,705</b>             | <b>6,783,738</b>             | <b>7,043,934</b>             |
| <b>EQUITY <sup>(b)</sup></b>               |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                   | 2,384,484                   | 2,409,206                   | 2,525,155                                | 2,806,293                           | 2,999,618                    | 3,100,353                    | 3,170,831                    |
| Accumulated surplus/(deficit) .....        | 3,416,233                   | 2,946,298                   | 3,417,783                                | 3,335,637                           | 3,289,238                    | 3,252,715                    | 3,229,144                    |
| Reserves .....                             | 6,134,385                   | 6,342,101                   | 6,134,335                                | 6,134,334                           | 6,134,334                    | 6,134,334                    | 6,134,334                    |
| Other .....                                | 61                          | (17,640)                    | 61                                       | 61                                  | 61                           | 61                           | 61                           |
| <b>Total equity .....</b>                  | <b>11,935,163</b>           | <b>11,679,965</b>           | <b>12,077,334</b>                        | <b>12,276,325</b>                   | <b>12,423,251</b>            | <b>12,487,463</b>            | <b>12,534,370</b>            |
| <b>TOTAL LIABILITIES AND EQUITY .....</b>  | <b>18,417,653</b>           | <b>18,456,391</b>           | <b>17,920,559</b>                        | <b>18,315,987</b>                   | <b>18,822,956</b>            | <b>19,271,201</b>            | <b>19,578,304</b>            |

(a) Full audited financial statements are published in the Annual Reports for the Department, Disability Services Commission, and the Housing Authority.

(b) The Department's commercial land development functions and assets transferred to DevelopmentWA on 1 July 2021, which has impacted on the Department's recognition of equity in the 2020-21 Actual.

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual  | 2021-22<br>Budget  | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Year | 2023-24<br>Outyear | 2024-25<br>Outyear | 2025-26<br>Outyear |
|--|--------------------|--------------------|--------------------------------|---------------------------|--------------------|--------------------|--------------------|
|  | \$'000             | \$'000             | \$'000                         | \$'000                    | \$'000             | \$'000             | \$'000             |
| <b>CASHFLOWS FROM GOVERNMENT</b>   |                    |                    |                                |                           |                    |                    |                    |
| Service appropriations.....  | 1,845,454          | 1,933,160          | 2,112,844                      | 2,068,899                 | 2,058,355          | 2,063,026          | 2,136,825          |
| Capital appropriation .....  | 182,129            | 165,962            | 107,813                        | 281,006                   | 174,123            | 100,715            | 85,111             |
| Administered equity contribution .....   | -                  | -                  | -                              | 11,700                    | 14,700             | -                  | -                  |
| Holding Account drawdowns .....  | 5,455              | 68                 | 68                             | 68                        | 68                 | 68                 | 68                 |
| Royalties for Regions Fund:  |                    |                    |                                |                           |                    |                    |                    |
| Regional Community Services Fund .....   | 83,842             | 129,661            | 105,328                        | 152,171                   | 139,426            | 123,464            | 127,804            |
| Regional Infrastructure and Headworks<br>Fund .....                            | 1,000              | 19                 | 2,003                          | 5,455                     | 4,479              | -                  | -                  |
| Rent receipts .....  | 86,002             | 85,097             | 85,097                         | 86,389                    | 87,557             | 88,945             | 88,945             |
| Interest receipts .....  | 56,943             | 82,662             | 61,208                         | 68,546                    | 103,306            | 127,025            | 140,419            |
| Dividend/State contributions received .....                                    | 62,708             | 140,018            | 155,837                        | 128,763                   | 101,322            | 97,017             | 105,122            |
| Other .....  | 82,188             | 222,410            | 210,542                        | 208,500                   | 104,318            | 67,973             | 63,490             |
| Administered appropriations .....  | -                  | -                  | -                              | -                         | -                  | 59,475             | 59,475             |
| <b>Net cash provided by Government .....</b>                                   | <b>2,405,721</b>   | <b>2,759,057</b>   | <b>2,840,740</b>               | <b>3,011,497</b>          | <b>2,787,654</b>   | <b>2,727,708</b>   | <b>2,807,259</b>   |
| <b>CASHFLOWS FROM OPERATING<br/>ACTIVITIES</b>                                 |                    |                    |                                |                           |                    |                    |                    |
| <b>Payments</b>  |                    |                    |                                |                           |                    |                    |                    |
| Employee benefits .....  | (628,647)          | (621,376)          | (618,403)                      | (651,445)                 | (651,998)          | (661,874)          | (686,570)          |
| Grants and subsidies .....   | (1,124,805)        | (1,163,449)        | (1,318,494)                    | (1,235,979)               | (1,224,839)        | (1,241,505)        | (1,283,437)        |
| Supplies and services .....  | (657,224)          | (694,286)          | (658,624)                      | (716,872)                 | (667,755)          | (626,342)          | (674,950)          |
| Accommodation .....  | (236,890)          | (318,738)          | (318,682)                      | (291,512)                 | (281,229)          | (285,678)          | (290,593)          |
| GST payments .....   | (123,505)          | (84,363)           | (84,363)                       | (93,763)                  | (66,606)           | (75,818)           | (75,868)           |
| Finance and interest costs .....   | (60,614)           | (64,805)           | (48,577)                       | (54,062)                  | (84,286)           | (101,162)          | (109,784)          |
| Other payments .....   | (204,393)          | (203,396)          | (209,605)                      | (216,370)                 | (214,618)          | (213,451)          | (215,154)          |
| <b>Receipts <sup>(b)</sup></b>   |                    |                    |                                |                           |                    |                    |                    |
| Regulatory fees and fines .....  | 106                | -                  | -                              | -                         | -                  | -                  | -                  |
| Grants and subsidies .....   | 223,041            | 206,213            | 192,600                        | 180,538                   | 173,247            | 174,865            | 177,411            |
| Sale of goods and services .....   | 125,260            | 100,409            | 95,084                         | 84,527                    | 165,995            | 182,918            | 202,629            |
| GST receipts .....   | 119,719            | 84,363             | 84,363                         | 93,763                    | 66,606             | 75,818             | 75,868             |
| Rent receipts .....  | 248,701            | 282,598            | 260,945                        | 291,129                   | 299,775            | 299,740            | 299,272            |
| Interest receipts .....  | 863                | 49                 | 49                             | 35                        | 21                 | 21                 | 21                 |
| Other receipts .....   | 102,342            | 36,059             | 25,012                         | 18,837                    | 10,698             | 9,009              | 9,006              |
| <b>Net cash from operating activities .....</b>                                | <b>(2,216,046)</b> | <b>(2,440,722)</b> | <b>(2,598,695)</b>             | <b>(2,591,174)</b>        | <b>(2,474,989)</b> | <b>(2,463,459)</b> | <b>(2,572,149)</b> |
| <b>CASHFLOWS FROM INVESTING<br/>ACTIVITIES</b>                                 |                    |                    |                                |                           |                    |                    |                    |
| Purchase of non-current assets .....   | (100,918)          | (312,292)          | (293,991)                      | (414,109)                 | (292,547)          | (98,771)           | (80,477)           |
| Proceeds from sale of non-current assets .....                                 | 66,278             | 16,470             | 18,530                         | 24,976                    | 88,351             | 80,428             | 73,786             |
| <b>Net cash from investing activities .....</b>                                | <b>(34,640)</b>    | <b>(295,822)</b>   | <b>(275,461)</b>               | <b>(389,133)</b>          | <b>(204,196)</b>   | <b>(18,343)</b>    | <b>(6,691)</b>     |
| <b>CASHFLOWS FROM FINANCING<br/>ACTIVITIES</b>                                 |                    |                    |                                |                           |                    |                    |                    |
| Repayment of borrowings and leases .....                                       | (1,320,160)        | (1,045,447)        | (683,198)                      | (1,179,114)               | (1,296,334)        | (1,151,016)        | (972,524)          |
| Other payments .....   | (1,386,000)        | (1,332,181)        | (53,332)                       | (1,341,373)               | (1,485,341)        | (1,455,390)        | (1,174,189)        |
| Proceeds from borrowings .....   | 1,383,000          | 1,414,181          | 53,332                         | 1,341,373                 | 1,585,341          | 1,455,390          | 1,174,189          |
| Other proceeds .....   | 1,075,000          | 900,000            | 538,221                        | 1,049,500                 | 1,115,000          | 1,050,000          | 770,000            |
| <b>Net cash from financing activities .....</b>                                | <b>(248,160)</b>   | <b>(63,447)</b>    | <b>(144,977)</b>               | <b>(129,614)</b>          | <b>(81,334)</b>    | <b>(101,016)</b>   | <b>(202,524)</b>   |
| <b>NET INCREASE/(DECREASE) IN CASH<br/>HELD .....</b>                          | <b>(93,125)</b>    | <b>(40,934)</b>    | <b>(178,393)</b>               | <b>(98,424)</b>           | <b>27,135</b>      | <b>144,890</b>     | <b>25,895</b>      |
| Cash assets at the beginning of the reporting<br>period .....                  | 459,670            | 233,999            | 370,500                        | 193,556                   | 95,132             | 122,267            | 267,157            |
| Net cash transferred to/from other agencies .....                              | 3,955              | 1,449              | 1,449                          | -                         | -                  | -                  | -                  |
| <b>Cash assets at the end of the reporting<br/>period <sup>(c)</sup> .....</b> | <b>370,500</b>     | <b>194,514</b>     | <b>193,556</b>                 | <b>95,132</b>             | <b>122,267</b>     | <b>267,157</b>     | <b>293,052</b>     |

(a) Full audited financial statements are published in the Annual Reports for the Department, Disability Services Commission, and the Housing Authority.

(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.

(c) The variance between the cash assets at the end of the reporting period in 2020-21 Actual and the cash assets at the beginning of the reporting period for 2021-22 Budget is due to the timing of publication of the 2021-22 Budget Papers.

## NET APPROPRIATION DETERMINATION (a)

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Grants and Subsidies</b>  |                             |                             |  |                                     |                              |                              |                              |
| Connected Beginnings - Roebourne .....   | 525                         | 611                         | 611                                      | 736                                 | -                            | -                            | -                            |
| COVID-19 Welfare and Pandemic Response<br>Grants (Rio Tinto) .....                         | 250                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Disaster Recovery Arrangements   |                             |                             |  |                                     |                              |                              |                              |
| Natural Disasters - Past Events .....  | -                           | -                           | 2,549                                    | 280                                 | -                            | -                            | -                            |
| Severe Tropical Cyclone Seroja .....   | 2,072                       | -                           | 4,500                                    | 5,400                               | -                            | -                            | -                            |
| Essential and Municipal Services Upgrade<br>Program .....                                  | -                           | 30,921                      | 8,930                                    | 15,022                              | 12,634                       | -                            | -                            |
| Financial Counselling .....  | 800                         | 500                         | 500                                      | 500                                 | 500                          | 500                          | 500                          |
| Kimberley Juvenile Justice Strategy .....  | -                           | 204                         | 50                                       | 154                                 | -                            | -                            | -                            |
| National Housing and Homelessness<br>Agreement .....                                       | 46,322                      | 49,104                      | 49,269                                   | 50,719                              | 40,960                       | 41,600                       | 41,935                       |
| National Initiatives Women's Safety Package ....   | 724                         | 576                         | 576                                      | -                                   | -                            | -                            | -                            |
| National Partnership Agreement - Family<br>Domestic Sexual Violence Responses .....        | -                           | -                           | 7,535                                    | -                                   | -                            | -                            | -                            |
| National Partnership on COVID-19 Domestic<br>and Family Violence Responses .....           | 10,609                      | -                           | -  | -                                   | -                            | -                            | -                            |
| National Partnership on COVID-19<br>Response .....   | -                           | 21                          | 2,538                                    | -                                   | -                            | -                            | -                            |
| Parenting Community Funding .....  | -                           | 534                         | 534                                      | -                                   | -                            | -                            | -                            |
| Perth CBD Office .....   | 251                         | 270                         | 249                                      | -                                   | -                            | -                            | -                            |
| Project Agreement for Family Law<br>Information Sharing .....                              | 301                         | 305                         | 409                                      | -                                   | -                            | -                            | -                            |
| Provision of Services to the Commonwealth<br>in Respect of Indian Ocean Territories .....  | 253                         | 599                         | 580                                      | 580                                 | 580                          | 580                          | 580                          |
| Unaccompanied Humanitarian Minors .....  | 14                          | 33                          | 33                                       | 33                                  | 33                           | 33                           | 33                           |
| Western Australian Council of Social Service<br>Sector Support Development .....           | 385                         | 192                         | 192                                      | 192                                 | 192                          | 192                          | 192                          |
| Wooroloo Fires Recovery Arrangement .....  | -                           | 323                         | 323                                      | -                                   | -                            | -                            | -                            |
| Youth Supported Accommodation<br>Assistance Program from Mental Health<br>Commission ..... | 466                         | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Sale of Goods and Services</b>  |                             |                             |  |                                     |                              |                              |                              |
| Adoption Fees .....  | 92                          | 93                          | 136                                      | 138                                 | 190                          | 190                          | 190                          |
| Fines and Penalties .....  | 106                         | -                           | -  | -                                   | -                            | -                            | -                            |
| NDIS Worker Screening Fees .....   | 1,453                       | 3,188                       | 4,601                                    | 4,601                               | 4,601                        | 4,460                        | 4,460                        |
| Other .....  | 8                           | -                           | -  | -                                   | -                            | -                            | -                            |
| Regulatory Fees and Services Rendered .....  | 569                         | 612                         | 612                                      | 612                                 | 612                          | 612                          | 612                          |
| WA Seniors Card .....  | -                           | -                           | -  | 124                                 | 124                          | 124                          | 124                          |
| Working with Children Screening Fees .....   | 9,146                       | 9,023                       | 9,023                                    | 9,202                               | 9,202                        | 9,202                        | 9,202                        |
| <b>GST Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| GST Input Credits .....  | 46,640                      | 42,039                      | 42,039                                   | 41,033                              | 40,609                       | 40,138                       | 40,138                       |
| GST Receipts on Sales .....  | 2,287                       | 82                          | 82                                       | 82                                  | 82                           | 82                           | 82                           |
| <b>Other Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| Other Receipts .....   | 366                         | 271                         | 292                                      | 805                                 | 805                          | 805                          | 805                          |
| Rental Income .....  | 1,948                       | 3,099                       | 3,099                                    | 3,272                               | 3,388                        | 3,502                        | 3,502                        |
| Transfer of Leave Liability and Revaluation<br>Increment .....                             | 16,618                      | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>TOTAL .....</b>   | <b>142,205</b>              | <b>142,600</b>              | <b>139,262</b>                           | <b>133,485</b>                      | <b>114,512</b>               | <b>102,020</b>               | <b>102,355</b>               |

(a) The Housing Authority and the Disability Services Commission are statutory authorities and excluded from the Net Appropriation Determination.



# Keystart Housing Scheme Trust

## Part 8 Community Services

### Asset Investment Program

1. The Trust helps to ensure the provision of sustainable housing outcomes by assisting Western Australians into affordable home ownership.
2. To support the delivery of its key lending services, the Trust's Asset Investment Program totals \$5 million across the forward estimates period and includes:
  - 2.1. an ongoing ICT development program;
  - 2.2. the replacement of the current broker portal with a third-party system; and
  - 2.3. the development and implementation of a software application for customers to regularly review and consider their ability to refinance.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>                                 |                                   |  |   |                                     |                              |                              |                              |
| Broker Portal Replacement .....                          | 1,500                             | 1,000  | 1,000   | 500                                 | -                            | -                            | -                            |
| Customer Application for Education and Refinancing ..... | 1,000                             | 500  | 500   | 500                                 | -                            | -                            | -                            |
| ICT Systems .....  | 17,500                            | 13,500   | 550   | 550                                 | 1,150                        | 1,150                        | 1,150                        |
| <b>Total Cost of Asset Investment Program.....</b>       | <b>20,000</b>                     | <b>15,000</b>                                    | <b>2,050</b>                                  | <b>1,550</b>                        | <b>1,150</b>                 | <b>1,150</b>                 | <b>1,150</b>                 |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Internal Funds and Balances.....                         |                                   |  | 2,050   | 1,550                               | 1,150                        | 1,150                        | 1,150                        |
| <b>Total Funding .....</b>                               |                                   |  | <b>2,050</b>                                  | <b>1,550</b>                        | <b>1,150</b>                 | <b>1,150</b>                 | <b>1,150</b>                 |

# Division 36      **Local Government, Sport and Cultural Industries**

## Part 8              **Community Services**

### Appropriations, Expenses and Cash Assets

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 74 Net amount appropriated to deliver services .....                                    | 277,052                     | 187,633                     | 159,542                                  | <b>269,745</b>                      | 139,154                      | 128,680                      | 132,081                      |
| Item 76 Art Gallery of Western Australia.....  | 8,497                       | 8,458                       | 8,600                                    | <b>8,641</b>                        | 8,569                        | 8,712                        | 8,756                        |
| Item 77 Contribution to Community Sporting and Recreation Facilities Fund...                 | 18,000                      | 13,000                      | 13,000                                   | <b>12,000</b>                       | 12,000                       | 12,000                       | 12,000                       |
| Item 78 Library Board of Western Australia...  | 28,736                      | 27,931                      | 28,046                                   | <b>27,937</b>                       | 28,282                       | 28,024                       | 28,168                       |
| Item 79 Perth Theatre Trust <sup>(a)</sup> .....   | 12,760                      | 9,504                       | 9,876                                    | <b>10,772</b>                       | 11,504                       | 12,021                       | 12,102                       |
| Item 80 Western Australian Museum .....  | 37,306                      | 36,544                      | 36,544                                   | <b>37,101</b>                       | 36,128                       | 39,983                       | 35,366                       |
| <b>Amount Authorised by Other Statutes</b>   |                             |                             |  |                                     |                              |                              |                              |
| - Lotteries Commission Act 1990 .....  | 38,014                      | 33,924                      | 40,888                                   | <b>35,582</b>                       | 36,182                       | 37,960                       | 39,090                       |
| - Salaries and Allowances Act 1975 .....   | 634                         | 636                         | 636                                      | <b>641</b>                          | 643                          | 648                          | 648                          |
| Total appropriations provided to deliver services.....                                       | 420,999                     | 317,630                     | 297,132                                  | <b>402,419</b>                      | 272,462                      | 268,028                      | 268,211                      |
| <b>ADMINISTERED TRANSACTIONS</b>   |                             |                             |  |                                     |                              |                              |                              |
| Item 75 Amount provided for Administered Grants, Subsidies and Other Transfer Payments ..... | 64,540                      | 84,555                      | 88,043                                   | <b>43,174</b>                       | 43,855                       | 45,834                       | 47,098                       |
| <b>CAPITAL</b>   |                             |                             |  |                                     |                              |                              |                              |
| Item 140 Capital Appropriation.....  | 30,490                      | 22,981                      | 21,095                                   | <b>61,885</b>                       | 100,578                      | 58,319                       | 319                          |
| Item 141 Art Gallery of Western Australia....  | 1,718                       | 518                         | 2,618                                    | <b>218</b>                          | 218                          | 218                          | 218                          |
| Item 142 Western Australian Museum .....   | -                           | -                           | -  | <b>2,000</b>                        | -                            | -                            | -                            |
| <b>TOTAL APPROPRIATIONS .....</b>  | <b>517,747</b>              | <b>425,684</b>              | <b>408,888</b>                           | <b>509,696</b>                      | <b>417,113</b>               | <b>372,399</b>               | <b>315,846</b>               |
| <b>EXPENSES</b>  |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....   | 614,423                     | 498,822                     | 490,631                                  | <b>517,409</b>                      | 374,553                      | 333,884                      | 334,669                      |
| Net Cost of Services <sup>(b)</sup> .....  | 573,505                     | 450,073                     | 435,971                                  | <b>459,928</b>                      | 314,542                      | 287,262                      | 287,503                      |
| <b>CASH ASSETS <sup>(c)</sup> .....</b>  | <b>251,921</b>              | <b>119,047</b>              | <b>115,084</b>                           | <b>65,116</b>                       | <b>47,036</b>                | <b>45,464</b>                | <b>45,393</b>                |

(a) The operations of the Perth Theatre Trust are planned to transition to the Arts and Culture Trust from 1 July 2022.

(b) 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.

(c) As at 30 June each financial year.

## Spending Changes

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

|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Election Commitments</b>  |  |                                     |                              |                              |                              |
| Aboriginal Cultural Centre Planning - Stage 2.....   | 3,581                                    | -                                   | -                            | -                            | -                            |
| East Fremantle Oval Redevelopment.....   | -  | 5,000                               | -                            | -                            | -                            |
| Geraldton Basketball Stadium Upgrade - Additional Funding.....                               | 1,500                                    | -                                   | -                            | -                            | -                            |
| <b>COVID-19 Response</b>   |  |                                     |                              |                              |                              |
| Business Assistance Grants.....  | 11,600                                   | -                                   | -                            | -                            | -                            |
| Getting the Show Back on the Road Assistance Package .....                                   | 12,300                                   | -                                   | -                            | -                            | -                            |
| Industry Support Package and Business Hardship Fund - Administration<br>Support.....         | 712                                      | -                                   | -                            | -                            | -                            |
| <b>New Initiatives</b>   |  |                                     |                              |                              |                              |
| AFL Kimberley Partnership .....  | 1,000                                    | 1,000                               | 1,000                        | 1,000                        | 1,000                        |
| Art Gallery of Western Australia - Storage Facility - Project Definition Plan ...            | -  | 500                                 | -                            | -                            | -                            |
| Critical Maintenance Issues .....  | -  | 1,667                               | -                            | -                            | -                            |
| Elevate Rooftop Facility - Operational Costs.....  | 374                                      | 619                                 | 619                          | -                            | -                            |
| Perth Cultural Centre Precinct - Continuation of Existing Operational<br>Services .....      | -  | 2,216                               | 2,233                        | 2,251                        | 2,268                        |
| Perth Cultural Centre Precinct - Increased Security .....                                    | 370                                      | 768                                 | 799                          | 830                          | 861                          |
| Perth Theatre Trust - Transition to the Arts and Culture Trust <sup>(a)</sup> .....          | 117                                      | -                                   | -                            | -                            | -                            |
| Production Attraction.....   | 1,000                                    | 2,000                               | -                            | -                            | -                            |
| Regulatory Reform Program .....  | 653                                      | 1,322                               | -                            | -                            | -                            |
| State Library of Western Australia - Digitisation.....                                       | -  | 1,010                               | -                            | -                            | -                            |
| WA Maritime Museum - HMAS Ovens Submarine Works .....  | -  | 2,114                               | 1,408                        | -                            | -                            |
| <b>Ongoing Initiatives</b>   |  |                                     |                              |                              |                              |
| Art Gallery of Western Australia - Operational Funding.....                                  | 142                                      | 217                                 | -                            | -                            | -                            |
| Banned Drinkers Register Trial - Reflow and One Year Extension in<br>Kimberley/Pilbara ..... | 528                                      | 1,960                               | -                            | -                            | -                            |
| Extension of Infrastructure Delivery Support for Election Commitments .....                  | -  | 373                                 | 384                          | -                            | -                            |
| National Redress Scheme.....   | -  | 647                                 | 656                          | -                            | -                            |
| Off-Road Vehicle Special Purpose Account.....  | 184                                      | 538                                 | 138                          | 138                          | 138                          |
| Royalties for Regions (RfR) Program .....  | 3,873                                    | 2,152                               | (2,390)                      | -                            | -                            |
| WA Museum - New Museum Boola Bardip - Operational Funding .....                              | -  | 689                                 | 829                          | 5,404                        | 611                          |
| WA Museum - Regional Museum Grants.....  | -  | 200                                 | 200                          | 200                          | 200                          |
| <b>Other</b>   |  |                                     |                              |                              |                              |
| 2022-23 Tariffs, Fees and Charges .....  | -  | 373                                 | 423                          | 434                          | 434                          |
| Government Office Accommodation.....   | (8)                                      | 2                                   | 7                            | 13                           | 19                           |
| Office of Multicultural Interests - Community Engagement Funding Transfer....                | 94                                       | -                                   | -                            | -                            | -                            |
| Perth Theatre Trust - Revisions to Own-source Revenue Estimates <sup>(a)</sup> .....         | 2,500                                    | 2,500                               | 2,500                        | 2,500                        | -                            |
| Revisions to <i>Lotteries Commission Act 1990</i> Estimates.....                             | 6,964                                    | 510                                 | 980                          | 2,580                        | 3,710                        |
| State Fleet Policy and Procurement Initiatives.....  | (33)                                     | 4                                   | 34                           | 29                           | 32                           |

(a) The operations of the Perth Theatre Trust are planned to transition to the Arts and Culture Trust from 1 July 2022

## Significant Issues Impacting the Agency

### Continuing the COVID-19 Response

1. The Department is delivering a number of major infrastructure projects that support COVID-19 recovery and contribute to the community fabric of Western Australia. Projects in the delivery phase include:
  - 1.1. the \$39.7 million State Football Centre scheduled for completion in time for the 2023 FIFA Women's World Cup; and
  - 1.2. the \$15 million His Majesty's Theatre Stage 3, conserving the theatre's rich heritage fabric and maintaining its reputation as a world-class performing arts venue.
2. Several initiatives continue to be delivered to support Western Australian culture, arts and events industries as they recover from the impacts of COVID-19. This includes:
  - 2.1. the \$10 million extension to the Getting the Show Back on the Road program as part of the \$77 million Safe Transition Industry Support Package; and
  - 2.2. an additional \$3 million for the Event Suppliers Support Program to provide support to eligible event suppliers for ticketed events impacted through the COVID-19 safety measures.
3. The Business Assistance Package supports businesses adversely affected by the higher case load environment and the implementation of Level 1 and 2 public health and social measures. This support includes:
  - 3.1. a \$1.8 million Nightclub Assistance Program; and
  - 3.2. a \$1.3 million Performing Arts, Theatres and Cinemas Assistance Program.

### Infrastructure Projects

4. The Government has committed \$54 million toward community engagement, planning, design and seed capital for an Aboriginal Cultural Centre which will celebrate and promote the diverse cultures, heritage and experiences of Western Australia's Aboriginal people and communities. The centre will aim to inspire visitors to explore all regions of the State to enjoy first-hand the unique experiences available in Western Australia.
5. The Department is delivering a \$52.4 million Perth City Deal project to preserve the heritage-listed Perth Concert Hall and activate a future cultural hub connecting the city and the Swan River, increasing arts and culture offerings to the Perth arts and tourism sectors' recovery through and beyond the COVID-19 pandemic.
6. The Department will deliver a \$35 million Perth City Deal project to rejuvenate the Perth Cultural Centre precinct to create vibrant, safe and attractive areas to connect Perth's cultural institutions and the surrounds, delivering improved liveability, cultural and tourism outcomes for the city. As part of the project, the Art Gallery of Western Australia will commission a new \$2 million landmark artwork installation.
7. VenuesWest, the Department and Finance are working together to deliver works to ensure that HBF Park is ready to host the 2023 FIFA Women's World Cup matches.

### Regulation and Reform

8. The Perth Casino Royal Commission (the Royal Commission) was established in March 2021 to inquire into the suitability of Crown Perth to continue holding a Casino Gaming Licence and to examine the State's regulatory framework. The Royal Commission delivered an interim report which was tabled in Parliament on 3 August 2021 and the final report was tabled in Parliament on 24 March 2022. The outcomes and recommendations of the Royal Commission are likely to have a significant impact on the Department and Gaming and Wagering in relation to governance arrangements and legislative framework.
9. Following the release of the City of Perth Inquiry Report and the Local Government Act Review Panel Report in August 2020, the Department will continue to progress a package of local government reforms to shape the direction of the local government sector to ensure they are effective, transparent, accountable and engaged with their communities.

10. On 22 December 2021, the *Dog Amendment (Stop Puppy Farming) Act 2021* received Royal Assent. The Department is developing a centralised registration system and enabling regulations to implement significant reforms to the *Dog Act 1976* to stop puppy farming. The reforms are being designed and implemented in consultation with stakeholders.
11. Western Australia adopted a coordinated and collaborative cross-agency approach to progress the implementation of recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse. The Department is proactively working with peak industry bodies across its sectors to consult and advise on the potential impacts of proposed child safeguarding reforms including the proposed Reportable Conduct Scheme and National Principles for Child Safe Organisations. Work will also be undertaken to ensure the organisational structure and capability are identified to implement child safeguarding reforms.
12. The Department will continue to implement the election commitment of liquor reform by working with industry and other stakeholders to inform further amendments to the *Liquor Control Act 1988*. The reforms will be designed to reduce unnecessary red tape, support the tourism and hospitality industry and address issues around alcohol-related harm.
13. Reforms to the governance of the State's arts and cultural assets include the *Arts and Culture Trust Act 2021*, which contains powers to manage a range of venues, including outdoor spaces. This legislative reform, along with service delivery reforms, will provide a strategic focus on the management of arts and cultural assets.

### **Multicultural Interests**

14. Effective planning at the national, state/territory and local levels is essential for successful settlement. Following the opening of national and state borders, the Department will oversee a cross-agency collaborative response to ensure that the necessary services and social infrastructure supports are available and effective in meeting the needs of new arrivals.
15. Western Australia's population has become increasingly culturally and linguistically diverse, creating opportunities for State development as well as challenges for organisations and communities. The Department will continue to invest in culturally and linguistically diverse communities through key programs including the Community Grants Program and Community Languages Program. The Department will continue to administer the Community Capital Works Fund.

### **Arts and Cultural Services**

16. To meet growing community demand for access to information in a digital format, the State Library of Western Australia is increasing its capacity to collect, create and manage digital format materials and skill its workforce accordingly. The State Library will be focusing on long-term digital preservation strategies to ensure these critical heritage collections continue to be accessible for future generations.
17. A new Western Australian Public Libraries Strategy will be released in 2022. The strategy will focus on the value of public libraries in the community and the central role they play in achieving whole-of-government outcomes for digital and social inclusion and providing literacy and learning opportunities to improve the wellbeing of all Western Australians.
18. The WA Museum will receive \$3.5 million for a project to repair and repaint the external surface of the HMAS Ovens submarine, and to address safety and heritage conservation concerns relating to two heritage-listed cranes at the Fremantle Wharf area. The project will be delivered over two financial years and will contribute significantly to the revitalisation of Victoria Quay.
19. The Government has allocated \$3.5 million over two financial years to the WA Museum through the Department of Primary Industries and Regional Development, to continue to operate the Gwoonwardu Mia Gascoyne Aboriginal Heritage and Cultural Centre in Carnarvon.
20. A new program across Asia to connect West Australian artists to the region is being funded through a private/public partnership between the Art Gallery of Western Australia and the Simon Lee Foundation. The project will create an integrated curatorial and artistic research centre, artist residencies, acquisitions, and cultural exchange program, alongside major exhibitions and curatorial projects.
21. The Art Gallery will progress planning for a major project to develop an offsite purpose-built storage facility to free up space within the gallery currently used for storage. This would allow an increased display of the \$332 million State Art Collection and securely store the remainder in industry standard conditions.

## 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 Goals   | Desired Outcomes  | Services   |
|--|---|--|
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive.   | A sustainable arts and culture sector that facilitates attendance and participation in arts and cultural activity.                                  | 1. Cultural and Arts Industry Support  |
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Local governments are supported to meet legislative requirements of the Local Government Act.   | 2. Regulation and Support of Local Government  |
|  | Efficient and effective asset and infrastructure support services to client agencies.   | 3. Asset and Infrastructure Support Services to Client Agencies  |
|  | Gambling and liquor industries operate responsibly in accordance with legislation.  | 4. Regulation of the Gambling and Liquor Industries  |
|  | A strong sport and recreation sector that facilitates participation.  | 5. Sport and Recreation Industry Support   |
|  | Western Australia's State Art Collection asset is developed, appropriately managed and preserved.   | 6. Cultural Heritage Management and Conservation   |
|  | Western Australia's State Art Collection and works of art on loan are accessible.   | 7. Cultural Heritage Access and Community Engagement and Education   |
|  | The Western Australian community has access to the State Library's collections, services and programs.  | 8. State Library Services  |
|  | The Western Australian community engages with public library collections, services and programs.  | 9. Public Library Support  |
|  | Effectively managed performing arts venues attracting optimal utilisation.  | 10. Venue Management Services  |
|  | Sustainable care and development of the State's museum collections for the benefit of present and future generations.                               | 11. Collections Management, Research and Conservation Services<br>12. Collections Effectively Documented and Digitised   |
|  | Enhance cultural identity and understanding by promoting and ensuring the widest possible use of Western Australian Museum content and collections. | 13. Public Sites, Public Programs and Collections Accessed On-site<br>14. Online Access to Collections, Expertise and Programs<br>15. Museum Services to the Regions |

**Service Summary**

| Expense   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Cultural and Arts Industry Support.....                                  | 68,921                      | 101,346                     | 134,367                                  | 76,324                              | 68,720                       | 69,476                       | 72,696                       |
| 2. Regulation and Support of Local<br>Government .....                      | 16,006                      | 16,053                      | 18,241                                   | 14,494                              | 13,230                       | 13,252                       | 13,356                       |
| 3. Asset and Infrastructure Support Services<br>to Client Agencies .....    | 300,189                     | 35,806                      | 38,872                                   | 16,544                              | 13,952                       | 13,503                       | 13,566                       |
| 4. Regulation of the Gambling and Liquor<br>Industries .....                | 17,647                      | 23,922                      | 24,056                                   | 23,297                              | 20,682                       | 23,150                       | 23,338                       |
| 5. Sport and Recreation Industry Support .....                              | 101,861                     | 211,955                     | 153,887                                  | 271,166                             | 142,367                      | 94,643                       | 98,655                       |
| 6. Cultural Heritage Management and<br>Conservation .....                   | 1,086                       | 1,049                       | 1,097                                    | 1,145                               | 1,140                        | 1,090                        | 1,096                        |
| 7. Cultural Heritage Access and Community<br>Engagement and Education ..... | 10,169                      | 10,179                      | 10,647                                   | 10,662                              | 10,818                       | 10,354                       | 10,407                       |
| 8. State Library Services .....   | 13,857                      | 13,620                      | 17,056                                   | 14,734                              | 13,500                       | 13,680                       | 13,759                       |
| 9. Public Library Support .....   | 17,708                      | 17,405                      | 21,796                                   | 17,016                              | 17,250                       | 17,482                       | 17,583                       |
| 10. Venue Management Services.....  | 20,885                      | 19,710                      | 22,582                                   | 23,746                              | 24,478                       | 24,995                       | 22,585                       |
| 11. Collections Management, Research and<br>Conservation Services.....      | 9,304                       | 9,245                       | 9,294                                    | 10,875                              | 10,305                       | 9,028                        | 9,059                        |
| 12. Collections Effectively Documented and<br>Digitised .....               | 1,642                       | 1,601                       | 1,609                                    | 1,517                               | 1,540                        | 1,563                        | 1,568                        |
| 13. Public Sites, Public Programs and<br>Collections Accessed On-site ..... | 26,584                      | 28,394                      | 28,545                                   | 27,602                              | 28,159                       | 33,136                       | 28,440                       |
| 14. Online Access to Collections, Expertise<br>and Programs .....           | 958                         | 951                         | 956                                      | 901                                 | 915                          | 928                          | 931                          |
| 15. Museum Services to the Regions .....                                    | 7,606                       | 7,586                       | 7,626                                    | 7,386                               | 7,497                        | 7,604                        | 7,630                        |
| <b>Total Cost of Services .....</b>   | <b>614,423</b>              | <b>498,822</b>              | <b>490,631</b>                           | <b>517,409</b>                      | <b>374,553</b>               | <b>333,884</b>               | <b>334,669</b>               |

## Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: A sustainable arts and culture sector that facilitates attendance and participation in arts and cultural activity:</b>                                  |                   |                   |                                |                             |      |
| Ratio of Government funding to other income earned for funded arts and cultural organisations .....   | 1:4.7             | 1:2.7             | 1:3.5                          | 1:3.4                       |      |
| Percentage of Western Australians attending or participating in an arts and cultural activity.....  | 73%               | 73%               | 73%                            | 73%                         |      |
| Percentage of stakeholders who report that the Office of Multicultural Interests had a positive impact on the promotion and support of multiculturalism.....        | 94%               | 80%               | 80%                            | 80%                         |      |
| <b>Outcome: Local governments are supported to meet legislative requirements of the Local Government Act:</b>   |                   |                   |                                |                             |      |
| Percentage of local governments where actions were taken in support of compliance with the legislative framework .....  | 22%               | 20%               | 20%                            | 20%                         |      |
| <b>Outcome: Gambling and liquor industries operate responsibly in accordance with legislation:</b>  |                   |                   |                                |                             |      |
| Percentage of audits and inspections that comply with requirements and statutory criteria.....  | 96%               | 95%               | 95%                            | 95%                         |      |
| <b>Outcome: A strong sport and recreation sector that facilitates participation:</b>  |                   |                   |                                |                             |      |
| Percentage of West Australians participating in organised sport and recreation ....   | 64%               | 56%               | 63%                            | 56%                         |      |
| <b>Outcome: Western Australia's State Art Collection asset is developed, appropriately managed and preserved:</b>   |                   |                   |                                |                             |      |
| Percentage of collection stored to the required standard .....  | 99%               | 99%               | 96%                            | 99%                         |      |
| <b>Outcome: Western Australia's State Art Collection and works of art on loan are accessible:</b>   |                   |                   |                                |                             |      |
| Number of people accessing the collection:  |                   |                   |                                |                             |      |
| Total number of visitors .....  | 148,301           | 211,000           | 146,000                        | 280,000                     | 1    |
| Total number of online visitors to website .....  | 136,537           | 160,000           | 155,000                        | 175,000                     |      |
| Percentage of visitors satisfied with visit overall.....  | 75%               | 93%               | 85%                            | 93%                         | 2    |
| <b>Outcome: The Western Australian community has access to the State Library's collections, services and programs:</b>  |                   |                   |                                |                             |      |
| Number of State Library accesses.....   | 9,349,466         | 9,619,290         | 9,543,480                      | 6,215,150                   | 3    |
| Percentage of visitors who are satisfied with State Library services .....  | 95%               | 95%               | 96%                            | 95%                         |      |
| <b>Outcome: The Western Australian community engages with public library collections, services and programs:</b>  |                   |                   |                                |                             |      |
| Percentage of Western Australians that are a member of a public library.....  | 38.2%             | 37.5%             | 37.9%                          | 37.9%                       |      |
| <b>Outcome: Effectively managed performing arts venues attracting optimal utilisation:</b>  |                   |                   |                                |                             |      |
| Attendance rate across principal performance spaces .....   | 283,962           | 350,000           | 316,560                        | 320,000                     |      |
| Average subsidy per attendee for Perth Theatre Trust <sup>(b)</sup> funded programs...  | \$2               | \$3               | \$2                            | \$2                         |      |
| <b>Outcome: Sustainable care and development of the State's museum collections for the benefit of present and future generations:</b>                               |                   |                   |                                |                             |      |
| Percentage of collection stored to the required standard .....  | 99%               | 99%               | 99%                            | 99%                         |      |
| Percentage of the collection accessible online.....   | 18%               | 20%               | 18%                            | 18%                         |      |
| Proportion of the State collection documented and digitised .....   | 27%               | 28%               | 27%                            | 27%                         |      |
| <b>Outcome: Enhance cultural identity and understanding by promoting and ensuring the widest possible use of Western Australian Museum content and collections:</b> |                   |                   |                                |                             |      |
| Number of people engaging with and accessing museum content and collections ...   | 3,703,139         | 3,381,083         | 2,871,501                      | 2,523,142                   |      |
| Total number of visitors .....  | 971,528           | 981,083           | 841,923                        | 795,542                     |      |
| Total number of online visitors to website .....  | 2,731,611         | 2,400,000         | 2,029,578                      | 1,727,600                   |      |
| Percentage of visitors to Western Australian museum sites satisfied with services ...   | 92%               | 92%               | 97%                            | 97%                         |      |

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

(b) The operations of the Perth Theatre Trust are planned to transition to the Arts and Culture Trust from 1 July 2022.



**Explanation of Significant Movements**

(Notes)

1. Visitor numbers have been below targets due to the impact of public health measures associated with the COVID-19 pandemic.
2. Due to the periodic opening of more galleries following the redevelopment, satisfaction improved. This trend is likely to continue with a more ambitious exhibition program and improvements to Gallery amenities with the rooftop and foyer redevelopments.
3. The 2022-23 Budget Target is significantly lower than the estimate for the previous year due mainly to the unreliability of usage data supplied by a third party. In previous years, the number of page views of Western Australian newspapers accounted for 30% of all accesses reported. Until reliable usage counts are available, this count cannot be included in the indicator.

**Services and Key Efficiency Indicators****1. Cultural and Arts Industry Support**

Supporting the delivery of arts and culture activities across Western Australia through funding programs and partnerships.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 68,921            | 101,346           | 134,367                        | 76,324                      | 1    |
| Less Income .....   | 427               | 613               | 1,717                          | 461                         |      |
| Net Cost of Service .....   | 68,494            | 100,733           | 132,650                        | 75,863                      |      |
| <b>Employees (Full-Time Equivalents) .....</b>                            | <b>87</b>         | <b>86</b>         | <b>92</b>                      | <b>82</b>                   |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Grants operations expense as a percentage of direct grants approved ..... | 5%                | 3%                | 6%                             | 5%                          | 2    |
| Average cost per project to support and promote multiculturalism.....     | \$102,618         | \$119,660         | \$100,760                      | \$118,720                   |      |

**Explanation of Significant Movements**

(Notes)

1. The 2021-22 Budget and Estimated Actual figures have been impacted by the additional COVID-19 Response payments provided to culture and the arts-based businesses.
2. The 2021-22 Budget does not include the increased level of resourcing, to support the additional COVID-19 Response grants provided by Government, that was provided during the year.

## 2. Regulation and Support of Local Government

Supporting local governments to fulfil their statutory obligations and to improve capability in the sector.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 16,006            | 16,053            | 18,241                         | 14,494                      | 1    |
| Less Income .....   | 2,876             | 3,548             | 3,434                          | 2,303                       |      |
| Net Cost of Service.....  | 13,130            | 12,505            | 14,807                         | 12,191                      |      |
| Employees (Full-Time Equivalents) .....                           | 58                | 52                | 54                             | 63                          | 2    |
| <b>Efficiency Indicators</b>                                      |                   |                   |                                |                             |      |
| Average cost per local government for regulation and support..... | \$74,655          | \$83,000          | \$87,635                       | \$80,657                    | 3    |

### Explanation of Significant Movements

(Notes)

- Increases in the 2021-22 Estimated Actual are primarily related to the carryover of minor election commitments being finalised in 2021-22.
- The 2022-23 Budget Target increase relates to additional resourcing allocated to deliver the regulatory reform program.
- The increase in the 2021-22 Estimated Actual reflects the impact of the Stop Puppy Farming Transition package.

## 3. Asset and Infrastructure Support Services to Client Agencies

Provision of efficient and effective asset and infrastructure support services to client agencies.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....              | 300,189           | 35,806            | 38,872                         | 16,544                      | 1,2  |
| Less Income .....                       | 896               | 807               | 2,093                          | 4,850                       |      |
| Net Cost of Service.....                | 299,293           | 34,999            | 36,779                         | 11,694                      |      |
| Employees (Full-Time Equivalents) ..... | 34                | 35                | 37                             | 36                          |      |

### Explanation of Significant Movements

(Notes)

- The 2020-21 Actual figures include the finance lease derecognition relating to the New Museum Project of \$277 million.
- The decrease in the 2022-23 Budget Target relates to the completion of election commitment spending in 2021-22 returning expenditure to pre-commitment levels.

#### 4. Regulation of the Gambling and Liquor Industries

Provision of services that ensure gambling and liquor industries operate responsibly in accordance with legislation.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                     | \$'000<br>17,647  | \$'000<br>23,922  | \$'000<br>24,056               | \$'000<br>23,297            | 1    |
| Less Income .....                              | 8,326             | 8,345             | 8,562                          | 7,143                       |      |
| Net Cost of Service .....                      | 9,321             | 15,577            | 15,494                         | 16,154                      |      |
| <b>Employees (Full-Time Equivalents) .....</b> | <b>104</b>        | <b>115</b>        | <b>117</b>                     | <b>117</b>                  |      |
| <b>Efficiency Indicators</b>                   |                   |                   |                                |                             |      |
| Average cost of conducting inspections.....    | \$938             | \$1,495           | \$1,955                        | \$1,456                     | 2    |
| Average cost of determining applications ..... | \$413             | \$748             | \$621                          | \$728                       |      |

#### Explanation of Significant Movements

(Notes)

1. The increased expenditure in the 2021-22 Estimated Actual compared to the 2020-21 Actual relates primarily to the Banned Drinkers Register trials being conducted in the Kimberley, Pilbara and Goldfields regions.
2. The average cost of inspections in the 2021-22 Estimated Actual has been impacted by the increased costs associated with the Banned Drinkers Register trials in the Kimberley, Pilbara and Goldfields regions.

#### 5. Sport and Recreation Industry Support

Provide support to maintain a strong sport and recreation sector that facilitates participation.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....  | \$'000<br>101,861 | \$'000<br>211,955 | \$'000<br>153,887              | \$'000<br>271,166           | 1    |
| Less Income .....   | 4,635             | 14,412            | 14,912                         | 17,885                      |      |
| Net Cost of Service .....   | 97,226            | 197,543           | 138,975                        | 253,281                     |      |
| <b>Employees (Full-Time Equivalents) .....</b>                                | <b>141</b>        | <b>147</b>        | <b>147</b>                     | <b>147</b>                  |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Average cost of providing support services to sector/funded organisations ... | \$7,712           | \$2,120           | \$8,883                        | \$9,953                     | 2    |
| Grants operations expense as a percentage of direct grants approved .....     | 1%                | 1%                | 1%                             | 1%                          |      |
| Average cost per recreation camp experience .....                             | \$42              | \$59              | \$80                           | \$47                        | 3    |

#### Explanation of Significant Movements

(Notes)

1. Due to the current building industry pressures, capital grants originally reflected in the 2021-22 Budget will be paid in 2022-23.
2. The increases in the 2021-22 Estimated Actual and the 2022-23 Budget Target relate to the provision of additional resourcing to manage the volume of Government election commitments being delivered by the Department across 2021-22 and 2022-23.
3. The increased unit cost per recreation camp experience in the 2021-22 Estimated Actual (\$80) compared to the 2021-22 Budget Target (\$59) is due to camp bookings and program operations being impacted by COVID-19 restrictions from the beginning of Term 1 2022. The 2022-23 Budget Target (\$47) is based on the return to full operations for the provision of accommodation and program services across all recreation camps in 2022-23.

## 6. Cultural Heritage Management and Conservation

Provides appropriate management, development and care of the State's Art Collection asset under the *Art Gallery Act 1959*.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....  | \$'000<br>1,086   | \$'000<br>1,049   | \$'000<br>1,097                | \$'000<br>1,145             |      |
| Less Income .....   | nil               | nil               | nil                            | nil                         |      |
| Net Cost of Service .....   | 1,086             | 1,049             | 1,097                          | 1,145                       |      |
| <b>Employees (Full-Time Equivalents) .....</b>                      | <b>5</b>          | <b>5</b>          | <b>5</b>                       | <b>5</b>                    |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Average cost of managing the collection per art gallery object..... | \$58.45           | \$55.88           | \$59.38                        | \$61.77                     |      |

## 7. Cultural Heritage Access and Community Engagement and Education

Provides access and interpretation of the State Art Collection and works of art on loan through art gallery services that encourage community engagement with the visual arts in accordance with the *Art Gallery Act 1959*.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                                       | \$'000<br>10,169  | \$'000<br>10,179  | \$'000<br>10,647               | \$'000<br>10,662            |      |
| Less Income .....  | 8,697             | 2,656             | 3,030                          | 3,052                       |      |
| Net Cost of Service .....  | 1,472             | 7,523             | 7,617                          | 7,610                       |      |
| <b>Employees (Full-Time Equivalents) .....</b>                   | <b>47</b>         | <b>50</b>         | <b>52</b>                      | <b>54</b>                   |      |
| <b>Efficiency Indicators</b>                                     |                   |                   |                                |                             |      |
| Average cost of art gallery services per art gallery access..... | \$35.70           | \$27.44           | \$35.37                        | \$23.43                     | 1    |

### Explanation of Significant Movements

(Notes)

1. The Actual and Estimated Actual for 2020-21 and 2021-22 respectively have been impacted by lower attendee levels, resulting from the implications of COVID-19 public health measures.

## 8. State Library Services

Ensuring that the community has equitable access to the State Library's collections, services and programs.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                  | 13,857            | 13,620            | 17,056                         | 14,734                      |      |
| Less Income .....                           | 522               | 539               | 539                            | 431                         |      |
| Net Cost of Service .....                   | 13,335            | 13,081            | 16,517                         | 14,303                      |      |
| Employees (Full-Time Equivalents) .....     | 106               | 117               | 118                            | 118                         |      |
| <b>Efficiency Indicators</b>                |                   |                   |                                |                             |      |
| Average cost per State Library access ..... | \$1.66            | \$1.42            | \$1.79                         | \$2.37                      | 1    |

### Explanation of Significant Movements

(Notes)

1. The 2022-23 Budget Target is significantly higher than the estimate for the previous year mainly due to the unreliability of usage data supplied by a third party. This has meant one of the most significant routes of access to Western Australia materials cannot be included in the target. In previous years, the number of page views of Western Australian newspapers accounted for 30% of all accesses reported. The State Library will continue to work with the third party to increase the reliability of the data; once reliable data is available, it will be re-introduced to this indicator.

## 9. Public Library Support

Supporting local governments in providing public library collections, services and programs.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....   | 17,708            | 17,405            | 21,796                         | 17,016                      | 1    |
| Less Income .....  | 565               | 584               | 584                            | 551                         |      |
| Net Cost of Service .....  | 17,143            | 16,821            | 21,212                         | 16,465                      |      |
| Employees (Full-Time Equivalents) .....  | 20                | 20                | 20                             | 20                          |      |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Average cost of Government support for public library services per public library member ..... | \$16.51           | \$17.47           | \$21.36                        | \$17.45                     | 1    |

### Explanation of Significant Movements

(Notes)

1. The increase in the 2021-22 Estimated Actual relates to the once-off carryover of funds for operational expenses.

## 10. Venue Management Services

Endeavour to improve attendances and venue activation and therefore financial returns for the Perth Theatre Trust (PTT) <sup>(a)</sup>, whilst ensuring that the buildings owned and leased by the PTT are fit for purpose and managed appropriately.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....              | 20,885            | 19,710            | 22,582                         | 23,746                      |      |
| Less Income .....                       | 7,167             | 8,733             | 11,275                         | 11,500                      |      |
| Net Cost of Service .....               | 13,718            | 10,977            | 11,307                         | 12,246                      |      |
| Employees (Full-Time Equivalents) ..... | 120               | 120               | 112                            | 112                         |      |
| <b>Efficiency Indicators</b>            |                   |                   |                                |                             |      |
| Average cost per attendee .....         | \$77.20           | \$56.31           | \$68                           | \$69                        | 1    |

(a) The operations of the Perth Theatre Trust are planned to transition to the Arts and Culture Trust from 1 July 2022.

## Explanation of Significant Movements

(Notes)

1. The average cost per attendee has been impacted by the COVID-19 public health measures reducing overall attendee numbers over the last two years.

## 11. Collections Management, Research and Conservation Services

Sustainable care and development of the State's collections for the benefit of present and future generations by ensuring that the collections are actively managed, researched and conserved.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                                     | 9,304             | 9,245             | 9,294                          | 10,875                      |      |
| Less Income .....  | 820               | 726               | 1,026                          | 1,121                       |      |
| Net Cost of Service .....                                      | 8,484             | 8,519             | 8,268                          | 9,754                       |      |
| Employees (Full-Time Equivalents) .....                        | 59                | 63                | 57                             | 63                          |      |
| <b>Efficiency Indicators</b>                                   |                   |                   |                                |                             |      |
| Average cost per object of managing the museum collection..... | \$1.13            | \$1.16            | \$1.17                         | \$1.13                      |      |

## 12. Collections Effectively Documented and Digitised

Sustainable care and development of the State's collections for the benefit of present and future generations by ensuring that the collections are effectively documented and digitised.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....   | 1,642             | 1,601             | 1,609                          | 1,517                       |      |
| Less Income .....  | 145               | 131               | 181                            | 198                         |      |
| Net Cost of Service .....  | 1,497             | 1,470             | 1,428                          | 1,319                       |      |
| <b>Employees (Full-Time Equivalents) .....</b>                                 | <b>11</b>         | <b>12</b>         | <b>11</b>                      | <b>12</b>                   |      |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Average cost per object of documenting and digitising the State collection ... | \$0.74            | \$0.74            | \$0.76                         | \$0.74                      |      |

## 13. Public Sites, Public Programs and Collections Accessed On-site

Enhanced cultural identity and understanding by promoting and ensuring the widest possible use of and contribution to museum content and collections through public sites, public and educational programs.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                             | 26,584            | 28,394            | 28,545                         | 27,602                      |      |
| Less Income .....                                      | 5,046             | 7,045             | 6,311                          | 6,933                       |      |
| Net Cost of Service .....                              | 21,538            | 21,349            | 22,234                         | 20,669                      |      |
| <b>Employees (Full-Time Equivalents) .....</b>         | <b>112</b>        | <b>127</b>        | <b>112</b>                     | <b>127</b>                  |      |
| <b>Efficiency Indicators</b>                           |                   |                   |                                |                             |      |
| Average cost of museum services per museum access..... | \$37.19           | \$38.18           | \$47.24                        | \$49.96                     | 1    |

### Explanation of Significant Movements

(Notes)

1. The average cost per museum services per museum access has been impacted by the COVID-19 public health measures reducing overall attendee numbers.

#### 14. Online Access to Collections, Expertise and Programs

Enhanced cultural identity and understanding by promoting and ensuring the widest possible use of and contribution to museum content and collections delivered through online access to the collections, expertise and programs.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                             | 958               | 951               | 956                            | 901                         |      |
| Less Income .....                                      | 26                | -                 | 33                             | -                           |      |
| Net Cost of Service .....                              | 932               | 951               | 923                            | 901                         |      |
| Employees (Full-Time Equivalents) .....                | 6                 | 7                 | 7                              | 7                           |      |
| <b>Efficiency Indicators</b>                           |                   |                   |                                |                             |      |
| Average cost of museum services per museum access..... | \$0.33            | \$0.34            | \$0.48                         | \$0.45                      | 1    |

#### Explanation of Significant Movements

(Notes)

1. Lower than anticipated online accesses have been seen during 2021-22 and are anticipated to continue into 2022-23, driving the increases in average cost.

#### 15. Museum Services to the Regions

Enhanced cultural identity and understanding by promoting and ensuring the widest possible use of and contribution to museum content and collections through regional access to the collections, expertise and programs.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....              | 7,606             | 7,586             | 7,626                          | 7,386                       |      |
| Less Income .....                       | 770               | 610               | 963                            | 1,053                       |      |
| Net Cost of Service .....               | 6,836             | 6,976             | 6,663                          | 6,333                       |      |
| Employees (Full-Time Equivalents) ..... | 24                | 31                | 27                             | 31                          |      |
| <b>Efficiency Indicators</b>            |                   |                   |                                |                             |      |
| Average cost per access .....           | \$29.62           | \$30.40           | \$30.48                        | \$29.38                     |      |



## Asset Investment Program

1. The Department's Asset Investment Program includes an amount of \$45 million over 2023-24 and 2024-25 for the Aboriginal Cultural Centre project.
2. To support the delivery of the Department's services, other asset investment to be delivered in 2022-23 includes the following:
  - 2.1. \$5.3 million for His Majesty's Theatre Restoration and Upgrade Stage 3;
  - 2.2. \$18.6 million for the redevelopment of the Perth Concert Hall;
  - 2.3. \$5.4 million for the Perth Cultural Centre;
  - 2.4. \$19.2 million for the planning and development of a Screen Production Facility;
  - 2.5. \$28.3 million for the State Football Centre;
  - 2.6. \$545,000 for the conclusion of building and exhibition works of the new WA Museum Boola Bardip;
  - 2.7. \$250,000 for the Western Australian Centralised Registration System as part of the initiative to Stop Puppy Farming initiative;
  - 2.8. \$218,000 for the ongoing acquisition of art;
  - 2.9. \$500,000 for the planning development for the State Hockey Centre;
  - 2.10. \$160,000 for the ongoing development of WA Recreations Camps;
  - 2.11. \$392,000 for the digitisation of State Library archive materials;
  - 2.12. \$1.2 million for library materials for the State Reference Library; and
  - 2.13. \$2 million for replacement of the Maritime Museum cladding.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>                                   |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>                                   |                                   |  |   |                                     |                              |                              |                              |
| His Majesty's Theatre - Restoration and Upgrade Stage 3... | 15,000                            | 9,632  | 9,109   | 5,318                               | 50                           | -                            | -                            |
| Perth Concert Hall Redevelopment .....                     | 52,351                            | 1,833  | 1,700   | 18,639                              | 30,000                       | 1,879                        | -                            |
| <b>Other Works in Progress</b>                             |                                   |  |   |                                     |                              |                              |                              |
| Perth Cultural Centre .....                                | 35,000                            | 637  | 637   | 5,363                               | 26,000                       | 3,000                        | -                            |
| Screen Production Facility.....                            | 104,971                           | 5,741  | 5,741   | 19,230                              | 60,000                       | 20,000                       | -                            |
| State Football (Soccer) Centre .....                       | 39,570                            | 11,215   | 9,765   | 28,260                              | 95                           | -                            | -                            |
| WA Museum Boola Bardip .....                               | 395,399                           | 394,669  | 17,635  | 545                                 | 185                          | -                            | -                            |
| Western Australian Centralised Registration System .....   | 906                               | 506  | 506   | 250                                 | 150                          | -                            | -                            |
| <b>COMPLETED WORKS</b>                                     |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>                                   |                                   |  |   |                                     |                              |                              |                              |
| Recreation Camps Revitalisation.....                       | 4,745                             | 4,745  | 3,400   | -                                   | -                            | -                            | -                            |
| <b>Other Completed Works</b>                               |                                   |  |   |                                     |                              |                              |                              |
| Art Gallery of Western Australia                           |                                   |  |   |                                     |                              |                              |                              |
| Art Acquisition - 2021-22 Program .....                    | 218                               | 218  | 218   | -                                   | -                            | -                            | -                            |
| Elevate 2020 Rooftop Activation.....                       | 12,070                            | 12,070   | 4,353   | -                                   | -                            | -                            | -                            |
| Ground Floor Works .....                                   | 1,800                             | 1,800  | 300   | -                                   | -                            | -                            | -                            |
| Perth Rectangular Stadium .....                            | 94,162                            | 94,162   | 982   | -                                   | -                            | -                            | -                            |
| Recreation Camps - 2021-22 Program .....                   | 160                               | 160  | 160   | -                                   | -                            | -                            | -                            |
| State Library of Western Australia - State Reference       |                                   |  |   |                                     |                              |                              |                              |
| Library Materials - 2021-22 Program.....                   | 1,225                             | 1,225  | 1,225   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Aboriginal Cultural Centre .....                           | 45,000                            | -  | -   | -                                   | 10,000                       | 35,000                       | -                            |
| Art Gallery of Western Australia - Art Acquisition         |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                                      | 218                               | -  | -   | 218                                 | -                            | -                            | -                            |
| 2023-24 Program .....                                      | 218                               | -  | -   | -                                   | 218                          | -                            | -                            |
| 2024-25 Program .....                                      | 218                               | -  | -   | -                                   | -                            | 218                          | -                            |
| 2025-26 Program .....                                      | 218                               | -  | -   | -                                   | -                            | -                            | 218                          |
| Project Definition Planning - State Hockey Centre .....    | 500                               | -  | -   | 500                                 | -                            | -                            | -                            |
| Recreation Camps   |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                                      | 160                               | -  | -   | 160                                 | -                            | -                            | -                            |
| 2023-24 Program .....                                      | 160                               | -  | -   | -                                   | 160                          | -                            | -                            |
| 2024-25 Program .....                                      | 160                               | -  | -   | -                                   | -                            | 160                          | -                            |
| 2025-26 Program .....                                      | 160                               | -  | -   | -                                   | -                            | -                            | 160                          |
| State Library of Western Australia                         |                                   |  |   |                                     |                              |                              |                              |
| Critical Equipment Replacement.....                        | 392                               | -  | -   | 392                                 | -                            | -                            | -                            |
| State Reference Library Materials                          |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program.....                                       | 1,225                             | -  | -   | 1,225                               | -                            | -                            | -                            |
| 2023-24 Program.....                                       | 1,225                             | -  | -   | -                                   | 1,225                        | -                            | -                            |
| 2024-25 Program.....                                       | 1,225                             | -  | -   | -                                   | -                            | 1,225                        | -                            |
| 2025-26 Program.....                                       | 1,225                             | -  | -   | -                                   | -                            | -                            | 1,225                        |
| Western Australian Museum - WA Maritime Museum             |                                   |  |   |                                     |                              |                              |                              |
| Cladding Replacement .....                                 | 2,000                             | -  | -   | 2,000                               | -                            | -                            | -                            |
| <b>Total Cost of Asset Investment Program.....</b>         | <b>811,881</b>                    | <b>538,613</b>                                   | <b>55,731</b>                                 | <b>82,100</b>                       | <b>128,083</b>               | <b>61,482</b>                | <b>1,603</b>                 |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Capital Appropriation .....                                |                                   |  | 23,319  | 63,789                              | 100,476                      | 58,218                       | 218                          |
| Commonwealth Grants .....                                  |                                   |  | 10,000  | 11,250                              | 16,000                       | -                            | -                            |
| Drawdowns from the Holding Account.....                    |                                   |  | 1,385   | 1,385                               | 1,385                        | 1,385                        | 1,385                        |
| Funding Included in Department of Treasury - Digital       |                                   |  |   | 392                                 |                              |                              |                              |
| Capability Fund .....                                      |                                   |  |   |                                     |                              |                              |                              |
| Internal Funds and Balances.....                           |                                   |  | 21,027  | 1,284                               | 10,222                       | 1,879                        | -                            |
| Other Grants and Subsidies .....                           |                                   |  | -   | 4,000                               | -                            | -                            | -                            |
| <b>Total Funding .....</b>                                 |                                   |  | <b>55,731</b>                                 | <b>82,100</b>                       | <b>128,083</b>               | <b>61,482</b>                | <b>1,603</b>                 |

## **Financial Statements**

### **Income Statement**

#### *Expenses*

1. The Department's Total Cost of Services in the 2022-23 Budget Year increases by \$27 million compared to the 2021-22 Estimated Actual primarily due to the carryover of unspent funding from 2021-22.
2. The Total Cost of Services in the 2023-24 financial year decreases by \$143 million from the prior year, primarily reflecting the finalisation of the election commitment capital grant program in 2022-23.

### **Statement of Financial Position**

3. Total current assets decrease by \$50 million in the 2022-23 Budget Year compared to the 2021-22 Estimated Actual primarily due to the drawdown of cash reserves to deliver projects and programs following approved carryover adjustments.

### **Statement of Cashflows**

4. Service appropriations increase by \$144 million in the 2022-23 Budget Year compared to the 2021-22 Estimated Actual mainly due to the impact of election commitments reflowed from 2021-22.
5. Capital appropriation increases by \$40 million in the 2022-23 Budget Year compared to the 2021-22 Estimated Actual primarily due to the reflow of projects impacted by the increased activity in the building industry.
6. Net cash from investing activities decreases by \$26 million in the 2022-23 Budget Year compared to the 2021-22 Estimated Actual due to the reflow of capital projects.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 99,400                      | 110,355                     | 112,791                                  | 111,697                             | 111,272                      | 111,999                      | 112,350                      |
| Grants and subsidies <sup>(c)</sup> .....        | 142,784                     | 286,887                     | 268,240                                  | 303,391                             | 133,749                      | 118,921                      | 122,680                      |
| Supplies and services .....                      | 34,792                      | 37,605                      | 44,084                                   | 38,724                              | 35,696                       | 37,682                       | 38,302                       |
| Accommodation .....                              | 21,702                      | 28,280                      | 28,840                                   | 31,244                              | 28,884                       | 29,259                       | 28,262                       |
| Depreciation and amortisation .....              | 16,607                      | 23,338                      | 23,315                                   | 23,254                              | 23,696                       | 24,099                       | 24,102                       |
| Finance and interest costs .....                 | 22                          | 34                          | 24                                       | 33                                  | 30                           | 27                           | 27                           |
| Other expenses .....                             | 299,116                     | 12,323                      | 13,337                                   | 9,066                               | 41,226                       | 11,897                       | 8,946                        |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>614,423</b>              | <b>498,822</b>              | <b>490,631</b>                           | <b>517,409</b>                      | <b>374,553</b>               | <b>333,884</b>               | <b>334,669</b>               |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services .....                 | 15,238                      | 20,721                      | 23,938                                   | 24,716                              | 26,083                       | 26,651                       | 26,999                       |
| Regulatory fees and fines .....                  | 7,047                       | 6,854                       | 6,928                                    | 9,377                               | 9,601                        | 11,683                       | 11,879                       |
| Grants and subsidies .....                       | 1,855                       | 11,763                      | 14,684                                   | 18,445                              | 19,330                       | 3,290                        | 3,290                        |
| Other revenue .....                              | 16,778                      | 9,411                       | 9,110                                    | 4,943                               | 4,997                        | 4,998                        | 4,998                        |
| <b>Total Income .....</b>                        | <b>40,918</b>               | <b>48,749</b>               | <b>54,660</b>                            | <b>57,481</b>                       | <b>60,011</b>                | <b>46,622</b>                | <b>47,166</b>                |
| <b>NET COST OF SERVICES .....</b>                | <b>573,505</b>              | <b>450,073</b>              | <b>435,971</b>                           | <b>459,928</b>                      | <b>314,542</b>               | <b>287,262</b>               | <b>287,503</b>               |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 420,999                     | 317,630                     | 297,132                                  | 402,419                             | 272,462                      | 268,028                      | 268,211                      |
| Resources received free of charge .....          | 1,089                       | 1,334                       | 1,334                                    | 1,334                               | 1,334                        | 1,334                        | 1,334                        |
| Royalties for Regions Fund:                      |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....           | 14,558                      | 19,043                      | 21,273                                   | 14,768                              | 9,526                        | 11,916                       | 11,916                       |
| Regional Infrastructure and Headworks Fund ..... | -                           | 16                          | 140                                      | 140                                 | 140                          | 140                          | 140                          |
| Other revenues .....                             | 16,815                      | 7,005                       | 10,330                                   | 7,924                               | 6,806                        | 6,240                        | 6,242                        |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>453,461</b>              | <b>345,028</b>              | <b>330,209</b>                           | <b>426,585</b>                      | <b>290,268</b>               | <b>287,658</b>               | <b>287,843</b>               |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>(120,044)</b>            | <b>(105,045)</b>            | <b>(105,762)</b>                         | <b>(33,343)</b>                     | <b>(24,274)</b>              | <b>396</b>                   | <b>340</b>                   |

(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 934, 968 and 994 respectively.

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

## DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Year | 2023-24<br>Outyear | 2024-25<br>Outyear | 2025-26<br>Outyear |
|--|-------------------|-------------------|--------------------------------|---------------------------|--------------------|--------------------|--------------------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                    | \$'000             | \$'000             | \$'000             |
| Aboriginal Cultural Centre .....   | -                 | 2,500             | -                              | -                         | -                  | -                  | -                  |
| AFL Kimberley Partnership .....  | -                 | -                 | 1,000                          | 1,000                     | 1,000              | 1,000              | 1,000              |
| Albany Motorplex Complex .....   | -                 | 5,500             | 1,400                          | 4,100                     | -                  | -                  | -                  |
| Albany Surf Lifesaving Club .....  | -                 | 1,100             | -                              | 1,600                     | -                  | -                  | -                  |
| Alkimos Swimming Pool .....  | 500               | 500               | 500                            | 4,000                     | 5,000              | -                  | -                  |
| All Abilities Play Space Clarkson .....  | -                 | 1,250             | 1,450                          | 1,150                     | -                  | -                  | -                  |
| All Abilities Playground Forrestfield .....  | -                 | 1,000             | -                              | 1,000                     | -                  | -                  | -                  |
| Arts Lotteries Account .....   | 11,409            | 23,162            | 26,644                         | 17,791                    | 18,091             | 18,980             | 19,545             |
| Arts Projects and Programs .....   | 19,915            | 15,857            | 15,857                         | 12,557                    | 12,557             | 12,557             | 12,557             |
| Aveley Football Club Lighting Upgrade .....  | -                 | 300               | 300                            | -                         | -                  | -                  | -                  |
| Balcatta Football Club Amenities Upgrade .....   | -                 | 1,000             | -                              | 1,000                     | -                  | -                  | -                  |
| Baldivis Indoor Recreation Centre .....  | 1,000             | 8,500             | 6,500                          | 2,500                     | -                  | -                  | -                  |
| Bayswater Urban Forest .....   | -                 | -                 | -                              | 1,000                     | -                  | -                  | -                  |
| Beach Emergency Numbering System .....   | 92                | 218               | 35                             | 494                       | -                  | -                  | -                  |
| Better Beginnings Program Community Grants....   | -                 | 225               | 225                            | 225                       | 225                | 225                | 225                |
| Broome Multi-purpose Outdoor Courts .....  | 140               | -                 | -                              | -                         | -                  | -                  | -                  |
| Bunbury Hands Oval Rebuild .....   | -                 | 3,000             | 3,000                          | 2,000                     | -                  | -                  | -                  |
| Bunbury Indoor Basketball Courts .....   | -                 | 1,000             | -                              | 6,000                     | 2,000              | -                  | -                  |
| Bunbury Upgrades to Hay Park .....   | -                 | 100               | 100                            | -                         | -                  | -                  | -                  |
| Burtonia and Marseille Gardens Recreation<br>Space .....   | -                 | 1,500             | -                              | 1,500                     | -                  | -                  | -                  |
| Byford Nature Splash Park .....  | -                 | 1,340             | -                              | 1,340                     | -                  | -                  | -                  |
| Byford Skate Park Youth Precinct - Stage 2 ....  | -                 | 800               | 800                            | -                         | -                  | -                  | -                  |
| Calectasia Hall Extension and Upgrade .....  | -                 | 600               | -                              | 600                       | -                  | -                  | -                  |
| Canning Vale Regional Open Space .....   | -                 | 1,000             | -                              | 5,000                     | 5,000              | -                  | -                  |
| Capital Works Funding for Culturally and<br>Linguistically Diverse Community<br>Association Facilities ..... | 1,500             | 1,500             | 1,500                          | -                         | -                  | -                  | -                  |
| Charlotte's Vineyard Sports Pavilion - Upgrade ....  | -                 | 630               | -                              | 630                       | -                  | -                  | -                  |
| Chung Wah Association Community Centre ....  | -                 | 1,500             | -                              | 5,000                     | -                  | -                  | -                  |
| Collie Mineworkers Memorial Pool Enclosure....   | 1,000             | 850               | -                              | 850                       | -                  | -                  | -                  |
| Collie Recreation Ground Replacement of<br>Light Poles and New LED Lighting .....                            | -                 | 400               | 400                            | -                         | -                  | -                  | -                  |
| Commitment to Aboriginal Wellbeing -<br>Connecting to Country .....  | 450               | 450               | 450                            | 450                       | -                  | -                  | -                  |
| Community Engagement and Funding .....   | 5,813             | -                 | 94                             | -                         | -                  | -                  | -                  |
| Community Languages Program .....  | 1,113             | 1,113             | 1,113                          | 1,113                     | 1,113              | 1,113              | 1,113              |
| Community Sporting and Recreation Facilities<br>Fund .....   | 9,045             | 16,471            | 14,629                         | 12,742                    | 11,471             | 11,471             | 11,471             |
| Companion Animal Shelters .....  | 200               | 200               | 200                            | 200                       | 200                | 200                | 200                |
| Contemporary Music Fund .....  | 685               | 2,015             | 2,015                          | 750                       | 750                | 750                | 750                |
| COVID-19 Crisis<br>Indian .....  | 2,000             | -                 | -                              | -                         | -                  | -                  | -                  |
| Indonesian .....   | -                 | 2,000             | 2,000                          | -                         | -                  | -                  | -                  |
| COVID-19 Response - Business Assistance<br>Grants .....  | -                 | -                 | 11,600                         | -                         | -                  | -                  | -                  |
| COVID-19 Stimulus Package .....  | 79                | -                 | -                              | -                         | -                  | -                  | -                  |
| Craigie Leisure Centre Gymnasium Upgrades ...  | -                 | 1,000             | 1,000                          | 1,900                     | -                  | -                  | -                  |
| Creative Learning Program .....  | -                 | 1,772             | 1,772                          | 1,769                     | 1,766              | 1,763              | 1,763              |
| Dalyellup Multi-purpose Centre Youth Facility<br>and Library .....   | 500               | 1,000             | 500                            | 7,000                     | -                  | -                  | -                  |
| Documenting and Teaching Traditional<br>Aboriginal Language .....  | -                 | -                 | -                              | 125                       | -                  | -                  | -                  |
| Donnybrook and Districts Sporting and<br>Recreation Precinct .....   | 250               | 2,500             | -                              | 5,750                     | -                  | -                  | -                  |
| East Fremantle Oval Precinct .....   | -                 | 2,000             | 2,500                          | 18,000                    | 5,000              | -                  | -                  |
| Eaton Bowling Club Upgrade .....   | -                 | 1,000             | 1,000                          | -                         | -                  | -                  | -                  |
| Ellenbrook Community Hub .....   | 1,500             | 2,000             | 250                            | 1,750                     | -                  | -                  | -                  |
| Ellenbrook Recreation Centre .....   | -                 | 5,000             | 5,000                          | -                         | -                  | -                  | -                  |
| Ellenbrook Youth Support Centre .....  | -                 | 1,360             | 1,000                          | 860                       | -                  | -                  | -                  |
| Female Changeroom Fund .....   | -                 | 500               | 500                            | 500                       | 500                | 500                | 500                |
| Fitzroy Crossing Town Oval .....   | -                 | 1,500             | -                              | 4,000                     | -                  | -                  | -                  |
| Fremantle City Football Club Upgrade of<br>Women's Facilities .....  | -                 | 600               | -                              | 600                       | -                  | -                  | -                  |
| Fremantle Pedestrian Crossing .....  | -                 | 45                | 45                             | -                         | -                  | -                  | -                  |
| Geraldton Basketball Stadium Upgrade .....   | -                 | 2,000             | 3,500                          | -                         | -                  | -                  | -                  |
| Getting the Show Back on the Road .....  | 2,650             | 6,122             | 18,422                         | -                         | -                  | -                  | -                  |
| Good Faith Television Series .....   | -                 | 4,000             | -                              | -                         | -                  | -                  | -                  |
| Goodchild Park Upgrade Club Rooms .....  | -                 | 350               | 350                            | -                         | -                  | -                  | -                  |
| Grants Carryover - Lotteries, RfR .....  | (1,562)           | -                 | 1,184                          | 2,484                     | -                  | -                  | 2,629              |
| Guide Dogs WA Breeding Program .....   | -                 | 5,000             | 5,000                          | -                         | -                  | -                  | -                  |
| Hamer Park/Inglewood Oval Redevelopment ....   | -                 | 1,300             | 1,200                          | 100                       | -                  | -                  | -                  |
| HBF Arena New Amenity Block .....  | -                 | 520               | 520                            | -                         | -                  | -                  | -                  |

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Year | 2023-24<br>Outyear | 2024-25<br>Outyear | 2025-26<br>Outyear |
|---|-------------------|-------------------|--------------------------------|---------------------------|--------------------|--------------------|--------------------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                    | \$'000             | \$'000             | \$'000             |
| Heathridge Park Community and Sporting  |                   |                   |                                |                           |                    |                    |                    |
| Facilities Upgrade.....   | -                 | 1,500             | -                              | 2,500                     | -                  | -                  | -                  |
| Holocaust Museum .....  | 2,000             | 3,500             | 1,000                          | 3,000                     | -                  | -                  | -                  |
| Industry Support .....  | 1,893             | -                 | -                              | -                         | -                  | -                  | -                  |
| John Connell Sporting Reserve Upgrade.....  | -                 | 625               | 125                            | 500                       | -                  | -                  | -                  |
| Kalgoorlie Basketball Redevelopment .....   | -                 | 1,000             | 1,000                          | 3,000                     | 1,000              | -                  | -                  |
| Kalgoorlie Motorsports Precinct.....  | -                 | 950               | 950                            | 1,000                     | -                  | -                  | -                  |
| Kidsport .....  | 3,424             | 7,824             | 7,824                          | 4,624                     | 4,624              | 4,624              | 4,624              |
| Kiernan Park Recreation Precinct.....   | 1,500             | 5,500             | 3,500                          | 15,000                    | -                  | -                  | -                  |
| Kimberley Aboriginal Law and Cultural Centre<br>Julurru .....   | -                 | 125               | 125                            | 125                       | -                  | -                  | -                  |
| Kingsway Regional Sporting Complex.....   | 150               | 2,517             | 1,000                          | 1,517                     | -                  | -                  | -                  |
| Kununurra Leisure Centre Redevelopment.....   | -                 | 1,500             | -                              | 5,500                     | 500                | -                  | -                  |
| Kununurra Water Playground .....  | 1,500             | 1,700             | 1,500                          | 200                       | -                  | -                  | -                  |
| Leschenault Leisure Centre Expansion .....  | -                 | 500               | 250                            | 2,750                     | -                  | -                  | -                  |
| Lighting Project Club Night Program.....  | -                 | 2,500             | -                              | 2,500                     | 2,500              | 2,500              | 2,500              |
| Local Projects Local Jobs Program .....   | 955               | 250               | -                              | 250                       | -                  | -                  | -                  |
| Lotterywest Back to Sport COVID-19 Relief<br>Program .....  | 563               | 4,112             | 4,112                          | -                         | -                  | -                  | -                  |
| Lotterywest Creative Communities COVID-19<br>Recovery Program .....                                   | 1,007             | 3,697             | 3,697                          | -                         | -                  | -                  | -                  |
| Madeley Youth Centre .....  | 250               | 2,500             | -                              | 2,750                     | -                  | -                  | -                  |
| Maida Vale Reserve Pavilions.....   | -                 | 1,100             | 125                            | 2,275                     | -                  | -                  | -                  |
| Mowanjum Community New Change Rooms...  | -                 | 300               | 300                            | -                         | -                  | -                  | -                  |
| Multicultural Community Grants Program .....  | 560               | 1,060             | 1,060                          | 1,060                     | 1,060              | 1,060              | 1,060              |
| Other Cultural Programs .....   | 444               | 422               | 422                            | 444                       | 444                | 444                | 444                |
| Other Initiatives .....   | 446               | 401               | 401                            | 401                       | 401                | 401                | 401                |
| Partnership Acceptance Learning Sharing.....  | 695               | 695               | 695                            | 695                       | 695                | 695                | 695                |
| Perth Football Grandstand .....   | 2,000             | 2,000             | 2,000                          | -                         | -                  | -                  | -                  |
| Perth Theatre Trust - Perth Concert Hall<br>Operational Grants <sup>(a)</sup> .....                   | -                 | -                 | 821                            | 821                       | 821                | 821                | 821                |
| Port Hedland Sporting and Community Hub ....  | -                 | 5,000             | 1,500                          | 8,500                     | -                  | -                  | -                  |
| Public Library Materials (Local Governments)....  | 647               | 16,047            | 16,047                         | 8,347                     | 8,347              | 8,347              | 8,347              |
| Public Library Strategy (Regional Subsidies)...   | 140               | 140               | 140                            | 140                       | 140                | 140                | 140                |
| Ray Owen Reserve.....   | 200               | 2,200             | 2,200                          | 2,600                     | -                  | -                  | -                  |
| Regional Arts and Cultural Investment Program...  | 6,343             | 4,900             | 4,900                          | 4,680                     | 4,680              | 4,680              | 4,680              |
| Regional Athlete Support Program .....  | 884               | 1,100             | 1,234                          | 1,292                     | -                  | -                  | -                  |
| Regional Collections Development Program....  | 70                | 430               | 430                            | -                         | -                  | -                  | -                  |
| Regional Exhibition Touring Boost.....  | 2,035             | 1,750             | 2,050                          | 1,450                     | 2,000              | 2,000              | 2,000              |
| Regional Museums Grants .....   | 250               | -                 | 503                            | 250                       | -                  | -                  | -                  |
| Rickman Delawney Capital Works Package<br>Contribution.....   | -                 | 500               | 450                            | 50                        | -                  | -                  | -                  |
| Rockingham Aqua Jetty Stage 2 .....   | 500               | 2,500             | -                              | 9,000                     | 500                | -                  | -                  |
| Scott Reserve Inclusive New Room Facilities.....  | -                 | 2,000             | 125                            | 1,875                     | -                  | -                  | -                  |
| Screen Production Incentive Fund.....   | -                 | 4,679             | 9,679                          | 6,675                     | 4,672              | 4,669              | 4,669              |
| Small Election Commitments.....   | 13,156            | -                 | 2,773                          | -                         | -                  | -                  | -                  |
| Sorrento Football Club Upgrade of Change<br>Rooms, Improved Disability Access and New<br>Lights ..... | -                 | 700               | 100                            | 600                       | -                  | -                  | -                  |
| Sorrento Surf Life Saving Club.....   | -                 | 2,000             | -                              | 8,000                     | -                  | -                  | -                  |
| Southern River Youth Plaza .....  | -                 | 1,000             | -                              | 2,000                     | -                  | -                  | -                  |
| Sports Lotteries Account .....  | 16,871            | 20,962            | 24,444                         | 17,791                    | 18,091             | 18,980             | 19,545             |
| State Sporting Infrastructure Fund.....   | 3,315             | 3,800             | 2,652                          | 3,148                     | 2,000              | 2,000              | 2,000              |
| Stephen Michael Foundation.....   | 200               | 200               | 200                            | -                         | -                  | -                  | -                  |
| Stop Puppy Farming - Transition Package .....   | -                 | 1,000             | 1,000                          | -                         | -                  | -                  | -                  |
| VisAbility Inc .....  | 185               | 185               | 185                            | 185                       | 185                | 185                | 185                |
| WA Film Fund .....  | 4,000             | 4,000             | 6,400                          | 4,000                     | 1,600              | 4,000              | 4,000              |
| Wanneroo Amateur Football Club Upgrades<br>and Expansion .....  | -                 | 500               | -                              | 500                       | -                  | -                  | -                  |
| Wanneroo Recreation Centre Upgrade .....  | -                 | 1,500             | -                              | 5,000                     | -                  | -                  | -                  |
| Warman Community Upgrades to Basketball<br>Courts .....   | -                 | 1,000             | -                              | 2,350                     | -                  | -                  | -                  |
| Warradale Community Centre Expansion.....   | 550               | 50                | 50                             | -                         | -                  | -                  | -                  |
| Western Australian Cricket Association<br>Ground Redevelopment .....                                  | 3,000             | 10,000            | 10,000                         | 17,000                    | -                  | -                  | -                  |
| Western Australian Football Commission .....  | 11,800            | 12,100            | 12,100                         | 12,400                    | 12,400             | 12,400             | 12,400             |
| Western Australian Football Commission and<br>Football West Relocation.....                           | 206               | -                 | -                              | -                         | -                  | -                  | -                  |
| Western Australian Institute of Sport .....   | 2,416             | 2,416             | 2,416                          | 2,416                     | 2,416              | 2,416              | 2,416              |
| Western Australian Music Industry Association ....  | 350               | -                 | -                              | -                         | -                  | -                  | -                  |
| Woodvale Skate Park Development.....  | -                 | 800               | -                              | 800                       | -                  | -                  | -                  |
| Yamatji Nation Heritage .....   | -                 | -                 | 200                            | -                         | -                  | -                  | -                  |
| <b>TOTAL .....</b>  | <b>142,784</b>    | <b>286,887</b>    | <b>268,240</b>                 | <b>303,391</b>            | <b>133,749</b>     | <b>118,921</b>     | <b>122,680</b>     |

(a) The operations of the Perth Theatre Trust are planned to transition to the Arts and Culture Trust from 1 July 2022.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                      |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                          | 180,602                     | 80,220                      | 67,563                                   | 17,786                              | 3,770                        | 3,741                        | 3,323                        |
| Restricted cash .....                      | 63,928                      | 31,101                      | 39,755                                   | 39,183                              | 34,733                       | 32,804                       | 32,754                       |
| Holding Account receivables .....          | 1,385                       | 1,385                       | 1,385                                    | 1,385                               | 1,385                        | 1,385                        | 1,630                        |
| Receivables .....                          | 7,153                       | 5,698                       | 7,153                                    | 7,153                               | 7,153                        | 7,153                        | 7,111                        |
| Other.....                                 | 6,666                       | 2,132                       | 6,666                                    | 6,666                               | 6,666                        | 6,666                        | 6,666                        |
| <b>Total current assets .....</b>          | <b>259,734</b>              | <b>120,536</b>              | <b>122,522</b>                           | <b>72,173</b>                       | <b>53,707</b>                | <b>51,749</b>                | <b>51,484</b>                |
| <b>NON-CURRENT ASSETS</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....          | 179,350                     | 200,962                     | 201,324                                  | 223,184                             | 245,458                      | 268,137                      | 290,571                      |
| Property, plant and equipment.....         | 1,371,192                   | 1,673,766                   | 1,417,593                                | 1,489,973                           | 1,562,025                    | 1,621,804                    | 1,599,663                    |
| Intangibles .....                          | 11,138                      | -                           | 10,797                                   | 10,880                              | 11,045                       | 10,954                       | 10,863                       |
| Restricted cash .....                      | 1,829                       | 2,159                       | 2,204                                    | 2,585                               | 2,971                        | 3,357                        | 3,754                        |
| Other.....                                 | 17,235                      | 12,524                      | 17,235                                   | 17,235                              | 17,235                       | 17,235                       | 17,235                       |
| <b>Total non-current assets .....</b>      | <b>1,580,744</b>            | <b>1,889,411</b>            | <b>1,649,153</b>                         | <b>1,743,857</b>                    | <b>1,838,734</b>             | <b>1,921,487</b>             | <b>1,922,086</b>             |
| <b>TOTAL ASSETS .....</b>                  | <b>1,840,478</b>            | <b>2,009,947</b>            | <b>1,771,675</b>                         | <b>1,816,030</b>                    | <b>1,892,441</b>             | <b>1,973,236</b>             | <b>1,973,570</b>             |
| <b>CURRENT LIABILITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 20,581                      | 18,133                      | 20,581                                   | 20,581                              | 20,581                       | 20,581                       | 20,581                       |
| Payables .....                             | 6,964                       | -                           | 6,489                                    | 6,489                               | 6,489                        | 6,489                        | 6,489                        |
| Borrowings and leases .....                | 313                         | 282                         | 351                                      | 354                                 | 364                          | 338                          | 348                          |
| Other.....                                 | 7,525                       | 6,339                       | 7,525                                    | 7,525                               | 7,525                        | 7,525                        | 7,525                        |
| <b>Total current liabilities .....</b>     | <b>35,383</b>               | <b>24,754</b>               | <b>34,946</b>                            | <b>34,949</b>                       | <b>34,959</b>                | <b>34,933</b>                | <b>34,943</b>                |
| <b>NON-CURRENT LIABILITIES</b>             |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 4,813                       | 5,985                       | 5,188                                    | 5,569                               | 5,955                        | 6,341                        | 6,341                        |
| Borrowings and leases .....                | 487                         | 459                         | 658                                      | 619                                 | 534                          | 452                          | 374                          |
| Other.....                                 | -                           | 17                          | -  | -                                   | -                            | -                            | -                            |
| <b>Total non-current liabilities .....</b> | <b>5,300</b>                | <b>6,461</b>                | <b>5,846</b>                             | <b>6,188</b>                        | <b>6,489</b>                 | <b>6,793</b>                 | <b>6,715</b>                 |
| <b>TOTAL LIABILITIES.....</b>              | <b>40,683</b>               | <b>31,215</b>               | <b>40,792</b>                            | <b>41,137</b>                       | <b>41,448</b>                | <b>41,726</b>                | <b>41,658</b>                |
| <b>EQUITY</b>                              |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                   | 967,136                     | 990,183                     | 992,749                                  | 1,057,244                           | 1,158,040                    | 1,216,577                    | 1,217,114                    |
| Accumulated surplus/(deficit).....         | 329,051                     | 493,324                     | 222,814                                  | 188,996                             | 164,247                      | 164,168                      | 164,033                      |
| Reserves.....                              | 503,608                     | 495,225                     | 515,320                                  | 528,653                             | 528,706                      | 550,765                      | 550,765                      |
| <b>Total equity .....</b>                  | <b>1,799,795</b>            | <b>1,978,732</b>            | <b>1,730,883</b>                         | <b>1,774,893</b>                    | <b>1,850,993</b>             | <b>1,931,510</b>             | <b>1,931,912</b>             |
| <b>TOTAL LIABILITIES AND EQUITY .....</b>  | <b>1,840,478</b>            | <b>2,009,947</b>            | <b>1,771,675</b>                         | <b>1,816,030</b>                    | <b>1,892,441</b>             | <b>1,973,236</b>             | <b>1,973,570</b>             |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                                |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                     | 397,976                     | 294,271                     | 273,773                                  | 379,174                             | 248,803                      | 243,964                      | 244,147                      |
| Capital appropriation .....                                     | 32,208                      | 23,499                      | 23,713                                   | 64,103                              | 100,796                      | 58,537                       | 537                          |
| Holding Account drawdowns .....                                 | 1,385                       | 1,385                       | 1,385                                    | 1,385                               | 1,385                        | 1,385                        | 1,385                        |
| Royalties for Regions Fund:                                     |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....                          | 15,309                      | 19,043                      | 21,273                                   | 14,768                              | 9,526                        | 11,916                       | 11,916                       |
| Regional Infrastructure and Headworks<br>Fund .....             | 1,400                       | 16                          | 140                                      | 140                                 | 140                          | 140                          | 140                          |
| Other.....  | 16,549                      | 7,005                       | 10,330                                   | 8,316                               | 6,806                        | 6,240                        | 6,248                        |
| <b>Net cash provided by Government .....</b>                    | <b>464,827</b>              | <b>345,219</b>              | <b>330,614</b>                           | <b>467,886</b>                      | <b>367,456</b>               | <b>322,182</b>               | <b>264,373</b>               |
| <b>CASHFLOWS FROM OPERATING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....  | (97,685)                    | (109,980)                   | (112,416)                                | (111,316)                           | (110,886)                    | (111,613)                    | (112,361)                    |
| Grants and subsidies.....                                       | (145,874)                   | (286,887)                   | (269,520)                                | (303,391)                           | (133,749)                    | (118,921)                    | (122,680)                    |
| Supplies and services .....                                     | (31,522)                    | (35,757)                    | (41,972)                                 | (37,005)                            | (33,965)                     | (36,390)                     | (37,000)                     |
| Accommodation .....   | (19,760)                    | (28,280)                    | (28,840)                                 | (31,244)                            | (28,884)                     | (29,259)                     | (28,252)                     |
| GST payments .....  | (21,874)                    | (28,564)                    | (28,564)                                 | (30,303)                            | (22,989)                     | (19,874)                     | (19,874)                     |
| Finance and interest costs.....                                 | (1)                         | (34)                        | (34)                                     | (38)                                | (33)                         | (33)                         | (33)                         |
| Other payments.....   | (20,539)                    | (13,312)                    | (13,310)                                 | (9,926)                             | (9,598)                      | (12,330)                     | (9,399)                      |
| <b>Receipts <sup>(b)</sup></b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Regulatory fees and fines.....                                  | 3,799                       | 6,854                       | 6,928                                    | 9,377                               | 9,601                        | 11,683                       | 11,879                       |
| Grants and subsidies.....                                       | 1,750                       | 11,763                      | 14,684                                   | 18,445                              | 19,330                       | 3,290                        | 3,338                        |
| Sale of goods and services.....                                 | 16,537                      | 20,721                      | 23,079                                   | 23,831                              | 25,198                       | 25,844                       | 26,191                       |
| GST receipts .....  | 21,213                      | 28,564                      | 28,564                                   | 30,303                              | 22,989                       | 19,874                       | 19,874                       |
| Other receipts .....  | 10,769                      | 9,411                       | 9,969                                    | 5,828                               | 5,882                        | 5,805                        | 5,805                        |
| <b>Net cash from operating activities .....</b>                 | <b>(283,187)</b>            | <b>(425,501)</b>            | <b>(411,432)</b>                         | <b>(435,439)</b>                    | <b>(257,104)</b>             | <b>(261,924)</b>             | <b>(262,512)</b>             |
| <b>CASHFLOWS FROM INVESTING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                            | (35,974)                    | (49,215)                    | (55,731)                                 | (82,100)                            | (128,083)                    | (61,482)                     | (1,603)                      |
| <b>Net cash from investing activities.....</b>                  | <b>(35,974)</b>             | <b>(49,215)</b>             | <b>(55,731)</b>                          | <b>(82,100)</b>                     | <b>(128,083)</b>             | <b>(61,482)</b>              | <b>(1,603)</b>               |
| <b>CASHFLOWS FROM FINANCING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases.....                         | (616)                       | (313)                       | (288)                                    | (315)                               | (349)                        | (348)                        | (329)                        |
| <b>Net cash from financing activities.....</b>                  | <b>(616)</b>                | <b>(313)</b>                | <b>(288)</b>                             | <b>(315)</b>                        | <b>(349)</b>                 | <b>(348)</b>                 | <b>(329)</b>                 |
| <b>NET INCREASE/(DECREASE) IN CASH<br/>HELD .....</b>           | <b>145,050</b>              | <b>(129,810)</b>            | <b>(136,837)</b>                         | <b>(49,968)</b>                     | <b>(18,080)</b>              | <b>(1,572)</b>               | <b>(71)</b>                  |
| Cash assets at the beginning of the reporting<br>period .....   | 106,871                     | 248,857                     | 251,921                                  | 115,084                             | 65,116                       | 47,036                       | 45,464                       |
| <b>Cash assets at the end of the reporting<br/>period .....</b> | <b>251,921</b>              | <b>119,047</b>              | <b>115,084</b>                           | <b>65,116</b>                       | <b>47,036</b>                | <b>45,464</b>                | <b>45,393</b>                |

(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 (a)(b)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Regulatory Fees and Fines</b>   |                             |                             |  |                                     |                              |                              |                              |
| Liquor Fees Revenue .....  | 3,695                       | 6,824                       | 6,825                                    | 9,240                               | 9,416                        | 11,405                       | 11,601                       |
| Off-Road Vehicle Fees Revenue .....  | 104                         | 29                          | 103                                      | 137                                 | 185                          | 278                          | 278                          |
| <b>Grants and Subsidies</b>  |                             |                             |  |                                     |                              |                              |                              |
| Direct Grants and Subsidies Receipts .....   | 1,294                       | 647                         | 12,263                                   | 13,415                              | 3,290                        | 3,290                        | 3,338                        |
| Provision of Services to the Commonwealth .....                                      | 456                         | 9,641                       | 2,421                                    | 5,030                               | 16,040                       | -                            | -                            |
| <b>Sale of Goods and Services</b>  |                             |                             |  |                                     |                              |                              |                              |
| Other .....  | 9,208                       | 5,407                       | 12,784                                   | 14,468                              | 15,721                       | 16,106                       | 16,453                       |
| Provision of Services to the Racing and<br>Gaming Industries .....                   | 3,353                       | 4,528                       | 5,407                                    | 4,442                               | 4,484                        | 4,647                        | 4,647                        |
| Revenue Received for the Provision of<br>Accommodation and Recreation Programs ..... | 3,976                       | 4,888                       | 4,888                                    | 4,921                               | 4,993                        | 5,091                        | 5,091                        |
| <b>GST Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| GST Input Credits .....  | 17,665                      | 25,646                      | 25,646                                   | 27,487                              | 21,230                       | 18,043                       | 18,043                       |
| GST Receipts on Sales .....  | 3,548                       | 2,918                       | 2,918                                    | 2,816                               | 1,759                        | 1,831                        | 1,831                        |
| <b>Other Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| Other Receipts .....   | 9,961                       | 810                         | 8,324                                    | 4,121                               | 4,177                        | 4,100                        | 4,100                        |
| Rental Income .....  | 808                         | 1,090                       | 1,645                                    | 1,707                               | 1,705                        | 1,705                        | 1,705                        |
| <b>TOTAL .....</b>   | <b>54,068</b>               | <b>62,428</b>               | <b>83,224</b>                            | <b>87,784</b>                       | <b>83,000</b>                | <b>66,496</b>                | <b>67,087</b>                |

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

(b) The Art Gallery of Western Australia, Perth Theatre Trust, Library Board of Western Australia and the Western Australia Museum are Statutory Authorities and as a result are excluded from the Net Appropriation Determination.

**DETAILS OF ADMINISTERED TRANSACTIONS**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>INCOME</b>  |                             |                             |  |                                     |                              |                              |                              |
| <b>Taxation</b>  |                             |                             |  |                                     |                              |                              |                              |
| Casino Tax .....   | 54,673                      | 51,500                      | 51,500                                   | 53,000                              | 54,000                       | 54,000                       | 54,000                       |
| <b>Other</b>   |                             |                             |  |                                     |                              |                              |                              |
| Appropriation (a) .....  | 63,680                      | 83,695                      | 87,098                                   | 42,221                              | 42,893                       | 44,863                       | 46,127                       |
| Combat Sports Commission Appropriation .....                         | 860                         | 860                         | 945                                      | 953                                 | 962                          | 971                          | 971                          |
| Revenue - Other .....  | 6,909                       | -                           | 12                                       | -                                   | -                            | -                            | -                            |
| <b>TOTAL ADMINISTERED INCOME .....</b>                               | <b>126,122</b>              | <b>136,055</b>              | <b>139,555</b>                           | <b>96,174</b>                       | <b>97,855</b>                | <b>99,834</b>                | <b>101,098</b>               |
| <b>EXPENSES</b>  |                             |                             |  |                                     |                              |                              |                              |
| <b>Grants to Charitable and Other Public Bodies</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Grants to Individuals Problem Gambling ....                          | 500                         | 500                         | 500                                      | 500                                 | 500                          | 500                          | 500                          |
| Land Tax Assistance for Landlords .....                              | 1,925                       | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Subsidies and Concessions</b>                                     |                             |                             |  |                                     |                              |                              |                              |
| Subsidies to Gambling and Betting<br>Agencies and Bookmakers .....   | 51,657                      | 39,581                      | 45,853                                   | 41,721                              | 42,393                       | 44,363                       | 45,627                       |
| <b>Other</b>   |                             |                             |  |                                     |                              |                              |                              |
| Combat Sports Commission Expenditure ...                             | 860                         | 860                         | 945                                      | 953                                 | 962                          | 971                          | 971                          |
| Other .....  | 25                          | -                           | -  | -                                   | -                            | -                            | -                            |
| Receipts Paid into the Consolidated Account .....                    | 74,026                      | 74,000                      | 74,000                                   | 53,000                              | 54,000                       | 54,000                       | 54,000                       |
| Rugby WA Loan .....  | -                           | 1,015                       | 1,015                                    | -                                   | -                            | -                            | -                            |
| Small Business Severe Tropical Cyclone<br>Seroja Grants Scheme ..... | 740                         | 120                         | 132                                      | -                                   | -                            | -                            | -                            |
| Small Business Lockdown Assistance<br>Grants Program .....           | 10,052                      | 47,378                      | 44,509                                   | -                                   | -                            | -                            | -                            |
| <b>TOTAL ADMINISTERED EXPENSES .....</b>                             | <b>139,785</b>              | <b>163,454</b>              | <b>166,954</b>                           | <b>96,174</b>                       | <b>97,855</b>                | <b>99,834</b>                | <b>101,098</b>               |

(a) Includes Appropriation for Administration of Small Business Cyclone Seroja Grants Scheme and Small Business COVID-19 Assistance Grants Programs.

## Agency Special Purpose Account Details

### ARTS LOTTERIES SPECIAL PURPOSE ACCOUNT

Account Purpose: The purpose of the Account is to hold moneys received, pursuant to section 22(2)(d) and 22(5) of the *Lotteries Commission Act 1990*, to be applied in such proportions and among such bodies engaged in the conduct of cultural activities in the State.

|                                  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|----------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|
| Opening Balance .....            | 3,064                       | 10,662                      | 10,662                                   | 4,000                               |
| Receipts:<br>Appropriations..... | 19,007                      | 16,962                      | 20,444                                   | 17,791                              |
|                                  | 22,071                      | 27,624                      | 31,106                                   | 21,791                              |
| Payments .....                   | 15,849                      | 23,624                      | 27,106                                   | 17,791                              |
| <b>CLOSING BALANCE .....</b>     | <b>6,222</b>                | <b>4,000</b>                | <b>4,000</b>                             | <b>4,000</b>                        |

### COMMUNITY SPORTING AND RECREATION FACILITIES SPECIAL PURPOSE ACCOUNT

Account Purpose: The Fund holds moneys appropriated for the purpose of making grants for the development of public sporting and recreation facilities and for the management and administration of those grants.

|                                  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|----------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|
| Opening Balance .....            | 1,328                       | 8,923                       | 8,923                                    | 7,294                               |
| Receipts:<br>Appropriations..... | 18,000                      | 13,000                      | 13,000                                   | 12,000                              |
|                                  | 19,328                      | 21,923                      | 21,923                                   | 19,294                              |
| Payments .....                   | 10,405                      | 15,000                      | 14,629                                   | 12,742                              |
| <b>CLOSING BALANCE .....</b>     | <b>8,923</b>                | <b>6,923</b>                | <b>7,294</b>                             | <b>6,552</b>                        |

### SPORTS LOTTERIES SPECIAL PURPOSE ACCOUNT

Account Purpose: The purpose of the account is to hold moneys received, pursuant to section 22(2)(c) and 22(4) of the *Lotteries Commission Act 1990*, to be applied in such proportions and among such bodies engaged in the conduct of sport in the State.

|                                  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|----------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|
| Opening Balance .....            | 5,077                       | 7,237                       | 7,237                                    | 4,399                               |
| Receipts:<br>Appropriations..... | 19,007                      | 16,962                      | 20,444                                   | 17,791                              |
| Other .....                      | 24                          | -                           | -  | -                                   |
|                                  | 24,108                      | 24,199                      | 27,681                                   | 22,190                              |
| Payments .....                   | 16,871                      | 19,800                      | 23,282                                   | 17,791                              |
| <b>CLOSING BALANCE .....</b>     | <b>7,237</b>                | <b>4,399</b>                | <b>4,399</b>                             | <b>4,399</b>                        |

# Division 37 Western Australian Sports Centre Trust

## Part 8 Community Services

### Appropriations, Expenses and Cash Assets

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>                               |                             |                             |  |                                     |                              |                              |                              |
| Item 81 Net amount appropriated to deliver services ..... | 112,453                     | 102,204                     | 119,651                                  | 89,538                              | 77,242                       | 76,823                       | 77,472                       |
| Total appropriations provided to deliver services.....    | 112,453                     | 102,204                     | 119,651                                  | 89,538                              | 77,242                       | 76,823                       | 77,472                       |
| <b>CAPITAL</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 143 Capital Appropriation <sup>(a)</sup> .....       | 25,753                      | 28,906                      | 29,843                                   | 34,281                              | 26,196                       | 23,823                       | 23,936                       |
| <b>TOTAL APPROPRIATIONS</b> .....                         | 138,206                     | 131,110                     | 149,494                                  | 123,819                             | 103,438                      | 100,646                      | 101,408                      |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....                              | 218,052                     | 225,302                     | 218,447                                  | 258,251                             | 247,660                      | 247,269                      | 248,082                      |
| Net Cost of Services <sup>(b)</sup> .....                 | 120,944                     | 102,944                     | 120,391                                  | 92,685                              | 80,318                       | 79,898                       | 80,496                       |
| <b>CASH ASSETS</b> <sup>(c)</sup> .....                   | 73,511                      | 45,505                      | 60,014                                   | 57,913                              | 55,885                       | 53,227                       | 50,582                       |

(a) Additional Capital Appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program.

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

(c) As at 30 June each financial year.

### Spending Changes

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

|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COVID-19 Response</b>   |  |                                     |                              |                              |                              |
| Commercial Sporting Franchises Support Program .....                 | 1,400                                    | -                                   | -                            | -                            | -                            |
| Reduction in Expenditures Due to COVID-19 Impact on Activities ..... | (8,070)                                  | -                                   | -                            | -                            | -                            |
| <b>Ongoing Initiatives</b>   |  |                                     |                              |                              |                              |
| Additional Safety and Risk Resourcing .....                          | -  | 401                                 | 405                          | 409                          | 413                          |
| Optus Stadium Modifications and Lifecycle Costs .....                | 1,207                                    | 1,362                               | 1,015                        | 898                          | 1,464                        |
| Optus Stadium Revised Financial Forecast .....                       | -  | 820                                 | -                            | -                            | -                            |
| <b>Other</b>   |  |                                     |                              |                              |                              |
| 2022-23 Tariffs, Fees and Charges .....                              | -  | 89                                  | 114                          | 139                          | 354                          |

## Significant Issues Impacting the Agency

### COVID-19 Impact

1. The COVID-19 pandemic continues to present challenges globally. While the frequency and extent of requirements applicable to businesses and individuals in Western Australia in 2022-23 are expected to ease compared to 2021-22, the recovery of the sport and entertainment industries will take time to return to pre-pandemic levels as confidence gradually improves and events are secured and delivered.
2. It is expected that market conditions will change and be more conducive to rebuilding event calendars for the portfolio of venues in 2022-23, with major international tours and sporting events likely to recommence. The operating environment is forecast to see growth in the number of events scheduled and delivered, however, the profitability of these events may be negatively impacted due to the increased volume of events and subsequent competition for consumer spend. The sporting event business is directly influenced by national and international competition that will start to recover with borders now open and capacity restrictions predominantly removed. Consumer confidence has been affected by COVID-19 disrupting plans for live events, and patron attendance hesitancy. This is expected to improve as events are delivered and restrictions removed, but it may take some time for ticket purchasing patterns and lead times to return to pre-pandemic levels.
3. The low unemployment rate in Western Australia combined with the volatility of the live event industry has significantly impacted the supply chain and the labour workforce. It will remain a challenge to scale the casual workforce throughout the financial year and this will be impacted further by the higher volume of events, and competition for casual workers. It will take time for the industry to rebuild and acquire skills lost to alternative employers. Services affected by skills shortages include sound, lighting and video technicians, transport, logistics, rigging, and critical venue support services including security and catering.

### HBF Stadium Upgrade

4. The Government's significant investment in economic infrastructure projects to aid the State's recovery has delivered additional funds for VenuesWest's capital works program. Venue upgrades and works over the next financial year will deliver multiple projects including further investment into HBF Park to meet FIFA requirements as a host venue for the 2023 FIFA Women's World Cup, and a new dry diving training centre at HBF Stadium. HBF Stadium is required to update its Fire and Emergency Services fire hydrant system which will have a significant one-off cost.

### Optus Stadium Rooftop Attraction

5. Construction of the rooftop attraction at Optus Stadium has delivered on the State's vision of a safe and accessible rooftop experience for all ages and abilities. This unique attraction will provide exhilarating experiences and enhance the vibrancy of the precinct as well as increase non-event revenues.

### Infrastructure Upgrades

6. Public safety and security remain key aspects of delivering great venue experiences in an ever-changing environment. Working with the Western Australia Police Force and other essential service providers, VenuesWest has commenced a program of infrastructure upgrades across its higher profile venues to mitigate security risks. The organisational capacity and capability to prepare, react and recover from any public safety incident continues to be important. Regular monitoring of national threat levels and strong relationships with relevant security agencies will remain essential.

### Strategic Asset Program

7. The findings from a full asset condition assessment audit of the portfolio are being utilised to prioritise VenuesWest's capital investment planning. This work, in conjunction with the Strategic Asset Program (SAP) and master planning, will guide VenuesWest's decisions across its large portfolio of State assets at various stages in their lifecycle. The first iteration of the SAP has been submitted to Government and will be updated annually to inform the intended infrastructure investment plan. The condition of assets is critical to enable compliance with world-class training and competition standards, planning for asset maintenance and renewal as well as the generation of commercial revenues.

## Customer Technology Demands

8. The integration of physical and digital customer experiences continues with technology demands by customers extending to on-demand technology consumption, fan engagement and interactions using augmented reality, social media, and interactive digital installations as well as delivery of services that ease pain points and enhance the live event experience. The capacity for venues to generate new revenue streams as a result of improved technologies must be balanced with the need to manage cyber security threats.

## 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 VenuesWest'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 Outcome   | Services   |
|--|---|--|
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Sustainable, accessible and profitable State assets delivering sport, recreation and entertainment opportunities for Western Australians. | <ol style="list-style-type: none"> <li>1. Deliver Training and Competition Facilities for High Performance Sport</li> <li>2. Provision of Venues and Precincts Delivering Quality Sport and Entertainment Experiences</li> </ol> |

### Service Summary

| Expense   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Deliver Training and Competition Facilities for High Performance Sport .....                   | 136,876                     | 155,032                     | 147,811                                  | 174,547                             | 169,565                      | 169,046                      | 169,602                      |
| 2. Provision of Venues and Precincts Delivering Quality Sport and Entertainment Experiences ..... | 81,176                      | 70,270                      | 70,636                                   | 83,704                              | 78,095                       | 78,223                       | 78,480                       |
| <b>Total Cost of Services .....</b>   | <b>218,052</b>              | <b>225,302</b>              | <b>218,447</b>                           | <b>258,251</b>                      | <b>247,660</b>               | <b>247,269</b>               | <b>248,082</b>               |

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Sustainable, accessible and profitable state assets delivering sport, recreation and entertainment opportunities for Western Australians:</b> |                   |                   |                                |                             |      |
| Percentage of targeted sports where venues meet international competition standards .....   | 89%               | 89%               | 89%                            | 89%                         |      |
| High performance sport user satisfaction.....   | 92%               | 90%               | 90%                            | 90%                         |      |
| Level of patronage .....  | 4.2 million       | 4.5 million       | 4.4 million                    | 6.1 million                 | 1    |
| Customer satisfaction.....  | 92%               | 90%               | 92%                            | 92%                         |      |

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

**Explanation of Significant Movements**

(Notes)

1. The level of patronage at venues is expected to increase in 2022-23 following an anticipated transition out of COVID-19 restrictions and expanded event hosting opportunities. Pent up supply of event content is also expected to drive increased attendance.

**Services and Key Efficiency Indicators****1. Deliver Training and Competition Facilities for High Performance Sport**

Manage and maintain facilities of an international level for elite sport programs.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|---|-------------------|-------------------|--------------------------------|-----------------------------|----------|
| Total Cost of Service.....  | \$'000<br>136,876 | \$'000<br>155,032 | \$'000<br>147,811              | \$'000<br>174,547           | 1        |
| Less Income .....   | 63,180            | 88,362            | 72,011                         | 110,478                     | 1        |
| Net Cost of Service .....   | 73,696            | 66,670            | 75,800                         | 64,069                      |          |
| <b>Employees (Full-Time Equivalents) .....</b>  | <b>270</b>        | <b>293</b>        | <b>293</b>                     | <b>328</b>                  | <b>2</b> |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |          |
| The subsidy VenuesWest provides to high performance sport and training competition <sup>(a)</sup> ..... | 61%               | 60%               | 54%                            | 67%                         | 1        |

(a) The calculation of the subsidy VenuesWest provides to high performance sport and training competition has been updated to exclude depreciation costs from the Total Cost of Service to align with the basis on which appropriation funding is provided.

**Explanation of Significant Movements**

(Notes)

1. Numbers reflect the financial consequences of operating in a COVID-19 impacted environment with a recovery in activity anticipated from 2022-23.
2. FTE growth in the 2022-23 Budget Target reflects the return to established levels for full-time staff and increased casual hours required to deal with significantly higher activity levels in 2022-23 following more than two years of COVID-19 reduced event activity.

## 2. Provision of Venues and Precincts Delivering Quality Sport and Entertainment Experiences

Manage and maintain facilities to provide for community, sporting and entertainment services, programs and events.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|--|-------------------|-------------------|--------------------------------|-----------------------------|----------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |          |
| Total Cost of Service.....                     | 81,176            | 70,270            | 70,636                         | 83,704                      | 1        |
| Less Income .....                              | 33,928            | 33,996            | 26,045                         | 55,088                      | 1        |
| Net Cost of Service .....                      | 47,248            | 36,274            | 44,591                         | 28,616                      |          |
| <b>Employees (Full-Time Equivalents) .....</b> | <b>255</b>        | <b>269</b>        | <b>269</b>                     | <b>307</b>                  | <b>2</b> |
| <b>Efficiency Indicators</b>                   |                   |                   |                                |                             |          |
| Commercial expense ratio <sup>(a)</sup> .....  | 68%               | 82%               | 68%                            | 90%                         | 1        |

(a) The commercial revenue achieved as a percentage of total operating expenses for the year (across all services and venues).

### Explanation of Significant Movements

(Notes)

- Numbers reflect the financial consequences of operating in a COVID-19 impacted environment with full recovery to pre-COVID-19 activity anticipated from 2022-23.
- FTE growth in the 2022-23 Budget Target reflects the return to established levels for full-time staff and increased casual hours required to deal with significantly higher activity levels in 2022-23 following more than two years of COVID-19 reduced event activity.

## Asset Investment Program

1. The Asset Investment Program for 2022-23 provides for the following significant expenditures:
  - 1.1. \$15 million to continue capital works at HBF Park Stadium in anticipation of hosting the 2023 FIFA Women's World Cup;
  - 1.2. \$4.5 million to upgrade or replace technology infrastructure including ticketing management systems at Optus Stadium;
  - 1.3. \$2.6 million to replace the athletics track and other minor works at the WA Athletics Stadium; and
  - 1.4. \$590,000 to address deficiencies identified by a Building Condition Audit of the VenuesWest's asset base.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>   |                                   |  |   |                                     |                              |                              |                              |
| HBF Park - Stadium Modifications to Host 2023 FIFA Women's World Cup.....                    | 19,480                            | 4,480  | 4,480   | 15,000                              | -                            | -                            | -                            |
| Optus Stadium - Computers and Office Equipment.....  | 32,285                            | 9,465  | 5,224   | 4,510                               | 3,266                        | 7,522                        | 7,522                        |
| Security Infrastructure Upgrades.....  | 12,265                            | 8,654  | 4,298   | -                                   | 3,611                        | -                            | -                            |
| WA Athletics Stadium.....  | 5,195                             | 2,213  | 1,321   | 2,600                               | 382                          | -                            | -                            |
| <b>COMPLETED WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>Election Commitments</b>  |                                   |  |   |                                     |                              |                              |                              |
| HBF Arena Netball Toilets.....   | 520                               | 520  | 520   | -                                   | -                            | -                            | -                            |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Additional Upgrades and Maintenance.....   | 2,868                             | 2,868  | 2,176   | -                                   | -                            | -                            | -                            |
| HBF Park.....  | 1,591                             | 1,591  | 1,441   | -                                   | -                            | -                            | -                            |
| HBF Stadium.....   | 3,203                             | 3,203  | 3,003   | -                                   | -                            | -                            | -                            |
| Lighting Upgrades (HBF Stadium and HBF Arena).....   | 1,500                             | 1,500  | 1,500   | -                                   | -                            | -                            | -                            |
| Optus Stadium - Additional Turf.....   | 1,000                             | 1,000  | 500   | -                                   | -                            | -                            | -                            |
| Shade at Outdoor Pools.....  | 349                               | 349  | 324   | -                                   | -                            | -                            | -                            |
| <b>Other Completed Works</b>   |                                   |  |   |                                     |                              |                              |                              |
| Capital Upgrades and Maintenance   |                                   |  |   |                                     |                              |                              |                              |
| 2020-21 Program.....   | 11,496                            | 11,496   | 4,938   | -                                   | -                            | -                            | -                            |
| 2021-22 Program.....   | 10,110                            | 10,110   | 10,110  | -                                   | -                            | -                            | -                            |
| RAC Arena - Commercial Product Innovation.....   | 1,500                             | 1,500  | 1,500   | -                                   | -                            | -                            | -                            |
| Optus Stadium Building Cost Finalisation.....  | 23,500                            | 23,500   | 23,500  | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Capital Upgrades and Maintenance   |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program.....   | 10,110                            | -  | -   | 10,110                              | -                            | -                            | -                            |
| 2023-24 Program.....   | 13,165                            | -  | -   | -                                   | 13,165                       | -                            | -                            |
| 2024-25 Program.....   | 10,110                            | -  | -   | -                                   | -                            | 10,110                       | -                            |
| 2025-26 Program.....   | 10,110                            | -  | -   | -                                   | -                            | -                            | 10,110                       |
| Buildings Condition Audit.....   | 5,288                             | -  | -   | 590                                 | 1,044                        | 739                          | 2,915                        |
| <b>Total Cost of Asset Investment Program.....</b>   | <b>175,645</b>                    | <b>82,449</b>                                    | <b>64,835</b>                                 | <b>32,810</b>                       | <b>21,468</b>                | <b>18,371</b>                | <b>20,547</b>                |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Capital Appropriation.....   |                                   |  | 21,984  | 25,867                              | 16,289                       | 12,932                       | 12,932                       |
| Drawdowns from the Holding Account.....  |                                   |  | 6,200   | 5,290                               | 5,744                        | 5,439                        | 7,615                        |
| Funding Included in Department of Treasury - Major State Infrastructure <sup>(a)</sup> ..... |                                   |  | 22,469  | -                                   | -                            | -                            | -                            |
| Internal Funds and Balances <sup>(b)</sup> .....   |                                   |  | 14,182  | 2,453                               | 235                          | 800                          | -                            |
| Other <sup>(c)</sup> .....   |                                   |  | -   | (800)                               | (800)                        | (800)                        | -                            |
| <b>Total Funding.....</b>  |                                   |  | <b>64,835</b>                                 | <b>32,810</b>                       | <b>21,468</b>                | <b>18,371</b>                | <b>20,547</b>                |

(a) Attributable to the settlement of the Optus Stadium contract dispute.

(b) Carryover of prior year capital funding.

(c) Offsetting income for project initiatives.



## Financial Statements

### Income Statement

#### *Expenses*

1. The COVID-19 environment has had consequential impacts on operating activities across the venues. Total Cost of Services for the 2021-22 Estimated Actual is expected to closely align with the 2020-21 Actual. With major international tours and sporting events likely to recommence in 2022-23, operating activities are expected to return to pre-COVID-19 levels. Consequently, expenses reflect a resumption to more complete event calendars and schedules at venues.
2. The 2022-23 Budget Year contains assumptions that anticipate minimal COVID-19 impacts and restrictions at venues. There are risks of higher input costs during a post-COVID-19 recovery phase, particularly in relation to labour hire and the ability to secure skill sets.

#### *Income*

3. COVID-19 has had significant implications for the higher profile venues. The ability to host international concert events has been severely limited due to Commonwealth and State border restrictions. Consequently, revenues at both Optus Stadium and RAC Arena were significantly reduced in 2020-21 and 2021-22. User charges and fees have also fallen due to public health restrictions impacting other activities. Net Cost of Services for 2021-22 has remained consistent with a similarly impacted 2020-21 period. Income is expected to return to pre-COVID-19 levels in 2022-23 with less reliance on service appropriations from Government to support the agency's activities.

### Statement of Cashflows

4. Net cash provided by Government is higher in the 2021-22 Estimated Actual compared to the 2020-21 Actual due to funding provided to finalise settlement of the Optus Stadium build contract.
5. Higher receipts in the 2022-23 Budget Year (relative to previous years) reflect an assumed return to pre-COVID-19 levels of activity.
6. Variable components of cash payments in 2021-22 are moderated by the restriction to activity resulting from the COVID-19 operating environment.
7. Cash outflows in excess of inflows in the 2022-23 Budget Year are offset by cash balances held.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 44,897                      | 49,321                      | 49,265                                   | 59,741                              | 56,674                       | 56,988                       | 57,207                       |
| Grants and subsidies <sup>(c)</sup> .....        | 8                           | -                           | -  | -                                   | -                            | -                            | -                            |
| Supplies and services .....                      | 49,307                      | 60,069                      | 51,208                                   | 74,694                              | 75,736                       | 75,736                       | 75,736                       |
| Accommodation .....                              | 12,979                      | 9,948                       | 10,395                                   | 9,899                               | 11,859                       | 11,859                       | 11,859                       |
| Depreciation and amortisation .....              | 74,471                      | 71,921                      | 71,925                                   | 71,924                              | 72,018                       | 72,018                       | 72,018                       |
| Finance and interest costs .....                 | 18,054                      | 18,767                      | 18,767                                   | 18,342                              | 17,936                       | 17,326                       | 17,326                       |
| Other expenses .....                             | 18,336                      | 15,276                      | 16,887                                   | 23,651                              | 13,437                       | 13,342                       | 13,936                       |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>218,052</b>              | <b>225,302</b>              | <b>218,447</b>                           | <b>258,251</b>                      | <b>247,660</b>               | <b>247,269</b>               | <b>248,082</b>               |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services .....                 | 74,606                      | 99,433                      | 79,621                                   | 137,808                             | 124,501                      | 124,530                      | 124,745                      |
| Grants and subsidies .....                       | 1,867                       | -                           | -  | -                                   | -                            | -                            | -                            |
| Other revenue .....                              | 20,635                      | 22,925                      | 18,435                                   | 27,758                              | 42,841                       | 42,841                       | 42,841                       |
| <b>Total Income .....</b>                        | <b>97,108</b>               | <b>122,358</b>              | <b>98,056</b>                            | <b>165,566</b>                      | <b>167,342</b>               | <b>167,371</b>               | <b>167,586</b>               |
| <b>NET COST OF SERVICES .....</b>                | <b>120,944</b>              | <b>102,944</b>              | <b>120,391</b>                           | <b>92,685</b>                       | <b>80,318</b>                | <b>79,898</b>                | <b>80,496</b>                |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 112,453                     | 102,204                     | 119,651                                  | 89,538                              | 77,242                       | 76,823                       | 77,472                       |
| Other revenues .....                             | 213                         | 3,348                       | 1,374                                    | 2,648                               | 430                          | 430                          | 430                          |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>112,666</b>              | <b>105,552</b>              | <b>121,025</b>                           | <b>92,186</b>                       | <b>77,672</b>                | <b>77,253</b>                | <b>77,902</b>                |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>(8,278)</b>              | <b>2,608</b>                | <b>634</b>                               | <b>(499)</b>                        | <b>(2,646)</b>               | <b>(2,645)</b>               | <b>(2,594)</b>               |

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 525, 562 and 635 respectively.

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

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Contracted Costs Paid in Relation to Sponsorship Arrangements ..... | 8                           | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>TOTAL .....</b>  | <b>8</b>                    | <b>-</b>                    | <b>-</b>                                 | <b>-</b>                            | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                     |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                         | 72,375                      | 44,611                      | 58,878                                   | 56,777                              | 54,749                       | 52,091                       | 49,446                       |
| Restricted cash .....                     | 1,136                       | 894                         | 1,136                                    | 1,136                               | 1,136                        | 1,136                        | 1,136                        |
| Holding Account receivables .....         | 4,700                       | 6,200                       | 6,200                                    | 6,790                               | 7,834                        | 8,573                        | 11,488                       |
| Receivables .....                         | 11,440                      | 10,592                      | 11,440                                   | 11,440                              | 11,440                       | 11,440                       | 11,440                       |
| Other.....                                | 14,732                      | 3,316                       | 14,732                                   | 14,732                              | 14,732                       | 14,732                       | 14,732                       |
| Total current assets .....                | 104,383                     | 65,613                      | 92,386                                   | 90,875                              | 89,891                       | 87,972                       | 88,242                       |
| <b>NON-CURRENT ASSETS</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....         | 346,100                     | 410,270                     | 410,270                                  | 476,260                             | 541,410                      | 606,562                      | 667,362                      |
| Property, plant and equipment.....        | 1,763,568                   | 1,742,114                   | 1,749,436                                | 1,701,371                           | 1,650,915                    | 1,597,822                    | 1,547,011                    |
| Intangibles .....                         | 2,260                       | 1,566                       | 2,260                                    | 2,260                               | 2,260                        | 2,260                        | 2,260                        |
| Total non-current assets .....            | 2,111,928                   | 2,153,950                   | 2,161,966                                | 2,179,891                           | 2,194,585                    | 2,206,644                    | 2,216,633                    |
| <b>TOTAL ASSETS .....</b>                 | <b>2,216,311</b>            | <b>2,219,563</b>            | <b>2,254,352</b>                         | <b>2,270,766</b>                    | <b>2,284,476</b>             | <b>2,294,616</b>             | <b>2,304,875</b>             |
| <b>CURRENT LIABILITIES</b>                |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 6,658                       | 4,773                       | 6,658                                    | 6,658                               | 6,658                        | 6,658                        | 6,658                        |
| Payables .....                            | 10,760                      | 1,679                       | 10,760                                   | 10,760                              | 10,760                       | 10,760                       | 10,760                       |
| Borrowings and leases .....               | 7,932                       | 9,861                       | 8,512                                    | 10,005                              | 11,088                       | 11,789                       | 11,793                       |
| Other.....                                | 41,662                      | 30,462                      | 41,662                                   | 41,662                              | 41,662                       | 41,662                       | 41,662                       |
| Total current liabilities .....           | 67,012                      | 46,775                      | 67,592                                   | 69,085                              | 70,168                       | 70,869                       | 70,873                       |
| <b>NON-CURRENT LIABILITIES</b>            |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 1,270                       | 1,685                       | 1,270                                    | 1,270                               | 1,270                        | 1,270                        | 1,270                        |
| Borrowings and leases .....               | 346,378                     | 338,463                     | 337,990                                  | 328,069                             | 316,990                      | 305,251                      | 294,164                      |
| Total non-current liabilities .....       | 347,648                     | 340,148                     | 339,260                                  | 329,339                             | 318,260                      | 306,521                      | 295,434                      |
| <b>TOTAL LIABILITIES.....</b>             | <b>414,660</b>              | <b>386,923</b>              | <b>406,852</b>                           | <b>398,424</b>                      | <b>388,428</b>               | <b>377,390</b>               | <b>366,307</b>               |
| <b>EQUITY</b>                             |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                  | 1,623,103                   | 1,674,646                   | 1,675,503                                | 1,709,880                           | 1,736,232                    | 1,760,055                    | 1,783,991                    |
| Accumulated surplus/(deficit).....        | 88,982                      | 96,501                      | 89,616                                   | 89,117                              | 86,471                       | 83,826                       | 81,232                       |
| Reserves.....                             | 89,566                      | 61,493                      | 82,381                                   | 73,345                              | 73,345                       | 73,345                       | 73,345                       |
| Total equity .....                        | 1,801,651                   | 1,832,640                   | 1,847,500                                | 1,872,342                           | 1,896,048                    | 1,917,226                    | 1,938,568                    |
| <b>TOTAL LIABILITIES AND EQUITY .....</b> | <b>2,216,311</b>            | <b>2,219,563</b>            | <b>2,254,352</b>                         | <b>2,270,766</b>                    | <b>2,284,476</b>             | <b>2,294,616</b>             | <b>2,304,875</b>             |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                                |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                     | 40,583                      | 30,334                      | 47,781                                   | 17,668                              | 5,304                        | 5,493                        | 6,142                        |
| Capital appropriation .....                                     | 25,753                      | 28,906                      | 29,843                                   | 34,281                              | 26,196                       | 23,823                       | 23,936                       |
| Holding Account drawdowns .....                                 | 4,700                       | 6,200                       | 6,200                                    | 5,290                               | 5,744                        | 5,439                        | 7,615                        |
| Other.....  | 213                         | 25,817                      | 23,843                                   | 2,648                               | 430                          | 430                          | 430                          |
| <b>Net cash provided by Government .....</b>                    | <b>71,249</b>               | <b>91,257</b>               | <b>107,667</b>                           | <b>59,887</b>                       | <b>37,674</b>                | <b>35,185</b>                | <b>38,123</b>                |
| <b>CASHFLOWS FROM OPERATING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....  | (43,480)                    | (49,321)                    | (49,265)                                 | (59,741)                            | (56,674)                     | (56,988)                     | (57,207)                     |
| Grants and subsidies.....                                       | (8)                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Supplies and services .....                                     | (44,975)                    | (58,766)                    | (49,907)                                 | (73,385)                            | (74,428)                     | (75,116)                     | (75,116)                     |
| Accommodation .....   | (12,979)                    | (9,977)                     | (10,424)                                 | (9,928)                             | (11,991)                     | (11,991)                     | (11,991)                     |
| GST payments .....  | (19,109)                    | (1,460)                     | (1,460)                                  | (1,460)                             | (1,460)                      | (1,460)                      | (1,460)                      |
| Finance and interest costs.....                                 | (18,815)                    | (18,766)                    | (18,766)                                 | (18,342)                            | (17,930)                     | (17,305)                     | (17,305)                     |
| Other payments.....   | (19,281)                    | (16,551)                    | (18,156)                                 | (24,920)                            | (14,634)                     | (14,541)                     | (15,135)                     |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Grants and subsidies.....                                       | 1,867                       | -                           | -  | -                                   | -                            | -                            | -                            |
| Sale of goods and services.....                                 | 87,616                      | 117,955                     | 94,702                                   | 158,538                             | 140,216                      | 140,245                      | 140,460                      |
| GST receipts .....  | 19,326                      | 1,460                       | 1,460                                    | 1,460                               | 1,460                        | 1,460                        | 1,460                        |
| Other receipts .....  | 20,560                      | 4,403                       | 3,354                                    | 7,027                               | 27,126                       | 27,126                       | 27,139                       |
| <b>Net cash from operating activities .....</b>                 | <b>(29,278)</b>             | <b>(31,023)</b>             | <b>(48,462)</b>                          | <b>(20,751)</b>                     | <b>(8,315)</b>               | <b>(8,570)</b>               | <b>(9,155)</b>               |
| <b>CASHFLOWS FROM INVESTING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                            | (20,718)                    | (65,706)                    | (64,835)                                 | (32,810)                            | (21,468)                     | (18,371)                     | (20,547)                     |
| Proceeds from sale of non-current assets.....                   | 3                           | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Net cash from investing activities.....</b>                  | <b>(20,715)</b>             | <b>(65,706)</b>             | <b>(64,835)</b>                          | <b>(32,810)</b>                     | <b>(21,468)</b>              | <b>(18,371)</b>              | <b>(20,547)</b>              |
| <b>CASHFLOWS FROM FINANCING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases .....                        | (7,603)                     | (6,922)                     | (7,867)                                  | (8,427)                             | (9,919)                      | (10,902)                     | (11,066)                     |
| <b>Net cash from financing activities.....</b>                  | <b>(7,603)</b>              | <b>(6,922)</b>              | <b>(7,867)</b>                           | <b>(8,427)</b>                      | <b>(9,919)</b>               | <b>(10,902)</b>              | <b>(11,066)</b>              |
| <b>NET INCREASE/(DECREASE) IN CASH<br/>HELD .....</b>           | <b>13,653</b>               | <b>(12,394)</b>             | <b>(13,497)</b>                          | <b>(2,101)</b>                      | <b>(2,028)</b>               | <b>(2,658)</b>               | <b>(2,645)</b>               |
| Cash assets at the beginning of the reporting<br>period .....   | 59,858                      | 57,899                      | 73,511                                   | 60,014                              | 57,913                       | 55,885                       | 53,227                       |
| <b>Cash assets at the end of the reporting<br/>period .....</b> | <b>73,511</b>               | <b>45,505</b>               | <b>60,014</b>                            | <b>57,913</b>                       | <b>55,885</b>                | <b>53,227</b>                | <b>50,582</b>                |

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

# Western Australian Institute of Sport

## Part 8 Community Services

### Asset Investment Program

- The program covers the Institute's upgrade and replacement of capital-intensive sporting equipment, sport science technology and hardware and office equipment, assisting the Institute to provide opportunities for talented Western Australian athletes to achieve excellence in elite sport with support from their home environment.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COMPLETED WORKS</b>                             |                                   |  |   |                                     |                              |                              |                              |
| Asset Replacement - 2021-22 Program.....           | 143                               | 143  | 143   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>                                   |                                   |  |   |                                     |                              |                              |                              |
| Asset Replacement                                  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                              | 143                               | -  | -   | 143                                 | -                            | -                            | -                            |
| 2023-24 Program .....                              | 143                               | -  | -   | -                                   | 143                          | -                            | -                            |
| 2024-25 Program .....                              | 143                               | -  | -   | -                                   | -                            | 143                          | -                            |
| 2025-26 Program .....                              | 143                               | -  | -   | -                                   | -                            | -                            | 143                          |
| <b>Total Cost of Asset Investment Program.....</b> | <b>715</b>                        | <b>143</b>                                       | <b>143</b>                                    | <b>143</b>                          | <b>143</b>                   | <b>143</b>                   | <b>143</b>                   |
| <b>FUNDED BY</b>                                   |                                   |  |   |                                     |                              |                              |                              |
| Other Grants and Subsidies .....                   |                                   |  | 143   | 143                                 | 143                          | 143                          | 143                          |
| <b>Total Funding .....</b>                         |                                   |  | <b>143</b>                                    | <b>143</b>                          | <b>143</b>                   | <b>143</b>                   | <b>143</b>                   |

# Lotteries Commission

## Part 8 Community Services

### Asset Investment Program

1. Over the forward estimates period, Lotterywest will invest:
  - 1.1. \$1.7 million developing business operating systems, \$2.8 million in maintaining and enhancing gaming products and services, and \$15 million on renewal of the central gaming system;
  - 1.2. \$1.1 million finalising the replacement of the existing grants management system for Lotterywest and Healthway, including ongoing enhancements;
  - 1.3. \$2.4 million maintaining and replacing ICT infrastructure, core systems and environments;
  - 1.4. \$1.5 million to renew and maintain plant and equipment, including voice communications; and
  - 1.5. \$1.5 million to implement a workplace strategy refresh at Lotterywest's head office in Subiaco.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>                           |                                   |  |   |                                     |                              |                              |                              |
| Business System Program.....                       | 2,871                             | 1,152  | 1,126   | 744                                 | 775                          | 100                          | 100                          |
| Gaming System Program.....                         | 4,478                             | 1,728  | 800   | 800                                 | 600                          | 600                          | 750                          |
| Grant System Enhancement.....                      | 1,468                             | 550  | 550   | 256                                 | 331                          | 331                          | -                            |
| Grant System Renewal.....                          | 1,675                             | 1,525  | 1,525   | 150                                 | -                            | -                            | -                            |
| ICT Infrastructure Programs.....                   | 7,924                             | 5,574  | 2,019   | 700                                 | 400                          | 700                          | 550                          |
| Plant and Equipment Program.....                   | 1,917                             | 417  | 289   | 200                                 | 475                          | 525                          | 300                          |
| <b>NEW WORKS</b>                                   |                                   |  |   |                                     |                              |                              |                              |
| Gaming System Renewal.....                         | 15,000                            | -  | -   | -                                   | 5,000                        | 10,000                       | -                            |
| Property Program.....                              | 1,500                             | -  | -   | 1,500                               | -                            | -                            | -                            |
| <b>Total Cost of Asset Investment Program.....</b> | <b>36,833</b>                     | <b>10,946</b>                                    | <b>6,309</b>                                  | <b>4,350</b>                        | <b>7,581</b>                 | <b>12,256</b>                | <b>1,700</b>                 |
| <b>FUNDED BY</b>                                   |                                   |  |   |                                     |                              |                              |                              |
| Internal Funds and Balances.....                   |                                   |  | 6,309   | 4,350                               | 7,581                        | 12,256                       | 1,700                        |
| <b>Total Funding.....</b>                          |                                   |  | <b>6,309</b>                                  | <b>4,350</b>                        | <b>7,581</b>                 | <b>12,256</b>                | <b>1,700</b>                 |

# Metropolitan Cemeteries Board

## Part 8 Community Services

### Asset Investment Program

1. The Board's Asset Investment Program (AIP) totals \$40 million over the forward estimates period and provides quality public cemetery services to meet increasing community expectations. The AIP supports the Board's strategic goal to ensure the State's metropolitan cemetery system remains financially sustainable over the long term.
2. In 2022-23, the AIP totals \$11 million and is focused on upgrading critical cremator equipment, commencing new building works for mausoleum assets in Fremantle and continued investment in improving key business information systems and cemetery grounds development for burial and memorial services, including infrastructure upgrades of amenities on all sites.
3. Across the forward estimates period, the AIP provides for the replacement of buildings and infrastructure via new community hubs, ongoing programs to update ICT, fleet, plant and equipment and other cemetery capital works. These works support the delivery of the Board's services for improved access to the State's metropolitan cemeteries for the benefit of the community, industry and Government.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>                                 |                                   |  |   |                                     |                              |                              |                              |
| Cremators - 2021-22 Program.....                         | 3,350                             | 2,335  | 2,335   | 1,015                               | -                            | -                            | -                            |
| <b>COMPLETED WORKS</b>                                   |                                   |  |   |                                     |                              |                              |                              |
| Building and Infrastructure - 2021-22 Program .....      | 3,479                             | 3,479  | 3,479   | -                                   | -                            | -                            | -                            |
| Burials, Entombments and Memorials - 2021-22 Program ... | 1,110                             | 1,110  | 1,110   | -                                   | -                            | -                            | -                            |
| Fleet, Plant and Equipment - 2021-22 Program.....        | 1,390                             | 1,390  | 1,390   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Building and Infrastructure                              |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                                    | 6,476                             | -  | -   | 6,476                               | -                            | -                            | -                            |
| 2023-24 Program .....                                    | 8,393                             | -  | -   | -                                   | 8,393                        | -                            | -                            |
| 2024-25 Program .....                                    | 7,941                             | -  | -   | -                                   | -                            | 7,941                        | -                            |
| 2025-26 Program .....                                    | 6,078                             | -  | -   | -                                   | -                            | -                            | 6,078                        |
| Burials, Entombments and Memorials                       |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                                    | 595                               | -  | -   | 595                                 | -                            | -                            | -                            |
| 2023-24 Program .....                                    | 1,130                             | -  | -   | -                                   | 1,130                        | -                            | -                            |
| 2024-25 Program .....                                    | 720                               | -  | -   | -                                   | -                            | 720                          | -                            |
| 2025-26 Program .....                                    | 742                               | -  | -   | -                                   | -                            | -                            | 742                          |
| Cremators - 2022-23 Program.....                         | 1,428                             | -  | -   | 1,428                               | -                            | -                            | -                            |
| Fleet, Plant and Equipment                               |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                                    | 1,500                             | -  | -   | 1,500                               | -                            | -                            | -                            |
| 2023-24 Program .....                                    | 1,363                             | -  | -   | -                                   | 1,363                        | -                            | -                            |
| 2024-25 Program .....                                    | 1,366                             | -  | -   | -                                   | -                            | 1,366                        | -                            |
| 2025-26 Program .....                                    | 1,245                             | -  | -   | -                                   | -                            | -                            | 1,245                        |
| <b>Total Cost of Asset Investment Program.....</b>       | <b>48,306</b>                     | <b>8,314</b>                                     | <b>8,314</b>                                  | <b>11,014</b>                       | <b>10,886</b>                | <b>10,027</b>                | <b>8,065</b>                 |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Internal Funds and Balances.....                         |                                   |  | 8,314   | 11,014                              | 10,886                       | 10,027                       | 8,065                        |
| <b>Total Funding .....</b>                               |                                   |  | <b>8,314</b>                                  | <b>11,014</b>                       | <b>10,886</b>                | <b>10,027</b>                | <b>8,065</b>                 |

## Part 9

### Transport

#### Introduction

The Transport portfolio delivers an accessible, reliable and safe transport system across all modes of transport, including road, rail, bus, ferry, freight, shipping, boating, cycling and active transport. It ensures an integrated transport network that facilitates economic and regional development, and focuses on long-term planning and investment in transport infrastructure for the State's future.

#### Summary of Recurrent and Asset Investment Expenditure

| Agency  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|---|--|-------------------------------------|
| Transport   |  |                                     |
| – Total Cost of Services .....                    | 538,535                                  | 647,713                             |
| – Asset Investment Program .....                  | 44,717                                   | 53,691                              |
| Commissioner of Main Roads                        |  |                                     |
| – Total Cost of Services .....                    | 1,574,737                                | 1,713,561                           |
| – Asset Investment Program .....                  | 1,633,246                                | 2,021,148                           |
| Public Transport Authority of Western Australia   |  |                                     |
| – Total Cost of Services .....                    | 1,875,654                                | 1,878,650                           |
| – Asset Investment Program .....                  | 1,380,425                                | 2,328,111                           |
| Provision for METRONET Projects Under Development |  |                                     |
| – Asset Investment Program .....                  | -  | 18,000                              |
| Fremantle Port Authority                          |  |                                     |
| – Asset Investment Program .....                  | 47,129                                   | 78,570                              |



| Agency                           | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|----------------------------------|--|-------------------------------------|
| Kimberley Ports Authority        |  |                                     |
| – Asset Investment Program ..... | 2,736                                    | 7,075                               |
| Mid West Ports Authority         |  |                                     |
| – Asset Investment Program ..... | 34,828                                   | 103,782                             |
| Pilbara Ports Authority          |  |                                     |
| – Asset Investment Program ..... | 159,857                                  | 339,366                             |
| Southern Ports Authority         |  |                                     |
| – Asset Investment Program ..... | 25,228                                   | 59,388                              |

## Ministerial Responsibilities

| Minister                                   | Agency  | Services   |
|--|---|--|
| Minister for Transport;<br>Planning; Ports | Transport                                       | <ol style="list-style-type: none"> <li>1. Strategic Transport Policy and Integrated Planning</li> <li>2. Driver and Vehicle Services</li> <li>3. Maritime</li> <li>4. On-demand Transport</li> </ol>   |
|  | Commissioner of Main Roads                      | <ol style="list-style-type: none"> <li>1. Infrastructure for State Development</li> <li>2. Road Network Maintenance</li> <li>3. Road Safety</li> <li>4. Infrastructure for Community Access</li> <li>5. Road System Management</li> <li>6. Road Efficiency Improvements</li> </ol> |
|  | Public Transport Authority of Western Australia | <ol style="list-style-type: none"> <li>1. Metropolitan and Regional Passenger Services</li> <li>2. Country Passenger Rail and Road Coach Services</li> <li>3. Regional School Bus Services</li> <li>4. Rail Corridor and Residual Freight Issues Management</li> </ol>             |
|  | METRONET Projects Under Development             | n/a  |
|  | Fremantle Port Authority                        | n/a  |
|  | Kimberley Ports Authority                       | n/a  |
|  | Mid West Ports Authority                        | n/a  |
|  | Pilbara Ports Authority                         | n/a  |
|  | Southern Ports Authority                        | n/a  |



## Division 38      **Transport**

### Part 9              Transport

#### Appropriations, Expenses and Cash Assets

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>                                 |                             |                             |  |                                     |                              |                              |                              |
| Item 82 Net amount appropriated to deliver services .....   | 107,123                     | 87,505                      | 86,557                                   | 123,893                             | 102,058                      | 75,240                       | 54,439                       |
| <b>Amount Authorised by Other Statutes</b>                  |                             |                             |  |                                     |                              |                              |                              |
| - Salaries and Allowances Act 1975 .....                    | 894                         | 896                         | 896                                      | 899                                 | 901                          | 903                          | 903                          |
| Total appropriations provided to deliver services.....      | 108,017                     | 88,401                      | 87,453                                   | 124,792                             | 102,959                      | 76,143                       | 55,342                       |
| <b>ADMINISTERED TRANSACTIONS</b>                            |                             |                             |  |                                     |                              |                              |                              |
| Item 83 Western Australian Coastal Shipping Commission..... | 100                         | 100                         | 100                                      | 100                                 | 100                          | 100                          | 100                          |
| <b>CAPITAL</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 144 Capital Appropriation <sup>(a)</sup> .....         | 32,763                      | 426,020                     | 425,904                                  | 39,818                              | 41,735                       | 41,600                       | 21,823                       |
| <b>TOTAL APPROPRIATIONS</b> .....                           | 140,880                     | 514,521                     | 513,457                                  | 164,710                             | 144,794                      | 117,843                      | 77,265                       |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....                                | 440,331                     | 562,908                     | 538,535                                  | 647,713                             | 593,744                      | 563,709                      | 473,526                      |
| Net Cost of Services <sup>(b)</sup> .....                   | 123,986                     | 215,691                     | 184,175                                  | 222,286                             | 205,573                      | 165,261                      | 120,896                      |
| <b>CASH ASSETS</b> <sup>(c)</sup> .....                     | 273,400                     | 630,502                     | 659,025                                  | 588,748                             | 476,158                      | 355,026                      | 345,034                      |

(a) The significant increase in Capital Appropriation in the 2021-22 Budget and 2021-22 Estimated Actual is primarily due to the establishment of the Westport Special Purpose Account in 2021-22.

(b) 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.

(c) As at 30 June each financial year.

## Spending Changes

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

|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COVID-19 Response</b>   |  |                                     |                              |                              |                              |
| COVID-19 Information Call Centre .....                                   | 7,484                                    | 3,250                               | -                            | -                            | -                            |
| <b>New Initiatives</b>   |  |                                     |                              |                              |                              |
| Clean Energy Car Fund .....  | -  | 8,540                               | 11,894                       | 16,017                       | -                            |
| Climate Action   |  |                                     |                              |                              |                              |
| Green Hydrogen Feasibility Study .....                                   | -  | 300                                 | -                            | -                            | -                            |
| Sectoral Emissions Reduction Strategies .....                            | 309                                      | 1,297                               | 858                          | 407                          | -                            |
| Election Commitment - Mount Lawley Cycling Network .....                 | -  | 200                                 | -                            | -                            | -                            |
| Inter-Regional Flight Network Expansion .....                            | -  | 1,800                               | 900                          | 900                          | 450                          |
| <b>Ongoing Initiatives</b>   |  |                                     |                              |                              |                              |
| Building for Tomorrow Campaign .....                                     | 3,164                                    | -                                   | -                            | -                            | -                            |
| Driving Access and Equity Program Extension .....                        | -  | 5,482                               | -                            | -                            | -                            |
| Enhanced Speed Enforcement Administration .....                          | -  | 119                                 | -                            | -                            | -                            |
| METRONET - Program Management .....                                      | 1,429                                    | 2,556                               | 2,869                        | 1,881                        | -                            |
| National Disability Insurance Scheme Worker Screening Unit .....         | 197                                      | 278                                 | 284                          | 284                          | 284                          |
| ServiceWA - Bunbury Trial Extension .....                                | -  | 830                                 | 845                          | 861                          | -                            |
| Westport   |  |                                     |                              |                              |                              |
| Feasibility Studies .....  | -  | 11,550                              | 4,450                        | -                            | -                            |
| Future of Fremantle .....  | 750                                      | 1,500                               | 250                          | -                            | -                            |
| Planning .....   | -  | 317                                 | 326                          | -                            | -                            |
| <b>Other</b>   |  |                                     |                              |                              |                              |
| 2022-23 Tariffs, Fees and Charges .....                                  | 6,308                                    | 24,377                              | 11,703                       | 10,966                       | 15,306                       |
| Cloud Transition Program   |  |                                     |                              |                              |                              |
| Critical Cloud Transition .....  | 1,477                                    | 1,833                               | -                            | -                            | -                            |
| Digital Capability Fund - Cloud Transition .....                         | -  | 11,836                              | 8,965                        | 4,108                        | -                            |
| Government Office Accommodation .....                                    | (31)                                     | (27)                                | (18)                         | (10)                         | 14                           |
| Indian Ocean Territories Service Delivery Agreement .....                | 258                                      | -                                   | -                            | -                            | -                            |
| Strategic Policy and Planning for Ports .....                            | -  | 568                                 | -                            | -                            | -                            |
| Taxi User Subsidy Scheme (TUSS)  |  |                                     |                              |                              |                              |
| Digital Capability Fund - TUSS Reform Program .....                      | -  | 407                                 | 585                          | 1,664                        | 1,664                        |
| Taxi User Co-Payment .....   | 2,000                                    | 2,000                               | 2,000                        | 2,000                        | 2,000                        |
| Wheelchair Accessible Vehicle Modification Grants .....                  | -  | 375                                 | 375                          | 375                          | 375                          |
| Transforming Bunbury's Waterfront Stage 3 Phase 1 - Operating Cost ..... | -  | 15                                  | 93                           | 571                          | 1,224                        |

## Significant Issues Impacting the Agency

### COVID-19 Response

1. The Department continues to operate the COVID-19 information call centre on behalf of the Western Australia Police Force.

### Freight and Supply Chains

2. The Department is working with port authorities and government agencies to enhance planning and investment in port and freight infrastructure for current and future freight tasks at a whole-of-state level to unlock new economic opportunities across Western Australia.
3. The Westport Office is preparing a business case with a design of a new terminal in the Outer Harbour in Kwinana, with the new port and an integrated road and rail network to unlock economic growth and deliver local jobs and opportunities.
4. The Department is planning and implementing initiatives to improve the performance of the metropolitan freight network including enhancing the utilisation of rail for freight, and to futureproof the network in the transition to a new container port in Kwinana.
5. The Department is also partnering with agencies and industry to improve regional supply chains, including through the Western Australian Agricultural Supply Chain Improvements Program for infrastructure upgrades in the Wheatbelt, Mid West, South West, Great Southern and Goldfields-Esperance regions.

## Supporting our Regions

6. The Department is managing the Government's \$19.8 million Regional Airfare Zone Cap initiative for regional residents in partnership with five supporting airlines. This initiative will make air travel more affordable to residents of regional Western Australia and increase liveability in the regions.
7. The Department is helping to grow regional employment, tourism and business opportunities by supporting Government initiatives to expand the Inter-Regional Flight Network, including supplying larger aircraft in Karratha, Port Hedland and Broome and through establishing a new route between Geraldton and Karratha.
8. The Department is implementing the Government's Driving Access and Equity Pilot Program to assist people in the Pilbara and the Kimberley to obtain a drivers licence. Funding is to help people overcome barriers to obtaining their licence, such as geographic location, access to instructors, supervisors, vehicles and/or literacy or the financial means to participate.

## On-demand Transport

9. The On-demand Passenger Transport Levy commenced in April 2019 to recoup \$119 million for the Voluntary Taxi Plate Buyback Scheme and a further \$9.8 million paid to booking services as part of a suite of COVID-19 financial relief measures. Whilst this funding was initially budgeted to be collected by April 2023, it is now forecast to be completed by June 2022 and the levy will therefore be ended earlier than expected, leading to reduced fares.
10. A major reform of the Taxi User Subsidy Scheme (TUSS) commences in 2022-23, including the development of a digital solution to replace paper vouchers. Once in place, the new system will benefit both participants and passenger transport drivers and ensure that the scheme is easier to use, contemporary and fit for purpose. As part of this reform, the existing Wheelchair Accessible Vehicle (WAV) Modification grant will also be increased from \$15,000 per vehicle to \$20,000 per vehicle. To support wheelchair accessible services in regional Western Australia, a new Regional WAV Taxi Service Grant will provide financial support to establish wheelchair accessible taxi services in regions where there is demonstrated demand.

## Reform of the Towing Industry

11. In 2022-23, the Department will assume responsibility for the towing industry's reform following extensive consultation with the industry that was undertaken by Mines, Industry Regulation and Safety. The reform will aim to ensure protections for people involved in traffic crashes from practices including price gouging by some operators in the industry.

## Perth City Deal and Perth Greater CBD Transport Plan

12. The Perth City Deal between the Government and Commonwealth and the City of Perth will re-energise Perth, bring investment into the CBD and create jobs. Over \$150 million will be invested in transport-related initiatives to upgrade riding and walking infrastructure and bus stops and to enhance Roe Street, with the centrepiece being the new Swan River Cyclist and Pedestrian Bridge.

## Climate Change

13. The Department is supporting Government initiatives to address climate change by developing the transport sector's Emissions Reduction Strategy and encouraging the increased uptake of zero and low emission light vehicles through the Clean Energy Car Fund, and continues to partner with local governments to provide expertise and administer funding for coastal protection.

## 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 Goals  | Desired Outcomes  | Services  |
|---|---|---|
| WA Jobs Plan:<br>Diversifying the WA economy,<br>creating local jobs for the<br>future.   | Integrated transport systems<br>that facilitate economic<br>development.  | 1. Strategic Transport Policy and Integrated Planning |
| Safe, Strong and Fair<br>Communities:<br>Supporting our local and<br>regional communities to thrive.  | Vehicles and road users that<br>meet established vehicle<br>standards, driver competencies<br>and identify requirements to<br>deliver safe vehicles, safe<br>drivers and secure identities. | 2. Driver and Vehicle Services                        |
| Investing in WA's Future:<br>Tackling climate action and<br>supporting the arts, culture and<br>sporting sectors to promote<br>vibrant communities. | An accessible and safe<br>transport system.   | 3. Maritime<br>4. On-demand Transport                 |

### Service Summary

| Expense  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Strategic Transport Policy and Integrated Planning..... | 96,597                      | 189,502                     | 148,536                                  | 241,949                             | 206,326                      | 164,432                      | 91,049                       |
| 2. Driver and Vehicle Services.....                        | 212,241                     | 233,917                     | 246,510                                  | 265,287                             | 255,516                      | 266,896                      | 249,677                      |
| 3. Maritime.....   | 100,987                     | 112,056                     | 113,843                                  | 108,344                             | 104,228                      | 103,645                      | 103,852                      |
| 4. On-demand Transport.....                                | 30,506                      | 27,433                      | 29,646                                   | 32,133                              | 27,674                       | 28,736                       | 28,948                       |
| <b>Total Cost of Services .....</b>                        | <b>440,331</b>              | <b>562,908</b>              | <b>538,535</b>                           | <b>647,713</b>                      | <b>593,744</b>               | <b>563,709</b>               | <b>473,526</b>               |

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Integrated transport systems that facilitate economic development:</b>   |                   |                   |                                |                             |      |
| Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle Port.....   | 18.4%             | 20%               | 21.6%                          | 20%                         |      |
| Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth.....  | 91.4%             | 91.4%             | 91.4%                          | 91.4%                       |      |
| <b>Outcome: Vehicles and road users that meet established vehicle standards, driver competencies and identify requirements to deliver safe vehicles, safe drivers and secure identities:</b> |                   |                   |                                |                             |      |
| Percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles).....   | 97.3%             | 100%              | 100%                           | 100%                        |      |
| Percentage of drivers licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers) .....   | 99.8%             | 100%              | 99.5%                          | 100%                        |      |
| Percentage of identity credentials compliant with the required standard of biometric quality .....   | 99.5%             | 93%               | 99.6%                          | 93%                         |      |
| <b>Outcome: An accessible and safe transport system:</b>   |                   |                   |                                |                             |      |
| Percentage of wheelchair accessible vehicle taxi journeys carrying passengers in wheelchairs which meet the waiting time standard .....  | 98.4%             | 95%               | 98.6%                          | 95%                         |      |
| Percentage of time maritime infrastructure is fit for purpose when required...   | 98.6%             | 99.9%             | 98.9%                          | 99.9%                       |      |
| Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels.....  | 11.8              | 11                | 11.3                           | 11.6                        |      |
| Percentage of audited authorised on-demand booking services compliant with safety requirements.....  | 24%               | 60%               | 73.9%                          | 60%                         | 1    |

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

**Explanation of Significant Movements**

(Notes)

1. On-demand booking service requirements were first legislated in 2019. The Department has worked with the industry on the adoption of the new safety requirements, which has led to the increased audit compliance rate in the 2021-22 Estimated Actual.



## Services and Key Efficiency Indicators

### 1. Strategic Transport Policy and Integrated Planning

This service contributes towards the provision of leadership for strategic transport management, development and protection of economic nodes and networks through the provision of a range of services, including:

- analysis, planning and implementation of urban infrastructure projects and models to manage future travel demands;
- strategic policy development which supports the achievement of sustainable, effective and practical solutions for Western Australian transport networks and addresses capacity issues;
- policy advice and strategic transport solutions to Government;
- representation and negotiation, on behalf of the Government, at national level transport-related forums to produce positive outcomes that promote and protect Western Australian interests;
- program management and delivery of major intermodal infrastructure planning and development activities that assists in economic development;
- quality assurance and assessment of the return on investment for Government funds in transport projects; and
- monitoring industry and public demand growth to provide best practice transport channels and access which alleviates environmental impacts.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|---|-------------------|-------------------|--------------------------------|-----------------------------|----------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |          |
| Total Cost of Service.....  | 96,597            | 189,502           | 148,536                        | 241,949                     | 1,2      |
| Less Income .....   | 53,174            | 80,243            | 77,977                         | 146,629                     | 3        |
| Net Cost of Service .....   | 43,423            | 109,259           | 70,559                         | 95,320                      |          |
| <b>Employees (Full-Time Equivalents) .....</b>  | <b>157</b>        | <b>190</b>        | <b>190</b>                     | <b>209</b>                  | <b>2</b> |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |          |
| Average cost per hour for strategic policy development and integrated transport planning..... | \$124             | \$143             | \$163                          | \$160                       |          |

### Explanation of Significant Movements

(Notes)

1. The decrease in the Total Cost of Service between the 2021-22 Budget and the 2021-22 Estimated Actual is due to the transfer of the Swan River Cyclist and Pedestrian Bridge project expenditure to Main Roads WA and carryovers associated with the Perth City Deal, Principal Shared Path Program, Westport and the Western Australian Agricultural Supply Chain Improvements (ASCI) program.
2. The increase in the Total Cost of Service and Full-Time Equivalents (FTEs) between the 2021-22 Estimated Actual and the 2022-23 Budget Target is primarily attributable to the work being undertaken for the ASCI, Strategic Policy and Planning for Ports, the Sectoral Emissions Reduction Strategy, Westport and the Kenwick Intermodal Terminal.
3. The increase in income between the 2021-22 Estimated Actual and the 2022-23 Budget Target is primarily attributable to increased grants and subsidies representing the Commonwealth contributions for the Perth City Deal, ASCI and the Kenwick Intermodal Terminal.

## 2. Driver and Vehicle Services

This service contributes towards the provision of safe, accessible, sustainable and efficient transport services and systems through the provision of driver licensing and vehicle registration services for:

- setting motor vehicle standards in accordance with national and Government requirements, examining motor vehicles for compliance with those standards and registering and transferring compliant motor vehicles;
- setting standards and requirements for the enrolment and management of drivers licences and identity credentials, in accordance with Government legislation and national identity and security and privacy policies;
- assessing driver competency, issuing and renewing drivers licences in accordance with Commonwealth and Government requirements and driver competency standards;
- securing and maintaining a database of registered vehicles and drivers, and managing vehicle identification numbers, to support the enforcement of road traffic and other relevant laws;
- collecting revenue on behalf of Government; and
- informing and educating road users about driver licensing, vehicle registration and related requirements.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note       |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |            |
| Total Cost of Service .....  | 212,241           | 233,917           | 246,510                        | 265,287                     | 1          |
| Less Income .....  | 198,597           | 193,377           | 201,716                        | 206,073                     |            |
| Net Cost of Service .....  | 13,644            | 40,540            | 44,794                         | 59,214                      |            |
| <b>Employees (Full-Time Equivalents) .....</b>   | <b>1,008</b>      | <b>1,034</b>      | <b>1,033</b>                   | <b>1,095</b>                | <b>1,2</b> |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |            |
| Average cost per vehicle and driver transaction .....                                      | \$17              | \$19              | \$19                           | \$20                        |            |
| Average cost per vehicle inspection performed by vehicle examination centres .....         | \$113             | \$204             | \$193                          | \$211                       |            |
| Average cost per vehicle inspection delivered through authorised inspection stations ..... | \$131             | \$160             | \$174                          | \$186                       | 1,3        |
| Average cost per driver assessment .....   | \$115             | \$106             | \$103                          | \$121                       | 2          |

### Explanation of Significant Movements

(Notes)

1. The increase in the 2022-23 Budget Target compared to the 2021-22 Estimated Actual and the 2020-21 Actual is due to the Clean Energy Car Fund, an increase in the costs of authorised inspection station services (which are undertaken by external parties) and an increase in FTE costs in order to address the waiting time for booking of practical driving assessments.
2. The increase in the 2022-23 Budget Target relative to the 2021-22 Estimated Actual is due to the additional staff that are to be employed to reduce the wait time for practical driving assessment bookings.
3. The increase in the 2022-23 Budget Target compared to the 2021-22 Estimated Actual and the 2020-21 Actual reflects the increase in the costs of authorised inspection station services (which are undertaken by external parties).

### 3. Maritime

This service contributes towards the Department's outcome of an accessible and safe transport system through a range of coastal infrastructure services and a range of marine safety and regulatory and education services including:

- licensing and registration of recreational vessels, moorings, jetties, ferries, recreational skippers and marine pilots;
- regulation and administration of marine operations, including on-water compliance and marine safety education;
- planning, building and managing new and existing land and water-based facilities for use of community as well as recreational and commercial vessels owners;
- provision of coastal engineering advice and solutions for new and existing land and water-based maritime facilities;
- provision of oceanographic, cartographic and geographic information; and
- marine protection through a hazard management response team.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 100,987           | 112,056           | 113,843                        | 108,344                     |      |
| Less Income .....   | 60,900            | 67,322            | 68,390                         | 66,280                      |      |
| Net Cost of Service .....   | 40,087            | 44,734            | 45,453                         | 42,064                      |      |
| <b>Employees (Full-Time Equivalents) .....</b>  | <b>240</b>        | <b>248</b>        | <b>242</b>                     | <b>247</b>                  |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Average cost per day for planning, delivery, and management of a maritime asset <sup>(a)</sup> .....              | \$95              | \$105             | \$108                          | \$81                        | 1    |
| Average cost of managing waterways, safety and compliance per registered recreational vessel <sup>(b)</sup> ..... | \$155             | \$151             | \$142                          | \$183                       | 1    |
| Cost to maintain marine pollution response preparedness per registered vessel .....                               | \$36              | \$33              | \$37                           | \$48                        | 1    |

(a) This new efficiency indicator replaces the former 'average cost per day per maritime infrastructure asset managed' indicator to more appropriately reflect the costs of planning, delivering and managing maritime assets.

(b) This new efficiency indicator replaces the former 'average cost per private recreational vessel registration' to better reflect the cost of managing waterways, safety and compliance and the cost of administering recreational boat registrations.

### Explanation of Significant Movements

(Notes)

1. The Efficiency Indicators for the 2022-23 Budget Target have been revised following the amalgamation of the Department's Marine Safety and Coastal Infrastructure business units, which has resulted in a reallocation of costs across the three indicators. There has been no material change to the Total Cost of Service for this service as a result of the reallocations.

#### 4. On-demand Transport

This service contributes towards the provision of safe, accessible and sustainable personal on-demand transport services and systems through the provision of services for:

- setting and monitoring standards for on-demand transport vehicles;
- authorising on-demand booking services;
- administering subsidies for taxi users, student and pensioner travel schemes; and
- investigating complaints from on-demand transport patrons, operators and drivers.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                      | \$'000<br>30,506  | \$'000<br>27,433  | \$'000<br>29,646               | \$'000<br>32,133            |      |
| Less Income .....                               | 3,674             | 6,275             | 6,277                          | 6,445                       |      |
| Net Cost of Service .....                       | 26,832            | 21,158            | 23,369                         | 25,688                      |      |
| Employees (Full-Time Equivalents) .....         | 54                | 54                | 56                             | 61                          |      |
| <b>Efficiency Indicators</b>                    |                   |                   |                                |                             |      |
| Cost per on-demand transport authorisation..... | \$140             | \$202             | \$190                          | \$221                       | 1    |

#### Explanation of Significant Movements

(Notes)

1. The increase in the 2022-23 Budget Target compared to the 2021-22 Budget and the 2021-22 Estimated Actual reflects higher costs incurred in supporting online systems and the Taxi User Subsidy Scheme reform, and a reduction in the number of authorisations undertaken (with the industry still adjusting to the new authorisation requirements).

#### Asset Investment Program

1. The Department's Asset Investment Program for 2022-23 totals \$53.7 million. Major projects are summarised below.

#### Election Commitment

##### Broome Boating Facility

2. The Department has progressed the planning and design work required before constructing a new boating facility at Broome's Entrance Point. The project will improve marine infrastructure and safety. The planned works include four sheltered boat ramp lanes, two finger jetties, expanded parking for 160 trailers and 60 cars, tour coach access and a detached breakwater. The Government has continued to provision \$36.3 million for the project over 2022-23 to 2024-25, pending confirmation of a third-party contribution for the remaining funding. Planning work is continuing during 2022-23 to seek approvals and peer review the design.

#### COVID-19 Response

##### Fremantle Fishing Boat Harbour and Commercial Precinct - Replacement of Electrical Infrastructure

3. The Department is responsible for providing and maintaining both medium and low-voltage electrical infrastructure within the Fremantle Fishing Boat Harbour. This infrastructure currently supplies all public areas and facilities as well as for the commercial tenancies. This project will replace the ageing electrical infrastructure, resulting in a more robust and reliable electricity supply in addition to enhanced safety provisions. Throughout 2022-23, the Department will continue stakeholder engagement and commence detailed design and early procurement activities. The majority of the construction works are scheduled to occur in off-peak periods (winter), commencing from mid-2023 with completion in 2023-24.

#### *Hillarys Boat Harbour - Jetties F, G, H and J*

4. As part of an ongoing program of metropolitan jetty replacements, the Department will replace the last original remaining floating jetties at Hillarys Boat Harbour: Jetties F, G, H and J. The existing jetties will be progressively replaced with modern floating pens of a standard similar to other recently completed jetty replacements at the harbour. In 2021-22, a design and construct contract was released to public tender.

#### *Redevelopment of Woodman Point Jetty*

5. This project involves the replacement of the deteriorated recreational jetty located at Woodman Point, which is now over 80 years old. The jetty is one of Perth's most popular recreational fishing spots and a very popular underwater diving destination. The Department will remove the old jetty deck while retaining the below-water structure to preserve the important marine biota and dive amenity. A new jetty concept has been selected at the existing site to enable continued safe recreational use for fishing, diving, swimming, walking and non-motorised vessels. Throughout 2022-23, detailed design will be undertaken, environmental and planning approvals will be sought, and construction is expected to commence. Stakeholder consultation will continue to occur to guide detailed design.

#### **Other**

#### *Albany (Emu Point) Maritime Facility - Jetty B*

6. Jetty B at the Emu Point Maritime Facility in Albany was originally constructed in 1971 and has been in service for over 50 years. The jetty currently provides berthing and mooring facilities for recreational vessels ranging from 12 to 15 metres in length. During 2022-23, the Department will undertake a \$1 million refurbishment of Jetty B to restore full access to the jetty and mooring facilities. Whilst the project was scheduled to be completed in 2021-22, it was delayed due to supply constraints impacting the construction industry.

#### *Transforming Bunbury's Waterfront Stage 3 Phase 1*

7. The Department is working closely with the South West Development Commission to deliver the next phase of Transforming Bunbury's Waterfront. Stage 3 Phase 1 comprises dredging, a new breakwater, serviced lease sites for the marine industry and upgraded public boating infrastructure in Casuarina Boat Harbour. A new breakwater in Koombana Bay will also be included, subject to the Koombana Bay Sailing Club securing finance for an adjacent marina development and finalisation of governance arrangements for the structure.
8. The Department has progressed detailed design of the dredging and breakwaters scope and procurement for detailed design of the landside development is in progress. Replacement of the boat ramp in Casuarina Boat Harbour with a new modern facility is scheduled for construction this year. Upgrades to the landside infrastructure in the southern portion of the site are scheduled for construction in 2023. State environmental approvals are in progress and are required prior to breakwater construction commencing in 2024.

#### *Onslow Community Boating Precinct*

9. Together with the Shire of Ashburton, the Department is delivering a new community boating precinct within the Onslow (Beaumont Creek) Maritime Facility. The project was largely completed in 2021-22, with remaining works to be completed in early 2022-23. The project includes a new relocated two-lane boat ramp, dredged basin, rock revetments and minor landside works, greatly improving the boat launching experience in Onslow.

#### *Maritime Facilities Program*

10. This program comprises asset replacement and additional public maritime infrastructure throughout the State to meet current and future boating requirements. Significant projects being delivered throughout 2022-23 include the completion of improvements undertaken at Two Rocks Marina and progressing Jetty 3 replacement work and amenities building and service upgrades in the southern precinct of Fremantle Fishing Boat Harbour.

#### *Navigational Aids Program*

11. The Department is responsible for managing 1,400 navigational aids throughout State waters and has an annual program to install, replace or upgrade end-of-life assets to maintain boating navigational safety. During 2022-23, 11 navigational beacons in various bays of Rottnest Island will be replaced with new steel driven beacons to continue to provide safe navigation for vessels in and around the waters of Rottnest Island.

*Information and Communication Infrastructure*

12. This program undertakes development, expansion and ongoing maintenance of information and communications infrastructure and applications for the effective and sustainable delivery of the Department's services as well as shared projects on behalf of Planning, Lands and Heritage, and other partners. The Department is transitioning to cloud computing services, including virtual servers, storage and database administration.

*Driver and Vehicle Services Reform Program*

13. This program of works is to modernise driver and vehicle services information systems by implementing new technology that increases the number of transactions customers can conduct without face-to-face attendance at licensing centres. This program also enhances licensing centre facilities to improve customer service.

*On-demand Transport Taxi User Subsidy Scheme (TUSS) Reform Program*

14. The TUSS is part of the Department's commitment to facilitating safe, accessible and efficient means of travel for those who are unable to use conventional public transport or other services. TUSS provides subsidised taxi travel to permanent residents of Western Australia with a severe, permanent disability that prevents them from using conventional public transport services. This program of works is to develop a digital solution to modernise the current paper-based TUSS system and processes. Part of a suite of reforms to the scheme, this will facilitate easier access for users as well as prompt and efficient payments to booking services and their drivers.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Maritime   |                                   |  |   |                                     |                              |                              |                              |
| Fremantle Fishing Boat Harbour and Commercial<br>Precinct - Replacement of Electrical Infrastructure ..... | 5,900                             | 641  | 611   | 4,169                               | 1,085                        | 5                            | -                            |
| Hillarys Boat Harbour - Jetties F, G, H, and J.....  | 6,800                             | 507  | 500   | 4,760                               | 1,533                        | -                            | -                            |
| Redevelopment of Woodman Point Jetty .....   | 9,690                             | 811  | 630   | 5,200                               | 3,679                        | -                            | -                            |
| <b>Other Works in Progress</b>   |                                   |  |   |                                     |                              |                              |                              |
| Maritime   |                                   |  |   |                                     |                              |                              |                              |
| Onslow Community Boating Precinct.....   | 13,223                            | 9,066  | 8,566   | 4,157                               | -                            | -                            | -                            |
| Transforming Bunbury's Waterfront Stage 3 .....  | 78,100                            | 1,335  | 1,335   | 3,820                               | 32,220                       | 23,625                       | 17,100                       |
| <b>COMPLETED WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Maritime   |                                   |  |   |                                     |                              |                              |                              |
| Albany Waterfront Marina.....  | 400                               | 400  | 247   | -                                   | -                            | -                            | -                            |
| Carnarvon Fascine Entrance.....  | 2,500                             | 2,500  | 2,438   | -                                   | -                            | -                            | -                            |
| <b>Other Completed Works</b>   |                                   |  |   |                                     |                              |                              |                              |
| Business Information Systems - Information and<br>Communications Infrastructure 2021-22 Program .....      | 7,911                             | 7,911  | 7,911   | -                                   | -                            | -                            | -                            |
| Corporate - Accommodation and Refurbishment<br>2021-22 Program .....                                       | 1,949                             | 1,949  | 1,949   | -                                   | -                            | -                            | -                            |
| Driver and Vehicle Services  |                                   |  |   |                                     |                              |                              |                              |
| Intergovernmental Agreement on Identity Matching<br>Services .....   | 572                               | 572  | 572   | -                                   | -                            | -                            | -                            |
| Reform Program - 2021-22 Program .....   | 5,550                             | 5,550  | 5,550   | -                                   | -                            | -                            | -                            |
| ServiceWA Pilot .....  | 1,803                             | 1,803  | 21  | -                                   | -                            | -                            | -                            |
| Maritime   |                                   |  |   |                                     |                              |                              |                              |
| Marine Oil Pollution Response Equipment<br>2021-22 Program.....  | 169                               | 169  | 169   | -                                   | -                            | -                            | -                            |
| Maritime Facilities Program - 2021-22 Program .....  | 10,854                            | 10,854   | 10,854  | -                                   | -                            | -                            | -                            |
| Navigational Aids Program - 2021-22 Program .....  | 1,799                             | 1,799  | 1,799   | -                                   | -                            | -                            | -                            |
| Vessel and Vehicle Replacement Program<br>2020-21 Program.....   | 530                               | 530  | 198   | -                                   | -                            | -                            | -                            |
| 2021-22 Program.....   | 708                               | 708  | 708   | -                                   | -                            | -                            | -                            |
| Minor Works - 2021-22 Program .....  | 659                               | 659  | 659   | -                                   | -                            | -                            | -                            |

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>Election Commitments</b>  |                                   |  |   |                                     |                              |                              |                              |
| Maritime - Broome Boating Facility .....                                     | 36,306                            | -  | -   | 596                                 | 16,218                       | 19,492                       | -                            |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Maritime - Batavia Coast Marina - Floating Jetty/Pens .....                  | 400                               | -  | -   | -                                   | 400                          | -                            | -                            |
| <b>Other New Works</b>   |                                   |  |   |                                     |                              |                              |                              |
| Business Information Systems - Information and Communications Infrastructure |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 5,825                             | -  | -   | 5,825                               | -                            | -                            | -                            |
| 2023-24 Program .....  | 5,825                             | -  | -   | -                                   | 5,825                        | -                            | -                            |
| 2024-25 Program .....  | 6,525                             | -  | -   | -                                   | -                            | 6,525                        | -                            |
| 2025-26 Program .....  | 6,525                             | -  | -   | -                                   | -                            | -                            | 6,525                        |
| Corporate - Accommodation and Refurbishment                                  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 818                               | -  | -   | 818                                 | -                            | -                            | -                            |
| 2023-24 Program .....  | 818                               | -  | -   | -                                   | 818                          | -                            | -                            |
| 2024-25 Program .....  | 818                               | -  | -   | -                                   | -                            | 818                          | -                            |
| 2025-26 Program .....  | 818                               | -  | -   | -                                   | -                            | -                            | 818                          |
| Driver and Vehicle Services Reform Program                                   |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 6,600                             | -  | -   | 6,600                               | -                            | -                            | -                            |
| 2023-24 Program .....  | 3,200                             | -  | -   | -                                   | 3,200                        | -                            | -                            |
| 2024-25 Program .....  | 3,200                             | -  | -   | -                                   | -                            | 3,200                        | -                            |
| 2025-26 Program .....  | 3,200                             | -  | -   | -                                   | -                            | -                            | 3,200                        |
| Maritime   |                                   |  |   |                                     |                              |                              |                              |
| Albany (Emu Point) Maritime Facility - Jetty B .....                         | 1,038                             | -  | -   | 1,038                               | -                            | -                            | -                            |
| Marine Oil Pollution Response Equipment                                      |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 150                               | -  | -   | 150                                 | -                            | -                            | -                            |
| 2023-24 Program .....  | 150                               | -  | -   | -                                   | 150                          | -                            | -                            |
| 2024-25 Program .....  | 200                               | -  | -   | -                                   | -                            | 200                          | -                            |
| 2025-26 Program .....  | 200                               | -  | -   | -                                   | -                            | -                            | 200                          |
| Maritime Facilities Program  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 9,030                             | -  | -   | 9,030                               | -                            | -                            | -                            |
| 2023-24 Program .....  | 9,030                             | -  | -   | -                                   | 9,030                        | -                            | -                            |
| 2024-25 Program .....  | 9,180                             | -  | -   | -                                   | -                            | 9,180                        | -                            |
| 2025-26 Program .....  | 9,180                             | -  | -   | -                                   | -                            | -                            | 9,180                        |
| Navigational Aids Program  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 431                               | -  | -   | 431                                 | -                            | -                            | -                            |
| 2023-24 Program .....  | 431                               | -  | -   | -                                   | 431                          | -                            | -                            |
| 2024-25 Program .....  | 912                               | -  | -   | -                                   | -                            | 912                          | -                            |
| 2025-26 Program .....  | 912                               | -  | -   | -                                   | -                            | -                            | 912                          |
| Vessel and Vehicle Replacement Program                                       |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 590                               | -  | -   | 590                                 | -                            | -                            | -                            |
| 2023-24 Program .....  | 837                               | -  | -   | -                                   | 837                          | -                            | -                            |
| 2024-25 Program .....  | 860                               | -  | -   | -                                   | -                            | 860                          | -                            |
| 2025-26 Program .....  | 580                               | -  | -   | -                                   | -                            | -                            | 580                          |
| Minor Works  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 408                               | -  | -   | 408                                 | -                            | -                            | -                            |
| 2023-24 Program .....  | 408                               | -  | -   | -                                   | 408                          | -                            | -                            |
| 2024-25 Program .....  | 408                               | -  | -   | -                                   | -                            | 408                          | -                            |
| 2025-26 Program .....  | 408                               | -  | -   | -                                   | -                            | -                            | 408                          |
| On-demand Transport - Taxi User Subsidy Scheme (TUSS) Reform Program .....   |                                   |  |   |                                     |                              |                              |                              |
|  | 8,778                             | -  | -   | 6,099                               | 2,679                        | -                            | -                            |
| <b>Total Cost of Asset Investment Program .....</b>                          | <b>284,116</b>                    | <b>47,764</b>                                    | <b>44,717</b>                                 | <b>53,691</b>                       | <b>78,513</b>                | <b>65,225</b>                | <b>38,923</b>                |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Capital Appropriation .....  |                                   |  | 25,904  | 39,818                              | 41,735                       | 41,600                       | 21,823                       |
| Drawdowns from Royalties for Regions Fund .....                              |                                   |  | 1,335   | 4,858                               | 32,220                       | 23,625                       | 17,100                       |
| Funding Included in Department of Treasury - Digital Capability Fund .....   |                                   |  | -   | 6,099                               | 2,679                        | -                            | -                            |
| Internal Funds and Balances .....  |                                   |  | 10,865  | 2,259                               | 1,879                        | -                            | -                            |
| Other .....  |                                   |  | (1,180)                                       | -                                   | -                            | -                            | -                            |
| Other Grants and Subsidies .....   |                                   |  | 7,793   | 657                                 | -                            | -                            | -                            |
| <b>Total Funding .....</b>   |                                   |  | <b>44,717</b>                                 | <b>53,691</b>                       | <b>78,513</b>                | <b>65,225</b>                | <b>38,923</b>                |

## Financial Statements

### Income Statement

#### *Expenses*

1. Total Cost of Services is estimated to increase by \$109.2 million in the 2022-23 Budget Year compared to the 2021-22 Estimated Actual. This is mainly due to time-limited or once-off expenditures, including work to be carried out as part of the Western Australian Agricultural Supply Chain Improvements (ASCI) program, the Kenwick Intermodal Terminal, providing rebates for zero and low emission light vehicles and transitioning the Department's core ICT infrastructure to a cloud environment.

#### *Income*

2. Total Income in the 2022-23 Budget Year is projected to increase by \$71.1 million compared to the 2021-22 Estimated Actual, primarily due to an increase in grants and subsidies relating to the Commonwealth's contributions for the Perth City Deal, ASCI and the Kenwick Intermodal Terminal.
3. Total Income from Government in the 2022-23 Budget Year is projected to increase by \$48.3 million compared to the 2021-22 Estimated Actual. This is mainly due to increases in appropriation for providing rebates for zero and low emission light vehicles, transitioning ICT infrastructure to a cloud environment, increased TUSS subsidies and reform, the Inter-Regional Flight Network expansion, to maintain maritime facilities and for the on-demand transport regulation service.

### Statement of Financial Position

4. Total current assets are expected to decrease by \$70.8 million between 2021-22 Estimated Actual and 2022-23 Budget Year. This primarily reflects allocations from the Special Purpose Account (SPA) that was established in 2021-22 for enabling works associated with the Westport project.

### Statement of Cashflows

5. The \$386.1 million decrease in capital appropriation between the 2021-22 Estimated Actual and the 2022-23 Budget Year relates to the establishment of the \$400 million Westport SPA in 2021-22.



**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 151,327                     | 164,376                     | 172,915                                  | 180,341                             | 174,386                      | 172,154                      | 169,244                      |
| Grants and subsidies <sup>(c)</sup> .....        | 118,309                     | 183,295                     | 151,929                                  | 178,293                             | 142,822                      | 129,937                      | 109,982                      |
| Supplies and services .....                      | 83,728                      | 128,931                     | 124,118                                  | 194,657                             | 183,011                      | 170,251                      | 101,150                      |
| Accommodation .....                              | 26,342                      | 28,975                      | 28,261                                   | 26,681                              | 27,171                       | 29,930                       | 32,798                       |
| Depreciation and amortisation .....              | 24,973                      | 25,398                      | 25,880                                   | 26,368                              | 26,418                       | 25,455                       | 25,642                       |
| Finance and interest costs .....                 | 103                         | 152                         | 129                                      | 118                                 | 101                          | 79                           | 68                           |
| Other expenses .....                             | 35,549                      | 31,781                      | 35,303                                   | 41,255                              | 39,835                       | 35,903                       | 34,642                       |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>440,331</b>              | <b>562,908</b>              | <b>538,535</b>                           | <b>647,713</b>                      | <b>593,744</b>               | <b>563,709</b>               | <b>473,526</b>               |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services .....                 | 25,400                      | 26,992                      | 31,200                                   | 32,385                              | 32,902                       | 33,448                       | 34,050                       |
| Regulatory fees and fines .....                  | 175,551                     | 177,271                     | 177,254                                  | 184,973                             | 180,673                      | 190,686                      | 192,066                      |
| Grants and subsidies .....                       | 2,671                       | 32,771                      | 31,850                                   | 89,144                              | 54,128                       | 51,153                       | 1,153                        |
| Taxation .....                                   | 88,688                      | 83,842                      | 87,642                                   | 90,029                              | 92,811                       | 94,895                       | 96,697                       |
| Other revenue .....                              | 24,035                      | 26,341                      | 26,414                                   | 28,896                              | 27,657                       | 28,266                       | 28,664                       |
| <b>Total Income .....</b>                        | <b>316,345</b>              | <b>347,217</b>              | <b>354,360</b>                           | <b>425,427</b>                      | <b>388,171</b>               | <b>398,448</b>               | <b>352,630</b>               |
| <b>NET COST OF SERVICES .....</b>                | <b>123,986</b>              | <b>215,691</b>              | <b>184,175</b>                           | <b>222,286</b>                      | <b>205,573</b>               | <b>165,261</b>               | <b>120,896</b>               |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 108,017                     | 88,401                      | 87,453                                   | 124,792                             | 102,959                      | 76,143                       | 55,342                       |
| Resources received free of charge .....          | 1,616                       | 1,989                       | 1,989                                    | 1,989                               | 1,989                        | 1,989                        | 1,989                        |
| Royalties for Regions Fund:                      |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....           | 30,591                      | 36,950                      | 36,729                                   | 37,816                              | 47,339                       | 47,692                       | 30,751                       |
| Other revenues .....                             | 62,470                      | 65,987                      | 77,484                                   | 87,330                              | 70,521                       | 75,524                       | 72,361                       |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>202,694</b>              | <b>193,327</b>              | <b>203,655</b>                           | <b>251,927</b>                      | <b>222,808</b>               | <b>201,348</b>               | <b>160,443</b>               |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>78,708</b>               | <b>(22,364)</b>             | <b>19,480</b>                            | <b>29,641</b>                       | <b>17,235</b>                | <b>36,087</b>                | <b>39,547</b>                |

(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 1,459, 1,521 and 1,612 respectively.

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

## DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Active Traffic Management.....  | 2,250                       | 2,250                       | 2,250                                    | 2,250                               | 2,250                        | 2,250                        | 2,250                        |
| Aviation (Public Air Route) Subsidies .....   | 463                         | 3,530                       | 3,554                                    | 746                                 | 500                          | 500                          | 500                          |
| Bicycle Boulevards (Safe Active Streets<br>Program) .....                             | 2,491                       | 4,200                       | 4,200                                    | -                                   | -                            | -                            | -                            |
| Clean Energy Car Fund - Purchase Rebates...   | -                           | -                           | -  | 7,963                               | 11,462                       | 15,575                       | -                            |
| Coastal Projects and Zone Management.....   | 2,227                       | 6,825                       | 6,790                                    | 3,057                               | 2,057                        | 2,557                        | 1,637                        |
| Community Police .....  | 3,838                       | 1,300                       | 2,500                                    | 2,100                               | 2,100                        | 2,100                        | 2,100                        |
| Country Age Pension Fuel Card Scheme .....  | 26,580                      | 27,553                      | 27,553                                   | 27,612                              | 27,563                       | 27,563                       | 27,563                       |
| Driving Access and Equity for Learner Drivers ...                                     | -                           | 4,700                       | 2,378                                    | 5,300                               | -                            | -                            | -                            |
| Fare Subsidies (Pensioners) .....   | 881                         | 1,589                       | 1,589                                    | 1,589                               | 1,589                        | 1,589                        | 1,589                        |
| Fremantle Container Rail Subsidy .....  | 5,570                       | 8,334                       | 8,334                                    | 8,569                               | 8,709                        | 8,956                        | 8,956                        |
| Inter-Regional Flight Network Expansion.....  | -                           | -                           | -  | 1,800                               | 900                          | 900                          | 450                          |
| Kenwick Intermodal Terminal Development.....  | -                           | -                           | -  | 10,000                              | -                            | -                            | -                            |
| Local Projects Local Jobs.....  | 97                          | -                           | -  | -                                   | -                            | -                            | -                            |
| Marine Communications .....   | 694                         | 670                         | 670                                      | 730                                 | 745                          | 670                          | 670                          |
| Multi-purpose Taxi - Vehicle Modification Grant....                                   | 240                         | 450                         | 450                                      | 720                                 | 720                          | 720                          | 720                          |
| National Partnership Agreement for<br>Recreational Fishing and Camping Facilities ... | -                           | 795                         | 795                                      | 795                                 | -                            | -                            | -                            |
| National Transport Reforms .....  | 330                         | 336                         | 336                                      | 345                                 | 354                          | 354                          | 354                          |
| On-demand Transport Industry COVID-19<br>Relief Measures .....                        | 5,544                       | -                           | -  | -                                   | -                            | -                            | -                            |
| Other Grants and Subsidies .....  | 187                         | 277                         | 224                                      | 361                                 | 296                          | 282                          | 282                          |
| Perth City Deal CBD Transport Plan.....   | -                           | 41,218                      | 14,935                                   | 19,715                              | 2,350                        | -                            | -                            |
| Port of Wyndham .....   | 2,446                       | -                           | 659                                      | -                                   | -                            | -                            | -                            |
| Public Transport Authority<br>CAT Bus Services .....                                  | 15,178                      | 18,434                      | 17,474                                   | 18,372                              | 16,374                       | 15,292                       | 15,292                       |
| Purple CAT Service .....  | -                           | 1,917                       | 1,917                                    | 2,883                               | 2,941                        | 3,000                        | 3,000                        |
| Recreational Boat Facilities .....  | 1,516                       | 3,097                       | 3,595                                    | 1,500                               | 1,500                        | 1,500                        | 1,500                        |
| Regional Airfare Zone Cap for Regional<br>Residents.....                              | -                           | -                           | -  | 6,245                               | 6,235                        | 6,221                        | -                            |
| Regional Airport Development Scheme.....  | 633                         | 3,932                       | 3,932                                    | 1,935                               | 1,935                        | 1,935                        | 1,935                        |
| Regional Aviation Support - COVID-19<br>Economic Response .....                       | 857                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Student Fare Concessions .....  | 973                         | 1,241                       | 1,241                                    | 1,241                               | 1,241                        | 1,241                        | 1,241                        |
| Taxi User Co-Payment.....   | 3,137                       | 1,959                       | 1,959                                    | 1,959                               | 1,959                        | 1,959                        | 1,959                        |
| TUSS .....  | 10,344                      | 8,826                       | 10,826                                   | 10,826                              | 10,826                       | 10,826                       | 10,826                       |
| Tunnel Monitoring System.....   | -                           | 4,200                       | 3,298                                    | 4,320                               | 982                          | 200                          | 200                          |
| Western Australian Bicycle Network (including<br>Principal Shared Path Program) ..... | 31,833                      | 35,662                      | 29,720                                   | 24,860                              | 33,484                       | 23,747                       | 26,958                       |
| Westport<br>Fremantle Port Authority - Feasibility Studies....                        | -                           | -                           | -  | 9,000                               | 3,500                        | -                            | -                            |
| Future of Fremantle .....   | -                           | -                           | 750                                      | 1,500                               | 250                          | -                            | -                            |
| <b>TOTAL .....</b>  | <b>118,309</b>              | <b>183,295</b>              | <b>151,929</b>                           | <b>178,293</b>                      | <b>142,822</b>               | <b>129,937</b>               | <b>109,982</b>               |

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                      |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                          | 99,662                      | 45,369                      | 84,047                                   | 79,259                              | 57,276                       | 55,923                       | 57,396                       |
| Restricted cash .....                      | 170,917                     | 581,791                     | 571,497                                  | 505,498                             | 414,411                      | 294,154                      | 282,124                      |
| Holding Account receivables .....          | -                           | 3,900                       | -  | -                                   | -                            | -                            | -                            |
| Receivables .....                          | 10,759                      | 10,579                      | 10,759                                   | 10,759                              | 10,759                       | 10,759                       | 10,759                       |
| Other .....                                | 6,707                       | 4,762                       | 6,707                                    | 6,707                               | 6,707                        | 6,707                        | 6,707                        |
| Assets held for sale .....                 | 21,180                      | -                           | 21,180                                   | 21,180                              | 21,180                       | 21,180                       | 21,180                       |
| <b>Total current assets .....</b>          | <b>309,225</b>              | <b>646,401</b>              | <b>694,190</b>                           | <b>623,403</b>                      | <b>510,333</b>               | <b>388,723</b>               | <b>378,166</b>               |
| <b>NON-CURRENT ASSETS</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....          | 301,057                     | 317,681                     | 321,577                                  | 342,678                             | 363,906                      | 385,241                      | 406,769                      |
| Property, plant and equipment .....        | 436,234                     | 480,708                     | 438,756                                  | 467,679                             | 521,485                      | 562,633                      | 577,909                      |
| Intangibles .....                          | 47,130                      | 36,471                      | 46,218                                   | 45,305                              | 44,392                       | 43,479                       | 42,566                       |
| Restricted cash .....                      | 2,821                       | 3,342                       | 3,481                                    | 3,991                               | 4,471                        | 4,949                        | 5,514                        |
| <b>Total non-current assets .....</b>      | <b>787,242</b>              | <b>838,202</b>              | <b>810,032</b>                           | <b>859,653</b>                      | <b>934,254</b>               | <b>996,302</b>               | <b>1,032,758</b>             |
| <b>TOTAL ASSETS .....</b>                  | <b>1,096,467</b>            | <b>1,484,603</b>            | <b>1,504,222</b>                         | <b>1,483,056</b>                    | <b>1,444,587</b>             | <b>1,385,025</b>             | <b>1,410,924</b>             |
| <b>CURRENT LIABILITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 27,494                      | 29,017                      | 27,850                                   | 28,206                              | 28,562                       | 28,918                       | 29,274                       |
| Payables .....                             | 14,257                      | 21,960                      | 14,257                                   | 14,257                              | 14,257                       | 14,257                       | 14,257                       |
| Borrowings and leases .....                | 2,455                       | 11,640                      | 11,631                                   | 2,130                               | 2,221                        | 2,155                        | 2,206                        |
| Other .....                                | 3,750                       | 4,902                       | 3,750                                    | 750                                 | 750                          | 750                          | 750                          |
| <b>Total current liabilities .....</b>     | <b>47,956</b>               | <b>67,519</b>               | <b>57,488</b>                            | <b>45,343</b>                       | <b>45,790</b>                | <b>46,080</b>                | <b>46,487</b>                |
| <b>NON-CURRENT LIABILITIES</b>             |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 6,885                       | 6,782                       | 6,885                                    | 6,885                               | 6,885                        | 6,885                        | 6,885                        |
| Borrowings and leases .....                | 3,655                       | 4,535                       | 6,258                                    | 4,252                               | 2,503                        | 1,619                        | 1,141                        |
| <b>Total non-current liabilities .....</b> | <b>10,540</b>               | <b>11,317</b>               | <b>13,143</b>                            | <b>11,137</b>                       | <b>9,388</b>                 | <b>8,504</b>                 | <b>8,026</b>                 |
| <b>TOTAL LIABILITIES .....</b>             | <b>58,496</b>               | <b>78,836</b>               | <b>70,631</b>                            | <b>56,480</b>                       | <b>55,178</b>                | <b>54,584</b>                | <b>54,513</b>                |
| <b>EQUITY</b>                              |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                   | 567,677                     | 996,455                     | 943,817                                  | 907,161                             | 852,759                      | 757,704                      | 744,127                      |
| Accumulated surplus/(deficit) .....        | 465,240                     | 405,350                     | 484,720                                  | 514,361                             | 531,596                      | 567,683                      | 607,230                      |
| Reserves .....                             | 5,054                       | 3,962                       | 5,054                                    | 5,054                               | 5,054                        | 5,054                        | 5,054                        |
| <b>Total equity .....</b>                  | <b>1,037,971</b>            | <b>1,405,767</b>            | <b>1,433,591</b>                         | <b>1,426,576</b>                    | <b>1,389,409</b>             | <b>1,330,441</b>             | <b>1,356,411</b>             |
| <b>TOTAL LIABILITIES AND EQUITY .....</b>  | <b>1,096,467</b>            | <b>1,484,603</b>            | <b>1,504,222</b>                         | <b>1,483,056</b>                    | <b>1,444,587</b>             | <b>1,385,025</b>             | <b>1,410,924</b>             |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                                |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                     | 83,698                      | 67,861                      | 66,933                                   | 103,691                             | 81,731                       | 54,808                       | 33,814                       |
| Capital appropriation .....                                     | 32,763                      | 426,020                     | 425,904                                  | 39,818                              | 41,735                       | 41,600                       | 21,823                       |
| Royalties for Regions Fund:                                     |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....                          | 30,591                      | 36,950                      | 36,729                                   | 37,816                              | 47,339                       | 47,692                       | 30,751                       |
| Regional Infrastructure and Headworks<br>Fund .....             | -                           | 1,038                       | 1,335                                    | 4,858                               | 32,220                       | 23,625                       | 17,100                       |
| Receipts paid into Consolidated Account .....                   | -                           | -                           | (11,931)                                 | (60)                                | (307)                        | (280)                        | -                            |
| Other.....  | 63,616                      | 66,039                      | 77,484                                   | 93,429                              | 73,200                       | 75,524                       | 70,553                       |
| <b>Net cash provided by Government .....</b>                    | <b>210,668</b>              | <b>597,908</b>              | <b>596,454</b>                           | <b>279,552</b>                      | <b>275,918</b>               | <b>242,969</b>               | <b>174,041</b>               |
| <b>CASHFLOWS FROM OPERATING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....  | (148,177)                   | (164,020)                   | (172,559)                                | (179,985)                           | (174,030)                    | (171,798)                    | (168,888)                    |
| Grants and subsidies.....                                       | (126,874)                   | (183,295)                   | (151,929)                                | (178,293)                           | (142,822)                    | (129,937)                    | (109,982)                    |
| Supplies and services .....                                     | (80,962)                    | (125,323)                   | (120,392)                                | (190,956)                           | (179,239)                    | (166,639)                    | (97,388)                     |
| Accommodation .....   | (27,044)                    | (28,975)                    | (28,261)                                 | (26,681)                            | (27,171)                     | (29,930)                     | (32,798)                     |
| GST payments .....  | (28,429)                    | (26,706)                    | (26,706)                                 | (26,706)                            | (26,706)                     | (26,706)                     | (26,706)                     |
| Finance and interest costs.....                                 | -                           | (152)                       | (129)                                    | (118)                               | (101)                        | (79)                         | (68)                         |
| Other payments.....   | (34,972)                    | (33,400)                    | (37,040)                                 | (42,967)                            | (41,618)                     | (37,526)                     | (36,415)                     |
| <b>Receipts <sup>(b)</sup></b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Regulatory fees and fines.....                                  | 175,249                     | 177,271                     | 177,254                                  | 183,273                             | 180,673                      | 190,686                      | 192,066                      |
| Grants and subsidies.....                                       | 2,749                       | 32,771                      | 31,850                                   | 89,144                              | 54,128                       | 51,153                       | 1,153                        |
| Sale of goods and services.....                                 | 25,122                      | 26,940                      | 31,200                                   | 32,385                              | 32,902                       | 33,448                       | 35,858                       |
| Taxation.....   | 87,792                      | 83,842                      | 87,642                                   | 90,029                              | 92,811                       | 94,895                       | 96,697                       |
| GST receipts .....  | 26,503                      | 26,706                      | 26,706                                   | 26,706                              | 26,706                       | 26,706                       | 26,706                       |
| Other receipts .....  | 24,811                      | 26,341                      | 26,327                                   | 27,575                              | 27,590                       | 28,139                       | 28,664                       |
| <b>Net cash from operating activities .....</b>                 | <b>(104,232)</b>            | <b>(188,000)</b>            | <b>(156,037)</b>                         | <b>(196,594)</b>                    | <b>(176,877)</b>             | <b>(137,588)</b>             | <b>(91,101)</b>              |
| <b>CASHFLOWS FROM INVESTING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                            | (31,784)                    | (48,217)                    | (44,717)                                 | (53,691)                            | (78,513)                     | (65,225)                     | (38,923)                     |
| Proceeds from sale of non-current assets.....                   | 16                          | -                           | 9,231                                    | 60                                  | 307                          | 280                          | -                            |
| <b>Net cash from investing activities.....</b>                  | <b>(31,768)</b>             | <b>(48,217)</b>             | <b>(35,486)</b>                          | <b>(53,631)</b>                     | <b>(78,206)</b>              | <b>(64,945)</b>              | <b>(38,923)</b>              |
| <b>CASHFLOWS FROM FINANCING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases.....                         | (2,607)                     | (2,364)                     | (2,866)                                  | (12,233)                            | (2,696)                      | (1,568)                      | (1,509)                      |
| Other payments.....   | -                           | -                           | -  | (55,800)                            | (123,200)                    | (150,000)                    | (52,500)                     |
| Proceeds from borrowings.....                                   | -                           | 9,460                       | 9,460                                    | -                                   | -                            | -                            | -                            |
| <b>Net cash from financing activities.....</b>                  | <b>(2,607)</b>              | <b>7,096</b>                | <b>6,594</b>                             | <b>(68,033)</b>                     | <b>(125,896)</b>             | <b>(151,568)</b>             | <b>(54,009)</b>              |
| <b>NET INCREASE/(DECREASE) IN CASH<br/>HELD .....</b>           | <b>72,061</b>               | <b>368,787</b>              | <b>411,525</b>                           | <b>(38,706)</b>                     | <b>(105,061)</b>             | <b>(111,132)</b>             | <b>(9,992)</b>               |
| Cash assets at the beginning of the reporting<br>period .....   | 201,399                     | 261,715                     | 273,400                                  | 659,025                             | 588,748                      | 476,158                      | 355,026                      |
| Net cash transferred to/from other agencies ....                | (60)                        | -                           | (25,900)                                 | (31,571)                            | (7,529)                      | (10,000)                     | -                            |
| <b>Cash assets at the end of the reporting<br/>period .....</b> | <b>273,400</b>              | <b>630,502</b>              | <b>659,025</b>                           | <b>588,748</b>                      | <b>476,158</b>               | <b>355,026</b>               | <b>345,034</b>               |

(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<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Regulatory Fees and Fines</b>               |                             |                             |  |                                     |                              |                              |                              |
| Boat Registration Fees .....                   | 21,194                      | 21,491                      | 21,491                                   | 23,495                              | 24,911                       | 26,397                       | 27,969                       |
| Jetty Licences and Coastal Facility Fees ..... | 13,326                      | 11,770                      | 11,770                                   | 12,007                              | 12,191                       | 12,299                       | 12,351                       |
| Motor Drivers Licence Fees .....               | 77,406                      | 74,390                      | 74,390                                   | 78,318                              | 81,401                       | 87,741                       | 85,310                       |
| Motor Vehicle Recording Fee .....              | 54,703                      | 58,358                      | 58,341                                   | 57,370                              | 49,304                       | 50,642                       | 52,017                       |
| On-demand Transport Fees .....                 | 3,599                       | 6,211                       | 6,211                                    | 6,383                               | 6,888                        | 7,473                        | 8,128                        |
| Other Driver and Vehicle Services Fees .....   | 2,877                       | 3,659                       | 3,659                                    | 4,189                               | 4,436                        | 4,561                        | 4,688                        |
| Other Marine Safety Fees .....                 | 2,144                       | 1,391                       | 1,392                                    | 1,511                               | 1,542                        | 1,573                        | 1,603                        |
| <b>Grants and Subsidies</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Grants and Contributions Received .....        | 30,197                      | 62,622                      | 65,208                                   | 124,698                             | 78,418                       | 83,357                       | 33,357                       |
| <b>Sale of Goods and Services</b>              |                             |                             |  |                                     |                              |                              |                              |
| Commissions .....                              | 27,715                      | 26,940                      | 29,178                                   | 29,265                              | 30,514                       | 31,801                       | 31,319                       |
| Motor Vehicle Inspection Fees .....            | 25,122                      | 29,230                      | 31,200                                   | 32,385                              | 32,902                       | 33,448                       | 35,858                       |
| Sale of Goods and Services .....               | 122                         | 380                         | 577                                      | 630                                 | 655                          | 680                          | 706                          |
| <b>Taxation</b>                                |                             |                             |  |                                     |                              |                              |                              |
| Motor Vehicle Plate Fees .....                 | 24,127                      | 16,421                      | 20,221                                   | 19,793                              | 20,115                       | 20,439                       | 20,766                       |
| Motor Vehicle Transfer Fees .....              | 11,601                      | 11,322                      | 11,322                                   | 11,768                              | 11,951                       | 12,131                       | 12,309                       |
| Perth Parking Levy .....                       | 52,064                      | 56,099                      | 56,099                                   | 58,468                              | 60,745                       | 62,325                       | 63,622                       |
| <b>GST Receipts</b>                            |                             |                             |  |                                     |                              |                              |                              |
| GST Input Credits .....                        | 17,415                      | 18,825                      | 18,825                                   | 18,825                              | 18,825                       | 18,825                       | 18,825                       |
| GST Receipts on Sales .....                    | 9,088                       | 7,881                       | 7,881                                    | 7,881                               | 7,881                        | 7,881                        | 7,881                        |
| <b>Other Receipts</b>                          |                             |                             |  |                                     |                              |                              |                              |
| Interest Revenue .....                         | 65                          | 296                         | 296                                      | 296                                 | 296                          | 296                          | 296                          |
| Other Revenue .....                            | 10,284                      | 9,957                       | 9,942                                    | 11,079                              | 10,764                       | 10,970                       | 11,138                       |
| Rents and Leases .....                         | 14,967                      | 16,720                      | 16,720                                   | 17,137                              | 17,473                       | 17,822                       | 18,179                       |
| Service Delivery Agreement .....               | 7,826                       | 5,947                       | 13,431                                   | 7,511                               | 4,296                        | 4,296                        | 4,296                        |
| Special Purpose Account .....                  | -                           | -                           | 309                                      | 19,532                              | 12,502                       | 5,594                        | 1,079                        |
| <b>TOTAL .....</b>                             | <b>405,842</b>              | <b>439,910</b>              | <b>458,463</b>                           | <b>542,541</b>                      | <b>488,010</b>               | <b>500,551</b>               | <b>451,697</b>               |

## DETAILS OF ADMINISTERED TRANSACTIONS

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>INCOME</b>   |                             |                             |  |                                     |                              |                              |                              |
| <b>Taxation</b>   |                             |                             |  |                                     |                              |                              |                              |
| Motor Vehicle Licence Fees .....                        | 1,047,950                   | 1,090,188                   | 1,119,501                                | 1,169,227                           | 1,229,193                    | 1,290,519                    | 1,354,904                    |
| On-demand Transport Levy .....                          | 42,139                      | 39,000                      | 38,034                                   | -                                   | -                            | -                            | -                            |
| <b>Fines</b>  |                             |                             |  |                                     |                              |                              |                              |
| Final Demand Fees .....                                 | 2,448                       | 2,256                       | 2,757                                    | 2,757                               | 2,757                        | 2,757                        | 2,757                        |
| Other Fines .....                                       | 22,811                      | 23,028                      | 23,028                                   | 23,028                              | 23,028                       | 23,028                       | 23,028                       |
| Plate and Transfer Infringements .....                  | 8,285                       | 8,586                       | 8,085                                    | 8,303                               | 8,318                        | 8,335                        | 8,354                        |
| Speed and Red Light Fines .....                         | 83,385                      | 76,468                      | 82,468                                   | 79,605                              | 79,605                       | 79,605                       | 79,605                       |
| <b>Other</b>  |                             |                             |  |                                     |                              |                              |                              |
| Appropriation .....                                     | 100                         | 100                         | 100                                      | 100                                 | 100                          | 100                          | 100                          |
| Off-road Vehicle Fees .....                             | 104                         | 103                         | 103                                      | 138                                 | 185                          | 278                          | 278                          |
| <b>TOTAL ADMINISTERED INCOME .....</b>                  | <b>1,207,222</b>            | <b>1,239,729</b>            | <b>1,274,076</b>                         | <b>1,283,158</b>                    | <b>1,343,186</b>             | <b>1,404,622</b>             | <b>1,469,026</b>             |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| <b>Statutory Authorities</b>                            |                             |                             |  |                                     |                              |                              |                              |
| Western Australian Coastal Shipping<br>Commission ..... | 100                         | 100                         | 100                                      | 100                                 | 100                          | 100                          | 100                          |
| <b>Other</b>  |                             |                             |  |                                     |                              |                              |                              |
| All Other Expenses .....                                | 2,670                       | -                           | -  | -                                   | -                            | -                            | -                            |
| Payments to Consolidated Account .....                  | 1,633,374                   | 1,163,058                   | 1,191,405                                | 1,203,315                           | 1,263,296                    | 1,324,639                    | 1,389,043                    |
| Payments to Off-road Vehicle Trust<br>Account .....     | 104                         | 103                         | 103                                      | 138                                 | 185                          | 278                          | 278                          |
| Payments to Road Trauma Trust Account .....             | 83,385                      | 76,468                      | 82,468                                   | 79,605                              | 79,605                       | 79,605                       | 79,605                       |
| <b>TOTAL ADMINISTERED EXPENSES .....</b>                | <b>1,719,633</b>            | <b>1,239,729</b>            | <b>1,274,076</b>                         | <b>1,283,158</b>                    | <b>1,343,186</b>             | <b>1,404,622</b>             | <b>1,469,026</b>             |

# Division 39 Commissioner of Main Roads

## Part 9 Transport

### Appropriations, Expenses and Cash Assets

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>                               |                             |                             |  |                                     |                              |                              |                              |
| Item 84 Net amount appropriated to deliver services ..... | 368,402                     | 404,042                     | 414,846                                  | <b>444,704</b>                      | 436,886                      | 469,134                      | 458,106                      |
| <b>Amount Authorised by Other Statutes</b>                |                             |                             |  |                                     |                              |                              |                              |
| - Road Traffic (Administration) Act 2008.....             | 699,729                     | 806,660                     | 835,973                                  | <b>771,717</b>                      | 796,679                      | 894,110                      | 1,046,314                    |
| - Salaries and Allowances Act 1975.....                   | 425                         | 426                         | 426                                      | <b>427</b>                          | 428                          | 429                          | 429                          |
| Total appropriations provided to deliver services.....    | 1,068,556                   | 1,211,128                   | 1,251,245                                | <b>1,216,848</b>                    | 1,233,993                    | 1,363,673                    | 1,504,849                    |
| <b>CAPITAL</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 145 Capital Appropriation.....                       | 72,400                      | 107,923                     | 138,987                                  | <b>78,053</b>                       | 107,518                      | 222,405                      | 140,201                      |
| Road Traffic (Administration) Act 2008.....               | 357,757                     | 291,028                     | 291,028                                  | <b>405,010</b>                      | 440,014                      | 403,909                      | 316,090                      |
| <b>TOTAL APPROPRIATIONS .....</b>                         | <b>1,498,713</b>            | <b>1,610,079</b>            | <b>1,681,260</b>                         | <b>1,699,911</b>                    | <b>1,781,525</b>             | <b>1,989,987</b>             | <b>1,961,140</b>             |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....                              | 1,374,559                   | 1,376,722                   | 1,574,737                                | <b>1,713,561</b>                    | 1,725,922                    | 1,815,783                    | 1,657,329                    |
| Net Cost of Services <sup>(a)(b)</sup> .....              | (1,091,691)                 | 311,434                     | 362,381                                  | <b>268,967</b>                      | (58,781)                     | 441,617                      | 664,390                      |
| <b>CASH ASSETS <sup>(c)</sup> .....</b>                   | <b>377,092</b>              | <b>512,187</b>              | <b>467,777</b>                           | <b>334,846</b>                      | <b>246,877</b>               | <b>249,821</b>               | <b>360,832</b>               |

- (a) Represents Total Cost of Services (expenses) less retained revenues applied to Main Roads' 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 the Net Cost of Services includes all sources of non-Government receipts, the value of both road assets transferred in and Commonwealth funding is included as an offset to the Total Cost of Services. This can result in a negative Net Cost of Services in some years.
- (c) As at 30 June each financial year.

## Spending Changes

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

|   | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>New Initiatives</b>  |  |                                     |                              |                              |                              |
| 2023 Total Solar Eclipse - Traffic Management and Rest Area Upgrades .....          | -  | 7,886                               | -                            | -                            | -                            |
| Broome Cape-Leveque Road Upgrades - Recurrent to Capital .....                      | (11,598)                                 | (5,000)                             | -                            | -                            | -                            |
| Mid West and Great Southern Secondary Freight Network Program .....                 | 1,500                                    | 18,000                              | 16,500                       | -                            | -                            |
| Outback Way <sup>(a)</sup> .....  | -  | 75,000                              | 75,000                       | 70,000                       | 70,000                       |
| Regional Road Maintenance In-House Delivery Model .....                             | (855)                                    | (18,858)                            | (11,789)                     | (19,914)                     | (15,884)                     |
| Tanami Road Alice Springs to Halls Creek Corridor Upgrade <sup>(b)</sup> .....      | -  | 5,000                               | 65,000                       | 90,000                       | 105,000                      |
| <b>Ongoing Initiatives</b>  |  |                                     |                              |                              |                              |
| Bidyadanga Internal Roads - Capital to Recurrent .....                              | -  | 4,099                               | -                            | -                            | -                            |
| Depreciation Update .....   | 52,999                                   | 149,800                             | 113,891                      | 130,909                      | 87,325                       |
| Moonamang Road Upgrade .....  | -  | 2,000                               | -                            | -                            | -                            |
| Motor Vehicle Licence Fee Revenue Update .....                                      | -  | 4,924                               | 5,041                        | 4,707                        | 5,270                        |
| National Land Transport Network Maintenance Update .....                            | 5,490                                    | 5,490                               | 5,490                        | 5,490                        | 5,490                        |
| Operational Expenditure - Capital to Recurrent .....                                | 125,503                                  | -                                   | -                            | -                            | -                            |
| Western Australia Natural Disaster Relief and Recovery Arrangements<br>Update ..... | 1,200                                    | 5,600                               | -                            | -                            | -                            |
| <b>Other</b>  |  |                                     |                              |                              |                              |
| Parallel Walks .....  | (2,942)                                  | (1,942)                             | -                            | -                            | -                            |

(a) Part of the Western Australia section of Outback Way between Laverton and Western Australia/Northern Territory border remains unsealed. An additional \$500 million (joint State and Commonwealth funded) to seal the balance of the Great Central Road over the next seven years is allocated in the 2022-23 Budget.

(b) The 311 km unsealed section in Western Australia is a local road under the care and control of the Shire of Halls Creek. The 2022-23 Budget provides \$500 million (joint State and Commonwealth funded) to seal the route within Western Australia.

## Significant Issues Impacting the Agency

1. Consistent with supply constraints across the industry, Main Roads' construction costs have escalated due to the challenges of global supply chain shortages. These challenges include access to skilled labour, with other global factors further influencing the price and availability of materials (e.g. steel and bitumen). Progress is being made on establishing a sustainable pipeline of infrastructure investments by adjusting the program of works to manage these supply and cost pressures. Main Roads has consulted with the civil construction industry and refined its pipeline of works to build confidence within the construction sector, encourage its growth, and create permanent jobs.
2. Main Roads continues to ensure social outcomes are achieved through the delivery of its services, which in turn has a positive economic impact and supports the implementation of the Government's Aboriginal Empowerment Strategy 2021-2029 and commitments under the Closing the Gap Agreement. Significant progress has been made to increase the number of Aboriginal employment and business opportunities across the civil construction industry. In 2020-21, \$80 million was spent with Aboriginal businesses and over 400,000 hours worked by Aboriginal people. Over the next five years, and aligned to the Aboriginal Procurement Policy, targets have been set by Government to award \$700 million of contracts to Aboriginal businesses, as well as having 3.5 million work hours completed by Aboriginal workers on State transport infrastructure programs. Main Roads continues to work with industry to identify ways to ensure that a sustainable and long-term industry is realised, creating a skilled and diverse workforce and enabling Aboriginal businesses to support an ongoing program of works.
3. Main Roads is continuing the accelerated delivery of the Regional Road Safety Program to reduce the number of people killed and seriously injured on regional highways and roads as a result of single vehicle 'run off road' crashes. A further \$175 million has been allocated in 2023-24, bringing expenditure for the program over 2022-23 to 2023-24 to \$352.5 million. These allocations allow the program to continue rolling out the sealing of shoulders and installation of audible warning lines, treatments proven to reduce single vehicle 'run off road' crashes.

4. Congestion has a significant impact on the State's productivity, safety, health and environment. It affects all road users, including private vehicles, buses, pedestrians/cyclists and the movement of freight. Through the Road Network Operations Centre, performance data is used to improve planning and real time operations, supporting informed decision making. Through initiatives such as Smart Freeways, deployment of new technology, smarter operations and targeted works, the focus remains on reducing the impact of congestion by optimising the use of existing assets and improving use of the transport network as a whole.
5. Main Roads continues to monitor developments with emerging future vehicles and technology to understand the possibilities and implications on the road network and the broader integrated land transport system. Work is ongoing to understand the potential impacts for urban and transport planners and when the impact of these technologies will likely reach critical mass.
6. Main Roads will be progressively bringing road maintenance delivery in-house as current contracts conclude, with the majority of this work expected to be completed by March 2024. This will see up to 660 permanent jobs created within Main Roads, with some 490 of these positions to be located across regional Western Australia. The change will enable Main Roads to offer more regional training and employment opportunities, with the creation of four new depots to be established in Manjimup, Esperance, Karratha and Broome.

## 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 Main Roads' 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 Goals   | Desired Outcomes                                     | Services   |
|--|--|--|
| WA Jobs Plan:<br>Diversifying the WA economy, creating local jobs for the future.  | Facilitate economic and regional development.        | 1. Infrastructure for State Development                      |
|  | A well-maintained road network.                      | 2. Road Network Maintenance                                  |
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive.   | A safe road environment.                             | 3. Road Safety   |
|  | Improved community access and roadside amenity.      | 4. Infrastructure for Community Access                       |
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Reliable and efficient movement of people and goods. | 5. Road System Management<br>6. Road Efficiency Improvements |



**Total Cost of Services - Reconciliation to Service Summary Table**

| Expense  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Total Cost of Services .....</b>                    | 1,374,559                   | 1,376,722                   | 1,574,737                                | 1,713,561                           | 1,725,922                    | 1,815,783                    | 1,657,329                    |
| <i>Add:</i>  |                             |                             |  |                                     |                              |                              |                              |
| Road Infrastructure Capital Works <sup>(a)</sup> ..... | 1,309,497                   | 1,587,689                   | 1,633,246                                | 2,021,148                           | 2,012,986                    | 1,667,457                    | 1,392,845                    |
| <i>Less:</i>   |                             |                             |  |                                     |                              |                              |                              |
| Local Government Network Expenditure                   |                             |                             |  |                                     |                              |                              |                              |
| Disaster Recovery on Local Government                  |                             |                             |  |                                     |                              |                              |                              |
| Roads <sup>(b)</sup> .....                             | (27,261)                    | -                           | -  | -                                   | -                            | -                            | -                            |
| State Road Funds to Local Government                   |                             |                             |  |                                     |                              |                              |                              |
| Agreement .....  | (183,920)                   | (263,715)                   | (259,604)                                | (233,845)                           | (245,839)                    | (258,104)                    | (270,981)                    |
| Non-cash Expenditure                                   |                             |                             |  |                                     |                              |                              |                              |
| Road Infrastructure Depreciation <sup>(c)</sup> .....  | (415,742)                   | (443,291)                   | (454,095)                                | (487,193)                           | (509,361)                    | (528,909)                    | (535,481)                    |
| Road Transfers and Retirements <sup>(d)</sup> .....    | (47,670)                    | (11,404)                    | (52,814)                                 | (111,047)                           | (73,069)                     | (70,550)                     | (20,409)                     |
| <b>Adjusted Total Cost of Services.....</b>            | 2,009,463                   | 2,246,001                   | 2,441,470                                | 2,902,624                           | 2,910,639                    | 2,625,677                    | 2,223,303                    |

(a) Road Infrastructure Capital Works reflects road works expenditure capitalised to infrastructure which is not reflected in the Income Statement in accordance with AASB 1055: *Budgetary Reporting*.

(b) Natural Disaster Expenditure on Local Government Roads occurring after 2019-20 will now be recouped by local governments directly from Fire and Emergency Services. The 2020-21 figure reflects the finalisation of claims prior to the change.

(c) Road Infrastructure Depreciation includes amortisation of intangibles.

(d) Road Transfers and Retirements reflect retired non-current fixed assets expense and expenditure related to non-current fixed assets transferred to local authorities, both of which are non-cash transactions.

**Service Summary**

| Expense  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Infrastructure for State Development .....        | 338,090                     | 251,312                     | 413,650                                  | 523,127                             | 620,038                      | 712,462                      | 440,035                      |
| 2. Road Network Maintenance <sup>(a)</sup> .....     | 406,762                     | 451,178                     | 504,327                                  | 453,704                             | 465,683                      | 386,509                      | 353,321                      |
| 3. Road Safety <sup>(b)</sup> .....                  | 397,647                     | 452,586                     | 404,680                                  | 368,828                             | 288,715                      | 123,050                      | 122,950                      |
| 4. Infrastructure for Community Access .....         | 113,216                     | 205,166                     | 142,003                                  | 218,518                             | 231,794                      | 201,458                      | 117,349                      |
| 5. Road System Management .....                      | 165,846                     | 157,426                     | 162,927                                  | 172,161                             | 165,526                      | 146,072                      | 146,209                      |
| 6. Road Efficiency Improvements <sup>(c)</sup> ..... | 587,902                     | 728,333                     | 813,883                                  | 1,166,286                           | 1,138,883                    | 1,056,126                    | 1,043,439                    |
| <b>Total Cost of Services .....</b>                  | 2,009,463                   | 2,246,001                   | 2,441,470                                | 2,902,624                           | 2,910,639                    | 2,625,677                    | 2,223,303                    |

(a) Variations in Road Network Maintenance expenditure is primarily due to natural disaster repairs on the State network, third party funded works and bridge works.

(b) The increase in Road Safety expenditure over 2020-21 to 2023-24 primarily reflects additional Commonwealth and State funding for the Regional Road Safety Program.

(c) The increase in Road Efficiency Improvements in the 2022-23 Budget Year and outyears is mainly due to the construction of the Bunbury Outer Ring Road and Great Eastern Highway Bypass.

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Facilitate economic and regional development:</b>                            |                   |                   |                                |                             |      |
| Return on construction expenditure.....  | 3.2               | 2.78              | 2.7                            | 2.6                         |      |
| <b>Outcome: A well-maintained road network:</b>  |                   |                   |                                |                             |      |
| Smooth travel exposure .....   | 98%               | n/a               | n/a                            | 97%                         | 1    |
| Community satisfaction with road maintenance .....                                       | 89%               | 90%               | 90%                            | 90%                         |      |
| Preventative maintenance indicator.....  | 87%               | 85%               | 87%                            | 85%                         |      |
| <b>Outcome: A safe road environment:</b>   |                   |                   |                                |                             |      |
| Community satisfaction with road safety.....   | 93%               | 90%               | 90%                            | 90%                         |      |
| Blackspot location indicator.....  | 7.22              | 7.18              | 7.22                           | 7.03                        |      |
| <b>Outcome: Improved community access and roadside amenity:</b>                          |                   |                   |                                |                             |      |
| Percentage of the year that 100% of the Main Roads' State road network is available..... | 84%               | 95%               | 90%                            | 95%                         | 2    |
| Community satisfaction with cycleways and pedestrian facilities.....                     | 89%               | 90%               | 90%                            | 90%                         |      |
| <b>Outcome: Reliable and efficient movement of people and goods:</b>                     |                   |                   |                                |                             |      |
| Community satisfaction .....   | 92%               | 90%               | 90%                            | 90%                         |      |
| Road network permitted for use by heavy freight vehicles:                                |                   |                   |                                |                             |      |
| B-Doubles 27.5m .....  | 98%               | 97%               | 98%                            | 97%                         |      |
| Double road trains 27.5m .....   | 98%               | 97%               | 98%                            | 97%                         |      |
| Double road trains 36.5m .....   | 82%               | 80%               | 82%                            | 80%                         |      |
| Triple road trains 53.5m.....  | 45%               | 45%               | 45%                            | 45%                         |      |
| Network configuration  |                   |                   |                                |                             |      |
| Roads .....  | 93%               | 92%               | 93%                            | 93%                         |      |
| Bridges  |                   |                   |                                |                             |      |
| Strength.....  | 94%               | 94%               | 94%                            | 94%                         |      |
| Width.....   | 96%               | 96%               | 96%                            | 96%                         |      |

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

**Explanation of Significant Movements**

(Notes)

1. This indicator is based on the percentage of travel undertaken on the State road network meeting specific roughness criteria. In 2011, it was agreed to only capture data used for this reporting on a biennial basis.
2. The 2021-22 Estimated Actual of 90% is below the 2021-22 Budget figure of 95% primarily due to the result of flooding in the Kimberley region, and severe weather and associated flooding across the South Coastal region.

## Services and Key Efficiency Indicators

### 1. Infrastructure for State Development

The objective of this service is to expand the road network in accordance with Government transport and land use strategies that will facilitate the economic and regional development of the State. These works are mostly aimed at increasing the capacity of the road network through the addition of new links, which include town bypasses.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                      | 338,090           | 251,312           | 413,650                        | 523,127                     | 1    |
| Less Income .....                               | 281,622           | 186,028           | 226,749                        | 271,722                     |      |
| Net Cost of Service .....                       | 56,468            | 65,284            | 186,901                        | 251,405                     |      |
| <b>Employees (Full-Time Equivalents) .....</b>  | <b>136</b>        | <b>140</b>        | <b>137</b>                     | <b>138</b>                  |      |
| <b>Efficiency Indicators</b>                    |                   |                   |                                |                             |      |
| Percentage of projects completed on time.....   | 83%               | 90%               | 90%                            | 90%                         |      |
| Percentage of projects completed on budget..... | 100%              | 90%               | 90%                            | 90%                         |      |

### Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service between the 2021-22 Estimated Actual and the 2022-23 Budget Target is mainly due to METRONET road-related works and the Tonkin Highway Extension.

### 2. Road Network Maintenance

The objective of this service is to maintain the existing road and bridge network by maximising asset life and minimising whole of life costs. Works include routine maintenance (crack patching, patching of potholes, control of declared plants and weeds, graffiti removal and litter collections), periodic maintenance (repairs to pavements, culverts and bridge decks, sealing and re-sealing of road surfaces and replacing line markings), rehabilitation works where the primary reason for the works is due to pavement failure and managing and administering various Integrated Service Arrangements.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 406,762           | 451,178           | 504,327                        | 453,704                     | 1    |
| Less Income .....   | 88,394            | 76,598            | 124,514                        | 118,127                     |      |
| Net Cost of Service .....   | 318,368           | 374,580           | 379,813                        | 335,577                     |      |
| <b>Employees (Full-Time Equivalents) .....</b>                              | <b>169</b>        | <b>176</b>        | <b>170</b>                     | <b>307</b>                  | 2    |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Average cost of road network maintenance per lane kilometre of network .... | \$8,121           | \$7,900           | \$8,700                        | \$8,600                     |      |

### Explanation of Significant Movements

(Notes)

1. The reduction in Total Cost of Service between the 2021-22 Estimated Actual and the 2022-23 Budget Target is mainly due to the Western Australia Natural Disaster Relief and Recovery Arrangements no longer being administered by Main Roads.
2. The increase in Full-Time Equivalents is due to returning road maintenance staff in-house to Main Roads.

### 3. Road Safety

The objective of this service is to reduce the road fatality rate to be the lowest in Australia, minimise road factors contributing to road trauma and reduce the serious crash injury rate. Works undertaken have safety as the foremost factor and include the State and national Black Spot programs and various projects that improve safety on the existing road network including passing lanes.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                      | 397,647           | 452,586           | 404,680                        | 368,828                     |      |
| Less Income .....                               | 291,906           | 272,835           | 275,154                        | 232,348                     |      |
| Net Cost of Service .....                       | 105,741           | 179,751           | 129,526                        | 136,480                     |      |
| <b>Employees (Full-Time Equivalents) .....</b>  | <b>60</b>         | <b>62</b>         | <b>60</b>                      | <b>61</b>                   |      |
| <b>Efficiency Indicators</b>                    |                   |                   |                                |                             |      |
| Percentage of projects completed on budget..... | 95%               | 90%               | 90%                            | 90%                         | 1    |
| Percentage of projects completed on time .....  | 64%               | 90%               | 85%                            | 90%                         |      |

#### Explanation of Significant Movements

(Notes)

1. The reduction in percentage of projects completed on time between the 2021-22 Budget and the 2021-22 Estimated Actual is mainly due to inclement weather conditions and COVID-19.

### 4. Infrastructure for Community Access

The objective of this service is to provide infrastructure that will improve personal mobility and community access, including increasing the quality of access where appropriate, providing levels of access commensurate with community expectations and meeting minimal levels of appropriate access. Works include providing access to remote communities, pedestrian facilities, cyclist facilities, vulnerable road users' facilities, road user amenities, public transport integration and improvements such as new bridges to address flood closures.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                      | 113,216           | 205,166           | 142,003                        | 218,518                     | 1    |
| Less Income .....                               | 68,925            | 182,636           | 110,779                        | 138,313                     | 1    |
| Net Cost of Service .....                       | 44,291            | 22,530            | 31,224                         | 80,205                      |      |
| <b>Employees (Full-Time Equivalents) .....</b>  | <b>33</b>         | <b>35</b>         | <b>33</b>                      | <b>34</b>                   |      |
| <b>Efficiency Indicators</b>                    |                   |                   |                                |                             |      |
| Percentage of projects completed on time.....   | 100%              | 90%               | 75%                            | 90%                         | 2    |
| Percentage of projects completed on budget..... | 100%              | 90%               | 90%                            | 90%                         |      |

#### Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service and Income between the 2021-22 Estimated Actual and the 2022-23 Budget Target is mainly due to Outback Way and METRONET road-related works.
2. The reduction in percentage of projects completed on time between the 2021-22 Budget and the 2021-22 Estimated Actual is mainly due to inclement weather conditions and the COVID-19 pandemic.

## 5. Road System Management

The objective of this service is to optimise real time management of the network, provide traveller information and support delivery of projects. Works include activities of the traffic operation centre, heavy vehicle operation activities, metropolitan and regional road asset management, road user and customer services, emergency telephones, street lighting, intelligent transport systems, traffic signals and road advisory services to the community.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 165,846           | 157,426           | 162,927                        | 172,161                     |      |
| Less Income .....   | 3,077             | 2,250             | 2,381                          | 2,250                       |      |
| Net Cost of Service .....   | 162,769           | 155,176           | 160,546                        | 169,911                     |      |
| Employees (Full-Time Equivalents) .....   | 662               | 687               | 665                            | 674                         |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Average cost of network management per million vehicle kilometres travelled ..... | \$6,821           | \$5,450           | \$7,200                        | \$6,800                     | 1    |

### Explanation of Significant Movements

(Notes)

1. The increase from the 2021-22 Budget to the 2021-22 Estimated Actual is due to the Traffic Control System Upgrade project not included in the Budget estimate and the Transport Data Surveys project expenditure being higher than originally budgeted due to an increase in program scope.

## 6. Road Efficiency Improvements

The objective of this service is to improve the efficiency, capacity and utilisation of the existing road network. Improvements include providing a road of improved standard through geometric improvements, road widening, bridge strengthening and intersection improvements including roundabouts and interchanges.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                      | 587,902           | 728,333           | 813,883                        | 1,166,286                   | 1    |
| Less Income .....                               | 377,220           | 560,304           | 390,414                        | 830,762                     | 1    |
| Net Cost of Service .....                       | 210,682           | 168,029           | 423,469                        | 335,524                     |      |
| Employees (Full-Time Equivalents) .....         | 110               | 115               | 111                            | 112                         |      |
| <b>Efficiency Indicators</b>                    |                   |                   |                                |                             |      |
| Percentage of projects completed on time.....   | 72%               | 90%               | 85%                            | 90%                         | 2    |
| Percentage of projects completed on budget..... | 97%               | 90%               | 95%                            | 90%                         |      |

### Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service and Income between the 2021-22 Estimated Actual and the 2022-23 Budget Target is mainly due to construction of the Bunbury Outer Ring Road.
2. The reduction in percentage of projects completed on time between the 2021-22 Budget and the 2021-22 Estimated Actual is mainly due to inclement weather conditions and the COVID-19 pandemic.

## Asset Investment Program

1. Investment to ensure the strategic preservation and expansion of the State's largest asset, the road network, is crucial to meet the needs of the community, industry and stakeholders. Main Roads continues to collaborate with Transport portfolio partners to deliver multi-modal transport solutions that improve safety and efficiency, create new jobs and support the growth of the Western Australian economy.
2. Main Roads is forecast to spend \$2 billion in 2022-23, and significant road infrastructure works include:

### Albany Highway - Albany Ring Road

3. The final section of the Albany Ring Road project, between South Coast Highway and Princess Royal Drive, is underway. Upon its completion in 2024, this will complete an 11 km free flowing route between Albany Highway and Port facilities on Princess Royal Drive. The project will improve freight efficiency, reduce interactions between heavy vehicles and local traffic, and alleviate congestion on existing roads.
4. The Albany Ring Road is the biggest infrastructure project ever undertaken in the Great Southern Region and its construction provides major economic benefits to the local community. In addition, 24% of the construction workforce identify as Aboriginal, significantly exceeding the target set for the project.

### Bunbury Outer Ring Road

5. The Bunbury Outer Ring Road project will provide a 27 km highway between Forrest Highway near Australind, and Bussell Highway near Stratham. Connections will be provided to other key regional and local roads including Raymond Road, South Western Highway, Willinge Drive and Centenary Road.
6. The completion of the Bunbury Outer Ring Road will provide an alternative route around Bunbury, separating local and regional traffic and thus improve safety and reduce congestion on other roads. This will strengthen Greater Bunbury's position as a regional industrial hub and tourist destination for the South West region.

### Great Northern Highway - Marble Bar Road Upgrade

7. The Marble Bar Road Upgrade project will upgrade nearly 100 km of Marble Bar Road between the McPhee and Roy Hill mines in the Pilbara, facilitating mine development and increasing the volume of exportable commodities. The existing unsealed section of Marble Bar Road is not capable of undertaking the required haulage task due to deficiencies in the pavement, road closure periods due to rain and flooding events, road safety issues, and road geometry constraints.
8. The upgrading of Marble Bar Road will provide opportunities for further mine construction together with mining-based employment and Aboriginal business opportunities. The project will also improve access to the town of Nullagine, improving its long-term outlook.

### Mitchell Freeway Hester Avenue to Romeo Road - Extension

9. This 5.6 km extension of the Mitchell Freeway will provide two traffic lanes in each direction, new interchanges at Butler Boulevard and Lukin Drive, an upgrade of the Hester Avenue interchange and the construction of a rail tunnel under the freeway northbound lanes for the METRONET Yanchep Rail Extension project. The project also includes the construction of Romeo Road from Marmion Avenue to Wanneroo Road and associated tie-ins.
10. The project will improve connectivity and support the expansion of Perth's fast growing outer northern suburbs of Yanchep, Butler, Alkimos and Eglinton. It will provide access to the new METRONET rail station at Alkimos, reduce congestion for the residents of Perth's northern suburbs, and accommodate housing and commercial opportunities in the high-growth northern corridor.

### **Stephenson Avenue**

11. The Stephenson Avenue project will provide a new connection from Cedric Street to Scarborough Beach Road, including a new grade-separated interchange on Mitchell Freeway with a southbound on-ramp incorporating Smart Freeways technology. New local road links to Ellen Stirling Boulevard will also be provided.
12. The project will assist in the development of Stirling, with the new transport infrastructure opening up land for development and facilitating the growth of the Stirling hub into a strategic metropolitan centre. Regional and local connectivity will be enhanced through the provision of improved cycling and pedestrian facilities.

### **Queen Victoria Street - Swan River Crossings (Fremantle Road and Rail Bridge)**

13. The Swan River Crossings project will see the removal of the existing Fremantle Traffic Bridge and the construction of a new traffic bridge together with a new rail bridge for the Perth to Fremantle passenger rail line. The current rail bridge will be retained for freight movements. Pedestrian and cyclist facilities across the river will be provided, connecting into the existing path network.
14. The project will improve safety for road and river users, increase freight efficiency, and provide improved pedestrian and cycling facilities. By providing a new dedicated passenger rail bridge, shared use with freight trains will no longer be required, improving operational flexibility and efficiency.

### **Tonkin Highway Corridor Upgrades - Tonkin Highway Gap; Grade Separations at Hale, Welshpool and Kelvin Roads; and Stage 3 Extension**

15. The Tonkin Highway Gap project addresses a bottleneck where Tonkin Highway currently reduces from three lanes to two lanes in Bayswater and Redcliffe, significantly impacting travel times and safety. The project includes the construction of new bridges over the Swan River, Dunstone Road, Guildford Road and Railway Parade. Improvements will also be made to access and connectivity for road users, pedestrians and cyclists within the area.
16. The Tonkin Highway Corridor Upgrade includes the grade separation of the intersections at Hale Road, Welshpool Road and Kelvin Road, and widening this section of highway from four to six lanes. This will improve safety and reduce delays along this section of the corridor, which currently experiences significant congestion. Addressing this will support industrial development in the Maddington-Kenwick area.
17. Tonkin Highway Extension Stage 3 will see the highway extended a further 14 km, from Thomas Road to South Western Highway near Mundijong. Connections will also be provided at Orton Road, Bishop Road and Mundijong Road. The completion of the Tonkin Highway Corridor will support long-term transport and infrastructure planning, facilitating development along Perth's eastern road corridor.

### **Regional Road Safety Program**

18. Single vehicle lane departure crashes on the rural high-speed State roads are the largest contributor to death and serious injury in regional Western Australia. Main Roads has developed a methodology to improve safety by modifying carriageways on the rural high-speed network. The approach seals currently unsealed shoulders, and includes the application of audible warning lines to alert drivers should they veer out of their lane. Together, these measures are proven to significantly improve road safety.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>Election Commitments</b>  |                                   |  |   |                                     |                              |                              |                              |
| Albany Highway - Albany Ring Road .....  | 175,000                           | 110,290  | 58,892  | 56,657                              | 8,053                        | -                            | -                            |
| Bunbury Outer Ring Road .....  | 1,252,000                         | 325,013  | 182,490                                       | 280,000                             | 280,168                      | 280,000                      | 86,000                       |
| Coolgardie - Esperance Highway - Coolgardie-Esperance<br>Highway Widening, Overlay and Reconstruction (Emu<br>Rocks) ..... | 52,000                            | 36,805   | 26,080  | 15,195                              | -                            | -                            | -                            |
| Karratha to Tom Price - Manuwarra Red Dog Highway .....  | 380,000                           | 113,216  | 10,249  | 47,500                              | 100,000                      | 119,284                      | -                            |
| Leach Highway  |                                   |  |   |                                     |                              |                              |                              |
| Fifth Avenue Rossmoyne .....   | 5,000                             | 2,000  | 2,000   | 3,000                               | -                            | -                            | -                            |
| Leach Highway - Carrington Street to Stirling Highway .....  | 76,000                            | 74,427   | 16,827  | 1,573                               | -                            | -                            | -                            |
| Old Coast Road - Mandurah Estuary Bridge Duplication .....   | 110,000                           | 3,000  | 3,000   | 15,000                              | 80,000                       | 12,000                       | -                            |
| Regional Road Safety Program - Regional Black Spot<br>Program .....  | 14,799                            | 4,933  | 4,933   | 4,933                               | 4,933                        | -                            | -                            |
| Reid Highway - Reid Highway - Altone Road to West<br>Swan Road - Construction of Dual Carriageway .....                    | 70,000                            | 65,313   | -   | 4,687                               | -                            | -                            | -                            |
| Roe Highway - Roe Highway and Kalamunda Road -<br>Grade Separated Interchange .....  | 86,000                            | 82,746   | 20,000  | 3,254                               | -                            | -                            | -                            |
| Wanneroo Road - Wanneroo Road and Ocean Reef Road<br>Grade Separation .....  | 73,400                            | 72,542   | 1,613   | 638                                 | 110                          | 110                          | -                            |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Department of Transport - Principal Shared Path<br>Causeway Cyclist and Pedestrian Bridge .....                            | 100,000                           | 21,000   | 19,712  | 29,442                              | 29,558                       | 20,000                       | -                            |
| Great Eastern Highway - Great Eastern Highway -<br>Eastlink - Planning .....   | 20,000                            | 13,640   | 10,132  | 4,000                               | 1,611                        | 749                          | -                            |
| Kwinana Beach Road (Patterson Road to CBH Group<br>Terminal) - Pavement Reconstruction .....                               | 5,000                             | 4,000  | 3,644   | 1,000                               | -                            | -                            | -                            |
| Stock Road - Stock Road Bridge Replacement .....   | 7,000                             | 500  | 368   | 6,500                               | -                            | -                            | -                            |
| <b>Other Works in Progress</b>   |                                   |  |   |                                     |                              |                              |                              |
| Albany Highway - Kelmscott to Williams Pavement<br>Rehabilitation and Hotham River Bridge Replacement .....                | 25,000                            | 9,070  | 5,245   | 12,500                              | 3,430                        | -                            | -                            |
| Brand Highway - Muchea to Gingin Pavement<br>Rehabilitation and Widening .....   | 25,000                            | 8,180  | 6,514   | 8,000                               | 8,820                        | -                            | -                            |
| Bridges Renewal Program - Bridge Renewal Program<br>Round 5 - Commonwealth .....   | 8,938                             | 6,938  | 6,561   | 2,000                               | -                            | -                            | -                            |
| Broome Cape-Leveque and Community Access Roads<br>Upgrades .....   | 16,598                            | 11,598   | 11,598  | 5,000                               | -                            | -                            | -                            |
| Bussell Highway - Bussell Highway Duplication Stage 1<br>and Stage 2 .....   | 85,000                            | 35,346   | 12,401  | 30,000                              | 19,654                       | -                            | -                            |
| METRONET - Caledonian Avenue Level Crossing<br>Closure .....   | 15,000                            | 1,900  | 1,800   | 3,700                               | 6,400                        | 3,000                        | -                            |
| Department of Transport - Principal Shared Path Program .....  | 136,966                           | 63,756   | 30,300  | 22,710                              | 11,900                       | 19,300                       | 19,300                       |
| Freight Vehicle Productivity Improvements Program .....  | 50,000                            | 11,000   | 10,650  | 10,000                              | 10,000                       | 10,000                       | 9,000                        |
| Gibb River Road - Derby - Gibb River - Wyndham<br>Improve Formation and Gravel .....                                       | 131,874                           | 93,106   | 8,785   | 10,621                              | 10,049                       | 10,049                       | 8,049                        |
| Goldfields Highway - Wiluna to Meekatharra Construct<br>and Seal Priority Sections .....                                   | 20,000                            | 5,095  | 4,856   | 5,000                               | 5,000                        | 4,905                        | -                            |
| Graham Farmer Freeway - Orrong Road Expressway -<br>Graham Farmer Freeway to Leach Highway Planning ...                    | 20,000                            | 1,650  | 836   | 4,000                               | 5,000                        | 5,000                        | 4,350                        |
| Great Eastern Highway  |                                   |  |   |                                     |                              |                              |                              |
| Coates Gully Bridges Walgoolan to Southern Cross .....   | 40,500                            | 24,486   | 24,486  | 16,014                              | -                            | -                            | -                            |
| Coates Gully, Walgoolan to Southern Cross and Ghooli<br>to Benari .....  | 250,000                           | 1,786  | 500   | 29,214                              | 14,000                       | 14,000                       | 70,000                       |
| Great Eastern Highway - Old Northam Road Upgrade ...   | 14,375                            | 13,754   | 12,519  | 621                                 | -                            | -                            | -                            |
| Great Northern Highway   |                                   |  |   |                                     |                              |                              |                              |
| Apple Street Intersection Upgrade .....  | 14,000                            | 9,896  | 7,957   | 4,104                               | -                            | -                            | -                            |
| Bindoon Bypass - Construct New Alignment .....   | 275,000                           | 46,594   | 9,914   | 15,000                              | 15,000                       | 50,000                       | 70,000                       |
| Marble Bar Road Upgrade .....  | 120,000                           | 8,000  | 8,000   | 60,000                              | 52,000                       | -                            | -                            |
| Newman to Katherine Corridor - Broome to Kununurra<br>Upgrade Stage 1 .....  | 25,800                            | 4,480  | 3,119   | 16,320                              | 5,000                        | -                            | -                            |
| Port Hedland Airport Deviation .....   | 76,000                            | 9,421  | 6,786   | 39,000                              | 27,579                       | -                            | -                            |
| Heavy Vehicle Safety and Productivity Program -<br>Commonwealth .....  | 14,406                            | 8,000  | 7,991   | 6,406                               | -                            | -                            | -                            |
| Indian Ocean Drive - Indian Ocean Drive - Jurien Bay to<br>Brand Highway .....   | 55,000                            | 1,000  | 1,000   | 15,000                              | 15,000                       | 2,000                        | 12,000                       |
| Leach Highway - Leach Highway and Welshpool Road<br>Grade Separated Interchange .....                                      | 136,000                           | 92,314   | 74,535  | 35,000                              | 8,686                        | -                            | -                            |
| Mitchell Freeway   |                                   |  |   |                                     |                              |                              |                              |
| Hester Avenue to Romeo Road - Extension .....  | 232,000                           | 56,327   | 14,763  | 99,000                              | 66,000                       | 10,673                       | -                            |
| Stephenson Avenue .....  | 138,567                           | 18,172   | 17,000  | 51,202                              | 50,000                       | 19,193                       | -                            |



|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Northern Australia Roads and Beef Roads Programs -       |                                   |  |   |                                     |                              |                              |                              |
| Great Northern Highway - Ord River .....                 | 98,140                            | 47,550   | 7,000   | 26,342                              | 24,248                       | -                            | -                            |
| Perth Airport Precinct - Northern Access .....           | 170,000                           | 1,000  | 1,000   | 1,000                               | 5,000                        | 15,000                       | 74,000                       |
| Pinjarra Heavy Haulage Deviation - Pinjarra Heavy        |                                   |  |   |                                     |                              |                              |                              |
| Haulage Deviation - Stage 1 and Stage 2 .....            | 250,000                           | 2,410  | 1,412   | 5,000                               | 5,000                        | 30,000                       | 120,000                      |
| Queen Victoria Street - Swan River Crossings (Fremantle  |                                   |  |   |                                     |                              |                              |                              |
| Road and Rail Bridge) - Construct New Bridge .....       | 280,000                           | 35,582   | 23,932  | 60,000                              | 120,000                      | 59,418                       | -                            |
| Rail Crossing Program - Rail Crossing Program .....      | 30,000                            | 10,000   | 8,825   | 5,000                               | 5,000                        | 5,000                        | 5,000                        |
| Regional Road Safety Program - Road Safety Program ...   | 707,500                           | 355,000  | 187,405                                       | 177,500                             | 175,000                      | -                            | -                            |
| Reid Highway   |                                   |  |   |                                     |                              |                              |                              |
| Altone Road and Daviot Road/Drumpellier Drive Grade      |                                   |  |   |                                     |                              |                              |                              |
| Separations .....  | 225,000                           | 6,000  | 6,000   | 2,000                               | 20,000                       | 90,000                       | 90,000                       |
| Erindale Road - Project Development for Grade            |                                   |  |   |                                     |                              |                              |                              |
| Separation .....   | 2,500                             | 1,613  | 1,247   | 887                                 | -                            | -                            | -                            |
| West Swan and Reid Highway Interchange .....             | 175,000                           | 2,171  | 2,000   | -                                   | -                            | 4,829                        | 18,000                       |
| Reseal Program - Capitalisation of Reseal Program .....  | 853,519                           | 554,655  | 78,286  | 74,716                              | 74,716                       | 74,716                       | 74,716                       |
| Road Safety Commission                                   |                                   |  |   |                                     |                              |                              |                              |
| LED School Zone Lights .....                             | 71,929                            | 53,929   | 2,611   | 5,000                               | 5,000                        | 4,000                        | 4,000                        |
| Metropolitan Intersections Crash Program .....           | 101,396                           | 59,796   | 2,141   | 9,300                               | 12,300                       | 10,000                       | 10,000                       |
| Regional Road Safety Improvements .....                  | 224,600                           | 184,600  | -   | -                                   | -                            | 20,000                       | 20,000                       |
| Roe Highway - Great Eastern Highway Bypass including     |                                   |  |   |                                     |                              |                              |                              |
| Abernethy Road .....                                     | 320,000                           | 26,558   | 9,462   | 70,000                              | 80,000                       | 80,000                       | 18,442                       |
| Safer Roads and Bridges Program - Safer Roads and        |                                   |  |   |                                     |                              |                              |                              |
| Bridges Program .....                                    | 514,215                           | 351,887  | 40,408  | 40,582                              | 40,582                       | 40,582                       | 40,582                       |
| Smart Freeways   |                                   |  |   |                                     |                              |                              |                              |
| Hodges Drive to Hepburn Avenue Widening                  |                                   |  |   |                                     |                              |                              |                              |
| Southbound .....   | 76,000                            | 35,045   | 27,593  | 40,955                              | -                            | -                            | -                            |
| Transforming Freeways - Mitchell Freeway Corridor .....  | 140,000                           | 32,781   | 29,934  | 40,000                              | 21,219                       | -                            | -                            |
| Thomas Road  |                                   |  |   |                                     |                              |                              |                              |
| Kwinana Freeway to Nicholson Road Upgrade .....          | 38,000                            | 13,636   | 7,579   | 24,364                              | -                            | -                            | -                            |
| METRONET - Byford Rail Extension - Thomas Road           |                                   |  |   |                                     |                              |                              |                              |
| Bridge .....   | 69,000                            | 46,218   | 45,868  | 13,782                              | 9,000                        | -                            | -                            |
| Thomas and Anketell Roads Freight Upgrade - Stages 1     |                                   |  |   |                                     |                              |                              |                              |
| and 2 Planning .....                                     | 5,000                             | 1,400  | 643   | 1,000                               | 2,600                        | -                            | -                            |
| Thomas Road and Nicholson Road Oakford .....             | 28,000                            | 18,500   | 14,939  | 6,500                               | 3,000                        | -                            | -                            |
| Tonkin Highway Corridor Upgrades - Tonkin Highway        |                                   |  |   |                                     |                              |                              |                              |
| Gap; Grade Separations at Hale, Welshpool and Kelvin     |                                   |  |   |                                     |                              |                              |                              |
| Roads; and Stage 3 Extension .....                       | 1,641,000                         | 229,952  | 87,201  | 188,000                             | 293,142                      | 335,000                      | 355,000                      |
| Wheatbelt Timber Bridge Replacement .....                | 14,000                            | 9,000  | 8,493   | 5,000                               | -                            | -                            | -                            |
| <b>COMPLETED WORKS</b>                                   |                                   |  |   |                                     |                              |                              |                              |
| <b>Election Commitments</b>                              |                                   |  |   |                                     |                              |                              |                              |
| Armadale Road - Armadale Road and North Lake Road        |                                   |  |   |                                     |                              |                              |                              |
| Flyover Bridge .....                                     | 259,000                           | 259,000  | 26,034  | -                                   | -                            | -                            | -                            |
| Bob Hawke Pedestrian Crossing .....                      | 600                               | 600  | 600   | -                                   | -                            | -                            | -                            |
| South Western Highway - South Coast Highway -            |                                   |  |   |                                     |                              |                              |                              |
| Upgrade between Albany and Jerramungup .....             | 30,000                            | 30,000   | 1,555   | -                                   | -                            | -                            | -                            |
| <b>COVID-19 Response</b>                                 |                                   |  |   |                                     |                              |                              |                              |
| Albany Highway - Olga Road - Albany Highway and          |                                   |  |   |                                     |                              |                              |                              |
| Kelvin Road Intersection Upgrade .....                   | 6,000                             | 6,000  | 5,830   | -                                   | -                            | -                            | -                            |
| Great Northern Highway - Bidyadanga Internal Roads ..... | 1,901                             | 1,901  | 1,000   | -                                   | -                            | -                            | -                            |
| Intersection Upgrades - Intersection Upgrades - Main and |                                   |  |   |                                     |                              |                              |                              |
| Royal Streets .....                                      | 3,000                             | 3,000  | 2,840   | -                                   | -                            | -                            | -                            |
| Metropolitan Amenity Walls .....                         | 10,000                            | 10,000   | 9,627   | -                                   | -                            | -                            | -                            |
| Mitchell Freeway - Mitchell Freeway (Hepburn Avenue to   |                                   |  |   |                                     |                              |                              |                              |
| Warwick Road) - Amenity Wall and Principal Shared        |                                   |  |   |                                     |                              |                              |                              |
| Path .....   | 6,000                             | 6,000  | 6,000   | -                                   | -                            | -                            | -                            |
| <b>Other Completed Works</b>                             |                                   |  |   |                                     |                              |                              |                              |
| Buildings and Equipment - 2021-22 Program .....          | 33,424                            | 33,424   | 33,424  | -                                   | -                            | -                            | -                            |
| Burrup Road - Perdaman Project .....                     | 25,000                            | 25,000   | 25,000  | -                                   | -                            | -                            | -                            |
| Capitalised Operational Costs - 2021-22 Program .....    | 85,668                            | 85,668   | 85,668  | -                                   | -                            | -                            | -                            |
| Exmouth Roads Package - Minilya to Exmouth .....         | 14,000                            | 14,000   | 8,893   | -                                   | -                            | -                            | -                            |
| Minor Works (includes Black Spot and Urgent Minor        |                                   |  |   |                                     |                              |                              |                              |
| Works) - 2021-22 Program .....                           | 152,041                           | 152,041  | 152,041                                       | -                                   | -                            | -                            | -                            |
| Regional Road Safety Program - Regional State Road       |                                   |  |   |                                     |                              |                              |                              |
| Safety Improvement Program .....                         | 120,000                           | 120,000  | 18,545  | -                                   | -                            | -                            | -                            |
| Road Safety Commission - Rural Intersection Advanced     |                                   |  |   |                                     |                              |                              |                              |
| Warning Signs .....                                      | 1,211                             | 1,211  | 894   | -                                   | -                            | -                            | -                            |
| Wanneroo Road - Morley Drive Intersection Upgrade .....  | 20,000                            | 20,000   | 13,260  | -                                   | -                            | -                            | -                            |

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>NEW WORKS</b>  |                                   |  |   |                                     |                              |                              |                              |
| Buildings and Equipment   |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....   | 41,036                            | -  | -   | 41,036                              | -                            | -                            | -                            |
| 2023-24 Program .....   | 28,435                            | -  | -   | -                                   | 28,435                       | -                            | -                            |
| 2024-25 Program .....   | 39,262                            | -  | -   | -                                   | -                            | 39,262                       | -                            |
| 2025-26 Program .....   | 21,660                            | -  | -   | -                                   | -                            | -                            | 21,660                       |
| Capitalised Operational Costs   |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....   | 88,088                            | -  | -   | 88,088                              | -                            | -                            | -                            |
| 2023-24 Program .....   | 88,969                            | -  | -   | -                                   | 88,969                       | -                            | -                            |
| 2024-25 Program .....   | 90,062                            | -  | -   | -                                   | -                            | 90,062                       | -                            |
| 2025-26 Program .....   | 90,062                            | -  | -   | -                                   | -                            | -                            | 90,062                       |
| Chidlow-York Road and Forrest Street Intersection   |                                   |  |   |                                     |                              |                              |                              |
| Upgrade .....   | 10,000                            | -  | -   | 800                                 | 2,400                        | 6,800                        | -                            |
| East Perth Power Station Footbridge .....   | 34,965                            | -  | -   | 5,465                               | 7,000                        | 22,500                       | -                            |
| Forrest Highway - Forrest Highway (Vittoria Road) - New<br>Intersection and Road Connection .....             | 20,000                            | -  | -   | 5,000                               | 10,000                       | 5,000                        | -                            |
| Great Eastern Highway - Covalent Lithium Mine Access<br>Road Construct, Seal and Widen to Moorine Rocks ..... | 120,000                           | -  | -   | 65,000                              | 55,000                       | -                            | -                            |
| Great Northern Highway  |                                   |  |   |                                     |                              |                              |                              |
| Nellie Springs to Sally Downs Well and Arthur Creek .....   | 60,000                            | -  | -   | 5,000                               | 5,000                        | 10,000                       | 15,000                       |
| Newman to Port Hedland Overtaking Lanes .....   | 50,000                            | -  | -   | -                                   | -                            | 2,000                        | 10,000                       |
| Leach Highway - Stock Road Grade Separation (Planning<br>and Project Development) .....                       | 10,000                            | -  | -   | 5,000                               | 5,000                        | -                            | -                            |
| Minor Works (includes Black Spot and Urgent Minor<br>Works)   |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....   | 21,040                            | -  | -   | 21,040                              | -                            | -                            | -                            |
| 2023-24 Program .....   | 19,824                            | -  | -   | -                                   | 19,824                       | -                            | -                            |
| 2024-25 Program .....   | 23,425                            | -  | -   | -                                   | -                            | 23,425                       | -                            |
| 2025-26 Program .....   | 26,684                            | -  | -   | -                                   | -                            | -                            | 26,684                       |
| Nicholson Road and Garden Street Grade Separation<br>Planning and Construction .....                          | 80,000                            | -  | -   | 9,500                               | 40,500                       | 30,000                       | -                            |
| Thomas Road Southwestern Highway to Tonkin Highway<br>Dual Carriageway .....                                  | 290,000                           | -  | -   | 3,500                               | 4,500                        | 52,000                       | 100,000                      |
| Tonkin Highway Corridor Upgrades - North Ellenbrook<br>Interchange .....                                      | 100,000                           | -  | -   | -                                   | -                            | 1,000                        | 1,000                        |
| Toodyay Road - Toodyay Road Upgrade - Dryandra to<br>Toodyay .....  | 80,000                            | -  | -   | 1,000                               | 4,000                        | 20,000                       | 20,000                       |
| Wanneroo Road - Wanneroo Road Duplication - Dunstan<br>Road to Romeo Road .....                               | 25,200                            | -  | -   | -                                   | 8,600                        | 16,600                       | -                            |
| <b>Total Cost of Asset Investment Program .....</b>   | <b>12,613,579</b>                 | <b>4,318,422</b>                                 | <b>1,633,246</b>                              | <b>2,021,148</b>                    | <b>2,012,986</b>             | <b>1,667,457</b>             | <b>1,392,845</b>             |
| <b>FUNDED BY</b>  |                                   |  |   |                                     |                              |                              |                              |
| Capital Appropriation .....   |                                   |  | 430,015                                       | 483,063                             | 547,532                      | 626,314                      | 456,291                      |
| Commonwealth Grants .....   |                                   |  | 912,205                                       | 1,206,498                           | 1,119,740                    | 841,791                      | 723,885                      |
| Drawdowns from Royalties for Regions Fund .....   |                                   |  | 61,092  | 63,121                              | 64,273                       | 20,280                       | 47,300                       |
| Internal Funds and Balances .....   |                                   |  | 53,891  | 41,458                              | 110,965                      | 106,651                      | 111,230                      |
| Other .....   |                                   |  | 151,847                                       | 192,708                             | 133,176                      | 38,421                       | 20,139                       |
| Other Grants and Subsidies .....  |                                   |  | 24,196  | 34,300                              | 37,300                       | 34,000                       | 34,000                       |
| <b>Total Funding .....</b>  |                                   |  | <b>1,633,246</b>                              | <b>2,021,148</b>                    | <b>2,012,986</b>             | <b>1,667,457</b>             | <b>1,392,845</b>             |

## **Financial Statements**

### **Income Statement**

#### *Expenses*

1. The movement in employee benefits reflects returning road maintenance staff in-house to Main Roads.
2. The movement in grants and subsidies is mainly due to METRONET road-related works.
3. The movement in other expenses reflects the value of retired non-current fixed assets and road transfers.

#### *Income*

4. The major component of grants and subsidies income is contributions for works projects by the Commonwealth. Differences in income year versus construction year is mainly due to the timing of milestone payments.
5. The movement in sales of goods and services is mainly due to the capital reflow of Marble Bar Road Upgrade and Tonkin Highway Gap Widening - Guildford Road to Great Eastern Highway.
6. The movement in other revenue is mainly due to the transfer of a local road (Northlake Road) to the State in 2023-24.

### **Statement of Financial Position**

7. Cash assets in the 2021-22 Estimated Actual is higher than the 2021-22 Budget mainly due to the timing of receipts from the Commonwealth.
8. Restricted cash includes funds for METRONET road-related works, previously received GST equalisation payments and specific funding received in advance for maintenance works from third parties (mostly mining companies).

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 78,398                      | 71,548                      | 71,548                                   | 90,510                              | 116,144                      | 135,689                      | 161,554                      |
| Grants and subsidies <sup>(c)</sup> .....        | 356,794                     | 307,089                     | 353,961                                  | 449,318                             | 396,396                      | 425,342                      | 284,345                      |
| Supplies and services .....                      | 420,817                     | 506,181                     | 605,098                                  | 537,714                             | 592,705                      | 616,607                      | 616,316                      |
| Accommodation .....                              | 17,808                      | 19,327                      | 19,327                                   | 19,652                              | 19,928                       | 20,158                       | 20,455                       |
| Depreciation and amortisation .....              | 415,742                     | 443,291                     | 454,095                                  | 487,193                             | 509,361                      | 528,909                      | 535,481                      |
| Finance and interest costs .....                 | 282                         | 277                         | 289                                      | 301                                 | 268                          | 287                          | 296                          |
| Other expenses .....                             | 84,718                      | 29,009                      | 70,419                                   | 128,873                             | 91,120                       | 88,791                       | 38,882                       |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>1,374,559</b>            | <b>1,376,722</b>            | <b>1,574,737</b>                         | <b>1,713,561</b>                    | <b>1,725,922</b>             | <b>1,815,783</b>             | <b>1,657,329</b>             |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services .....                 | 46,672                      | 49,812                      | 102,971                                  | 76,388                              | 99,260                       | 24,236                       | 23,556                       |
| Grants and subsidies .....                       | 965,825                     | 966,151                     | 1,060,060                                | 1,344,061                           | 1,394,295                    | 1,201,383                    | 956,457                      |
| Other revenue .....                              | 1,453,753                   | 49,325                      | 49,325                                   | 24,145                              | 291,148                      | 148,547                      | 12,926                       |
| <b>Total Income .....</b>                        | <b>2,466,250</b>            | <b>1,065,288</b>            | <b>1,212,356</b>                         | <b>1,444,594</b>                    | <b>1,784,703</b>             | <b>1,374,166</b>             | <b>992,939</b>               |
| <b>NET COST OF SERVICES .....</b>                | <b>(1,091,691)</b>          | <b>311,434</b>              | <b>362,381</b>                           | <b>268,967</b>                      | <b>(58,781)</b>              | <b>441,617</b>               | <b>664,390</b>               |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 1,068,556                   | 1,211,128                   | 1,251,245                                | 1,216,848                           | 1,233,993                    | 1,363,673                    | 1,504,849                    |
| Resources received free of charge .....          | -                           | 2,700                       | 2,700                                    | 2,700                               | 2,700                        | 2,700                        | 2,700                        |
| Royalties for Regions Fund:                      |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....           | 20,483                      | 14,102                      | 14,320                                   | 25,175                              | 24,875                       | 25,744                       | 14,325                       |
| Regional Infrastructure and Headworks Fund ..... | 3,780                       | 14,055                      | 14,055                                   | 1,000                               | 13,000                       | 18,000                       | 21,000                       |
| Other revenues .....                             | 141,024                     | 237,428                     | 219,130                                  | 163,594                             | 99,294                       | 54,936                       | 59,786                       |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>1,233,843</b>            | <b>1,479,413</b>            | <b>1,501,450</b>                         | <b>1,409,317</b>                    | <b>1,373,862</b>             | <b>1,465,053</b>             | <b>1,602,660</b>             |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>2,325,534</b>            | <b>1,167,979</b>            | <b>1,139,069</b>                         | <b>1,140,350</b>                    | <b>1,432,643</b>             | <b>1,023,436</b>             | <b>938,270</b>               |

(a) Full audited financial statements are published in Main Roads' Annual Report.

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 1,170, 1,176 and 1,326 respectively.

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

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual <sup>(a)</sup><br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Bridges Renewal Program .....   | -                           | 2,797                       | -   | -                                   | -                            | -                            | -                            |
| Building for Tomorrow .....   | -                           | -                           | 950   | -                                   | -                            | -                            | -                            |
| Department of Transport Cycling Grants .....  | 5,340                       | 5,340                       | 5,340   | 5,340                               | 5,340                        | 5,340                        | 5,340                        |
| Election Commitments .....  | -                           | 34,692                      | 34,692  | 25,750                              | 2,500                        | -                            | -                            |
| Heavy Vehicle Safety and Productivity<br>Program .....  | -                           | 5,531                       | -   | -                                   | -                            | -                            | -                            |
| Local Road Grants and Subsidies .....   | 147,752                     | 143,846                     | 170,303   | 160,012                             | 163,968                      | 171,949                      | 180,639                      |
| METRONET Related Works .....  | 80,911                      | 93,841                      | 120,458   | 209,185                             | 186,152                      | 139,673                      | 77,986                       |
| Other .....   | 1,206                       | 663                         | 663   | 380                                 | 380                          | 380                          | 380                          |
| Principal Shared Paths .....  | 8,067                       | 5,768                       | 5,768   | 30,905                              | 12,556                       | 20,000                       | 20,000                       |
| Road Assets Transferred .....   | 78,928                      | -                           | 1,176   | 4,106                               | -                            | -                            | -                            |
| Stephenson Avenue Extension .....   | 6,407                       | 13,311                      | 13,311  | -                                   | -                            | -                            | -                            |
| Western Australia Natural Disaster Relief and<br>Recovery Arrangements Funding Applied to<br>the Local Government Road Network <sup>(b)</sup> ..... | 27,261                      | -                           | -   | -                                   | -                            | -                            | -                            |
| Wheatbelt Secondary Freight Routes .....  | 922                         | 1,300                       | 1,300   | 13,640                              | 25,500                       | 88,000                       | -                            |
| <b>TOTAL .....</b>  | <b>356,794</b>              | <b>307,089</b>              | <b>353,961</b>  | <b>449,318</b>                      | <b>396,396</b>               | <b>425,342</b>               | <b>284,345</b>               |

(a) Based on preliminary report data for 2021-22. Some aggregates may be adjusted for annual report information finalised after agency Budget Statements were prepared.

(b) Western Australia Natural Disaster Relief and Recovery Arrangements is no longer administered by Main Roads.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                      |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                          | 190,564                     | 361,598                     | 281,667                                  | 223,250                             | 142,491                      | 99,705                       | 89,791                       |
| Restricted cash .....                      | 186,528                     | 150,589                     | 186,110                                  | 111,596                             | 104,386                      | 150,116                      | 271,041                      |
| Receivables .....                          | 106,564                     | 95,513                      | 105,858                                  | 105,152                             | 105,446                      | 105,740                      | 106,034                      |
| Other .....                                | 247,726                     | 60,770                      | 247,726                                  | 247,726                             | 247,726                      | 247,726                      | 247,726                      |
| Assets held for sale .....                 | 7,869                       | 4,717                       | 7,869                                    | 7,869                               | 7,869                        | 7,869                        | 7,869                        |
| <b>Total current assets .....</b>          | <b>739,251</b>              | <b>673,187</b>              | <b>829,230</b>                           | <b>695,593</b>                      | <b>607,918</b>               | <b>611,156</b>               | <b>722,461</b>               |
| <b>NON-CURRENT ASSETS</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....          | 3,511,303                   | 3,879,023                   | 3,889,827                                | 4,297,245                           | 4,727,581                    | 5,177,465                    | 5,633,921                    |
| Property, plant and equipment .....        | 49,927,971                  | 51,759,489                  | 52,269,002                               | 54,980,783                          | 57,966,929                   | 60,242,755                   | 61,991,995                   |
| Receivables .....                          | 66                          | 189                         | 66                                       | 66                                  | 66                           | 66                           | 66                           |
| Intangibles .....                          | 13,670                      | 12,635                      | 14,039                                   | 14,125                              | 14,200                       | 14,461                       | 14,660                       |
| Other .....                                | 12,836                      | 7,460                       | 12,836                                   | 12,836                              | 12,836                       | 12,836                       | 12,836                       |
| <b>Total non-current assets .....</b>      | <b>53,465,846</b>           | <b>55,658,796</b>           | <b>56,185,770</b>                        | <b>59,305,055</b>                   | <b>62,721,612</b>            | <b>65,447,583</b>            | <b>67,653,478</b>            |
| <b>TOTAL ASSETS .....</b>                  | <b>54,205,097</b>           | <b>56,331,983</b>           | <b>57,015,000</b>                        | <b>60,000,648</b>                   | <b>63,329,530</b>            | <b>66,058,739</b>            | <b>68,375,939</b>            |
| <b>CURRENT LIABILITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 38,775                      | 44,025                      | 40,615                                   | 46,515                              | 46,515                       | 46,515                       | 46,515                       |
| Payables .....                             | 12,223                      | 11,236                      | 13,276                                   | 14,329                              | 15,382                       | 16,435                       | 17,488                       |
| Borrowings and leases .....                | 2,575                       | 2,645                       | 3,328                                    | 3,152                               | 3,203                        | 3,219                        | 3,092                        |
| Other .....                                | 641,791                     | 450,792                     | 643,626                                  | 645,461                             | 647,296                      | 649,131                      | 650,966                      |
| <b>Total current liabilities .....</b>     | <b>695,364</b>              | <b>508,698</b>              | <b>700,845</b>                           | <b>709,457</b>                      | <b>712,396</b>               | <b>715,300</b>               | <b>718,061</b>               |
| <b>NON-CURRENT LIABILITIES</b>             |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 5,735                       | 5,625                       | 5,895                                    | 8,352                               | 10,533                       | 12,472                       | 15,576                       |
| Borrowings and leases .....                | 6,319                       | 6,231                       | 6,973                                    | 5,248                               | 4,705                        | 3,936                        | 3,408                        |
| Other .....                                | 94                          | 52                          | 94                                       | 94                                  | 94                           | 94                           | 94                           |
| <b>Total non-current liabilities .....</b> | <b>12,148</b>               | <b>11,908</b>               | <b>12,962</b>                            | <b>13,694</b>                       | <b>15,332</b>                | <b>16,502</b>                | <b>19,078</b>                |
| <b>TOTAL LIABILITIES .....</b>             | <b>707,512</b>              | <b>520,606</b>              | <b>713,807</b>                           | <b>723,151</b>                      | <b>727,728</b>               | <b>731,802</b>               | <b>737,139</b>               |
| <b>EQUITY</b>                              |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                   | 6,175,564                   | 6,649,350                   | 6,692,571                                | 7,269,826                           | 7,886,660                    | 8,518,254                    | 8,981,845                    |
| Accumulated surplus/(deficit) .....        | 18,035,060                  | 19,342,230                  | 19,174,129                               | 20,314,479                          | 21,747,122                   | 22,770,558                   | 23,708,828                   |
| Reserves .....                             | 29,286,961                  | 29,819,803                  | 30,434,493                               | 31,693,192                          | 32,968,020                   | 34,038,125                   | 34,948,127                   |
| Other .....                                | -                           | (6)                         | -  | -                                   | -                            | -                            | -                            |
| <b>Total equity .....</b>                  | <b>53,497,585</b>           | <b>55,811,377</b>           | <b>56,301,193</b>                        | <b>59,277,497</b>                   | <b>62,601,802</b>            | <b>65,326,937</b>            | <b>67,638,800</b>            |
| <b>TOTAL LIABILITIES AND EQUITY .....</b>  | <b>54,205,097</b>           | <b>56,331,983</b>           | <b>57,015,000</b>                        | <b>60,000,648</b>                   | <b>63,329,530</b>            | <b>66,058,739</b>            | <b>68,375,939</b>            |

(a) Full audited financial statements are published in Main Roads' Annual Report.

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                                |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                     | 700,154                     | 843,408                     | 872,721                                  | 809,430                             | 803,657                      | 913,789                      | 1,048,393                    |
| Capital appropriation .....                                     | 430,157                     | 398,951                     | 430,015                                  | 483,063                             | 547,532                      | 626,314                      | 456,291                      |
| Royalties for Regions Fund:                                     |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....                          | 24,663                      | 14,102                      | 14,320                                   | 25,175                              | 24,875                       | 25,744                       | 14,325                       |
| Regional Infrastructure and Headworks<br>Fund .....             | 24,924                      | 73,147                      | 75,147                                   | 64,121                              | 77,273                       | 38,280                       | 68,300                       |
| Other.....  | 119,035                     | 238,320                     | 220,022                                  | 164,486                             | 103,186                      | 54,828                       | 59,678                       |
| <b>Net cash provided by Government .....</b>                    | <b>1,298,933</b>            | <b>1,567,928</b>            | <b>1,612,225</b>                         | <b>1,546,275</b>                    | <b>1,556,523</b>             | <b>1,658,955</b>             | <b>1,646,987</b>             |
| <b>CASHFLOWS FROM OPERATING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....  | (70,231)                    | (69,548)                    | (69,548)                                 | (82,153)                            | (113,963)                    | (133,750)                    | (158,450)                    |
| Grants and subsidies.....                                       | (282,373)                   | (307,089)                   | (352,785)                                | (445,212)                           | (400,396)                    | (425,342)                    | (284,345)                    |
| Supplies and services .....                                     | (360,460)                   | (526,409)                   | (625,326)                                | (552,332)                           | (585,301)                    | (609,203)                    | (608,912)                    |
| Accommodation .....   | (18,324)                    | (23,327)                    | (23,327)                                 | (23,652)                            | (23,983)                     | (24,213)                     | (24,510)                     |
| GST payments .....  | (99,583)                    | (147,054)                   | (147,054)                                | (147,054)                           | (147,054)                    | (147,054)                    | (147,054)                    |
| Finance and interest costs.....                                 | -                           | (277)                       | (289)                                    | (301)                               | (268)                        | (287)                        | (296)                        |
| Other payments.....   | (51,850)                    | (15,389)                    | (15,389)                                 | (15,610)                            | (15,802)                     | (15,992)                     | (16,224)                     |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Grants and subsidies.....                                       | 832,181                     | 966,151                     | 1,060,060                                | 1,344,061                           | 1,394,295                    | 1,201,383                    | 956,457                      |
| Sale of goods and services.....                                 | 35,853                      | 47,181                      | 100,340                                  | 73,757                              | 96,629                       | 21,605                       | 20,925                       |
| GST receipts .....  | 89,778                      | 146,808                     | 146,808                                  | 146,808                             | 146,808                      | 146,808                      | 146,808                      |
| Other receipts .....  | 15,571                      | 15,607                      | 15,607                                   | 15,607                              | 15,607                       | 15,607                       | 15,607                       |
| <b>Net cash from operating activities .....</b>                 | <b>90,562</b>               | <b>86,654</b>               | <b>89,097</b>                            | <b>313,919</b>                      | <b>366,572</b>               | <b>29,562</b>                | <b>(99,994)</b>              |
| <b>CASHFLOWS FROM INVESTING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                            | (1,311,217)                 | (1,587,689)                 | (1,633,246)                              | (2,021,148)                         | (2,012,986)                  | (1,667,457)                  | (1,392,845)                  |
| Other payments.....   | -                           | (17,504)                    | -  | (500)                               | (2,500)                      | (25,000)                     | (40,000)                     |
| Proceeds from sale of non-current assets.....                   | 1,720                       | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Net cash from investing activities.....</b>                  | <b>(1,309,497)</b>          | <b>(1,605,193)</b>          | <b>(1,633,246)</b>                       | <b>(2,021,648)</b>                  | <b>(2,015,486)</b>           | <b>(1,692,457)</b>           | <b>(1,432,845)</b>           |
| <b>CASHFLOWS FROM FINANCING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases.....                         | (3,010)                     | (2,790)                     | (3,291)                                  | (3,048)                             | (3,107)                      | (3,116)                      | (3,137)                      |
| <b>Net cash from financing activities.....</b>                  | <b>(3,010)</b>              | <b>(2,790)</b>              | <b>(3,291)</b>                           | <b>(3,048)</b>                      | <b>(3,107)</b>               | <b>(3,116)</b>               | <b>(3,137)</b>               |
| <b>NET INCREASE/(DECREASE) IN CASH<br/>HELD .....</b>           | <b>76,988</b>               | <b>46,599</b>               | <b>64,785</b>                            | <b>(164,502)</b>                    | <b>(95,498)</b>              | <b>(7,056)</b>               | <b>111,011</b>               |
| Cash assets at the beginning of the reporting<br>period .....   | 305,414                     | 465,588                     | 377,092                                  | 467,777                             | 334,846                      | 246,877                      | 249,821                      |
| Net cash transferred to/from other agencies ....                | (5,310)                     | -                           | 25,900                                   | 31,571                              | 7,529                        | 10,000                       | -                            |
| <b>Cash assets at the end of the reporting<br/>period .....</b> | <b>377,092</b>              | <b>512,187</b>              | <b>467,777</b>                           | <b>334,846</b>                      | <b>246,877</b>               | <b>249,821</b>               | <b>360,832</b>               |

(a) Full audited financial statements are published in Main Roads' Annual Report.

**DETAILS OF ADMINISTERED TRANSACTIONS**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>INCOME</b>                                       |                             |                             |  |                                     |                              |                              |                              |
| <b>Taxation</b>                                     |                             |                             |  |                                     |                              |                              |                              |
| Permits - Oversize Vehicles and Loads .....         | 9,538                       | 7,500                       | 7,500                                    | 7,500                               | 7,500                        | 7,500                        | 7,500                        |
| <b>TOTAL ADMINISTERED INCOME .....</b>              | <b>9,538</b>                | <b>7,500</b>                | <b>7,500</b>                             | <b>7,500</b>                        | <b>7,500</b>                 | <b>7,500</b>                 | <b>7,500</b>                 |
| <b>EXPENSES</b>                                     |                             |                             |  |                                     |                              |                              |                              |
| <b>Grants to Charitable and Other Public Bodies</b> |                             |                             |  |                                     |                              |                              |                              |
| Receipts Paid into the Consolidated Account .....   | 9,538                       | 7,500                       | 7,500                                    | 7,500                               | 7,500                        | 7,500                        | 7,500                        |
| <b>TOTAL ADMINISTERED EXPENSES .....</b>            | <b>9,538</b>                | <b>7,500</b>                | <b>7,500</b>                             | <b>7,500</b>                        | <b>7,500</b>                 | <b>7,500</b>                 | <b>7,500</b>                 |



**Division 40      Public Transport Authority of  
Western Australia**

**Part 9              Transport**

**Appropriations, Expenses and Cash Assets**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>   |                             |                             |  |                                     |                              |                              |                              |
| <b>Amount Authorised by Other Statutes</b>                              |                             |                             |  |                                     |                              |                              |                              |
| - Salaries and Allowances Act 1975 .....                                | 359                         | 360                         | 360                                      | 361                                 | 362                          | 362                          | 362                          |
| Total appropriations provided to deliver services.....                  | 359                         | 360                         | 360                                      | 361                                 | 362                          | 362                          | 362                          |
| <b>CAPITAL</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 146 Capital Appropriation.....                                     | 457,234                     | 591,261                     | 690,744                                  | 1,542,968                           | 1,869,852                    | 1,038,679                    | 315,551                      |
| Item 147 Capital Appropriation METRONET Projects Under Development..... | 150,862                     | 66,637                      | 15,000                                   | 20,000                              | 67,000                       | 144,250                      | 258,550                      |
| <b>TOTAL APPROPRIATIONS .....</b>                                       | <b>608,455</b>              | <b>658,258</b>              | <b>706,104</b>                           | <b>1,563,329</b>                    | <b>1,937,214</b>             | <b>1,183,291</b>             | <b>574,463</b>               |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....  | 1,733,256                   | 1,907,810                   | 1,875,654                                | 1,878,650                           | 1,926,145                    | 1,880,353                    | 1,942,540                    |
| Net Cost of Services <sup>(a)</sup> .....                               | 1,552,323                   | 1,654,760                   | 1,622,761                                | 1,638,687                           | 1,649,113                    | 1,585,458                    | 1,646,919                    |
| <b>CASH ASSETS <sup>(b)</sup> .....</b>                                 | <b>654,527</b>              | <b>306,223</b>              | <b>358,667</b>                           | <b>245,802</b>                      | <b>82,579</b>                | <b>73,891</b>                | <b>73,754</b>                |

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the Authority'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 Authority's Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

|   | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Election Commitments</b>   |  |                                     |                              |                              |                              |
| METRONET - Mandurah Multi-Storey Carpark .....  | 140                                      | 240                                 | 240                          | 240                          | 240                          |
| <b>Ongoing Initiative</b>   |  |                                     |                              |                              |                              |
| METRONET - Rail Network Growth.....   | -  | 6,370                               | 7,235                        | 7,435                        | 7,509                        |
| METRONET - Update to Operating Costs .....  | (11,836)                                 | (22,977)                            | (19,821)                     | (4,270)                      | 225                          |
| <b>Other</b>  |  |                                     |                              |                              |                              |
| Caledonian Avenue Level Crossing Closure.....   | 1,032                                    | 50                                  | -                            | -                            | -                            |
| Climate Action - Strategy to Transition the Transperth Bus Fleet to Electric Vehicles ..... | -  | 199                                 | 197                          | -                            | -                            |
| Cost and Funding Updates.....   | (7,364)                                  | 9,868                               | 8,372                        | 18,370                       | 24,974                       |
| Digital Capability Fund - Asset Management Improvement Program.....                         | 127                                      | 193                                 | 303                          | 335                          | 416                          |
| Externally Funded Services and Works .....  | 16,242                                   | 2,145                               | 1,014                        | 800                          | 800                          |
| Late Night Train Services .....   | 49                                       | 98                                  | 98                           | 99                           | 99                           |
| METRONET - Maintenance and Activation of Public Spaces.....                                 | -  | -                                   | -                            | 3,000                        | 1,000                        |
| METRONET - Replacement Services for Armadale Rail Line Shutdown .....                       | -  | 16,667                              | 40,000                       | 3,333                        | -                            |
| Perth City Deal - Bus Stops Accessibility Upgrades.....                                     | 2,525                                    | 775                                 | -                            | -                            | -                            |
| Public Transport Services for the 2021 AFL Grand Final .....                                | 1,305                                    | -                                   | -                            | -                            | -                            |
| Revised Interest Expenses.....  | (1,442)                                  | (1,870)                             | 3,980                        | 5,675                        | 9,029                        |
| RiskCover Insurance Premiums .....  | 1,830                                    | 919                                 | 1,120                        | 1,193                        | 2,126                        |

## Significant Issues Impacting the Agency

1. The METRONET program is transforming Perth's public transport network with the new Forrestfield-Airport Link opening in 2022 and the recent completion of the Denny Avenue Level Crossing Removal and Mandurah Station Multi-Storey Car Park.
2. In 2022-23, work will commence on the new Midland Station, joining the Morley-Ellenbrook Line, Thornlie-Cockburn Link, Yanchep Rail Extension, Bayswater Station and Lakelands Station projects in construction. To accommodate the commencement of additional works on the Byford Rail Extension and Victoria Park-Canning Level Crossing Removal projects, the Armadale Line will be closed between Victoria Park and Armadale Stations for 18 months. Community consultation is underway to determine the best suite of replacement bus services to be provided during the closure.
3. Procurement and planning activities continue for the remaining METRONET projects, with the Greenwood Station Multi-Storey Car Park and Train Control and Signalling projects both expected to achieve contract award in 2023. The Authority will also commence construction of the new Stirling Bus Interchange, progress detailed planning for the upgrade of the Canning Bridge Bus Interchange and begin detailed planning on the Morrison Road Level Crossing Removal.
4. The urban rail network is currently serviced by 330 railcars. The Authority's budget includes funding for an additional 246 railcars: 102 for the METRONET expansion and an additional 144 new railcars to replace the A-Series fleet. The Authority has worked closely with the manufacturer to maximise local content, creating local jobs and strengthening the local economy. With the Railcar Manufacturing and Assembly Facility completed, construction of the maintenance facility will commence, while the first C-Series train is expected to roll onto the network for testing later this year.
5. With a fleet of over 1,800 Transperth and Transregional buses, the Authority needs to ensure that buses are safe, efficient, and reliable. The Authority does this by staying abreast of new technologies, maintaining rigorous maintenance standards and through a rolling bus replacement program. The bus body and interior are manufactured in Perth and continue to support jobs for approximately 160 workers per annum throughout the supply chain.
6. Public transport is an environmentally sustainable and responsible mass transit system. To further contribute to the Government's goal of net zero greenhouse gas emissions by 2050, the Authority has installed solar panels at bus and train stations throughout the network and commenced an evaluation of the trial of the Electric CAT buses in Joondalup. These results will inform the development of the Authority's strategy to transition its bus fleet. In addition, the Authority will be trialling the provision of electric vehicle charging infrastructure at selected train stations.
7. The COVID-19 pandemic impacted patronage on public transport systems worldwide. Whilst the Authority's daily patronage dropped sharply in March 2020, recovery from the initial reduction in patronage caused by the pandemic has been the fastest of any public transport provider in Australia, with patronage levels stabilising at around 85% of pre-COVID-19 levels. With the new two-zone fare cap and significant enhancements to the public transport network as METRONET projects are commissioned, it is expected that patronage will recover to pre-pandemic levels in the coming years.
8. Safe access to the Authority's many stations and bus ports is critical. The Authority directly employs more than 2,300 staff who ensure that appropriate systems, processes and communications are in place to safely assist and guide patrons. Further measures are in place to meet specific needs of the very large crowds that result from special events such as football games and concerts.
9. The provision of safe and cost-effective public transport services to regional Western Australia remains a priority for Government. Despite experiencing a decline in inter-regional patronage as a result of the COVID-19 pandemic, more than 320,000 trips are expected to have been made on Transwa services in 2021-22 and improvements towards pre-COVID-19 levels are expected in 2023-24. Accordingly, the Authority continues to invest in Transwa services and to look for opportunities to enhance the service. This investment in our regional communities includes the purchase of a new Australind railcar fleet and safety improvements along the rail stations in regional Western Australia.

## Resource Agreement

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

## Outcomes, Services and Key Performance Information

### Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the Agency's services, 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  |
|--|--|---|
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Accessible, reliable and safe public transport system.                                     | 1. Metropolitan and Regional Passenger Services<br>2. Country Passenger Rail and Road Coach Services<br>3. Regional School Bus Services |
|  | Protection of the long-term functionality of the rail corridor and railway infrastructure. | 4. Rail Corridor and Residual Freight Issues Management   |

### Service Summary

| Expense   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Metropolitan and Regional Passenger Services .....         | 1,327,938                   | 1,498,846                   | 1,468,450                                | 1,483,521                           | 1,540,887                    | 1,511,582                    | 1,594,075                    |
| 2. Country Passenger Rail and Road Coach Services .....       | 53,556                      | 53,777                      | 53,774                                   | 54,801                              | 56,834                       | 57,531                       | 57,976                       |
| 3. Regional School Bus Services .....                         | 129,715                     | 130,624                     | 131,165                                  | 131,072                             | 133,839                      | 137,059                      | 139,310                      |
| 4. Rail Corridor and Residual Freight Issues Management ..... | 222,047                     | 224,563                     | 222,265                                  | 209,256                             | 194,585                      | 174,181                      | 151,179                      |
| <b>Total Cost of Services .....</b>                           | <b>1,733,256</b>            | <b>1,907,810</b>            | <b>1,875,654</b>                         | <b>1,878,650</b>                    | <b>1,926,145</b>             | <b>1,880,353</b>             | <b>1,942,540</b>             |

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Accessible, reliable and safe public transport system:</b>  |                   |                   |                                |                             |      |
| Use of public transport - Passengers per service kilometre:   |                   |                   |                                |                             |      |
| Metropolitan bus services .....   | 0.84              | 0.96              | 0.92                           | 0.91                        | 1    |
| Metropolitan train services .....   | 2.03              | 2.49              | 2.35                           | 4.38                        | 1,2  |
| Metropolitan ferry services .....   | 10.17             | 10.62             | 10.94                          | 10.96                       |      |
| Intra-town regional bus services .....  | 0.661             | 0.675             | 0.675                          | 0.675                       |      |
| Country passenger rail services .....   | 0.149             | 0.172             | 0.149                          | 0.163                       | 3    |
| Country passenger road coach services .....   | 0.046             | 0.059             | 0.045                          | 0.050                       | 3    |
| Inter-town country bus services .....   | 0.012             | 0.013             | 0.013                          | 0.013                       |      |
| Accessible public transport - The proportion of street addresses within the Perth Public Transport Area which are within 500 metres of a Transperth stop providing an acceptable level of service ..... | 86%               | 85%               | 85%                            | 85%                         |      |
| Metropolitan and regional passenger services reliability:   |                   |                   |                                |                             |      |
| Bus services arriving within four minutes of scheduled time (first and last timing points - Six minutes for interim points) <sup>(b)</sup> .....  | 82%               | 85%               | 80%                            | 87%                         | 4    |
| Train arriving within four minutes of scheduled time .....  | 95%               | 95%               | 95%                            | 95%                         |      |
| Ferries arriving within four minutes of scheduled time <sup>(b)</sup> .....   | 97%               | 96%               | 95%                            | 98%                         | 4    |
| Country passenger rail and road coach services reliability:   |                   |                   |                                |                             |      |
| Prospector arriving within 15 minutes of scheduled time .....   | 47%               | 80%               | 27%                            | 80%                         | 5    |
| Australind arriving within 10 minutes of scheduled time .....   | 80%               | 90%               | 72%                            | 90%                         | 5    |
| MerredinLink arriving within 10 minutes of scheduled time .....   | 71%               | 90%               | 64%                            | 90%                         | 5    |
| AvonLink arriving within 10 minutes of scheduled time .....   | 96%               | 90%               | 85%                            | 90%                         |      |
| Road coaches arriving within 10 minutes of scheduled time .....   | 97%               | 95%               | 98%                            | 95%                         |      |
| Satisfaction with school bus availability at arrival/departure time .....   | 100%              | 99%               | 100%                           | 100%                        |      |
| Level of overall customer satisfaction - Customer satisfaction index:   |                   |                   |                                |                             |      |
| Metropolitan bus services .....   | 94%               | 90%               | 94%                            | 92%                         |      |
| Metropolitan train services .....   | 94%               | 92%               | 94%                            | 92%                         |      |
| Metropolitan ferry services .....   | 100%              | 99%               | 100%                           | 99%                         |      |
| Country passenger rail and road coach services .....  | 89%               | 92%               | 90%                            | 90%                         |      |
| Customer perception of safety - Independent external surveys:   |                   |                   |                                |                             |      |
| Train station - Daytime .....   | 98%               | 96%               | 98%                            | 96%                         |      |
| On-board train - Daytime .....  | 98%               | 97%               | 98%                            | 97%                         |      |
| Train station - Night-time .....  | 77%               | 70%               | 77%                            | 70%                         | 6    |
| On-board train - Night-time .....   | 78%               | 76%               | 78%                            | 76%                         |      |
| Bus station - Daytime .....   | 98%               | 98%               | 98%                            | 98%                         |      |
| On-board bus - Daytime .....  | 99%               | 99%               | 99%                            | 99%                         |      |
| Bus station - Night-time .....  | 82%               | 75%               | 82%                            | 78%                         |      |
| On-board bus - Night-time .....   | 86%               | 82%               | 86%                            | 84%                         |      |
| Level of notifiable safety occurrences - Notifiable occurrences:  |                   |                   |                                |                             |      |
| Category A occurrences per million passenger boardings .....  | 0.83              | 0.41              | 0.53                           | 0.40                        |      |
| Category A occurrences per million train kilometres .....   | 1.64              | 0.93              | 1.78                           | 1.70                        | 2    |
| Category B occurrences per million passenger boardings .....  | 45.47             | 25.87             | 36.73                          | 24.00                       | 7    |
| Category B occurrences per million train kilometres .....   | 89.20             | 59.24             | 122.85                         | 104.00                      | 2    |
| Regional school bus services: notifiable occurrences (accidents) reported each school year .....  | 14                | 19                | 19                             | 19                          |      |
| Return on construction expenditure .....  | 1.5               | 1.6               | 1.8                            | 1.7                         |      |
| <b>Outcome: Protection of the long-term functionality of the rail corridor and railway infrastructure:</b>  |                   |                   |                                |                             |      |
| Number of lease breaches .....  | nil               | nil               | nil                            | nil                         |      |

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

(b) Prior years to 2021-22, service reliability for Transperth Bus Operation was four minutes for interim points and for Transperth Ferry Operations was within three minutes of scheduled time.

## Explanation of Significant Movements

(Notes)

1. The 2021-22 Estimated Actual is lower compared to the 2021-22 Budget due to the impacts of the COVID-19 pandemic continuing to suppress patronage and the previously announced and adjusted delivery of the Forrestfield-Airport Link.
2. The 2022-23 Budget Target is based on a new definition, aligning service kilometre measurement to the requirements of the Office of the National Rail Safety Regulator. The 2022-23 Budget Target measures kilometres per train, whereas in prior years kilometres per train set were measured.
3. The 2021-22 Estimated Actual is lower compared to the 2021-22 Budget due to the impact of the COVID-19 pandemic and associated regional travel restrictions. The increase in the 2022-23 Budget Target is based on improved patronage as demand for regional travel is expected to increase.
4. The 2022-23 Budget Target is based on a new definition to improve passenger outcomes and measurement accuracy. For prior years to 2021-22, service reliability for Transperth Bus Operation was four minutes for interim points and for Transperth Ferry Operations was within three minutes of scheduled time.
5. The 2021-22 Estimated Actual is lower than the 2021-22 Budget for the service reliability of the Prospector, MerredinLink and Australind services (which travel on the leased freight network) due to a number of delays associated with crossings and track-related issues as a result of maintenance work undertaken by Arc Infrastructure. The 2022-23 Budget Target is based on the assumption that minimal delays will be experienced.
6. The 2021-22 Estimated Actual is higher than the 2021-22 Budget due to the Authority recognising the importance of adopting a safe system approach to travel safety at all times.
7. The variance between the 2021-22 Estimated Actual compared to the 2021-22 Budget is as a result of the impacts of the COVID 19 pandemic continuing to suppress patronage.

## Services and Key Efficiency Indicators

### 1. Metropolitan and Regional Passenger Services

Provision of customer-focused, safe and cost-effective passenger transport to the metropolitan area and regional towns.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|--|-------------------|-------------------|--------------------------------|-----------------------------|----------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |          |
| Total Cost of Service.....   | 1,327,938         | 1,498,846         | 1,468,450                      | 1,483,521                   | 1        |
| Less Income .....  | 152,075           | 216,896           | 220,620                        | 198,005                     | 2        |
| Net Cost of Service .....  | 1,175,863         | 1,281,950         | 1,247,830                      | 1,285,516                   |          |
| <b>Employees (Full-Time Equivalents) .....</b>                                   | <b>1,686</b>      | <b>1,923</b>      | <b>1,748</b>                   | <b>1,902</b>                | <b>3</b> |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |          |
| Average cost per passenger kilometre:  |                   |                   |                                |                             |          |
| Transperth bus operations.....   | \$1.71            | \$1.50            | \$1.57                         | \$1.63                      | 4        |
| Transperth train operations.....   | \$0.98            | \$0.78            | \$0.81                         | \$0.88                      |          |
| Transperth ferry operations .....  | \$2.54            | \$1.81            | \$1.76                         | \$1.77                      |          |
| Average cost per 1,000 place kilometres - Intra-town regional bus services ..... | \$82.11           | \$86.43           | \$86.55                        | \$85.58                     |          |

## Explanation of Significant Movements

(Notes)

1. The Total Cost of Service for the 2022-23 Budget Target is forecast to increase by \$15.1 million (1.1%) from the 2021-22 Estimated Actual largely due to increased depreciation expense (\$70.1 million), revisions to forecast cost parameters (\$31.7 million) and increased interest expenses (\$7.8 million). This is offset by a decrease in annual METRONET operating costs (\$79.3 million), a reduction in external works undertaken for third parties (\$13.6 million) and a reduction in the Perth City Deal - Bus Stops Accessibility Upgrades (\$1.8 million) relative to 2021-22.
2. Income in the 2022-23 Budget Target is forecast to decrease by \$22.6 million (10.3%) from the 2021-22 Estimated Actual. This reduction is attributed mainly to one-off receipt of on-passed National Partnership on COVID-19 Response revenue in 2021-22 (\$13.1 million), the Kewdale White Oil Pipeline payment being brought forward to 2021-22 (\$6.1 million) and a reduction in external works undertaken for third parties (\$5.2 million). This is expected to be offset by an increase in Transperth fare revenue (\$3.4 million).
3. The 2022-23 Budget Target is forecast to increase due to additional operational staff to support METRONET growth and delivery.
4. The 2022-23 Budget Target is forecast to increase compared to the 2021-22 Estimated Actual due to the impacts of the COVID-19 pandemic continuing to suppress patronage and the increased costs associated with the commencement of services on the Forrestfield-Airport Link.

## 2. Country Passenger Rail and Road Coach Services

Provision of customer-focused, safe and cost-effective passenger transport to regional communities.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 53,556            | 53,777            | 53,774                         | 54,801                      | 1    |
| Less Income .....   | 8,861             | 10,745            | 9,827                          | 10,809                      | 2    |
| Net Cost of Service.....  | 44,695            | 43,032            | 43,947                         | 43,992                      |      |
| Employees (Full-Time Equivalents) .....                                       | 150               | 154               | 164                            | 164                         |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Average cost per passenger kilometre:   |                   |                   |                                |                             |      |
| Transwa rail .....  | \$0.62            | \$0.54            | \$0.63                         | \$0.65                      |      |
| Transwa road coaches .....  | \$0.45            | \$0.35            | \$0.46                         | \$0.46                      |      |
| Average cost per 1,000 place kilometres - Inter-town country bus services.... | \$15.17           | \$15.69           | \$16.30                        | \$16.30                     |      |

## Explanation of Significant Movements

(Notes)

1. The Total Cost of Service in the 2022-23 Budget Target is forecast to increase by \$1 million (1.9%) from the 2021-22 Estimated Actual largely due to increased annual depreciation expense (\$0.7 million).
2. Income in the 2022-23 Budget Target is forecast to increase by \$1 million (10%) from the 2021-22 Estimated Actual, which is mainly attributable to the implementation of the Route Rationalisation Strategy, which aims to enhance services to encourage greater patronage.

### 3. Regional School Bus Services

Provision of regional school bus transport to Western Australian school students.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 129,715           | 130,624           | 131,165                        | 131,072                     |      |
| Less Income .....   | 16                | nil               | nil                            | nil                         |      |
| Net Cost of Service .....   | 129,699           | 130,624           | 131,165                        | 131,072                     |      |
| <b>Employees (Full-Time Equivalents) .....</b>                    | <b>39</b>         | <b>38</b>         | <b>38</b>                      | <b>38</b>                   |      |
| <b>Efficiency Indicators</b>                                      |                   |                   |                                |                             |      |
| Average cost per contracted kilometre - School bus services ..... | \$3.90            | \$3.88            | \$3.93                         | \$3.98                      |      |

### 4. Rail Corridor and Residual Freight Issues Management

Managing the rail freight corridor and infrastructure leased to the private sector and associated freight transport issues.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 222,047           | 224,563           | 222,265                        | 209,256                     | 1    |
| Less Income .....   | 19,981            | 25,409            | 22,446                         | 31,149                      | 2    |
| Net Cost of Service .....   | 202,066           | 199,154           | 199,819                        | 178,107                     |      |
| <b>Employees (Full-Time Equivalents) .....</b>                                    | <b>25</b>         | <b>28</b>         | <b>20</b>                      | <b>27</b>                   |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Total cost of managing the rail freight corridor and residual freight issues..... | 222,047           | 224,563           | 222,265                        | 209,256                     |      |

### Explanation of Significant Movements

(Notes)

1. The Total Cost of Service in the 2022-23 Budget Target is forecast to reduce by \$13 million (5.9%) from the 2021-22 Estimated Actual largely due to decreased depreciation expense (\$16.5 million), offset by an increase in costs due to the Perth to Bunbury Faster Rail Corridor Investigation (\$2.7 million).
2. Income in the 2022-23 Budget Target is forecast to increase by \$8.7 million (38.8%) from the 2021-22 Estimated Actual largely due to a one-off receipt from Arc Infrastructure for the Kenwick Intermodal Terminal Development (\$10 million), offset by reduction in the one-off receipts from Arc Infrastructure for the Kenwick Rail Freight Facility project in 2021-22 (\$1.7 million).

## Asset Investment Program

### SmartRider System Asset Replacement and Technology Update

1. In 2022-23, an estimated \$17.2 million will be invested to introduce new ticketing systems that will also allow the use of contemporary contactless payment methods as part of the \$57.8 million SmartRider upgrade project. The project involves the replacement of SmartRider system assets and an update to the technology used by the system.

### Stirling Bus Interchange

2. Construction will continue on the \$90 million project to construct an expanded Stirling Bus Interchange over the Joondalup Line and the Mitchell Freeway at Stirling Train Station. The construction contract was awarded in December 2020 and is expected to be completed late 2023. In 2022-23, an estimated \$75 million will be expended on the project.

## METRONET

### *Bayswater Station*

3. Construction has commenced on the new Bayswater Station. In 2022-23, \$93 million will be spent to complete construction on the turnback and the southern platform to service the Forrestfield-Airport Link and the Midland Line, demolish the old station and commence construction of the northern platforms to service the Morley-Ellenbrook Line.

### *Byford Rail Extension*

4. The Armadale Line will be extended by 7.8 kilometres from Armadale Station to Byford, with a grade separated rail crossing at Armadale Road. The Byford Rail Extension will also remove seven level crossings and deliver a new elevated station at Armadale and an at-grade station at Byford. Detailed design and early construction works are expected to commence in late 2022, ahead of the 18-month shut down of the Armadale Line. Major works will commence in early 2023 with service relocations and the construction of viaduct and station structures, for a total spend in 2022-23 of \$214 million.

### *Canning Bridge Bus Interchange*

5. The Canning Bridge Bus Interchange will be relocated to an elevated platform above the freeway and train station, which will increase capacity, improve the safety of commuters and provide greater road capacity along Canning Highway. In 2022-23, \$1.4 million will be spent to complete planning for the project.

### *Forrestfield-Airport Link*

6. Three new stations will be built as part of the new Forrestfield-Airport Link: Redcliffe Station, Airport Central Station and High Wycombe Station. As part of the \$1.9 billion project, the Authority has made upgrades to Claremont Station, including associated rail turnback facilities. With the Airport Line opening in 2022, an estimated \$143.4 million will be spent in 2022-23 on post-completion works and close-out of the project.

### *Greenwood Station Multi-Storey Car Park*

7. A 700-bay multi-storey car park will be provided at Greenwood Station. In 2022-23, \$4 million will be spent on planning and procurement and the project is expected to achieve contract award in early 2023, with construction to commence thereafter.

### *High Capacity Signalling Program of Works*

8. The High Capacity Signalling Program of works will replace the existing Transperth rail network signalling system with one that allows for increased service frequencies to meet forecast rail demand forecast under long-term transport planning. The program of works includes the Radio Systems Replacement, the Public Transport Operations Control Centre and the Train Control and Signalling projects. Critical milestones expected for the program in 2022-23 include detailed design for the Radio Systems Replacement project, contract award for the Train Control and Signalling project and structure completion for the Public Transport Operations Control Centre project.



#### *Lakelands Station*

9. A new station will be provided at Lakelands on the Mandurah Line, with works to include car park and bus-rail interchange facilities. In 2022-23, \$31 million will be invested to complete the construction of the station, with entry into passenger service expected in mid-2023.

#### *Midland Station*

10. A new Midland Station will be constructed between Helena and Cale Streets. The new station will provide better integration with the town centre, with much closer connections to the Midland Gate Shopping Centre and Midland Health Campus. Forward works are expected to commence in late 2022, with main construction to follow in early 2023.

#### *Midland Station Multi-Storey Car Park*

11. A 600-bay multi-storey car park will be provided at the new Midland Station. Construction is expected to commence in early 2023, with \$9.6 million to be spent in 2022-23.

#### *Morley Ellenbrook Line*

12. Five new stations will be built at Morley, Noranda, Malaga, Whiteman Park and Ellenbrook as part of the 21-kilometre Morley-Ellenbrook Line from Bayswater Station to Ellenbrook. In 2022-23, service relocation works will be completed and the underpass at the Ellenbrook Christian College will commence. Other works include bridge and viaduct structures, track installation and construction at Morley and Noranda stations.

#### *Railcar Acquisition for METRONET and A-Series Railcar Replacement*

13. 246 new Transperth railcars will be procured to provide for METRONET Stage 1 projects (102 railcars) and to replace A-Series railcars (144 railcars). The new railcars will be six-car sets, which provide additional passenger capacity compared to those currently in operation. Following the completion of the Railcar Manufacturing and Assembly Facility, delivery of the first C-Series train for testing on the network is expected in late 2022.

#### *Thornlie-Cockburn Link*

14. The Thornlie-Cockburn Line will be extended to Cockburn Station on the Mandurah Line and will include the construction of two new stations at Nicholson Road and Ranford Road, with park and ride facilities and bus interchanges to be provided. In 2022-23, \$231 million will be spent and will see the commencement of construction at Ranford Road and Nicholson Road stations and the installation of retaining walls from the Glen Iris Tunnel to the Canning River.

#### *Victoria Park-Canning Level Crossing Removal*

15. Five level crossings will be removed at Mint Street, Oats Street, Welshpool Road, Hamilton Street and Wharf Street and new elevated stations will be provided at Carlisle, Oats Street, Queens Park and Cannington. Detailed design and early works will commence in 2022-23, ahead of the 18-month shut down of the Armadale Line between Victoria Park and Armadale Stations. Major works will begin thereafter with the commencement of service relocations and construction on viaduct and station structures.

#### *Yanchep Rail Extension*

16. The Joondalup Line will be extended by 14.5 kilometres from Butler to Yanchep. Three new stations will be located at Yanchep, Eglinton and Alkimos, with bus interchanges and park and ride facilities to be provided. In 2022-23, \$238 million will be spent to complete a number of bridges over the rail corridor, with station construction expected to commence at Alkimos. An additional \$100 million will be spent by the Western Australian Planning Commission.

#### **COVID-19 WA Recovery Plan - Targeted Disability Discrimination Act Station Upgrades - Cannington, Gosnells and Kelmscott Stations**

17. A total of \$2 million will be expended to complete the \$8 million project to upgrade rail stations at Cannington, Gosnells and Kelmscott to ensure they comply with the Commonwealth *Disability Discrimination Act 1992*.

**Australind Train Service - Rail Future Fund**

18. \$56.2 million will be spent to purchase a new Australind railcar fleet and upgrade the Yarloop, Cookernup and North Dandalup train stations on the Bunbury rail line. The stations upgrades include construction of high level platforms and improved disability access. In 2022-23, an estimated \$3.3 million will be expended on the railcar fleet.

**Western Australia Agricultural Supply Chain Improvements**

19. \$177.2 million will be spent on Agricultural Supply Chain Improvements to increase freight capacities along key agricultural transport routes in the Wheatbelt, Great Southern, Mid West and Goldfields-Esperance regions. In 2022-23, \$57.4 million is estimated to be spent on agricultural freight transport corridor improvements.

**Perth Train Station Forecourt Upgrades**

20. \$2.5 million will be spent to upgrade the Perth Train Station forecourt to provide safer passage for pedestrians. The upgraded design will address the functionality and safety aspects of the forecourt precinct, with the project to be completed mid-2022.

**Electronic Vehicle Recharging Infrastructure Trial at Stations**

21. \$4 million will be spent on the provision of charging infrastructure as part of an electric vehicle charging trial at selected train stations.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Rail Infrastructure Program - South West Main Line Level Crossings Safety Upgrade Opportunities .....                  | 7,000                             | 4,000  | 2,864   | 3,000                               | -                            | -                            | -                            |
| Rail Stations Program - Targeted Disability Access Station Upgrades - Cannington, Gosnells and Kelmscott Stations..... | 8,000                             | 6,000  | 1,124   | 2,000                               | -                            | -                            | -                            |
| <b>Other Works in Progress</b>   |                                   |  |   |                                     |                              |                              |                              |
| Bus Infrastructure Program   |                                   |  |   |                                     |                              |                              |                              |
| Bus Priority Projects in Progress .....  | 13,941                            | 2,000  | 2,000   | 11,941                              | -                            | -                            | -                            |
| CAT Bus Infrastructure.....  | 2,100                             | 1,140  | 1,140   | 960                                 | -                            | -                            | -                            |
| Smartrider System Asset Replacement and Technology Update .....  | 57,821                            | 31,705   | 13,512  | 17,210                              | 8,906                        | -                            | -                            |
| Bus Replacement Program - New Bus Replacement Program in Progress .....  | 614,186                           | 134,869  | 54,281  | 71,315                              | 69,646                       | 49,955                       | 37,659                       |
| Common Infrastructure Program - Minor Capital Works Program .....  | 3,500                             | 2,557  | 2,557   | 943                                 | -                            | -                            | -                            |
| Freight Program  |                                   |  |   |                                     |                              |                              |                              |
| Grain Freight Upgrades .....   | 22,000                            | 5,000  | 5,000   | 7,000                               | 7,000                        | 3,000                        | -                            |
| Western Australian Agricultural Supply Chain Improvements.....   | 177,173                           | 2,173  | 2,173   | 57,420                              | 58,791                       | 58,789                       | -                            |
| Major Projects - Stirling Bus Interchange.....   | 90,000                            | 15,000   | 15,000  | 75,000                              | -                            | -                            | -                            |
| <b>METRONET</b>  |                                   |  |   |                                     |                              |                              |                              |
| Bayswater Station (Forrestfield-Airport Link Services and Morley-Ellenbrook Line Forward Works).....                   | 227,160                           | 112,334  | 54,950  | 92,986                              | 21,840                       | -                            | -                            |
| Byford Rail Extension .....  | 797,008                           | 1,403  | 1,403   | 214,400                             | 405,831                      | 175,374                      | -                            |
| Canning Bridge Bus Interchange .....   | 202,000                           | 1,909  | 1,062   | 1,406                               | 2,010                        | 57,710                       | 106,860                      |
| Forrestfield-Airport Link .....  | 1,861,000                         | 1,717,641  | 209,932                                       | 143,359                             | -                            | -                            | -                            |
| Greenwood Station Multi-Storey Car Park .....  | 38,000                            | 577  | 577   | 4,443                               | 22,996                       | 9,984                        | -                            |
| High Capacity Signalling - Program of Works.....   | 449,486                           | 66,651   | 33,903  | 156,748                             | 111,004                      | 57,025                       | 58,058                       |
| Lakelands Station.....   | 72,000                            | 31,381   | 23,529  | 31,477                              | 9,142                        | -                            | -                            |
| Level Crossing Removal - Victoria Park - Canning (Inner Armadale).....   | 1,047,001                         | 50,183   | 29,758  | 216,756                             | 558,686                      | 196,750                      | 24,626                       |
| Level Crossing Removal Program .....   | 133,908                           | 130,776  | 44,253  | 3,132                               | -                            | -                            | -                            |
| Mandurah Station Multi-Storey Car Park.....  | 32,085                            | 28,869   | 8,757   | 3,216                               | -                            | -                            | -                            |
| Morley-Ellenbrook Line.....  | 1,123,194                         | 207,038  | 150,648                                       | 313,937                             | 331,781                      | 270,438                      | -                            |
| New Midland Station .....  | 239,483                           | 7,921  | 7,921   | 34,611                              | 129,917                      | 67,034                       | -                            |
| New Stations and Existing Stations Upgrades .....  | 82,246                            | 43,775   | 12,720  | 10,998                              | 11,933                       | 12,244                       | 3,296                        |
| Rail Line Planning .....   | 121,485                           | 117,289  | 36,667  | 1,178                               | 1,243                        | 1,472                        | 303                          |
| Railcar Acquisition.....   | 473,344                           | 145,376  | 54,399  | 47,892                              | 87,924                       | 99,666                       | 64,267                       |
| Railcar Replacement .....  | 749,333                           | 262,350  | 71,187  | 77,267                              | 79,938                       | 10,186                       | 45,744                       |
| Thornlie-Cockburn Link .....   | 880,189                           | 444,235  | 224,611                                       | 231,316                             | 157,705                      | 46,933                       | -                            |
| Yanchep Rail Extension .....   | 607,038                           | 272,643  | 117,946                                       | 238,242                             | 96,153                       | -                            | -                            |

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Operational Business Support Systems Program   |                                   |  |   |                                     |                              |                              |                              |
| Business Support Upgrades .....  | 65,437                            | 31,411   | 10,846  | 26,258                              | 5,164                        | 1,627                        | 977                          |
| CCTV Program.....  | 14,454                            | 4,069  | 2,353   | 6,419                               | 3,758                        | 208                          | -                            |
| Parking Facilities Program - Parking Facilities Upgrades ....                                | 6,634                             | 2,000  | 2,000   | 2,993                               | 1,641                        | -                            | -                            |
| Rail Infrastructure Program  |                                   |  |   |                                     |                              |                              |                              |
| Kwinana and Mitchell Freeway Barrier Upgrades.....   | 57,250                            | 9,838  | 9,832   | 16,732                              | 30,680                       | -                            | -                            |
| Rail Infrastructure in Progress .....  | 494,115                           | 259,390  | 100,133                                       | 137,146                             | 62,802                       | 27,207                       | 7,570                        |
| Rail Infrastructure Program.....   | 251,651                           | 18,251   | 18,251  | 16,185                              | 43,632                       | 38,974                       | 63,825                       |
| Resilience Package.....  | 59,877                            | 56,037   | 5,948   | 3,840                               | -                            | -                            | -                            |
| Tunnel Monitoring System.....  | 8,000                             | 3,098  | 3,098   | 4,120                               | 782                          | -                            | -                            |
| Rail Stations Program - Lifts and Escalators Upgrades<br>and Replacements .....              | 7,329                             | 402  | 387   | 3,890                               | 3,037                        | -                            | -                            |
| Railcar Program - Rail Futures Fund (Australind Railcar<br>Replacement).....                 | 54,667                            | 11,651   | 3,522   | 3,252                               | 19,960                       | 19,804                       | -                            |
| <b>COMPLETED WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Rail Stations Program - Solar Panels for 60 Bus and Rail<br>Stations.....                    | 1,800                             | 1,800  | 400   | -                                   | -                            | -                            | -                            |
| <b>Other Completed Works</b>   |                                   |  |   |                                     |                              |                              |                              |
| Bus Infrastructure Program   |                                   |  |   |                                     |                              |                              |                              |
| Bus Priority Projects in Progress .....  | 750                               | 750  | 750   | -                                   | -                            | -                            | -                            |
| CAT Bus Infrastructure.....  | 500                               | 500  | 500   | -                                   | -                            | -                            | -                            |
| Bus Replacement Program .....  | 324,828                           | 324,828  | 2,324   | -                                   | -                            | -                            | -                            |
| Common Infrastructure Program  |                                   |  |   |                                     |                              |                              |                              |
| Minor Capital Works in Progress .....  | 12,183                            | 12,183   | 3,082   | -                                   | -                            | -                            | -                            |
| Perth Station Forecourt Upgrade .....  | 2,500                             | 2,500  | 2,500   | -                                   | -                            | -                            | -                            |
| Major Projects   |                                   |  |   |                                     |                              |                              |                              |
| Future Urban Railcar Procurement .....   | 254,377                           | 254,377  | 28,185  | -                                   | -                            | -                            | -                            |
| Optus Stadium Transport Project.....   | 354,739                           | 354,739  | 118   | -                                   | -                            | -                            | -                            |
| Perth City Link.....   | 573,376                           | 573,376  | 1,233   | -                                   | -                            | -                            | -                            |
| Operational Business Support Systems Program -<br>Business Support Upgrades in Progress..... | 49,012                            | 49,012   | 951   | -                                   | -                            | -                            | -                            |
| Rail Stations Program - Lifts and Escalators Upgrades<br>and Replacements .....              | 8,384                             | 8,384  | 138   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Common Infrastructure Program - Minor Capital Works<br>Program .....                         | 14,000                            | -  | -   | 3,500                               | 3,500                        | 3,500                        | 3,500                        |
| Freight Program - Freight Rail Upgrades.....   | 20,000                            | -  | -   | 20,000                              | -                            | -                            | -                            |
| METRONET - New Midland Station Multi-Storey Carpark.   | 35,889                            | -  | -   | 9,623                               | 26,266                       | -                            | -                            |
| Operational Business Support Systems Program   |                                   |  |   |                                     |                              |                              |                              |
| Business Support Upgrades .....  | 12,946                            | -  | -   | -                                   | -                            | 5,946                        | 7,000                        |
| CCTV Program.....  | 12,451                            | -  | -   | -                                   | 3,000                        | 9,451                        | -                            |
| Parking Facilities Program - Parking Facilities Upgrades ....                                | 6,000                             | -  | -   | -                                   | 2,000                        | 2,000                        | 2,000                        |
| Rail Stations Program - Electric Vehicle Recharging<br>Infrastructure Trial .....            | 4,000                             | -  | -   | 4,000                               | -                            | -                            | -                            |
| <b>Total Cost of Asset Investment Program.....</b>   | <b>12,838,830</b>                 | <b>5,825,391</b>                                 | <b>1,380,425</b>                              | <b>2,328,111</b>                    | <b>2,378,668</b>             | <b>1,225,277</b>             | <b>425,685</b>               |
| <b>Loans and Other Repayments.....</b>   |                                   |  | <b>127,436</b>                                | <b>133,397</b>                      | <b>135,157</b>               | <b>136,264</b>               | <b>136,264</b>               |
| <b>Total.....</b>  |                                   |  | <b>1,507,861</b>                              | <b>2,461,508</b>                    | <b>2,513,825</b>             | <b>1,361,541</b>             | <b>561,949</b>               |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Borrowings.....  |                                   |  | 290,668                                       | 351,500                             | 173,204                      | 83,387                       | 129,639                      |
| Capital Appropriation .....  |                                   |  | 433,828                                       | 769,704                             | 1,114,339                    | 590,300                      | 52,051                       |
| Capital Appropriation - Other (Land Sales Proceeds) .....                                    |                                   |  | 1,546   | 6,554                               | 8,163                        | 11,999                       | -                            |
| Capital Appropriation - Sourced from Commonwealth .....                                      |                                   |  | 255,370                                       | 766,710                             | 747,350                      | 436,380                      | 263,500                      |
| Drawdowns from Royalties for Regions Fund .....  |                                   |  | 12,039  | 10,251                              | 22,098                       | 3,000                        | -                            |
| Drawdowns from the Holding Account.....  |                                   |  | 106,737                                       | 152,411                             | 64,217                       | 27,698                       | 37,659                       |
| Funding Included in Department of Treasury - Digital<br>Capability Fund .....                |                                   |  | 474   | 2,469                               | 2,006                        | 1,627                        | 977                          |
| Funding Included in Department of Treasury - Major<br>State Infrastructure.....              |                                   |  | 118   | -                                   | -                            | -                            | -                            |
| Internal Funds and Balances.....   |                                   |  | 278,685                                       | 114,998                             | 145,723                      | 8,688                        | 137                          |
| Other .....  |                                   |  | 1,616   | 62,417                              | 54,768                       | 55,789                       | -                            |
| Other Grants and Subsidies .....   |                                   |  | 126,780                                       | 224,494                             | 181,957                      | 142,673                      | 77,986                       |
| <b>Total Funding .....</b>   |                                   |  | <b>1,507,861</b>                              | <b>2,461,508</b>                    | <b>2,513,825</b>             | <b>1,361,541</b>             | <b>561,949</b>               |

## Financial Statements

### Income Statement

#### *Expenses*

1. The Total Cost of Services in the 2022-23 Budget Year is forecast to increase by \$3 million (0.2%) from the 2021-22 Estimated Actual. The net increase is mainly due to:
  - 1.1. increased depreciation expense (\$54.3 million);
  - 1.2. revisions to forecast cost parameters (\$32.2 million);
  - 1.3. increased interest expense (\$8.5 million); and
  - 1.4. the Perth to Bunbury Faster Rail Corridor Investigation (\$2.7 million).
2. This is offset by a decrease in expenditure due to:
  - 2.1. METRONET operating costs (\$79.3 million);
  - 2.2. a reduction in external works undertaken for third parties (\$13.9 million); and
  - 2.3. the Perth City Deal - Bus Stops Accessibility Upgrades expense (\$1.8 million).

#### *Income*

3. Total Income in the 2022-23 Budget Year is forecast to decrease by \$12.9 million (5.1%) from the 2021-22 Estimated Actual. This is due largely to one-off receipt of revenue from the on-passed National Partnership on COVID 19 Response revenue in 2021-22 (\$13.1 million).

### Statement of Financial Position

4. The total equity in the 2022-23 Budget Year is forecast to increase by \$1,346 million from the 2021-22 Estimated Actual. This comprises a projected increase in Total Assets of \$1,554.3 million and an increase in Total Liabilities of \$208.2 million.
5. The Authority's statement shows accumulated deficits across the outyears period because accrual appropriation is not being provided to fund depreciation. It has been determined that there is no need to provide the significant accrual appropriation that would be required to fund depreciation.

### Statement of Cashflows

6. Proceeds from borrowings in the 2021-22 Estimated Actual have decreased by \$238.2 million from the 2021-22 Budget, which is predominantly attributable to the deferral of capital expenditure within the outyears.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 220,572                     | 234,102                     | 247,558                                  | 268,513                             | 280,861                      | 289,127                      | 293,809                      |
| Grants and subsidies <sup>(c)</sup> .....        | 548,404                     | 577,614                     | 533,407                                  | 556,088                             | 574,843                      | 547,140                      | 551,578                      |
| Supplies and services .....                      | 348,951                     | 463,242                     | 490,371                                  | 381,127                             | 366,333                      | 330,388                      | 334,260                      |
| Accommodation .....                              | 30,178                      | 35,181                      | 34,355                                   | 40,213                              | 43,052                       | 46,826                       | 47,728                       |
| Depreciation and amortisation .....              | 475,597                     | 480,726                     | 455,212                                  | 509,050                             | 527,646                      | 529,080                      | 572,847                      |
| Finance and interest costs .....                 | 75,802                      | 79,123                      | 77,681                                   | 86,133                              | 94,734                       | 98,066                       | 101,420                      |
| Other expenses .....                             | 33,752                      | 37,822                      | 37,070                                   | 37,526                              | 38,676                       | 39,726                       | 40,898                       |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>1,733,256</b>            | <b>1,907,810</b>            | <b>1,875,654</b>                         | <b>1,878,650</b>                    | <b>1,926,145</b>             | <b>1,880,353</b>             | <b>1,942,540</b>             |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services .....                 | 140,866                     | 181,590                     | 163,562                                  | 169,696                             | 217,749                      | 236,826                      | 237,552                      |
| Regulatory fees and fines .....                  | 2,870                       | 4,420                       | 4,420                                    | 4,420                               | 4,420                        | 4,420                        | 4,420                        |
| Grants and subsidies .....                       | 2,090                       | 9,569                       | 18,825                                   | 3,000                               | 1,000                        | -                            | -                            |
| Other revenue .....                              | 35,107                      | 57,471                      | 66,086                                   | 62,847                              | 53,863                       | 53,649                       | 53,649                       |
| <b>Total Income .....</b>                        | <b>180,933</b>              | <b>253,050</b>              | <b>252,893</b>                           | <b>239,963</b>                      | <b>277,032</b>               | <b>294,895</b>               | <b>295,621</b>               |
| <b>NET COST OF SERVICES .....</b>                | <b>1,552,323</b>            | <b>1,654,760</b>            | <b>1,622,761</b>                         | <b>1,638,687</b>                    | <b>1,649,113</b>             | <b>1,585,458</b>             | <b>1,646,919</b>             |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 359                         | 360                         | 360                                      | 361                                 | 362                          | 362                          | 362                          |
| Resources received free of charge .....          | 1,298                       | -                           | -  | -                                   | -                            | -                            | -                            |
| Royalties for Regions Fund:                      |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....           | 10                          | 79,935                      | 79,935                                   | 79,935                              | 79,935                       | 79,935                       | 79,935                       |
| Other appropriations .....                       | 1,031,801                   | 984,070                     | 963,413                                  | 1,023,476                           | 1,014,390                    | 959,446                      | 977,059                      |
| Other revenues .....                             | 120,725                     | 227,132                     | 258,960                                  | 322,756                             | 273,983                      | 225,566                      | 105,171                      |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>1,154,193</b>            | <b>1,291,497</b>            | <b>1,302,668</b>                         | <b>1,426,528</b>                    | <b>1,368,670</b>             | <b>1,265,309</b>             | <b>1,162,527</b>             |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>(398,130)</b>            | <b>(363,263)</b>            | <b>(320,093)</b>                         | <b>(212,159)</b>                    | <b>(280,443)</b>             | <b>(320,149)</b>             | <b>(484,392)</b>             |

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 1,900, 1,970 and 2,131 respectively.

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

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Country Passenger Services - Inter-town</b> |                             |                             |  |                                     |                              |                              |                              |
| Country Bus Services .....                     | 802                         | 829                         | 829                                      | 829                                 | 841                          | 841                          | 841                          |
| Intra-town Regional Bus Services .....         | 16,894                      | 17,625                      | 16,418                                   | 17,188                              | 18,242                       | 17,083                       | 17,273                       |
| Local Government .....                         | 3,050                       | -                           | 300                                      | -                                   | -                            | -                            | -                            |
| <b>METRONET</b>                                |                             |                             |  |                                     |                              |                              |                              |
| Community Assets Program .....                 | 2,700                       | 16,275                      | 4,300                                    | 9,000                               | 1,500                        | 1,500                        | -                            |
| Office Expenses .....                          | 526                         | 2,264                       | 2,264                                    | 1,746                               | 985                          | 985                          | 985                          |
| <b>Metropolitan Services</b>                   |                             |                             |  |                                     |                              |                              |                              |
| Bus Operators .....                            | 400,111                     | 412,942                     | 387,747                                  | 405,936                             | 430,826                      | 403,460                      | 407,943                      |
| Ferry Services .....                           | 1,842                       | 1,302                       | 1,216                                    | 1,273                               | 1,351                        | 1,265                        | 1,279                        |
| <b>Regional School Bus Services</b>            |                             |                             |  |                                     |                              |                              |                              |
| Conveyance Allowance .....                     | 1,652                       | 2,068                       | 1,693                                    | 1,718                               | 1,757                        | 1,796                        | 1,837                        |
| School Bus Services .....                      | 120,827                     | 124,309                     | 118,640                                  | 118,398                             | 119,341                      | 120,210                      | 121,420                      |
| <b>TOTAL .....</b>                             | <b>548,404</b>              | <b>577,614</b>              | <b>533,407</b>                           | <b>556,088</b>                      | <b>574,843</b>               | <b>547,140</b>               | <b>551,578</b>               |

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                     |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                         | 215,006                     | 147,964                     | 111,183                                  | 67,058                              | 64,064                       | 62,544                       | 62,544                       |
| Restricted cash .....                     | 437,959                     | 156,878                     | 245,922                                  | 177,182                             | 16,953                       | 9,785                        | 9,648                        |
| Holding Account receivables .....         | 86,696                      | 35,165                      | 22,171                                   | 43,370                              | 45,973                       | 57,945                       | 57,945                       |
| Receivables .....                         | 41,543                      | 23,228                      | 41,543                                   | 41,543                              | 41,543                       | 41,543                       | 41,543                       |
| Other.....                                | 38,521                      | 39,060                      | 38,521                                   | 38,521                              | 38,521                       | 38,521                       | 38,521                       |
| Total current assets .....                | 819,725                     | 402,295                     | 459,340                                  | 367,674                             | 207,054                      | 210,338                      | 210,201                      |
| <b>NON-CURRENT ASSETS</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....         | 397,574                     | 362,408                     | 355,362                                  | 181,752                             | 114,932                      | 75,262                       | 37,603                       |
| Property, plant and equipment.....        | 10,257,657                  | 11,319,020                  | 11,183,888                               | 12,997,447                          | 14,847,004                   | 15,537,413                   | 15,386,119                   |
| Intangibles .....                         | 12,914                      | 9,731                       | 12,625                                   | 18,592                              | 20,742                       | 31,255                       | 35,387                       |
| Restricted cash .....                     | 1,562                       | 1,381                       | 1,562                                    | 1,562                               | 1,562                        | 1,562                        | 1,562                        |
| Total non-current assets .....            | 10,669,707                  | 11,692,540                  | 11,553,437                               | 13,199,353                          | 14,984,240                   | 15,645,492                   | 15,460,671                   |
| <b>TOTAL ASSETS .....</b>                 | <b>11,489,432</b>           | <b>12,094,835</b>           | <b>12,012,777</b>                        | <b>13,567,027</b>                   | <b>15,191,294</b>            | <b>15,855,830</b>            | <b>15,670,872</b>            |
| <b>CURRENT LIABILITIES</b>                |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 56,326                      | 50,414                      | 56,326                                   | 56,326                              | 56,326                       | 56,326                       | 56,326                       |
| Payables .....                            | 141,523                     | 134,716                     | 129,457                                  | 129,457                             | 129,457                      | 129,457                      | 129,457                      |
| Borrowings and leases .....               | 184,655                     | 137,697                     | 190,663                                  | 192,471                             | 191,351                      | 188,094                      | 188,094                      |
| Other.....                                | 42,748                      | 26,340                      | 26,128                                   | 26,128                              | 26,128                       | 26,128                       | 26,128                       |
| Total current liabilities .....           | 425,252                     | 349,167                     | 402,574                                  | 404,382                             | 403,262                      | 400,005                      | 400,005                      |
| <b>NON-CURRENT LIABILITIES</b>            |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 11,735                      | 9,721                       | 11,735                                   | 11,735                              | 11,735                       | 11,735                       | 11,735                       |
| Borrowings and leases .....               | 2,736,134                   | 3,174,960                   | 2,889,342                                | 3,101,221                           | 3,136,061                    | 3,086,163                    | 3,074,535                    |
| Other.....                                | 160,866                     | 156,256                     | 155,400                                  | 149,934                             | 144,468                      | 139,002                      | 133,536                      |
| Total non-current liabilities .....       | 2,908,735                   | 3,340,937                   | 3,056,477                                | 3,262,890                           | 3,292,264                    | 3,236,900                    | 3,219,806                    |
| <b>TOTAL LIABILITIES.....</b>             | <b>3,333,987</b>            | <b>3,690,104</b>            | <b>3,459,051</b>                         | <b>3,667,272</b>                    | <b>3,695,526</b>             | <b>3,636,905</b>             | <b>3,619,811</b>             |
| <b>EQUITY</b>                             |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                  | 6,298,017                   | 6,897,068                   | 7,016,391                                | 8,574,579                           | 10,451,035                   | 11,494,341                   | 11,810,869                   |
| Accumulated surplus/(deficit).....        | (2,974,816)                 | (3,317,727)                 | (3,294,909)                              | (3,507,068)                         | (3,787,511)                  | (4,107,660)                  | (4,592,052)                  |
| Reserves.....                             | 4,832,244                   | 4,825,390                   | 4,832,244                                | 4,832,244                           | 4,832,244                    | 4,832,244                    | 4,832,244                    |
| Total equity .....                        | 8,155,445                   | 8,404,731                   | 8,553,726                                | 9,899,755                           | 11,495,768                   | 12,218,925                   | 12,051,061                   |
| <b>TOTAL LIABILITIES AND EQUITY .....</b> | <b>11,489,432</b>           | <b>12,094,835</b>           | <b>12,012,777</b>                        | <b>13,567,027</b>                   | <b>15,191,294</b>            | <b>15,855,830</b>            | <b>15,670,872</b>            |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                                |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                     | 1,032,159                   | 984,430                     | 963,773                                  | 1,023,837                           | 1,014,752                    | 959,808                      | 977,421                      |
| Capital appropriation .....                                     | 608,096                     | 657,898                     | 705,744                                  | 1,562,968                           | 1,936,852                    | 1,182,929                    | 574,101                      |
| Holding Account drawdowns .....                                 | 95,670                      | 86,696                      | 106,737                                  | 152,411                             | 64,217                       | 27,698                       | 37,659                       |
| Royalties for Regions Fund:                                     |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....                          | 10                          | 79,935                      | 79,935                                   | 79,935                              | 79,935                       | 79,935                       | 79,935                       |
| Regional Infrastructure and Headworks<br>Fund .....             | 13,306                      | 23,539                      | 12,039                                   | 10,251                              | 22,098                       | 3,000                        | -                            |
| Receipts paid into Consolidated Account.....                    | (11,910)                    | -                           | -  | -                                   | -                            | -                            | -                            |
| Other.....  | 103,834                     | 209,567                     | 241,869                                  | 324,130                             | 274,861                      | 226,031                      | 104,986                      |
| <b>Net cash provided by Government .....</b>                    | <b>1,841,165</b>            | <b>2,042,065</b>            | <b>2,110,097</b>                         | <b>3,153,532</b>                    | <b>3,392,715</b>             | <b>2,479,401</b>             | <b>1,774,102</b>             |
| <b>CASHFLOWS FROM OPERATING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....  | (212,869)                   | (234,460)                   | (247,943)                                | (268,905)                           | (281,251)                    | (289,521)                    | (294,206)                    |
| Grants and subsidies.....                                       | (546,054)                   | (577,614)                   | (533,407)                                | (556,088)                           | (574,843)                    | (547,140)                    | (551,578)                    |
| Supplies and services .....                                     | (366,936)                   | (463,242)                   | (502,437)                                | (381,127)                           | (366,333)                    | (330,388)                    | (334,260)                    |
| Accommodation .....   | (29,469)                    | (35,181)                    | (34,355)                                 | (40,213)                            | (43,052)                     | (46,826)                     | (47,728)                     |
| GST payments .....  | (201,581)                   | (261,866)                   | (261,866)                                | (251,123)                           | (226,253)                    | (173,432)                    | (173,432)                    |
| Finance and interest costs.....                                 | (76,933)                    | (79,115)                    | (77,673)                                 | (86,125)                            | (94,726)                     | (98,066)                     | (101,420)                    |
| Other payments.....   | (31,372)                    | (37,464)                    | (36,685)                                 | (37,134)                            | (38,286)                     | (39,332)                     | (40,501)                     |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Regulatory fees and fines .....                                 | 2,820                       | 4,420                       | 4,420                                    | 4,420                               | 4,420                        | 4,420                        | 4,420                        |
| Grants and subsidies.....                                       | 5,000                       | 9,569                       | 18,825                                   | 3,000                               | 1,000                        | -                            | -                            |
| Sale of goods and services.....                                 | 142,025                     | 181,590                     | 163,562                                  | 169,696                             | 217,749                      | 236,826                      | 237,552                      |
| GST receipts .....  | 185,779                     | 261,866                     | 261,866                                  | 251,123                             | 226,253                      | 173,432                      | 173,432                      |
| Other receipts .....  | 27,215                      | 53,068                      | 61,683                                   | 58,476                              | 49,525                       | 49,345                       | 49,345                       |
| <b>Net cash from operating activities .....</b>                 | <b>(1,102,375)</b>          | <b>(1,178,429)</b>          | <b>(1,184,010)</b>                       | <b>(1,134,000)</b>                  | <b>(1,125,797)</b>           | <b>(1,060,682)</b>           | <b>(1,078,376)</b>           |
| <b>CASHFLOWS FROM INVESTING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                            | (1,160,782)                 | (1,585,800)                 | (1,380,425)                              | (2,328,111)                         | (2,378,668)                  | (1,225,277)                  | (425,685)                    |
| Proceeds from sale of non-current assets.....                   | 694                         | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Net cash from investing activities.....</b>                  | <b>(1,160,088)</b>          | <b>(1,585,800)</b>          | <b>(1,380,425)</b>                       | <b>(2,328,111)</b>                  | <b>(2,378,668)</b>           | <b>(1,225,277)</b>           | <b>(425,685)</b>             |
| <b>CASHFLOWS FROM FINANCING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases.....                         | (421,103)                   | (363,608)                   | (363,608)                                | (338,744)                           | (348,875)                    | (333,822)                    | (333,822)                    |
| Other payments.....   | -                           | (68,137)                    | (1)                                      | (17,500)                            | (84,500)                     | (144,250)                    | (258,550)                    |
| Proceeds from borrowings.....                                   | 748,311                     | 760,331                     | 522,087                                  | 551,958                             | 381,902                      | 275,942                      | 322,194                      |
| <b>Net cash from financing activities.....</b>                  | <b>327,208</b>              | <b>328,586</b>              | <b>158,478</b>                           | <b>195,714</b>                      | <b>(51,473)</b>              | <b>(202,130)</b>             | <b>(270,178)</b>             |
| <b>NET INCREASE/(DECREASE) IN CASH<br/>HELD .....</b>           | <b>(94,090)</b>             | <b>(393,578)</b>            | <b>(295,860)</b>                         | <b>(112,865)</b>                    | <b>(163,223)</b>             | <b>(8,688)</b>               | <b>(137)</b>                 |
| Cash assets at the beginning of the reporting<br>period .....   | 748,617                     | 699,801                     | 654,527                                  | 358,667                             | 245,802                      | 82,579                       | 73,891                       |
| <b>Cash assets at the end of the reporting<br/>period .....</b> | <b>654,527</b>              | <b>306,223</b>              | <b>358,667</b>                           | <b>245,802</b>                      | <b>82,579</b>                | <b>73,891</b>                | <b>73,754</b>                |

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

# METRONET Projects Under Development

## Part 9 Transport

### Asset Investment Program

1. A \$632.8 million provision is incorporated for various METRONET projects under development, including the High Capacity Signalling program of works and the Morrison Road Level Crossing Removal. Funding will be allocated to specific projects upon completion of tender processes and final investment decisions.

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>NEW WORKS</b>  |                                   |  |   |                                     |                              |                              |                              |
| METRONET Projects Under Development .....               | 632,800                           | -  | -   | 18,000                              | 87,000                       | 169,250                      | 298,550                      |
| <b>Total Cost of Asset Investment Program.....</b>      | <b>632,800</b>                    | <b>-</b>   | <b>-</b>                                      | <b>18,000</b>                       | <b>87,000</b>                | <b>169,250</b>               | <b>298,550</b>               |
| <b>FUNDED BY</b>  |                                   |  |   |                                     |                              |                              |                              |
| Capital Appropriation .....                             |                                   |  | -   | -                                   | 53,670                       | 62,330                       | 150,550                      |
| Capital Appropriation - Sourced from Commonwealth ..... |                                   |  | 15,000  | 20,000                              | 13,330                       | 81,920                       | 108,000                      |
| Motor Vehicle Licence Fee Revenue .....                 |                                   |  | -   | 500                                 | 2,500                        | 25,000                       | 40,000                       |
| Internal Funds and Balances.....                        |                                   |  | (15,000)                                      | (2,500)                             | 17,500                       | -                            | -                            |
| <b>Total Funding .....</b>                              |                                   |  | <b>-</b>                                      | <b>18,000</b>                       | <b>87,000</b>                | <b>169,250</b>               | <b>298,550</b>               |



# Fremantle Port Authority

## Part 9 Transport

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

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE TO GENERAL GOVERNMENT<br/>SECTOR</b>      |                             |                             |  |                                     |                              |                              |                              |
| National Tax Equivalent Regime - Income Tax.....     | 23,292                      | 19,895                      | 17,743                                   | 17,301                              | 21,779                       | 22,026                       | 22,892                       |
| Local Government Rates Equivalent .....              | 868                         | 698                         | 698                                      | 698                                 | 705                          | 713                          | 720                          |
| Dividends <sup>(a)(b)</sup> .....                    | 34,686                      | -                           | -  | 26,943                              | 32,484                       | 34,648                       | 35,816                       |
| <b>EXPENSES FROM GENERAL<br/>GOVERNMENT SECTOR</b>   |                             |                             |  |                                     |                              |                              |                              |
| Operating Subsidies.....                             | -                           | -                           | -  | 317                                 | 326                          | -                            | -                            |
| Other Subsidies .....                                | -                           | -                           | -  | 9,000                               | 3,500                        | -                            | -                            |
| <b>RATIOS</b>  |                             |                             |  |                                     |                              |                              |                              |
| Dividend Payout Ratio (%) .....                      | 75                          | 75                          | 75                                       | 75                                  | 75                           | 75                           | 75                           |
| <b>GOVERNMENT TRADING ENTERPRISE<br/>INFORMATION</b> |                             |                             |  |                                     |                              |                              |                              |
| Revenue from Operations .....                        | 226,067                     | 233,194                     | 232,176                                  | 226,774                             | 244,948                      | 246,456                      | 252,610                      |
| Revenue from Government .....                        | -                           | -                           | -  | 9,317                               | 3,826                        | -                            | -                            |
| Total Expenses <sup>(c)</sup> .....                  | 148,271                     | 172,597                     | 180,015                                  | 184,860                             | 183,099                      | 180,100                      | 183,515                      |
| Total Borrowings <sup>(d)</sup> .....                | 158,224                     | 201,606                     | 147,104                                  | 195,912                             | 219,145                      | 223,017                      | 216,492                      |
| <b>NET PROFIT AFTER TAX.....</b>                     | 54,504                      | 42,288                      | 36,514                                   | 35,728                              | 45,839                       | 46,317                       | 48,234                       |
| <b>CASH ASSETS <sup>(e)</sup> .....</b>              | 108,326                     | 122,150                     | 97,447                                   | 95,851                              | 97,354                       | 95,982                       | 94,532                       |

- (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 Authority will retain 2021-22 dividend payments to instead contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise (GTE) for further detail.
- (c) Excludes current tax expense, deferred tax expense and dividends.
- (d) Movements in borrowings are a result of revised Asset Investment Program (AIP) timings and general operating requirements of the Authority.
- (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 GTE's Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

|   | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Key Adjustments</b>  |  |                                     |                              |                              |                              |
| Revenue, Expense and Asset Investment Update <sup>(a)</sup> ..... | (2,139)                                  | (13,122)                            | (3,895)                      | 134                          | 1,294                        |
| Westport Program Resourcing <sup>(b)</sup> .....                  | -  | (317)                               | (326)                        | -                            | -                            |

- (a) Updated forecasts to reflect current business operations and economic environment including a comprehensive review of trade forecasts, pricing assumptions, and infrastructure management and maintenance including a reassessment of AIP requirements.
- (b) Government operating subsidy over the period 2022-23 to 2023-24 to provide technical expertise on the future container port (Westport).

## Significant Issues Impacting the Government Trading Enterprise

### COVID-19 Response

1. The COVID-19 pandemic continues to impact global supply chains, which in turn impacts anticipated trade volumes and efficiency. As a critical infrastructure and service provider, business continuity is essential. Business continuity plans are a key part of the Authority's operations, which include key partners such as the pilots, tug operators and stevedores.
2. The Authority is working with State and Commonwealth agencies and port users to ensure communication protocols and safety procedures are in place to manage interactions between ship and shore crews across all facilities within the port boundary to mitigate the ongoing risk of COVID-19 transmission.
3. Under the Government's COVID-19 Response, the Authority has committed to an upgrade of the Kwinana Bulk Terminal import and export facilities including upgrading material handling import infrastructure, concreting the export stockyard area and upgrading power supplies to the terminal. The majority of these works are expected to be completed by 2024-25.

### Westport and Port Master Plan

4. The Authority will continue to actively participate in the Westport process through positive leadership and technical expertise, with the aim of assisting it to deliver clear and robust outcomes. Parallel to the Westport process, the Authority is developing a port master plan focused on Inner and Outer Harbour development to enable integration of (and with) Westport and other planning activities including Future of Fremantle Planning Committee outcomes.

### Supply Chain Visibility

5. The Authority will support supply chain efficiency and performance by creating end-to-end supply chain transparency for partners and Western Australian importers and exporters, so they have the information they need to manage cargo flow reliably and efficiently.

### Victoria Quay Waterfront Strategy

6. The Authority is committed to the continued activation of the Victoria Quay Waterfront area. The aim is to enhance the amenity of the area and create a destination that benefits the broader community, while ensuring no adverse impacts on port operations by avoiding incompatible land uses.
7. Key areas of focus will include progressing short-term initiatives set out in the Stage 1 report of the Victoria Quay Waterfront Steering Committee, such as improving the connections between the Fremantle Passenger Terminal and the rest of Victoria Quay Waterfront and Fremantle and various activation strategies.

### Sustainability

8. The Authority has a strong commitment to creating an environmentally sustainable port and supply chain with clear targets to embrace and support energy transition of its assets, business and infrastructure.

### 2021-22 Retained Dividend

9. The Authority will retain its forecast 2021-22 dividend payment of \$63.7 million to fund future infrastructure investment. The funds will be quarantined until the Government approves business cases for future strategic infrastructure requirements.

## 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 Goals   | Strategic Objectives   | Desired Outcomes  |
|--|--|---|
| Strong and Sustainable Finances:<br>Responsible, achievable, affordable budget management.     | Achieve financial targets in line with Government expectations in accordance with prudent commercial principles. | 1. Achieve financial targets  |
|  | Provide reliable and efficient and commercial services to meet customer needs and add value.                     | 2. Highly efficient port operations that promote trade growth<br>3. High levels of customer satisfaction                  |
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive. | Provide a safe and healthy environment for the community.  | 4. Achieve community satisfaction targets<br>5. Maintain safety and quality management systems in line with best practice |

### Outcomes and Key Performance Indicators

|  | 2020-21<br>Actual | 2021-22<br>Budget       | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Achieve financial targets:</b>   |                   |                         |                                |                             |      |
| Earnings before interest, taxes, depreciation, and amortisation (EBITDA) (\$'000).....     | 100,667           | 87,395                  | 75,441                         | 78,390                      | 1    |
| Economic rate of return <sup>(a)</sup> .....   | 11.4%             | 8.7%                    | 7.6%                           | 7.2%                        |      |
| Debt to equity ratio.....  | 53%               | 60%                     | 46%                            | 57%                         |      |
| <b>Outcome: Highly efficient port operations that promote trade growth:</b>                |                   |                         |                                |                             |      |
| Total number vessel visits <sup>(b)</sup> .....  | 1,523             | 1,488                   | 1,422                          | 1,487                       |      |
| Total port trade ('000 tonnes) .....   | 30,381            | 31,250                  | 29,852                         | 28,723                      |      |
| <b>Outcome: High levels of customer satisfaction:</b>                                      |                   |                         |                                |                             |      |
| Customer satisfaction score .....  | 64%               | >85%                    | >85%                           | >85%                        |      |
| <b>Outcome: Achieve community satisfaction targets:</b>                                    |                   |                         |                                |                             |      |
| Community satisfaction .....   | 62%               | >70%                    | >70%                           | >75%                        |      |
| <b>Outcome: Maintain safety and quality management systems in line with best practice:</b> |                   |                         |                                |                             |      |
| Lost time injury frequency rate <sup>(c)</sup> .....                                       | 7.9               | nil or 10%<br>reduction | nil or 10%<br>reduction        | nil or 10%<br>reduction     |      |
| Number reportable environmental incidents.....   | nil               | nil                     | nil                            | nil                         |      |

(a) Economic rate of return as calculated in accordance with the Department of Transport's Western Australia Port Authority - Rate of Return Calculation Methodology and Asset Valuation Policy.

(b) Number of vessel visits includes commercial, non-trading and fishing vessels (excludes naval).

(c) Lost time injury frequency rate based on injuries 'occurring in the year' and 'million hours worked'. Target is for no lost time or a 10% reduction in lost time from the previous year.

## Explanation of Significant Movements

(Notes)

1. The 2021-22 Estimated Actual and 2022-23 Budget Target are lower than the 2021-22 Budget due to the combined impact of revised trade expectations, expenditure relating to a comprehensive organisational review and the Authority's focus on development and implementation of a contemporary resource planning system.

## Asset Investment Program

1. The Authority's AIP for 2022-23 to 2025-26 totals \$207.2 million, investing in projects across the Inner and Outer Harbour to support the economic growth of the State through the import and export of containers, motor vehicles, bulk commodities and other trades.

### Expenditure in the Inner Harbour

2. A total of \$4 million in 2022-23 and \$36.2 million over the outyears is forecast to be spent on Inner Harbour berths upgrades, including continuing upgrades to certain berths in the Inner Harbour to accommodate larger vessels and to allow for heavy-duty use.
3. The Authority will spend \$25.4 million over 2021-22 and 2022-23 on land acquisitions and associated works in North Quay for port operations and buffer zones for port activities in the Inner Harbour.
4. Work continues on the Fremantle Waterfront Implementation Plan, including the commercial precinct and the Victoria Quay activation project to support the developments and land uses identified in the Fremantle Waterfront Masterplan for the western end of Victoria Quay. Expenditure of \$5.5 million has been allocated in 2022-23 and \$5 million in 2023-24.
5. The AIP also includes replacement of floating plant totalling \$15 million from 2021-22 to 2025-26 to maintain required levels of service to customers.

### Expenditure in the Outer Harbour

6. A total of \$12.5 million in 2022-23 and \$27 million over the outyears is forecast to be spent on the replacement and upgrade of assets at the Kwinana Bulk Terminal to facilitate the ongoing import and export of bulk materials for customers.
7. The projected volumes export and import of bulk commodities at the Kwinana Bulk Jetty requires an additional spend of \$4.8 million in 2022-23 and \$10.3 million over the outyears to maintain product handling infrastructure and equipment.

## COVID-19 Response

8. The Authority will spend \$28 million over 2021-22 to 2024-25 to upgrade the Kwinana Bulk Terminal's import and export facilities comprising:
  - 8.1. \$25 million to upgrade material handling import infrastructure; and
  - 8.2. \$3 million to concrete the export stockyard area.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Outer Harbour - Kwinana Bulk Terminal - Material<br>Handling Infrastructure Renewal of Import System ..... | 25,000                            | 3,706  | 3,613   | 21,294                              | -                            | -                            | -                            |
| <b>Other Works in Progress</b>   |                                   |  |   |                                     |                              |                              |                              |
| Inner Harbour Infrastructure Refurbishment Program .....   | 36,263                            | 110  | 110   | -                                   | 12,171                       | 13,482                       | 10,500                       |
| North Quay - Land Acquisitions .....   | 25,400                            | 18,900   | 18,740  | 6,500                               | -                            | -                            | -                            |
| <b>Outer Harbour</b>   |                                   |  |   |                                     |                              |                              |                              |
| Kwinana Bulk Jetty - Export-Import Infrastructure .....  | 11,100                            | 1,263  | 1,263   | 4,837                               | 5,000                        | -                            | -                            |
| Kwinana Bulk Terminal<br>High Voltage Power System Upgrade .....   | 6,000                             | 5,000  | 2,037   | 1,000                               | -                            | -                            | -                            |
| Infrastructure, Equipment Replacement and Upgrade ....   | 35,459                            | 14,333   | 5,174   | 6,126                               | 9,000                        | 6,000                        | -                            |
| <b>Plant and Equipment</b>   |                                   |  |   |                                     |                              |                              |                              |
| Replace Floating Plant .....   | 15,000                            | 1,200  | 1,200   | 9,800                               | -                            | -                            | 4,000                        |
| Replacement of Navigational Aids .....   | 5,683                             | 2,023  | -   | -                                   | 840                          | 420                          | 400                          |
| <b>Victoria Quay</b>   |                                   |  |   |                                     |                              |                              |                              |
| Fremantle Waterfront Implementation Plan .....   | 10,938                            | 7,921  | 3,964   | 3,017                               | -                            | -                            | -                            |
| H Berth Fender Replacement .....   | 4,700                             | 700  | 700   | 4,000                               | -                            | -                            | -                            |
| <b>COMPLETED WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>Fremantle Waterfront Project - Commercial Precinct</b>  |                                   |  |   |                                     |                              |                              |                              |
| Access and Services .....  | 2,067                             | 2,067  | 678   | -                                   | -                            | -                            | -                            |
| Inner and Outer Harbour - Security Upgrades Stage 2 .....  | 3,724                             | 3,724  | 550   | -                                   | -                            | -                            | -                            |
| <b>Inner Harbour</b>   |                                   |  |   |                                     |                              |                              |                              |
| Overseas Passenger Terminal .....  | 4,404                             | 4,404  | 1,037   | -                                   | -                            | -                            | -                            |
| Photovoltaic System Passenger Terminal .....   | 950                               | 950  | 950   | -                                   | -                            | -                            | -                            |
| Minor Works - 2021-22 Program .....  | 7,113                             | 7,113  | 7,113   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Outer Harbour - Kwinana Bulk Terminal - Export Stockyard<br>Area Concreting .....                          | 3,000                             | -  | -   | -                                   | 1,500                        | 1,500                        | -                            |
| <b>Other New Works</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>Inner Harbour</b>   |                                   |  |   |                                     |                              |                              |                              |
| Provision of Alternative Vehicular Access .....  | 1,000                             | -  | -   | -                                   | 1,000                        | -                            | -                            |
| Replacement of High Voltage Cable from Main<br>Substation to Substation 4 .....                            | 550                               | -  | -   | -                                   | 550                          | -                            | -                            |
| <b>Minor Works</b>   |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 14,096                            | -  | -   | 14,096                              | -                            | -                            | -                            |
| 2023-24 Program .....  | 14,000                            | -  | -   | -                                   | 14,000                       | -                            | -                            |
| 2024-25 Program .....  | 14,000                            | -  | -   | -                                   | -                            | 14,000                       | -                            |
| 2025-26 Program .....  | 12,000                            | -  | -   | -                                   | -                            | -                            | 12,000                       |
| <b>Outer Harbour</b>   |                                   |  |   |                                     |                              |                              |                              |
| Kwinana Bulk Jetty - Replacement of Conveyor<br>Structures and Equipment .....                             | 5,300                             | -  | -   | -                                   | 1,400                        | 1,400                        | 2,500                        |
| Kwinana Bulk Terminal<br>Bulk Handling Equipment .....   | 12,000                            | -  | -   | -                                   | 12,000                       | -                            | -                            |
| Direct Conveyor .....  | 5,400                             | -  | -   | 5,400                               | -                            | -                            | -                            |
| Victoria Quay - Activation Stage 1 .....   | 7,500                             | -  | -   | 2,500                               | 5,000                        | -                            | -                            |
| <b>Total Cost of Asset Investment Program .....</b>  | <b>282,647</b>                    | <b>73,414</b>                                    | <b>47,129</b>                                 | <b>78,570</b>                       | <b>62,461</b>                | <b>36,802</b>                | <b>29,400</b>                |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Borrowings .....   |                                   |  | -   | 60,000                              | 34,500                       | 15,000                       | 4,000                        |
| Internal Funds and Balances .....  |                                   |  | 47,079  | 18,570                              | 27,961                       | 21,802                       | 25,400                       |
| Other .....  |                                   |  | 50  | -                                   | -                            | -                            | -                            |
| <b>Total Funding .....</b>   |                                   |  | <b>47,129</b>                                 | <b>78,570</b>                       | <b>62,461</b>                | <b>36,802</b>                | <b>29,400</b>                |

## Financial Statements

### Income Statement

#### *Revenue*

1. The Authority's revenue forecasts primarily reflect expectations on trade mix and growth, ships and shipping services, and rental revenue from port tenancies.
2. The Authority will receive government operating subsidies over the period 2022-23 to 2023-24 to undertake feasibility studies on Westport enabling works and to provide technical expertise and support on the future Westport container port's statutory requirements and other technical aspects of the program.

#### *Expenses*

3. Employee benefits reflect proposed organisational changes and role appointments following a comprehensive management review of organisational structure and competencies. The 2022-23 Budget Year includes roles identified and yet to be filled, together with continued investment in the Authority's organisational capability to support future operations. Salary increases are based on active enterprise agreements or reflect the Government's wages policy post agreement expiration.
4. Included in supplies and services in the 2021-22 Budget and 2021-22 Estimated Actual are costs to support the development and implementation of a contemporary Enterprise Resource Planning system to replace the Authority's legacy financial management system. The 2022-23 Budget Year and 2023-24 Outyear figures include expenditure for Westport enabling works.
5. Movements in depreciation and interest costs are driven by changes in the Authority's AIP.

### Statement of Financial Position

6. The Authority's AIP is a major driver of movements in property, plant and equipment and, through AIP funding assumptions, movements in cash and borrowings balances.
7. Movements in cash assets relate to timing of dividend payments and AIP funding assumptions.

### Statement of Cashflows

8. Payments for purchase of non-current assets reflect changes to the Authority's AIP resulting from an extensive review of priorities, timing and expenditure estimates.
9. Movements in net cash from financing activities are a result of revised AIP timings and general operating requirements. Financing activities include assumptions relating to the drawdown and repayment of a working capital facility held with the Western Australian Treasury Corporation.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE</b>                            |                             |                             |  |                                     |                              |                              |                              |
| <b>Revenue from operations</b>            |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....           | 225,105                     | 232,321                     | 231,307                                  | 226,012                             | 244,240                      | 245,760                      | 251,926                      |
| Other revenue .....                       | 962                         | 873                         | 869                                      | 762                                 | 708                          | 696                          | 684                          |
| <b>Revenue from Government</b>            |                             |                             |  |                                     |                              |                              |                              |
| Operating subsidies.....                  | -                           | -                           | -  | 317                                 | 326                          | -                            | -                            |
| Other subsidies .....                     | -                           | -                           | -  | 9,000                               | 3,500                        | -                            | -                            |
| <b>TOTAL REVENUE.....</b>                 | <b>226,067</b>              | <b>233,194</b>              | <b>232,176</b>                           | <b>236,091</b>                      | <b>248,774</b>               | <b>246,456</b>               | <b>252,610</b>               |
| <b>Expenses</b>                           |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....    | 45,923                      | 54,312                      | 54,324                                   | 56,160                              | 56,927                       | 57,460                       | 58,154                       |
| Supplies and services .....               | 50,244                      | 58,141                      | 66,234                                   | 69,529                              | 61,273                       | 55,155                       | 56,051                       |
| Accommodation <sup>(c)</sup> .....        | 6,202                       | 6,646                       | 6,627                                    | 6,197                               | 6,314                        | 6,435                        | 6,556                        |
| Depreciation and amortisation .....       | 16,996                      | 19,103                      | 17,569                                   | 19,864                              | 23,516                       | 25,327                       | 26,826                       |
| Finance and interest costs.....           | 5,874                       | 7,695                       | 5,711                                    | 7,296                               | 8,081                        | 8,192                        | 8,014                        |
| Other expenses <sup>(d)</sup> .....       | 23,032                      | 26,700                      | 29,550                                   | 25,814                              | 26,988                       | 27,531                       | 27,914                       |
| <b>TOTAL EXPENSES.....</b>                | <b>148,271</b>              | <b>172,597</b>              | <b>180,015</b>                           | <b>184,860</b>                      | <b>183,099</b>               | <b>180,100</b>               | <b>183,515</b>               |
| <b>NET PROFIT/(LOSS) BEFORE TAX .....</b> | <b>77,796</b>               | <b>60,597</b>               | <b>52,161</b>                            | <b>51,231</b>                       | <b>65,675</b>                | <b>66,356</b>                | <b>69,095</b>                |
| National Tax Equivalent Regime            |                             |                             |  |                                     |                              |                              |                              |
| Current tax equivalent expense .....      | 23,292                      | 19,895                      | 17,743                                   | 17,301                              | 21,779                       | 22,026                       | 22,892                       |
| Deferred tax equivalent expense .....     | -                           | (1,586)                     | (2,096)                                  | (1,798)                             | (1,943)                      | (1,987)                      | (2,031)                      |
| <b>NET PROFIT/(LOSS) AFTER TAX .....</b>  | <b>54,504</b>               | <b>42,288</b>               | <b>36,514</b>                            | <b>35,728</b>                       | <b>45,839</b>                | <b>46,317</b>                | <b>48,234</b>                |
| <b>Dividends .....</b>                    | <b>34,686</b>               | <b>-</b>                    | <b>-</b>                                 | <b>26,943</b>                       | <b>32,484</b>                | <b>34,648</b>                | <b>35,816</b>                |

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

(b) The full-time equivalents for the 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 351, 373 and 386 respectively.

(c) Accommodation includes the Authority's total operational electricity and water costs.

(d) Other expenses includes land tax, payroll tax insurance premiums and other general and administration expenses.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                              |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                                  | 108,326                     | 60,456                      | 33,715                                   | 32,119                              | 33,622                       | 32,250                       | 30,800                       |
| Cash assets - Retained dividends.....              | -                           | 61,694                      | 63,732                                   | 63,732                              | 63,732                       | 63,732                       | 63,732                       |
| Receivables .....                                  | 21,565                      | 27,155                      | 27,228                                   | 26,471                              | 26,054                       | 27,915                       | 28,623                       |
| Other.....   | 6,097                       | 5,468                       | 5,511                                    | 5,549                               | 5,747                        | 5,841                        | 5,966                        |
| Total current assets .....                         | 135,988                     | 154,773                     | 130,186                                  | 127,871                             | 129,155                      | 129,738                      | 129,121                      |
| <b>NON-CURRENT ASSETS</b>                          |                             |                             |  |                                     |                              |                              |                              |
| Property, plant and equipment.....                 | 436,792                     | 490,457                     | 465,638                                  | 525,588                             | 564,701                      | 576,972                      | 581,623                      |
| Intangibles <sup>(b)</sup> .....                   | 140                         | 6,799                       | -  | -                                   | -                            | -                            | -                            |
| Receivables .....                                  | 1,824                       | 865                         | 864                                      | -                                   | -                            | -                            | -                            |
| Other.....   | 26,965                      | 31,563                      | 28,819                                   | 30,354                              | 32,010                       | 33,738                       | 35,769                       |
| Total non-current assets .....                     | 465,721                     | 529,684                     | 495,321                                  | 555,942                             | 596,711                      | 610,710                      | 617,392                      |
| <b>TOTAL ASSETS .....</b>                          | <b>601,709</b>              | <b>684,457</b>              | <b>625,507</b>                           | <b>683,813</b>                      | <b>725,866</b>               | <b>740,448</b>               | <b>746,513</b>               |
| <b>CURRENT LIABILITIES</b>                         |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                          | 14,114                      | 13,774                      | 14,212                                   | 14,377                              | 14,553                       | 14,663                       | 14,779                       |
| Payables .....                                     | 13,341                      | 12,481                      | 12,098                                   | 12,111                              | 17,999                       | 17,078                       | 15,786                       |
| Borrowings and leases .....                        | 1,780                       | 2,133                       | 1,618                                    | 2,057                               | 1,847                        | 972                          | 1,572                        |
| Other.....   | 8,073                       | 8,041                       | 7,880                                    | 8,082                               | 8,271                        | 8,329                        | 8,408                        |
| Total current liabilities .....                    | 37,308                      | 36,429                      | 35,808                                   | 36,627                              | 42,670                       | 41,042                       | 40,545                       |
| <b>NON-CURRENT LIABILITIES</b>                     |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                          | 11,478                      | 14,172                      | 11,605                                   | 11,723                              | 11,842                       | 11,960                       | 12,078                       |
| Borrowings and leases .....                        | 157,888                     | 201,806                     | 146,751                                  | 195,566                             | 218,349                      | 222,989                      | 216,971                      |
| Other.....   | 4,211                       | 3,746                       | 4,005                                    | 3,774                               | 3,527                        | 3,310                        | 3,354                        |
| Total non-current liabilities <sup>(c)</sup> ..... | 173,577                     | 219,724                     | 162,361                                  | 211,063                             | 233,718                      | 238,259                      | 232,403                      |
| <b>TOTAL LIABILITIES.....</b>                      | <b>210,885</b>              | <b>256,153</b>              | <b>198,169</b>                           | <b>247,690</b>                      | <b>276,388</b>               | <b>279,301</b>               | <b>272,948</b>               |
| <b>NET ASSETS .....</b>                            | <b>390,824</b>              | <b>428,304</b>              | <b>427,338</b>                           | <b>436,123</b>                      | <b>449,478</b>               | <b>461,147</b>               | <b>473,565</b>               |
| <b>EQUITY</b>                                      |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                           | 105,059                     | 105,059                     | 105,059                                  | 105,059                             | 105,059                      | 105,059                      | 105,059                      |
| Accumulated surplus/(deficit).....                 | 285,842                     | 323,245                     | 322,356                                  | 331,141                             | 344,496                      | 356,165                      | 368,583                      |
| Reserves.....                                      | (77)                        | -                           | (77)                                     | (77)                                | (77)                         | (77)                         | (77)                         |
| <b>TOTAL EQUITY .....</b>                          | <b>390,824</b>              | <b>428,304</b>              | <b>427,338</b>                           | <b>436,123</b>                      | <b>449,478</b>               | <b>461,147</b>               | <b>473,565</b>               |

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

(b) Removal of intangible assets from estimates is due to a change in accounting treatment for the implementation costs associated with Software-as-a-Service (SaaS) arrangements in relation to the Authority's Enterprise Resource Planning project.

(c) Movements in non-current liabilities primarily reflects borrowings assumptions for AIP and general operating requirements of the Authority.



**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....                             | 190,959                     | 201,350                     | 197,178                                  | 196,029                             | 212,716                      | 212,350                      | 219,052                      |
| GST receipts .....  | 22,642                      | 23,234                      | 22,997                                   | 22,603                              | 24,426                       | 24,578                       | 25,194                       |
| Other receipts <sup>(b)</sup> .....                         | 34,299                      | 31,189                      | 31,184                                   | 31,408                              | 31,790                       | 32,252                       | 32,870                       |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits .....                                     | (46,173)                    | (54,164)                    | (54,123)                                 | (55,892)                            | (56,665)                     | (57,238)                     | (57,930)                     |
| Supplies and services .....                                 | (50,244)                    | (58,141)                    | (66,234)                                 | (69,529)                            | (61,273)                     | (55,155)                     | (56,051)                     |
| Accommodation <sup>(c)</sup> .....                          | (5,334)                     | (5,948)                     | (5,929)                                  | (5,499)                             | (5,609)                      | (5,722)                      | (5,836)                      |
| GST payments .....  | (22,080)                    | (23,796)                    | (23,220)                                 | (22,822)                            | (24,102)                     | (24,334)                     | (25,105)                     |
| Finance and interest costs .....                            | (6,095)                     | (7,372)                     | (5,764)                                  | (6,967)                             | (7,941)                      | (8,198)                      | (8,100)                      |
| Other payments .....  | (25,525)                    | (24,098)                    | (26,151)                                 | (26,166)                            | (27,255)                     | (27,664)                     | (27,478)                     |
| <b>Net cash from operating activities .....</b>             | <b>92,449</b>               | <b>82,254</b>               | <b>69,938</b>                            | <b>63,165</b>                       | <b>86,087</b>                | <b>90,869</b>                | <b>96,616</b>                |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from sale of non-current assets .....              | -                           | 50                          | 50                                       | -                                   | -                            | -                            | -                            |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                        | (11,522)                    | (75,107)                    | (47,129)                                 | (78,570)                            | (62,461)                     | (36,802)                     | (29,400)                     |
| <b>Net cash from investing activities .....</b>             | <b>(11,522)</b>             | <b>(75,057)</b>             | <b>(47,079)</b>                          | <b>(78,570)</b>                     | <b>(62,461)</b>              | <b>(36,802)</b>              | <b>(29,400)</b>              |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from borrowings .....                              | -                           | 79,500                      | 25,000                                   | 85,000                              | 59,500                       | 40,000                       | 29,000                       |
| Other proceeds .....  | 808                         | 880                         | 880                                      | 959                                 | 864                          | -                            | -                            |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases .....                    | (11,715)                    | (37,119)                    | (36,583)                                 | (36,737)                            | (36,805)                     | (36,674)                     | (36,174)                     |
| Other payments <sup>(d)</sup> .....                         | -                           | (440)                       | (493)                                    | (465)                               | (504)                        | (570)                        | (580)                        |
| <b>Net cash from financing activities .....</b>             | <b>(10,907)</b>             | <b>42,821</b>               | <b>(11,196)</b>                          | <b>48,757</b>                       | <b>23,055</b>                | <b>2,756</b>                 | <b>(7,754)</b>               |
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Administered appropriations .....                           | 2,017                       | -                           | -  | -                                   | -                            | -                            | -                            |
| Operating subsidies .....                                   | -                           | -                           | -  | 317                                 | 326                          | -                            | -                            |
| Other subsidies .....                                       | -                           | -                           | -  | 9,000                               | 3,500                        | -                            | -                            |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Dividends to Government .....                               | (34,686)                    | -                           | -  | (26,944)                            | (32,484)                     | (34,648)                     | (35,816)                     |
| National Tax Equivalent Regime - Income tax .....           | (21,667)                    | (23,691)                    | (21,844)                                 | (16,623)                            | (15,815)                     | (22,834)                     | (24,376)                     |
| Local Government Rates Equivalent .....                     | (868)                       | (698)                       | (698)                                    | (698)                               | (705)                        | (713)                        | (720)                        |
| <b>Net cash provided to Government .....</b>                | <b>55,204</b>               | <b>24,389</b>               | <b>22,542</b>                            | <b>34,948</b>                       | <b>45,178</b>                | <b>58,195</b>                | <b>60,912</b>                |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>           | <b>14,816</b>               | <b>25,629</b>               | <b>(10,879)</b>                          | <b>(1,596)</b>                      | <b>1,503</b>                 | <b>(1,372)</b>               | <b>(1,450)</b>               |
| Cash assets at the beginning of the reporting period .....  | 93,510                      | 96,521                      | 108,326                                  | 97,447                              | 95,851                       | 97,354                       | 95,982                       |
| <b>Cash assets at the end of the reporting period .....</b> | <b>108,326</b>              | <b>122,150</b>              | <b>97,447</b>                            | <b>95,851</b>                       | <b>97,354</b>                | <b>95,982</b>                | <b>94,532</b>                |

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

(b) Rental revenues are included within sales of goods and services on the Income Statement, however within the Statement of Cashflows these receipts are recorded as other receipts.

(c) 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.

(d) Other payments includes land tax, payroll tax, insurance premiums and other general and administration expenses.

# Kimberley Ports Authority

## Part 9 Transport

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

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE TO GENERAL GOVERNMENT SECTOR</b>               |                             |                             |  |                                     |                              |                              |                              |
| National Tax Equivalent Regime - Income Tax.....          | -                           | -                           | -  | -                                   | -                            | -                            | 178                          |
| Local Government Rates Equivalent .....                   | 124                         | 140                         | 140                                      | 140                                 | 141                          | 143                          | 144                          |
| Dividends <sup>(a)</sup> .....                            | -                           | -                           | -  | -                                   | -                            | -                            | 300                          |
| <b>EXPENSES FROM GENERAL GOVERNMENT SECTOR</b>            |                             |                             |  |                                     |                              |                              |                              |
| Operating Subsidies.....                                  | 2,706                       | 3,100                       | 3,100                                    | 2,500                               | 2,500                        | 2,500                        | -                            |
| <b>EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR</b> |                             |                             |  |                                     |                              |                              |                              |
| Equity Contribution.....                                  | 4,000                       | 3,500                       | 3,500                                    | 5,500                               | 29,500                       | 18,500                       | -                            |
| <b>GOVERNMENT TRADING ENTERPRISE INFORMATION</b>          |                             |                             |  |                                     |                              |                              |                              |
| Revenue from Operations .....                             | 13,221                      | 18,458                      | 20,583                                   | 23,855                              | 27,356                       | 28,027                       | 34,678                       |
| Revenue from Government .....                             | 2,706                       | 3,100                       | 3,100                                    | 2,500                               | 2,500                        | 2,500                        | -                            |
| Total Expenses <sup>(b)</sup> .....                       | 19,684                      | 24,594                      | 27,252                                   | 29,051                              | 30,061                       | 30,580                       | 30,603                       |
| Total Borrowings.....                                     | 9,591                       | 7,947                       | 7,944                                    | 6,210                               | 4,379                        | 2,829                        | 2,097                        |
| <b>NET PROFIT AFTER TAX.....</b>                          | <b>(3,757)</b>              | <b>(3,036)</b>              | <b>(3,394)</b>                           | <b>(2,696)</b>                      | <b>(205)</b>                 | <b>(53)</b>                  | <b>3,897</b>                 |
| <b>CASH ASSETS <sup>(c)</sup> .....</b>                   | <b>6,241</b>                | <b>4,865</b>                | <b>4,995</b>                             | <b>2,555</b>                        | <b>3,101</b>                 | <b>4,318</b>                 | <b>9,271</b>                 |

(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 (GTE's) Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 2022-23 Strategic Development Plan ..... | -  | (1)                                 | (684)                        | (1,695)                      | (369)                        |

## **Significant Issues Impacting the Government Trading Enterprise**

### **Kimberley Ports Amalgamation**

1. The Authority has worked with port operators at the Ports of Wyndham, Derby, and Yampi Sound to effect a seamless transition to the Authority's management under the *Port Authorities Act 1999* which occurred on 1 July 2021.

### **Supply Base**

2. The Authority will spend \$52 million to facilitate the development of a supply base and associated infrastructure. This comprises:
  - 2.1. \$45 million for the supply base; and
  - 2.2. \$7 million for the base infrastructure of a production chemical facility.
3. This project is subject to a final investment decision, and successful conclusion of a long-term lease agreement, and associated Construction Works Deed. The Authority is well advanced in negotiating the Lease and Construction Works Deed (with all relevant commercial terms agreed between the parties), which will be subject to Ministerial approval with the Treasurer's concurrence.
4. The \$45 million investment is to be repaid over a 20-year period with interest. The supply base is expected to have a significant positive impact on the financial position of the Authority.

### **Chemical Facility**

5. The Authority intends to spend \$7 million to construct the base infrastructure of a common user chemical supply facility adjacent to the Broome wharf for a production chemical supplier to operate from. Production chemicals are used in the oil and gas industry to prevent the formation of hydrates and resulting blockages in pipelines and equipment.
6. The \$7 million investment is to be repaid over a 20-year period with interest.

### **Kimberley Marine Support Base**

7. The Kimberley Marine Support Base at the Port of Broome is a major project that will significantly change the way that the Authority operates. Environmental approvals have been finalised with both the Government and the Commonwealth, and heritage approval gained from Nyamba Buru Yawuru.
8. The next stages are the appointment of an operator, and the successful tenderer for the design and construction of the facility, which are currently under negotiation. Confirmation of finance for the project will be finalised once these contracts have been awarded.

### **Trade Outlook (Commodities, Cargo and Cruise)**

9. The Authority is positioned to take advantage of the growing exploration and development of the resource industry including oil and gas, minerals sands, iron ore, nickel, and potash. There is a growing food demand in Asia and a matching increasing focus on agriculture and aquaculture ventures in Australia.
10. Global demand for agricultural commodities (primarily cattle), resources such as mineral sands (for technological uses), general cargo and oil and gas support services is expected to continue in 2022-23. Cruise shipping is expected to return to pre-COVID-19 pandemic levels towards the end of 2022.
11. The Port of Yampi Sound's exports of high-grade iron ore is consistent with prior years. Nickel exports resumed from December 2021 from the Port of Wyndham.

### **COVID-19 Response**

12. The Authority continues to work closely with Australian Border Force, the Commonwealth Department of Agriculture, Water and Environment, Western Australia Police Force and WA Health on all COVID-19 related matters relating to the arrival and departure of vessels and crew at Kimberley Ports.

## 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 Goals   | Strategic Objectives  | Desired Outcomes  |
|--|---|---|
| Strong and Sustainable Finances:<br>Responsible, achievable, affordable budget management.     | Achieve financial targets in line with Government expectations in accordance with prudent commercial principles.              | <ol style="list-style-type: none"> <li>1. Consistent with the <i>Port Authorities Act 1999</i>, facilitate trade, plan for future growth and development in a safe and efficient port</li> <li>2. Achieve rate of return and profitability targets</li> </ol> |
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive. | Maintain our safety, environmental and quality management systems in line with best practice and our existing certifications. | <ol style="list-style-type: none"> <li>3. Seek accreditation for ISO 45001: 2018 <i>Occupational Health and Safety Management</i> and ISO14001: 2016 <i>Environmental Management</i> systems at Port of Broome</li> </ol>                                     |

**Outcomes and Key Performance Indicators <sup>(a)</sup>**

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Consistent with the <i>Port Authorities Act 1999</i>, facilitate trade, plan for future growth and development in a safe and efficient port:</b>                          |                   |                   |                                |                             |      |
| Customer satisfaction with services <sup>(b)</sup> .....  | 64%               | 65%               | 65%                            | 65%                         |      |
| Employee satisfaction rating <sup>(c)</sup> .....   | 64%               | 73%               | n/a                            | 75%                         |      |
| Berthing availability <sup>(d)(e)</sup> .....   | 71%               | 59%               | 59%                            | 51%                         |      |
| Trade growth tonnages <sup>(e)(f)</sup> .....   | 230,588           | 248,000           | 248,000                        | 258,500                     |      |
| Number of ship visits - Broome Port <sup>(e)(g)</sup> .....   | 794               | 741               | 816                            | 867                         |      |
| <b>Outcome: Achieve rate of return and profitability targets:</b>   |                   |                   |                                |                             |      |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) .....   | \$551,000         | \$726,055         | \$794,000                      | \$1,254,000                 | 1    |
| Rate of return on assets <sup>(h)</sup> .....   | -5%               | -4%               | -4%                            | -2%                         | 1    |
| Economic rate of return <sup>(i)</sup> .....  | -5%               | -4%               | -4%                            | -2%                         | 1    |
| Debt to equity ratio .....  | 0.16              | 0.09              | 0.09                           | 0.07                        |      |
| <b>Outcome: Seek accreditation for ISO 45001: 2018 <i>Occupational Health and Safety Management</i> and ISO14001: 2016 <i>Environmental Management</i> systems at Port of Broome:</b> |                   |                   |                                |                             |      |
| Environmental incidents .....   | nil               | nil               | nil                            | nil                         |      |
| Lost time injury frequency rate <sup>(j)</sup> .....  | nil               | nil               | nil                            | nil                         |      |

(a) The trade facilitation section relates to the Port of Broome only.

(b) Customer satisfaction percentage based on 2020-21 survey results.

(c) The employee satisfaction survey for 2021-22 has not been completed.

(d) Berth availability is measured to enable future infrastructure planning.

(e) The performance measures are used to measure the operational performance of the Authority. They are used by the Authority to monitor service delivery, identify, and respond to emerging trends in trade development, and to measure capability for the future and plan for infrastructure development.

(f) Trade growth tonnages is all cargo activities except for cruise vessel passenger numbers. The expected growth in 2022-23 is a result of business returning to pre-COVID-19 trade levels.

(g) The number of ship visits includes all vessels visiting the Port of Broome. The anticipated growth in 2022-23 is a result of business returning to pre-COVID-19 trade levels.

(h) The asset base includes current assets to calculate the return on assets.

(i) Rate of return as calculated in accordance with Transport's 'Western Australia Port Authority - Rate of Return Calculation Methodology and Asset Valuation Policy'.

(j) Lost time injury frequency rate based on injuries 'occurring in the year' and 'million hours worked'.

**Explanation of Significant Movements**

(Notes)

1. The estimated improvement of \$460,000 in EBITDA, and improvements in rate of return and economic rate of return from the 2021-22 Estimated Actual to the 2022-23 Budget Target is due to continued cost-saving measures and an improvement in vessel calls back to pre-COVID-19 pandemic levels in the Port of Broome.

## Asset Investment Program

1. The Authority's Asset Investment Program (AIP) for 2022-23 to 2025-26 totals \$59.8 million, which will further support the continued economic growth of the Kimberley region. The Authority's 2022-23 AIP includes spending of:
  - 1.1. \$45 million from 2022-23 to 2024-25 for the construction of the supply base at the Port of Broome;
  - 1.2. \$7 million in 2023-24 and 2024-25 for the chemical facility works; and
  - 1.3. \$7.8 million across the forward estimates period for the minor works program across all ports.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COMPLETED WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Major Port Infrastructure - Wharf Essential Works<br>(Electrical Upgrade)..... | 1,429                             | 1,429  | 661   | -                                   | -                            | -                            | -                            |
| Minor Works - 2021-22 Program .....  | 2,075                             | 2,075  | 2,075   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Major Port Infrastructure  |                                   |  |   |                                     |                              |                              |                              |
| Chemical Facility Works .....  | 7,000                             | -  | -   | -                                   | 4,000                        | 3,000                        | -                            |
| Supply Base.....   | 45,000                            | -  | -   | 5,000                               | 25,000                       | 15,000                       | -                            |
| Minor Works  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 2,075                             | -  | -   | 2,075                               | -                            | -                            | -                            |
| 2023-24 Program .....  | 2,075                             | -  | -   | -                                   | 2,075                        | -                            | -                            |
| 2024-25 Program .....  | 2,075                             | -  | -   | -                                   | -                            | 2,075                        | -                            |
| 2025-26 Program .....  | 1,575                             | -  | -   | -                                   | -                            | -                            | 1,575                        |
| <b>Total Cost of Asset Investment Program.....</b>                             | <b>63,304</b>                     | <b>3,504</b>                                     | <b>2,736</b>                                  | <b>7,075</b>                        | <b>31,075</b>                | <b>20,075</b>                | <b>1,575</b>                 |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Funding Included in Department of Treasury                                     |                                   |  |   |                                     |                              |                              |                              |
| Administered Item .....  |                                   |  | 500   | 5,500                               | 29,500                       | 18,500                       | -                            |
| Internal Funds and Balances.....   |                                   |  | 2,236   | 1,575                               | 1,575                        | 1,575                        | 1,575                        |
| <b>Total Funding .....</b>   |                                   |  | <b>2,736</b>                                  | <b>7,075</b>                        | <b>31,075</b>                | <b>20,075</b>                | <b>1,575</b>                 |

## Financial Statements

### Income Statement

#### *Revenue*

1. The sales from goods and services increase between 2021-22 Estimated Actual and the 2022-23 Budget Year is based on vessel visits returning to pre-COVID-19 pandemic levels in the 2022-23 Budget Year and stabilising thereafter.
2. Lease and license revenue increases in the 2025-26 Outyear to include revenue from the proposed supply base project.

#### *Expenses*

3. Employee benefits increases are in line with the Public Sector Wages Policy Statement.
4. The increase in supplies and services is in line with increased shipping as vessel visits return to pre-COVID-19 pandemic levels in 2022-23 Budget Year and stabilise thereafter.
5. Depreciation and amortisation expenses increase following significant capital expenditure over the forward estimates period, dependent on project approvals.
6. Finance and interest costs decrease over the forward estimates period as loans are repaid.

### Statement of Financial Position

7. The Authority is expected to return to cash positive operations in 2023-24, until this occurs, cash reserves will diminish. Net profits are expected in 2025-26 which is when the Authority expects to see material increases in cash assets.
8. Given the current limited revenue derived from the Authority, the Government has allocated funds to carry out capital works of up to \$500,000 and up to \$2.5 million per annum operating subsidy for taking responsibility for the Ports of Wyndham, Derby, and Yampi Sound for three years commencing 2021-22.
9. Assets are budgeted to increase by 32% in the 2023-24 Outyear compared to the 2022-23 Budget Year and a further 15% in the 2024-25 Outyear, which is driven by the major projects at the Port of Broome.
10. Liabilities are reducing by 17% in the 2023-24 Outyear compared to the 2022-23 Budget Year and a further 17% in the 2024-25 Outyear due to the repayment of several Western Australian Treasury Corporation loans over this period.

### Statement of Cashflows

11. The Authority will be provided operating subsidies of \$2.5 million per annum over 2022-23 to 2024-25 and equity contributions of \$500,000 per annum over 2021-22 to 2024-25 to fund minor works planned for the Ports of Wyndham, Derby and Yampi Sound as the Authority takes over management responsibilities for the three ports.
12. The Authority will be provided an equity contribution of \$52 million between 2022-23 and 2024-25 to fund construction of the supply base and the base infrastructure of the chemical production facility at the Port of Broome.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE</b>   |                             |                             |  |                                     |                              |                              |                              |
| <b>Revenue from operations</b>   |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....  | 12,932                      | 14,646                      | 16,229                                   | 18,611                              | 22,060                       | 22,677                       | 29,274                       |
| Other revenue .....  | 289                         | 3,812                       | 4,354                                    | 5,244                               | 5,296                        | 5,350                        | 5,404                        |
| <b>Revenue from Government</b>   |                             |                             |  |                                     |                              |                              |                              |
| Operating subsidies.....   | 2,706                       | 3,100                       | 3,100                                    | 2,500                               | 2,500                        | 2,500                        | -                            |
| <b>TOTAL REVENUE.....</b>  | <b>15,927</b>               | <b>21,558</b>               | <b>23,683</b>                            | <b>26,355</b>                       | <b>29,856</b>                | <b>30,527</b>                | <b>34,678</b>                |
| <b>Expenses</b>  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....                                   | 7,754                       | 7,765                       | 8,392                                    | 9,501                               | 9,862                        | 10,082                       | 10,307                       |
| Supplies and services .....  | 2,371                       | 7,134                       | 7,698                                    | 9,254                               | 9,344                        | 9,438                        | 9,532                        |
| Accommodation .....  | 3,226                       | 3,631                       | 3,884                                    | 4,060                               | 4,100                        | 4,142                        | 4,233                        |
| Depreciation and amortisation .....                                      | 3,783                       | 3,763                       | 4,188                                    | 3,950                               | 4,543                        | 4,784                        | 4,445                        |
| Finance and interest costs.....  | 628                         | 526                         | 534                                      | 457                                 | 359                          | 257                          | 184                          |
| Other expenses.....  | 1,922                       | 1,775                       | 2,556                                    | 1,829                               | 1,853                        | 1,877                        | 1,902                        |
| <b>TOTAL EXPENSES.....</b>   | <b>19,684</b>               | <b>24,594</b>               | <b>27,252</b>                            | <b>29,051</b>                       | <b>30,061</b>                | <b>30,580</b>                | <b>30,603</b>                |
| <b>NET PROFIT/(LOSS) BEFORE TAX .....</b>                                | <b>(3,757)</b>              | <b>(3,036)</b>              | <b>(3,569)</b>                           | <b>(2,696)</b>                      | <b>(205)</b>                 | <b>(53)</b>                  | <b>4,075</b>                 |
| National Tax Equivalent Regime - Current<br>tax equivalent expense ..... | -                           | -                           | -  | -                                   | -                            | -                            | 178                          |
| <b>NET PROFIT/(LOSS) AFTER TAX .....</b>                                 | <b>(3,757)</b>              | <b>(3,036)</b>              | <b>(3,569)</b>                           | <b>(2,696)</b>                      | <b>(205)</b>                 | <b>(53)</b>                  | <b>3,897</b>                 |
| <b>Dividends .....</b>   | <b>-</b>                    | <b>-</b>                    | <b>-</b>                                 | <b>-</b>                            | <b>-</b>                     | <b>-</b>                     | <b>300</b>                   |

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

(b) The full-time equivalents for the 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 57, 69 and 70 respectively.



**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|                                     | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|-------------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>               |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                   | 6,241                       | 4,865                       | 4,995                                    | 2,555                               | 3,101                        | 4,318                        | 9,271                        |
| Receivables .....                   | 3,569                       | 3,915                       | 6,236                                    | 6,179                               | 6,312                        | 6,442                        | 3,078                        |
| Other .....                         | 134                         | 131                         | 188                                      | 188                                 | 188                          | 188                          | 131                          |
| Total current assets .....          | 9,944                       | 8,911                       | 11,419                                   | 8,922                               | 9,601                        | 10,948                       | 12,480                       |
| <b>NON-CURRENT ASSETS</b>           |                             |                             |  |                                     |                              |                              |                              |
| Property, plant and equipment ..... | 61,873                      | 73,185                      | 72,671                                   | 76,292                              | 103,180                      | 118,791                      | 118,939                      |
| Intangibles .....                   | 811                         | 463                         | 125                                      | (37)                                | (143)                        | (211)                        | 83                           |
| Total non-current assets .....      | 62,684                      | 73,648                      | 72,796                                   | 76,255                              | 103,037                      | 118,580                      | 119,022                      |
| <b>TOTAL ASSETS</b> .....           | 72,628                      | 82,559                      | 84,215                                   | 85,177                              | 112,638                      | 129,528                      | 131,502                      |
| <b>CURRENT LIABILITIES</b>          |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....           | 2,015                       | 1,627                       | 2,135                                    | 2,219                               | 2,305                        | 2,392                        | 2,500                        |
| Payables .....                      | 1,415                       | 681                         | 1,450                                    | 1,353                               | 1,264                        | 1,170                        | 800                          |
| Borrowings and leases .....         | 2,360                       | 1,734                       | 2,326                                    | 2,422                               | 2,149                        | 1,322                        | 732                          |
| Other .....                         | 667                         | 548                         | 542                                      | 447                                 | 447                          | 447                          | 548                          |
| Total current liabilities .....     | 6,457                       | 4,590                       | 6,453                                    | 6,441                               | 6,165                        | 5,331                        | 4,580                        |
| <b>NON-CURRENT LIABILITIES</b>      |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....           | 72                          | 58                          | 77                                       | 77                                  | 77                           | 77                           | 58                           |
| Borrowings and leases .....         | 7,942                       | 6,590                       | 6,329                                    | 4,499                               | 2,941                        | 2,218                        | 1,365                        |
| Total non-current liabilities ..... | 8,014                       | 6,648                       | 6,406                                    | 4,576                               | 3,018                        | 2,295                        | 1,423                        |
| <b>TOTAL LIABILITIES</b> .....      | 14,471                      | 11,238                      | 12,859                                   | 11,017                              | 9,183                        | 7,626                        | 6,003                        |
| <b>NET ASSETS</b> .....             | 58,157                      | 71,321                      | 71,356                                   | 74,160                              | 103,455                      | 121,902                      | 125,499                      |
| <b>EQUITY</b>                       |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....            | 59,540                      | 76,308                      | 76,133                                   | 81,633                              | 111,133                      | 129,633                      | 129,633                      |
| Accumulated surplus/(deficit) ..... | (9,704)                     | (13,308)                    | (13,098)                                 | (15,794)                            | (15,999)                     | (16,052)                     | (12,455)                     |
| Reserves .....                      | 8,321                       | 8,321                       | 8,321                                    | 8,321                               | 8,321                        | 8,321                        | 8,321                        |
| <b>TOTAL EQUITY</b> .....           | 58,157                      | 71,321                      | 71,356                                   | 74,160                              | 103,455                      | 121,902                      | 125,499                      |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21        | 2021-22        | 2021-22        | 2022-23        | 2023-24         | 2024-25         | 2025-26        |
|---|----------------|----------------|----------------|----------------|-----------------|-----------------|----------------|
|   | Actual         | Budget         | Estimated      | Budget         | Outyear         | Outyear         | Outyear        |
|   | \$'000         | \$'000         | Actual         | Year           | \$'000          | \$'000          | \$'000         |
|   | \$'000         | \$'000         | \$'000         | \$'000         | \$'000          | \$'000          | \$'000         |
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                |                |                |                |                 |                 |                |
| <b>Receipts</b>   |                |                |                |                |                 |                 |                |
| Sale of goods and services.....                             | 9,114          | 12,481         | 14,032         | 15,838         | 19,260          | 19,848          | 20,417         |
| GST receipts .....  | 1,460          | -              | -              | -              | -               | -               | -              |
| Other receipts .....  | 2,268          | 5,977          | 6,551          | 8,017          | 8,096           | 8,178           | 14,261         |
| <b>Payments</b>   |                |                |                |                |                 |                 |                |
| Employee benefits.....                                      | (7,825)        | (7,801)        | (8,267)        | (9,417)        | (9,776)         | (9,995)         | (10,218)       |
| Supplies and services .....                                 | (1,420)        | (7,659)        | (8,454)        | (9,601)        | (9,695)         | (9,793)         | (10,395)       |
| Accommodation <sup>(b)</sup> .....                          | (3,009)        | (3,491)        | (3,744)        | (3,920)        | (3,959)         | (3,999)         | (4,089)        |
| GST payments .....  | (1,277)        | -              | -              | -              | -               | -               | -              |
| Finance and interest costs.....                             | (628)          | (526)          | (534)          | (457)          | (359)           | (257)           | (184)          |
| Other payments.....   | (1,861)        | (1,776)        | (2,556)        | (1,829)        | (1,853)         | (1,875)         | (1,902)        |
| <b>Net cash from operating activities .....</b>             | <b>(3,178)</b> | <b>(2,795)</b> | <b>(2,972)</b> | <b>(1,369)</b> | <b>1,714</b>    | <b>2,107</b>    | <b>7,890</b>   |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                  |                |                |                |                |                 |                 |                |
| <b>Receipts</b>   |                |                |                |                |                 |                 |                |
| Proceeds from sale of non-current assets.....               | 906            | -              | -              | -              | -               | -               | -              |
| <b>Payments</b>   |                |                |                |                |                 |                 |                |
| Purchase of non-current assets .....                        | (4,790)        | (2,736)        | (2,736)        | (7,075)        | (31,075)        | (20,075)        | (1,575)        |
| <b>Net cash from investing activities .....</b>             | <b>(3,884)</b> | <b>(2,736)</b> | <b>(2,736)</b> | <b>(7,075)</b> | <b>(31,075)</b> | <b>(20,075)</b> | <b>(1,575)</b> |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                  |                |                |                |                |                 |                 |                |
| <b>Payments</b>   |                |                |                |                |                 |                 |                |
| Repayment of borrowings and leases .....                    | (2,023)        | (1,998)        | (1,998)        | (1,856)        | (1,952)         | (1,672)         | (740)          |
| <b>Net cash from financing activities.....</b>              | <b>(2,023)</b> | <b>(1,998)</b> | <b>(1,998)</b> | <b>(1,856)</b> | <b>(1,952)</b>  | <b>(1,672)</b>  | <b>(740)</b>   |
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                |                |                |                |                 |                 |                |
| <b>Receipts</b>   |                |                |                |                |                 |                 |                |
| Operating subsidies.....                                    | 2,706          | 3,100          | 3,100          | 2,500          | 2,500           | 2,500           | -              |
| Equity Contributions .....                                  | 4,000          | 3,500          | 3,500          | 5,500          | 29,500          | 18,500          | -              |
| <b>Payments</b>   |                |                |                |                |                 |                 |                |
| Dividends to Government .....                               | -              | -              | -              | -              | -               | -               | (300)          |
| National Tax Regime Equivalent - Income tax...              | -              | -              | -              | -              | -               | -               | (178)          |
| Local Government Rates Equivalent.....                      | (124)          | (140)          | (140)          | (140)          | (141)           | (143)           | (144)          |
| <b>Net cash provided to Government .....</b>                | <b>(6,582)</b> | <b>(6,460)</b> | <b>(6,460)</b> | <b>(7,860)</b> | <b>(31,859)</b> | <b>(20,857)</b> | <b>622</b>     |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>           | <b>(2,503)</b> | <b>(1,069)</b> | <b>(1,246)</b> | <b>(2,440)</b> | <b>546</b>      | <b>1,217</b>    | <b>4,953</b>   |
| Cash assets at the beginning of the reporting period .....  | 8,744          | 5,934          | 6,241          | 4,995          | 2,555           | 3,101           | 4,318          |
| <b>Cash assets at the end of the reporting period .....</b> | <b>6,241</b>   | <b>4,865</b>   | <b>4,995</b>   | <b>2,555</b>   | <b>3,101</b>    | <b>4,318</b>    | <b>9,271</b>   |

(a) Full audited financial statements are published in the Authority'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.

# Mid West Ports Authority

## Part 9 Transport

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

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE TO GENERAL GOVERNMENT SECTOR</b>               |                             |                             |  |                                     |                              |                              |                              |
| National Tax Equivalent Regime - Income Tax.....          | 7,222                       | 8,942                       | 9,258                                    | 16,221                              | 23,930                       | 30,822                       | 39,784                       |
| Local Government Rates Equivalent .....                   | 868                         | 919                         | 868                                      | 889                                 | 911                          | 934                          | 958                          |
| Dividends (a)(b)(c).....                                  | 11,627                      | -                           | -  | 25,340                              | 38,504                       | 50,924                       | 65,702                       |
| <b>EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR</b> |                             |                             |  |                                     |                              |                              |                              |
| Equity Contribution (d).....                              | -                           | 8,000                       | 7,000                                    | 4,000                               | -                            | 3,745                        | 9,662                        |
| <b>RATIOS</b>   |                             |                             |  |                                     |                              |                              |                              |
| Dividend Payout Ratio (%).....                            | 100                         | 75                          | 75                                       | 75                                  | 75                           | 75                           | 75                           |
| <b>GOVERNMENT TRADING ENTERPRISE INFORMATION</b>          |                             |                             |  |                                     |                              |                              |                              |
| Revenue from Operations (a) .....                         | 75,838                      | 101,041                     | 97,950                                   | 118,645                             | 154,952                      | 186,460                      | 227,963                      |
| Total Expenses (a)(e) .....                               | 52,331                      | 71,234                      | 67,090                                   | 64,577                              | 75,184                       | 83,719                       | 95,349                       |
| Total Borrowings (a) .....                                | 8,058                       | 6,819                       | 6,820                                    | 77,029                              | 206,620                      | 277,634                      | 283,976                      |
| <b>NET PROFIT AFTER TAX.....</b>                          | 16,511                      | 20,865                      | 21,602                                   | 37,847                              | 55,838                       | 71,919                       | 92,830                       |
| <b>CASH ASSETS (f) .....</b>                              | 41,483                      | 54,194                      | 41,129                                   | 37,021                              | 36,076                       | 56,295                       | 94,392                       |

(a) Includes the impact of the Geraldton Port Maximisation Project (PMaxP) from 2022-23.

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

(c) The Authority will retain 2021-22 dividend payments to instead contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise (GTE) for further detail.

(d) Equity contributions in 2024-25 and 2025-26 reflect the impact of the PMaxP. Dividends on the capital recovery charges for the PMaxP are to be returned as an equity injection.

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

(f) As at 30 June each financial year.

## Financial Changes

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

|                                  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|----------------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Key Adjustments</b>           |  |                                     |                              |                              |                              |
| Port Maximisation Project.....   | 76                                       | 7,139                               | 21,813                       | 50,291                       | 73,775                       |
| <b>Other</b>                     |  |                                     |                              |                              |                              |
| Trade Throughput Revisions ..... | 189                                      | (5,755)                             | (4,852)                      | (14,377)                     | (3,855)                      |

## Significant Issues Impacting the Government Trading Enterprise

1. The \$350 million Port Maximisation Project (PMaxP) will expand capacity at the Port of Geraldton and facilitate regional economic growth and diversification by enabling the Authority to increase throughput from 15 million tonnes per annum (Mtpa) to 25 Mtpa by 2026. This new trade is expected to be multi-product and multi-user and will be supported through a combination of debottlenecking and new infrastructure covering transport, land acquisition, storage, materials handling, upgrades to berths 1, 2 and 6, and associated supporting infrastructure.
2. The Authority will employ robust procurement and project management practices to mitigate risks around the PMaxP design and delivery in light of competitive conditions in the construction industry. Due to the increased activity within the Western Australian economy, current procurement processes are seeing a limited number of respondents to tenders, increased pricing pressures for labour and materials and reduced availability of materials.
3. The Authority will need to assess suitable short-term options of existing infrastructure for trade coming online prior to the completion of PMaxP. Reductions in forecast throughput in 2022-23 and across the outyears is primarily due to reduced trade volumes for non-mineral sands due to the impact of COVID-19 on Singapore's construction industry, with the remainder due to lower projections for mineral sands.
4. The Authority is unique amongst the Western Australian ports in that it manages the Fishing Boat Harbour, which supports the West Coast Rock Lobster Fishery. A number of amenity upgrades have been delivered since 2020-21. Currently, a Fishing Boat Harbour master plan is being undertaken to provide a blueprint for future development.
5. Design work has commenced on road access into and within the port precinct, improving utilisation of existing berth infrastructure to increase ship loading efficiencies and the acquisition of land required for PMaxP.
6. The Authority continues to work with the Departments of Transport (DoT) and Jobs, Tourism, Science and Innovation to transfer the marine safety function of the ports of Cape Cuvier and Useless Loop from the DoT to the Authority.
7. The Authority will retain its forecast 2021-22 dividend payment of \$20.3 million to fund future infrastructure investment. The funds will be quarantined until the Government approves business cases for the strategic infrastructure requirements. Of the retained dividend amount, \$18 million has been allocated to the design of the PMaxP.

## 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 Goals   | Strategic Objectives  | Desired Outcomes   |
|--|---|--|
| Strong and Sustainable Finances:<br>Responsible, achievable, affordable budget management.   | Facilitate, protect and grow efficient trade and tourism.     | <ol style="list-style-type: none"> <li>1. Improve revenue diversification and growth</li> <li>2. Improve underlying profit</li> <li>3. Improve long-term business value</li> </ol> |
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive.   | Operate as an exemplary corporate citizen.                    | <ol style="list-style-type: none"> <li>4. To be a sustainable port</li> <li>5. To provide a safe workplace</li> <li>6. Operate in harmony with our stakeholders</li> </ol>         |
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Provide infrastructure that enables customers' supply chains. | <ol style="list-style-type: none"> <li>7. Provide long-term landside infrastructure</li> <li>8. Provide long-term marine infrastructure</li> </ol>                                 |

## Outcomes and Key Performance Indicators

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Improve revenue diversification and growth:</b>                                     |                   |                   |                                |                             |      |
| Return on assets <sup>(a)</sup> .....   | 17.9%             | 14%               | 14.4%                          | 17.7%                       |      |
| Earnings before interest, tax, depreciation and amortisation (\$'000) <sup>(a)</sup> .....      | \$30,324          | \$37,862          | \$38,193                       | \$64,453                    |      |
| Total port trade (Mt) <sup>(a)</sup> .....  | 15.08             | 18.20             | 17.41                          | 20.96                       |      |
| Number of vessel visits <sup>(a)</sup> .....  | 351               | 475               | 423                            | 502                         |      |
| <b>Outcome: Improve underlying profit:</b>  |                   |                   |                                |                             |      |
| Economic rate of return <sup>(a)(b)</sup> .....   | 10.2%             | 11.9%             | 10.6%                          | 21.4%                       |      |
| <b>Outcome: Improve long-term business value:</b>   |                   |                   |                                |                             |      |
| Implement top 10 improvements identified in continuous improvement plan.....                    | n/a               | n/a               | n/a                            | 100%                        |      |
| <b>Outcome: To be a sustainable port:</b>   |                   |                   |                                |                             |      |
| Number of reportable environmental incidents.....   | 7                 | <10               | nil                            | <10                         |      |
| <b>Outcome: To provide a safe workplace:</b>  |                   |                   |                                |                             |      |
| Lost time injury frequency rate .....   | 8.3               | nil               | 3.9                            | nil                         |      |
| <b>Outcome: Operate in harmony with our stakeholders:</b>                                       |                   |                   |                                |                             |      |
| All stakeholder satisfaction survey scores .....  | n/a               | n/a               | n/a                            | >80%                        |      |
| Deliver Design/Year 1 deliverables of the Geraldton Port Maximisation Project .....             | n/a               | n/a               | n/a                            | 100%                        |      |
| <b>Outcome: Provide long-term marine infrastructure:</b>  |                   |                   |                                |                             |      |
| Develop solution for reduction in the effect of long period wave impact and secure funding..... | n/a               | n/a               | n/a                            | 100%                        |      |

(a) Impact of trade commencing prior to the completion of PMaxP which will require short-term solutions to utilise existing port infrastructure so as not to affect the timeline of the mining projects.

(b) Economic rate of return as calculated in accordance with the Department of Transport's Western Australia Port Authority - Rate of Return Calculation Methodology and Asset Valuation Policy.

## Asset Investment Program

1. The Authority's 2022-23 Asset Investment Program totals \$103.8 million and includes spending for:
  - 1.1. the PMaxP to expand the capacity of the Port of Geraldton;
  - 1.2. a port-wide firefighting system to provide fully compliant fire systems across the port that meet standards and regulatory compliance requirements;
  - 1.3. land acquisitions in the port precinct funded via Royalties for Regions;
  - 1.4. roadwork improvements to cater for increased road transport into and out of the Port of Geraldton; and
  - 1.5. minor works projects to improve services, upgrade existing civil infrastructure, security, environmental systems, computer systems and replacement of equipment.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Miscellaneous Works  |                                   |  |   |                                     |                              |                              |                              |
| PMaxP .....  | 350,000                           | 8,000  | 8,000   | 84,967                              | 142,150                      | 88,833                       | 26,050                       |
| Land Acquisition and Road Improvements .....                           | 8,000                             | 4,000  | 4,000   | 4,000                               | -                            | -                            | -                            |
| Port-Wide Firefighting System .....                                    | 13,500                            | 932  | 932   | 6,068                               | 6,500                        | -                            | -                            |
| <b>COMPLETED WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Fishing Boat Harbour   |                                   |  |   |                                     |                              |                              |                              |
| Replacement of Southern Walkways .....                                 | 840                               | 840  | 840   | -                                   | -                            | -                            | -                            |
| Street Lighting .....  | 400                               | 400  | 255   | -                                   | -                            | -                            | -                            |
| Wharf 4 Deck Strengthening and Rail Replacement .....                  | 13,861                            | 13,861   | 9,331   | -                                   | -                            | -                            | -                            |
| <b>Other Completed Works</b>   |                                   |  |   |                                     |                              |                              |                              |
| Miscellaneous Works  |                                   |  |   |                                     |                              |                              |                              |
| 2021-22 Program .....  | 8,470                             | 8,470  | 8,470   | -                                   | -                            | -                            | -                            |
| Eastern Breakwater Jetty .....   | 3,000                             | 3,000  | 3,000   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Miscellaneous Works  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 8,747                             | -  | -   | 8,747                               | -                            | -                            | -                            |
| 2023-24 Program .....  | 5,500                             | -  | -   | -                                   | 5,500                        | -                            | -                            |
| 2024-25 Program .....  | 5,500                             | -  | -   | -                                   | -                            | 5,500                        | -                            |
| 2025-26 Program .....  | 5,500                             | -  | -   | -                                   | -                            | -                            | 5,500                        |
| <b>Total Cost of Asset Investment Program .....</b>                    | <b>423,318</b>                    | <b>39,503</b>                                    | <b>34,828</b>                                 | <b>103,782</b>                      | <b>154,150</b>               | <b>94,333</b>                | <b>31,550</b>                |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Borrowings .....   |                                   |  | -   | 74,967                              | 142,150                      | 88,833                       | 26,050                       |
| Funding Included in Department of Treasury Administered<br>Items ..... |                                   |  | 3,000   | -                                   | -                            | -                            | -                            |
| Drawdowns from Royalties for Regions Fund .....                        |                                   |  | 4,000   | 4,000                               | -                            | -                            | -                            |
| Internal Funds and Balances .....                                      |                                   |  | 27,828  | 24,815                              | 12,000                       | 5,500                        | 5,500                        |
| <b>Total Funding .....</b>   |                                   |  | <b>34,828</b>                                 | <b>103,782</b>                      | <b>154,150</b>               | <b>94,333</b>                | <b>31,550</b>                |

## Financial Statements

### Income Statement

#### Revenue

- Increases in the Sales of goods and services over the forward estimates period are due to additional and new product throughput which will be enabled by the PMaxP.
- Other revenue over the forward estimates period represent capital recovery and operational fees of new infrastructure provided by the PMaxP.

#### Expenses

- Depreciation costs significantly increase as new infrastructure is commissioned and operational.
- Finance and interest costs increases are due to additional borrowings to fund the PMaxP.

### Statement of Financial Position

- The Statement of Financial Position is materially affected by the PMaxP. Refer to footnotes.

### Statement of Cashflows

- The Statement of Cashflows is materially affected by the PMaxP. Refer to footnotes.
- Supplies and services decreases by \$7.3 million in the 2022-23 Budget Year compared to the 2021-22 Estimated Actual as the 2021-22 balance includes maintenance dredging that is not included over the forward estimates period.

#### INCOME STATEMENT <sup>(a)</sup> (Controlled)

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE</b>                            |                             |                             |  |                                     |                              |                              |                              |
| <b>Revenue from operations</b>            |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....           | 74,803                      | 100,425                     | 97,516                                   | 118,171                             | 154,466                      | 175,559                      | 199,037                      |
| Other revenue.....                        | 1,035                       | 616                         | 434                                      | 474                                 | 486                          | 10,901                       | 28,926                       |
| <b>TOTAL REVENUE.....</b>                 | <b>75,838</b>               | <b>101,041</b>              | <b>97,950</b>                            | <b>118,645</b>                      | <b>154,952</b>               | <b>186,460</b>               | <b>227,963</b>               |
| <b>Expenses</b>                           |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....    | 21,996                      | 22,800                      | 24,681                                   | 25,661                              | 25,863                       | 26,387                       | 27,155                       |
| Supplies and services .....               | 13,746                      | 30,603                      | 24,580                                   | 17,319                              | 19,472                       | 16,446                       | 17,092                       |
| Accommodation .....                       | 1,875                       | 1,769                       | 1,507                                    | 2,288                               | 3,265                        | 3,816                        | 4,474                        |
| Depreciation and amortisation .....       | 6,676                       | 7,773                       | 7,051                                    | 8,047                               | 10,896                       | 18,066                       | 25,721                       |
| Finance and interest costs.....           | 323                         | 281                         | 282                                      | 2,336                               | 6,327                        | 8,163                        | 8,366                        |
| Other expenses.....                       | 7,715                       | 8,008                       | 8,989                                    | 8,926                               | 9,361                        | 10,841                       | 12,541                       |
| <b>TOTAL EXPENSES.....</b>                | <b>52,331</b>               | <b>71,234</b>               | <b>67,090</b>                            | <b>64,577</b>                       | <b>75,184</b>                | <b>83,719</b>                | <b>95,349</b>                |
| <b>NET PROFIT/(LOSS) BEFORE TAX .....</b> | <b>23,507</b>               | <b>29,807</b>               | <b>30,860</b>                            | <b>54,068</b>                       | <b>79,768</b>                | <b>102,741</b>               | <b>132,614</b>               |
| National Tax Equivalent Regime            |                             |                             |  |                                     |                              |                              |                              |
| Current tax equivalent expense .....      | 7,222                       | 8,942                       | 9,258                                    | 16,221                              | 23,930                       | 30,822                       | 39,784                       |
| Deferred tax equivalent expense .....     | (226)                       | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>NET PROFIT/(LOSS) AFTER TAX .....</b>  | <b>16,511</b>               | <b>20,865</b>               | <b>21,602</b>                            | <b>37,847</b>                       | <b>55,838</b>                | <b>71,919</b>                | <b>92,830</b>                |
| <b>Dividends .....</b>                    | <b>11,627</b>               | <b>-</b>                    | <b>-</b>                                 | <b>25,340</b>                       | <b>38,504</b>                | <b>50,924</b>                | <b>65,702</b>                |

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 143.2, 163.8 and 160 respectively.



**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                              |                             |                             |  |                                     |                              |                              |                              |
| Cash assets <sup>(b)</sup> .....                   | 41,483                      | 25,875                      | 20,810                                   | 26,702                              | 25,757                       | 45,976                       | 84,073                       |
| Cash assets - Retained dividends.....              | -                           | 28,319                      | 20,319                                   | 10,319                              | 10,319                       | 10,319                       | 10,319                       |
| Receivables .....                                  | 12,248                      | 11,031                      | 12,483                                   | 12,489                              | 12,499                       | 12,491                       | 12,515                       |
| Other.....   | 1,871                       | 1,719                       | 1,876                                    | 1,876                               | 1,876                        | 1,876                        | 1,876                        |
| Total current assets .....                         | 55,602                      | 66,944                      | 55,488                                   | 51,386                              | 50,451                       | 70,662                       | 108,783                      |
| <b>NON-CURRENT ASSETS</b>                          |                             |                             |  |                                     |                              |                              |                              |
| Property, plant and equipment <sup>(b)</sup> ..... | 128,327                     | 143,731                     | 156,472                                  | 252,503                             | 395,836                      | 472,375                      | 478,325                      |
| Other.....   | 2,858                       | 2,863                       | 2,858                                    | 2,858                               | 2,858                        | 2,858                        | 2,858                        |
| Total non-current assets .....                     | 131,185                     | 146,594                     | 159,330                                  | 255,361                             | 398,694                      | 475,233                      | 481,183                      |
| <b>TOTAL ASSETS</b> .....                          | 186,787                     | 213,538                     | 214,818                                  | 306,747                             | 449,145                      | 545,895                      | 589,966                      |
| <b>CURRENT LIABILITIES</b>                         |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                          | 4,681                       | 3,801                       | 4,681                                    | 4,681                               | 4,681                        | 4,681                        | 4,681                        |
| Payables.....                                      | 7,261                       | 7,535                       | 7,862                                    | 13,088                              | 8,800                        | 9,708                        | 10,676                       |
| Borrowings and leases <sup>(b)</sup> .....         | 1,415                       | 843                         | 924                                      | 12,849                              | 17,938                       | 19,832                       | 20,418                       |
| Other.....   | 650                         | 591                         | 655                                      | 655                                 | 655                          | 655                          | 655                          |
| Total current liabilities .....                    | 14,007                      | 12,770                      | 14,122                                   | 31,273                              | 32,074                       | 34,876                       | 36,430                       |
| <b>NON-CURRENT LIABILITIES</b>                     |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                          | 3,531                       | 4,737                       | 3,531                                    | 3,531                               | 3,531                        | 3,531                        | 3,531                        |
| Borrowings and leases <sup>(b)</sup> .....         | 7,001                       | 6,331                       | 6,315                                    | 64,586                              | 188,849                      | 258,057                      | 263,784                      |
| Other.....   | 1,221                       | 1,374                       | 1,221                                    | 1,221                               | 1,221                        | 1,221                        | 1,221                        |
| Total non-current liabilities .....                | 11,753                      | 12,442                      | 11,067                                   | 69,338                              | 193,601                      | 262,809                      | 268,536                      |
| <b>TOTAL LIABILITIES</b> .....                     | 25,760                      | 25,212                      | 25,189                                   | 100,611                             | 225,675                      | 297,685                      | 304,966                      |
| <b>NET ASSETS</b> .....                            | 161,027                     | 188,326                     | 189,629                                  | 206,136                             | 223,470                      | 248,210                      | 285,000                      |
| <b>EQUITY</b>                                      |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity <sup>(b)</sup> .....            | 76,857                      | 84,857                      | 83,857                                   | 87,857                              | 87,857                       | 91,602                       | 101,264                      |
| Accumulated surplus/(deficit) <sup>(b)</sup> ..... | 83,382                      | 102,681                     | 104,984                                  | 117,491                             | 134,825                      | 155,820                      | 182,948                      |
| Reserves.....                                      | 788                         | 788                         | 788                                      | 788                                 | 788                          | 788                          | 788                          |
| <b>TOTAL EQUITY</b> .....                          | 161,027                     | 188,326                     | 189,629                                  | 206,136                             | 223,470                      | 248,210                      | 285,000                      |

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

(b) Materially impacted by the PMaxP. PMaxP will facilitate additional throughput, thereby increasing cash assets. The project will result in a significant increase in Property, Plant and Equipment, funded by borrowings. Dividends on a proposed capital recovery charge will be refunded to the agency via equity contributions.

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                       |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services <sup>(b)</sup> .....                  | 69,387                      | 95,953                      | 91,978                                   | 112,771                             | 148,931                      | 169,890                      | 192,723                      |
| GST receipts <sup>(b)</sup> .....                                | 7,874                       | 10,074                      | 9,789                                    | 11,857                              | 15,488                       | 18,553                       | 22,084                       |
| Other receipts <sup>(b)</sup> .....                              | 6,106                       | 5,088                       | 5,972                                    | 5,874                               | 6,021                        | 16,575                       | 35,246                       |
| <b>Payments</b>  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits .....  | (21,554)                    | (22,783)                    | (24,681)                                 | (25,661)                            | (25,863)                     | (26,387)                     | (27,155)                     |
| Supplies and services .....                                      | (13,746)                    | (30,692)                    | (24,580)                                 | (17,319)                            | (19,472)                     | (16,446)                     | (17,092)                     |
| Accommodation <sup>(c)</sup> .....                               | (3,981)                     | (850)                       | (640)                                    | (1,399)                             | (2,354)                      | (2,882)                      | (3,516)                      |
| GST payments <sup>(b)</sup> .....                                | (7,736)                     | (9,106)                     | (9,637)                                  | (11,627)                            | (14,927)                     | (18,250)                     | (21,627)                     |
| Finance and interest costs <sup>(b)</sup> .....                  | (331)                       | (272)                       | (282)                                    | (2,336)                             | (6,327)                      | (8,163)                      | (8,366)                      |
| Other payments .....   | (8,488)                     | (7,935)                     | (8,989)                                  | (8,924)                             | (9,362)                      | (10,848)                     | (12,517)                     |
| <b>Net cash from operating activities .....</b>                  | <b>27,531</b>               | <b>39,477</b>               | <b>38,930</b>                            | <b>63,236</b>                       | <b>92,135</b>                | <b>122,042</b>               | <b>159,780</b>               |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                       |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets <sup>(b)</sup> .....              | (8,194)                     | (21,377)                    | (34,828)                                 | (103,782)                           | (154,150)                    | (94,333)                     | (31,550)                     |
| <b>Net cash from investing activities .....</b>                  | <b>(8,194)</b>              | <b>(21,377)</b>             | <b>(34,828)</b>                          | <b>(103,782)</b>                    | <b>(154,150)</b>             | <b>(94,333)</b>              | <b>(31,550)</b>              |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                       |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from borrowings <sup>(b)</sup> .....                    | -                           | -                           | -  | 74,967                              | 142,150                      | 88,833                       | 26,050                       |
| <b>Payments</b>  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases <sup>(b)</sup> .....          | (1,681)                     | (1,490)                     | (1,550)                                  | (5,066)                             | (12,877)                     | (18,004)                     | (19,858)                     |
| <b>Net cash from financing activities .....</b>                  | <b>(1,681)</b>              | <b>(1,490)</b>              | <b>(1,550)</b>                           | <b>69,901</b>                       | <b>129,273</b>               | <b>70,829</b>                | <b>6,192</b>                 |
| <b>CASHFLOWS FROM GOVERNMENT ACTIVITIES</b>                      |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| Administered appropriations .....                                | 91                          | -                           | -  | -                                   | -                            | -                            | -                            |
| Equity Contributions <sup>(b)</sup> .....                        | -                           | 8,000                       | 7,000                                    | 4,000                               | -                            | 3,745                        | 9,662                        |
| <b>Payments</b>  |                             |                             |  |                                     |                              |                              |                              |
| Dividends to Government <sup>(b)</sup> .....                     | (11,627)                    | -                           | -  | (25,340)                            | (38,504)                     | (50,924)                     | (65,702)                     |
| National Tax Equivalent Regime - Income tax <sup>(b)</sup> ..... | (5,955)                     | (9,571)                     | (9,038)                                  | (11,234)                            | (28,788)                     | (30,206)                     | (39,327)                     |
| Local Government Rates Equivalent .....                          | (868)                       | (919)                       | (868)                                    | (889)                               | (911)                        | (934)                        | (958)                        |
| <b>Net cash provided to Government .....</b>                     | <b>18,359</b>               | <b>2,490</b>                | <b>2,906</b>                             | <b>33,463</b>                       | <b>68,203</b>                | <b>78,319</b>                | <b>96,325</b>                |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>                | <b>(703)</b>                | <b>14,120</b>               | <b>(354)</b>                             | <b>(4,108)</b>                      | <b>(945)</b>                 | <b>20,219</b>                | <b>38,097</b>                |
| Cash assets at the beginning of the reporting period .....       | 42,186                      | 40,074                      | 41,483                                   | 41,129                              | 37,021                       | 36,076                       | 56,295                       |
| <b>Cash assets at the end of the reporting period .....</b>      | <b>41,483</b>               | <b>54,194</b>               | <b>41,129</b>                            | <b>37,021</b>                       | <b>36,076</b>                | <b>56,295</b>                | <b>94,392</b>                |

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

(b) Materially impacted by the PMaxP. Increased receipts are due to an increase in throughput, facilitated by PMaxP infrastructure. The project investment, funded by borrowings, will increase payments on GST and purchase of non-current assets, increase proceeds from and repayments of borrowings and subsequent interest payments. Increase in profitability will lead to an increase in dividends and taxes paid to Government. Dividends on a proposed capital recovery charge will be refunded to the agency via equity contributions.

(c) 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.

# Pilbara Ports Authority

## Part 9 Transport

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

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE TO GENERAL GOVERNMENT SECTOR</b>               |                             |                             |  |                                     |                              |                              |                              |
| National Tax Equivalent Regime - Income Tax...            | 68,842                      | 91,976                      | 79,538                                   | 115,121                             | 97,821                       | 108,390                      | 110,851                      |
| Local Government Rates Equivalent .....                   | 2,995                       | 2,897                       | 2,983                                    | 3,057                               | 3,134                        | 3,212                        | 3,292                        |
| Dividends <sup>(a)(b)</sup> .....                         | 111,913                     | -                           | -  | 210,681                             | 202,591                      | 209,734                      | 218,634                      |
| <b>EXPENSES FROM GENERAL GOVERNMENT SECTOR</b>            |                             |                             |  |                                     |                              |                              |                              |
| Other Subsidies .....                                     | 9,110                       | 9,110                       | 9,110                                    | 9,110                               | 9,110                        | 9,110                        | 9,110                        |
| <b>EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR</b> |                             |                             |  |                                     |                              |                              |                              |
| Equity Contribution.....                                  | 20,117                      | 82,013                      | 81,571                                   | 47,509                              | 72,569                       | 26,690                       | 27,889                       |
| <b>RATIOS</b>   |                             |                             |  |                                     |                              |                              |                              |
| Dividend Payout Ratio (%) .....                           | 85                          | 85                          | 85                                       | 85                                  | 85                           | 85                           | 85                           |
| <b>GOVERNMENT TRADING ENTERPRISE INFORMATION</b>          |                             |                             |  |                                     |                              |                              |                              |
| Revenue from Operations .....                             | 512,767                     | 575,693                     | 574,662                                  | 707,026                             | 663,192                      | 687,711                      | 705,620                      |
| Revenue from Government .....                             | 9,110                       | 9,110                       | 9,110                                    | 9,110                               | 9,110                        | 9,110                        | 9,110                        |
| Total Expenses <sup>(c)</sup> .....                       | 293,075                     | 310,786                     | 318,647                                  | 332,398                             | 346,233                      | 335,520                      | 345,225                      |
| Total Borrowings .....                                    | 105,614                     | 91,198                      | 142,198                                  | 146,973                             | 145,724                      | 109,639                      | 86,293                       |
| <b>NET PROFIT AFTER TAX.....</b>                          | 159,960                     | 182,041                     | 185,587                                  | 268,617                             | 228,248                      | 252,911                      | 258,654                      |
| <b>CASH ASSETS <sup>(d)</sup> .....</b>                   | 422,817                     | 603,428                     | 655,428                                  | 568,547                             | 578,588                      | 679,499                      | 805,924                      |

- (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 Authority will retain 2021-22 dividend payments to instead contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise (GTE) for further detail.
- (c) Excludes current tax expense, deferred tax expense and dividends.
- (d) As at 30 June each financial year.

## Financial Changes

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

|   | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Key Adjustments</b>                                    |  |                                     |                              |                              |                              |
| Dampier Cargo Wharf Extension .....                       | -  | -                                   | 220                          | 3,360                        | 6,470                        |
| Hedland Maritime Initiative Reforecast .....              | 1,080                                    | 11,377                              | 696                          | (522)                        | 11,528                       |
| Port User Dredging Contribution .....                     | -  | 48,506                              | 9,389                        | (336)                        | (336)                        |
| <b>Other</b>  |  |                                     |                              |                              |                              |
| Depreciation Impact of 2020-21 Asset Fair Valuation ..... | (3,621)                                  | (10,802)                            | (10,802)                     | (10,802)                     | (10,802)                     |
| Revenue and Expense Update .....                          | (9,811)                                  | 4,747                               | 9,411                        | 17,332                       | 27,881                       |

## Significant Issues Impacting the Government Trading Enterprise

### Navigating the COVID-19 pandemic

1. There is the potential for the Authority to be impacted by a predicted skilled worker shortage in Western Australia with some trade-based roles and professional roles, such as marine and helicopter pilots, likely to be most impacted. If realised, the skilled worker shortage could impact project delivery and port operations. The Authority continues to effectively manage COVID-19 impacts.

### COVID-19 Response

2. Two projects are underway at the Port of Port Hedland as part of the Government's COVID-19 Response. These projects which will sustain and improve capacity are the: Tug Haven Revetment Wall Upgrade project (\$51.2 million) to renew the harbour revetments and provide storm shelter for the modern tugs operating at the port; and Inner Harbour revetment works project (\$20 million) to renew and upgrade the existing revetments that have been degraded over many years by cyclonic storms, tidal action and shipping activity.

### Election Commitment - Port Hedland Spoilbank Marina

3. In June 2020, the Government announced that the Authority would be the lead agency for the construction of the Spoilbank Marina in Port Hedland and would be the owner and operator of the marina, once it is complete. The project is being delivered in two key stages. Stage one involved the construction of the truck haulage road which reached practical completion at the end of March 2021. The Authority has progressed delivering stage two, which is comprised of: bulk earthworks, revetments and breakwaters, dredging and reclamation works, marina structures and land-side civil works. Completion of stage two works is expected in 2023-24.

### Port Hedland Voluntary Buy-back Scheme

4. In June 2020, the Government announced a voluntary buy-back scheme for parts of Port Hedland's West End and that the scheme would be delivered by the Authority. There are 425 eligible properties. The offer and acceptance process to date has confirmed the rate of property acquisition is in line with assumptions in the original scheme modelling.

### 2021-22 Dividend Retention

5. The Authority will retain its forecast 2021-22 dividend payment of \$254.3 million to fund future infrastructure investment which will be quarantined until the Government approves business cases for the strategic infrastructure requirements. Of the retained dividend amount, \$29.8 million has been allocated to the Spoilbank Marina project and \$36.4 million has been set aside for the Dampier Cargo Wharf Extension.

### Dampier Cargo Wharf Extension

6. The Dampier Cargo Wharf Extension and Landside Redevelopment Project includes development of a new land-backed wharf that will initially support the bulk export of urea from a proposed industrial project in the region and redundancy for ageing infrastructure at the Port of Dampier. The new land-backed wharf will be a multi-user, multi-product facility capable of accommodating bulk carriers, cruise ships and general cargo vessels, as well as vessels supporting the offshore oil and gas industry.

### Lumsden Point

7. The Authority will spend \$78.1 million in 2022-23 for construction of seawalls and bund/retaining walls (\$66.1 million) and construction of a causeway (\$12 million) at Lumsden Point. This will facilitate the future development of additional general cargo facilities and a logistics hub at Port Hedland.

## 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 Goals   | Strategic Objectives                        | Desired Outcomes  |
|--|---|---|
| Strong and Sustainable Finances:<br>Responsible, achievable, affordable budget management.     | Appropriate financial returns to the State. | 1. Optimise capital structure of the Authority, including consideration of debt and equity funding of major value accretive capital investments |
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive. | Regional prosperity and development.        | 2. Maximise regional benefits through management of existing and future ports   |

## Outcomes and Key Performance Indicators

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Optimise capital structure of the Authority, including consideration of debt and equity funding of major value accretive capital investments:</b> |                   |                   |                                |                             |      |
| Rate of return on assets .....  | 9.8%              | 13.4%             | 9.9%                           | 11.9%                       |      |
| Economic rate of return <sup>(a)</sup> .....  | 10%               | 13.8%             | 10%                            | 12%                         |      |
| Debt to equity ratio .....  | 0.36              | 0.38              | 0.37                           | 0.38                        |      |
| <b>Outcome: Maximise regional benefits through management of existing and future ports: <sup>(b)</sup></b>  |                   |                   |                                |                             |      |
| <b>Port of Port Hedland</b>   |                   |                   |                                |                             |      |
| Ship revenue earned per visit .....   | \$121,079         | \$129,006         | \$140,773                      | \$154,605                   |      |
| Port trade ('000 tonnes) .....  | 546,149           | 566,014           | 559,276                        | 580,435                     |      |
| Number of vessel visits .....   | 3,159             | 3,257             | 3,235                          | 3,357                       |      |
| <b>Port of Dampier</b>  |                   |                   |                                |                             |      |
| Ship revenue earned per visit .....   | \$20,655          | \$16,455          | \$19,987                       | \$19,431                    |      |
| Port trade ('000 tonnes) .....  | 167,408           | 172,824           | 164,824                        | 170,676                     |      |
| Number of vessel visits .....   | 2,953             | 3,471             | 2,907                          | 3,011                       |      |

(a) Economic rate of return as calculated in accordance with the Department of Transport's Western Australia Port Authority - Rate of Return Calculation Methodology and Asset Valuation Policy.

(b) Port of Ashburton and Port of Varanus Island information is not included for reasons of commercial-in-confidence.

## Asset Investment Program

1. The Authority's 2022-23 Asset Investment Program totals \$339.4 million and includes the provision of major and minor works, revetment upgrades at the Port of Port Hedland, construction of the Port Hedland Spoilbank Marina, the Lumsden Point General Cargo Facility and Logistics Hub, the Dampier Cargo Wharf Extension and port infrastructure at the Port of Ashburton.
2. Chevron's handover of the Port of Ashburton infrastructure was completed in 2018-19. Works to support future development of the multi-user facilities at the port are forecast to be \$3.7 million in 2022-23 and \$16 million in the outyears.
3. The construction of the Port Hedland Spoilbank Marina is forecast to be \$62 million in 2022-23 and \$64.5 million in 2023-24. The expenditure will be funded from Royalties for Regions and other State contributions.
4. Following Severe Tropical Cyclone Veronica in March 2019, work was undertaken to assess the extent of damage caused to the Port Hedland Inner Harbour. The cyclone was analysed as being a 1 in 50-year event. Four revetment locations were identified as requiring immediate upgrade. The Port Hedland Inner Harbour revetment project has forecast expenditure of \$3.8 million in 2022-23 and \$4.7 million in 2023-24.
5. Cyclonic conditions from Severe Tropical Cyclone Veronica persisted in the port area for 36 hours and coincided with seasonal high tides. The collective effect of these factors accelerated the deterioration of the Tug Haven revetments and sheet pile wall. The Port Hedland Tug Haven Revetment Wall Upgrade project has forecast expenditure of \$30.5 million in 2022-23.
6. The minor works program totals \$22.6 million in 2022-23 and a total of \$61 million in the outyears. The program provides for replacement of mobile plant and office equipment, upgrades to safety, ICT, electrical and other equipment, and infrastructure (civil and marine).
7. The Hedland Maritime Initiative is the special purpose vehicle established to administer the Government's Port Hedland Voluntary Buy-back Scheme and facilitate the planning and development of a Maritime Precinct. The Hedland Maritime Initiative acquisition of residential properties is forecast to be \$30.8 million in 2022-23 and \$31.7 million in 2023-24.

8. An extension to the Dampier Cargo Wharf will provide an additional 200 metre length of berth in Dampier for the export of bulk solids as well as import/export of general cargoes and other commodities. The expenditure is forecast to be \$90.5 million in 2022-23 and a total of \$104.4 million in the outyears. The Marine Offloading Facility road culvert works of \$2.5 million in 2022-23 are in support of this project.
9. The Lumsden Point General Cargo Facility and Logistics Hub will meet the demand for existing and new trade growth through the Pilbara region. Expenditure is forecast to be \$78.1 million in 2022-23 of which \$66.1 million is for construction of sea walls and bund/retaining walls and \$12 million for causeway construction.
10. Port Hedland Inner Harbour capital dredging of \$15 million will be performed in 2022-23 to enable increased port capacity.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Port of Port Hedland   |                                   |  |   |                                     |                              |                              |                              |
| Inner Harbour Revetment Upgrades .....                                 | 20,000                            | 11,526   | 5,135   | 3,756                               | 4,718                        | -                            | -                            |
| Tug Haven Revetment Wall Upgrades .....                                | 51,200                            | 20,731   | 20,511  | 30,469                              | -                            | -                            | -                            |
| <b>Other Works in Progress</b>   |                                   |  |   |                                     |                              |                              |                              |
| Minor Works - 2021-22 Program .....                                    | 28,372                            | 25,000   | 25,000  | -                                   | -                            | -                            | -                            |
| Port of Ashburton - Port Infrastructure Construction<br>Project .....  | 32,400                            | 12,697   | 3,458   | 3,711                               | 6,000                        | 9,992                        | -                            |
| Port of Port Hedland   |                                   |  |   |                                     |                              |                              |                              |
| Election Commitment - Spoilbank Marina .....                           | 159,960                           | 33,439   | 28,236  | 61,996                              | 64,525                       | -                            | -                            |
| Hedland Maritime Initiative .....                                      | 145,404                           | 82,867   | 77,517  | 30,797                              | 31,740                       | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Dampier Cargo Wharf Extension .....                                    | 194,810                           | -  | -   | 90,460                              | 91,980                       | 8,140                        | 4,230                        |
| Minor Works  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 19,205                            | -  | -   | 22,577                              | -                            | -                            | -                            |
| 2023-24 Program .....  | 20,323                            | -  | -   | -                                   | 20,323                       | -                            | -                            |
| 2024-25 Program .....  | 20,323                            | -  | -   | -                                   | -                            | 20,323                       | -                            |
| 2025-26 Program .....  | 20,323                            | -  | -   | -                                   | -                            | -                            | 20,323                       |
| Marine Offloading Facility Road Culvert .....                          | 2,500                             | -  | -   | 2,500                               | -                            | -                            | -                            |
| Port of Port Hedland   |                                   |  |   |                                     |                              |                              |                              |
| Inner Harbour Dredging .....   | 15,000                            | -  | -   | 15,000                              | -                            | -                            | -                            |
| Lumsden Point General Cargo Facility and Logistics<br>Hub .....        | 78,100                            | -  | -   | 78,100                              | -                            | -                            | -                            |
| <b>Total Cost of Asset Investment Program .....</b>                    | <b>807,920</b>                    | <b>186,260</b>                                   | <b>159,857</b>                                | <b>339,366</b>                      | <b>219,286</b>               | <b>38,455</b>                | <b>24,553</b>                |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Borrowings .....   |                                   |  | 40,000  | 62,459                              | 94,580                       | 8,140                        | 4,220                        |
| Funding Included in Department of Treasury Administered<br>Items ..... |                                   |  | 36,831  | 13,169                              | -                            | -                            | -                            |
| Drawdowns from Royalties for Regions Fund .....                        |                                   |  | 31,972  | 6,050                               | 26,178                       | -                            | -                            |
| Internal Funds and Balances .....                                      |                                   |  | 51,054  | 257,688                             | 98,528                       | 30,315                       | 20,333                       |
| <b>Total Funding .....</b>   |                                   |  | <b>159,857</b>                                | <b>339,366</b>                      | <b>219,286</b>               | <b>38,455</b>                | <b>24,553</b>                |

## Financial Statements

### Income Statement

#### Revenue

1. Revenue growth is attributable to the Port Hedland Voluntary Buy-back Scheme levy, increased throughput, and approved price increases.

#### Expenses

2. Operating expenses are expected to rise from the 2020-21 Actual due to changes to the workforce plan, increased depreciation due to higher asset valuations and the incorporation of the HMI.

### INCOME STATEMENT <sup>(a)</sup> (Controlled)

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE</b>  |                             |                             |  |                                     |                              |                              |                              |
| <b>Revenue from operations</b>  |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....   | 486,427                     | 562,492                     | 557,947                                  | 687,745                             | 644,384                      | 671,803                      | 689,314                      |
| Other revenue.....  | 26,340                      | 13,201                      | 16,715                                   | 19,281                              | 18,808                       | 15,908                       | 16,306                       |
| <b>Revenue from Government</b>  |                             |                             |  |                                     |                              |                              |                              |
| Other subsidies.....  | 9,110                       | 9,110                       | 9,110                                    | 9,110                               | 9,110                        | 9,110                        | 9,110                        |
| <b>TOTAL REVENUE.....</b>   | <b>521,877</b>              | <b>584,803</b>              | <b>583,772</b>                           | <b>716,136</b>                      | <b>672,302</b>               | <b>696,821</b>               | <b>714,730</b>               |
| <b>Expenses</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....                                  | 57,078                      | 61,338                      | 61,469                                   | 64,554                              | 66,416                       | 68,036                       | 69,343                       |
| Grants and subsidies.....   | -                           | 4,050                       | 4,050                                    | 7,000                               | 10,600                       | -                            | -                            |
| Supplies and services.....  | 68,153                      | 79,210                      | 77,843                                   | 79,473                              | 81,319                       | 80,570                       | 82,542                       |
| Accommodation.....  | 39,355                      | 42,738                      | 43,144                                   | 45,099                              | 46,176                       | 46,459                       | 47,620                       |
| Depreciation and amortisation.....                                      | 85,857                      | 84,003                      | 96,665                                   | 101,308                             | 105,750                      | 105,807                      | 110,771                      |
| Finance and interest costs.....   | 6,475                       | 5,336                       | 4,480                                    | 4,714                               | 4,955                        | 4,150                        | 3,444                        |
| Other expenses.....   | 36,157                      | 34,111                      | 30,996                                   | 30,250                              | 31,017                       | 30,498                       | 31,505                       |
| <b>TOTAL EXPENSES.....</b>  | <b>293,075</b>              | <b>310,786</b>              | <b>318,647</b>                           | <b>332,398</b>                      | <b>346,233</b>               | <b>335,520</b>               | <b>345,225</b>               |
| <b>NET PROFIT/(LOSS) BEFORE TAX.....</b>                                | <b>228,802</b>              | <b>274,017</b>              | <b>265,125</b>                           | <b>383,738</b>                      | <b>326,069</b>               | <b>361,301</b>               | <b>369,505</b>               |
| National Tax Equivalent Regime - Current<br>tax equivalent expense..... | 68,842                      | 91,976                      | 79,538                                   | 115,121                             | 97,821                       | 108,390                      | 110,851                      |
| <b>NET PROFIT/(LOSS) AFTER TAX.....</b>                                 | <b>159,960</b>              | <b>182,041</b>              | <b>185,587</b>                           | <b>268,617</b>                      | <b>228,248</b>               | <b>252,911</b>               | <b>258,654</b>               |
| <b>Dividends.....</b>   | <b>111,913</b>              | <b>-</b>                    | <b>-</b>                                 | <b>210,681</b>                      | <b>202,591</b>               | <b>209,734</b>               | <b>218,634</b>               |

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 274, 275 and 331 respectively.



**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|                                       | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---------------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                     | 344,327                     | 320,037                     | 346,378                                  | 327,637                             | 390,466                      | 491,377                      | 617,802                      |
| Cash assets - Retained dividends..... | -                           | 230,868                     | 254,282                                  | 194,382                             | 188,122                      | 188,122                      | 188,122                      |
| Restricted Cash.....                  | 78,490                      | 52,523                      | 54,768                                   | 46,528                              | -                            | -                            | -                            |
| Receivables .....                     | 71,925                      | 64,801                      | 75,672                                   | 88,896                              | 90,861                       | 92,750                       | 93,312                       |
| Other.....                            | 8,612                       | 8,495                       | 11,701                                   | 13,268                              | 13,471                       | 13,664                       | 13,730                       |
| Total current assets .....            | 503,354                     | 676,724                     | 742,801                                  | 670,711                             | 682,920                      | 785,913                      | 912,966                      |
| <b>NON-CURRENT ASSETS</b>             |                             |                             |  |                                     |                              |                              |                              |
| Property, plant and equipment.....    | 2,856,636                   | 2,433,658                   | 2,920,319                                | 3,158,375                           | 3,271,913                    | 3,204,560                    | 3,118,343                    |
| Intangibles .....                     | 2,397                       | 93                          | 1,606                                    | 952                                 | 298                          | (121)                        | (121)                        |
| Other investments .....               | 302                         | 232                         | 302                                      | 302                                 | 302                          | 302                          | 302                          |
| Other.....                            | 80,392                      | 66,301                      | 80,392                                   | 80,392                              | 80,392                       | 80,392                       | 80,392                       |
| Total non-current assets .....        | 2,939,727                   | 2,500,284                   | 3,002,619                                | 3,240,021                           | 3,352,905                    | 3,285,133                    | 3,198,916                    |
| <b>TOTAL ASSETS .....</b>             | <b>3,443,081</b>            | <b>3,177,008</b>            | <b>3,745,420</b>                         | <b>3,910,732</b>                    | <b>4,035,825</b>             | <b>4,071,046</b>             | <b>4,111,882</b>             |
| <b>CURRENT LIABILITIES</b>            |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....             | 10,256                      | 9,765                       | 10,754                                   | 11,200                              | 11,456                       | 11,704                       | 11,918                       |
| Payables .....                        | 29,878                      | 24,251                      | 26,238                                   | 26,450                              | 26,384                       | 27,226                       | 27,148                       |
| Borrowings and leases .....           | 16,343                      | 15,419                      | 16,553                                   | 16,776                              | 17,012                       | 17,263                       | 17,263                       |
| Other.....                            | 22,881                      | 16,380                      | 25,089                                   | 25,620                              | 26,171                       | 25,379                       | 25,700                       |
| Total current liabilities .....       | 79,358                      | 65,815                      | 78,634                                   | 80,046                              | 81,023                       | 81,572                       | 82,029                       |
| <b>NON-CURRENT LIABILITIES</b>        |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....             | 1,429                       | 1,384                       | 1,502                                    | 1,568                               | 1,606                        | 1,643                        | 1,674                        |
| Borrowings and leases .....           | 129,373                     | 120,661                     | 165,775                                  | 224,387                             | 314,882                      | 286,686                      | 265,260                      |
| Other.....                            | 767,019                     | 615,965                     | 766,449                                  | 766,226                             | 701,583                      | 694,547                      | 688,412                      |
| Total non-current liabilities .....   | 897,821                     | 738,010                     | 933,726                                  | 992,181                             | 1,018,071                    | 982,876                      | 955,346                      |
| <b>TOTAL LIABILITIES.....</b>         | <b>977,179</b>              | <b>803,825</b>              | <b>1,012,360</b>                         | <b>1,072,227</b>                    | <b>1,099,094</b>             | <b>1,064,448</b>             | <b>1,037,375</b>             |
| <b>NET ASSETS .....</b>               | <b>2,465,902</b>            | <b>2,373,183</b>            | <b>2,733,060</b>                         | <b>2,838,505</b>                    | <b>2,936,731</b>             | <b>3,006,598</b>             | <b>3,074,507</b>             |
| <b>EQUITY</b>                         |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....              | 373,566                     | 455,613                     | 455,137                                  | 502,646                             | 575,215                      | 601,905                      | 629,794                      |
| Accumulated surplus/(deficit).....    | 512,897                     | 669,660                     | 698,484                                  | 756,420                             | 782,077                      | 825,254                      | 865,274                      |
| Reserves.....                         | 1,579,439                   | 1,247,910                   | 1,579,439                                | 1,579,439                           | 1,579,439                    | 1,579,439                    | 1,579,439                    |
| <b>TOTAL EQUITY .....</b>             | <b>2,465,902</b>            | <b>2,373,183</b>            | <b>2,733,060</b>                         | <b>2,838,505</b>                    | <b>2,936,731</b>             | <b>3,006,598</b>             | <b>3,074,507</b>             |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....                             | 455,396                     | 572,412                     | 571,289                                  | 689,722                             | 662,955                      | 681,714                      | 701,578                      |
| GST receipts .....  | 1,469                       | -                           | -  | -                                   | -                            | -                            | -                            |
| Other receipts .....  | 92,581                      | 3,744                       | 2,303                                    | 2,361                               | 2,420                        | 2,480                        | 2,542                        |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....                                      | (55,532)                    | (61,312)                    | (61,150)                                 | (64,239)                            | (66,311)                     | (67,719)                     | (69,064)                     |
| Supplies and services .....                                 | (64,444)                    | (74,259)                    | (73,981)                                 | (75,514)                            | (77,261)                     | (76,410)                     | (78,279)                     |
| Accommodation <sup>(b)</sup> .....                          | (36,360)                    | (39,841)                    | (40,161)                                 | (42,042)                            | (43,042)                     | (43,247)                     | (44,328)                     |
| GST payments .....  | (901)                       | -                           | -  | -                                   | -                            | -                            | -                            |
| Finance and interest costs.....                             | (4,351)                     | (4,189)                     | (3,316)                                  | (3,521)                             | (3,732)                      | (3,179)                      | (2,449)                      |
| Other payments.....   | (73,669)                    | (44,331)                    | (41,835)                                 | (41,700)                            | (112,081)                    | (40,992)                     | (41,609)                     |
| <b>Net cash from operating activities .....</b>             | <b>314,189</b>              | <b>352,224</b>              | <b>353,149</b>                           | <b>465,067</b>                      | <b>362,948</b>               | <b>452,647</b>               | <b>468,391</b>               |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                        | (27,758)                    | (140,542)                   | (159,857)                                | (339,366)                           | (219,286)                    | (38,455)                     | (24,553)                     |
| <b>Net cash from investing activities.....</b>              | <b>(27,758)</b>             | <b>(140,542)</b>            | <b>(159,857)</b>                         | <b>(339,366)</b>                    | <b>(219,286)</b>             | <b>(38,455)</b>              | <b>(24,553)</b>              |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from borrowings.....                               | 64,700                      | 8,411                       | 40,000                                   | 62,459                              | 94,580                       | 8,140                        | 4,220                        |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases .....                    | (81,193)                    | (22,827)                    | (3,416)                                  | (3,625)                             | (3,848)                      | (36,085)                     | (25,656)                     |
| <b>Net cash from financing activities.....</b>              | <b>(16,493)</b>             | <b>(14,416)</b>             | <b>36,584</b>                            | <b>58,834</b>                       | <b>90,732</b>                | <b>(27,945)</b>              | <b>(21,436)</b>              |
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Administered appropriations .....                           | 203                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Equity contributions .....                                  | 20,117                      | 82,013                      | 81,571                                   | 47,509                              | 72,569                       | 26,690                       | 27,889                       |
| Other subsidies .....                                       | 9,110                       | 9,110                       | 9,110                                    | 9,110                               | 9,110                        | 9,110                        | 9,110                        |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Dividends to Government .....                               | (111,913)                   | -                           | -  | (210,681)                           | (202,591)                    | (209,734)                    | (218,634)                    |
| National Tax Equivalent Regime - Income tax .....           | (78,080)                    | (87,327)                    | (84,963)                                 | (114,297)                           | (100,307)                    | (108,190)                    | (111,050)                    |
| Local Government Rates Equivalent.....                      | (2,995)                     | (2,897)                     | (2,983)                                  | (3,057)                             | (3,134)                      | (3,212)                      | (3,292)                      |
| <b>Net cash provided to Government .....</b>                | <b>163,558</b>              | <b>(899)</b>                | <b>(2,735)</b>                           | <b>271,416</b>                      | <b>224,353</b>               | <b>285,336</b>               | <b>295,977</b>               |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>           | <b>106,380</b>              | <b>198,165</b>              | <b>232,611</b>                           | <b>(86,881)</b>                     | <b>10,041</b>                | <b>100,911</b>               | <b>126,425</b>               |
| Cash assets at the beginning of the reporting period .....  | 316,437                     | 405,263                     | 422,817                                  | 655,428                             | 568,547                      | 578,588                      | 679,499                      |
| <b>Cash assets at the end of the reporting period .....</b> | <b>422,817</b>              | <b>603,428</b>              | <b>655,428</b>                           | <b>568,547</b>                      | <b>578,588</b>               | <b>679,499</b>               | <b>805,924</b>               |

(a) Full audited financial statements are published in the Authority'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.

# Southern Ports Authority

## Part 9 Transport

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

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE TO GENERAL GOVERNMENT<br/>SECTOR</b>               |                             |                             |  |                                     |                              |                              |                              |
| National Tax Equivalent - Income Tax .....                    | 18,335                      | 13,316                      | 14,605                                   | <b>16,154</b>                       | 18,754                       | 20,190                       | 21,460                       |
| Local Government Rates Equivalent .....                       | 918                         | 786                         | 659                                      | <b>690</b>                          | 704                          | 718                          | 732                          |
| Dividends <sup>(a)(b)</sup> .....                             | 38,982                      | -                           | -  | <b>27,593</b>                       | 31,683                       | 34,705                       | 36,999                       |
| <b>EXPENSES FROM GENERAL<br/>GOVERNMENT SECTOR</b>            |                             |                             |  |                                     |                              |                              |                              |
| Operating Subsidies <sup>(c)</sup> .....                      | 21,482                      | 8,078                       | 12,372                                   | <b>5,565</b>                        | -                            | -                            | -                            |
| <b>EQUITY CONTRIBUTION FROM<br/>GENERAL GOVERNMENT SECTOR</b> |                             |                             |  |                                     |                              |                              |                              |
| Equity Contribution <sup>(d)</sup> .....                      | 640                         | 2,750                       | 1,847                                    | <b>13,653</b>                       | -                            | -                            | -                            |
| <b>RATIOS</b>   |                             |                             |  |                                     |                              |                              |                              |
| Dividend Payout Ratio (%) .....                               | 100                         | -                           | -  | <b>75</b>                           | 75                           | 75                           | 75                           |
| <b>GOVERNMENT TRADING ENTERPRISE<br/>INFORMATION</b>          |                             |                             |  |                                     |                              |                              |                              |
| Revenue from Operations .....                                 | 149,460                     | 148,136                     | 148,136                                  | <b>168,123</b>                      | 183,244                      | 189,709                      | 195,297                      |
| Revenue from Government .....                                 | 21,482                      | 8,078                       | 12,372                                   | <b>5,565</b>                        | -                            | -                            | -                            |
| Total Expenses <sup>(e)</sup> .....                           | 105,608                     | 111,826                     | 111,825                                  | <b>119,838</b>                      | 120,734                      | 122,410                      | 123,763                      |
| Total Borrowings .....  | 7,504                       | 6,194                       | 6,194                                    | <b>4,805</b>                        | 3,334                        | 1,949                        | 539                          |
| <b>NET PROFIT AFTER TAX.....</b>                              | <b>45,410</b>               | <b>31,072</b>               | <b>34,078</b>                            | <b>37,696</b>                       | <b>43,756</b>                | <b>47,109</b>                | <b>50,074</b>                |
| <b>CASH ASSETS <sup>(f)</sup> .....</b>                       | <b>79,410</b>               | <b>98,833</b>               | <b>99,195</b>                            | <b>53,438</b>                       | <b>61,924</b>                | <b>77,039</b>                | <b>93,433</b>                |

(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 Authority will retain 2021-22 dividend payments to instead contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise (GTE) for further detail.

(c) This represents subsidies paid to the Authority to facilitate the ongoing operation of the Koolyanobbing mine following Mineral Resources Limited's acquisition of this mine from the outgoing Cleveland-Cliffs in 2018.

(d) The Authority will receive Royalties for Regions funding of \$15.5 million over 2021-22 to 2022-23 to support the delivery of the Inner Harbour Access Bridge at the Port of Bunbury.

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

(f) As at 30 June each financial year.

## Financial Changes

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

|   | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Ongoing Initiative</b>   |  |                                     |                              |                              |                              |
| Government Support Package for Koolyanobbing Iron Ore.....                | (3,006)                                  | 550                                 | 730                          | -                            | -                            |
| <b>New Initiatives</b>  |  |                                     |                              |                              |                              |
| Port of Bunbury - Berth 8 Precinct Fire Ring Main (Stage 2) .....         | -  | -                                   | 754                          | 876                          | 870                          |
| Port of Bunbury - Pilot Launch Replacement .....                          | -  | -                                   | 730                          | 866                          | 864                          |
| Port of Esperance - Berth 2 Hardstand and Stormwater System (Stage 2).... | -  | -                                   | 848                          | 1,006                        | 1,001                        |
| Port of Esperance - Iron Ore Shed 3 Cladding .....                        | -  | (981)                               | (186)                        | -                            | 981                          |
| Trade and Operating Expenditure Revisions .....                           | (126)                                    | 3,794                               | 12,175                       | 11,707                       | 12,524                       |

## Significant Issues Impacting the Government Trading Enterprise

### Trade Development

1. The Authority will continue to create a pipeline of trade opportunities across various commodities and provide latent capacity to accommodate third party access to its ports. The Authority is focused on remaining agile to meet changing market conditions for commodities to mitigate the risk of reliance on any one commodity.

### Port Development

2. The Authority is focused on the sustainability of ageing asset classes, including berths and breakwaters. A key priority is the development of long-term asset management plans, including major maintenance and asset renewal plans to sustain existing capacity and capability necessary to facilitate trade.

### Sustainability

3. The Authority will continue to pursue sustainability through its operations, building a solid reputation with its customers and local communities for creating long-term value through the protection of the environment and heritage assets, while achieving strong economic and regional development for current and future generations. This will also incorporate the Government's goal of achieving net zero greenhouse gas emissions by 2050.

### Supply Chain

4. The Authority will continue to facilitate the optimisation of supply links for its customers and the State across all three of its ports.

### Innovation

5. The Authority is focused on transitioning to a fully digital organisation by 2025 and has implemented its 'Future Ports' strategy to bring the right technologies and innovation to the organisation and its customers. This includes improving digital reporting capability to enable more efficient decision making.

### 2021-22 Retained Dividend

6. The Authority will retain its forecast 2021-22 dividend payment of \$64 million to fund future infrastructure investment. The funds will be quarantined until the Government approves business cases for the strategic infrastructure requirements. Of the retained dividend amount, \$14.6 million over 2022-23 to 2025-26 has been allocated to the Sustaining Capital Works Project.

## 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 Goals   | Strategic Objectives      | Desired Outcomes  |
|--|---------------------------|---|
| Strong and Sustainable Finances:<br>Responsible, achievable, affordable budget management.   | Financially sustainable.  | 1. Maximise opportunities to create value for the State   |
| WA Jobs Plan:<br>Diversifying the WA economy, creating local jobs for the future.  | Strong regional jobs.     | 2. Maintain a flexible and nimble organisational structure with clear accountabilities for competent and knowledgeable personnel                |
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Environmental compliance. | 3. Maintain a solid reputation with customers and the community for creating long-term value which protects the environment and heritage assets |

## Outcomes and Key Performance Indicators

|   | 2020-21<br>Actual | 2021-22<br>Budget       | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Maximise opportunities to create value for the State:</b>   |                   |                         |                                |                             |      |
| Return on assets.....   | 15.5%             | 10.2%                   | 11.2%                          | 11.3%                       | 1    |
| Earnings before interest, taxes, depreciation and amortisation (\$'000).....  | 75,813            | 55,129                  | 59,394                         | 66,856                      | 2    |
| Economic rate of return <sup>(a)</sup> .....  | 9.9%              | 6.2%                    | 6.8%                           | 7.3%                        | 3    |
| Debt to equity ratio.....   | 0.14              | 0.12                    | 0.11                           | 0.09                        | 4    |
| <b>Outcome: Maintain a flexible and nimble organisational structure with clear accountabilities for competent and knowledgeable personnel:</b>                |                   |                         |                                |                             |      |
| Customer satisfaction score - corporate index score.....  | 61                | >65                     | 65                             | >65                         |      |
| Lost time injury frequency rate .....   | 7.9               | nil or 10%<br>reduction | 2.3                            | nil or 10%<br>reduction     |      |
| Total number of vessel visits .....   | 772               | 782                     | 761                            | 724                         | 5    |
| Total port trade tonnes (Kt) .....  | 35,370            | 35,791                  | 35,657                         | 32,652                      | 6    |
| <b>Outcome: Maintain a solid reputation with customers and the community for creating long-term value which protects the environment and heritage assets:</b> |                   |                         |                                |                             |      |
| Number of reportable environment incidents .....  | 1                 | nil or 10%<br>reduction | nil                            | nil or 10%<br>reduction     |      |

(a) Economic rate of return as calculated in accordance with Transport's Western Australia Port Authority – Rate of Return Calculation Methodology and Asset Valuation Policy.

## Explanation of Significant Movements

(Notes)

1. Higher return on assets for the 2020-21 Actual of 15.5% is due to transfer of assets on termination of lease arrangements, which has led to \$8.8 million brought to account as other revenue.
2. Fluctuations in earnings before interest, taxes, depreciation and amortisation due to payments associated with the Government Support Package for Koolyanobbing Iron Ore of \$21.5 million in 2020-21, \$12.4 million in 2021-22 and \$5.6 million in 2022-23.
3. Economic rate of return is higher in the 2020-21 Actual due to Government subsidies and recognition of transferred asset other revenue totalling \$30.3 million.
4. The reduction in the debt to equity ratio from 2020-21 through to 2022-23 is due to the repayment of a Western Australian Treasury Corporation loan and retention of dividend payments in 2021-22.
5. Reduction in vessel visits in the 2022-23 Budget Target is due to revised forecast iron ore tonnages.
6. The Authority consults with port users to obtain current trade forecasts, with the main movement in year-on-year trade due to revised iron ore volumes in 2022-23.

## **Asset Investment Program**

### **Asset Investment Program**

1. The Authority's Asset Investment Program for 2022-23 to 2025-26 totals \$95 million, investing in projects to support regional development and economic growth of the State through the import and export of various commodities.

### **New Projects**

2. The Authority will spend \$25.3 million over 2022-23 to 2025-26 on the following infrastructure projects:
  - 2.1. \$14.6 million on the Sustaining Capital Works Program to ensure all major assets are in a suitable condition to facilitate trade across all three ports;
  - 2.2. \$3.9 million on Berth 2 Hardstand and Stormwater System (Stage 2) at the Port of Esperance to remain compliant with the port's environment licence;
  - 2.3. \$3.6 million on Bunbury Pilot Launch replacement to provide better coverage and ensure the safe transfer of pilots in all weather conditions; and
  - 2.4. \$3.2 million on Bunbury Berth 8 Precinct Fire Ring Main to complete the fire protection system and ensure fire safety protocols.

### **Existing Projects and Minor Works**

3. The Authority will spend \$23.2 million in 2022-23 on the following existing projects:
  - 3.1. \$14 million on Esperance Iron Ore Shed 3 Recladding. Due to the existing corrosion of the Shed, combined with exacerbating sea-side conditions, remediation works are required to maximise storage capacity and trade opportunities; and
  - 3.2. \$9.2 million on minor works across its three ports for the replacement of plant and equipment, improvements to port infrastructure and other civil works.

### **COVID-19 Response**

4. The Authority will spend \$19.5 million in 2022-23 on the following infrastructure projects:
  - 4.1. \$13.7 million to commence the design and construction of a new access road and bridge to Turkey Point at the Port of Bunbury to address safety and operational issues;
  - 4.2. \$4.6 million at the Port of Esperance for the Berth 2 Hardstand and Stormwater System; and
  - 4.3. \$1.2 million at the Port of Bunbury for the Berth 8 electrical substation.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Port of Bunbury  |                                   |  |   |                                     |                              |                              |                              |
| Berth 8 Substation Replacement .....   | 1,500                             | 272  | 200   | 1,228                               | -                            | -                            | -                            |
| Inner Harbour Access Bridge.....   | 15,500                            | 1,847  | 1,650   | 13,653                              | -                            | -                            | -                            |
| Port of Esperance - Berth 2 Hardstand and Stormwater<br>System.....            | 5,000                             | 355  | 200   | 4,645                               | -                            | -                            | -                            |
| <b>Other Works in Progress</b>   |                                   |  |   |                                     |                              |                              |                              |
| Port of Esperance - Iron Ore Shed 3 Recladding.....                            | 14,580                            | 625  | 625   | 13,955                              | -                            | -                            | -                            |
| <b>COMPLETED WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Port of Bunbury - Required Berth 8 Fire System .....                           | 500                               | 500  | 420   | -                                   | -                            | -                            | -                            |
| Port of Esperance  |                                   |  |   |                                     |                              |                              |                              |
| Additional Container Hardstand .....   | 2,000                             | 2,000  | 1,640   | -                                   | -                            | -                            | -                            |
| Sealing Internal Port Roads .....  | 1,500                             | 1,500  | 1,321   | -                                   | -                            | -                            | -                            |
| <b>Other Completed Works</b>   |                                   |  |   |                                     |                              |                              |                              |
| Minor Works - 2021-22 Program .....  | 12,238                            | 12,238   | 12,238  | -                                   | -                            | -                            | -                            |
| Port of Bunbury  |                                   |  |   |                                     |                              |                              |                              |
| Berth 8 Capacity Upgrade .....   | 8,882                             | 8,882  | 2,360   | -                                   | -                            | -                            | -                            |
| Tuart Pilot Launch Re-engine .....   | 550                               | 550  | 230   | -                                   | -                            | -                            | -                            |
| Port of Esperance  |                                   |  |   |                                     |                              |                              |                              |
| Power Connection.....  | 2,479                             | 2,479  | 2,479   | -                                   | -                            | -                            | -                            |
| Trade Facilitation Upgrade - Shed 4 .....                                      | 3,168                             | 3,168  | 1,865   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Infrastructure - Sustaining Capital Works.....                                 | 14,556                            | -  | -   | 7,836                               | 3,558                        | 1,783                        | 1,379                        |
| Minor Works  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 9,245                             | -  | -   | 9,245                               | -                            | -                            | -                            |
| 2023-24 Program .....  | 9,000                             | -  | -   | -                                   | 9,000                        | -                            | -                            |
| 2024-25 Program .....  | 9,000                             | -  | -   | -                                   | -                            | 9,000                        | -                            |
| 2025-26 Program .....  | 9,000                             | -  | -   | -                                   | -                            | -                            | 9,000                        |
| Port of Bunbury  |                                   |  |   |                                     |                              |                              |                              |
| Berth 8 Precinct Fire Ring Main (Stage 2).....                                 | 3,230                             | -  | -   | 2,730                               | 500                          | -                            | -                            |
| Pilot Launch Replacement.....  | 3,577                             | -  | -   | 2,706                               | 871                          | -                            | -                            |
| Port of Esperance - Berth 2 Hardstand and Stormwater<br>System (Stage 2) ..... | 3,890                             | -  | -   | 3,390                               | 500                          | -                            | -                            |
| <b>Total Cost of Asset Investment Program.....</b>                             | <b>129,395</b>                    | <b>34,416</b>                                    | <b>25,228</b>                                 | <b>59,388</b>                       | <b>14,429</b>                | <b>10,783</b>                | <b>10,379</b>                |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Drawdowns from Royalties for Regions Fund .....                                |                                   |  | 1,847   | 13,653                              | -                            | -                            | -                            |
| Internal Funds and Balances.....   |                                   |  | 23,381  | 45,735                              | 14,429                       | 10,783                       | 10,379                       |
| <b>Total Funding .....</b>   |                                   |  | <b>25,228</b>                                 | <b>59,388</b>                       | <b>14,429</b>                | <b>10,783</b>                | <b>10,379</b>                |



## Financial Statements

### Income Statement

#### Revenue

- Operating subsidies - the Authority receives an operating subsidy to facilitate the ongoing operation of the Koolyanobbing mine following Mineral Resources Limited's acquisition of this mine from the outgoing Cleveland-Cliffs in 2018. This operating subsidy is forecast to cease in 2022-23, subject to actual throughput in 2022-23.

### Statement of Financial Position

- Non-Current Liabilities - borrowings and leases - the Authority has a loan agreement with the Western Australian Treasury Corporation that was utilised for the construction of various assets at Esperance Port. This loan is due to expire in 2027. The Authority has a capital user charge agreement (non-current receivable) in place with respect to these assets.

### Statement of Cashflows

- Purchase of non-current assets - the increase in the 2022-23 Budget Year relates to Asset Investment Program projects. The increase in receipts from 2023-24 is due to port charge increases applied to fund the Sustaining Capital Works Program.

#### INCOME STATEMENT <sup>(a)</sup> (Controlled)

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE</b>                            |                             |                             |  |                                     |                              |                              |                              |
| <b>Revenue from operations</b>            |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....           | 137,780                     | 134,833                     | 136,015                                  | 138,025                             | 168,640                      | 174,627                      | 179,953                      |
| Other revenue <sup>(b)</sup> .....        | 11,680                      | 13,303                      | 12,121                                   | 30,098                              | 14,604                       | 15,082                       | 15,344                       |
| <b>Revenue from Government</b>            |                             |                             |  |                                     |                              |                              |                              |
| Operating subsidies.....                  | 21,482                      | 8,078                       | 12,372                                   | 5,565                               | -                            | -                            | -                            |
| <b>TOTAL REVENUE.....</b>                 | <b>170,942</b>              | <b>156,214</b>              | <b>160,508</b>                           | <b>173,688</b>                      | <b>183,244</b>               | <b>189,709</b>               | <b>195,297</b>               |
| <b>Expenses</b>                           |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(c)</sup> .....    | 37,181                      | 39,188                      | 39,299                                   | 46,184                              | 47,475                       | 49,693                       | 50,748                       |
| Supplies and services .....               | 36,817                      | 40,188                      | 41,216                                   | 43,464                              | 40,894                       | 39,972                       | 40,002                       |
| Accommodation .....                       | 11,346                      | 11,070                      | 11,880                                   | 9,045                               | 9,745                        | 9,905                        | 10,082                       |
| Depreciation and amortisation .....       | 10,333                      | 10,965                      | 10,935                                   | 12,808                              | 14,257                       | 14,259                       | 14,262                       |
| Finance and interest costs.....           | 636                         | 568                         | 568                                      | 351                                 | 267                          | 179                          | 93                           |
| Other expenses.....                       | 9,295                       | 9,847                       | 7,927                                    | 7,986                               | 8,096                        | 8,402                        | 8,576                        |
| <b>TOTAL EXPENSES.....</b>                | <b>105,608</b>              | <b>111,826</b>              | <b>111,825</b>                           | <b>119,838</b>                      | <b>120,734</b>               | <b>122,410</b>               | <b>123,763</b>               |
| <b>NET PROFIT/(LOSS) BEFORE TAX .....</b> | <b>65,334</b>               | <b>44,388</b>               | <b>48,683</b>                            | <b>53,850</b>                       | <b>62,510</b>                | <b>67,299</b>                | <b>71,534</b>                |
| National Tax Equivalent Regime            |                             |                             |  |                                     |                              |                              |                              |
| Current tax equivalent expense .....      | 18,335                      | 13,316                      | 14,605                                   | 16,154                              | 18,754                       | 20,190                       | 21,460                       |
| Deferred tax equivalent expense .....     | 1,589                       | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>NET PROFIT/(LOSS) AFTER TAX .....</b>  | <b>45,410</b>               | <b>31,072</b>               | <b>34,078</b>                            | <b>37,696</b>                       | <b>43,756</b>                | <b>47,109</b>                | <b>50,074</b>                |
| <b>Dividends .....</b>                    | <b>38,982</b>               | <b>-</b>                    | <b>-</b>                                 | <b>27,593</b>                       | <b>31,683</b>                | <b>34,705</b>                | <b>36,999</b>                |

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

(b) Other Revenue in the 2022-23 Budget Year includes \$18.2 million recognition of transferred assets from termination of arrangements.

(c) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 223, 250 and 277 respectively.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|                                       | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---------------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Cash assets <sup>(b)</sup> .....      | 79,410                      | 40,560                      | 35,234                                   | 71                                  | 9,357                        | 26,255                       | 44,028                       |
| Cash assets - Retained dividends..... | -                           | 58,273                      | 63,961                                   | 53,367                              | 52,567                       | 50,784                       | 49,405                       |
| Receivables .....                     | 23,521                      | 19,629                      | 22,621                                   | 27,524                              | 31,056                       | 32,073                       | 33,363                       |
| Other.....                            | 4,888                       | 3,089                       | 4,994                                    | 5,082                               | 5,172                        | 5,264                        | 5,357                        |
| Total current assets .....            | 107,819                     | 121,551                     | 126,810                                  | 86,044                              | 98,152                       | 114,376                      | 132,153                      |
| <b>NON-CURRENT ASSETS</b>             |                             |                             |  |                                     |                              |                              |                              |
| Property, plant and equipment.....    | 164,868                     | 177,407                     | 179,366                                  | 243,985                             | 244,386                      | 241,193                      | 237,207                      |
| Receivables .....                     | 7,769                       | 6,403                       | 6,403                                    | 4,949                               | 3,401                        | 1,753                        | -                            |
| Other.....                            | 9,017                       | 14,774                      | 9,063                                    | 9,110                               | 9,158                        | 9,207                        | 9,257                        |
| Total non-current assets .....        | 181,654                     | 198,584                     | 194,832                                  | 258,044                             | 256,945                      | 252,153                      | 246,464                      |
| <b>TOTAL ASSETS</b> .....             | 289,473                     | 320,135                     | 321,642                                  | 344,088                             | 355,097                      | 366,529                      | 378,617                      |
| <b>CURRENT LIABILITIES</b>            |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....             | 8,033                       | 7,899                       | 7,987                                    | 8,139                               | 8,293                        | 8,451                        | 8,613                        |
| Payables .....                        | 7,537                       | 9,036                       | 7,770                                    | 7,879                               | 8,069                        | 8,263                        | 8,463                        |
| Borrowings and leases .....           | 1,490                       | 1,389                       | 1,389                                    | 1,473                               | 1,385                        | 1,410                        | 539                          |
| Other.....                            | 4,758                       | 1,984                       | 2,009                                    | 2,041                               | 2,074                        | 2,107                        | 2,141                        |
| Total current liabilities .....       | 21,818                      | 20,308                      | 19,155                                   | 19,532                              | 19,821                       | 20,231                       | 19,756                       |
| <b>NON-CURRENT LIABILITIES</b>        |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....             | 1,345                       | 1,452                       | 1,371                                    | 1,399                               | 1,427                        | 1,455                        | 1,484                        |
| Borrowings and leases .....           | 6,347                       | 5,278                       | 5,228                                    | 3,513                               | 2,132                        | 722                          | 181                          |
| Other.....                            | 5,227                       | 8,523                       | 5,227                                    | 5,227                               | 5,227                        | 5,227                        | 5,227                        |
| Total non-current liabilities .....   | 12,919                      | 15,253                      | 11,826                                   | 10,139                              | 8,786                        | 7,404                        | 6,892                        |
| <b>TOTAL LIABILITIES</b> .....        | 34,737                      | 35,561                      | 30,981                                   | 29,671                              | 28,607                       | 27,635                       | 26,648                       |
| <b>NET ASSETS</b> .....               | 254,736                     | 284,574                     | 290,661                                  | 314,417                             | 326,490                      | 338,894                      | 351,969                      |
| <b>EQUITY</b>                         |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....              | 94,899                      | 97,649                      | 96,746                                   | 110,399                             | 110,399                      | 110,399                      | 110,399                      |
| Accumulated surplus/(deficit).....    | 145,022                     | 172,110                     | 179,100                                  | 189,203                             | 201,276                      | 213,680                      | 226,755                      |
| Reserves.....                         | 14,815                      | 14,815                      | 14,815                                   | 14,815                              | 14,815                       | 14,815                       | 14,815                       |
| <b>TOTAL EQUITY</b> .....             | 254,736                     | 284,574                     | 290,661                                  | 314,417                             | 326,490                      | 338,894                      | 351,969                      |

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

(b) Dividend payment with payout ratio of 75% rate resumes in 2022-23.

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....                             | 115,595                     | 123,752                     | 124,102                                  | 119,846                             | 147,767                      | 156,892                      | 161,613                      |
| GST receipts .....  | 14,996                      | 15,284                      | 14,916                                   | 16,350                              | 18,117                       | 19,019                       | 19,601                       |
| Other receipts .....  | 25,753                      | 22,437                      | 21,811                                   | 25,311                              | 32,042                       | 31,900                       | 32,498                       |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....                                      | (35,918)                    | (38,988)                    | (39,348)                                 | (46,004)                            | (47,292)                     | (49,506)                     | (50,557)                     |
| Supplies and services .....                                 | (43,265)                    | (41,723)                    | (40,869)                                 | (43,386)                            | (40,911)                     | (40,041)                     | (39,680)                     |
| Accommodation <sup>(b)</sup> .....                          | (10,428)                    | (10,284)                    | (11,221)                                 | (8,355)                             | (9,041)                      | (9,187)                      | (9,350)                      |
| GST payments .....  | (14,784)                    | (15,059)                    | (14,916)                                 | (16,350)                            | (18,117)                     | (19,019)                     | (19,600)                     |
| Finance and interest costs.....                             | (660)                       | (565)                       | (405)                                    | (348)                               | (264)                        | (176)                        | (90)                         |
| Other payments.....   | (8,678)                     | (9,437)                     | (7,927)                                  | (7,986)                             | (8,096)                      | (8,402)                      | (8,577)                      |
| <b>Net cash from operating activities .....</b>             | <b>42,611</b>               | <b>45,417</b>               | <b>46,143</b>                            | <b>39,078</b>                       | <b>74,205</b>                | <b>81,480</b>                | <b>85,858</b>                |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from sale of non-current assets.....               | 79                          | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                        | (12,570)                    | (29,247)                    | (25,228)                                 | (59,388)                            | (14,429)                     | (10,783)                     | (10,379)                     |
| <b>Net cash from investing activities .....</b>             | <b>(12,491)</b>             | <b>(29,247)</b>             | <b>(25,228)</b>                          | <b>(59,388)</b>                     | <b>(14,429)</b>              | <b>(10,783)</b>              | <b>(10,379)</b>              |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Other proceeds .....  | 1,205                       | 1,283                       | 1,283                                    | 1,366                               | 1,454                        | 1,548                        | 1,648                        |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases .....                    | (4,239)                     | (1,442)                     | (1,442)                                  | (1,521)                             | (1,603)                      | (1,517)                      | (1,542)                      |
| <b>Net cash from financing activities .....</b>             | <b>(3,034)</b>              | <b>(159)</b>                | <b>(159)</b>                             | <b>(155)</b>                        | <b>(149)</b>                 | <b>31</b>                    | <b>106</b>                   |
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Administered appropriations .....                           | 24                          | -                           | -  | -                                   | -                            | -                            | -                            |
| Operating subsidies.....                                    | 21,482                      | 8,078                       | 12,372                                   | 5,565                               | -                            | -                            | -                            |
| Equity Contributions .....                                  | 640                         | 2,750                       | 1,847                                    | 13,653                              | -                            | -                            | -                            |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Dividends to Government .....                               | (38,982)                    | -                           | -  | (27,593)                            | (31,683)                     | (34,705)                     | (36,999)                     |
| National Tax Equivalent Regime - Income tax...              | (22,236)                    | (13,316)                    | (14,531)                                 | (16,227)                            | (18,754)                     | (20,190)                     | (21,460)                     |
| Local Government Rates Equivalent.....                      | (918)                       | (786)                       | (659)                                    | (690)                               | (704)                        | (718)                        | (732)                        |
| <b>Net cash provided to Government .....</b>                | <b>39,990</b>               | <b>3,274</b>                | <b>971</b>                               | <b>25,292</b>                       | <b>51,141</b>                | <b>55,613</b>                | <b>59,191</b>                |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>           | <b>(12,904)</b>             | <b>12,737</b>               | <b>19,785</b>                            | <b>(45,757)</b>                     | <b>8,486</b>                 | <b>15,115</b>                | <b>16,394</b>                |
| Cash assets at the beginning of the reporting period .....  | 92,314                      | 86,096                      | 79,410                                   | 99,195                              | 53,438                       | 61,924                       | 77,039                       |
| <b>Cash assets at the end of the reporting period .....</b> | <b>79,410</b>               | <b>98,833</b>               | <b>99,195</b>                            | <b>53,438</b>                       | <b>61,924</b>                | <b>77,039</b>                | <b>93,433</b>                |

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

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

## Part 10

### Environment

#### Introduction

The Environment portfolio works to create better places for the community with a quality environment. It provides facilities and experiences for the community to enjoy and appreciate Western Australia's natural landscapes and attractions, including Kings Park and Bold Park, Rottnest Island, Perth Zoo, Swan and Canning Riverpark, national parks and other lands and waters. Importantly, the portfolio delivers effective regulation to protect the environment and ensure investment and development is underpinned by sustainable management of the State's resources for the long-term benefit of the State.

#### Summary of Recurrent and Asset Investment Expenditure

| Agency                                     | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|--|--|-------------------------------------|
| Water and Environmental Regulation         |  |                                     |
| – Total Cost of Services .....             | 228,516                                  | 276,432                             |
| – Asset Investment Program .....           | 29,412                                   | 29,065                              |
| Biodiversity, Conservation and Attractions |  |                                     |
| – Total Cost of Services .....             | 458,873                                  | 481,075                             |
| – Asset Investment Program .....           | 88,733                                   | 140,592                             |

## Ministerial Responsibilities

| Minister   | Agency                                     | Services  |
|--|--|---|
| Minister for Water; Forestry; Youth  | Water and Environmental Regulation         | <ol style="list-style-type: none"> <li>1. Water Information and Advice</li> <li>2. Water Planning, Allocation and Optimisation</li> <li>3. Water Regulation, Licensing and Industry Governance</li> </ol>   |
| Minister for Water; Forestry; Youth  | Water and Environmental Regulation         | <ol style="list-style-type: none"> <li>5. Water and Environment Policy</li> </ol>   |
| Minister for Environment; Climate Action   |  |   |
| Minister for Environment; Climate Action   | Water and Environmental Regulation         | <ol style="list-style-type: none"> <li>4. Environmental Regulation</li> <li>6. Waste Strategies</li> <li>7. Environmental Impact Assessment Services to the Environmental Protection Authority (EPA)</li> <li>8. Environmental Management Services to the EPA</li> <li>9. Compliance Monitoring Services to the Minister</li> </ol>   |
|  | Biodiversity, Conservation and Attractions | <ol style="list-style-type: none"> <li>1. Visitor Services and Public Programs Provided at Kings Park and Bold Park</li> <li>3. Visitor Services and Public Programs Provided at Perth Zoo</li> <li>4. Visitor Services and Public Programs Provided in the Swan and Canning Riverpark</li> <li>5. Visitor Services and Public Programs Provided in National Parks and Other Lands and Waters</li> <li>6. Conserving Habitats, Species and Ecological Communities</li> <li>7. Research and Conservation Partnerships</li> <li>8. Implementation of the Forest Management Plan</li> <li>9. Prescribed Burning and Fire Management</li> <li>10. Bushfire Suppression</li> </ol> |
| Deputy Premier; Minister for State Development, Jobs and Trade; Tourism; Commerce; Science | Biodiversity, Conservation and Attractions | <ol style="list-style-type: none"> <li>2. Visitor Services and Public Programs Provided at Rottnest Island</li> </ol>   |

# Division 41      **Water and Environmental Regulation**

## Part 10              Environment

### Appropriations, Expenses and Cash Assets

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>                               |                             |                             |  |                                     |                              |                              |                              |
| Item 85 Net amount appropriated to deliver services ..... | 104,076                     | 117,781                     | 105,212                                  | 125,414                             | 113,034                      | 102,009                      | 96,007                       |
| <b>Amount Authorised by Other Statutes</b>                |                             |                             |  |                                     |                              |                              |                              |
| - Salaries and Allowances Act 1975 .....                  | 402                         | 402                         | 402                                      | 403                                 | 404                          | 405                          | 405                          |
| Total appropriations provided to deliver services.....    | 104,478                     | 118,183                     | 105,614                                  | 125,817                             | 113,438                      | 102,414                      | 96,412                       |
| <b>CAPITAL</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 148 Capital Appropriation.....                       | 7,855                       | 11,791                      | 11,443                                   | 14,277                              | 8,369                        | 6,923                        | 6,848                        |
| <b>TOTAL APPROPRIATIONS .....</b>                         | <b>112,333</b>              | <b>129,974</b>              | <b>117,057</b>                           | <b>140,094</b>                      | <b>121,807</b>               | <b>109,337</b>               | <b>103,260</b>               |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....                              | 183,147                     | 254,636                     | 228,516                                  | 276,432                             | 232,606                      | 217,093                      | 205,838                      |
| Net Cost of Services <sup>(a)</sup> .....                 | 63,296                      | 109,595                     | 75,979                                   | 119,854                             | 87,521                       | 74,084                       | 66,687                       |
| <b>CASH ASSETS <sup>(b)</sup> .....</b>                   | <b>72,678</b>               | <b>71,469</b>               | <b>81,382</b>                            | <b>60,091</b>                       | <b>51,076</b>                | <b>45,859</b>                | <b>42,342</b>                |

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

(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<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>New Initiatives</b>   |  |                                     |                              |                              |                              |
| <b>Climate Action</b>  |  |                                     |                              |                              |                              |
| Climate Resilient WA.....  | -  | 120                                 | -                            | -                            | -                            |
| Climate Risk Advisory Service .....  | -  | 408                                 | 412                          | 415                          | 381                          |
| Health Sector Adaptation Plan .....  | -  | 175                                 | 175                          | -                            | -                            |
| Resourcing for Senior Executive Position for Climate Change .....                                | -  | 223                                 | 225                          | 228                          | 229                          |
| Sectoral Emissions Reduction Strategies.....   | 509                                      | 825                                 | 631                          | -                            | -                            |
| Strengthened Carbon Farming Policy Capability .....  | -  | 327                                 | 331                          | 335                          | 338                          |
| Supporting Agencies to Estimate Emissions and Assess Opportunities for Emissions Reductions..... | -  | 400                                 | -                            | -                            | -                            |
| Commonwealth Funding - National Water Grid Fund.....   | 400                                      | 800                                 | 400                          | -                            | -                            |
| Delivery of Gngangara Allocation Plan .....  | -  | 754                                 | 766                          | 777                          | 788                          |
| Exmouth Gulf Coordinating Body .....   | -  | 842                                 | 861                          | 884                          | -                            |
| Native Vegetation Policy Implementation.....   | -  | 1,112                               | 1,606                        | -                            | -                            |
| Plan for Plastics Community Engagement Program - Stage 1.....                                    | 500                                      | -                                   | -                            | -                            | -                            |
| Rebuild of Australind Jetty.....   | -  | 3,000                               | -                            | -                            | -                            |

|   | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Ongoing Initiatives</b>  |  |                                     |                              |                              |                              |
| Commonwealth Funding - Indian Ocean Territories .....                         | 136                                      | 136                                 | 136                          | 136                          | 136                          |
| Compliance Resourcing .....   | -  | 707                                 | 717                          | -                            | -                            |
| Murujuga Rock Art Strategy .....  | -  | 6,874                               | 5,064                        | 5,209                        | 3,457                        |
| Plant Equipment and Minor Works - Funding Reclassification.....               | 700                                      | 700                                 | 700                          | 700                          | 700                          |
| Port Hedland Ambient Air Quality Monitoring.....                              | 347                                      | 717                                 | 738                          | 760                          | 783                          |
| Replace and Maintain Monitoring Bores Program - Funding Reclassification .... | -  | (600)                               | (600)                        | (600)                        | (600)                        |
| <b>Other</b>  |  |                                     |                              |                              |                              |
| Audit Fees Adjustment .....   | -  | 30                                  | 30                           | 30                           | 30                           |
| Resources Received Free of Charge.....  | 1,312                                    | 1,312                               | 1,312                        | 1,312                        | 1,312                        |
| RiskCover Fund Premiums .....   | -  | 518                                 | 460                          | 160                          | 345                          |
| State Fleet Policy and Procurement Initiatives.....                           | 11                                       | 22                                  | 12                           | 10                           | -                            |

## Significant Issues Impacting the Agency

### Climate Change

1. The Western Australian Climate Policy underscores the Government's commitment to net zero greenhouse gas emissions by 2050 and commits to the development of sectoral emissions reduction strategies (SERS) to guide the net zero transition. The former Minister for Climate Action launched the process for developing the SERS in December 2021. The work is scheduled to be finalised by the end of 2023. The SERS will be critical to addressing the economic risks and opportunities of the net zero transition and support the Government's leadership on climate action.
2. The Department has received resourcing to lead development of the SERS. This includes coordinating modelling, analysis, consultation and policy development across the Energy; Transport; Planning; Lands; State Development, Jobs and Trade; Mines and Petroleum; Commerce; Agriculture and Food; and Hydrogen Industry portfolios. Evaluation of emissions reduction pathways through the SERS will inform future investments to accelerate emissions reduction and deliver State targets.

### Native Vegetation Policy for Western Australia

3. The Department will be leading the whole-of-government Native Vegetation Policy for Western Australia (the Policy), with actions across several government agencies. Funding to implement the Policy has been confirmed for the first two years of the program. The Policy drives a coordinated approach across Government to maximise the environmental, climate, economic, social and cultural benefits from effectively managing the State's native vegetation. It will address the decline in native vegetation, improve consistency and transparency across government processes and enhance the State's capability to map and monitor native vegetation.
4. The Policy's implementation will deliver strategic benefits aligned with and complementary to other Government policies and programs such as Streamline WA, Planning Reform, Western Australian Climate Policy, Digital Strategy for the Western Australian Government 2021-2025, Whole of Government Open Data Policy, Aboriginal Empowerment Strategy - Western Australia 2021-2029 and Diversify WA.

### Plan for Plastics

5. On 1 January 2022, regulations to implement stage one of Western Australia's Plan for Plastics commenced. The regulations phase out single-use plastic bowls, cups, plates, cutlery, stirrers, straws, polystyrene food containers, thick plastic bags and helium balloon releases. Stage two will commence on 1 January 2023 and proposes the phasing out of barrier bags, microbeads, polystyrene packaging, polystyrene cups, coffee cups and lids, cotton buds with plastic shafts, lids for cups and bowls and oxo-degradable plastics. The Department has established a stakeholder group to help guide the phase-out. It is also providing support to retailers, suppliers and consumers to help them adapt.

### **Murujuga Rock Art Monitoring**

6. Murujuga (the Dampier Archipelago, including the Burrup Peninsula) has one of the largest collections of rock art (petroglyphs) in the world. The rock art is of immense cultural and spiritual significance to Aboriginal people and of significant State, national and international heritage value. The Government is committed to protecting the rock art.
7. The Department has a partnership with the Murujuga Aboriginal Corporation (MAC) to implement the Murujuga Rock Art Strategy (the Strategy) to protect the rock art and includes funding to support MAC in its long-term endeavour to manage Murujuga. The Strategy establishes a transparent, risk-based and adaptive framework for managing and monitoring the rock art to protect it from the impacts of anthropogenic emissions. A rock art monitoring program is being implemented to determine whether further regulation of emissions from industries on Murujuga and surrounds is required.
8. In early 2022, the Circle of Elders provided cultural approval for monitoring sites selected by scientists. The final monitoring studies, data collection and analysis plan was published following peer review and endorsement by MAC.

### **Addressing Impacts of Climate Change on Water Resources and Availability**

9. Addressing the impacts of climate change on the State's water resources, particularly in the South West of the State, continues to be a key focus of the Department's water science and planning activities. With less water available from traditional sources, meeting the water demands of a growing population and economy is increasingly reliant on improvements to water use efficiency, water trading and development of alternative non-potable water sources by water service providers and private industry.
10. Climate change modelling underpins the Department's water allocation planning activities. Climate projections will continue to be updated with the most recent data and modelling techniques and will be incorporated in all water planning activities. This modelling will help to define implications for water availability and reliability, as well as for the State's unique environments.

### **Western Australia's Economic Growth and Regulatory Approvals**

11. Growth in Western Australia's mining, oil and gas and renewable sectors has been significant, with the Department experiencing a surge in the number of proposals, works approvals and licence applications. In particular, demand for approvals for strategically important mining and mineral exploration has increased in recent years with the Environmental Protection Authority (EPA) and the Department experiencing a continued high level of applications and referrals. Where possible, the Department has engaged experienced consultants and continues to investigate innovative approaches that will reduce the backlog of applications and referrals. The Department will progress Streamline WA efficiencies, the development of Environment Online, and the Agency Capability Review outcomes to continue its delivery of more efficient and effective assessments.
12. To address the increase in demand for approvals, the Government has committed \$40.1 million over 2021-22 to 2024-25 for 70.5 full-time equivalents (FTEs). The FTE injection created 17 new frontline assessing officer positions to manage the significant volume of new and existing applications for industry. The remaining FTE injection enabled temporary positions to be made permanent, subject matter experts to be allocated to the Environment Online program and the development of subsidiary legislation to implement the *Environmental Protection Amendment Act 2020*. Filling these additional positions has been challenging due to the high demand for environmental assessment skills within industry and other government agencies, including Government Trading Enterprises.



### **Environment Online**

13. Environment Online will be Western Australia's digital 'one-stop shop' platform for water and environmental regulation. Importantly, it will also remove duplication by linking with Commonwealth environmental approvals.
14. This digitised environmental regulation and assessment platform will create a more seamless and unified user experience for industry, developers, the community and government staff. It will also streamline approvals and enable proactive compliance management by creating better links between the steps in the regulatory cycle. The 2022-23 financial year will see the delivery of environmental impact assessment elements of the project. The system has been co-designed with industry, government and non-government organisations. Road testing by industry in February 2022 resulted in 250 constructive suggestions, which are influencing the final design.
15. Environment Online supports the objectives of the Government's Streamline WA initiative, including the Statement of Expectations, the Digital Environmental Assessment Program (a Commonwealth-State collaboration), and the Department's regulatory reforms and the COVID-19 Response.

### **Streamline WA**

16. The Department continues to play an active role in the Streamline WA initiative, including as a member of the Council of Regulators, which is charged with driving approvals and regulatory reform.
17. In addition to Environment Online, the Department is working to assist with the development of the biodiversity information project, Dandjoo, and is implementing a series of practical initiatives to simplify the approvals and regulatory processes. These include reducing the reporting burden on proponents, hosting common understanding workshops for frontline officers across agencies, and eliminating unnecessary planning referrals to the EPA.

### **Improving Aboriginal Inclusion in Water Management and Planning**

18. There is increasing recognition of the importance of including Aboriginal people in water management and planning and ensuring current and future Aboriginal cultural, social and economic development opportunities are incorporated upfront in the Department's water allocation planning activities.
19. This will be given effect through future water allocation plans, which will include greater recognition of Traditional Owners' connection to country and water, strong consultation requirements for any development and water licence applications, protection of the cultural values associated with water and natural flow regimes, and establishment of water reserves for Aboriginal people's economic use.
20. The Government is implementing the Yamatji Nation Indigenous Land Use Agreement 2020 (the Agreement). It includes 25 gigalitres per year of groundwater in an Aboriginal water reserve that will be complemented by a groundwater investigation, drilling and licensing program. The Agreement also includes other water-related items including training for water monitors and the documentation and restoration of important water-related cultural sites. Further impetus for greater inclusion of Aboriginal people in water planning and initiatives like Aboriginal water reserves has been provided through the National Agreement on Closing the Gap announced in July 2020.

### **Bindjareb Djilba - A Plan for the Protection of the Peel-Harvey Estuary**

21. The Government has committed \$5 million over 2021-22 to 2024-25 to support the implementation of Bindjareb Djilba - A Plan for the Protection of the Peel-Harvey Estuary. This investment builds on the \$4 million committed to the Peel-Harvey Estuary through the Healthy Estuaries WA program announced as part of the COVID-19 Response. This is a whole-of-catchment, whole-of-government strategy outlining a series of actions that, when taken together, will lead to improvements in water quality. It provides a once-in-a-decade opportunity to work in new ways, linking land use planning and development to water quality outcomes while supporting community and environmental needs.

## **Rural Water Program**

22. The southern half of Western Australia is being hit particularly hard by the impacts of climate change, presenting long-term water security challenges for farmers in the regions. Water carting is coordinated by the Department to enable farmers in areas officially declared water deficient to access drinking water to provide to livestock. This is a variable annual cost to the Department as water deficiencies are dependent on water storage following winter rainfall. The period January to June 2020 saw a record number of sites declared water deficient, with water carted to 12 sites at a total cost of \$2.8 million. At present, water is being carted to two sites in the Shire of Esperance at an estimated cost of \$300,000 for the period March to June 2022.
23. The Department has a number of programs in place to manage water deficiency in rural areas including a Community Water Supply Program, which provides grants up to \$100,000 for community water supply improvements, a Farm Water Supply Planning Scheme and a large-scale asset improvement program for strategic community water supplies.

## **Waste Services Continuity**

24. The Government is supporting the waste industry in managing the impacts of COVID-19. Waste collection and processing is a critical service, and operators are facing significant challenges. Through the Waste Reform Advisory Group, the waste industry is working with the Department to address issues that put maintaining critical service delivery at risk. Issues that are considered include financial, regulatory and consistent communications.

## **Green Jobs**

25. The Government's Green Jobs Plan (the Plan) is being coordinated by the Department. The Plan is part of the Government's COVID-19 Response and includes:
  - 25.1. the \$15 million Native Vegetation Rehabilitation Scheme;
  - 25.2. the \$8 million Offsets Funds for Recovery program; and
  - 25.3. \$25 million for the Healthy Estuaries WA program.
26. The Plan is providing employment opportunities for people who have been impacted by the COVID-19 pandemic, including people in regional areas, Aboriginal people, youth, women, and people with disabilities. The Plan will also achieve good outcomes for the environment and water resources and help to protect and conserve Western Australia's flora and fauna.

## Resource Agreement

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

## Outcomes, Services and Key Performance Information

### Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the Agency's services, 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  |
|--|---|---|
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Western Australia's growth and development is supported by the sustainable management of water resources for the long-term benefit of the State.    | 1. Water Information and Advice<br>2. Water Planning, Allocation and Optimisation<br>3. Water Regulation, Licensing and Industry Governance |
|  | Emissions, discharges and clearing of native vegetation are effectively regulated to avoid unacceptable risks to public health and the environment. | 4. Environmental Regulation   |
|  | Development and implementation of strategic policy and legislation that promoted sustainable environmental outcomes.                                | 5. Water and Environment Policy   |
|  | Waste avoided and the recovery of materials from landfill maximised.  | 6. Waste Strategies   |
|  | Quality advice to the EPA and Minister for Environment (the Minister) on significant proposals and environmental issues.                            | 7. Environmental Impact Assessment Services to the EPA<br>8. Environmental Management Services to the EPA                                   |
|  | Compliance with Ministerial Statement implementation conditions is monitored effectively.   | 9. Compliance Monitoring Services to the Minister   |

### Service Summary

| Expense  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Water Information and Advice.....                         | 28,161                      | 37,628                      | 37,778                                   | 37,771                              | 36,908                       | 36,880                       | 35,641                       |
| 2. Water Planning, Allocation and Optimisation ....          | 34,453                      | 37,156                      | 35,853                                   | 35,792                              | 34,416                       | 35,702                       | 35,019                       |
| 3. Water Regulation, Licensing and Industry Governance ..... | 16,034                      | 15,322                      | 15,391                                   | 18,427                              | 18,193                       | 18,916                       | 18,476                       |
| 4. Environmental Regulation .....                            | 41,656                      | 51,653                      | 46,453                                   | 44,280                              | 44,533                       | 42,529                       | 43,216                       |
| 5. Water and Environment Policy.....                         | 10,943                      | 27,735                      | 18,254                                   | 37,386                              | 32,179                       | 27,451                       | 17,324                       |
| 6. Waste Strategies.....                                     | 30,581                      | 60,222                      | 50,866                                   | 75,886                              | 40,422                       | 30,881                       | 31,130                       |
| 7. Environmental Impact Assessment Services to the EPA ..... | 13,617                      | 16,323                      | 15,328                                   | 17,463                              | 17,011                       | 16,473                       | 16,674                       |
| 8. Environmental Management Services to the EPA.....         | 4,391                       | 4,996                       | 4,897                                    | 5,419                               | 4,999                        | 4,516                        | 4,558                        |
| 9. Compliance Monitoring Services to the Minister .....      | 3,311                       | 3,601                       | 3,696                                    | 4,008                               | 3,945                        | 3,745                        | 3,800                        |
| <b>Total Cost of Services .....</b>                          | <b>183,147</b>              | <b>254,636</b>              | <b>228,516</b>                           | <b>276,432</b>                      | <b>232,606</b>               | <b>217,093</b>               | <b>205,838</b>               |

## Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Western Australia's growth and development is supported by the sustainable management of water resources for the long-term benefit of the State:</b>   |                   |                   |                                |                             |      |
| Proportion of stakeholders who perceive the Department to be effectively managing the State's water as a resource for sustainable, productive use.....   | 62%               | 62%               | 59%                            | 60%                         |      |
| Proportion of priority growth areas that have a water supply planning strategy .....   | 100%              | 14%               | 14%                            | 57%                         | 1    |
| <b>Outcome: Emissions, discharges and clearing of native vegetation are effectively regulated to avoid unacceptable risks to public health and the environment:</b>  |                   |                   |                                |                             |      |
| Percentage of regulatory compliance activities completed as planned .....  | 100%              | 100%              | 88%                            | 100%                        | 2    |
| Percentage of potential environmental risks identified during compliance monitoring program that are rectified within two months .....   | 20%               | 40%               | 29%                            | 40%                         | 3    |
| <b>Outcome: Development and implementation of strategic policy and legislation that promoted sustainable environmental outcomes:</b>   |                   |                   |                                |                             |      |
| Percentage of advice and recommendations that met Ministerial approval, without the need for significant modification .....  | 92%               | 95%               | 97%                            | 95%                         |      |
| <b>Outcome: Waste avoided and the recovery of materials from landfill maximised:</b>   |                   |                   |                                |                             |      |
| Percentage of municipal solid waste reported as diverted from landfill through recycling compared to the waste strategy target in the Perth Metropolitan Region <sup>(b)</sup> .....                         | 31%               | 65%               | 31%                            | 65%                         | 4    |
| Percentage of commercial and industrial waste reported as diverted from landfill through recycling compared to the State-wide waste strategy target <sup>(b)</sup> .....                                     | 44%               | 70%               | 40%                            | 70%                         | 5    |
| Percentage of construction and demolition waste reported as diverted from landfill through recycling compared to the State-wide waste strategy target <sup>(b)</sup> ....                                    | 81%               | 75%               | 84%                            | 75%                         | 6    |
| <b>Outcome: Quality advice to the EPA and Minister for Environment (the Minister) on significant proposals and environmental issues:</b>   |                   |                   |                                |                             |      |
| The EPA's satisfaction with the Office of the Environmental Protection Authority's (OEPA) Environmental Impact Assessment (EIA) services during the year, in line with best practice principles of EIA ..... | 96%               | 80%               | 95%                            | 82%                         | 7    |
| Percentage of project-specific conditions which did not require significant change following the appeal process .....  | 98%               | 80%               | 85%                            | 82%                         | 8    |
| Percentage of assessments that met agreed timelines .....  | 92%               | 75%               | 75%                            | 75%                         | 9    |
| The EPA's satisfaction with the OEPA's provision of environmental management services during the year .....  | 94%               | 80%               | 95%                            | 82%                         | 10   |
| <b>Outcome: Compliance with Ministerial Statement implementation conditions is monitored effectively:</b>  |                   |                   |                                |                             |      |
| The number of Ministerial Statements audited compared to targets .....   | 98%               | 100%              | 83%                            | 100%                        | 11   |

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

(b) The data used to calculate the 2020-21 Actual is based on the published Waste and recycling in Western Australia 2019-20 report. The 2021-22 Estimated Actual is based on provisional data in the draft Waste and recycling in Western Australia 2020-21 report. The 2021-22 Budget and 2022-23 Budget Target are based on the applicable Waste Strategy 2030 targets.

## Explanation of Significant Movements

### (Notes)

1. The 2020-21 year was the final year of the previous three-year planning cycle, covering the period 2018-19 to 2020-21. The 2020-21 Actual represents completion of the three remaining priority growth area planning strategies out of the 13 planned over the three-year period. The 2021-22 Budget and the 2021-22 Estimated Actual represent target completion of one priority growth area planning strategy out of the seven planned for the next three-year cycle 2021-22 to 2023-24. The 2022-23 Budget Target represents completion of four new priority growth area planning strategies.
2. The 2020-21 Actual represents the completion of all 200 planned inspections. The 2021-22 Budget represents the completion of all 160 planned inspections under the waste sector and prescribed premises compliance monitoring programs. The 2021-22 Estimated Actual is expected to be lower than the 2021-22 Budget due to staff vacancies (now filled) and as a result of compliance resources being redirected towards activities representing the greatest risk to the environment and public health. The 2022-23 Budget Target is planned to achieve 100% of the target.
3. During 2020-21, a total of 249 non-compliances were identified from inspections under the waste sector and prescribed premises compliance monitoring programs. The target of 40% of non-compliances being closed within two calendar months was not achieved due to staff vacancies (now filled) and compliance monitoring programs targeting inspections in areas of greatest risk. As a result, 20% of non-compliances were closed within the specified timeframe during 2020-21 and the 2021-22 Estimated Actual is expected to be lower than the 2021-22 Budget. Resolution of identified non-compliances is often protracted, particularly if capital works are involved, and can rely upon work undertaken by third parties requiring longer than the two-calendar month target timeframe.
4. While substantial improvements are being observed in individual local government performance following the introduction of FOGO (food organics and garden organics) services, the overall waste recovery rate has only marginally improved. Several factors have influenced this outcome, including disruptions to material recovery facility operations, market-related pressures on processors and COVID-19 related delays in supplies and services (e.g. specialist technical staff). The majority of Perth and Peel local governments have now committed to implementing FOGO and this will continue to have a positive effect on waste recovery rates as these services are fully delivered.
5. Performance has reduced in this sector likely in response to reduced material recovery facility capacity, reduced market access and delays in supplies and services needed to implement services in response to COVID-19 impacts.
6. Increases to the Waste Levy rate since 2015 have increased the cost of landfilling but have had limited response from the industry than expected. The decrease in the quantity of construction and demolition waste disposed to landfill is most likely due to the stockpiling of construction and demolition waste, which acts to increase the reported overall diversion rate.
7. The Department strives to ensure that all advice provided to the EPA is as practical, efficient, rigorous, participative, and fit-for-purpose as possible. By achieving these goals, the 2021-22 Budget is expected to be exceeded by more than 10% in the 2021-22 Estimated Actual.
8. The Department strives to ensure the conditions recommended to the EPA are as robust and comprehensive as the project requires and therefore do not require substantial change by the Office of the Appeals Convenor. In line with this goal, the Department's recommended conditions required minimal substantial changes and the 2021-22 Estimated Actual is expected to exceed the 2021-22 Budget.
9. The Department strives to ensure that assessments are completed in a timely manner and within the timelines published in EPA guidelines. Several large complex projects have been delayed in 2021-22 due to the high level of complexity of the assessments. Despite this, the 2021-22 Budget is expected to be achieved.
10. This indicator rates the quality of advice on strategic advice, statutory policies or guidelines provided by the Department. The Department strives to ensure that all services provided have a clear purpose, are rigorous, readable, applicable, and consistent and informed by stakeholder input as possible. In line with this goal, the 2021-22 Estimated Actual is expected to exceed the 2021-22 Budget by more than 10%.
11. Compliance monitoring is managed through a structured annual compliance management program. The annual program sets out the number of audits to be undertaken and identifies the Ministerial Statements to be audited according to a priority matrix. The Ministerial Statements impose conditions on proposals to ensure that they are managed in an environmentally acceptable manner. The 2021-22 Estimated Actual is expected to be lower than the 2021-22 Budget due to the Department's refocus on the resolution of long-standing compliance issues and reduction of effort towards proactive compliance matters.

## Services and Key Efficiency Indicators

### 1. Water Information and Advice

The Department enables investment decisions of regional and State significance through the provision of data and information on the quantity, quality, location of, and demand for, water across the State. The information also underpins policy advice for consideration by Government and supports other government agencies and stakeholders in their planning for future economic growth and urban and rural development.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....  | \$'000<br>28,161  | \$'000<br>37,628  | \$'000<br>37,778               | \$'000<br>37,771            |      |
| Less Income .....   | 3,279             | 15,632            | 1,079                          | 2,897                       | 1    |
| Net Cost of Service .....   | 24,882            | 21,996            | 36,699                         | 34,874                      |      |
| Employees (Full-Time Equivalents) .....   | 124               | 135               | 134                            | 135                         |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Proportion of statutory referrals from decision-making authorities where advice is provided within target timeframes..... | 93%               | 95%               | 95%                            | 95%                         |      |
| Average cost per statutory referral assessment.....   | \$5,125           | \$8,073           | \$7,291                        | \$7,960                     | 2    |
| Average cost per water measurement site managed .....   | \$7,437           | \$9,741           | \$9,834                        | \$9,389                     |      |

### Explanation of Significant Movements

(Notes)

1. The decrease in income from the 2021-22 Budget to the 2021-22 Estimated Actual is due to changes in allocation methodology to better attribute income between Water and Environmental services. The increase from the 2021-22 Estimated Actual to the 2022-23 Budget Target mainly relates to new Commonwealth funding for water infrastructure projects through the National Water Grid Fund.
2. The reduction in the average cost per statutory referral assessment from the 2021-22 Budget to the 2021-22 Estimated Actual is due to an increase in the total number of statutory referral assessments for advice.

### 2. Water Planning, Allocation and Optimisation

The Department undertakes and facilitates water planning, allocation and optimisation to ensure the sustainable management of water resources for the long-term benefit of the State relies on good science. This includes planning and allocating water for sustainable productive use, protecting public drinking water sources, and ensuring the sustainability of water resources and their dependent ecosystems.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....  | \$'000<br>34,453  | \$'000<br>37,156  | \$'000<br>35,853               | \$'000<br>35,792            |      |
| Less Income .....   | 5,779             | 12,213            | 7,141                          | 7,358                       | 1    |
| Net Cost of Service .....   | 28,674            | 24,943            | 28,712                         | 28,434                      |      |
| Employees (Full-Time Equivalents) .....   | 167               | 177               | 175                            | 176                         |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Average cost per plan, report or guidance document to support water planning, allocation and optimisation ..... | \$233,709         | \$212,216         | \$226,441                      | \$282,257                   | 2    |
| Average cost per hour of scientific support for water planning, allocation and optimisation.....                | \$172             | \$196             | \$187                          | \$178                       |      |

**Explanation of Significant Movements**

(Notes)

1. The decrease in income from the 2021-22 Budget to the 2021-22 Estimated Actual is due to changes in allocation methodology to better attribute income between Water and Environmental services.
2. The increase in the average cost per plan, report or guidance document to support water planning, allocation and optimisation from the 2021-22 Budget to the 2021-22 Estimated Actual and the 2022-23 Budget Target is mainly due to higher cost allocations with lower volumes of outputs.

**3. Water Regulation, Licensing and Industry Governance**

The Department is responsible for regulation to ensure that investment, growth and development is underpinned by sustainable management of the State's water resources for the long-term benefit of the State. This service includes the management of water licensing and the management of the legislation governing the operations of water service providers.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....   | 16,034            | 15,322            | 15,391                         | 18,427                      | 1    |
| Less Income.....   | 2,110             | 10,095            | 3,243                          | 4,302                       | 2    |
| Net Cost of Service.....   | 13,924            | 5,227             | 12,148                         | 14,125                      |      |
| Employees (Full-Time Equivalents) .....  | 113               | 121               | 120                            | 128                         |      |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Average cost of assessing a water licence application by risk assessment category:     |                   |                   |                                |                             |      |
| Low risk.....  | \$3,412           | \$3,203           | \$3,600                        | \$3,782                     | 3    |
| Medium risk.....   | \$4,549           | \$4,271           | \$4,800                        | \$5,043                     | 4    |
| High risk.....   | \$5,686           | \$5,339           | \$6,000                        | \$6,303                     | 5    |
| Average time taken (days) to assess a licence application by risk assessment category: |                   |                   |                                |                             |      |
| Low risk.....  | 30                | 65                | 65                             | 65                          |      |
| Medium risk.....   | 39                | 75                | 75                             | 75                          |      |
| High risk.....   | 47                | 95                | 95                             | 95                          |      |
| Average cost of compliance monitoring and enforcement action.....                      | \$118             | \$173             | \$124                          | \$156                       | 6    |

**Explanation of Significant Movements**

(Notes)

1. The increase in the Total Cost of Service from the 2021-22 Estimated Actual to the 2022-23 Budget Target mainly relates to the delivery of the Gngangara Allocation Plan, Healthy Estuaries WA, and water licence and permit application assessments for the mining and public water supply sectors.
2. The decrease in income from the 2021-22 Budget to the 2021-22 Estimated Actual is due to changes in allocation methodology to better attribute income between Water and Environmental services. The increase from the 2021-22 Estimated Actual to the 2022-23 Budget Target is due to increases in regulatory fees and fines.
3. The increase in the average cost of assessing a low-risk water licence application from the 2021-22 Budget to the 2021-22 Estimated Actual is mainly driven by a reduction in total application volume than previously forecast.
4. The increase in the average cost of assessing a medium-risk water licence application from the 2021-22 Budget to the 2021-22 Estimated Actual and to the 2022-23 Budget Target is mainly due to an increase in total costs allocated to this risk category, combined with a reduction in total application volume than previously forecast.
5. The increase in the average cost of assessing a high-risk water licence application from the 2021-22 Budget to the 2021-22 Estimated Actual is mainly due to an increase in total costs allocated to this risk category than previously budgeted.
6. The reduction in the average cost of compliance monitoring and enforcement action from the 2021-22 Budget to the 2021-22 Estimated Actual is due to an increase in the total volume of compliance monitoring and enforcement actions than previously forecast, combined with minor changes in cost allocations. The increase from the 2021-22 Estimated Actual to the 2022-23 Budget Target is due to a forecast reduction in the total volume of compliance monitoring and enforcement actions.

#### 4. Environmental Regulation

The Department seeks to prevent, control and abate activities that have the potential to cause pollution or environmental harm. It has adopted a risk-based approach to delivering its regulatory role, which broadly fits into three main functions:

- approvals and licensing;
- monitoring, audit and compliance inspections; and
- enforcement, including complaint and incident investigation.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....   | 41,656            | 51,653            | 46,453                         | 44,280                      | 1    |
| Less Income .....  | 56,339            | 41,171            | 63,672                         | 60,006                      | 2    |
| Net Cost of Service .....  | (14,683)          | 10,482            | (17,219)                       | (15,726)                    |      |
| <b>Employees (Full-Time Equivalents) .....</b>                       | <b>245</b>        | <b>291</b>        | <b>283</b>                     | <b>288</b>                  |      |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Average cost per works approval and licence application .....        | \$51,891          | \$59,155          | \$57,585                       | \$60,931                    |      |
| Average cost per native vegetation clearing permit application ..... | \$33,217          | \$53,613          | \$41,207                       | \$35,895                    | 3    |

#### Explanation of Significant Movements

(Notes)

1. The decrease in the Total Cost of Service from the 2021-22 Budget to the 2021-22 Estimated Actual is mainly due to a deferral of environmental revegetation and rehabilitation works to 2022-23 and 2023-24.
2. The increase in income from the 2021-22 Budget to the 2021-22 Estimated Actual is due to changes in allocation methodology to better attribute income between Water and Environmental services.
3. The decrease in the average cost per native vegetation clearing permit application from the 2021-22 Budget to the 2021-22 Estimated Actual is mainly due to a deferral of environmental revegetation and rehabilitation works to 2022-23 and 2023-24, resulting in lower cost allocations in 2021-22 than previously forecast. The decrease from the 2021-22 Estimated Actual to the 2022-23 Budget Target is mainly works associated with the Wooroloo Bushfire concluding in 2021-22, partially offset by increased cost allocations in 2022-23 for environmental revegetation and rehabilitation works.



## 5. Water and Environment Policy

The Department develops and implements policies and strategies that promote sound water and environmental outcomes.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|---|-------------------|-------------------|--------------------------------|-----------------------------|----------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |          |
| Total Cost of Service.....                                      | 10,943            | 27,735            | 18,254                         | 37,386                      | 1        |
| Less Income .....   | 12,263            | 14,293            | 15,331                         | 20,258                      | 2        |
| Net Cost of Service .....                                       | (1,320)           | 13,442            | 2,923                          | 17,128                      |          |
| <b>Employees (Full-Time Equivalents) .....</b>                  | <b>59</b>         | <b>71</b>         | <b>74</b>                      | <b>83</b>                   | <b>3</b> |
| <b>Efficiency Indicators</b>                                    |                   |                   |                                |                             |          |
| Average cost per hour of policy advice and recommendations..... | \$148             | \$295             | \$207                          | \$398                       | 4        |

### Explanation of Significant Movements

(Notes)

1. The decrease in the Total Cost of Service from the 2021-22 Budget to the 2021-22 Estimated Actual is mainly due to the deferral of Clean Energy Future Fund grants expenditure and environmental revegetation and rehabilitation program of works out of 2021-22. The increase from the 2021-22 Estimated Actual to the 2022-23 Budget Target is driven by the new program of works commencing in 2022-23 for the Murujuga Rock Art Monitoring and climate action, and the deferral of grants expenditure out of the Clean Energy Future Fund from 2021-22 to 2022-23.
2. The increase in income from the 2020-21 Actual to the 2021-22 Estimated Actual is due to increased revenue from mining proponents into the Pilbara Environmental Offsets Fund. The increase from the 2021-22 Estimated Actual to the 2022-23 Budget Target reflects industry funding for a new program of works for the Murujuga Rock Art Monitoring program.
3. The increase in Employees from the 2021-22 Estimated Actual to the 2022-23 Budget Target is driven by the new program of works relating to SERS, Native Vegetation Policy implementation and the Exmouth Gulf Coordinating Body.
4. The reduction in the average cost per hour of policy advice and recommendations from the 2021-22 Budget to 2021-22 Estimated Actual is due to a deferral of expenditure in 2021-22 associated with the Clean Energy Future Fund and environmental revegetation and rehabilitation program of works. The increase from the 2021-22 Estimated Actual to the 2022-23 Budget Target is mainly due to an increase in costs relating to Clean Energy Future Fund, climate action and Murujuga Rock Art Monitoring program in 2022-23.

## 6. Waste Strategies

The Department works with the Waste Authority to facilitate the avoidance of waste and maximising recovery of materials from landfill.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 30,581            | 60,222            | 50,866                         | 75,886                      | 1    |
| Less Income .....   | 39,899            | 40,666            | 60,845                         | 60,058                      | 2    |
| Net Cost of Service .....   | (9,318)           | 19,556            | (9,979)                        | 15,828                      |      |
| Employees (Full-Time Equivalents) .....   | 65                | 74                | 74                             | 76                          |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Cost of landfill levy compliance as a percentage of landfill levy income collected..... | 1.6%              | 1.5%              | 1.5%                           | 1.5%                        |      |

### Explanation of Significant Movements

(Notes)

1. The decrease in the Total Cost of Service from the 2021-22 Budget to the 2021-22 Estimated Actual, and the increase from the 2021-22 Estimated Actual to the 2022-23 Budget Target, is due to grant expenditure for the Waste Export Ban and Clean Western Australia - wastepaper and cardboard processing programs being reflowed out of 2021-22 and into 2022-23.
2. The increase in income from the 2021-22 Budget to the 2021-22 Estimated Actual is mainly driven by additional Commonwealth grants under the National Partnership on Recycling, as well as changes in allocation methodology to better attribute income between Water and Environmental services.

## 7. Environmental Impact Assessment Services to the EPA

The Department conducts environmental impact assessments of significant proposals and schemes for the EPA.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                            | 13,617            | 16,323            | 15,328                         | 17,463                      | 1    |
| Less Income .....                                     | 100               | 7,605             | 759                            | 1,092                       | 2    |
| Net Cost of Service .....                             | 13,517            | 8,718             | 14,569                         | 16,371                      |      |
| Employees (Full-Time Equivalents) .....               | 73                | 78                | 71                             | 74                          |      |
| <b>Efficiency Indicators</b>                          |                   |                   |                                |                             |      |
| Cost per standardised unit of assessment output ..... | \$62,466          | \$54,409          | \$51,095                       | \$58,209                    | 3    |

### Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service from the 2021-22 Estimated Actual to the 2022-23 Budget Target is mainly due to deferral of resourcing for regulatory approvals from 2021-22 to 2022-23.
2. The decrease in income from the 2021-22 Budget to the 2021-22 Estimated Actual is due to changes in allocation methodology to better attribute income between Water and Environmental services.
3. The increase in the Cost per standardised unit of assessment output from the 2021-22 Estimated actual to the 2022-23 Budget Target is mainly due to a deferral of resourcing for regulatory approvals from 2021-22 to 2022-23.

## 8. Environmental Management Services to the EPA

The Department develops for the EPA, statutory policies, guidelines and strategic advice to manage environmental impacts and protect the environment.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....  | \$'000<br>4,391   | \$'000<br>4,996   | \$'000<br>4,897                | \$'000<br>5,419             | 1    |
| Less Income .....   | 75                | 1,600             | 199                            | 258                         | 2    |
| Net Cost of Service .....   | 4,316             | 3,396             | 4,698                          | 5,161                       |      |
| Employees (Full-Time Equivalents) .....                                     | 14                | 18                | 16                             | 17                          |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Cost per standardised unit of environmental management services output..... | \$34,572          | \$49,963          | \$34,979                       | \$54,191                    | 3    |

### Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service from the 2021-22 Estimated Actual to the 2022-23 Budget Target is mainly due to a deferral of resourcing for regulatory approvals from 2021-22 to 2022-23.
2. The decrease in income from the 2021-22 Budget to the 2021-22 Estimated Actual is due to changes in allocation methodology to better attribute income between Water and Environmental services.
3. The decrease in the cost per standardised unit of environmental management services output from the 2021-22 Budget to the 2021-22 Estimated Actual is due to an increase in the number of standardised units of environmental management services outputs resulting from work undertaken on reforms to the EPA policy suite to address amendments to the *Environment Protection Act 1986*.

## 9. Compliance Monitoring Services to the Minister

The Department audits the compliance with conditions set under Ministerial approvals and undertakes enforcement actions as appropriate.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                           | \$'000<br>3,311   | \$'000<br>3,601   | \$'000<br>3,696                | \$'000<br>4,008             |      |
| Less Income .....                                    | 7                 | 1,766             | 268                            | 349                         | 1    |
| Net Cost of Service .....                            | 3,304             | 1,835             | 3,428                          | 3,659                       |      |
| Employees (Full-Time Equivalents) .....              | 20                | 21                | 21                             | 22                          |      |
| <b>Efficiency Indicators</b>                         |                   |                   |                                |                             |      |
| Average cost per environmental audit completed ..... | \$56,117          | \$60,013          | \$73,923                       | \$100,191                   | 2    |

### Explanation of Significant Movements

(Notes)

1. The decrease in income from the 2021-22 Budget to the 2021-22 Estimated Actual is due to changes in allocation methodology to better attribute income between Water and Environmental services.
2. The increase in the average cost per environmental audit completed from the 2021-22 Budget to the 2021-22 Estimated Actual is due to a reduced number of environmental audits driven from the Department's refocus on resolving longstanding compliance and high-risk matters over proactive compliance. The increase from the 2021-22 Estimated Actual to the 2022-23 Budget Target is due to a review of the Department's service delivery arrangements for the compliance and enforcement activities, and diversion of significant resources to address major compliance issues associated with a number of Ministerial Statements.

## Asset Investment Program

1. The Department will continue with ongoing investment programs across the State. The total Asset Investment Program for 2022-23 is \$29 million and \$48.5 million over the outyears. This investment supports the delivery of the Department's services and rolling program to update plant, equipment and computer software, and delivery of the ground water investigation, water modelling and bores monitoring program. The Department's other projects include:
  - 1.1. Land Acquisition - Land Purchase Priority 1 Areas: \$2 million is planned to be spent in 2022-23 and \$5.4 million over the outyears on the acquisition of Priority 1 land adjacent to public drinking water supply areas;
  - 1.2. Rebuild of Australind Jetty: \$3 million is planned to replace the Australind Jetty. The Department is seeking in-principle agreement with the Shire of Harvey to transfer the management and ownership of the asset to the Shire upon completion of the rebuild;
  - 1.3. Rural Water Planning and National Water Grid Fund: \$1.8 million is planned to be spent on each program in 2022-23 and \$3.7 million over the outyears on critical agriculture area dams infrastructure and on the development and upgrading of water infrastructure to maintain these supplies into the future;
  - 1.4. Native Vegetation Policy Implementation: \$0.6 million is planned to be spent in 2022-23 to develop the specifications for a new Western Australian Vegetation Extent dataset; and
  - 1.5. Environment Online: \$7.8 million is planned to be spent in 2022-23 and \$5.1 million in 2023-24 to build a 'one-stop-shop' portal to perform business with the Department for environmental-related approvals.

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>                                |                                   |  |   |                                     |                              |                              |                              |
| COVID-19 Response - Environment Online.....             | 25,801                            | 12,860   | 12,810  | 7,795                               | 5,146                        | -                            | -                            |
| Land Acquisition - Land Purchase Priority 1 Areas ..... | 8,410                             | 1,000  | 1,000   | 2,010                               | 3,400                        | 1,000                        | 1,000                        |
| National Water Grid Fund.....                           | 3,651                             | 913  | 913   | 1,825                               | 913                          | -                            | -                            |
| Plant, Equipment and Minor Works .....                  | 6,813                             | 3,873  | 1,337   | 735                                 | 735                          | 735                          | 735                          |
| Replace and Maintain Monitoring Bores .....             | 26,066                            | 9,970  | 3,424   | 4,024                               | 4,024                        | 4,024                        | 4,024                        |
| Replace and Maintain River Gauging Stations.....        | 11,029                            | 5,013  | 1,904   | 1,504                               | 1,504                        | 1,504                        | 1,504                        |
| Rural Water Planning Program.....                       | 5,528                             | 858  | 679   | 1,790                               | 1,440                        | 1,440                        | -                            |
| State Groundwater Investigation Program .....           | 26,967                            | 11,463   | 5,451   | 4,351                               | 3,851                        | 3,651                        | 3,651                        |
| Water Modelling.....                                    | 10,345                            | 4,713  | 1,408   | 1,408                               | 1,408                        | 1,408                        | 1,408                        |
| <b>COMPLETED WORKS</b>                                  |                                   |  |   |                                     |                              |                              |                              |
| Port Hedland Dust Taskforce Report.....                 | 486                               | 486  | 486   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>  |                                   |  |   |                                     |                              |                              |                              |
| Native Vegetation Policy Implementation.....            | 623                               | -  | -   | 623                                 | -                            | -                            | -                            |
| Rebuild of Australind Jetty.....                        | 3,000                             | -  | -   | 3,000                               | -                            | -                            | -                            |
| <b>Total Cost of Asset Investment Program.....</b>      | <b>128,719</b>                    | <b>51,149</b>                                    | <b>29,412</b>                                 | <b>29,065</b>                       | <b>22,421</b>                | <b>13,762</b>                | <b>12,322</b>                |
| <b>FUNDED BY</b>  |                                   |  |   |                                     |                              |                              |                              |
| Capital Appropriation .....                             |                                   |  | 10,496  | 13,502                              | 7,584                        | 6,084                        | 6,084                        |
| Commonwealth Grants .....                               |                                   |  | 6,163   | 1,825                               | 913                          | -                            | -                            |
| Drawdowns from Royalties for Regions Fund .....         |                                   |  | 400   | 1,790                               | 1,440                        | 1,440                        | -                            |
| Drawdowns from the Holding Account.....                 |                                   |  | 5,638   | 9,238                               | 6,238                        | 6,238                        | 6,238                        |
| Internal Funds and Balances.....                        |                                   |  | 6,715   | 2,710                               | 6,246                        | -                            | -                            |
| <b>Total Funding .....</b>                              |                                   |  | <b>29,412</b>                                 | <b>29,065</b>                       | <b>22,421</b>                | <b>13,762</b>                | <b>12,322</b>                |

## **Financial Statements**

### **Income Statement**

#### *Expenses*

1. The increase in Total Cost of Services for the 2022-23 Budget Year compared with the 2021-22 Estimated Actual of \$47.9 million (21%) is mainly due to new initiatives for climate action, the Native Vegetation Policy implementation, the Exmouth Gulf Coordinating Body and increased spend for the existing Murujuga Rock Art Strategy. Other increases relate to a deferral of grants and subsidies from 2021-22 to 2022-23, including the Clean Western Australia - wastepaper and cardboard processing, the Waste Export Ban and the Clean Energy Future Fund programs.

#### *Income*

2. The increase in Income from Government for the 2022-23 Budget Year compared with the 2021-22 Estimated Actual of \$12 million (9%) is mainly due to additional funding for climate action initiatives, the Native Vegetation Policy implementation, the Exmouth Gulf Coordinating Body, the delivery of Gnarara Allocation Plan, and compliance resourcing.
3. The increase in income from sources outside of Government for the 2022-23 Budget Year compared with the 2021-22 Estimated Actual of \$4 million (3%) is mainly due to the additional funding from industry participants for the Murujuga Rock Art Strategy.

### **Statement of Financial Position**

4. The decrease in Total Assets for the 2022-23 Budget Year compared with the 2021-22 Estimated Actual of \$14.6 million (3%) is mainly due to expenditure for the Clean Western Australia - wastepaper and cardboard processing and Waste Export Ban grant programs being deferred from 2021-22 to 2022-23.

### **Statement of Cashflows**

5. The decrease in cash assets at the end of the reporting period for the 2022-23 Budget Year compared with the 2021-22 Estimated Actual of \$21.3 million (26%) is mainly due to expenditure for the Clean Western Australia - wastepaper and cardboard processing and Waste Export Ban grant programs being deferred from 2021-22 to 2022-23.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 102,040                     | 112,658                     | 109,646                                  | 120,098                             | 119,710                      | 115,101                      | 112,989                      |
| Grants and subsidies <sup>(c)</sup> .....        | 21,997                      | 68,400                      | 43,691                                   | 76,439                              | 38,767                       | 28,382                       | 24,986                       |
| Supplies and services .....                      | 30,813                      | 39,469                      | 40,306                                   | 41,032                              | 38,319                       | 38,437                       | 32,783                       |
| Accommodation .....                              | 7,592                       | 8,271                       | 8,291                                    | 8,746                               | 8,889                        | 8,709                        | 8,518                        |
| Depreciation and amortisation .....              | 11,995                      | 19,839                      | 14,666                                   | 14,678                              | 14,662                       | 14,653                       | 14,643                       |
| Finance and interest costs .....                 | 81                          | 85                          | 86                                       | 86                                  | 93                           | 88                           | 88                           |
| Other expenses .....                             | 8,629                       | 5,914                       | 11,830                                   | 15,353                              | 12,166                       | 11,723                       | 11,831                       |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>183,147</b>              | <b>254,636</b>              | <b>228,516</b>                           | <b>276,432</b>                      | <b>232,606</b>               | <b>217,093</b>               | <b>205,838</b>               |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services .....                 | 4,870                       | -                           | 8,631                                    | 8,779                               | 4,679                        | 4,725                        | 4,725                        |
| Regulatory fees and fines .....                  | 29,862                      | 32,053                      | 31,462                                   | 33,862                              | 45,007                       | 45,117                       | 44,998                       |
| Grants and subsidies .....                       | 4,854                       | 19,033                      | 25,482                                   | 20,078                              | 3,266                        | 953                          | 455                          |
| Landfill levy .....                              | 78,782                      | 83,000                      | 83,000                                   | 83,000                              | 83,000                       | 83,000                       | 83,000                       |
| Other revenue .....                              | 1,483                       | 10,955                      | 3,962                                    | 10,859                              | 9,133                        | 9,214                        | 5,973                        |
| <b>Total Income .....</b>                        | <b>119,851</b>              | <b>145,041</b>              | <b>152,537</b>                           | <b>156,578</b>                      | <b>145,085</b>               | <b>143,009</b>               | <b>139,151</b>               |
| <b>NET COST OF SERVICES .....</b>                | <b>63,296</b>               | <b>109,595</b>              | <b>75,979</b>                            | <b>119,854</b>                      | <b>87,521</b>                | <b>74,084</b>                | <b>66,687</b>                |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 104,478                     | 118,183                     | 105,614                                  | 125,817                             | 113,438                      | 102,414                      | 96,412                       |
| Resources received free of charge .....          | 3,055                       | 1,743                       | 3,055                                    | 3,055                               | 3,055                        | 3,055                        | 3,055                        |
| Royalties for Regions Fund:                      |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....           | 489                         | 3,407                       | 2,784                                    | 2,607                               | 2,407                        | 2,407                        | 480                          |
| Regional Infrastructure and Headworks Fund ..... | 4,210                       | 8,134                       | 6,286                                    | 7,226                               | 6,250                        | 2,301                        | -                            |
| Other revenues .....                             | 3,100                       | 12,463                      | 12,272                                   | 3,316                               | 2,612                        | 1,881                        | 3,547                        |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>115,332</b>              | <b>143,930</b>              | <b>130,011</b>                           | <b>142,021</b>                      | <b>127,762</b>               | <b>112,058</b>               | <b>103,494</b>               |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>52,036</b>               | <b>34,335</b>               | <b>54,032</b>                            | <b>22,167</b>                       | <b>40,241</b>                | <b>37,974</b>                | <b>36,807</b>                |

(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 880, 968 and 999 respectively.

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

## DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Ban on E-Waste to Landfill.....  | -                           | -                           | -  | 2,000                               | 6,629                        | 1,500                        | -                            |
| Carbon Innovation Grants Program.....                                  | -                           | -                           | -  | 1,450                               | 2,900                        | 4,350                        | 1,978                        |
| Clean Energy Future Fund.....  | 108                         | 9,595                       | 2,000                                    | 9,400                               | 4,104                        | 900                          | 2,169                        |
| Clean Western Australia - Waste Paper and<br>Cardboard Processing..... | -                           | 10,000                      | -  | 12,500                              | 2,500                        | -                            | -                            |
| Commonwealth Grants  |                             |                             |  |                                     |                              |                              |                              |
| National On-farm Emergency Water<br>Infrastructure Rebate Scheme ..... | 3,969                       | -                           | -  | -                                   | -                            | -                            | -                            |
| National Partnership on Recycling<br>Infrastructure .....              | -                           | 12,500                      | 17,500                                   | 16,500                              | 1,000                        | -                            | -                            |
| Smart Farming Partnerships.....  | 529                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Container Deposit Scheme .....   | 63                          | -                           | -  | -                                   | -                            | -                            | -                            |
| Contaminated Sites Management Account<br>Grants .....                  | 243                         | -                           | 560                                      | 208                                 | 208                          | 208                          | 208                          |
| Cooperative Research Centre - Water<br>Sensitive Cities.....           | 150                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Establishing and Maintaining Vegetation<br>Offsets Account.....        | -                           | 1,000                       | 1,000                                    | 1,000                               | 3,000                        | 3,000                        | 3,000                        |
| Grants Other.....  | 117                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Keep Australia Beautiful Council WA.....                               | 112                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Native Vegetation Rehabilitation Scheme.....                           | 2,968                       | 6,192                       | 2,300                                    | 2,166                               | 2,166                        | 2,166                        | 2,164                        |
| Offset Fund for Recovery .....   | 1,102                       | 4,232                       | 1,500                                    | 1,350                               | 1,350                        | 1,350                        | 1,348                        |
| Pilbara Environmental Offsets Fund .....                               | -                           | 3,069                       | 3,069                                    | 2,263                               | 3,164                        | 3,167                        | 3,167                        |
| Royalties for Regions  |                             |                             |  |                                     |                              |                              |                              |
| Healthy Estuaries WA.....  | 25                          | -                           | -  | -                                   | -                            | -                            | -                            |
| Revitalising Waterways of Geographe Bay ...                            | 100                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Watering Western Australia .....                                       | -                           | 644                         | 644                                      | -                                   | -                            | -                            | -                            |
| Rural Water Grants .....   | -                           | 1,374                       | 1,374                                    | 687                                 | 687                          | 687                          | 687                          |
| Rural Water Planning Program.....                                      | 366                         | 2,984                       | 2,828                                    | 797                                 | 793                          | 790                          | -                            |
| Small Election Commitments - Greening Our<br>Community.....            | -                           | 1,000                       | 367                                      | 633                                 | -                            | -                            | -                            |
| State-Wide Water Efficiency Measures .....                             | 187                         | 100                         | 50                                       | 50                                  | 50                           | 50                           | -                            |
| Waste Avoidance and Resource Recovery<br>Account.....                  | 11,667                      | 9,816                       | 9,816                                    | 9,808                               | 9,799                        | 9,797                        | 9,998                        |
| Waste Export Ban.....  | -                           | 5,000                       | -  | 15,000                              | -                            | -                            | -                            |
| Water Innovation Partnership .....                                     | 194                         | 534                         | 340                                      | 267                                 | 267                          | 267                          | 267                          |
| Water Sensitive Cities Australia .....                                 | -                           | 150                         | 150                                      | 150                                 | 150                          | 150                          | -                            |
| Western Australian Climate Policy.....                                 | 97                          | 210                         | 193                                      | 210                                 | -                            | -                            | -                            |
| <b>TOTAL .....</b>   | <b>21,997</b>               | <b>68,400</b>               | <b>43,691</b>                            | <b>76,439</b>                       | <b>38,767</b>                | <b>28,382</b>                | <b>24,986</b>                |

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                     |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                         | 21,555                      | 18,909                      | 8,510                                    | 11,773                              | 12,320                       | 9,807                        | 9,367                        |
| Restricted cash .....                     | 49,290                      | 50,696                      | 70,599                                   | 45,605                              | 35,603                       | 32,459                       | 28,942                       |
| Holding Account receivables .....         | 6,338                       | 5,535                       | 6,338                                    | 6,338                               | 6,338                        | 6,338                        | 6,338                        |
| Receivables .....                         | 27,303                      | 25,161                      | 27,303                                   | 27,303                              | 27,303                       | 27,811                       | 27,811                       |
| Other.....                                | 13,419                      | 2,350                       | 2,145                                    | 2,145                               | 2,145                        | 2,145                        | 2,145                        |
| Total current assets .....                | 117,905                     | 102,651                     | 114,895                                  | 93,164                              | 83,709                       | 78,560                       | 74,603                       |
| <b>NON-CURRENT ASSETS</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....         | 66,712                      | 80,995                      | 80,962                                   | 91,585                              | 105,192                      | 118,790                      | 132,378                      |
| Property, plant and equipment.....        | 358,800                     | 334,282                     | 341,638                                  | 325,165                             | 313,776                      | 312,033                      | 306,361                      |
| Intangibles .....                         | 18,703                      | 27,538                      | 35,607                                   | 48,119                              | 57,359                       | 58,767                       | 58,120                       |
| Restricted cash .....                     | 1,833                       | 1,864                       | 2,273                                    | 2,713                               | 3,153                        | 3,593                        | 4,033                        |
| Other.....                                | 23                          | 2,464                       | 23                                       | 23                                  | 23                           | 23                           | 23                           |
| Total non-current assets .....            | 446,071                     | 447,143                     | 460,503                                  | 467,605                             | 479,503                      | 493,206                      | 500,915                      |
| <b>TOTAL ASSETS .....</b>                 | <b>563,976</b>              | <b>549,794</b>              | <b>575,398</b>                           | <b>560,769</b>                      | <b>563,212</b>               | <b>571,766</b>               | <b>575,518</b>               |
| <b>CURRENT LIABILITIES</b>                |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 26,289                      | 25,379                      | 26,324                                   | 26,359                              | 26,394                       | 26,429                       | 26,429                       |
| Payables .....                            | 778                         | 2,430                       | 778                                      | 778                                 | 778                          | 778                          | 778                          |
| Borrowings and leases .....               | 900                         | 1,257                       | 948                                      | 851                                 | 912                          | 858                          | 858                          |
| Other.....                                | 5,378                       | 2,918                       | 5,393                                    | 5,408                               | 5,423                        | 5,438                        | 5,438                        |
| Total current liabilities .....           | 33,345                      | 31,984                      | 33,443                                   | 33,396                              | 33,507                       | 33,503                       | 33,503                       |
| <b>NON-CURRENT LIABILITIES</b>            |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 6,196                       | 6,002                       | 6,196                                    | 6,196                               | 6,196                        | 6,196                        | 6,196                        |
| Borrowings and leases .....               | 1,344                       | 2,007                       | 1,340                                    | 1,266                               | 4,999                        | 4,981                        | 4,981                        |
| Total non-current liabilities .....       | 7,540                       | 8,009                       | 7,536                                    | 7,462                               | 11,195                       | 11,177                       | 11,177                       |
| <b>TOTAL LIABILITIES.....</b>             | <b>40,885</b>               | <b>39,993</b>               | <b>40,979</b>                            | <b>40,858</b>                       | <b>44,702</b>                | <b>44,680</b>                | <b>44,680</b>                |
| <b>EQUITY</b>                             |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                  | 325,128                     | 275,030                     | 282,425                                  | 245,749                             | 204,107                      | 174,709                      | 141,654                      |
| Accumulated surplus/(deficit).....        | 172,979                     | 216,755                     | 227,011                                  | 249,178                             | 289,419                      | 327,393                      | 364,200                      |
| Reserves.....                             | 24,984                      | 18,016                      | 24,983                                   | 24,984                              | 24,984                       | 24,984                       | 24,984                       |
| Total equity .....                        | 523,091                     | 509,801                     | 534,419                                  | 519,911                             | 518,510                      | 527,086                      | 530,838                      |
| <b>TOTAL LIABILITIES AND EQUITY .....</b> | <b>563,976</b>              | <b>549,794</b>              | <b>575,398</b>                           | <b>560,769</b>                      | <b>563,212</b>               | <b>571,766</b>               | <b>575,518</b>               |

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



**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                                |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                     | 83,973                      | 98,305                      | 85,726                                   | 105,956                             | 93,593                       | 82,578                       | 76,586                       |
| Capital appropriation .....                                     | 7,855                       | 11,791                      | 11,443                                   | 14,277                              | 8,369                        | 6,923                        | 6,848                        |
| Holding Account drawdowns .....                                 | 6,057                       | 6,338                       | 5,638                                    | 9,238                               | 6,238                        | 6,238                        | 6,238                        |
| Royalties for Regions Fund:                                     |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....                          | 489                         | 3,407                       | 2,784                                    | 2,607                               | 2,407                        | 2,407                        | 480                          |
| Regional Infrastructure and Headworks<br>Fund .....             | 4,210                       | 8,884                       | 6,686                                    | 9,016                               | 7,690                        | 3,741                        | -                            |
| Receipts paid into Consolidated Account.....                    | (32,730)                    | (44,276)                    | (43,776)                                 | (41,973)                            | (42,147)                     | (42,006)                     | (39,139)                     |
| Other.....  | 1,912                       | 12,463                      | 13,448                                   | 4,555                               | 3,918                        | 3,187                        | 3,547                        |
| <b>Net cash provided by Government .....</b>                    | <b>71,766</b>               | <b>96,912</b>               | <b>81,949</b>                            | <b>103,676</b>                      | <b>80,068</b>                | <b>63,068</b>                | <b>54,560</b>                |
| <b>CASHFLOWS FROM OPERATING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....  | (100,525)                   | (112,608)                   | (109,596)                                | (120,048)                           | (119,660)                    | (115,095)                    | (112,983)                    |
| Grants and subsidies.....                                       | (20,712)                    | (68,400)                    | (43,691)                                 | (76,439)                            | (38,767)                     | (28,382)                     | (24,986)                     |
| Supplies and services .....                                     | (25,621)                    | (35,901)                    | (35,426)                                 | (35,861)                            | (33,135)                     | (34,972)                     | (29,318)                     |
| Accommodation .....   | (7,580)                     | (8,281)                     | (8,371)                                  | (8,826)                             | (8,969)                      | (8,781)                      | (8,519)                      |
| GST payments .....  | (7,145)                     | (6,275)                     | (6,275)                                  | (5,882)                             | (5,710)                      | (5,710)                      | (5,710)                      |
| Finance and interest costs.....                                 | (81)                        | (85)                        | (86)                                     | (86)                                | (93)                         | (88)                         | (88)                         |
| Other payments.....   | (9,592)                     | (7,739)                     | (8,402)                                  | (9,216)                             | (9,042)                      | (8,079)                      | (8,258)                      |
| <b>Receipts <sup>(b)</sup></b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Regulatory fees and fines .....                                 | 29,778                      | 32,053                      | 31,462                                   | 33,862                              | 45,007                       | 45,117                       | 44,998                       |
| Grants and subsidies.....                                       | 4,854                       | 19,033                      | 25,482                                   | 20,078                              | 3,266                        | 953                          | 455                          |
| Sale of goods and services.....                                 | 1,414                       | -                           | 8,631                                    | 8,779                               | 4,679                        | 4,725                        | 4,725                        |
| Landfill levy .....   | 78,561                      | 83,000                      | 83,000                                   | 83,000                              | 83,000                       | 83,000                       | 83,000                       |
| GST receipts .....  | 7,043                       | 6,285                       | 6,285                                    | 5,892                               | 5,720                        | 5,720                        | 5,720                        |
| Other receipts .....  | 1,201                       | 10,955                      | 2,786                                    | 9,620                               | 7,827                        | 7,908                        | 5,973                        |
| <b>Net cash from operating activities .....</b>                 | <b>(48,405)</b>             | <b>(87,963)</b>             | <b>(54,201)</b>                          | <b>(95,127)</b>                     | <b>(65,877)</b>              | <b>(53,684)</b>              | <b>(44,991)</b>              |
| <b>CASHFLOWS FROM INVESTING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                            | (13,959)                    | (30,049)                    | (29,412)                                 | (29,065)                            | (22,421)                     | (13,762)                     | (12,322)                     |
| Other payments.....   | (16,042)                    | -                           | -  | -                                   | -                            | -                            | -                            |
| Proceeds from sale of non-current assets.....                   | 80                          | -                           | -  | -                                   | -                            | -                            | -                            |
| Other receipts .....  | 5,167                       | 8,508                       | 11,274                                   | -                                   | -                            | -                            | -                            |
| <b>Net cash from investing activities.....</b>                  | <b>(24,754)</b>             | <b>(21,541)</b>             | <b>(18,138)</b>                          | <b>(29,065)</b>                     | <b>(22,421)</b>              | <b>(13,762)</b>              | <b>(12,322)</b>              |
| <b>CASHFLOWS FROM FINANCING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases .....                        | (1,167)                     | (754)                       | (906)                                    | (775)                               | (785)                        | (839)                        | (764)                        |
| <b>Net cash from financing activities.....</b>                  | <b>(1,167)</b>              | <b>(754)</b>                | <b>(906)</b>                             | <b>(775)</b>                        | <b>(785)</b>                 | <b>(839)</b>                 | <b>(764)</b>                 |
| <b>NET INCREASE/(DECREASE) IN CASH<br/>HELD .....</b>           | <b>(2,560)</b>              | <b>(13,346)</b>             | <b>8,704</b>                             | <b>(21,291)</b>                     | <b>(9,015)</b>               | <b>(5,217)</b>               | <b>(3,517)</b>               |
| Cash assets at the beginning of the reporting<br>period .....   | 75,238                      | 84,815                      | 72,678                                   | 81,382                              | 60,091                       | 51,076                       | 45,859                       |
| <b>Cash assets at the end of the reporting<br/>period .....</b> | <b>72,678</b>               | <b>71,469</b>               | <b>81,382</b>                            | <b>60,091</b>                       | <b>51,076</b>                | <b>45,859</b>                | <b>42,342</b>                |

(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<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Regulatory Fees and Fines</b>  |                             |                             |  |                                     |                              |                              |                              |
| Regulatory Fees - Receipts .....  | 29,778                      | 32,053                      | 31,462                                   | 33,862                              | 45,007                       | 45,117                       | 44,998                       |
| <b>Grants and Subsidies</b>   |                             |                             |  |                                     |                              |                              |                              |
| Other Grants and Contributions .....  | 5,294                       | 30,646                      | 37,095                                   | 20,766                              | 3,954                        | 1,641                        | 1,143                        |
| <b>Landfill Levy</b>  |                             |                             |  |                                     |                              |                              |                              |
| Landfill Levy .....   | 78,561                      | 83,000                      | 83,000                                   | 83,000                              | 83,000                       | 83,000                       | 83,000                       |
| <b>Sale of Goods and Services</b>   |                             |                             |  |                                     |                              |                              |                              |
| Establishing and Maintaining Vegetation<br>Offsets Account .....                | 687                         | -                           | 3,000                                    | 3,000                               | 3,000                        | 3,000                        | 3,000                        |
| Pilbara Environmental Offsets Fund .....  | 947                         | -                           | 5,631                                    | 5,779                               | 1,679                        | 1,725                        | 1,725                        |
| <b>GST Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| GST Receipts .....  | 7,043                       | 6,285                       | 6,285                                    | 5,892                               | 5,720                        | 5,720                        | 5,720                        |
| <b>Other Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Establishing and Maintaining Vegetation<br>Offsets Account <sup>(a)</sup> ..... | -                           | 3,000                       | -  | -                                   | -                            | -                            | -                            |
| Implementation of the Murujuga Rock Art<br>Strategy .....                       | 1,468                       | 1,326                       | 1,326                                    | 7,874                               | 6,120                        | 6,178                        | 4,610                        |
| Interest Received .....   | 154                         | 850                         | 850                                      | 850                                 | 850                          | 850                          | 850                          |
| Lease of Commercial Land and Buildings .....                                    | 219                         | 346                         | 346                                      | 346                                 | 346                          | 346                          | 346                          |
| Other Receipts .....  | 612                         | 652                         | 652                                      | 657                                 | 659                          | 725                          | 725                          |
| Pilbara Environmental Offsets Fund <sup>(b)</sup> .....                         | -                           | 5,631                       | -  | -                                   | -                            | -                            | -                            |
| Port Hedland Ambient Air Quality Monitoring...                                  | -                           | -                           | 938                                      | 1,282                               | 1,308                        | 1,330                        | 1,353                        |
| <b>TOTAL .....</b>  | <b>124,763</b>              | <b>163,789</b>              | <b>170,585</b>                           | <b>163,308</b>                      | <b>151,643</b>               | <b>149,632</b>               | <b>147,470</b>               |

(a) The Establishing and Maintaining Vegetation Offsets Account is classified as Other Receipts in the 2021-22 Budget but as Sales of Goods and Services in the 2021-22 Estimated Actual.

(b) The Pilbara Environmental Offsets Fund is classified as Other Receipts in the 2021-22 Budget but as Sales of Goods and Services in the 2021-22 Estimated Actual.

**DETAILS OF ADMINISTERED TRANSACTIONS**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>INCOME</b>  |                             |                             |  |                                     |                              |                              |                              |
| <b>Fines</b>   |                             |                             |  |                                     |                              |                              |                              |
| Regulatory Fines .....                               | 33                          | 155                         | 155                                      | 155                                 | 155                          | 155                          | 155                          |
| <b>TOTAL ADMINISTERED INCOME .....</b>               | <b>33</b>                   | <b>155</b>                  | <b>155</b>                               | <b>155</b>                          | <b>155</b>                   | <b>155</b>                   | <b>155</b>                   |
| <b>EXPENSES</b>                                      |                             |                             |  |                                     |                              |                              |                              |
| <b>Other</b>   |                             |                             |  |                                     |                              |                              |                              |
| Receipts Paid into the Consolidated<br>Account ..... | 33                          | 155                         | 155                                      | 155                                 | 155                          | 155                          | 155                          |
| <b>TOTAL ADMINISTERED EXPENSES .....</b>             | <b>33</b>                   | <b>155</b>                  | <b>155</b>                               | <b>155</b>                          | <b>155</b>                   | <b>155</b>                   | <b>155</b>                   |

## Agency Special Purpose Account Details

### CONTAMINATED SITES MANAGEMENT ACCOUNT

Account Purpose: The purpose of the trust account is to enable investigation or remediation of any site where the State or a public authority (excluding local government) is responsible for remediation.

|                              | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|
| Opening Balance .....        | 346                         | 380                         | 380                                      | 352                                 |
| Receipts:                    |                             |                             |  |                                     |
| Other .....                  | 285                         | 180                         | 180                                      | 197                                 |
|                              | 631                         | 560                         | 560                                      | 549                                 |
| Payments .....               | 251                         | 208                         | 208                                      | 208                                 |
| <b>CLOSING BALANCE</b> ..... | 380                         | 352                         | 352                                      | 341                                 |

### WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT

Account Purpose: The purpose of the trust account is to fund nominated programs and other waste management initiatives approved by the Minister for Environment on the advice of the Waste Authority of Western Australia.

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|
| Opening Balance .....  | 39,795                      | 29,324                      | 29,324                                   | 41,227                              |
| Receipts:  |                             |                             |  |                                     |
| Other .....  | 20,922                      | 21,600                      | 21,600                                   | 21,600                              |
| Loan to Western Australia Return Recycle Renew Limited (WARRRL) <sup>(a)</sup> ..... | 5,167                       | 11,625                      | 11,625                                   | -                                   |
|  | 65,884                      | 62,549                      | 62,549                                   | 62,827                              |
| Payments .....   | 36,560                      | 26,322                      | 21,322                                   | 36,326                              |
| Other .....  | 20,518                      | 21,322                      | 21,322                                   | 21,326                              |
| Loan to WARRRL .....   | 16,042                      | -                           | -  | -                                   |
| Grant to Waste Export Ban .....  | -                           | 5,000                       | -  | 15,000                              |
| <b>CLOSING BALANCE</b> .....   | 29,324                      | 36,227                      | 41,227                                   | 26,501                              |

(a) Receipts and payments from the Waste Avoidance and Resource Recovery Account include loan payments to and loan receipts from WARRRL.

**PILBARA ENVIRONMENTAL OFFSETS FUND**

Account Purpose: The purpose of the trust account is to facilitate the coordinated delivery of environmental offset projects located within the Pilbara Interim Biogeographic Regionalisation for Australia and to hold moneys to be used for the purposes of delivering landscape scale conservation projects.

|                              | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|
| Opening Balance .....        | 496                         | 1,090                       | 1,091                                    | 2,870                               |
| Receipts:                    |                             |                             |  |                                     |
| Other .....                  | 947                         | 5,631                       | 5,631                                    | 5,779                               |
|                              | 1,443                       | 6,721                       | 6,722                                    | 8,649                               |
| Payments .....               | 352                         | 3,852                       | 3,852                                    | 2,915                               |
| <b>CLOSING BALANCE .....</b> | <b>1,091</b>                | <b>2,869</b>                | <b>2,870</b>                             | <b>5,734</b>                        |

**ENVIRONMENTAL PROTECTION PART IV COST RECOVERY ACCOUNT <sup>(a)</sup>**

Account Purpose: The purpose of the trust account is to manage funds recovered under the Environmental Protection (Cost Recovery) Regulation 2021. Funds in this account are to be used for defraying the costs incurred by the Department in receiving and assessing proposals and monitoring the implementation of proposals under Part IV Division 1 or 2 of the *Environmental Protection Act 1986*.

|                              | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|
| Opening Balance .....        | -                           | -                           | -  | -                                   |
| Receipts:                    |                             |                             |  |                                     |
| Other .....                  | -                           | -                           | -  | -                                   |
|                              | -                           | -                           | -  | -                                   |
| Payments .....               | -                           | -                           | -  | -                                   |
| <b>CLOSING BALANCE .....</b> | <b>-</b>                    | <b>-</b>                    | <b>-</b>                                 | <b>-</b>                            |

(a) This is a new Account established in December 2021.

# Division 42 **Biodiversity, Conservation and Attractions**

## Part 10 **Environment**

### Appropriations, Expenses and Cash Assets

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>                               |                             |                             |  |                                     |                              |                              |                              |
| Item 86 Net amount appropriated to deliver services ..... | 271,765                     | 285,196                     | 274,629                                  | 300,507                             | 288,996                      | 276,941                      | 272,842                      |
| <b>Amount Authorised by Other Statutes</b>                |                             |                             |  |                                     |                              |                              |                              |
| - Salaries and Allowances Act 1975 .....                  | 625                         | 593                         | 593                                      | 595                                 | 597                          | 599                          | 599                          |
| Total appropriations provided to deliver services.....    | 272,390                     | 285,789                     | 275,222                                  | 301,102                             | 289,593                      | 277,540                      | 273,441                      |
| <b>CAPITAL</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 149 Capital Appropriation.....                       | 31,157                      | 53,212                      | 45,836                                   | 84,150                              | 58,632                       | 69,269                       | 24,771                       |
| <b>TOTAL APPROPRIATIONS .....</b>                         | <b>303,547</b>              | <b>339,001</b>              | <b>321,058</b>                           | <b>385,252</b>                      | <b>348,225</b>               | <b>346,809</b>               | <b>298,212</b>               |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....                              | 419,950                     | 472,037                     | 458,873                                  | 481,075                             | 472,245                      | 465,903                      | 459,310                      |
| Net Cost of Services (a)(b) .....                         | 146,801                     | 324,198                     | 310,968                                  | 345,998                             | 337,412                      | 330,926                      | 323,810                      |
| <b>CASH ASSETS (c) .....</b>                              | <b>134,691</b>              | <b>133,761</b>              | <b>138,610</b>                           | <b>121,370</b>                      | <b>116,248</b>               | <b>112,577</b>               | <b>109,899</b>               |

(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) The 2020-21 Actual includes Asset Revaluation Revenue of \$145.7 million.

(c) As at 30 June each financial year.

### Spending Changes

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

|   | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Election Commitments</b>   |  |                                     |                              |                              |                              |
| Kalgulup Regional Park Management .....   | -  | 1,335                               | 1,365                        | 1,396                        | 1,427                        |
| <b>COVID-19 Response</b>  |  |                                     |                              |                              |                              |
| Murujuga National Park Access Road .....  | -  | 4,000                               | 5,300                        | -                            | -                            |
| <b>New Initiatives</b>  |  |                                     |                              |                              |                              |
| 2023 Total Solar Eclipse .....  | -  | 903                                 | -                            | -                            | -                            |
| Climate Action - Carbon Farming on Lands Managed by the Department .....  | -  | 1,704                               | 1,712                        | 1,469                        | 1,477                        |
| Exmouth Gulf - Marine Research and Management Planning.....   | -  | 400                                 | 400                          | -                            | -                            |
| Plan for Our Parks - Joint Management of the Proposed Matuwa Kurarra<br>Kurarra National Park and the Lake Carnegie Nature Reserve..... | -  | 3,634                               | 3,692                        | 3,734                        | 3,825                        |
| <b>Other</b>  |  |                                     |                              |                              |                              |
| Bushfire Mitigation .....   | (100)                                    | -                                   | (50)                         | -                            | -                            |
| Zoological Parks Authority  |  |                                     |                              |                              |                              |
| Additional Full-time Equivalents .....  | -  | 265                                 | 265                          | 265                          | 265                          |
| Revisions to Own-source Revenue Estimates.....  | 1,442                                    | 500                                 | 500                          | 500                          | -                            |

## Significant Issues Impacting the Agency

### Election Commitments

1. The Department will continue to implement the Government's election commitments to deliver social, environmental and economic outcomes during the 2022-23 financial year. This will include the continuation and expansion of the Aboriginal Ranger Program; Perth Zoo Masterplan 2040; visitor facilities and tourism infrastructure upgrades across the State; and projects around the Swan and Canning Riverpark.

### Government Initiatives

2. The Department will continue to implement the Plan for Our Parks (PfOP) initiative to create an additional five million hectares of conservation estate by 2024. This is transforming the Government's relationships with Traditional Owners through the negotiation and registration of Indigenous Land Use Agreements (ILUAs) and establishment of joint management arrangements.
3. The Department will continue to explore carbon abatement and sequestration opportunities on existing and proposed conservation estate to maximise benefits to the environment, biodiversity and Traditional Owners.
4. The Department continues to provide specialist and technical advice to support the assessment of environmental impacts from resource and land development proposals which has been boosted with 16 new FTEs. High quality, timely advice on Western Australia's unique biodiversity, including threatened species and ecological communities, and conservation estate, will continue to support decision making.

### Joint Management

5. During the 2022-23 financial year, the Department will progress PfOP ILUA negotiations and concurrently work with Aboriginal communities to deliver practical on-ground land management activities and build local capacity across the State including for the proposed Matuwa Kurarra Kurarra, Giralia, Meentheena and Cockburn Range national parks, Fortescue Marsh Nature Reserve, Lake Carnegie Nature Reserve, South Coast marine park, Shark Bay terrestrial reserves and additions to Kennedy Range and Mount Augustus national parks.

### Visitor Services

6. The Parks and Wildlife Service will continue to implement COVID-19 Response projects and election commitments for the establishment and upgrade of visitor facilities and infrastructure across the State.
7. The Rottnest Lodge site will be handed over to the selected developer in June 2022 to commence refurbishment and construction of new visitor accommodation, resulting in 109 rooms ranging from boutique to budget with a relocated pool, a conference room, and new food and beverage facilities. The estimated \$40 million development will deliver an improved use and configuration of the site and incorporate acknowledgements of the proximity to important surrounding Aboriginal heritage buildings and places. Completion is expected in late 2023.
8. Maintenance and renewal of marine infrastructure, especially Rottnest Island's jetties, to preserve visitor safety and enhance operational efficiency will continue. This will include the replacement and extension of Berths 4 and 5 on the Main Jetty to be completed during 2022-23.
9. The Rottnest Island Authority will commence works in 2022-23 to address its ageing power network, and increase renewable penetration from State funding of \$54.8 million over the forward estimates period to deliver 75% of the Island's power from renewable sources. The scope of works includes network upgrades, replacement of the existing wind turbine generator, installation of a utility-scale battery and additional solar generation. The expected benefits include improved sustainability, reliability and public safety outcomes.
10. The Botanic Gardens and Parks Authority maintains high standards of presentation and amenity for visitors to Kings Park and Botanic Garden (KPBG) and to Bold Park (BP) which are managed to balance conservation, scientific research, commemoration, tourism and recreation outcomes. The Authority will implement management initiatives outlined in the Management Plan (MP) for the KPBG and finalise and release a new MP for BP. In regard to visitor experiences, the Authority will explore opportunities for innovative and world-class experiences that attract visitors, create a sense of adventure, and celebrate and respect our natural environment.

11. For KPBG, enhanced safety, connectivity and welcoming links to neighbouring precincts are key aims within the MP and are important integrated transport and movement network goals. Improved links to the QEII Health Campus and along the Kings Park Road will be progressed. In addition, the Authority is working with neighbouring local government authorities to support an expansive commercial electric scooter rental scheme that will allow tourists and the local community to explore the Swan River foreshores from Burswood to Matilda Bay on low carbon footprint eRideables.

### **Biodiversity Conservation and Ecosystem Management**

12. The Department is continuing to work closely with its partners to manage and restore department managed lands, protect the State's unique biodiversity, manage threats and implement recovery programs to improve the persistence of species through multidisciplinary approaches to conservation and management that are underpinned by high quality science.
13. The Department has commenced preparation of the next Forest Management Plan (FMP) (2024-2033) on behalf of the Conservation and Parks Commission. The FMP 2024-2033 will implement the Government's policy announcement to cease large-scale commercial native timber harvesting in South West forests.
14. The Biodiversity Information Office is currently building the biodiversity data platform's data repository and user-facing components, and the first iteration of the platform will be released in June 2022. Work is continuing to identify, capture and process large historical datasets, map these to biodiversity data standards, and develop data quality control and curation rules.

### **Fire Management**

15. Climate change is increasing the likelihood and consequence of extreme bushfire events and heightening the importance of the prescribed burning program to mitigate bushfire risk while also placing additional pressure on bushfire suppression requirements on departmental lands and the provision of interagency bushfire suppression assistance to local government authorities and Fire and Emergency Services. An example of the increasing likelihood of extreme bushfire events occurred over the 2021-22 southern bushfire season when, for the first time ever in Western Australia, there were four concurrent Level 3 bushfire incidents that occurred in Denmark, Bridgetown and the Wheatbelt.

### **COVID-19 Response**

16. The Department will continue to implement COVID-19 Response measures with a budget of approximately \$43.3 million in the 2022-23 financial year. This will include construction of a new café and function facilities at the Perth Zoo; increasing Rottnest Island's water production, renewal and replacement of the water distribution network; and visitor facilities and tourism infrastructure upgrades across the State. The Department continues to support local businesses and contractors by purchasing goods and services across Western Australia.

## 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  |
|--|---|---|
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Community enjoyment, appreciation and understanding of attractions under the Department's care.   | 1. Visitor Services and Public Programs Provided at Kings Park and Bold Park<br>2. Visitor Services and Public Programs Provided at Rottnest Island<br>3. Visitor Services and Public Programs Provided at Perth Zoo<br>4. Visitor Services and Public Programs Provided in the Swan and Canning Riverpark<br>5. Visitor Services and Public Programs Provided in National Parks and Other Lands and Waters |
|  | Plants and animals, and the landscapes they occupy, are conserved through evidence-based conservation actions.  | 6. Conserving Habitats, Species and Ecological Communities<br>7. Research and Conservation Partnerships   |
|  | Sustainable use of forest resources.  | 8. Implementation of the Forest Management Plan   |
|  | Lands under the Department's care are managed to protect communities, visitors and built and natural assets from bushfire damage and planned fire is used to achieve other land, forest and wildlife management objectives. | 9. Prescribed Burning and Fire Management<br>10. Bushfire Suppression   |



## Service Summary

| Expense   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Visitor Services and Public Programs<br>Provided at Kings Park and Bold Park .....                     | 10,247                      | 10,747                      | 10,865                                   | 11,040                              | 11,024                       | 11,129                       | 11,159                       |
| 2. Visitor Services and Public Programs<br>Provided at Rottnest Island.....                               | 51,589                      | 53,841                      | 53,687                                   | 53,814                              | 55,134                       | 55,331                       | 55,225                       |
| 3. Visitor Services and Public Programs<br>Provided at Perth Zoo .....                                    | 24,755                      | 24,086                      | 25,661                                   | 24,992                              | 25,238                       | 25,593                       | 26,326                       |
| 4. Visitor Services and Public Programs<br>Provided in the Swan and Canning<br>Riverpark .....            | 14,057                      | 16,175                      | 16,175                                   | 17,010                              | 17,130                       | 17,412                       | 14,283                       |
| 5. Visitor Services and Public Programs<br>Provided in National Parks and Other<br>Lands and Waters ..... | 110,422                     | 148,539                     | 136,548                                  | 152,162                             | 143,444                      | 134,067                      | 129,376                      |
| 6. Conserving Habitats, Species and<br>Ecological Communities .....                                       | 67,378                      | 75,833                      | 73,353                                   | 80,159                              | 78,668                       | 79,458                       | 79,648                       |
| 7. Research and Conservation Partnerships ....  | 24,381                      | 27,078                      | 26,946                                   | 26,587                              | 26,861                       | 27,162                       | 27,270                       |
| 8. Implementation of the Forest Management<br>Plan .....  | 18,414                      | 21,826                      | 21,826                                   | 21,239                              | 19,827                       | 20,007                       | 20,071                       |
| 9. Prescribed Burning and Fire Management ....  | 51,240                      | 52,990                      | 52,890                                   | 53,173                              | 53,611                       | 54,200                       | 54,345                       |
| 10. Bushfire Suppression .....  | 47,467                      | 40,922                      | 40,922                                   | 40,899                              | 41,308                       | 41,544                       | 41,607                       |
| <b>Total Cost of Services .....</b>   | <b>419,950</b>              | <b>472,037</b>              | <b>458,873</b>                           | <b>481,075</b>                      | <b>472,245</b>               | <b>465,903</b>               | <b>459,310</b>               |

## Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

|   | 2020-21<br>Actual      | 2021-22<br>Budget        | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|------------------------|--------------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Community enjoyment, appreciation and understanding<br/>of attractions under the Department's care:</b>   |                        |                          |                                |                             |      |
| Average level of visitor satisfaction at Kings Park and Bold Park .....   | 91%                    | 95%                      | 91%                            | 90%                         | 1    |
| Average level of visitor satisfaction at Rottnest Island.....   | 84%                    | 75%                      | 75%                            | 75%                         |      |
| Average level of visitor satisfaction at Perth Zoo.....   | 90%                    | 97%                      | 90%                            | 95%                         | 2,3  |
| Average level of visitor satisfaction in the Swan and Canning Riverpark .....   | 82.2%                  | 85%                      | 82.2%                          | 85%                         |      |
| Average level of visitor satisfaction in national parks and other lands and<br>waters .....   | 93.2%                  | 90%                      | 93%                            | 90%                         |      |
| <b>Outcome: Plants and animals, and the landscapes they occupy, are<br/>conserved through evidence-based conservation actions:</b>  |                        |                          |                                |                             |      |
| Proportion of critically endangered and endangered species and<br>ecological communities that have a recovery plan .....  | 73.7%                  | 72%                      | 72%                            | 72%                         |      |
| Area of land baited for introduced predators .....  | 3,808,368 ha           | 4,012,681 ha             | 3,805,311 ha                   | 3,822,539 ha                | 4    |
| <b>Outcome: Sustainable use of forest resources:</b>  |                        |                          |                                |                             |      |
| Cumulative removal of jarrah and karri sawlogs by approved harvesting<br>operations compared to limits in the Forest Management Plan.....   | 879,707 m <sup>3</sup> | 1,528,000 m <sup>3</sup> | 1,072,540 m <sup>3</sup>       | 1,719,000 m <sup>3</sup>    | 5    |
| <b>Outcome: Lands under the Department's care are managed to<br/>protect communities, visitors and built and natural assets from<br/>bushfire damage and planned fire is used to achieve other land,<br/>forest and wildlife management objectives:</b> |                        |                          |                                |                             |      |
| Proportion of planned Priority 1 prescribed burns achieved .....  | 39%                    | 55%                      | 55%                            | 55%                         |      |
| Proportion of South West bushfires contained to less than two hectares.....   | 76%                    | 75%                      | 75%                            | 75%                         |      |

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

## Explanation of Significant Movements

(Notes)

1. The 2022-23 Budget Target is lower compared to the 2021-22 Budget due to the adoption of a seven-point scale for measurement survey in place of a five-point scale.
2. The 2021-22 Estimated Actual is lower compared to the 2021-22 Budget primarily due to the impacts of the heatwave and the COVID-19 pandemic in 2021-22.
3. The 2022-23 Budget Target is higher compared to the 2021-22 Estimated Actual primarily due to the assumption of reduced COVID-19 pandemic related restrictions in 2022-23.
4. Estimated area of land baited for introduced predators has been reduced in the 2021-22 Estimated Actual and the 2022-23 Budget Target as approvals required under joint management arrangements for parts of the planned baiting areas were not achieved with Traditional Owners in 2020-21 and remain uncertain.
5. The 2014-2023 Forest Management Plan (the Plan) commenced on 1 January 2014. From 2014-15 and successive years, the Budget Target figure is the cumulative total of the annual allowable harvest of jarrah (132,000 m<sup>3</sup>) and karri (59,000 m<sup>3</sup>). Over the 10 years of the Plan, this provides for a total harvest of 1,910,000 m<sup>3</sup> of sawlog.

The variation between the cumulative 2021-22 Budget compared to the 2022-23 Budget Target reflects the annual allowable 191,000 m<sup>3</sup> harvest of sawlog. The actual amount harvested each year during the period of the Plan has been lower than the target amount due to market conditions.

## Services and Key Efficiency Indicators

### 1. Visitor Services and Public Programs Provided at Kings Park and Bold Park

Provide facilities, experiences and programs to visitors to Kings Park and Bold Park for their enjoyment and appreciation of natural, cultural and heritage values and to strengthen community understanding and support for conservation of plants, animals and habitats.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                                 | \$'000<br>10,247  | \$'000<br>10,747  | \$'000<br>10,865               | \$'000<br>11,040            |      |
| Less Income .....  | 4,192             | 6,573             | 6,573                          | 6,570                       |      |
| Net Cost of Service.....                                   | 6,055             | 4,174             | 4,292                          | 4,470                       |      |
| Employees (Full-Time Equivalents) .....                    | 43                | 45                | 45                             | 45                          |      |
| <b>Efficiency Indicators</b>                               |                   |                   |                                |                             |      |
| Average cost per visitor at Kings Park and Bold Park ..... | \$2.23            | \$2.28            | \$2.30                         | \$2.33                      |      |

## 2. Visitor Services and Public Programs Provided at Rottnest Island

Provide facilities, experiences and programs to visitors to Rottnest Island for their enjoyment and appreciation of natural, cultural and heritage values and to strengthen community understanding and support for maintaining the built and cultural heritage of the island while conserving natural marine and terrestrial habitats.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                       | 51,589            | 53,841            | 53,687                         | 53,814                      |      |
| Less Income .....                                | 43,099            | 60,789            | 59,239                         | 50,824                      | 1    |
| Net Cost of Service .....                        | 8,490             | (6,948)           | (5,552)                        | 2,990                       | 1    |
| <b>Employees (Full-Time Equivalents) .....</b>   | <b>112</b>        | <b>112</b>        | <b>112</b>                     | <b>112</b>                  |      |
| <b>Efficiency Indicators</b>                     |                   |                   |                                |                             |      |
| Average cost per visitor at Rottnest Island..... | \$125.35          | \$129.74          | \$134.22                       | \$114.50                    | 2    |

### Explanation of Significant Movements

(Notes)

1. The reduction in Income and the subsequent increase in Net Cost of Service between the 2021-22 Budget and the 2022-23 Budget Target is primarily due to the significant reduction in Commonwealth grant income (\$9 million) for the National Tourism Icons Project.
2. The reduction in Average cost per visitor at Rottnest Island in the 2022-23 Budget Target is primarily due to an increase in forecast visitor numbers in 2022-23 compared to 2021-22.

## 3. Visitor Services and Public Programs Provided at Perth Zoo

Provide facilities, experiences and educational programs to visitors to the Perth Zoo for their enjoyment and appreciation of natural, cultural and heritage values and to encourage positive behavioural change and community participation in the conservation of plants, animals and habitats.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                     | 24,755            | 24,086            | 25,661                         | 24,992                      |      |
| Less Income .....                              | 17,397            | 16,009            | 16,981                         | 16,435                      |      |
| Net Cost of Service .....                      | 7,358             | 8,077             | 8,680                          | 8,557                       |      |
| <b>Employees (Full-Time Equivalents) .....</b> | <b>148</b>        | <b>141</b>        | <b>146</b>                     | <b>152</b>                  |      |
| <b>Efficiency Indicators</b>                   |                   |                   |                                |                             |      |
| Average cost per visitor at Perth Zoo.....     | \$33.24           | \$33.22           | \$36.45                        | \$34.24                     | 1    |

### Explanation of Significant Movements

(Notes)

1. The increase in Average cost per visitor at Perth Zoo in the 2021-22 Estimated Actual compared to the 2021-22 Budget is primarily due to higher than expected service delivery costs and lower visitor numbers due to the record heatwave and impacts of the COVID-19 pandemic.

#### 4. Visitor Services and Public Programs Provided in the Swan and Canning Riverpark

Provide facilities, experiences and programs to visitors to the Swan and Canning Riverpark for their enjoyment and appreciation of natural, cultural and heritage values and to strengthen community understanding and support for conservation of plants, animals and habitats.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                                      | 14,057            | 16,175            | 16,175                         | 17,010                      |      |
| Less Income .....   | 684               | 442               | 479                            | 482                         |      |
| Net Cost of Service .....                                       | 13,373            | 15,733            | 15,696                         | 16,528                      |      |
| Employees (Full-Time Equivalents) .....                         | 59                | 57                | 61                             | 61                          |      |
| <b>Efficiency Indicators</b>                                    |                   |                   |                                |                             |      |
| Average cost per hectare in the Swan and Canning Riverpark..... | \$1,920.21        | \$2,209.10        | \$2,209.10                     | \$2,323.14                  |      |

#### 5. Visitor Services and Public Programs Provided in National Parks and Other Lands and Waters

Provide facilities, experiences and programs to visitors to national parks and other lands and waters for their enjoyment and appreciation of natural, cultural and heritage values and to strengthen community understanding and support for conservation of plants and animals.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 110,422           | 148,539           | 136,548                        | 152,162                     | 1    |
| Less Income .....   | 35,466            | 33,681            | 34,060                         | 31,272                      |      |
| Net Cost of Service .....   | 74,956            | 114,858           | 102,488                        | 120,890                     | 1    |
| Employees (Full-Time Equivalents) .....                                     | 515               | 571               | 571                            | 602                         | 2    |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Average cost per hectare in national parks and other lands and waters ..... | \$3.50            | \$4.60            | \$4.23                         | \$4.56                      |      |

#### Explanation of Significant Movements

(Notes)

1. The 2022-23 Budget Target Total Cost of Service and Net Cost of Service are higher compared to the 2021-22 Estimated Actual and the 2021-22 Budget primarily due to deferment of expenditure on the Murujuga National Park Access Road, Aboriginal Ranger Program, Yamatji Nation Regional Agreement, Pila Nature Reserve and new funding allocated for the joint management of the proposed Matuwa Kurarra Kurarra National Park and the Lake Carnegie Nature Reserve under the PfOP initiative.
2. The number of FTEs in the 2022-23 Budget Target is higher than the 2021-22 Estimated Actual and the 2021-22 Budget due to additional FTEs required for the proposed joint management arrangement of the Matuwa Kurarra Kurarra National Park and the ongoing management of the Kalbar Regional Park.

## 6. Conserving Habitats, Species and Ecological Communities

Develop and implement programs for the conservation of biodiversity.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                         | \$'000<br>67,378  | \$'000<br>75,833  | \$'000<br>73,353               | \$'000<br>80,159            | 1    |
| Less Income .....                                  | 6,306             | 7,841             | 7,884                          | 8,410                       | 1    |
| Net Cost of Service .....                          | 61,072            | 67,992            | 65,469                         | 71,749                      | 1    |
| Employees (Full-Time Equivalents) .....            | 468               | 496               | 498                            | 506                         |      |
| <b>Efficiency Indicators</b>                       |                   |                   |                                |                             |      |
| Average cost per hectare of wildlife habitat ..... | \$2.14            | \$2.35            | \$2.27                         | \$2.40                      |      |

### Explanation of Significant Movements

(Notes)

1. The 2022-23 Budget Target Total Cost of Service, Income and Net Cost of Service are higher compared to the 2021-22 Budget primarily due to the Rottnest Island Authority using an activity-based costing model, resulting in a greater allocation of revenue and expenses to this service compared to prior years.

## 7. Research and Conservation Partnerships

Work with the community, industry, Traditional Owners and other stakeholders to deliver research and conservation outcomes.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                         | \$'000<br>24,381  | \$'000<br>27,078  | \$'000<br>26,946               | \$'000<br>26,587            |      |
| Less Income .....                                  | 14,492            | 16,347            | 16,556                         | 15,214                      |      |
| Net Cost of Service .....                          | 9,889             | 10,731            | 10,390                         | 11,373                      |      |
| Employees (Full-Time Equivalents) .....            | 106               | 103               | 109                            | 109                         |      |
| <b>Efficiency Indicators</b>                       |                   |                   |                                |                             |      |
| Average cost per hectare of wildlife habitat ..... | \$0.77            | \$0.84            | \$0.83                         | \$0.80                      |      |

## 8. Implementation of the Forest Management Plan

Manage State forests in accordance with the approved Forest Management Plan and provide services that support forest production activities.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....              | \$'000<br>18,414  | \$'000<br>21,826  | \$'000<br>21,826               | \$'000<br>21,239            |      |
| Less Income .....                       | 3,149             | 3,780             | 3,634                          | 3,481                       |      |
| Net Cost of Service .....               | 15,265            | 18,046            | 18,192                         | 17,758                      |      |
| Employees (Full-Time Equivalents) ..... | 119               | 141               | 141                            | 136                         |      |
| <b>Efficiency Indicators</b>            |                   |                   |                                |                             |      |
| Average cost per hectare of forest..... | \$14.26           | \$16.90           | \$17.00                        | \$16.54                     |      |

## 9. Prescribed Burning and Fire Management

Deliver prescribed burning and fire management to protect the community and enhance natural values.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....              | 51,240            | 52,990            | 52,890                         | 53,173                      |      |
| Less Income .....                       | 1,774             | 1,542             | 1,663                          | 1,620                       |      |
| Net Cost of Service.....                | 49,466            | 51,448            | 51,227                         | 51,553                      |      |
| Employees (Full-Time Equivalents) ..... | 250               | 260               | 255                            | 255                         |      |
| <b>Efficiency Indicators</b>            |                   |                   |                                |                             |      |
| Average cost per hectare burnt .....    | \$13.58           | \$14.49           | \$14.47                        | \$14.62                     |      |

## 10. Bushfire Suppression

Suppress bushfires that threaten or occur on lands managed by the Department.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....              | 47,467            | 40,922            | 40,922                         | 40,899                      |      |
| Less Income .....                       | 852               | 835               | 836                            | 769                         |      |
| Net Cost of Service.....                | 46,615            | 40,087            | 40,086                         | 40,130                      |      |
| Employees (Full-Time Equivalents) ..... | 117               | 125               | 120                            | 120                         |      |
| <b>Efficiency Indicators</b>            |                   |                   |                                |                             |      |
| Average cost per hectare burnt .....    | \$116.03          | \$13.27           | \$13.27                        | \$13.26                     | 1    |

### Explanation of Significant Movements

(Notes)

1. A significant decrease in the area of land burnt by bushfires on Department-managed lands in regional Western Australia has resulted in a significantly higher average cost per hectare burnt in the 2020-21 Actual compared to all other years.

## Asset Investment Program

1. The Department will continue with ongoing investment programs at the Perth Zoo, Rottnest Island, Kings Park and in national parks and other lands and waters across the State. The total Asset Investment Program over the forward estimates period is \$393.7 million, which includes \$97.5 million for election commitments. The Department's new significant projects include:
  - 1.1. Additional investment of \$54.8 million over the forward estimates period to upgrade the aging electrical infrastructure system on Rottnest Island and to deliver 75% of the Island's power from renewable sources. The scope of works will include network upgrades, replacement of the existing wind turbine generator, installation of a utility scale battery and additional solar generation. The expected benefits include improved sustainability, reliability and public safety outcomes.
  - 1.2. Investment of \$5 million over the forward estimates period to be spent on essential start-up infrastructure to support joint management outcomes of the proposed Matuwa Kurarra Kurarra National Park and the Lake Carnegie Nature Reserve, including accommodation at Lorna Glen, refurbishment of the existing homestead and woolshed, fencing, roading and track maintenance, installation of water points, radio towers and equipment and materials.
  - 1.3. An amount of \$4.6 million will be spent over 2021-22 and 2022-23 to replace 216 web struts and support infrastructure for the Valley of the Giants Tree Top Walk at the Walpole-Nornalup National Park to extend the life of the existing structure.

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>                                      |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>                                      |                                   |  |   |                                     |                              |                              |                              |
| Infrastructure Stimulus Package                               |                                   |  |   |                                     |                              |                              |                              |
| Perth Hills Bike Trails                                       |                                   |  |   |                                     |                              |                              |                              |
| Goat Farm and Kalamunda Circuit.....                          | 2,000                             | 1,800  | 1,051   | 200                                 | -                            | -                            | -                            |
| John Forrest National Park .....                              | 1,500                             | 580  | 517   | 920                                 | -                            | -                            | -                            |
| Rottnest Island   |                                   |  |   |                                     |                              |                              |                              |
| Water Network.....  | 18,301                            | 3,801  | 2,300   | 4,400                               | 5,100                        | 5,000                        | -                            |
| Water Production.....   | 14,699                            | 3,543  | 2,000   | 7,500                               | 3,656                        | -                            | -                            |
| Gascoyne Region Parks - Assets Refurbishment.....             | 550                               | 500  | 126   | 50                                  | -                            | -                            | -                            |
| Gloucester Tree - Power Supply Connection .....               | 225                               | 150  | 100   | 75                                  | -                            | -                            | -                            |
| Goldfields Esperance Parks - Assets Refurbishment .....       | 700                               | 570  | 69  | 130                                 | -                            | -                            | -                            |
| Great Southern Adventure Trails .....                         | 12,780                            | 3,385  | 2,921   | 5,925                               | 3,470                        | -                            | -                            |
| Gull Rock National Park - Ledge Beach Visitor Facilities..... | 135                               | 60   | 60  | 75                                  | -                            | -                            | -                            |
| Monkey Mia Rejuvenation .....                                 | 675                               | 575  | 319   | 100                                 | -                            | -                            | -                            |
| Parks in the Gascoyne Region - Renewal of Visitor             |                                   |  |   |                                     |                              |                              |                              |
| Access and Facilities .....                                   | 1,300                             | 725  | 305   | 575                                 | -                            | -                            | -                            |
| Parks in the Great Southern Region - Renewal of Walk          |                                   |  |   |                                     |                              |                              |                              |
| and Cycle Trails.....   | 2,240                             | 815  | 691   | 1,155                               | 270                          | -                            | -                            |
| Parks in the Perth Metro Region - Visitor Access and          |                                   |  |   |                                     |                              |                              |                              |
| Facilities Upgrades .....                                     | 2,387                             | 1,132  | 387   | 1,255                               | -                            | -                            | -                            |
| Perth Metro Region Parks - Assets Refurbishment .....         | 643                               | 523  | 62  | 120                                 | -                            | -                            | -                            |
| Perth Zoo Café/Function Centre .....                          | 21,823                            | 2,750  | 2,500   | 19,073                              | -                            | -                            | -                            |
| Point Peron, Rockingham Lakes - Paths Upgrade .....           | 1,100                             | 850  | 750   | 250                                 | -                            | -                            | -                            |
| <b>Other Works in Progress</b>                                |                                   |  |   |                                     |                              |                              |                              |
| Collie Adventure Trails .....                                 | 9,505                             | 5,840  | 2,735   | 3,665                               | -                            | -                            | -                            |
| Collie Tourism Readiness and Economic Stimulation -           |                                   |  |   |                                     |                              |                              |                              |
| Wellington National Park - Parking and Tourism                |                                   |  |   |                                     |                              |                              |                              |
| Facilities.....   | 2,471                             | 1,371  | 837   | 1,100                               | -                            | -                            | -                            |
| COVID-19 National and World Heritage                          |                                   |  |   |                                     |                              |                              |                              |
| Lesueur Cockleshell Gully Walk Trail Upgrade .....            | 43                                | 13   | 10  | 30                                  | -                            | -                            | -                            |
| Miluwindi Lennard Gorge Walkway and Lookout.....              | 320                               | 100  | 100   | 220                                 | -                            | -                            | -                            |
| Monkey Mia Interpretation .....                               | 50                                | 10   | 10  | 40                                  | -                            | -                            | -                            |
| Monkey Mia Trails and Landscape Works.....                    | 200                               | 20   | 20  | 180                                 | -                            | -                            | -                            |
| Reddell Beach Visitor Infrastructure Redevelopment .....      | 800                               | 50   | 50  | 750                                 | -                            | -                            | -                            |
| Election Commitments  |                                   |  |   |                                     |                              |                              |                              |
| Accessible Parks and Natureplay WA.....                       | 1,000                             | 225  | 225   | 775                                 | -                            | -                            | -                            |
| Beeliar Wetlands .....  | 3,000                             | 150  | 150   | 500                                 | 1,560                        | 790                          | -                            |
| Danggu Geike Gorge .....                                      | 1,750                             | 950  | 950   | 800                                 | -                            | -                            | -                            |
| Dwellingup Trails Gap Project.....                            | 2,350                             | 550  | 550   | 1,460                               | 340                          | -                            | -                            |
| Kalbarri Island Rock .....                                    | 250                               | 30   | 30  | 220                                 | -                            | -                            | -                            |
| Karijini National Park Upgrades.....                          | 16,000                            | 750  | 750   | 950                                 | 13,300                       | 1,000                        | -                            |
| Kimberley Wilderness Walk, Wunaamin Miliwundi                 |                                   |  |   |                                     |                              |                              |                              |
| Ranges.....   | 850                               | 150  | 150   | 300                                 | 250                          | 150                          | -                            |
| Mount Augustus Tourism Infrastructure .....                   | 10,000                            | 570  | 570   | 880                                 | 3,580                        | 4,970                        | -                            |

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Murujuga National Park .....   | 5,000                             | 100  | 100   | 2,700                               | 2,200                        | -                            | -                            |
| Perth Zoo Master Plan 2040 .....   | 30,000                            | 400  | 400   | 2,800                               | 11,800                       | 15,000                       | -                            |
| The Gap, Torndirrup National Park .....  | 3,300                             | 150  | 150   | 250                                 | 2,900                        | -                            | -                            |
| Tourism Package - DBCA Component (Peri-Urban<br>Parks) .....   | 18,800                            | 1,100  | 1,100   | 5,750                               | 7,850                        | 4,100                        | -                            |
| Yawuru Conservation Park .....   | 4,500                             | 200  | 200   | 1,800                               | 1,250                        | 1,250                        | -                            |
| Yellagonga Regional Park .....   | 6,265                             | 290  | 290   | 2,500                               | 2,905                        | 570                          | -                            |
| Election Commitment - Lake Stockton .....  | 500                               | 478  | 260   | 22                                  | -                            | -                            | -                            |
| Karratha Regional Office .....   | 5,663                             | 428  | 307   | 4,802                               | 433                          | -                            | -                            |
| Koombana Park Facilities .....   | 11,404                            | 11,054   | 1,862   | 350                                 | -                            | -                            | -                            |
| Park Improvement   |                                   |  |   |                                     |                              |                              |                              |
| Election Commitment - Lake Kepwari .....   | 5,166                             | 4,866  | 914   | 300                                 | -                            | -                            | -                            |
| William Bay National Park Tourism Infrastructure .....   | 2,500                             | 2,252  | 500   | 248                                 | -                            | -                            | -                            |
| Plan for Our Parks   |                                   |  |   |                                     |                              |                              |                              |
| Additional Areas .....   | 820                               | 135  | 135   | 135                                 | 275                          | 275                          | -                            |
| Badimia Conservation Reserves .....  | 5,307                             | 1,062  | 1,062   | 3,699                               | 396                          | 150                          | -                            |
| Buccaneer Archipelago .....  | 2,883                             | 531  | 315   | 1,451                               | 799                          | 51                           | 51                           |
| Election Commitment - Preston River to Ocean and<br>Leschenault Regional Parks (Kalgulup) .....                | 8,196                             | 561  | 300   | 6,555                               | 1,080                        | -                            | -                            |
| Fitzroy National Park .....  | 2,680                             | 960  | 960   | 1,600                               | 120                          | -                            | -                            |
| Helena and Aurora Range National Park .....  | 570                               | 350  | 28  | 220                                 | -                            | -                            | -                            |
| Houtman Abrolhos Islands National Park Management ....   | 11,601                            | 9,672  | 7,000   | 1,929                               | -                            | -                            | -                            |
| Ningaloo Coastal Reserve .....   | 1,500                             | 956  | 544   | 544                                 | -                            | -                            | -                            |
| Rottnest Island Authority - Jetty Upgrades - Main Jetty .....  | 12,900                            | 2,400  | 2,400   | 9,250                               | 1,250                        | -                            | -                            |
| Tree Top Walk Web Struts Replacement .....   | 4,608                             | 1,908  | 1,908   | 2,700                               | -                            | -                            | -                            |
| <b>COMPLETED WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Biodiversity Information Office - 2021-22 Program .....  | 2,177                             | 2,177  | 2,177   | -                                   | -                            | -                            | -                            |
| Infrastructure Stimulus Package  |                                   |  |   |                                     |                              |                              |                              |
| Kings Park and Botanic Garden  |                                   |  |   |                                     |                              |                              |                              |
| Playground Upgrade .....   | 521                               | 521  | 150   | -                                   | -                            | -                            | -                            |
| Upgrade to Café Building .....   | 456                               | 456  | 50  | -                                   | -                            | -                            | -                            |
| Penguin Island - Jetty Deck Repairs .....  | 50                                | 50   | 22  | -                                   | -                            | -                            | -                            |
| Bibbulmun Track and Munda Biddi Trail Renewal .....  | 1,195                             | 1,195  | 810   | -                                   | -                            | -                            | -                            |
| Cape Range - 'Over the Range' Walk Trail .....   | 50                                | 50   | 50  | -                                   | -                            | -                            | -                            |
| Dunn Rock Access Road Upgrade .....  | 150                               | 150  | 150   | -                                   | -                            | -                            | -                            |
| Great Southern Region Parks - Assets Refurbishment...  | 900                               | 900  | 277   | -                                   | -                            | -                            | -                            |
| Kalbarri - Access Roads Line Marking .....   | 50                                | 50   | 4   | -                                   | -                            | -                            | -                            |
| Karijini Park - Dales Campground Visitor Facilities<br>Renewal .....   | 900                               | 900  | 110   | -                                   | -                            | -                            | -                            |
| Kimberley Region Parks - Assets Refurbishment .....  | 1,000                             | 1,000  | 574   | -                                   | -                            | -                            | -                            |
| Mandurah Parks Wetlands Boardwalks - Replace and<br>Upgrade .....  | 750                               | 750  | 727   | -                                   | -                            | -                            | -                            |
| Margaret River - Rebuild the Pines Mountain Bike Trails...   | 350                               | 350  | 51  | -                                   | -                            | -                            | -                            |
| Midwest Region Parks - Assets Refurbishment .....  | 448                               | 448  | 347   | -                                   | -                            | -                            | -                            |
| Parks in the Goldfields/Esperance Region - Renewal of<br>Visitor Access and Facilities .....                   | 400                               | 400  | 8   | -                                   | -                            | -                            | -                            |
| Peel Region Parks - Assets Refurbishment .....   | 200                               | 200  | 178   | -                                   | -                            | -                            | -                            |
| Pemberton Climbing Trees - Viewing Platforms<br>Replacement .....  | 225                               | 225  | 50  | -                                   | -                            | -                            | -                            |
| Porongurup National Park - Castle Rock Car Park<br>Expansion .....   | 50                                | 50   | 40  | -                                   | -                            | -                            | -                            |
| Rabbit Hill Day Use Area - Visitor Facilities Upgrade .....  | 172                               | 172  | 85  | -                                   | -                            | -                            | -                            |
| Redgate Beach - Car Park Upgrade and Expansion .....   | 650                               | 650  | 650   | -                                   | -                            | -                            | -                            |
| Serpentine National Park - Visitor Facilities Upgrade .....  | 150                               | 150  | 115   | -                                   | -                            | -                            | -                            |
| Shark Bay World Heritage Area - Parks Improvements .....   | 500                               | 500  | 78  | -                                   | -                            | -                            | -                            |
| Shell Beach, Shark Bay - Visitor Facilities Upgrade .....  | 500                               | 500  | 480   | -                                   | -                            | -                            | -                            |
| State-wide - Trails Planning and Design for Mountain<br>Bike Trails .....                                      | 40                                | 40   | 25  | -                                   | -                            | -                            | -                            |
| Steep Point, Shark Bay - Access Road Realignment and<br>Upgrade .....  | 100                               | 100  | 98  | -                                   | -                            | -                            | -                            |
| Wellington National Park - Honeymoon Pool Deck<br>Replacement .....  | 133                               | 133  | 128   | -                                   | -                            | -                            | -                            |
| Wheatbelt Region Parks - Assets Refurbishment .....  | 414                               | 414  | 6   | -                                   | -                            | -                            | -                            |
| Yanchep National Park - Gloucester Lodge Asbestos<br>Removal .....   | 698                               | 698  | 125   | -                                   | -                            | -                            | -                            |
| <b>Other Completed Works</b>   |                                   |  |   |                                     |                              |                              |                              |
| Botanic Gardens and Parks Authority - Asset<br>Replacement - 2021-22 Program .....                             | 1,150                             | 1,150  | 1,150   | -                                   | -                            | -                            | -                            |
| Collie Tourism Readiness and Economic Stimulation -<br>Collie Township - Wayfinding and Tourism Amenities .... | 629                               | 629  | 468   | -                                   | -                            | -                            | -                            |
| Conservation Land Acquisition - 2021-22 Program .....  | 400                               | 400  | 400   | -                                   | -                            | -                            | -                            |



|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| COVID-19 National and World Heritage  |                                   |  |   |                                     |                              |                              |                              |
| Danggu Visitor Hub Redevelopment .....  | 361                               | 361  | 300   | -                                   | -                            | -                            | -                            |
| Ningaloo Coast Kayak Trail .....  | 150                               | 150  | 150   | -                                   | -                            | -                            | -                            |
| Porongurup Castle Rock Car Park Expansion and<br>Upgrade .....                                    | 420                               | 420  | 420   | -                                   | -                            | -                            | -                            |
| Porongurup Granite Skywalk Walk Trail Upgrade .....   | 400                               | 400  | 400   | -                                   | -                            | -                            | -                            |
| Purnululu Visitor Centre Upgrade .....  | 350                               | 350  | 350   | -                                   | -                            | -                            | -                            |
| Election Commitment - Collie Preston Region - Upgrades<br>Local Roads .....                       | 3,300                             | 3,300  | 118   | -                                   | -                            | -                            | -                            |
| Fire Related Bridge Maintenance and Replacement -<br>2021-22 Program .....                        | 1,957                             | 1,957  | 1,957   | -                                   | -                            | -                            | -                            |
| Firefighting Fleet Replacement - 2021-22 Program .....  | 2,200                             | 2,200  | 2,200   | -                                   | -                            | -                            | -                            |
| Park Improvement - 2021-22 Program .....  | 4,700                             | 4,700  | 4,700   | -                                   | -                            | -                            | -                            |
| Plant and Equipment - 2021-22 Program .....   | 5,348                             | 5,348  | 5,348   | -                                   | -                            | -                            | -                            |
| Roebuck Bay Marine Park .....   | 179                               | 179  | 179   | -                                   | -                            | -                            | -                            |
| Rottne Island Authority - Enhancing National Tourism<br>Icons - 2021-22 Program .....             | 7,320                             | 7,320  | 7,320   | -                                   | -                            | -                            | -                            |
| Rottne Island Authority<br>Holiday and Tourism Facilities - 2021-22 Program .....                 | 6,886                             | 6,886  | 6,886   | -                                   | -                            | -                            | -                            |
| Jetty Upgrades - South Thomson Seawall .....  | 2,020                             | 2,020  | 2,020   | -                                   | -                            | -                            | -                            |
| Tourism Road Improvement - 2021-22 Program .....  | 2,050                             | 2,050  | 2,050   | -                                   | -                            | -                            | -                            |
| Yamatji Nation Regional Agreement - Trucks .....  | 630                               | 630  | 630   | -                                   | -                            | -                            | -                            |
| Zoological Parks Authority<br>Animal Exhibits and Park Facilities - 2021-22 Program .....         | 1,992                             | 1,992  | 1,992   | -                                   | -                            | -                            | -                            |
| Facilities and Equipment - Computer Equipment -<br>2021-22 Program .....                          | 100                               | 100  | 100   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>  |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>  |                                   |  |   |                                     |                              |                              |                              |
| Biodiversity Information Office - 2022-23 Program .....   | 500                               | -  | -   | 500                                 | -                            | -                            | -                            |
| Infrastructure Stimulus Package - Cape Peron,<br>Shark Bay - Day Use Area Upgrade .....           | 175                               | -  | -   | 175                                 | -                            | -                            | -                            |
| <b>Other New Works</b>  |                                   |  |   |                                     |                              |                              |                              |
| 2023 Total Solar Eclipse .....  | 150                               | -  | -   | 150                                 | -                            | -                            | -                            |
| Botanic Gardens and Parks Authority - Asset<br>Replacement  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....   | 1,000                             | -  | -   | 1,000                               | -                            | -                            | -                            |
| 2023-24 Program .....   | 1,000                             | -  | -   | -                                   | 1,000                        | -                            | -                            |
| 2024-25 Program .....   | 1,000                             | -  | -   | -                                   | -                            | 1,000                        | -                            |
| 2025-26 Program .....   | 1,000                             | -  | -   | -                                   | -                            | -                            | 1,000                        |
| Conservation Land Acquisition   |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....   | 420                               | -  | -   | 420                                 | -                            | -                            | -                            |
| 2023-24 Program .....   | 420                               | -  | -   | -                                   | 420                          | -                            | -                            |
| 2024-25 Program .....   | 420                               | -  | -   | -                                   | -                            | 420                          | -                            |
| 2025-26 Program .....   | 420                               | -  | -   | -                                   | -                            | -                            | 420                          |
| COVID-19 National and World Heritage - Ningaloo Coast<br>Milyering Discovery Centre upgrade ..... | 150                               | -  | -   | 150                                 | -                            | -                            | -                            |
| Fire Related Bridge Maintenance and Replacement   |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....   | 2,095                             | -  | -   | 2,095                               | -                            | -                            | -                            |
| 2023-24 Program .....   | 2,095                             | -  | -   | -                                   | 2,095                        | -                            | -                            |
| 2024-25 Program .....   | 2,095                             | -  | -   | -                                   | -                            | 2,095                        | -                            |
| 2025-26 Program .....   | 2,095                             | -  | -   | -                                   | -                            | -                            | 2,095                        |
| Firefighting Fleet Replacement  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....   | 2,200                             | -  | -   | 2,200                               | -                            | -                            | -                            |
| 2023-24 Program .....   | 2,200                             | -  | -   | -                                   | 2,200                        | -                            | -                            |
| 2024-25 Program .....   | 2,200                             | -  | -   | -                                   | -                            | 2,200                        | -                            |
| 2025-26 Program .....   | 2,200                             | -  | -   | -                                   | -                            | -                            | 2,200                        |
| Park Improvement  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....   | 4,950                             | -  | -   | 4,950                               | -                            | -                            | -                            |
| 2023-24 Program .....   | 4,950                             | -  | -   | -                                   | 4,950                        | -                            | -                            |
| 2024-25 Program .....   | 4,950                             | -  | -   | -                                   | -                            | 4,950                        | -                            |
| 2025-26 Program .....   | 4,950                             | -  | -   | -                                   | -                            | -                            | 4,950                        |
| Plan for Our Parks  |                                   |  |   |                                     |                              |                              |                              |
| Election Commitment - Expansion of Wellington<br>National Park .....                              | 1,110                             | -  | -   | 370                                 | 370                          | 370                          | -                            |
| Fitzroy National Park (Royalties for Regions) .....   | 973                               | -  | -   | 973                                 | -                            | -                            | -                            |
| Proposed Matuwa Kurarra Kurarra National Park and<br>Lake Carnegie Nature Reserve .....           | 7,961                             | -  | -   | 1,350                               | 1,300                        | 1,250                        | 1,100                        |
| Plant and Equipment   |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....   | 6,018                             | -  | -   | 6,018                               | -                            | -                            | -                            |
| 2023-24 Program .....   | 8,629                             | -  | -   | -                                   | 8,629                        | -                            | -                            |
| 2024-25 Program .....   | 8,629                             | -  | -   | -                                   | -                            | 8,629                        | -                            |
| 2025-26 Program .....   | 8,629                             | -  | -   | -                                   | -                            | -                            | 8,629                        |

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Rottnest Island Authority</b>  |                                   |  |   |                                     |                              |                              |                              |
| Electrical Infrastructure Upgrade.....  | 54,800                            | -  | -   | 3,400                               | 7,700                        | 30,900                       | 12,800                       |
| Enhancing National Tourism Icons - 2022-23 Program .....                              | 1,730                             | -  | -   | 1,730                               | -                            | -                            | -                            |
| <b>Rottnest Island Authority - Holiday and Tourism<br/>Facilities</b>                 |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....   | 8,278                             | -  | -   | 8,278                               | -                            | -                            | -                            |
| 2023-24 Program .....   | 9,229                             | -  | -   | -                                   | 9,229                        | -                            | -                            |
| 2024-25 Program .....   | 9,789                             | -  | -   | -                                   | -                            | 9,789                        | -                            |
| 2025-26 Program .....   | 9,789                             | -  | -   | -                                   | -                            | -                            | 9,789                        |
| <b>Tourism Road Improvement</b>   |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....   | 2,150                             | -  | -   | 2,150                               | -                            | -                            | -                            |
| 2023-24 Program .....   | 2,150                             | -  | -   | -                                   | 2,150                        | -                            | -                            |
| 2024-25 Program .....   | 2,150                             | -  | -   | -                                   | -                            | 2,150                        | -                            |
| 2025-26 Program .....   | 2,150                             | -  | -   | -                                   | -                            | -                            | 2,150                        |
| <b>Zoological Parks Authority - Animal Exhibits and Park<br/>Facilities</b>           |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....   | 1,305                             | -  | -   | 1,305                               | -                            | -                            | -                            |
| 2023-24 Program .....   | 1,905                             | -  | -   | -                                   | 1,905                        | -                            | -                            |
| 2024-25 Program .....   | 1,905                             | -  | -   | -                                   | -                            | 1,905                        | -                            |
| 2025-26 Program .....   | 1,905                             | -  | -   | -                                   | -                            | -                            | 1,905                        |
| <b>Zoological Parks Authority - Facilities and Equipment -<br/>Computer Equipment</b> |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....   | 100                               | -  | -   | 100                                 | -                            | -                            | -                            |
| 2023-24 Program .....   | 100                               | -  | -   | -                                   | 100                          | -                            | -                            |
| 2024-25 Program .....   | 100                               | -  | -   | -                                   | -                            | 100                          | -                            |
| 2025-26 Program .....   | 100                               | -  | -   | -                                   | -                            | -                            | 100                          |
| <b>Total Cost of Asset Investment Program.....</b>                                    | <b>524,800</b>                    | <b>128,162</b>                                   | <b>88,733</b>                                 | <b>140,592</b>                      | <b>106,832</b>               | <b>99,064</b>                | <b>47,189</b>                |
| <b>FUNDED BY</b>  |                                   |  |   |                                     |                              |                              |                              |
| Asset Sales.....  |                                   |  | 500   | 500                                 | 500                          | 500                          | 500                          |
| Capital Appropriation .....   |                                   |  | 41,021  | 79,227                              | 53,674                       | 64,285                       | 19,780                       |
| Commonwealth Grants .....   |                                   |  | 8,771   | 1,730                               | -                            | -                            | -                            |
| Drawdowns from Royalties for Regions Fund .....                                       |                                   |  | 16,116  | 18,212                              | 23,820                       | 7,370                        | -                            |
| Drawdowns from the Holding Account.....   |                                   |  | 12,480  | 13,320                              | 13,320                       | 13,320                       | 13,320                       |
| Internal Funds and Balances.....  |                                   |  | 8,075   | 27,603                              | 15,518                       | 13,589                       | 13,589                       |
| Other Grants and Subsidies .....  |                                   |  | 1,770   | -                                   | -                            | -                            | -                            |
| <b>Total Funding .....</b>  |                                   |  | <b>88,733</b>                                 | <b>140,592</b>                      | <b>106,832</b>               | <b>99,064</b>                | <b>47,189</b>                |

## **Financial Statements**

### **Income Statement**

#### *Expenses*

1. The Total Cost of Service is estimated to increase by \$9 million between the 2021-22 Budget and the 2022-23 Budget Year, mainly due to increased spending on the Murujuga National Park Access Road, joint management of the proposed Matuwa Kurarra Kurarra National Park and the Lake Carnegie Nature Reserve under the PfOP initiative, Climate Action and management of the 2023 Total Solar Eclipse event.

#### *Income*

2. The Total Income from Government is estimated to increase by \$5.4 million to \$351.1 million in the 2022-23 Budget Year compared to the 2021-22 Budget, largely due to additional funding provided for the above noted initiatives.

### **Statement of Financial Position**

3. The largest asset for the Department is land held for conservation and multiple uses, reported under Property, plant and equipment. Restricted cash in specific purpose accounts funded by external parties represents the majority of the Department's cash holdings.

### **Statement of Cashflows**

4. Purchase of non-current assets is expected to increase from \$118.5 million in the 2021-22 Budget to \$140.6 million in the 2022-23 Budget Year. The increase of \$22.1 million is largely the result of increased expenditure on election commitments, PfOP projects, COVID-19 Response projects and electrical infrastructure upgrades on Rottnest Island.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 227,533                     | 238,568                     | 237,672                                  | 242,031                             | 242,926                      | 242,505                      | 243,537                      |
| Grants and subsidies <sup>(c)</sup> .....        | 12,570                      | 13,974                      | 14,183                                   | 28,030                              | 28,759                       | 25,621                       | 18,673                       |
| Supplies and services .....                      | 108,083                     | 135,138                     | 124,216                                  | 126,342                             | 113,705                      | 110,747                      | 112,341                      |
| Accommodation .....                              | 3,995                       | 7,431                       | 5,961                                    | 6,698                               | 6,907                        | 6,911                        | 8,422                        |
| Depreciation and amortisation .....              | 40,123                      | 45,859                      | 45,902                                   | 47,417                              | 47,724                       | 47,716                       | 46,428                       |
| Finance and interest costs .....                 | 323                         | 492                         | 454                                      | 536                                 | 556                          | 563                          | 612                          |
| Other expenses .....                             | 27,323                      | 30,575                      | 30,485                                   | 30,021                              | 31,668                       | 31,840                       | 29,297                       |
| <b>TOTAL COST OF SERVICES</b> .....              | <b>419,950</b>              | <b>472,037</b>              | <b>458,873</b>                           | <b>481,075</b>                      | <b>472,245</b>               | <b>465,903</b>               | <b>459,310</b>               |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services .....                 | 74,414                      | 76,216                      | 76,691                                   | 82,996                              | 83,419                       | 83,548                       | 83,556                       |
| Regulatory fees and fines .....                  | 11,202                      | 16,455                      | 16,455                                   | 13,488                              | 14,488                       | 14,988                       | 15,500                       |
| Grants and subsidies .....                       | 19,274                      | 32,636                      | 31,852                                   | 15,978                              | 14,283                       | 14,283                       | 14,233                       |
| Other revenue <sup>(d)</sup> .....               | 168,259                     | 22,532                      | 22,907                                   | 22,615                              | 22,643                       | 22,158                       | 22,211                       |
| <b>Total Income</b> .....                        | <b>273,149</b>              | <b>147,839</b>              | <b>147,905</b>                           | <b>135,077</b>                      | <b>134,833</b>               | <b>134,977</b>               | <b>135,500</b>               |
| <b>NET COST OF SERVICES</b> .....                | <b>146,801</b>              | <b>324,198</b>              | <b>310,968</b>                           | <b>345,998</b>                      | <b>337,412</b>               | <b>330,926</b>               | <b>323,810</b>               |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 272,390                     | 285,789                     | 275,222                                  | 301,102                             | 289,593                      | 277,540                      | 273,441                      |
| Resources received free of charge .....          | 2,016                       | 1,591                       | 1,691                                    | 1,691                               | 1,691                        | 1,691                        | 1,591                        |
| Royalties for Regions Fund:                      |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....           | 11,633                      | 35,134                      | 30,898                                   | 25,664                              | 26,681                       | 31,966                       | 28,884                       |
| Other revenues .....                             | 25,622                      | 23,236                      | 23,136                                   | 22,671                              | 22,629                       | 22,436                       | 22,444                       |
| <b>TOTAL INCOME FROM GOVERNMENT</b> .....        | <b>311,661</b>              | <b>345,750</b>              | <b>330,947</b>                           | <b>351,128</b>                      | <b>340,594</b>               | <b>333,633</b>               | <b>326,360</b>               |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> ..... | <b>164,860</b>              | <b>21,552</b>               | <b>19,979</b>                            | <b>5,130</b>                        | <b>3,182</b>                 | <b>2,707</b>                 | <b>2,550</b>                 |

(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 1,937, 2,058 and 2,098 respectively.

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

(d) The 2020-21 Actual for other revenue includes a \$145.7 million Asset Revaluation Revenue.

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Aboriginal Ranger Program .....                                     | 5,515                       | 2,000                       | 6,632                                    | 10,274                              | 13,625                       | 19,191                       | 15,250                       |
| City of Karratha - Murujuga National Park<br>Access Road .....      | -                           | 5,000                       | -  | 11,500                              | 7,800                        | -                            | -                            |
| DevelopmentWA - Contaminated Site<br>Management .....               | 250                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Election Commitments .....  | -                           | 3,553                       | 3,553                                    | 2,258                               | 3,336                        | 2,932                        | -                            |
| Environmental Defenders Office .....                                | -                           | -                           | 75                                       | 75                                  | 75                           | 75                           | -                            |
| Local Projects Local Jobs .....                                     | 25                          | -                           | -  | -                                   | -                            | -                            | -                            |
| Net Conservation Benefit .....                                      | 841                         | -                           | 502                                      | 502                                 | 502                          | 502                          | 502                          |
| Other .....   | 453                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Plan for Our Parks .....  | 798                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Swan and Canning Rivers Management and<br>Community Rivercare ..... | 4,113                       | 3,021                       | 3,021                                    | 3,021                               | 3,021                        | 2,521                        | 2,521                        |
| Wildlife Conservation .....   | 410                         | 400                         | 400                                      | 400                                 | 400                          | 400                          | 400                          |
| Wildlife Heroes Rehabilitation and Emergency ...                    | 165                         | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>TOTAL</b> .....  | <b>12,570</b>               | <b>13,974</b>               | <b>14,183</b>                            | <b>28,030</b>                       | <b>28,759</b>                | <b>25,621</b>                | <b>18,673</b>                |

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                      |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                          | 56,258                      | 65,396                      | 64,849                                   | 57,704                              | 53,074                       | 49,251                       | 46,503                       |
| Restricted cash .....                      | 75,064                      | 63,872                      | 69,422                                   | 59,257                              | 58,695                       | 58,695                       | 58,695                       |
| Holding Account receivables .....          | 12,480                      | 13,320                      | 13,320                                   | 13,320                              | 12,320                       | 12,320                       | 2,020                        |
| Receivables .....                          | 15,716                      | 10,816                      | 16,134                                   | 16,632                              | 17,484                       | 18,179                       | 17,131                       |
| Other.....                                 | 12,826                      | 10,190                      | 12,736                                   | 12,320                              | 11,553                       | 10,789                       | 10,789                       |
| Assets held for sale .....                 | 55                          | 44                          | 55                                       | 55                                  | 55                           | 55                           | 55                           |
| <b>Total current assets .....</b>          | <b>172,399</b>              | <b>163,638</b>              | <b>176,516</b>                           | <b>159,288</b>                      | <b>153,181</b>               | <b>149,289</b>               | <b>135,193</b>               |
| <b>NON-CURRENT ASSETS</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....          | 254,243                     | 279,943                     | 279,845                                  | 305,538                             | 332,237                      | 357,929                      | 393,952                      |
| Property, plant and equipment.....         | 3,188,155                   | 3,113,188                   | 3,238,171                                | 3,337,636                           | 3,402,782                    | 3,460,993                    | 3,467,134                    |
| Receivables .....                          | 125                         | 128                         | 125                                      | 125                                 | 125                          | 125                          | 125                          |
| Intangibles .....                          | 1,149                       | 515                         | 2,325                                    | 2,001                               | 1,925                        | 1,925                        | 1,925                        |
| Restricted cash .....                      | 3,369                       | 4,493                       | 4,339                                    | 4,409                               | 4,479                        | 4,631                        | 4,701                        |
| Other.....                                 | 2,935                       | 2,105                       | 2,233                                    | 1,847                               | 1,847                        | 1,847                        | 1,847                        |
| <b>Total non-current assets .....</b>      | <b>3,449,976</b>            | <b>3,400,372</b>            | <b>3,527,038</b>                         | <b>3,651,556</b>                    | <b>3,743,395</b>             | <b>3,827,450</b>             | <b>3,869,684</b>             |
| <b>TOTAL ASSETS .....</b>                  | <b>3,622,375</b>            | <b>3,564,010</b>            | <b>3,703,554</b>                         | <b>3,810,844</b>                    | <b>3,896,576</b>             | <b>3,976,739</b>             | <b>4,004,877</b>             |
| <b>CURRENT LIABILITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 48,282                      | 44,135                      | 48,568                                   | 48,854                              | 49,140                       | 49,413                       | 49,721                       |
| Payables .....                             | 12,246                      | 11,251                      | 12,012                                   | 12,012                              | 12,012                       | 12,012                       | 12,012                       |
| Borrowings and leases .....                | 4,554                       | 5,361                       | 5,850                                    | 5,505                               | 5,993                        | 5,884                        | 5,951                        |
| Other.....                                 | 32,013                      | 32,454                      | 27,920                                   | 27,930                              | 27,940                       | 27,950                       | 27,950                       |
| <b>Total current liabilities .....</b>     | <b>97,095</b>               | <b>93,201</b>               | <b>94,350</b>                            | <b>94,301</b>                       | <b>95,085</b>                | <b>95,259</b>                | <b>95,634</b>                |
| <b>NON-CURRENT LIABILITIES</b>             |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 9,541                       | 8,755                       | 9,541                                    | 9,541                               | 9,541                        | 9,541                        | 9,541                        |
| Borrowings and leases .....                | 7,693                       | 6,462                       | 9,348                                    | 8,857                               | 7,833                        | 8,338                        | 8,480                        |
| Other.....                                 | 9,225                       | 9,225                       | 9,063                                    | 8,901                               | 8,739                        | 8,577                        | 8,577                        |
| <b>Total non-current liabilities .....</b> | <b>26,459</b>               | <b>24,442</b>               | <b>27,952</b>                            | <b>27,299</b>                       | <b>26,113</b>                | <b>26,456</b>                | <b>26,598</b>                |
| <b>TOTAL LIABILITIES.....</b>              | <b>123,554</b>              | <b>117,643</b>              | <b>122,302</b>                           | <b>121,600</b>                      | <b>121,198</b>               | <b>121,715</b>               | <b>122,232</b>               |
| <b>EQUITY</b>                              |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                   | 3,275,012                   | 3,349,213                   | 3,336,964                                | 3,439,326                           | 3,521,778                    | 3,598,417                    | 3,623,188                    |
| Accumulated surplus/(deficit).....         | 85,480                      | (39,647)                    | 105,459                                  | 110,589                             | 113,771                      | 116,478                      | 119,028                      |
| Reserves.....                              | 138,329                     | 136,801                     | 138,829                                  | 139,329                             | 139,829                      | 140,129                      | 140,429                      |
| <b>Total equity .....</b>                  | <b>3,498,821</b>            | <b>3,446,367</b>            | <b>3,581,252</b>                         | <b>3,689,244</b>                    | <b>3,775,378</b>             | <b>3,855,024</b>             | <b>3,882,645</b>             |
| <b>TOTAL LIABILITIES AND EQUITY .....</b>  | <b>3,622,375</b>            | <b>3,564,010</b>            | <b>3,703,554</b>                         | <b>3,810,844</b>                    | <b>3,896,576</b>             | <b>3,976,739</b>             | <b>4,004,877</b>             |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                                |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                     | 233,463                     | 246,769                     | 236,300                                  | 262,089                             | 250,574                      | 238,528                      | 234,398                      |
| Capital appropriation .....                                     | 31,157                      | 53,212                      | 45,836                                   | 84,150                              | 58,632                       | 69,269                       | 24,771                       |
| Holding Account drawdowns .....                                 | 11,802                      | 12,480                      | 12,480                                   | 13,320                              | 13,320                       | 13,320                       | 13,320                       |
| Royalties for Regions Fund:                                     |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....                          | 11,633                      | 35,313                      | 31,077                                   | 25,664                              | 26,681                       | 31,966                       | 28,884                       |
| Regional Infrastructure and Headworks<br>Fund .....             | 13,545                      | 20,954                      | 15,937                                   | 18,212                              | 23,820                       | 7,370                        | -                            |
| Other.....  | 20,575                      | 23,236                      | 23,586                                   | 22,670                              | 22,628                       | 22,435                       | 22,443                       |
| <b>Net cash provided by Government .....</b>                    | <b>322,175</b>              | <b>391,964</b>              | <b>365,216</b>                           | <b>426,105</b>                      | <b>395,655</b>               | <b>382,888</b>               | <b>323,816</b>               |
| <b>CASHFLOWS FROM OPERATING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....  | (221,587)                   | (238,352)                   | (237,406)                                | (241,762)                           | (242,657)                    | (242,246)                    | (243,044)                    |
| Grants and subsidies.....                                       | (12,570)                    | (13,359)                    | (13,568)                                 | (27,860)                            | (27,509)                     | (25,421)                     | (18,673)                     |
| Supplies and services .....                                     | (79,941)                    | (122,063)                   | (109,679)                                | (111,824)                           | (100,409)                    | (96,654)                     | (95,049)                     |
| Accommodation .....   | (3,977)                     | (7,152)                     | (6,182)                                  | (6,918)                             | (7,127)                      | (7,133)                      | (8,421)                      |
| GST payments .....  | (21,771)                    | (16,902)                    | (17,902)                                 | (17,902)                            | (17,652)                     | (17,402)                     | (16,952)                     |
| Finance and interest costs.....                                 | (323)                       | (486)                       | (454)                                    | (536)                               | (556)                        | (563)                        | (612)                        |
| Other payments.....   | (48,584)                    | (44,532)                    | (45,642)                                 | (45,792)                            | (47,297)                     | (47,204)                     | (44,912)                     |
| <b>Receipts <sup>(b)</sup></b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Regulatory fees and fines.....                                  | 11,201                      | 16,455                      | 16,455                                   | 13,488                              | 14,488                       | 14,988                       | 15,500                       |
| Grants and subsidies.....                                       | 21,934                      | 29,325                      | 28,541                                   | 16,780                              | 15,050                       | 15,050                       | 15,000                       |
| Sale of goods and services.....                                 | 67,557                      | 77,527                      | 78,002                                   | 84,307                              | 84,730                       | 84,347                       | 83,613                       |
| GST receipts .....  | 20,077                      | 16,905                      | 17,905                                   | 17,905                              | 17,655                       | 17,405                       | 16,957                       |
| Other receipts .....  | 17,814                      | 22,088                      | 22,113                                   | 22,271                              | 22,299                       | 22,326                       | 22,152                       |
| <b>Net cash from operating activities .....</b>                 | <b>(250,170)</b>            | <b>(280,546)</b>            | <b>(267,817)</b>                         | <b>(297,843)</b>                    | <b>(288,985)</b>             | <b>(282,507)</b>             | <b>(274,441)</b>             |
| <b>CASHFLOWS FROM INVESTING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                            | (67,941)                    | (118,477)                   | (88,733)                                 | (140,592)                           | (106,832)                    | (99,064)                     | (47,189)                     |
| Proceeds from sale of non-current assets.....                   | 1,120                       | 500                         | 500                                      | 500                                 | 500                          | 500                          | 500                          |
| <b>Net cash from investing activities.....</b>                  | <b>(66,821)</b>             | <b>(117,977)</b>            | <b>(88,233)</b>                          | <b>(140,092)</b>                    | <b>(106,332)</b>             | <b>(98,564)</b>              | <b>(46,689)</b>              |
| <b>CASHFLOWS FROM FINANCING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases .....                        | (5,469)                     | (5,209)                     | (5,081)                                  | (5,248)                             | (5,298)                      | (5,326)                      | (5,364)                      |
| Other payments.....   | (148)                       | -                           | (162)                                    | (162)                               | (162)                        | (162)                        | -                            |
| <b>Net cash from financing activities.....</b>                  | <b>(5,617)</b>              | <b>(5,209)</b>              | <b>(5,243)</b>                           | <b>(5,410)</b>                      | <b>(5,460)</b>               | <b>(5,488)</b>               | <b>(5,364)</b>               |
| <b>NET INCREASE/(DECREASE) IN CASH<br/>HELD .....</b>           | <b>(433)</b>                | <b>(11,768)</b>             | <b>3,923</b>                             | <b>(17,240)</b>                     | <b>(5,122)</b>               | <b>(3,671)</b>               | <b>(2,678)</b>               |
| Cash assets at the beginning of the reporting<br>period .....   | 135,124                     | 145,533                     | 134,691                                  | 138,610                             | 121,370                      | 116,248                      | 112,577                      |
| Net cash transferred to/from other agencies ....                | -                           | (4)                         | (4)                                      | -                                   | -                            | -                            | -                            |
| <b>Cash assets at the end of the reporting<br/>period .....</b> | <b>134,691</b>              | <b>133,761</b>              | <b>138,610</b>                           | <b>121,370</b>                      | <b>116,248</b>               | <b>112,577</b>               | <b>109,899</b>               |

(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 (a)(b)**

|                                   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|-----------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Regulatory Fees and Fines</b>  |                             |                             |  |                                     |                              |                              |                              |
| Regulatory Fees and Fines.....    | 369                         | 190                         | 190                                      | 190                                 | 190                          | 190                          | 190                          |
| <b>Grants and Subsidies</b>       |                             |                             |  |                                     |                              |                              |                              |
| Grants and Subsidies.....         | 29,490                      | 25,621                      | 25,521                                   | 23,335                              | 23,285                       | 23,335                       | 23,335                       |
| <b>Sale of Goods and Services</b> |                             |                             |  |                                     |                              |                              |                              |
| Sale of Goods and Services .....  | 42,641                      | 35,239                      | 35,239                                   | 36,739                              | 36,739                       | 36,739                       | 36,739                       |
| <b>GST Receipts</b>               |                             |                             |  |                                     |                              |                              |                              |
| GST Receipts on Sales .....       | 5,696                       | 5,500                       | 5,500                                    | 5,500                               | 5,500                        | 5,500                        | 5,500                        |
| GST Input Credits .....           | 8,228                       | 5,827                       | 5,827                                    | 5,827                               | 5,827                        | 5,827                        | 5,827                        |
| <b>Other Receipts</b>             |                             |                             |  |                                     |                              |                              |                              |
| Other Receipts .....              | 12,433                      | 14,899                      | 14,899                                   | 15,047                              | 15,070                       | 15,090                       | 15,090                       |
| Interest Received .....           | 294                         | 1,988                       | 1,988                                    | 1,988                               | 1,988                        | 1,988                        | 1,988                        |
| <b>TOTAL .....</b>                | <b>99,151</b>               | <b>89,264</b>               | <b>89,164</b>                            | <b>88,626</b>                       | <b>88,599</b>                | <b>88,669</b>                | <b>88,669</b>                |

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

(b) The Botanic Gardens and Parks Authority, Rottnest Island Authority and Zoological Parks Authority are statutory authorities and, as a result, are excluded from the Net Appropriation Determination.

**DETAILS OF ADMINISTERED TRANSACTIONS**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>INCOME</b>   |                             |                             |  |                                     |                              |                              |                              |
| <b>Fines</b>  |                             |                             |  |                                     |                              |                              |                              |
| Receipts from Regulatory Fees and Fines ....              | 58                          | 30                          | 30                                       | 30                                  | 30                           | 30                           | 30                           |
| <b>TOTAL ADMINISTERED INCOME .....</b>                    | <b>58</b>                   | <b>30</b>                   | <b>30</b>                                | <b>30</b>                           | <b>30</b>                    | <b>30</b>                    | <b>30</b>                    |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| <b>Other</b>  |                             |                             |  |                                     |                              |                              |                              |
| Loss on Valuation of Biological Assets <sup>(a)</sup> ... | 56,097                      | -                           | -  | -                                   | -                            | -                            | -                            |
| Receipts Paid into the Consolidated<br>Account .....      | 58                          | 30                          | 30                                       | 30                                  | 30                           | 30                           | 30                           |
| <b>TOTAL ADMINISTERED EXPENSES .....</b>                  | <b>56,155</b>               | <b>30</b>                   | <b>30</b>                                | <b>30</b>                           | <b>30</b>                    | <b>30</b>                    | <b>30</b>                    |

(a) Native forest and sandalwood biological assets were transferred to the Department on 1 July 2019. The loss on valuation of biological assets reflects an asset revaluation decrement.

## Part 11

### Planning and Land Use

#### Introduction

The Planning and Land Use portfolio delivers an effective and efficient planning system that supports the sustainable development of well-planned communities in Western Australia. The portfolio undertakes land asset management, cultural heritage conservation and management, Crown land and native title administration, land and location information and records administration, valuations, State-wide strategic planning and regulatory reform.

#### Summary of Recurrent and Asset Investment Expenditure

| Agency  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|---|--|-------------------------------------|
| Planning, Lands and Heritage                  |  |                                     |
| – Total Cost of Services .....                | 203,774                                  | 222,508                             |
| – Asset Investment Program .....              | 7,976                                    | 17,687                              |
| Western Australian Planning Commission        |  |                                     |
| – Total Cost of Services .....                | 79,789                                   | 67,977                              |
| – Asset Investment Program .....              | 142,685                                  | 97,863                              |
| Western Australian Land Information Authority |  |                                     |
| – Total Cost of Services .....                | 120,991                                  | 117,403                             |
| – Asset Investment Program .....              | 6,789                                    | 7,211                               |
| DevelopmentWA                                 |  |                                     |
| – Asset Investment Program .....              | 380,523                                  | 471,061                             |
| Heritage Council of Western Australia         |  |                                     |
| – Total Cost of Services .....                | 3,268                                    | 1,557                               |
| National Trust of Australia (WA)              |  |                                     |
| – Total Cost of Services .....                | 6,203                                    | 8,577                               |
| – Asset Investment Program .....              | 1,505                                    | 800                                 |



## Ministerial Responsibilities

| Minister  | Agency  | Services  |
|---|---|---|
| Minister for Transport; Planning; Ports   | Planning, Lands and Heritage                  | 1. Planning Services  |
| Minister for Housing; Lands; Homelessness; Local Government   | Planning, Lands and Heritage                  | 2. Land Administration Services   |
| Minister for Culture and the Arts; Sport and Recreation; International Education; Heritage; Leader of the House | Planning, Lands and Heritage                  | 3. Historical Heritage Services<br>4. Aboriginal Heritage Management                                      |
| Minister for Finance; Racing and Gaming; Aboriginal Affairs; Citizenship and Multicultural Interests            |   |   |
| Minister for Housing; Lands; Homelessness; Local Government   | Western Australian Land Information Authority | 1. Land Titling<br>2. Valuations<br>3. Land Information and Services<br>4. Access to Location Information |
|   | DevelopmentWA                                 | n/a   |
| Minister for Transport; Planning; Ports   | Western Australian Planning Commission        | 1. Statutory Planning<br>2. Strategic Planning<br>3. Asset Management                                     |
| Minister for Culture and the Arts; Sport and Recreation; International Education; Heritage; Leader of the House | Heritage Council of Western Australia         | 1. Cultural Heritage Conservation Services  |
|   | National Trust of Australia (WA)              | 1. Conservation and Management of Built Heritage<br>2. Heritage Services to the Community                 |

## Division 43 **Planning, Lands and Heritage**

### Part 11 **Planning and Land Use**

#### **Appropriations, Expenses and Cash Assets**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>                               |                             |                             |  |                                     |                              |                              |                              |
| Item 87 Net amount appropriated to deliver services ..... | 114,559                     | 105,455                     | 108,724                                  | 121,810                             | 115,618                      | 100,092                      | 98,024                       |
| <b>Amount Authorised by Other Statutes</b>                |                             |                             |  |                                     |                              |                              |                              |
| - Salaries and Allowances Act 1975 .....                  | 401                         | 404                         | 404                                      | 407                                 | 410                          | 414                          | 416                          |
| Total appropriations provided to deliver services.....    | 114,960                     | 105,859                     | 109,128                                  | 122,217                             | 116,028                      | 100,506                      | 98,440                       |
| <b>CAPITAL</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 150 Capital Appropriation.....                       | 7,852                       | 2,373                       | 2,373                                    | 5,923                               | 3,943                        | 3,908                        | 3,794                        |
| <b>TOTAL APPROPRIATIONS</b> .....                         | 122,812                     | 108,232                     | 111,501                                  | 128,140                             | 119,971                      | 104,414                      | 102,234                      |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....                              | 179,500                     | 208,016                     | 203,774                                  | 222,508                             | 202,482                      | 181,493                      | 176,213                      |
| Net Cost of Services <sup>(a)</sup> .....                 | 169,780                     | 194,913                     | 192,764                                  | 210,317                             | 190,278                      | 169,366                      | 164,086                      |
| <b>CASH ASSETS</b> <sup>(b)</sup> .....                   | 57,979                      | 34,201                      | 44,328                                   | 33,452                              | 30,413                       | 28,202                       | 27,094                       |

(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<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>New Initiatives</b>   |  |                                     |                              |                              |                              |
| Aboriginal Cultural Heritage Act 2021 .....                            | 1,479                                    | 6,436                               | 6,031                        | -                            | -                            |
| Baseline Funding Review .....  | -  | 2,281                               | 2,284                        | -                            | -                            |
| Cultural and Heritage Assets Program - Cyclone Seroja .....            | 784                                      | 1,176                               | -                            | -                            | -                            |
| Digital Capability Fund  |  |                                     |                              |                              |                              |
| Aboriginal Cultural Heritage Act 2021 .....                            | -  | 47                                  | 49                           | 52                           | 52                           |
| State Planning System .....  | 238                                      | 1,292                               | 1,086                        | 626                          | 657                          |
| Fremantle Prison Conservation .....                                    | -  | 893                                 | 911                          | 930                          | 949                          |
| Market-led Proposals .....   | 622                                      | 1,690                               | 1,710                        | 1,763                        | 1,751                        |
| <b>Ongoing Initiatives</b>   |  |                                     |                              |                              |                              |
| Bushfire Framework Review .....  | 196                                      | 508                                 | 554                          | 561                          | 567                          |
| Fremantle Prison - Commonwealth Grants .....                           | 217                                      | 192                                 | -                            | -                            | -                            |
| Indian Ocean Territories Service Delivery Agreement.....               | 234                                      | 566                                 | 188                          | 188                          | 188                          |
| METRONET Precinct Planning .....                                       | -  | 2,500                               | 2,500                        | -                            | -                            |
| Northampton Lead Tailings Project .....                                | -  | 1,153                               | -                            | -                            | -                            |
| Planning Reform Phase Two .....  | -  | 3,018                               | 3,017                        | -                            | -                            |
| Wittenoom Townsite Closure - Contribution from Water Corporation ..... | 200                                      | -                                   | -                            | -                            | -                            |

## Significant Issues Impacting the Agency

### New Aboriginal Cultural Heritage Legislation

1. The new *Aboriginal Cultural Heritage Act 2021* was passed by Parliament in December 2021. This new legislation aligns with Commonwealth Native Title laws, focuses on agreement making and prioritises the involvement of Aboriginal people in the protection and management of their cultural heritage. A Reference Group has been appointed to oversee a co-design process to develop the key documents that will support the new legislation, including regulations and statutory guidelines.

### Planning Reform

2. The Department, working with the Western Australian Planning Commission, is continuing to implement the Government's planning reform agenda to support an extended period of economic recovery. An initial phase of reforms delivered immediate changes to Western Australia's planning system through more streamlined, efficient and transparent processes. Further reforms will facilitate a strategic refocus of the system resulting in longer-term benefits and improvements.

### Land Supply and Social Housing

3. The Department is leading a joint project with the Departments of the Premier and Cabinet, Communities and DevelopmentWA to deliver more social housing on Government owned land across the State. The Government, through the Housing Diversity Pipeline, is seeking to partner with industry on innovative delivery models and future development across a number of identified sites. Work is also underway to deconstrain and divest surplus land owned by the Crown and the Western Australian Planning Commission for social housing development and other strategic planning and land use objectives such as within METRONET precincts.

### Land Administration Act Amendments

4. The Department is working on legislative amendments to the *Land Administration Act 1997* which are designed to remove constraints to Crown land-based developments throughout Western Australia, create economic growth and development through diversified land use, and facilitate best-practice land management and more effective administration of the pastoral estate.

### Aboriginal Lands Trust Divestment

5. The Department will introduce legislative amendments to support continued transfer of Aboriginal Lands Trust estate land and built assets to Aboriginal people. Initial amendments to the *Aboriginal Affairs Planning Authority Act 1972* will remove barriers to divestment and support increased economic opportunities critical to the sustainability of Aboriginal communities in regional and remote Western Australia.

### State Significant Indigenous Land Use Agreements

6. Indigenous Land Use Agreements (ILUA) aim to resolve Native Title matters and provide Aboriginal people with long-term benefits and opportunities for economic, social and cultural outcomes. The Department continues to prioritise the divestment of land to Aboriginal people and the establishment of Aboriginal heritage agreements in line with terms of the South West Native Title Settlement, Yamatji Nation ILUA, and Kariyarra and State ILUA.

### Fremantle Prison

7. The Department is facilitating essential conservation and maintenance works at the World Heritage listed Fremantle Prison to support implementation of key projects identified under the Fremantle Prison Master Plan 2019-29.

### Market-led Proposals

8. The Government is committed, through market-led proposals, to providing an innovative opportunity to work together with the private sector to create jobs and stimulate the economy in Western Australia. Responsibility for the market-led proposal process was transferred from the Finance portfolio to the Planning, Lands and Heritage portfolio in March 2022.

9. To date, the Government has received 67 proposals, with around 20 currently under assessment and two now complete. In addition, seven Problem and Opportunity Statements released by the Government have drawn a number of submissions.

#### **Perth City Deal**

10. The Department continues to work with the City of Perth, Commonwealth and State agencies and third parties to coordinate delivery of projects as outlined in the Perth City Deal agreement.

#### **Bushfire Mitigation and Planning**

11. In response to new information from the Commonwealth Scientific and Industrial Research Organisation, and in collaboration with Fire and Emergency Services, the Department will complete its review of State Planning Policy 3.7 - Planning in Bushfire Prone Areas to improve bushfire preparedness and reduce risk across Western Australia. Improvements to the Bushfire Practitioner Accreditation Framework will also be progressed in 2022-23.
12. The Department will continue to facilitate the treatment of priority bushfire risks on unallocated Crown land, unmanaged Crown reserves and Crown reserves under the care of eligible local government authorities, in partnership with Fire and Emergency Services, Biodiversity, Conservation and Attractions and the affected local government authorities.

#### **Carbon Farming on Crown Land**

13. The Department, through policy changes, is supporting opportunities offered by carbon farming on the Crown land estate. These projects support the Government's efforts to mitigate climate change, offer a diversification of income for pastoralists and contribute to rehabilitation of degraded pastoral lands.

## 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   |
|--|--|--|
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | An effective planning system that supports the development of communities in Western Australia.  | 1. Planning Services   |
|  | An effective system for the administration of Crown land and the Aboriginal Lands Trust estate.  | 2. Land Administration Services                                      |
|  | An effective system for the conservation of cultural heritage places in Western Australia for the benefit of present and future generations. | 3. Historical Heritage Services<br>4. Aboriginal Heritage Management |

### Service Summary

| Expense                                 | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Planning Services .....              | 92,914                      | 105,731                     | 108,116                                  | 119,077                             | 110,609                      | 103,240                      | 102,162                      |
| 2. Land Administration Services .....   | 63,197                      | 76,249                      | 68,111                                   | 71,472                              | 62,503                       | 54,967                       | 50,847                       |
| 3. Historical Heritage Services.....    | 14,430                      | 15,483                      | 15,642                                   | 16,162                              | 14,633                       | 14,633                       | 14,730                       |
| 4. Aboriginal Heritage Management ..... | 8,959                       | 10,553                      | 11,905                                   | 15,797                              | 14,737                       | 8,653                        | 8,474                        |
| <b>Total Cost of Services .....</b>     | <b>179,500</b>              | <b>208,016</b>              | <b>203,774</b>                           | <b>222,508</b>                      | <b>202,482</b>               | <b>181,493</b>               | <b>176,213</b>               |

## Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: An effective planning system that supports the development of communities in Western Australia:</b>  |                   |                   |                                |                             |      |
| Percentage of applications determined within statutory timeframes .....  | 88%               | 85%               | 84%                            | 85%                         |      |
| Percentage of finalised appeals (excluding Development Assessment Panels) that are not upheld on review by the State Administrative Tribunal.....  | 95%               | 95%               | 98%                            | 98%                         |      |
| Percentage of Local Planning Scheme amendments processed by the Department under delegated authority and submitted to the Minister within the statutory timeframe (Basic 42 days, Standard 60 days, Complex 90 days) ..... | 81%               | 85%               | 75%                            | 85%                         | 1    |
| Percentage of Development Assessment Panel applications determined within the statutory timeframe .....  | 76%               | 75%               | 75%                            | 76%                         |      |
| <b>Outcome: An effective system for the administration of Crown land and the Aboriginal Lands Trust estate:</b>  |                   |                   |                                |                             |      |
| Percentage of land tenure change and interest documents validly lodged with the Western Australian Land Information Authority (Landgate).....  | 99%               | 97%               | 99%                            | 99%                         |      |
| Number of leases or divestments of Aboriginal Lands Trust estate land to direct Aboriginal control .....   | 14                | 10                | 22                             | 12                          | 2    |
| <b>Outcome: An effective system for the conservation of cultural heritage places in Western Australia for the benefit of present and future generations:</b>   |                   |                   |                                |                             |      |
| Percentage of visitors to Fremantle Prison satisfied with services provided by the Department.....   | 98%               | 95%               | 97%                            | 97%                         |      |
| Percentage of statutory approvals delivered to the Aboriginal Cultural Material Committee within set timeframes.....   | 68%               | 90%               | 100%                           | 100%                        | 3    |
| Percentage of development/planning referrals processed within set timeframes .....   | 94%               | 90%               | 90%                            | 90%                         |      |
| Percentage of nominations progressed to preliminary review within set timeframes .....   | 92%               | 90%               | 100%                           | 90%                         | 4    |

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

### Explanation of Significant Movements

(Notes)

1. The decrease between the 2021-22 Budget and the 2021-22 Estimated Actual is due to increased complexity of applications with delays as a result of requests for further information from applicants.
2. The variance between the 2021-22 Budget and the 2021-22 Estimated Actual is due to the commencement of the South West Native Title Settlement, the appointment of the Trustee of the Noongar Boodja Trust and the incorporation of the Noongar Boodja Land Sub (the landholding body) shortly before the commencement of the 2021-22 financial year. The appointment of the Trustee and incorporation of the landholding body triggered a request for the divestment of 11 of the total 60 Aboriginal Land Trust properties in the South West Native Title Settlement Agreement Areas.
3. The increase between the 2021-22 Budget and the 2021-22 Estimated Actual reflects a commitment to complete all statutory approvals within set timeframes.
4. The increase between the 2021-22 Budget and the 2021-22 Estimated Actual is due to growth in nominations processed within the set timeframes. It is expected that the number of nominations processed will return to target levels in 2022-23 Budget Target.

## Services and Key Efficiency Indicators

### 1. Planning Services

By shaping the pattern of development and influencing the location, scale, density, design and mix of land uses, integrated land use systems contribute to the Government Goal, 'Investing in WA's Future' by:

- ensuring flexibility to meet the demands of a changing economy and market environments;
- maximising the use of existing infrastructure rather than incurring the cost of green fields infrastructure with its resulting impact on home affordability;
- ensuring that sufficient land is available for purchase for both residential, commercial and industrial/employment purposes;
- controlling lot sizes and therefore the cost of infrastructure required to service each lot;
- minimising land supply delays and the attendant cost by making accurate, timely decisions on redevelopment and subdivision proposals; and
- providing resources to the Western Australian Planning Commission to enable:
  - other acquisition and management of properties reserved under Perth's Metropolitan Region Scheme for important urban roads, controlled access highways, parks and recreational reserves, special uses and major land redevelopment projects; and
  - other special planning projects undertaken within the Perth metropolitan area.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|--|-------------------|-------------------|--------------------------------|-----------------------------|----------|
| Total Cost of Service.....                     | \$'000<br>92,914  | \$'000<br>105,731 | \$'000<br>108,116              | \$'000<br>119,077           | 1        |
| Less Income .....                              | 1,778             | 2,389             | 2,410                          | 2,427                       |          |
| Net Cost of Service .....                      | 91,136            | 103,342           | 105,706                        | 116,650                     |          |
| <b>Employees (Full-Time Equivalents) .....</b> | <b>488</b>        | <b>492</b>        | <b>504</b>                     | <b>527</b>                  | <b>2</b> |
| <b>Efficiency Indicators</b>                   |                   |                   |                                |                             |          |
| Average cost of planning services .....        | \$12,680.92       | \$16,224.85       | \$18,415.56                    | \$18,336.54                 | 3        |

### Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service between the 2021-22 Estimated Actual and the 2022-23 Budget Target of \$11 million is mainly due to additional expenditure to address identified structural deficit issues and for Planning Reform Phase Two and the State Planning System. It is also due to increased project expenditure relative to 2021-22 associated with the Precinct Infrastructure Fund and the market-led proposals function which was transferred to the Department in March 2022.
2. The increase in full-time equivalents (FTEs) between the 2021-22 Estimated Actual and the 2022-23 Budget Target is mainly due to staffing to support the implementation of planning reform (21 FTEs).
3. The average cost of planning services has increased between the 2021-22 Budget and the 2021-22 Estimated Actual mainly due to a decrease in the number of planning services delivered in 2021-22. The decrease in volume reflects a slight downturn relative to the high number of applications received in 2020-21 due to COVID-19 Response measures.

## 2. Land Administration Services

Land Administration Services contributes to the Government Goal of 'Investing in WA's Future' by:

- administering Crown land to ensure that land is being utilised to its full value and potential;
- unlocking the land potential for the State;
- managing the risk on managed and unmanaged Crown land;
- delivering primary land tenure for strategic infrastructure projects;
- ensuring that, in the case of land subject to Native Title rights and interests, security of land tenure is provided by dealing with Native Title appropriately depending on the use and type of tenure proposed;
- administering the Government's Land Asset Sales Program, whereby surplus or underutilised Crown land assets are identified and prepared for sale. Sale of land enables the assets to be used for a higher and/or better use in a way that unlocks the full potential of the assets for the benefit of Western Australia;
- supporting the Aboriginal Lands Trust, Aboriginal people, the Minister for Aboriginal Affairs, Government and key stakeholders in relation to the management of the Aboriginal Lands Trust estate by:
  - processing of land access approvals;
  - assisting with operational management and development of land;
  - management of strategic initiatives in accordance with the Aboriginal Lands Trust Strategic Plan; and
  - facilitation of the transfer of land to the Aboriginal people.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....   | 63,197            | 76,249            | 68,111                         | 71,472                      | 1    |
| Less Income .....  | 4,679             | 8,177             | 5,961                          | 5,945                       | 2    |
| Net Cost of Service .....  | 58,518            | 68,072            | 62,150                         | 65,527                      |      |
| <b>Employees (Full-Time Equivalents) .....</b>   | <b>242</b>        | <b>273</b>        | <b>269</b>                     | <b>278</b>                  |      |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Average cost per square kilometre to administer crown land and Aboriginal Lands Trust Estate ..... | \$23.70           | \$27.91           | \$24.47                        | \$26.50                     | 3    |

### Explanation of Significant Movements

(Notes)

1. The decrease in the Total Cost of Service between the 2021-22 Budget and the 2021-22 Estimated Actual of \$8.1 million is largely due to the deferral of project expenditure for the Yamatji Nation and South West Native Title Settlement ILUA (\$5.5 million) and the Normalising Aboriginal Communities project (\$0.9 million). The increase between the 2021-22 Estimated Actual and the 2022-23 Budget Target of \$3.4 million is primarily due to an increase in project expenditure for the Yamatji Nation ILUA relative to 2021-22.
2. The Income decrease of \$2.2 million between the 2021-22 Budget and the Estimated Actual for 2021-22 is due to revised pastoral rent revenue following objections to the 2019 Rent Review. Under section 32 of the *Valuation of Land Act 1978* pastoralists have the right to object if they consider the rent to be excessive. Following numerous objections, the rate of return was reduced and a number of land values were revised leading to a reduction in the pastoral rent revenue going forward.
3. The decrease in average cost per square kilometre to administer Crown land and the Aboriginal Lands Trust Estate between the 2021-22 Budget and the 2021-22 Estimated Actual is due to the carryover of project expenditure as detailed in Note 1 above. It is expected that the average cost will increase into 2022-23 Budget Target in line with the revised project time frames.



### 3. Historical Heritage Services

The Department manages historical heritage conservation on behalf of the Minister for Heritage and the Heritage Council of Western Australia. This service includes the assessment of places and precincts; registration of heritage places; development and planning referrals; Heritage Agreements; conservation and protection orders, heritage grants and awards. This service aims to:

- conserve and interpret the applicable world, national, State and local heritage values of places under management (including Fremantle Prison);
- promote a sustainable future for places under management through an integrated development framework, compatible uses and delivery of visitor standards consistent with being Western Australia's premier heritage sites; and
- promote heritage success stories and engagement with the State's heritage through media, publications, tourism and interpretation.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                         | 14,430            | 15,483            | 15,642                         | 16,162                      |      |
| Less Income .....                                  | 3,258             | 2,457             | 2,558                          | 3,738                       | 1    |
| Net Cost of Service .....                          | 11,172            | 13,026            | 13,084                         | 12,424                      |      |
| <b>Employees (Full-Time Equivalents) .....</b>     | <b>61</b>         | <b>62</b>         | <b>63</b>                      | <b>66</b>                   |      |
| <b>Efficiency Indicators</b>                       |                   |                   |                                |                             |      |
| Average cost of historical heritage services ..... | \$4,955.40        | \$5,620.66        | \$4,528.17                     | \$4,232.34                  | 2    |
| Average cost per visitor to Fremantle Prison ..... | \$73.05           | \$76.03           | \$68.95                        | \$59.35                     | 3    |

#### Explanation of Significant Movements

(Notes)

1. The increase in Income between the 2021-22 Estimated Actual and the 2022-23 Budget Target is largely due to projected ticket sales for Fremantle Prison returning to pre-COVID-19 levels.
2. The average cost of historical heritage services has decreased between the 2021-22 Budget and the 2021-22 Estimated Actual as a result of an increased number of historical heritage services provided. It is expected that number of services provided will continue to grow into the 2022-23 Budget Target.
3. The average cost of per visitor to Fremantle Prison has decreased between the 2021-22 Budget and the 2021-22 Estimated Actual mainly due to deferral of Commonwealth Government funded conservation works and the conversion of expenditure from recurrent to capital in line with Accounting Standards. It is expected the average cost will further decrease into the 2022-23 Budget Target as the number of visitors increases as interstate and international travel levels increase.

#### 4. Aboriginal Heritage Management

Contributing to the Government Goal of “Investing in WA’s future” the Aboriginal Heritage Management includes:

- supporting the Aboriginal Cultural Material Committee;
- advice on matters relating to Aboriginal heritage;
- processing of statutory approvals and administration of heritage sites register; and
- conducting site assessments, repatriations, site audits and advice.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note     |
|---|-------------------|-------------------|--------------------------------|-----------------------------|----------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |          |
| Total Cost of Service.....                                    | 8,959             | 10,553            | 11,905                         | 15,797                      | 1        |
| Less Income .....   | 5                 | 80                | 81                             | 81                          |          |
| Net Cost of Service .....                                     | 8,954             | 10,473            | 11,824                         | 15,716                      |          |
| <b>Employees (Full-Time Equivalents) .....</b>                | <b>50</b>         | <b>58</b>         | <b>71</b>                      | <b>87</b>                   | <b>2</b> |
| <b>Efficiency Indicators</b>                                  |                   |                   |                                |                             |          |
| Average cost of Aboriginal Heritage Management services ..... | \$3,425.07        | \$3,339.86        | \$5,827.33                     | \$6,651.06                  | 3        |

#### Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service between the 2021-22 Budget and 2021-22 Estimated Actual of \$1.4 million is largely due to part year funding for the implementation of the *Aboriginal Cultural Heritage Act 2021*, which was extended during the 2022-23 Budget leading to a further increase in the Total Cost of Service in 2022-23.
2. The increase in FTEs between the 2021-22 Budget and the 2021-22 Estimated Actual is mainly due to additional staffing for the implementation of the *Aboriginal Cultural Heritage Act 2021*. This was extended during the 2022-23 Budget leading to a further FTE increase 2022-23.
3. The average cost of Aboriginal Heritage Management services has increased between the 2021-22 Budget and the 2021-22 Estimated Actual due to the impact of COVID-19 travel restrictions to remote Aboriginal communities reducing the number of services provided. It is expected that the average cost will increase further in the 2022-23 Budget Target due to expenditure required to support the work identified in Note 1 above.

## Asset Investment Program

1. The Department's Asset Investment Program for 2022-23 is \$17.7 million and is comprised primarily of accommodation, asset replacement, ICT projects and heritage conservation works.
2. The Asset Investment Program will fund a range of process improvements and works which broadly include the following:
  - 2.1. The Asset Replacement program will continue to ensure that back office corporate systems are supported. As part of aligning with the Government's ICT strategy, the Department is moving away from owning ICT infrastructure and adopting cloud-based services, shifting the requirement for capital funding towards operating expenditure.
  - 2.2. The implementation of the *Aboriginal Cultural Heritage Act 2021* requires changes to the Department's business processes and systems for the implementation of a new integrated systems solution.
  - 2.3. The State Planning System - changes to the Department's business processes and systems are required to support the planning reform initiatives and includes an easy to navigate online planning portal that offers the public a one-stop shop.
  - 2.4. Restoration works at Fremantle Prison have commenced to address a back log of priority works to minimise the risk of further dilapidation and ensure the prison continues to function as a renowned State-owned world heritage-listed asset.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Accommodation Refurbishment and Sustainability Initiatives.....            | 7,053                             | 5,048  | 500   | 808                                 | 399                          | 399                          | 399                          |
| ICT Projects   |                                   |  |   |                                     |                              |                              |                              |
| Asset Replacement - ICT .....  | 18,848                            | 17,114   | 85  | 1,041                               | 231                          | 231                          | 231                          |
| ICT Infrastructure .....   | 31,809                            | 27,109   | 2,623   | 1,100                               | 1,200                        | 1,200                        | 1,200                        |
| <b>COMPLETED WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Amendments to the <i>Planning and Development Act 2005</i> .....           | 29                                | 29   | 27  | -                                   | -                            | -                            | -                            |
| Fremantle Prison Priority Conservation .....                               | 1,454                             | 1,454  | 746   | -                                   | -                            | -                            | -                            |
| Roebourne Gaol Conservation .....  | 880                               | 880  | 880   | -                                   | -                            | -                            | -                            |
| <b>Other Completed Works</b>   |                                   |  |   |                                     |                              |                              |                              |
| Acquisition of Belmont Squash Centre .....                                 | 1,905                             | 1,905  | 830   | -                                   | -                            | -                            | -                            |
| Fremantle Prison Critical Works .....                                      | 250                               | 250  | 250   | -                                   | -                            | -                            | -                            |
| Fremantle Prison Priority Conservation .....                               | 4,547                             | 4,547  | 2,008   | -                                   | -                            | -                            | -                            |
| ICT Projects - Strata Titles (and Community) Reform Implementation.....    | 76                                | 76   | 27  | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Fremantle Prison - Conservation.....                                       | 8,922                             | -  | -   | 3,767                               | 1,783                        | 1,743                        | 1,629                        |
| ICT Projects   |                                   |  |   |                                     |                              |                              |                              |
| Aboriginal Cultural Heritage Act Implementation .....                      | 3,830                             | -  | -   | 3,830                               | -                            | -                            | -                            |
| State Planning System .....  | 7,141                             | -  | -   | 7,141                               | -                            | -                            | -                            |
| <b>Total Cost of Asset Investment Program.....</b>                         | <b>86,744</b>                     | <b>58,412</b>                                    | <b>7,976</b>                                  | <b>17,687</b>                       | <b>3,613</b>                 | <b>3,573</b>                 | <b>3,459</b>                 |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Capital Appropriation .....  |                                   |  | 2,047   | 5,597                               | 3,613                        | 3,573                        | 3,459                        |
| Funding Included in Department of Treasury - Digital Capability Fund ..... |                                   |  | -   | 9,976                               | -                            | -                            | -                            |
| Internal Funds and Balances.....   |                                   |  | 5,929   | 2,114                               | -                            | -                            | -                            |
| <b>Total Funding .....</b>   |                                   |  | <b>7,976</b>                                  | <b>17,687</b>                       | <b>3,613</b>                 | <b>3,573</b>                 | <b>3,459</b>                 |

## Financial Statements

### Income Statement

#### Expenses

1. The increase in Total Cost of Services between the 2021-22 Estimated Actual and the 2022-23 Budget Year of \$18.7 million is mainly due to delays in program expenditure together with additional expenditure for various programs such as implementation of the *Aboriginal Cultural Heritage Act 2021* and Planning Reform Phase Two.
2. Employee benefits have increased by \$12.9 million between the 2021-22 Estimated Actual and 2022-23 Budget Year due to an increase of 51 FTEs mainly related to the *Aboriginal Cultural Heritage Act 2021* and planning reform.

#### Income

3. The increased Total Income between the 2021-22 Estimated Actual and the 2022-23 Budget Year of \$1.2 million can mainly be attributed to forecast Fremantle Prison ticket revenue returning to pre-COVID-19 levels.

### Statement of Financial Position

4. The \$11.3 million decrease in Cash Assets from the 2021-22 Estimated Actual to the 2022-23 Budget Year is mainly due to the deferral of budgeted payments from 2021-22 to 2022-23.
5. Employee provisions are anticipated to increase by \$1.1 million between the 2021-22 Estimated Actual and the 2022-23 Budget Year. This is due to delayed clearances of leave as a result of COVID-19 and the increase attributable to the new staff as detailed in the Income Statement commentary above.

### Statement of Cashflows

6. The decrease in net cash from operating activities of \$17.6 million between the 2021-22 Estimated Actual and the 2022-23 Budget Year is mainly due to increased payments of \$18.7 million slightly offset by an increase in receipts of \$1.2 million. These have been detailed in the Income Statement commentary above.

**INCOME STATEMENT (a)**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 96,240                      | 101,401                     | 102,058                                  | 114,941                             | 111,287                      | 99,049                       | 98,472                       |
| Grants and subsidies <sup>(c)</sup> .....        | 10,336                      | 16,634                      | 17,073                                   | 15,254                              | 12,075                       | 6,432                        | 6,017                        |
| Supplies and services .....                      | 35,313                      | 63,106                      | 58,559                                   | 62,273                              | 49,265                       | 45,709                       | 40,454                       |
| Accommodation .....                              | 9,124                       | 10,337                      | 10,351                                   | 10,465                              | 10,477                       | 10,594                       | 10,594                       |
| Depreciation and amortisation .....              | 3,499                       | 4,837                       | 4,837                                    | 4,830                               | 6,640                        | 6,639                        | 6,639                        |
| Finance and interest costs .....                 | 16                          | 29                          | 29                                       | 32                                  | 28                           | 22                           | 22                           |
| Other expenses .....                             | 24,972                      | 11,672                      | 10,867                                   | 14,713                              | 12,710                       | 13,048                       | 14,015                       |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>179,500</b>              | <b>208,016</b>              | <b>203,774</b>                           | <b>222,508</b>                      | <b>202,482</b>               | <b>181,493</b>               | <b>176,213</b>               |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services .....                 | 2,397                       | 2,380                       | 2,380                                    | 3,591                               | 3,591                        | 3,591                        | 3,591                        |
| Regulatory fees and fines .....                  | 1,740                       | 2,717                       | 2,717                                    | 2,753                               | 2,753                        | 2,753                        | 2,753                        |
| Grants and subsidies .....                       | 1,986                       | 126                         | 467                                      | 393                                 | 399                          | 314                          | 314                          |
| Other revenue .....                              | 3,597                       | 7,880                       | 5,446                                    | 5,454                               | 5,461                        | 5,469                        | 5,469                        |
| <b>Total Income .....</b>                        | <b>9,720</b>                | <b>13,103</b>               | <b>11,010</b>                            | <b>12,191</b>                       | <b>12,204</b>                | <b>12,127</b>                | <b>12,127</b>                |
| <b>NET COST OF SERVICES .....</b>                | <b>169,780</b>              | <b>194,913</b>              | <b>192,764</b>                           | <b>210,317</b>                      | <b>190,278</b>               | <b>169,366</b>               | <b>164,086</b>               |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 114,960                     | 105,859                     | 109,128                                  | 122,217                             | 116,028                      | 100,506                      | 98,440                       |
| Resources received free of charge .....          | 10,373                      | 11,245                      | 11,245                                   | 11,245                              | 11,245                       | 11,245                       | 11,245                       |
| Royalties for Regions Fund:                      |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....           | 4,482                       | 5,942                       | 5,942                                    | 5,842                               | 5,842                        | 2,092                        | 2,092                        |
| Regional Infrastructure and Headworks Fund ..... | -                           | 300                         | 300                                      | -                                   | -                            | -                            | -                            |
| Other revenues .....                             | 48,568                      | 56,311                      | 57,333                                   | 61,637                              | 53,510                       | 52,698                       | 50,587                       |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>178,383</b>              | <b>179,657</b>              | <b>183,948</b>                           | <b>200,941</b>                      | <b>186,625</b>               | <b>166,541</b>               | <b>162,364</b>               |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>8,603</b>                | <b>(15,256)</b>             | <b>(8,816)</b>                           | <b>(9,376)</b>                      | <b>(3,653)</b>               | <b>(2,825)</b>               | <b>(1,722)</b>               |

(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 841, 907 and 958 respectively.

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

## DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <i>Aboriginal Cultural Heritage Act 2021 Grants ..</i>                                   | -                           | -                           | -  | 250                                 | -                            | -                            | -                            |
| Aboriginal Heritage Grants .....   | 241                         | 250                         | 250                                      | 250                                 | 250                          | 250                          | 250                          |
| Aboriginal Lands Trust Estate .....  | 3,390                       | 3,538                       | 3,538                                    | 3,567                               | 2,064                        | 2,064                        | 2,064                        |
| Anketell Port and Strategic Industrial Area -<br>Compensation for Lands Acquisition..... | -                           | 1,818                       | 1,818                                    | 1,818                               | 1,818                        | -                            | -                            |
| Bushfire Risk Management Planning.....   | 3,750                       | 3,750                       | 3,650                                    | 3,750                               | 3,700                        | -                            | -                            |
| Coastal Erosion Hotspots (CoastWA).....  | -                           | 2,699                       | 2,699                                    | 2,377                               | 1,965                        | 1,842                        | 1,427                        |
| Coastal Zone Management.....   | 639                         | 714                         | 714                                      | 711                                 | 708                          | 706                          | 706                          |
| Cossack Townsite.....  | -                           | 120                         | 120                                      | 120                                 | 120                          | 120                          | 120                          |
| Cultural and Heritage Assets Program -<br>Severe Tropical Cyclone Seroja .....           | -                           | -                           | 539                                      | 961                                 | -                            | -                            | -                            |
| Finalising Closure of Wittenoom Townsite .....   | -                           | 1,325                       | 1,325                                    | -                                   | -                            | -                            | -                            |
| Fire Risk Management Contribution .....  | 500                         | 450                         | 450                                      | 450                                 | 450                          | 450                          | 450                          |
| Kariyarra Indigenous Land Use Agreement.....   | -                           | 100                         | 100                                      | -                                   | -                            | -                            | -                            |
| Local Government and Tourism .....   | 36                          | -                           | -  | -                                   | -                            | -                            | -                            |
| Management of Araluen Botanic Park .....   | 1,050                       | 1,000                       | 1,000                                    | 1,000                               | 1,000                        | 1,000                        | 1,000                        |
| Mirrabooka Bushland/Bush Forever (Feasibility).....                                      | -                           | 100                         | 100                                      | -                                   | -                            | -                            | -                            |
| Planning and Transport Research Centre.....  | 230                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Precinct Infrastructure Fund - High Wycombe<br>Station and Redcliffe Station .....       | -                           | 300                         | 300                                      | -                                   | -                            | -                            | -                            |
| Restoration of Heritage Assets.....  | 500                         | 470                         | 470                                      | -                                   | -                            | -                            | -                            |
| <b>TOTAL .....</b>   | <b>10,336</b>               | <b>16,634</b>               | <b>17,073</b>                            | <b>15,254</b>                       | <b>12,075</b>                | <b>6,432</b>                 | <b>6,017</b>                 |

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                     |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                         | 53,361                      | 29,269                      | 39,310                                   | 28,034                              | 24,995                       | 22,784                       | 21,676                       |
| Restricted cash .....                     | 2,991                       | 3,032                       | 2,991                                    | 2,991                               | 2,991                        | 2,991                        | 2,991                        |
| Receivables .....                         | 8,569                       | 6,100                       | 8,557                                    | 8,545                               | 8,545                        | 8,545                        | 8,545                        |
| Other .....                               | 3,956                       | 2,118                       | 3,956                                    | 3,956                               | 3,956                        | 3,956                        | 3,956                        |
| Total current assets .....                | 68,877                      | 40,519                      | 54,814                                   | 43,526                              | 40,487                       | 38,276                       | 37,168                       |
| <b>NON-CURRENT ASSETS</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....         | 41,554                      | 46,391                      | 46,391                                   | 51,701                              | 58,821                       | 65,940                       | 73,059                       |
| Property, plant and equipment .....       | 339,958                     | 340,248                     | 343,890                                  | 346,983                             | 346,860                      | 345,948                      | 344,882                      |
| Intangibles .....                         | 3,785                       | 2,341                       | 3,333                                    | 13,347                              | 10,579                       | 8,768                        | 6,957                        |
| Restricted cash .....                     | 1,627                       | 1,900                       | 2,027                                    | 2,427                               | 2,427                        | 2,427                        | 2,427                        |
| Total non-current assets .....            | 386,924                     | 390,880                     | 395,641                                  | 414,458                             | 418,687                      | 423,083                      | 427,325                      |
| <b>TOTAL ASSETS .....</b>                 | <b>455,801</b>              | <b>431,399</b>              | <b>450,455</b>                           | <b>457,984</b>                      | <b>459,174</b>               | <b>461,359</b>               | <b>464,493</b>               |
| <b>CURRENT LIABILITIES</b>                |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 21,297                      | 20,515                      | 22,379                                   | 23,461                              | 24,544                       | 25,627                       | 26,710                       |
| Payables .....                            | 70                          | 69                          | 70                                       | 70                                  | 70                           | 70                           | 70                           |
| Borrowings and leases .....               | 295                         | 317                         | 319                                      | 303                                 | 317                          | 262                          | 225                          |
| Other .....                               | 4,353                       | 4,247                       | 4,353                                    | 4,353                               | 4,364                        | 4,375                        | 4,386                        |
| Total current liabilities .....           | 26,015                      | 25,148                      | 27,121                                   | 28,187                              | 29,295                       | 30,334                       | 31,391                       |
| <b>NON-CURRENT LIABILITIES</b>            |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 3,453                       | 3,940                       | 3,453                                    | 3,453                               | 3,453                        | 3,453                        | 3,453                        |
| Borrowings and leases .....               | 654                         | 475                         | 645                                      | 586                                 | 379                          | 440                          | 445                          |
| Total non-current liabilities .....       | 4,107                       | 4,415                       | 4,098                                    | 4,039                               | 3,832                        | 3,893                        | 3,898                        |
| <b>TOTAL LIABILITIES .....</b>            | <b>30,122</b>               | <b>29,563</b>               | <b>31,219</b>                            | <b>32,226</b>                       | <b>33,127</b>                | <b>34,227</b>                | <b>35,289</b>                |
| <b>EQUITY</b>                             |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                  | 235,970                     | 235,181                     | 238,343                                  | 254,242                             | 258,185                      | 262,093                      | 265,887                      |
| Accumulated surplus/(deficit) .....       | (11,410)                    | (31,053)                    | (20,226)                                 | (29,602)                            | (33,255)                     | (36,080)                     | (37,802)                     |
| Reserves .....                            | 201,119                     | 197,708                     | 201,119                                  | 201,118                             | 201,117                      | 201,119                      | 201,119                      |
| Total equity .....                        | 425,679                     | 401,836                     | 419,236                                  | 425,758                             | 426,047                      | 427,132                      | 429,204                      |
| <b>TOTAL LIABILITIES AND EQUITY .....</b> | <b>455,801</b>              | <b>431,399</b>              | <b>450,455</b>                           | <b>457,984</b>                      | <b>459,174</b>               | <b>461,359</b>               | <b>464,493</b>               |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                                |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                     | 109,582                     | 101,022                     | 104,291                                  | 116,907                             | 108,908                      | 93,387                       | 91,321                       |
| Capital appropriation .....                                     | 7,852                       | 2,373                       | 2,373                                    | 5,923                               | 3,943                        | 3,908                        | 3,794                        |
| Holding Account drawdowns .....                                 | 562                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Royalties for Regions Fund:                                     |                             |                             |  |                                     |                              |                              |                              |
| Regional Community Services Fund .....                          | 4,482                       | 5,942                       | 5,942                                    | 5,842                               | 5,842                        | 2,092                        | 2,092                        |
| Regional Infrastructure and Headworks<br>Fund .....             | -                           | 300                         | 300                                      | -                                   | -                            | -                            | -                            |
| Other.....  | 49,457                      | 56,311                      | 57,333                                   | 71,613                              | 53,510                       | 52,698                       | 50,587                       |
| <b>Net cash provided by Government .....</b>                    | <b>171,935</b>              | <b>165,948</b>              | <b>170,239</b>                           | <b>200,285</b>                      | <b>172,203</b>               | <b>152,085</b>               | <b>147,794</b>               |
| <b>CASHFLOWS FROM OPERATING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....  | (93,615)                    | (100,373)                   | (101,030)                                | (113,913)                           | (110,259)                    | (98,021)                     | (97,444)                     |
| Grants and subsidies.....                                       | (10,336)                    | (16,634)                    | (17,073)                                 | (15,254)                            | (12,075)                     | (6,432)                      | (6,017)                      |
| Supplies and services .....                                     | (29,666)                    | (52,441)                    | (46,822)                                 | (52,615)                            | (38,600)                     | (35,044)                     | (29,789)                     |
| Accommodation .....   | (8,396)                     | (9,740)                     | (9,754)                                  | (9,868)                             | (9,880)                      | (9,997)                      | (9,997)                      |
| GST payments .....  | (5,799)                     | (6,240)                     | (6,240)                                  | (6,240)                             | (6,240)                      | (6,240)                      | (6,240)                      |
| Finance and interest costs.....                                 | (23)                        | (29)                        | (29)                                     | (32)                                | (28)                         | (22)                         | (22)                         |
| Other payments.....   | (25,041)                    | (11,624)                    | (11,891)                                 | (13,658)                            | (12,662)                     | (13,000)                     | (13,967)                     |
| <b>Receipts <sup>(b)</sup></b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Regulatory fees and fines.....                                  | 1,784                       | 2,717                       | 2,717                                    | 2,753                               | 2,753                        | 2,753                        | 2,753                        |
| Grants and subsidies.....                                       | 1,986                       | 126                         | 467                                      | 393                                 | 399                          | 314                          | 314                          |
| Sale of goods and services.....                                 | 2,397                       | 3,233                       | 3,233                                    | 4,444                               | 4,444                        | 4,444                        | 4,444                        |
| GST receipts .....  | 5,760                       | 6,233                       | 6,233                                    | 6,233                               | 6,233                        | 6,233                        | 6,233                        |
| Other receipts .....  | 4,209                       | 7,035                       | 4,601                                    | 4,609                               | 4,616                        | 4,624                        | 4,624                        |
| <b>Net cash from operating activities .....</b>                 | <b>(156,740)</b>            | <b>(177,737)</b>            | <b>(175,588)</b>                         | <b>(193,148)</b>                    | <b>(171,299)</b>             | <b>(150,388)</b>             | <b>(145,108)</b>             |
| <b>CASHFLOWS FROM INVESTING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                            | (4,447)                     | (8,536)                     | (7,976)                                  | (17,687)                            | (3,613)                      | (3,573)                      | (3,459)                      |
| <b>Net cash from investing activities.....</b>                  | <b>(4,447)</b>              | <b>(8,536)</b>              | <b>(7,976)</b>                           | <b>(17,687)</b>                     | <b>(3,613)</b>               | <b>(3,573)</b>               | <b>(3,459)</b>               |
| <b>CASHFLOWS FROM FINANCING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases.....                         | (307)                       | (326)                       | (326)                                    | (326)                               | (330)                        | (335)                        | (335)                        |
| <b>Net cash from financing activities.....</b>                  | <b>(307)</b>                | <b>(326)</b>                | <b>(326)</b>                             | <b>(326)</b>                        | <b>(330)</b>                 | <b>(335)</b>                 | <b>(335)</b>                 |
| <b>NET INCREASE/(DECREASE) IN CASH<br/>HELD .....</b>           | <b>10,441</b>               | <b>(20,651)</b>             | <b>(13,651)</b>                          | <b>(10,876)</b>                     | <b>(3,039)</b>               | <b>(2,211)</b>               | <b>(1,108)</b>               |
| Cash assets at the beginning of the reporting<br>period .....   | 47,538                      | 54,852                      | 57,979                                   | 44,328                              | 33,452                       | 30,413                       | 28,202                       |
| <b>Cash assets at the end of the reporting<br/>period .....</b> | <b>57,979</b>               | <b>34,201</b>               | <b>44,328</b>                            | <b>33,452</b>                       | <b>30,413</b>                | <b>28,202</b>                | <b>27,094</b>                |

(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<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Regulatory Fees and Fines</b>               |                             |                             |  |                                     |                              |                              |                              |
| Development Assessment Panel Fees .....        | 1,586                       | 1,599                       | 1,599                                    | 1,611                               | 1,611                        | 1,611                        | 1,611                        |
| Regulatory Fees and Fines.....                 | 198                         | 1,118                       | 1,118                                    | 1,142                               | 1,142                        | 1,142                        | 1,142                        |
| <b>Grants and Subsidies</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Grants and Subsidies .....                     | 1,986                       | 1,001                       | 2,126                                    | 7,034                               | 399                          | 314                          | 314                          |
| <b>Sale of Goods and Services</b>              |                             |                             |  |                                     |                              |                              |                              |
| Sale of Goods and Services .....               | 2,397                       | 3,533                       | 3,533                                    | 4,744                               | 4,744                        | 4,744                        | 4,744                        |
| <b>GST Receipts</b>                            |                             |                             |  |                                     |                              |                              |                              |
| GST Receipts.....                              | 5,760                       | 6,233                       | 6,233                                    | 6,233                               | 6,233                        | 6,233                        | 6,233                        |
| <b>Other Receipts</b>                          |                             |                             |  |                                     |                              |                              |                              |
| Other Receipts .....                           | 924                         | 5,152                       | 5,152                                    | 3,353                               | 2,824                        | 2,541                        | 784                          |
| Pastoral Leases .....                          | 3,839                       | 6,683                       | 4,249                                    | 4,249                               | 4,249                        | 4,249                        | 4,249                        |
| Receipts from Service Delivery Agreement ..... | 48,903                      | 50,336                      | 50,336                                   | 50,364                              | 49,618                       | 49,554                       | 49,221                       |
| <b>TOTAL .....</b>                             | <b>65,593</b>               | <b>75,655</b>               | <b>74,346</b>                            | <b>78,730</b>                       | <b>70,820</b>                | <b>70,388</b>                | <b>68,298</b>                |

## DETAILS OF ADMINISTERED TRANSACTIONS

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>INCOME</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Other</b>                                   |                             |                             |  |                                     |                              |                              |                              |
| Administered Grants and Transfer Payments..... | -                           | -                           | -  | -                                   | -                            | -                            | -                            |
| Net Assets Transferred in .....                | 92,528                      | 19,550                      | 59,248                                   | -                                   | -                            | -                            | -                            |
| Other Revenue .....                            | 52,053                      | 1,569                       | 1,569                                    | 1,569                               | 1,569                        | 1,569                        | 1,569                        |
| Rent Revenue .....                             | 19,136                      | 18,609                      | 18,609                                   | 18,609                              | 18,609                       | 18,609                       | 18,609                       |
| Sale of Land .....                             | 19,664                      | 33,000                      | 50,330                                   | 24,000                              | 23,000                       | 15,000                       | 15,000                       |
| <b>TOTAL ADMINISTERED INCOME .....</b>         | <b>183,381</b>              | <b>72,728</b>               | <b>129,756</b>                           | <b>44,178</b>                       | <b>43,178</b>                | <b>35,178</b>                | <b>35,178</b>                |
| <b>EXPENSES</b>                                |                             |                             |  |                                     |                              |                              |                              |
| <b>Other</b>                                   |                             |                             |  |                                     |                              |                              |                              |
| Employee Expenses .....                        | 716                         | 965                         | 965                                      | 965                                 | 965                          | 965                          | 965                          |
| Net Assets Transferred Out .....               | 98,522                      | 19,550                      | 19,663                                   | -                                   | -                            | -                            | -                            |
| Other Expenses.....                            | 114,590                     | 4,844                       | 23,134                                   | 4,356                               | 4,356                        | 4,356                        | 4,356                        |
| Payments to Consolidated Account.....          | 41,468                      | 49,737                      | 67,067                                   | 40,737                              | 39,737                       | 31,737                       | 31,737                       |
| Revaluation Decrement .....                    | 24,984                      | -                           | 21,708                                   | -                                   | -                            | -                            | -                            |
| <b>TOTAL ADMINISTERED EXPENSES .....</b>       | <b>280,280</b>              | <b>75,096</b>               | <b>132,537</b>                           | <b>46,058</b>                       | <b>45,058</b>                | <b>37,058</b>                | <b>37,058</b>                |

## Agency Special Purpose Account Details

### DAMPIER TO BUNBURY NATURAL GAS PIPELINE CORRIDOR SPECIAL PURPOSE ACCOUNT

Account Purpose: The Dampier to Bunbury Natural Gas Pipeline Corridor Special Purpose Account provides funds for the widening of the original corridor through the purchase of land and easement over land.

|                              | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|
| Opening Balance .....        | 25,765                      | 23,567                      | 25,212                                   | 23,014                              |
| Receipts:                    |                             |                             |  |                                     |
| Other .....                  | 983                         | 1,556                       | 1,556                                    | 1,556                               |
|                              | 26,748                      | 25,123                      | 26,768                                   | 24,570                              |
| Payments .....               | 1,536                       | 3,754                       | 3,754                                    | 3,754                               |
| <b>CLOSING BALANCE .....</b> | <b>25,212</b>               | <b>21,369</b>               | <b>23,014</b>                            | <b>20,816</b>                       |

# Division 44 Western Australian Planning Commission

## Part 11 Planning and Land Use

### Appropriations, Expenses and Cash Assets

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Item 88 Net amount appropriated to deliver services .....                                       | 5,850                       | 25,259                      | 25,259                                   | 11,690                              | 10,577                       | 10,222                       | 8,132                        |
| <b>Amount Authorised by Other Statutes - Metropolitan Region Improvement Tax Act 1959 .....</b> | 84,744                      | 83,897                      | 83,897                                   | 88,098                              | 88,028                       | 88,728                       | 89,435                       |
| Total appropriations provided to deliver services.....  | 90,594                      | 109,156                     | 109,156                                  | 99,788                              | 98,605                       | 98,950                       | 97,567                       |
| <b>CAPITAL</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 151 Capital Appropriation.....   | 5,400                       | 5,400                       | 5,400                                    | 5,400                               | 5,400                        | 5,400                        | 5,400                        |
| <b>TOTAL APPROPRIATIONS .....</b>   | 95,994                      | 114,556                     | 114,556                                  | 105,188                             | 104,005                      | 104,350                      | 102,967                      |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....  | 114,238                     | 79,039                      | 79,789                                   | 67,977                              | 56,715                       | 56,110                       | 54,020                       |
| Net Cost of Services <sup>(a)</sup> .....   | 89,645                      | 53,968                      | 54,718                                   | 42,837                              | 31,575                       | 30,970                       | 28,880                       |
| <b>CASH ASSETS <sup>(b)</sup> .....</b>   | 460,013                     | 392,107                     | 431,216                                  | 406,504                             | 424,958                      | 458,887                      | 494,823                      |

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the Commission'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 Commission's Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021 are outlined below:

|   | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>New Initiative</b>                                     |  |                                     |                              |                              |                              |
| Future of Fremantle .....                                 | 750                                      | 1,500                               | 250                          | -                            | -                            |
| <b>Other</b>  |  |                                     |                              |                              |                              |
| 2022-23 Streamlined Budget Process Incentive Funding..... | -  | 222                                 | -                            | -                            | -                            |
| 2022-23 Tariffs, Fees and Charges .....                   | -  | 1,253                               | 1,253                        | 1,253                        | 1,253                        |

## Significant Issues Impacting the Agency

### Planning Reform

1. The Commission, in consultation with Planning, Lands and Heritage (DPLH), is continuing with the implementation of the Action Plan for Planning Reform. An initial phase of reforms delivered immediate changes to Western Australia's planning system through more streamlined, efficient and transparent processes.

### METRONET

2. Land use planning to support the delivery of METRONET, in particular around proposed and existing station precincts, is ongoing. DPLH, on behalf of the Commission, is providing planning expertise and advice in addition to reviewing State planning policies to support the development of well designed, liveable communities centred around strong public transport connections and high amenity.

### Land Acquisition

3. To support the delivery of major infrastructure projects, ensure the protection of Bush Forever areas and reserve land critical for future planning requirements, the Commission is responsible for strategic land acquisition on behalf of the State and is working to acquire selected sites in private ownership.

### Coastal Management and Planning

4. CoastWA is a strategic response and expansion of the Commission's coastal planning and management program, and is being delivered in partnership with Transport. DPLH, on behalf of the Commission, is implementing a strategic response to the growing impact of coastal hazards via a five-year program (ending 2025-26), which includes supporting local coastal managers with additional funding, data collection, investigations and technical expertise.

### Future of Fremantle

5. With Kwinana confirmed as the location for Perth's new container port, the Future of Fremantle Planning Committee has been established as a sub-committee of the Commission to consider land use and economic development opportunities around North Quay and surrounding areas, and to continue developing a new vision for a Victoria Quay Waterfront Precinct.

## 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 Commission'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 Outcome  | Services  |
|--|--|---|
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | An efficient and effective planning system that promotes use and development of land in Western Australia. | <ol style="list-style-type: none"> <li>1. Statutory Planning</li> <li>2. Strategic Planning</li> <li>3. Asset Management</li> </ol> |

## Service Summary

| Expense                             | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|-------------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Statutory Planning .....         | 21,693                      | 20,432                      | 20,432                                   | 19,899                              | 19,689                       | 19,698                       | 18,441                       |
| 2. Strategic Planning .....         | 4,512                       | 25,288                      | 26,038                                   | 13,692                              | 11,558                       | 10,888                       | 9,978                        |
| 3. Asset Management .....           | 88,033                      | 33,319                      | 33,319                                   | 34,386                              | 25,468                       | 25,524                       | 25,601                       |
| <b>Total Cost of Services .....</b> | <b>114,238</b>              | <b>79,039</b>               | <b>79,789</b>                            | <b>67,977</b>                       | <b>56,715</b>                | <b>56,110</b>                | <b>54,020</b>                |

## Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: An efficient and effective planning system that promotes use and development of land in Western Australia:</b>   |                   |                   |                                |                             |      |
| The proportion of residential land in the metropolitan area that is capable of multiple dwellings within 400 metres and 800 metres of the capital city, a strategic metropolitan centre, or a train station: |                   |                   |                                |                             |      |
| 400 metres .....   | 45%               | 45%               | 45%                            | 45%                         |      |
| 800 metres .....   | 35%               | 36%               | 35%                            | 36%                         |      |
| The proportion of residential land that is zoned R40 and above that is within 400 metres of a major regional centre.....   | 66%               | 67%               | 66%                            | 67%                         |      |
| The percentage of subdivision applications determined within the statutory timeframe.....  | 84%               | 85%               | 79%                            | 85%                         |      |
| The percentage of development applications determined within the statutory timeframe.....  | 72%               | 85%               | 64%                            | 85%                         | 1    |
| Vacancy rate of residential properties available for rent.....   | 2%                | 5%                | 2%                             | 2%                          | 2    |
| Vacancy rate of commercial properties available for rent.....  | 9%                | 5%                | 5%                             | 5%                          |      |

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

## Explanation of Significant Movements

(Notes)

1. The 2021-22 Budget and 2022-23 Budget Target have increased to 85% as compared to the 2020-21 Actual of 72% to reflect the average 81% achieved in 2018-19 and 2019-20 and continued effort by the Commission to improve the management of applications within the statutory timeframes. The lower 2021-22 Estimated Actual compared to the 2021-22 Budget is due to increased complexity of applications and delays due to requests for further information from applicants.
2. The low 2% vacancy rate in the 2020-21 Actual is mainly due to the residential tenancies-related COVID-19 Response measures, which included a moratorium on evictions from 30 March 2020 to 28 March 2021, the Residential Rent Relief Grant Scheme which provided assistance to tenants to pay off debts that arose before 1 December 2020, and a freeze on rental rates until 28 March 2021. This low vacancy rate is maintained for the 2021-22 Estimated Actual and 2022-23 Budget Target due to the current condition of the rental market.

## Services and Key Efficiency Indicators

### 1. Statutory Planning

Utilisation of statutory, consultative, legislative, regulatory reform and coordination processes that facilitate the implementation of creative and innovative strategic regional and local plans and policies.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                  | 21,693            | 20,432            | 20,432                         | 19,899                      | 1    |
| Less Income .....                           | 17,244            | 14,590            | 14,590                         | 14,654                      | 2    |
| Net Cost of Service .....                   | 4,449             | 5,842             | 5,842                          | 5,245                       |      |
| <b>Efficiency Indicators</b>                |                   |                   |                                |                             |      |
| Average cost per statutory application..... | \$3,271           | \$3,667           | \$4,046                        | \$3,491                     | 3    |

### Explanation of Significant Movements

(Notes)

1. DPLH incurs all costs related to the statutory planning application approval process, which is in part funded by fees received by the Commission. To facilitate this funding regime, the Commission records the funds transferred to DPLH in the Total Cost of Service.
2. The decrease in income between the 2020-21 Actual and the 2021-22 Estimated Actual reflects the anticipated normalisation of statutory planning applications following conclusion of economic stimulus measures, such as the Government's Building Bonus and the Commonwealth's HomeBuilder grant.
3. The higher average cost per statutory application in the 2021-22 Budget as compared to the 2020-21 Actual is due to a lower number of statutory planning applications in 2021-22. Similarly, the anticipated number of statutory planning applications in 2021-22 will be lower than budgeted, resulting in a higher average cost per statutory application for the 2021-22 Estimated Actual.

### 2. Strategic Planning

The development and advancement of planning strategies, policies and information systems that guide the State's long-term urban settlement, industrial and economic development, and the management of the environment in ways that reflect the aspirations of the Western Australian community for a high quality of life.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                              | 4,512             | 25,288            | 26,038                         | 13,692                      | 1    |
| Less Income .....                                       | nil               | nil               | nil                            | nil                         |      |
| Net Cost of Service .....                               | 4,512             | 25,288            | 26,038                         | 13,692                      |      |
| <b>Efficiency Indicators</b>                            |                   |                   |                                |                             |      |
| Average cost per strategic project <sup>(a)</sup> ..... | \$303,884         | \$1,058,105       | \$993,047                      | \$515,647                   | 1    |

(a) The average cost per strategic project is based on the Total Cost of Service less grants.

### Explanation of Significant Movements

(Notes)

1. The increase between the 2020-21 Actual and 2021-22 Budget is due to one-off funding provided to facilitate public infrastructure works, key strategic Government projects including the Perth City Deal and various market-led proposals, and expanding the coastal planning and management program through CoastWA. The decrease in the 2022-23 Budget Target is mainly due to one-off funding provided to facilitate public infrastructure works in 2021-22.

### 3. Asset Management

The acquisition, management and disposal of properties reserved under the Metropolitan, Peel and Greater Bunbury Region Schemes for primary and other regional roads, parks and recreation and regional open space areas, special uses including planning control areas and improvement plans, and major land development projects.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....   | 88,033            | 33,319            | 33,319                         | 34,386                      | 1    |
| Less Income .....  | 7,349             | 10,481            | 10,481                         | 10,486                      | 2    |
| Net Cost of Service .....  | 80,684            | 22,838            | 22,838                         | 23,900                      |      |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Average cost of service for the management of Whiteman Park per hectare managed.....   | \$2,505           | \$2,450           | \$2,450                        | \$2,469                     |      |
| Average cost of service for the management of residential and commercial properties per property .....   | \$20,014          | \$19,626          | \$19,946                       | \$20,082                    |      |
| Average cost of service for the management of reserved land (excluding Whiteman Park and residential and commercial properties) per hectare managed..... | \$476             | \$429             | \$429                          | \$433                       |      |

#### Explanation of Significant Movements

(Notes)

1. The 2020-21 Actual of \$88 million included a revaluation decrement of \$38.6 million and impairment losses on land owned of \$15.8 million. The decrement and impairment losses are attributed to changes in land use of Commission-held land to more restrictive purposes, such as parks and recreation, roads, railways and public purposes. The losses relate to year-end adjustments and are not included in the 2022-23 Budget Target.
2. The lower income in the 2020-21 Actual is mainly due to loss on the sale of surplus assets held by the Commission (in the Total Cost of Service) instead of the anticipated gain on the sale of surplus assets.

## Asset Investment Program

1. The Commission's 2022-23 Asset Investment Program (AIP) of \$97.9 million includes the acquisition of land reserved under the Metropolitan, Peel and Greater Bunbury Region Schemes and development of facilities on reserved land. The AIP will fund land acquisitions for transport infrastructure.
2. The total AIP over the forward estimates period is \$264.8 million.

## COVID-19 Response

3. The Commission will spend \$5.9 million in 2022-23 to restore the heritage-listed Ascot Kilns.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>   |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>   |                                   |  |   |                                     |                              |                              |                              |
| Ascot Kilns Preservation Works .....   | 6,349                             | 415  | 338   | 5,934                               | -                            | -                            | -                            |
| Whiteman Park Fencing Works .....  | 1,062                             | 1,044  | 515   | 18                                  | -                            | -                            | -                            |
| <b>Other Works in Progress</b>   |                                   |  |   |                                     |                              |                              |                              |
| Buildings/Infrastructure .....   | 21,499                            | 16,299   | 1,847   | 1,300                               | 1,300                        | 1,300                        | 1,300                        |
| Other Minor Equipment .....  | 3,745                             | 3,141  | 235   | 151                                 | 151                          | 151                          | 151                          |
| <b>COMPLETED WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Acquisition of Land 2021-22 Program .....  | 59,146                            | 59,146   | 59,146  | -                                   | -                            | -                            | -                            |
| Election Commitment - Acquisition of Land - Westport<br>Port and Environs Strategy ..... | 20,000                            | 20,000   | 9,604   | -                                   | -                            | -                            | -                            |
| METRONET - Yanchep Rail Extension .....  | 100,000                           | 100,000  | 70,000  | -                                   | -                            | -                            | -                            |
| Regional Land Acquisitions - 2021-22 Program .....                                       | 1,000                             | 1,000  | 1,000   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Acquisition of Land  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 84,060                            | -  | -   | 84,060                              | -                            | -                            | -                            |
| 2023-24 Program .....  | 56,575                            | -  | -   | -                                   | 56,575                       | -                            | -                            |
| 2024-25 Program .....  | 43,400                            | -  | -   | -                                   | -                            | 43,400                       | -                            |
| 2025-26 Program .....  | 43,400                            | -  | -   | -                                   | -                            | -                            | 43,400                       |
| Regional Land Acquisitions   |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 6,400                             | -  | -   | 6,400                               | -                            | -                            | -                            |
| 2023-24 Program .....  | 6,400                             | -  | -   | -                                   | 6,400                        | -                            | -                            |
| 2024-25 Program .....  | 6,400                             | -  | -   | -                                   | -                            | 6,400                        | -                            |
| 2025-26 Program .....  | 6,400                             | -  | -   | -                                   | -                            | -                            | 6,400                        |
| <b>Total Cost of Asset Investment Program .....</b>                                      | <b>465,836</b>                    | <b>201,045</b>                                   | <b>142,685</b>                                | <b>97,863</b>                       | <b>64,426</b>                | <b>51,251</b>                | <b>51,251</b>                |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Asset Sales .....  |                                   |  | 50,000  | 5,000                               | 5,000                        | 5,000                        | 5,000                        |
| Capital Appropriation .....  |                                   |  | 5,400   | 5,400                               | 5,400                        | 5,400                        | 5,400                        |
| Internal Funds and Balances .....  |                                   |  | 87,285  | 87,463                              | 54,026                       | 40,851                       | 40,851                       |
| <b>Total Funding .....</b>   |                                   |  | <b>142,685</b>                                | <b>97,863</b>                       | <b>64,426</b>                | <b>51,251</b>                | <b>51,251</b>                |



## Financial Statements

### Income Statement

#### Expenses

1. Total Cost of Services for the 2022-23 Budget Year is lower than the 2021-22 Estimated Actual by \$11.8 million due to one-off funding for the facilitation of public infrastructure works in 2021-22 and a decrease in compensation payments related to land acquisition, partially offset by an increase in grants and subsidies expenditure.

#### Income

2. Other revenue under Income from Government for the 2022-23 Budget Year is higher than the 2021-22 Estimated Actual by \$1.8 million due to an increase in interest revenue of \$1 million, which is attributed to the increase in forecast interest rate from 0.5% to 0.8% and additional \$0.8 million funding for the Future of Fremantle project.

### Statement of Financial Position

3. The increase in property, plant and equipment between the 2021-22 Estimated Actual and the forward estimates period is mainly due to land acquisitions to support key Government priorities and transport infrastructure requirements.

### Statement of Cashflows

4. The cash assets at the end of reporting period in the 2021-22 Estimated Actual is higher than the 2021-22 Budget by \$39.1 million and is mainly due to deferral of land acquisitions across the forward estimates period.

#### INCOME STATEMENT <sup>(a)</sup> (Controlled)

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Grants and subsidies <sup>(b)</sup> .....        | 300                         | 300                         | 300                                      | 9,030                               | 300                          | 300                          | 300                          |
| Supplies and services .....                      | 400                         | 563                         | 1,313                                    | 2,063                               | 813                          | 563                          | 563                          |
| Depreciation and amortisation .....              | 20,406                      | 3,600                       | 3,600                                    | 3,600                               | 3,600                        | 3,600                        | 3,600                        |
| Other expenses <sup>(c)</sup> .....              | 93,132                      | 74,576                      | 74,576                                   | 53,284                              | 52,002                       | 51,647                       | 49,557                       |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>114,238</b>              | <b>79,039</b>               | <b>79,789</b>                            | <b>67,977</b>                       | <b>56,715</b>                | <b>56,110</b>                | <b>54,020</b>                |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Regulatory fees and fines .....                  | 17,192                      | 14,585                      | 14,585                                   | 14,654                              | 14,654                       | 14,654                       | 14,654                       |
| Other revenue .....                              | 7,401                       | 10,486                      | 10,486                                   | 10,486                              | 10,486                       | 10,486                       | 10,486                       |
| <b>Total Income .....</b>                        | <b>24,593</b>               | <b>25,071</b>               | <b>25,071</b>                            | <b>25,140</b>                       | <b>25,140</b>                | <b>25,140</b>                | <b>25,140</b>                |
| <b>NET COST OF SERVICES .....</b>                | <b>89,645</b>               | <b>53,968</b>               | <b>54,718</b>                            | <b>42,837</b>                       | <b>31,575</b>                | <b>30,970</b>                | <b>28,880</b>                |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 90,594                      | 109,156                     | 109,156                                  | 99,788                              | 98,605                       | 98,950                       | 97,567                       |
| Resources received free of charge .....          | 223                         | 450                         | 450                                      | 450                                 | 450                          | 450                          | 450                          |
| Other revenues .....                             | 1,470                       | 2,900                       | 2,850                                    | 4,600                               | 4,250                        | 5,600                        | 6,900                        |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>92,287</b>               | <b>112,506</b>              | <b>112,456</b>                           | <b>104,838</b>                      | <b>103,305</b>               | <b>105,000</b>               | <b>104,917</b>               |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>2,642</b>                | <b>58,538</b>               | <b>57,738</b>                            | <b>62,001</b>                       | <b>71,730</b>                | <b>74,030</b>                | <b>76,037</b>                |

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

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

(c) On average, approximately \$49.5 million per annum relates to service delivery agreement-related payments to DPLH.

## DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Funding of Transport Infrastructure .....  | -                           | -                           | -  | 8,730                               | -                            | -                            | -                            |
| Strategic Transport Evaluation Model ..... | 300                         | 300                         | 300                                      | 300                                 | 300                          | 300                          | 300                          |
| <b>TOTAL .....</b>                         | <b>300</b>                  | <b>300</b>                  | <b>300</b>                               | <b>9,030</b>                        | <b>300</b>                   | <b>300</b>                   | <b>300</b>                   |

STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>  
(Controlled)

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                     |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                         | 10,798                      | 14,145                      | 13,060                                   | 15,322                              | 17,585                       | 17,585                       | 17,585                       |
| Restricted cash .....                     | 449,215                     | 377,962                     | 418,156                                  | 391,182                             | 407,373                      | 441,302                      | 477,238                      |
| Receivables .....                         | 2,489                       | 4,221                       | 2,459                                    | 2,429                               | 2,399                        | 2,369                        | 2,339                        |
| Other .....                               | 45,779                      | 32,417                      | 45,779                                   | 45,779                              | 45,779                       | 45,779                       | 45,779                       |
| Assets held for sale .....                | 15,290                      | 6,886                       | 15,290                                   | 15,290                              | 15,290                       | 15,290                       | 15,290                       |
| <b>Total current assets .....</b>         | <b>523,571</b>              | <b>435,631</b>              | <b>494,744</b>                           | <b>470,002</b>                      | <b>488,426</b>               | <b>522,325</b>               | <b>558,231</b>               |
| <b>NON-CURRENT ASSETS</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....         | 6,639                       | 7,019                       | 7,019                                    | 7,399                               | 7,779                        | 8,159                        | 8,539                        |
| Property, plant and equipment .....       | 505,480                     | 747,397                     | 597,065                                  | 688,828                             | 747,154                      | 792,305                      | 837,456                      |
| Intangibles .....                         | 36,110                      | 28,917                      | 36,110                                   | 36,110                              | 36,110                       | 36,110                       | 36,110                       |
| <b>Total non-current assets .....</b>     | <b>548,229</b>              | <b>783,333</b>              | <b>640,194</b>                           | <b>732,337</b>                      | <b>791,043</b>               | <b>836,574</b>               | <b>882,105</b>               |
| <b>TOTAL ASSETS .....</b>                 | <b>1,071,800</b>            | <b>1,218,964</b>            | <b>1,134,938</b>                         | <b>1,202,339</b>                    | <b>1,279,469</b>             | <b>1,358,899</b>             | <b>1,440,336</b>             |
| <b>CURRENT LIABILITIES</b>                |                             |                             |  |                                     |                              |                              |                              |
| Payables .....                            | -                           | 1                           | -  | -                                   | -                            | -                            | -                            |
| Other .....                               | 14,967                      | 18,045                      | 14,967                                   | 14,967                              | 14,967                       | 14,967                       | 14,967                       |
| <b>Total current liabilities .....</b>    | <b>14,967</b>               | <b>18,046</b>               | <b>14,967</b>                            | <b>14,967</b>                       | <b>14,967</b>                | <b>14,967</b>                | <b>14,967</b>                |
| <b>EQUITY</b>                             |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                  | (13,906)                    | 572                         | (8,506)                                  | (3,106)                             | 2,294                        | 7,694                        | 13,094                       |
| Accumulated surplus/(deficit) .....       | 1,074,588                   | 1,205,383                   | 1,132,326                                | 1,194,327                           | 1,266,057                    | 1,340,087                    | 1,416,124                    |
| Reserves .....                            | 44,839                      | 43,651                      | 44,839                                   | 44,839                              | 44,839                       | 44,839                       | 44,839                       |
| Other .....                               | (48,688)                    | (48,688)                    | (48,688)                                 | (48,688)                            | (48,688)                     | (48,688)                     | (48,688)                     |
| <b>Total equity .....</b>                 | <b>1,056,833</b>            | <b>1,200,918</b>            | <b>1,119,971</b>                         | <b>1,187,372</b>                    | <b>1,264,502</b>             | <b>1,343,932</b>             | <b>1,425,369</b>             |
| <b>TOTAL LIABILITIES AND EQUITY .....</b> | <b>1,071,800</b>            | <b>1,218,964</b>            | <b>1,134,938</b>                         | <b>1,202,339</b>                    | <b>1,279,469</b>             | <b>1,358,899</b>             | <b>1,440,336</b>             |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                 | 90,214                      | 108,776                     | 108,776                                  | 99,408                              | 98,225                       | 98,570                       | 97,187                       |
| Capital appropriation .....                                 | 5,400                       | 5,400                       | 5,400                                    | 5,400                               | 5,400                        | 5,400                        | 5,400                        |
| Other.....  | 33,018                      | 32,900                      | 32,850                                   | 4,600                               | 4,250                        | 5,600                        | 6,900                        |
| <b>Net cash provided by Government .....</b>                | <b>128,632</b>              | <b>147,076</b>              | <b>147,026</b>                           | <b>109,408</b>                      | <b>107,875</b>               | <b>109,570</b>               | <b>109,487</b>               |
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Grants and subsidies.....                                   | (600)                       | (300)                       | (300)                                    | (9,030)                             | (300)                        | (300)                        | (300)                        |
| Supplies and services .....                                 | (177)                       | (113)                       | (863)                                    | (1,613)                             | (363)                        | (113)                        | (113)                        |
| Accommodation .....   | (18)                        | -                           | -  | -                                   | -                            | -                            | -                            |
| GST payments .....  | (6,103)                     | (3,330)                     | (3,330)                                  | (3,330)                             | (3,330)                      | (3,330)                      | (3,330)                      |
| Other payments.....   | (54,853)                    | (74,546)                    | (74,546)                                 | (53,254)                            | (51,972)                     | (51,617)                     | (49,527)                     |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Regulatory fees and fines.....                              | 17,145                      | 14,585                      | 14,585                                   | 14,654                              | 14,654                       | 14,654                       | 14,654                       |
| GST receipts .....  | 7,985                       | 3,330                       | 3,330                                    | 3,330                               | 3,330                        | 3,330                        | 3,330                        |
| Other receipts .....  | 7,369                       | 7,986                       | 7,986                                    | 7,986                               | 7,986                        | 7,986                        | 7,986                        |
| <b>Net cash from operating activities .....</b>             | <b>(29,252)</b>             | <b>(52,388)</b>             | <b>(53,138)</b>                          | <b>(41,257)</b>                     | <b>(29,995)</b>              | <b>(29,390)</b>              | <b>(27,300)</b>              |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                        | (92,661)                    | (184,327)                   | (142,685)                                | (97,863)                            | (64,426)                     | (51,251)                     | (51,251)                     |
| Proceeds from sale of non-current assets.....               | 4,084                       | 20,000                      | 20,000                                   | 5,000                               | 5,000                        | 5,000                        | 5,000                        |
| <b>Net cash from investing activities.....</b>              | <b>(88,577)</b>             | <b>(164,327)</b>            | <b>(122,685)</b>                         | <b>(92,863)</b>                     | <b>(59,426)</b>              | <b>(46,251)</b>              | <b>(46,251)</b>              |
| Cash assets at the beginning of the reporting period .....  | 449,210                     | 461,746                     | 460,013                                  | 431,216                             | 406,504                      | 424,958                      | 458,887                      |
| <b>Cash assets at the end of the reporting period .....</b> | <b>460,013</b>              | <b>392,107</b>              | <b>431,216</b>                           | <b>406,504</b>                      | <b>424,958</b>               | <b>458,887</b>               | <b>494,823</b>               |

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

## Agency Special Purpose Account Details

### METROPOLITAN REGION IMPROVEMENT ACCOUNT

Account Purpose: This account was established in December 1959 under the *Metropolitan Region Improvement Tax Act 1959* to provide funds for the Commission to manage the Metropolitan Region Scheme.

|                              | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|
| Opening Balance .....        | 434,712                     | 443,433                     | 443,433                                  | 409,075                             |
| Receipts:                    |                             |                             |  |                                     |
| Appropriations.....          | 84,744                      | 83,897                      | 83,897                                   | 88,098                              |
| Other .....                  | 48,751                      | 61,294                      | 60,494                                   | 16,440                              |
|                              | 568,207                     | 588,624                     | 587,824                                  | 513,613                             |
| Payments .....               | 124,774                     | 215,991                     | 178,749                                  | 129,486                             |
| <b>CLOSING BALANCE .....</b> | <b>443,433</b>              | <b>372,633</b>              | <b>409,075</b>                           | <b>384,127</b>                      |

# Division 45 **Western Australian Land Information Authority**

## Part 11 **Planning and Land Use**

### **Appropriations, Expenses and Cash Assets**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 89 Net amount appropriated to deliver services .....              | 32,186                      | 39,475                      | 40,220                                   | <b>36,602</b>                       | 36,183                       | 60,258                       | 53,158                       |
| <b>Amount Authorised by Other Statutes</b>                             |                             |                             |  |                                     |                              |                              |                              |
| - Transfer of Land Act 1893 .....                                      | 575                         | -                           | -  | -                                   | -                            | -                            | -                            |
| - Salaries and Allowances Act 1975 .....                               | 337                         | 338                         | 338                                      | <b>339</b>                          | 340                          | 341                          | 341                          |
| Total appropriations provided to deliver services <sup>(a)</sup> ..... | 33,098                      | 39,813                      | 40,558                                   | <b>36,941</b>                       | 36,523                       | 60,599                       | 53,499                       |
| <b>CAPITAL</b>   |                             |                             |  |                                     |                              |                              |                              |
| Item 152 Capital Appropriation.....                                    | 2,888                       | 8,420                       | 4,028                                    | <b>958</b>                          | 1,467                        | 1,467                        | 2,475                        |
| <b>TOTAL APPROPRIATIONS</b> .....                                      | <b>35,986</b>               | <b>48,233</b>               | <b>44,586</b>                            | <b>37,899</b>                       | <b>37,990</b>                | <b>62,066</b>                | <b>55,974</b>                |
| <b>EXPENSES</b>  |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....   | 106,203                     | 120,720                     | 120,991                                  | <b>117,403</b>                      | 113,130                      | 115,558                      | 114,126                      |
| Net Cost of Services <sup>(b)</sup> .....                              | 33,986                      | 46,840                      | 40,975                                   | <b>28,725</b>                       | 38,022                       | 36,004                       | 19,580                       |
| <b>CASH ASSETS</b> <sup>(c)</sup> .....                                | 6,234                       | 22,599                      | 15,246                                   | <b>21,102</b>                       | 14,488                       | 16,702                       | 15,195                       |

(a) The increase in total appropriations provided to deliver services from the 2024-25 Outyear reflects the agreed funding arrangement with Government following the partial commercialisation of the Western Australian Land Information Authority (Landgate).

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

(c) As at 30 June each financial year.

### **Spending Changes**

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

|   | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Other</b>  |  |                                     |                              |                              |                              |
| National Electronic Conveyancing Data Standards .....       | 240                                      | -                                   | -                            | -                            | -                            |
| Office Accommodation - Midland Building Project Costs ..... | 505                                      | 459                                 | 366                          | -                            | -                            |
| Revision to Indexation for Non-Salary Expenses .....        | -  | -                                   | -                            | 29                           | 231                          |
| State Fleet Policy and Procurement Initiatives .....        | (41)                                     | (32)                                | (27)                         | (25)                         | (28)                         |
| Strategic Development Plan 2022-23 to 2025-26 .....         | 25                                       | (214)                               | (1,203)                      | (899)                        | (763)                        |
| Workforce Requirements .....                                | 1,342                                    | 4,077                               | -                            | -                            | -                            |

## Significant Issues Impacting the Agency

1. The Transfer of Land Act Amendment Bill 2021 (the Bill) has been introduced into Parliament and passed by the Legislative Assembly. If passed in the Legislative Council without amendment, the Bill will enact legislative change to remove duplicate certificates of title from use, and a public education program will communicate changes to the public to ensure a smooth transition.
  - 1.1. With 67% of all issued duplicate certificates of title being held in bank vaults until mortgages are discharged, their removal will create significant cost savings for financial institutions. Customers should also benefit, as banks will no longer need to charge production costs for duplicate certificates of title. The Bill also permits the sending of electronic notices under the *Transfer of Land Act 1893* to landowners or their representatives. This will significantly reduce the time taken for registration of land transactions for Landgate customers, as the notices will not need to be sent by post and emails can be delivered in less than a day.
2. To support greater competition in the electronic conveyancing marketplace, Landgate is participating in ongoing national work through the Australian Registrar's National Electronic Conveyancing Council to progress a model that enables interoperability between multiple Electronic Lodgement Network Operators.
  - 2.1. Amendments to the Electronic Conveyancing National Law covers issues regarding mandating interoperability and financial settlement. All jurisdictions other than Western Australia and South Australia have adopted a national legal scheme approach, where they adopt the amendments as part of their laws once it is passed in New South Wales. Western Australia and South Australia operate under a corresponding law regime, under which they enact their own separate legislation which mirrors the New South Wales legislation.
3. Landgate has collaborated with other Australian States and Territories and New Zealand on a project to develop an interjurisdictionally consistent 3D cadastral survey data model. The project provided a common standard to support the development of the 3D Next Generation Spatial Cadastre (NGSC) for Western Australia to replace part of Landgate's legacy SmartPlan system and the Spatial Cadastral Database. The NGSC, as the accessible source of Western Australia's critical land and property data, will support priority Government land development and infrastructure projects.
4. Landgate is modernising its property valuations system, which generates more than one million rating and taxing valuations every year for all properties across the State. The current system has been in place for more than 20 years and requires replacement to ensure business continuity, align with Government's digital standards, enhance management of cyber security risks and take advantage of growth opportunities such as the increasing demand for specialist valuations. There will also be an opportunity to leverage the new technologies to improve service delivery for Landgate's customers as well as valuation processes. Landgate expects to finalise the procurement of a system in the 2022-23 financial year.
5. The circumstances across the globe and the influence of external factors that include rising inflation, higher commodity prices, demand for construction materials, labour shortages, a low supply of rental accommodation, net migration and other related economic factors will continue to impact Western Australian property market dynamics. The property market has been incredibly strong since the introduction of government building incentives, with a high number of document lodgements experienced during 2021-22. Document registration activity levels will continue to be managed in line with property market demand. However, as market activity declines, it will impact Landgate's gross revenue (including service fee payments to Land Services WA under the Commercialised Services Agreement) and Landgate's net residual document registrations revenue.
6. The five-yearly review of Landgate's enabling legislation, the *Land Information Authority Act 2006*, has commenced and comes as Landgate continues to adapt its business model following partial commercialisation of land registry transaction processing in 2019 and deliver on Western Australia's Open Data Policy. This review is well-timed to consider modernisation of the legislation where necessary to enable the agency to fully leverage emerging digital location information technologies that will enable new and efficient ways for the public sector, industry and community to acquire, visualise, collaborate, plan, decide and transact in the digital realm.

## 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 Landgate'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:<br>Responsible, achievable, affordable budget management. | The State's administrative, commercial and social systems are supported by land tenure information, certainty of ownership and other interests in land. | 1. Land Titling   |
|  | Independent valuations support Governments' collection of rates and taxes, and management of property assets.   | 2. Valuations   |
|  | Land and location information and services to support the management and development of the State.  | 3. Land Information and Services<br>4. Access to Location Information |

### Service Summary

| Expense                                 | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Land Titling .....                   | 33,152                      | 36,032                      | 37,768                                   | 36,649                              | 35,314                       | 36,073                       | 35,625                       |
| 2. Valuations .....                     | 36,068                      | 41,338                      | 41,091                                   | 39,872                              | 38,421                       | 39,245                       | 38,759                       |
| 3. Land Information and Services .....  | 30,428                      | 35,314                      | 34,664                                   | 33,636                              | 32,412                       | 33,108                       | 32,698                       |
| 4. Access to Location Information ..... | 6,555                       | 8,036                       | 7,468                                    | 7,246                               | 6,983                        | 7,132                        | 7,044                        |
| <b>Total Cost of Services .....</b>     | <b>106,203</b>              | <b>120,720</b>              | <b>120,991</b>                           | <b>117,403</b>                      | <b>113,130</b>               | <b>115,558</b>               | <b>114,126</b>               |

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: The State's administrative, commercial and social systems are supported by land tenure information, certainty of ownership and other interests in land:</b> |                   |                   |                                |                             |      |
| The land titles register is updated and maintained in a timely and accurate manner:   |                   |                   |                                |                             |      |
| Simple and correct documents are registered within two working days of lodgement .....  | 88.16%            | 80%               | 80%                            | 80%                         |      |
| The number of adjusted Certificates of Title arising from identified errors as a percentage of the total Certificates of Title on the land titles register .....        | 0.1085%           | <=0.25%           | <=0.25%                        | <=0.25%                     |      |
| <b>Outcome: Independent valuations support Governments' collection of rates and taxes, and management of property assets:</b>   |                   |                   |                                |                             |      |
| International standards for accuracy and uniformity of rating and taxing values are met:  |                   |                   |                                |                             |      |
| Benchmark against international standards for accuracy using median ratio test:   |                   |                   |                                |                             |      |
| Gross Rental Value <sup>(b)</sup> .....   | n/a               | >92.5%            | >92.5%                         | >92.5%                      |      |
| Unimproved Value .....  | 91.38%            | >92.5%            | >92.5%                         | >92.5%                      |      |
| Coefficient of Dispersion to check uniformity of values:  |                   |                   |                                |                             |      |
| Gross Rental Value <sup>(b)</sup> .....   | n/a               | <7%               | <7%                            | <7%                         |      |
| Unimproved Value .....  | 5.21%             | <15%              | <15%                           | <15%                        |      |
| Adjustments of rating and taxing values as a result of objections and appeals as a percentage of total values in force .....  | 0.039%            | <0.2%             | <0.2%                          | <0.2%                       |      |
| <b>Outcome: Land and location information and services to support the management and development of the State:</b>  |                   |                   |                                |                             |      |
| The extent to which the currency and relevance of the land information databases meet the needs of the Western Australian community:                                    |                   |                   |                                |                             |      |
| Completion rate of names and addressing jobs delivered within 10 business days .....  | 87.6%             | 80%               | 80%                            | 85%                         |      |
| Completion rate of property boundary related jobs within the agreed benchmarks .....  | 97.8%             | 97.2%             | 98.3%                          | 98.5%                       |      |
| Imagery systems availability supporting the State's mapping, monitoring and predicting of bushfires <sup>(c)</sup> .....  | n/a               | 99%               | 99.8%                          | 99%                         |      |
| Overall satisfaction with the capture of, discovery of and access to Government Location Information .....  | 80%               | 80%               | 80%                            | 80%                         |      |

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

(b) The Regional Gross Rental Value (GRV) General Valuation Program was deferred for 12 months to 2021-22, due to COVID-19 restrictions on travel. Therefore, this measure for GRVs is not applicable for 2020-21.

(c) This is a new key effectiveness indicator introduced for the 2021-22 financial year, as a result of changes to the Outcome Based Management (OBM) framework. Therefore, no comparative information is available for the 2020-21 financial year for this indicator.

## Services and Key Efficiency Indicators

### 1. Land Titling <sup>(a)</sup>

A land titling service that provides land tenure information, certainty of ownership and other interests in land.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
|   | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....  | 33,152            | 36,032            | 37,768                         | 36,649                      |      |
| Less Income .....   | 62,760            | 58,563            | 63,427                         | 65,167                      |      |
| Net Cost of Service .....   | (29,608)          | (22,531)          | (25,659)                       | (28,518)                    |      |
| <b>Employees (Full-Time Equivalents) .....</b>  | <b>110</b>        | <b>96</b>         | <b>100</b>                     | <b>110</b>                  |      |
| <b>Efficiency Indicators</b>  |                   |                   |                                |                             |      |
| Average cost of maintaining land tenure information, certainty of ownership and other interests in land, per Certificate of Title ..... | \$22.24           | \$23.92           | \$24.95                        | \$23.87                     |      |

(a) As a result of changes to the OBM framework commencing from the 2021-22 financial year, this table will vary from that reported in the 2020-21 Annual Report.

### 2. Valuations <sup>(a)</sup>

An impartial valuation service.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                     | 36,068            | 41,338            | 41,091                         | 39,872                      |      |
| Less Income .....                              | 4,618             | 10,452            | 11,320                         | 19,263                      | 1    |
| Net Cost of Service .....                      | 31,450            | 30,886            | 29,771                         | 20,609                      |      |
| <b>Employees (Full-Time Equivalents) .....</b> | <b>188</b>        | <b>188</b>        | <b>204</b>                     | <b>195</b>                  |      |
| <b>Efficiency Indicators</b>                   |                   |                   |                                |                             |      |
| Average cost per valuation.....                | \$15.12           | \$17.34           | \$17.23                        | \$16.61                     |      |

(a) As a result of changes to the OBM framework commencing from the 2021-22 financial year, this table will vary from that reported in the 2020-21 Annual Report.

## Explanation of Significant Movements

(Notes)

1. The nature of the Gross Rental Value Metropolitan Triennial Program (Metropolitan Revaluation Program) leads to fluctuations in income. The 2022-23 year is the third and final year of the triennium in which all revenue from the Metropolitan Revaluation Program is recognised in accordance with AASB 15: *Revenue from Contracts with Customers*.



**3. Land Information and Services <sup>(a)</sup>**

Capture, maintenance and delivery of land information and services.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....   | 30,428            | 35,314            | 34,664                         | 33,636                      |      |
| Less Income .....  | 3,962             | 3,983             | 4,314                          | 3,392                       |      |
| Net Cost of Service .....  | 26,466            | 31,331            | 30,350                         | 30,244                      |      |
| <b>Employees (Full-Time Equivalents) .....</b>   | <b>144</b>        | <b>126</b>        | <b>140</b>                     | <b>137</b>                  |      |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Average cost of providing land information and services for the State (per square kilometre) ..... | \$12.04           | \$13.97           | \$13.72                        | \$13.31                     |      |

(a) As a result of changes to the OBM framework commencing from the 2021-22 financial year, this table will vary from that reported in the 2020-21 Annual Report.

**4. Access to Location Information <sup>(a)</sup>**

Access to the State's location information.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....                     | 6,555             | 8,036             | 7,468                          | 7,246                       |      |
| Less Income .....                              | 877               | 882               | 955                            | 856                         |      |
| Net Cost of Service .....                      | 5,678             | 7,154             | 6,513                          | 6,390                       |      |
| <b>Employees (Full-Time Equivalents) .....</b> | <b>16</b>         | <b>16</b>         | <b>29</b>                      | <b>31</b>                   |      |
| <b>Efficiency Indicators</b>                   |                   |                   |                                |                             |      |
| Average cost per dataset .....                 | \$871.91          | \$1,028           | \$955.23                       | \$930.17                    |      |

(a) As a result of changes to the OBM framework commencing from the 2021-22 financial year, this table will vary from that reported in the 2020-21 Annual Report.

## Asset Investment Program

1. Landgate's Asset Investment Program for 2022-23 of \$7.2 million focuses on progressing key business initiatives to enhance and develop systems which will improve efficiency and effectiveness. This includes:
  - 1.1. modernising the current valuations system, which enables the generation of rating and taxing values in the State and to deliver asset valuations for local and State Government. This will result in more reliable and efficient delivery of valuation products;
  - 1.2. redeveloping the corporate website to streamline functionality, which will result in more efficient accessibility and usability for website users;
  - 1.3. implementing amendments to the *Transfer of Land Act 1893* to include electronic document processes, providing industry with greater confidence in electronic conveyancing and the efficiencies it brings; and
  - 1.4. the ongoing upgrade and replacement of hardware assets based on life cycle and enhanced capabilities offered by new technologies.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Asset Replacement  |                                   |  |   |                                     |                              |                              |                              |
| ICT - Asset Replacement Program .....  | 3,002                             | 1,862  | 890   | 705                                 | 170                          | 135                          | 130                          |
| Workplace Enablement .....   | 3,217                             | 1,587  | 577   | 780                                 | 400                          | 250                          | 200                          |
| Business Improvement   |                                   |  |   |                                     |                              |                              |                              |
| Corporate Website Redevelopment .....  | 710                               | 210  | 210   | 500                                 | -                            | -                            | -                            |
| Valuation Services System Reform .....                                       | 8,000                             | 1,134  | 497   | 4,454                               | 2,412                        | -                            | -                            |
| Infrastructure - Shared Location Information Platform<br>Redevelopment ..... | 3,850                             | 540  | 540   | 310                                 | 1,000                        | 1,000                        | 1,000                        |
| <b>COMPLETED WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Business Improvement - Financial Management System .....                     | 2,891                             | 2,891  | 840   | -                                   | -                            | -                            | -                            |
| Infrastructure   |                                   |  |   |                                     |                              |                              |                              |
| Capture WA Register Upgrade .....  | 290                               | 290  | 290   | -                                   | -                            | -                            | -                            |
| Data WA Improvements .....   | 293                               | 293  | 210   | -                                   | -                            | -                            | -                            |
| Geocentric Datum of Australia 2020 .....                                     | 2,547                             | 2,547  | 1,085   | -                                   | -                            | -                            | -                            |
| Strata Titles Act 1985 Reform .....  | 9,472                             | 9,472  | 1,650   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Business Improvement   |                                   |  |   |                                     |                              |                              |                              |
| Data Strategy Hub .....  | 1,650                             | -  | -   | 150                                 | 700                          | 400                          | 400                          |
| Portal WA .....  | 3,300                             | -  | -   | -                                   | 1,100                        | 1,100                        | 1,100                        |
| Transfer of Land Act Amendments Implementation .....                         | 312                               | -  | -   | 312                                 | -                            | -                            | -                            |
| Infrastructure   |                                   |  |   |                                     |                              |                              |                              |
| Aerial Imagery Platform .....  | 500                               | -  | -   | -                                   | 500                          | -                            | -                            |
| Data Sharing Platform .....  | 2,100                             | -  | -   | -                                   | 700                          | 700                          | 700                          |
| Next Generation Spatial Cadastre .....                                       | 2,400                             | -  | -   | -                                   | 800                          | 800                          | 800                          |
| SmartPlan Suite Replacement .....  | 4,800                             | -  | -   | -                                   | -                            | 3,400                        | 1,400                        |
| Topographic Modernisation .....  | 4,026                             | -  | -   | -                                   | 659                          | 656                          | 2,711                        |
| <b>Total Cost of Asset Investment Program .....</b>                          | <b>53,360</b>                     | <b>20,826</b>                                    | <b>6,789</b>                                  | <b>7,211</b>                        | <b>8,441</b>                 | <b>8,441</b>                 | <b>8,441</b>                 |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Capital Appropriation .....  |                                   |  | 4,028   | 958                                 | 1,467                        | 1,467                        | 2,475                        |
| Drawdowns from the Holding Account .....                                     |                                   |  | 2,496   | 6,253                               | 6,974                        | 6,974                        | 5,966                        |
| Internal Funds and Balances .....  |                                   |  | 265   | -                                   | -                            | -                            | -                            |
| <b>Total Funding .....</b>   |                                   |  | <b>6,789</b>                                  | <b>7,211</b>                        | <b>8,441</b>                 | <b>8,441</b>                 | <b>8,441</b>                 |

## Financial Statements

### Income Statement

#### Expenses

1. The 2022-23 Total Cost of Services of \$117.4 million is \$3.6 million lower than the 2021-22 Estimated Actual. This has resulted largely from lower depreciation expense due to some assets reaching the end of their useful life as planned.

#### Income

2. Total income in the 2022-23 Budget Year is expected to be \$8.7 million higher than the 2021-22 Estimated Actual due to the cyclical impact of the triennial Metropolitan Revaluation Program. Revenue for the entire program is only recognised on delivery of the final product (a valuation) in the third year, 2022-23, in line with AASB 15: *Revenue from Contracts with Customers*.
3. Whilst valuations revenue increases, this is partly offset by a fall in revenue from land titling services. The continued buoyancy in the Western Australian property market experienced during 2021-22 is expected to slow during 2022-23. Revenue from land titling services is anticipated to fall in line with expectations of increases in interest rates, leading to a fall in consumer sentiment and the flow-on effect this will have on expected demand.

### Statement of Financial Position

4. The equity reflected in the Statement of Financial Position is negative as a result of the payment of the \$1.4 billion lump sum proceeds received from the Landgate Partial Commercialisation arrangement to the Consolidated Account in 2019-20. The forecast improvement in the negative equity position in the 2022-23 Budget Year in comparison to the 2021-22 Estimated Actual is due to:
  - 4.1. the capital contributions received from Government to fund the 2022-23 Asset Investment Program in line with agreed funding arrangements; and
  - 4.2. a decrease in the value of the service concession liability, through its reduction over the period of the arrangement (amortisation) as a non-cash revenue, which results in a decrease in the accumulated deficit offsetting the negative equity that originated as a result of the Landgate Partial Commercialisation transaction.
5. In the 2022-23 Budget Year, Total Assets are \$13 million lower than the 2021-22 Estimated Actual, largely due to the decrease in investments held to maturity (cash reserves) as the agency uses these funds to meet its operating commitments. The lower value of assets also reflects the decrease in the written down value of service concession assets as these assets are amortised over their useful life. Service concession assets are those assets that are now the responsibility of Land Services WA to enhance/maintain under the Commercialised Services Agreement.
6. In the 2022-23 Budget Year, Total Liabilities decreases by \$33.8 million in comparison to the 2021-22 Estimated Actual due to the annual reduction (amortisation) of the service concession deferred revenue liability, that originated from the \$1.4 billion proceeds of the Landgate Partial Commercialisation arrangement. Accounting standards require the proceeds to be spread across each year of the 40-year life of the partial commercialisation agreement as non-cash revenue. This decreases the service concession deferred revenue liability balance each year until the agreement expires and the liability is extinguished.

### Statement of Cashflows

7. The 2022-23 Budget Year closing cash balance is \$5.9 million higher than the 2021-22 Estimated Actual due to the maturity of the remaining investments in financial assets during 2022-23 and the resulting cash being moved into the operating bank account.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>   |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)(c)</sup> .....   | 53,081                      | 55,258                      | 56,835                                   | 57,616                              | 52,368                       | 52,940                       | 52,940                       |
| Grants and subsidies <sup>(d)</sup> .....   | 230                         | 124                         | 135                                      | 135                                 | 135                          | 135                          | 135                          |
| Supplies and services .....   | 27,363                      | 36,892                      | 35,092                                   | 33,842                              | 37,204                       | 37,813                       | 37,455                       |
| Accommodation .....   | 4,537                       | 5,646                       | 5,967                                    | 6,075                               | 6,269                        | 6,080                        | 6,201                        |
| Depreciation and amortisation .....   | 15,230                      | 16,831                      | 16,798                                   | 13,651                              | 11,371                       | 12,736                       | 11,274                       |
| Finance and interest costs .....  | 191                         | 13                          | 5  | 16                                  | 15                           | 12                           | 9                            |
| Other expenses .....  | 5,571                       | 5,956                       | 6,159                                    | 6,068                               | 5,768                        | 5,842                        | 6,112                        |
| <b>TOTAL COST OF SERVICES</b> .....   | <b>106,203</b>              | <b>120,720</b>              | <b>120,991</b>                           | <b>117,403</b>                      | <b>113,130</b>               | <b>115,558</b>               | <b>114,126</b>               |
| <b>Income</b>   |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services <sup>(e)</sup> .....   | 35,056                      | 36,081                      | 42,217                                   | 50,754                              | 36,844                       | 39,822                       | 54,789                       |
| Other revenue <sup>(f)</sup> .....  | 37,161                      | 37,799                      | 37,799                                   | 37,924                              | 38,264                       | 39,732                       | 39,757                       |
| <b>Total Income</b> .....   | <b>72,217</b>               | <b>73,880</b>               | <b>80,016</b>                            | <b>88,678</b>                       | <b>75,108</b>                | <b>79,554</b>                | <b>94,546</b>                |
| <b>NET COST OF SERVICES</b> .....   | <b>33,986</b>               | <b>46,840</b>               | <b>40,975</b>                            | <b>28,725</b>                       | <b>38,022</b>                | <b>36,004</b>                | <b>19,580</b>                |
| <b>INCOME FROM GOVERNMENT</b>   |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations <sup>(g)</sup> .....   | 33,098                      | 39,813                      | 40,558                                   | 36,941                              | 36,523                       | 60,599                       | 53,499                       |
| Resources received free of charge .....   | 223                         | 500                         | 300                                      | 300                                 | 300                          | 300                          | 300                          |
| Other revenues .....  | 5,323                       | 6,581                       | 6,595                                    | 11,389                              | 5,732                        | 6,571                        | 12,515                       |
| <b>TOTAL INCOME FROM GOVERNMENT</b> .....   | <b>38,644</b>               | <b>46,894</b>               | <b>47,453</b>                            | <b>48,630</b>                       | <b>42,555</b>                | <b>67,470</b>                | <b>66,314</b>                |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....  | <b>4,658</b>                | <b>54</b>                   | <b>6,478</b>                             | <b>19,905</b>                       | <b>4,533</b>                 | <b>31,466</b>                | <b>46,734</b>                |
| Income tax benefit/(expense) <sup>(h)</sup> .....                                       | (419,642)                   | (16)                        | -  | -                                   | -                            | -                            | -                            |
| <b>CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER INCOME TAX EQUIVALENTS</b> ..... | <b>(414,984)</b>            | <b>38</b>                   | <b>6,478</b>                             | <b>19,905</b>                       | <b>4,533</b>                 | <b>31,466</b>                | <b>46,734</b>                |

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 458, 473 and 473 respectively.

(c) Landgate is assessing its workforce requirements to ensure it continues to effectively deliver services on behalf of the Government. FTE reductions anticipated in the 2021-22 Budget, relating to potential technological changes in the business model, are under review. The increased workforce expenditure will retain current FTE levels to ensure service delivery and business capability is maintained during the assessment.

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

(e) The Sale of Goods and Services is net of the service fees paid to Land Services WA under the terms of the Commercialised Services Agreement from the date the agreement commenced on 22 October 2019.

(f) Other revenue includes the annual amortisation of the service concession liability over the term of the Commercialised Services Agreement, reflecting the receipt of the lump sum proceeds from the agreement.

(g) The increase in Service appropriations from the 2024-25 outyear reflects the agreed funding arrangement with Government following the partial commercialisation of the Authority.

(h) The income tax benefit/(expense) in the 2020-21 Actual reflects the impairment of the deferred tax asset and its recognition as income tax equivalents expense during 2020-21, which was not considered when the budget was set.

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Land Surveyors Licensing Board <sup>(a)</sup> ..... | 30                          | 24                          | 35                                       | 35                                  | 35                           | 35                           | 35                           |
| Other Grants and Subsidies <sup>(b)</sup> .....     | 200                         | 100                         | 100                                      | 100                                 | 100                          | 100                          | 100                          |
| <b>TOTAL</b> .....                                  | <b>230</b>                  | <b>124</b>                  | <b>135</b>                               | <b>135</b>                          | <b>135</b>                   | <b>135</b>                   | <b>135</b>                   |

(a) This amount represents a grant paid by Landgate to the Land Surveyors' Licensing Board (the Board). The Board is an affiliated body but is not subject to the operational control of Landgate and reports to Parliament separately.

(b) Other grants and subsidies includes SPUR Location Grants which are grants to support Western Australian businesses, start-ups and individuals who are developing innovative location data based ideas/products/services.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                              |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                                  | 4,901                       | 21,035                      | 13,705                                   | 19,341                              | 12,521                       | 14,527                       | 12,838                       |
| Restricted cash .....                              | 245                         | 292                         | 245                                      | 245                                 | 245                          | 245                          | 245                          |
| Holding Account receivables .....                  | 4,006                       | 6,353                       | 6,253                                    | 6,974                               | 6,974                        | 5,966                        | 5,131                        |
| Receivables .....                                  | 9,877                       | 12,348                      | 12,159                                   | 26,230                              | 10,612                       | 13,435                       | 28,590                       |
| Other <sup>(b)</sup> .....                         | 62,210                      | 13,123                      | 33,533                                   | 5,396                               | 5,471                        | 3,707                        | 5,668                        |
| <b>Total current assets .....</b>                  | <b>81,239</b>               | <b>53,151</b>               | <b>65,895</b>                            | <b>58,186</b>                       | <b>35,823</b>                | <b>37,880</b>                | <b>52,472</b>                |
| <b>NON-CURRENT ASSETS</b>                          |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....                  | 32,503                      | 30,853                      | 32,461                                   | 28,896                              | 24,513                       | 21,115                       | 18,099                       |
| Property, plant and equipment .....                | 6,452                       | 10,806                      | 7,656                                    | 8,775                               | 11,151                       | 11,098                       | 11,070                       |
| Intangibles <sup>(c)</sup> .....                   | 39,340                      | 35,888                      | 31,379                                   | 26,535                              | 31,298                       | 27,081                       | 24,326                       |
| Restricted cash .....                              | 1,088                       | 1,272                       | 1,296                                    | 1,516                               | 1,722                        | 1,930                        | 2,112                        |
| Other <sup>(d)</sup> .....                         | 2,648                       | 422,006                     | 2,507                                    | 4,325                               | 2,507                        | 2,507                        | 4,434                        |
| <b>Total non-current assets .....</b>              | <b>82,031</b>               | <b>500,825</b>              | <b>75,299</b>                            | <b>70,047</b>                       | <b>71,191</b>                | <b>63,731</b>                | <b>60,041</b>                |
| <b>TOTAL ASSETS .....</b>                          | <b>163,270</b>              | <b>553,976</b>              | <b>141,194</b>                           | <b>128,233</b>                      | <b>107,014</b>               | <b>101,611</b>               | <b>112,513</b>               |
| <b>CURRENT LIABILITIES</b>                         |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                          | 13,588                      | 12,118                      | 13,640                                   | 13,699                              | 13,543                       | 13,663                       | 13,727                       |
| Payables .....                                     | 1,959                       | 1,209                       | 1,584                                    | 1,657                               | 1,742                        | 1,829                        | 1,918                        |
| Lease liabilities .....                            | 59                          | 94                          | 56                                       | 86                                  | 86                           | 85                           | 85                           |
| Other <sup>(e)</sup> .....                         | 46,242                      | 45,987                      | 47,220                                   | 47,474                              | 47,544                       | 47,702                       | 47,921                       |
| <b>Total current liabilities .....</b>             | <b>61,848</b>               | <b>59,408</b>               | <b>62,500</b>                            | <b>62,916</b>                       | <b>62,915</b>                | <b>63,279</b>                | <b>63,651</b>                |
| <b>NON-CURRENT LIABILITIES</b>                     |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                          | 2,831                       | 2,994                       | 2,848                                    | 2,865                               | 2,882                        | 2,899                        | 2,916                        |
| Lease liabilities .....                            | 52                          | 226                         | 129                                      | 243                                 | 169                          | 118                          | 88                           |
| Other <sup>(e)</sup> .....                         | 1,319,271                   | 1,286,003                   | 1,285,943                                | 1,251,572                           | 1,224,411                    | 1,185,745                    | 1,147,079                    |
| <b>Total non-current liabilities .....</b>         | <b>1,322,154</b>            | <b>1,289,223</b>            | <b>1,288,920</b>                         | <b>1,254,680</b>                    | <b>1,227,462</b>             | <b>1,188,762</b>             | <b>1,150,083</b>             |
| <b>TOTAL LIABILITIES .....</b>                     | <b>1,384,002</b>            | <b>1,348,631</b>            | <b>1,351,420</b>                         | <b>1,317,596</b>                    | <b>1,290,377</b>             | <b>1,252,041</b>             | <b>1,213,734</b>             |
| <b>EQUITY</b>                                      |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity <sup>(f)</sup> .....            | (1,099,297)                 | (1,090,858)                 | (1,095,269)                              | (1,094,311)                         | (1,092,844)                  | (1,091,377)                  | (1,088,902)                  |
| Accumulated surplus/(deficit) <sup>(g)</sup> ..... | (128,462)                   | 288,837                     | (121,984)                                | (102,079)                           | (97,546)                     | (66,080)                     | (19,346)                     |
| Reserves .....                                     | 7,027                       | 7,366                       | 7,027                                    | 7,027                               | 7,027                        | 7,027                        | 7,027                        |
| <b>Total equity .....</b>                          | <b>(1,220,732)</b>          | <b>(794,655)</b>            | <b>(1,210,226)</b>                       | <b>(1,189,363)</b>                  | <b>(1,183,363)</b>           | <b>(1,150,430)</b>           | <b>(1,101,221)</b>           |
| <b>TOTAL LIABILITIES AND EQUITY .....</b>          | <b>163,270</b>              | <b>553,976</b>              | <b>141,194</b>                           | <b>128,233</b>                      | <b>107,014</b>               | <b>101,611</b>               | <b>112,513</b>               |

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

(b) Other current assets in the 2021-22 Estimated Actual is higher than the 2021-22 Budget as a result of the expected drawdown of investments into cash reserves to meet operating commitments. However, as a result of the continued buoyancy in the Western Australian property market during 2021-22, investments are higher than previously expected as there was no need to transfer them into the operating bank account.

(c) Intangibles includes service concession assets classified under AASB 1059: *Service Concession Arrangements: Grantors*.

(d) The 2020-21 Actual and 2021-22 Estimated Actual other non-current assets are lower than the 2021-22 Budget due to the impairment of the deferred tax asset during 2020-21 which was not considered when the budget for 2021-22 was set. Under AASB 112: *Income Taxes* it was determined that it was not considered probable that the Authority would earn sufficient future taxable profits to support the deferred tax asset and hence the deferred tax asset determined as at 30 June 2021 was impaired in full.

(e) Other current liabilities and other non-current liabilities includes the recognition of a service concession liability in accordance with AASB 1059 on the \$1.4 billion lump sum proceeds received in consideration of the partial commercialisation arrangement. This service concession liability will be recognised evenly over the 40-year life of the partial commercialisation agreement as a non-cash revenue stream.

(f) The negative contributed equity reflects the payment of the after-tax proceeds, received in consideration of the partial commercialisation arrangement to Government via the payment of a dividend from equity on 22 October 2019.

(g) The accumulated surplus in the 2021-22 Estimated Actual is lower than the 2021-22 Budget as a result of the impairment of the deferred tax asset and its recognition as income tax equivalents expense during 2020-21, which was not incorporated in the 2021-22 Budget.

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations <sup>(b)</sup> .....                 | 28,168                      | 35,110                      | 35,857                                   | 33,532                              | 33,932                       | 58,031                       | 51,384                       |
| Capital appropriation .....                                 | 2,888                       | 8,420                       | 4,028                                    | 958                                 | 1,467                        | 1,467                        | 2,475                        |
| Holding Account drawdowns .....                             | 3,813                       | 4,006                       | 2,496                                    | 6,253                               | 6,974                        | 6,974                        | 5,966                        |
| National Tax Equivalent Regime .....                        | 2,335                       | -                           | (447)                                    | -                                   | -                            | -                            | -                            |
| Other .....   | 7,138                       | 6,581                       | 6,595                                    | 11,389                              | 5,732                        | 6,571                        | 12,515                       |
| <b>Net cash provided by Government .....</b>                | <b>44,342</b>               | <b>54,117</b>               | <b>48,529</b>                            | <b>52,132</b>                       | <b>48,105</b>                | <b>73,043</b>                | <b>72,340</b>                |
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits .....                                     | (52,010)                    | (54,981)                    | (55,858)                                 | (57,357)                            | (52,520)                     | (52,729)                     | (52,726)                     |
| Grants and subsidies .....                                  | (230)                       | (124)                       | (135)                                    | (135)                               | (135)                        | (135)                        | (135)                        |
| Supplies and services .....                                 | (27,676)                    | (36,860)                    | (35,092)                                 | (33,842)                            | (37,204)                     | (37,813)                     | (37,455)                     |
| Accommodation .....   | (4,450)                     | (5,646)                     | (5,967)                                  | (6,075)                             | (6,269)                      | (6,080)                      | (6,201)                      |
| GST payments .....  | (12,656)                    | (5,812)                     | (14,259)                                 | (13,246)                            | (13,988)                     | (14,333)                     | (14,635)                     |
| Finance and interest costs .....                            | (318)                       | (13)                        | (5)                                      | (16)                                | (15)                         | (12)                         | (12)                         |
| Other payments .....  | (5,316)                     | (5,456)                     | (5,762)                                  | (5,669)                             | (5,353)                      | (5,425)                      | (5,692)                      |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services .....                            | 47,956                      | 34,443                      | 41,829                                   | 33,047                              | 54,256                       | 38,817                       | 35,804                       |
| GST receipts .....  | 12,697                      | 5,812                       | 14,259                                   | 13,246                              | 13,988                       | 14,333                       | 14,635                       |
| Other receipts .....  | 2,654                       | 1,371                       | 1,371                                    | 1,053                               | 1,036                        | 1,066                        | 1,091                        |
| <b>Net cash from operating activities .....</b>             | <b>(39,349)</b>             | <b>(67,266)</b>             | <b>(59,619)</b>                          | <b>(68,994)</b>                     | <b>(46,204)</b>              | <b>(62,311)</b>              | <b>(65,326)</b>              |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                        | (6,095)                     | (12,691)                    | (6,789)                                  | (7,211)                             | (8,441)                      | (8,441)                      | (8,441)                      |
| Other payments .....  | (69,000)                    | -                           | (26)                                     | -                                   | -                            | -                            | -                            |
| Other receipts .....  | 69,200                      | 30,000                      | 26,995                                   | 30,000                              | -                            | -                            | -                            |
| <b>Net cash from investing activities .....</b>             | <b>(5,895)</b>              | <b>17,309</b>               | <b>20,180</b>                            | <b>22,789</b>                       | <b>(8,441)</b>               | <b>(8,441)</b>               | <b>(8,441)</b>               |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases .....                    | (4,905)                     | (104)                       | (78)                                     | (71)                                | (74)                         | (77)                         | (80)                         |
| <b>Net cash from financing activities .....</b>             | <b>(4,905)</b>              | <b>(104)</b>                | <b>(78)</b>                              | <b>(71)</b>                         | <b>(74)</b>                  | <b>(77)</b>                  | <b>(80)</b>                  |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>           | <b>(5,807)</b>              | <b>4,056</b>                | <b>9,012</b>                             | <b>5,856</b>                        | <b>(6,614)</b>               | <b>2,214</b>                 | <b>(1,507)</b>               |
| Cash assets at the beginning of the reporting period .....  | 12,041                      | 18,543                      | 6,234                                    | 15,246                              | 21,102                       | 14,488                       | 16,702                       |
| <b>Cash assets at the end of the reporting period .....</b> | <b>6,234</b>                | <b>22,599</b>               | <b>15,246</b>                            | <b>21,102</b>                       | <b>14,488</b>                | <b>16,702</b>                | <b>15,195</b>                |

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

(b) The increase in service appropriations from the 2024-25 Outyear reflects the agreed funding arrangement with Government following the partial commercialisation of Landgate.

# DevelopmentWA

## Part 11 Planning and Land Use

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

|   | 2020-21<br>Actual <sup>(a)</sup> | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear | 2024-25<br>Outyear | 2025-26<br>Outyear |
|---|----------------------------------|-------------------|--|-------------------------------------|--------------------|--------------------|--------------------|
|   | \$'000                           | \$'000            | \$'000                                   | \$'000                              | \$'000             | \$'000             | \$'000             |
| <b>REVENUE TO GENERAL GOVERNMENT<br/>SECTOR</b>               |                                  |                   |  |                                     |                    |                    |                    |
| National Tax Equivalent Regime - Income Tax...                | 26,509                           | 15,283            | 15,779                                   | <b>23,759</b>                       | 27,663             | 23,710             | 22,686             |
| Local Government Rates Equivalent .....                       | 7,627                            | 8,149             | 8,149                                    | <b>8,355</b>                        | 8,484              | 8,715              | 8,933              |
| Dividends <sup>(b)(c)(d)</sup> .....                          | 208,260                          | -                 | 27,935                                   | <b>54,215</b>                       | 41,579             | 73,410             | 66,493             |
| <b>EXPENSES FROM GENERAL<br/>GOVERNMENT SECTOR</b>            |                                  |                   |  |                                     |                    |                    |                    |
| Operating Subsidies .....                                     | 337,856                          | 250,649           | 257,557                                  | <b>269,934</b>                      | 128,454            | 103,334            | 98,294             |
| Other Subsidies .....   | 9,799                            | 39,400            | 33,766                                   | <b>6,500</b>                        | -                  | -                  | -                  |
| Royalties for Regions .....                                   | 20,546                           | 16,635            | 12,048                                   | <b>7,827</b>                        | -                  | -                  | -                  |
| <b>EQUITY CONTRIBUTION FROM<br/>GENERAL GOVERNMENT SECTOR</b> |                                  |                   |  |                                     |                    |                    |                    |
| Equity Contribution .....                                     | 226,539                          | 42,100            | 38,100                                   | <b>32,373</b>                       | 4,000              | -                  | -                  |
| <b>RATIOS</b>   |                                  |                   |  |                                     |                    |                    |                    |
| Dividend Payout Ratio (%) .....                               | 75                               | 75                | 75                                       | <b>75</b>                           | 75                 | 75                 | 75                 |
| <b>GOVERNMENT TRADING ENTERPRISE<br/>INFORMATION</b>          |                                  |                   |  |                                     |                    |                    |                    |
| Revenue from Operations .....                                 | 491,659                          | 511,309           | 525,202                                  | <b>589,826</b>                      | 638,875            | 603,647            | 605,567            |
| Revenue from Government .....                                 | 368,201                          | 310,734           | 307,421                                  | <b>291,261</b>                      | 139,054            | 103,334            | 98,294             |
| Total Expenses <sup>(e)</sup> .....                           | 780,928                          | 763,627           | 788,389                                  | <b>819,823</b>                      | 697,165            | 631,158            | 632,511            |
| Total Borrowings .....  | 188,400                          | 276,690           | 276,690                                  | <b>249,097</b>                      | 203,150            | 139,082            | 120,748            |
| <b>NET PROFIT AFTER TAX.....</b>                              | <b>52,423</b>                    | <b>43,133</b>     | <b>28,455</b>                            | <b>37,505</b>                       | <b>53,101</b>      | <b>52,113</b>      | <b>48,664</b>      |
| <b>CASH ASSETS <sup>(f)</sup> .....</b>                       | <b>190,462</b>                   | <b>252,269</b>    | <b>267,391</b>                           | <b>184,976</b>                      | <b>254,714</b>     | <b>273,757</b>     | <b>249,424</b>     |

- (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.
- (b) In determining the dividend payment to general government, Net Profit After Tax may be adjusted based on other factors as permitted by relevant legislation.
- (c) DevelopmentWA will retain 2021-22 dividend payments to instead contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise for further detail.
- (d) The 2021-22 Estimated Actual includes a number of special dividends that will be funded from DevelopmentWA's retained dividend equal to operating subsidies received for undertaking key Government priorities, including the Industrial Land Development Fund, and regional residential and industrial land developments.
- (e) Excludes current tax expense, deferred tax expense and dividends.
- (f) As at 30 June each financial year.

## Financial Changes

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

|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Key Adjustments</b>   |  |                                     |                              |                              |                              |
| Australian Marine Complex - Infrastructure.....  | (8,500)                                  | (11,500)                            | -                            | -                            | -                            |
| Burrup Strategic Industrial Area .....   | (455)                                    | (1,476)                             | (1,812)                      | (1,958)                      | (1,595)                      |
| East Perth Power Station .....   | (9,575)                                  | (14,840)                            | 1,000                        | 1,150                        | -                            |
| Regional Residential Land Developments .....   | -  | (11,184)                            | -                            | -                            | -                            |
| Residential Projects and Land Development for Social and Affordable<br>Housing - Transactions Costs..... | (13,407)                                 | -                                   | -                            | -                            | -                            |
| Yagan Square - Activation.....   | (3,850)                                  | (3,150)                             | -                            | -                            | -                            |
| <b>Other</b>   |  |                                     |                              |                              |                              |
| Business Update.....   | 496                                      | 15,400                              | 9,707                        | 10,159                       | (13,450)                     |

## Significant Issues Impacting the Government Trading Enterprise

### Market Environment and Economic Conditions

1. Western Australia's economy has rebounded strongly from the initial impacts of the COVID-19 pandemic, with the State's level of economic activity now exceeding pre-COVID-19 levels. With the development industry under considerable pressure, key issues that will continue to impact DevelopmentWA include escalating costs and project delays, driven by supply chain constraints.
2. The housing market recovered strongly over 2020-21, with sales in the established market exceeding levels at the height of the most recent property cycle in 2013. The rental market has also been tight, with an easing in the vacancy rate only expected when the current high level of dwellings under construction (as supported by the Commonwealth's and the Government's building construction grants), translate into additional housing supply (including rental stock).
3. The industrial market continues to outperform other commercial property markets. Future demand for industrial space will continue to be supported by the transport, postal and logistics industries expanding operations to handle increased demand. The additional \$50 million allocated to the Industrial Land Development Fund as part of this Budget will further assist in removing barriers to industrial development for projects of strategic importance to Western Australia through discounted lease rates or contributions to capital works.

### Net Zero Transition

4. DevelopmentWA launched its first iteration of its Net Zero Transition Plan in November 2021. This comprehensive plan includes a detailed roadmap of how DevelopmentWA will reduce greenhouse gas emissions and engage with its partners and suppliers to collectively reduce emissions.

### Machinery of Government Reforms

5. As part of the Housing Authority Machinery of Government (MoG) reforms, Communities' land development and related commercial functions have been transferred to DevelopmentWA. This brings greater transparency to commercial land transactions, strategic alignment and efficiencies to land development activities.
6. The MoG reforms increased DevelopmentWA's asset base, the number of projects being undertaken with private sector partners, development expenditure, and the volume of residential lot sales. DevelopmentWA continues asset management responsibilities of undeveloped lots, and undertakes a role in metropolitan and regional residential projects and land supply for social and affordable housing.



## 2021-22 Retained Dividend

7. DevelopmentWA will fully utilise its retained dividend of \$68.9 million over 2021-22 to 2025-26 to fund an increase in the Industrial Land Development Fund (\$50 million) and support regional residential and industrial land developments, including the development of Lot 350, Great Eastern Highway in Kalgoorlie to accommodate multiple industrial uses (\$11 million) and the development of land in Karratha and Kalgoorlie for residential purposes (\$7.9 million).

## 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 Goals   | Strategic Objectives                       | Desired Outcomes  |
|--|--|---|
| Strong and Sustainable Finances:<br>Responsible, achievable, affordable budget management.   | A highly capable, innovative organisation. | 1. High capability, excellent workforce, safe working environment, satisfied customers, innovative project outcomes   |
| WA Jobs Plan:<br>Diversifying the WA economy, creating local jobs for the future.  | Prosperous industry.                       | 2. Facilitating economic diversification and jobs growth in industrial areas throughout Western Australia   |
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Sustainable communities.                   | 3. Developing high quality major projects, transport-oriented development, urban regeneration projects, rail station precincts and land for new communities |
|  | Resilient regions.                         | 4. Working with stakeholders across the State to deliver projects and land for new communities which support regional economic development and job creation |

## Outcomes and Key Performance Indicators

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: High capability, excellent workforce, safe working environment, satisfied customers, innovative project outcomes:</b> |                   |                   |                                |                             |      |
| Percentage of revenue target achieved .....   | 99%               | >90%              | 90%                            | >90%                        |      |
| Staff retention .....   | 91%               | >90%              | 90%                            | >90%                        |      |
| Safe working environment: reportable lost time injury frequency rate.....   | <2                | <2                | <2                             | <2                          |      |
| Customer satisfaction rating: customers satisfied with overall purchase process .....   | 95%               | >90%              | 95%                            | >90%                        |      |
| Annual targets identified in the Net Zero Transition Plan.....  | n/a               | n/a               | n/a                            | Targets met <sup>(a)</sup>  | 1    |
| <b>Outcome: Facilitating economic diversification and jobs growth in industrial areas throughout Western Australia:</b>           |                   |                   |                                |                             |      |
| Priority project development milestones met or exceeded .....   | 100%              | >90%              | >90%                           | >90%                        |      |

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Sufficient developed lots (= 5 developed lots available and/or next stage ready for development in each of DevelopmentWA's key industrial estates).....                   | 9 projects        | >5                | 5 projects                     | >5                          |      |
| <b>Outcome: Developing high quality major projects, transport-oriented development, urban regeneration projects, rail station precincts and land for new communities:</b> |                   |                   |                                |                             |      |
| Priority project development milestones met or exceeded (including land provided for social housing program).....   | 95%               | >90%              | >90%                           | >90%                        |      |
| Redevelopment areas: continue to report annually against the key performance indicators set for redevelopment areas.....  | Yes               | Yes               | Yes                            | Yes                         |      |
| <b>Outcome: Working with stakeholders across the State to deliver projects and land for new communities which support regional economic development and job creation:</b> |                   |                   |                                |                             |      |
| Priority regional project development milestones met or exceeded .....  | 100%              | >90%              | >90%                           | >90%                        |      |

(a) DevelopmentWA's Net Zero Transition roadmap, grouping actions and focus areas can be viewed on its website.

## Explanation of Significant Movements

(Notes)

1. This key performance indicator was not previously reported, and accordingly there are no comparisons available for 2020-21 and 2021-22.

## Asset Investment Program

1. DevelopmentWA's planned 2022-23 Asset Investment Program (AIP) of \$471.1 million incorporates expenditure across a combination of development land releases and delivering infrastructure requirements. These include the COVID-19 Response, strategic site acquisitions, construction works and securing key approvals and design outcomes. The 2022-23 AIP will enable future land releases to meet the needs of Western Australian communities. This spend includes:
  - 1.1. \$47.3 million to be invested as part of the COVID-19 Response. This includes a superyacht fabrication facility at the Australian Marine Complex, land development at Kemerton General Industrial Area and the foundation for a test facility at the Australian Automation and Robotics Precinct;
  - 1.2. \$107.8 million to be invested through the Industrial Lands Authority (ILA), providing land and infrastructure for strategic and general industries throughout the State. This includes delivery of Peel Business Park (stage 1 occupants to deliver more than 250 ongoing jobs, contributing \$73 million to the local economy each year), Forrestdale Business Park (4,478 ongoing jobs when fully developed), Orion Industrial Park (437 construction jobs in stage 1 and 881 ongoing jobs, contributing \$325 million to the local economy annually) and 13 Strategic Industrial Areas throughout the State (direct employment estimated at 18,190 jobs, contributing \$22 billion in Gross State Product);
  - 1.3. \$132.1 million to be invested in metropolitan projects to provide housing diversity and connected precincts across Perth. Significant projects in the metropolitan program include the Alkimos Central city centre (10,450 ongoing jobs upon completion), redevelopment of the East Perth Power Station (1,900 construction jobs and 1,300 ongoing jobs), Ocean Reef Marina (8,600 construction jobs, more than 900 ongoing jobs and expected to inject \$3 billion into the State's economy when complete) and Subi East precinct (2,700 construction jobs, 660 ongoing jobs and \$1 billion in private sector investment);
  - 1.4. \$48.6 million to be invested in projects in regional Western Australia, creating resilient and revitalised cities and towns across the State. Significant projects include Karratha's Madigan Estate, Broome North and Albany's Middleton Beach redevelopment. The Regional Development Assistance Program also provides targeted investment across the State to help build regional communities and support local economic development; and

1.5. \$135.3 million to be invested in the delivery of projects supporting social and affordable housing arising from the Housing Authority MoG reform.

|   | Estimated<br>Total Cost <sup>(a)</sup><br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22 <sup>(a)</sup><br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|---|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>                              |  |   |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>                              |  |   |   |                                     |                              |                              |                              |
| Australian Marine Complex Superyacht Fabrication      |  |   |   |                                     |                              |                              |                              |
| Facility and Infrastructure .....                     | 35,019   | 22,838  | 19,638  | 12,181                              | -                            | -                            | -                            |
| Bentley Technology Park .....                         | 7,466  | 5,050   | 5,000   | 2,410                               | 2                            | 2                            | 2                            |
| East Keralup Economic Activation .....                | 8,471  | 4,005   | 505   | 4,466                               | -                            | -                            | -                            |
| East Perth Redevelopment .....                        | 4,771  | 410   | 160   | 1,632                               | 2,729                        | -                            | -                            |
| Kemerton General Industrial Area .....                | 9,398  | 2,500   | 2,000   | 6,746                               | 56                           | 48                           | 48                           |
| Neerabup Australian Automation and Robotics Park .... | 16,267   | 3,905   | 3,800   | 10,559                              | 1,799                        | 2                            | 2                            |
| Nyamba Buru Yawuru                                    |  |   |   |                                     |                              |                              |                              |
| Bulky Goods Precinct .....                            | 7,012  | 603   | 553   | 6,409                               | -                            | -                            | -                            |
| Health and Wellbeing Campus .....                     | 7,058  | 4,182   | 4,082   | 2,876                               | -                            | -                            | -                            |
| <b>Other Works in Progress</b>                        |  |   |   |                                     |                              |                              |                              |
| Development of Land                                   |  |   |   |                                     |                              |                              |                              |
| Industrial Lands Authority Program                    |  |   |   |                                     |                              |                              |                              |
| Election Commitment - Peel Business Park,             |  |   |   |                                     |                              |                              |                              |
| Nambeelup .....                                       | 52,309   | 39,838  | 13,078  | 12,471                              | -                            | -                            | -                            |
| Forrestdale Business Park .....                       | 34,363   | 34,350  | 17,849  | 13                                  | -                            | -                            | -                            |
| Industry and Infrastructure Acquisition and           |  |   |   |                                     |                              |                              |                              |
| Development .....                                     | 1,511,184  | 1,188,710   | 32,018  | 95,308                              | 80,920                       | 64,687                       | 81,559                       |
| Metropolitan Program                                  |  |   |   |                                     |                              |                              |                              |
| Alkimos Central .....                                 | 84,031   | 7,131   | 1,800   | 19,500                              | 37,300                       | 8,900                        | 11,200                       |
| East Perth Power Station .....                        | 59,766   | 19,777  | 14,950  | 24,822                              | 13,317                       | 1,850                        | -                            |
| Election Commitment - Ocean Reef Marina .....         | 208,953  | 60,189  | 38,273  | 34,071                              | 45,446                       | 37,320                       | 31,927                       |
| Metropolitan Land Acquisition and Development .....   | 1,670,362  | 1,477,776   | 87,572  | 30,817                              | 28,429                       | 53,924                       | 79,361                       |
| Subi East Precinct .....                              | 139,866  | 82,524  | 27,149  | 22,903                              | 11,196                       | 11,126                       | 12,117                       |
| Regional Program - Regional Land Acquisition and      |  |   |   |                                     |                              |                              |                              |
| Development .....                                     | 1,750,935  | 1,624,940   | 20,644  | 48,611                              | 31,462                       | 27,347                       | 18,575                       |
| Residential Projects and Land Development for Social  |  |   |   |                                     |                              |                              |                              |
| and Affordable Housing .....                          | 708,437  | 200,720   | 89,835  | 135,266                             | 129,187                      | 110,624                      | 132,640                      |
| <b>COMPLETED WORKS</b>                                |  |   |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>                              |  |   |   |                                     |                              |                              |                              |
| Hamilton Senior High School Redevelopment .....       | 2,167  | 2,167   | 1,617   | -                                   | -                            | -                            | -                            |
| <b>Total Cost of Asset Investment Program .....</b>   | <b>6,317,835</b>                                 | <b>4,781,615</b>  | <b>380,523</b>                                | <b>471,061</b>                      | <b>381,843</b>               | <b>315,830</b>               | <b>367,431</b>               |
| <b>FUNDED BY</b>                                      |  |   |   |                                     |                              |                              |                              |
| Borrowings .....                                      |  |   | 115,093                                       | 102,708                             | 118,144                      | 19,717                       | 20,348                       |
| Capital Appropriation .....                           |  |   | 36,500  | 29,953                              | 4,000                        | -                            | -                            |
| Drawdowns from Royalties for Regions Fund .....       |  |   | 10,928  | 7,827                               | -                            | -                            | -                            |
| Other .....   |  |   | 218,002                                       | 330,573                             | 259,699                      | 296,113                      | 347,083                      |
| <b>Total Funding .....</b>                            |  |   | <b>380,523</b>                                | <b>471,061</b>                      | <b>381,843</b>               | <b>315,830</b>               | <b>367,431</b>               |

(a) The Estimated Total Cost and Estimated Expenditure to 30-6-22 financial data has been recast and revised for comparative purposes due to MoG changes to transfer commercial land development functions from the Housing Authority to DevelopmentWA.

## Financial Statements

### INCOME STATEMENT <sup>(a)</sup> (Controlled)

|   | 2020-21<br>Actual <sup>(b)</sup> | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|----------------------------------|-------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
|   | \$'000                           | \$'000            | \$'000                                   | \$'000                              | \$'000                       | \$'000                       | \$'000                       |
| <b>REVENUE</b>  |                                  |                   |  |                                     |                              |                              |                              |
| <b>Revenue from operations</b>  |                                  |                   |  |                                     |                              |                              |                              |
| Sale of goods and services.....   | 445,833                          | 481,078           | 480,623                                  | 548,429                             | 611,297                      | 570,957                      | 564,700                      |
| Other revenue.....  | 45,826                           | 30,231            | 44,579                                   | 41,397                              | 27,578                       | 32,690                       | 40,867                       |
| <b>Revenue from Government</b>  |                                  |                   |  |                                     |                              |                              |                              |
| Operating subsidies.....  | 337,856                          | 250,649           | 257,557                                  | 269,934                             | 128,454                      | 103,334                      | 98,294                       |
| Capital subsidies.....  | -                                | 4,050             | 4,050                                    | 7,000                               | 10,600                       | -                            | -                            |
| Royalties for Regions.....  | 20,546                           | 16,635            | 12,048                                   | 7,827                               | -                            | -                            | -                            |
| Resources received free of charge.....                                  | 179                              | -                 | -  | -                                   | -                            | -                            | -                            |
| Other subsidies.....  | 9,620                            | 39,400            | 33,766                                   | 6,500                               | -                            | -                            | -                            |
| <b>TOTAL REVENUE.....</b>   | <b>859,860</b>                   | <b>822,043</b>    | <b>832,623</b>                           | <b>881,087</b>                      | <b>777,929</b>               | <b>706,981</b>               | <b>703,861</b>               |
| <b>Expenses</b>   |                                  |                   |  |                                     |                              |                              |                              |
| Employee benefits <sup>(c)</sup> .....                                  | 34,032                           | 35,800            | 35,800                                   | 36,339                              | 37,035                       | 36,102                       | 36,902                       |
| Grants and subsidies.....   | -                                | 2,797             | -  | -                                   | -                            | -                            | -                            |
| Supplies and services.....  | 35,657                           | 10,528            | 15,784                                   | 27,038                              | 60,458                       | 29,031                       | 41,134                       |
| Accommodation.....  | 12,074                           | 13,595            | 20,074                                   | 16,860                              | 17,151                       | 17,500                       | 17,884                       |
| Depreciation and amortisation.....                                      | 22,845                           | 20,019            | 20,021                                   | 19,495                              | 18,932                       | 18,682                       | 17,995                       |
| Finance and interest costs.....   | 14,423                           | 5,749             | 5,900                                    | 5,788                               | 5,701                        | 4,096                        | 2,385                        |
| Cost of land sold.....  | 539,736                          | 455,505           | 443,980                                  | 505,132                             | 424,269                      | 406,975                      | 389,231                      |
| Other expenses.....   | 122,161                          | 219,634           | 246,830                                  | 209,171                             | 133,619                      | 118,772                      | 126,980                      |
| <b>TOTAL EXPENSES.....</b>  | <b>780,928</b>                   | <b>763,627</b>    | <b>788,389</b>                           | <b>819,823</b>                      | <b>697,165</b>               | <b>631,158</b>               | <b>632,511</b>               |
| <b>NET PROFIT/(LOSS) BEFORE TAX.....</b>                                | <b>78,932</b>                    | <b>58,416</b>     | <b>44,234</b>                            | <b>61,264</b>                       | <b>80,764</b>                | <b>75,823</b>                | <b>71,350</b>                |
| National Tax Equivalent Regime - Current<br>tax equivalent expense..... | 26,509                           | 15,283            | 15,779                                   | 23,759                              | 27,663                       | 23,710                       | 22,686                       |
| <b>NET PROFIT/(LOSS) AFTER TAX.....</b>                                 | <b>52,423</b>                    | <b>43,133</b>     | <b>28,455</b>                            | <b>37,505</b>                       | <b>53,101</b>                | <b>52,113</b>                | <b>48,664</b>                |
| <b>Dividends.....</b>   | <b>208,260</b>                   | <b>-</b>          | <b>27,935</b>                            | <b>54,215</b>                       | <b>41,579</b>                | <b>73,410</b>                | <b>66,493</b>                |

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

(b) The 2020-21 Actual financial data has been recast for comparative purposes due to MoG changes to transfer commercial land development functions from the Housing Authority to DevelopmentWA.

(c) The full-time equivalents for the 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 217.6, 252.7 and 257.7 respectively.

**STATEMENT OF FINANCIAL POSITION (a)(b)**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                      |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                          | 129,742                     | 149,650                     | 130,954                                  | 89,244                              | 164,984                      | 206,727                      | 207,394                      |
| Cash assets - Retained dividends.....      | -                           | 64,572                      | 64,434                                   | 50,000                              | 50,000                       | 25,000                       | -                            |
| Restricted cash .....                      | -                           | 1,114                       | -  | -                                   | -                            | -                            | -                            |
| Receivables .....                          | 11,613                      | 99,780                      | 69,637                                   | 110,141                             | 31,770                       | 13,099                       | 13,099                       |
| Assets held for sale.....                  | 9,931                       | -                           | -  | -                                   | -                            | -                            | -                            |
| Inventory - Land and development.....      | 355,438                     | 611,089                     | 440,316                                  | 549,592                             | 495,295                      | 451,269                      | 454,096                      |
| Other.....                                 | 12,554                      | 34,156                      | 44,318                                   | 101,643                             | 156,777                      | 204,713                      | 239,627                      |
| <b>Total current assets .....</b>          | <b>519,278</b>              | <b>960,361</b>              | <b>749,659</b>                           | <b>900,620</b>                      | <b>898,826</b>               | <b>900,808</b>               | <b>914,216</b>               |
| <b>NON-CURRENT ASSETS</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Property, plant and equipment.....         | 506,701                     | 489,069                     | 491,438                                  | 472,838                             | 470,352                      | 457,827                      | 439,832                      |
| Receivables .....                          | 26,880                      | 8,998                       | 14,092                                   | 14,845                              | 26,546                       | 14,546                       | 14,546                       |
| Inventory - Land and development.....      | 850,589                     | 657,142                     | 665,280                                  | 585,027                             | 544,398                      | 502,718                      | 502,718                      |
| Cash investments.....                      | 60,720                      | 36,933                      | 72,003                                   | 45,732                              | 39,730                       | 42,030                       | 42,030                       |
| Other.....                                 | 92,693                      | 116,023                     | 90,793                                   | 90,793                              | 90,793                       | 90,793                       | 90,793                       |
| <b>Total non-current assets .....</b>      | <b>1,537,583</b>            | <b>1,308,165</b>            | <b>1,333,606</b>                         | <b>1,209,235</b>                    | <b>1,171,819</b>             | <b>1,107,914</b>             | <b>1,089,919</b>             |
| <b>TOTAL ASSETS .....</b>                  | <b>2,056,861</b>            | <b>2,268,526</b>            | <b>2,083,265</b>                         | <b>2,109,855</b>                    | <b>2,070,645</b>             | <b>2,008,722</b>             | <b>2,004,135</b>             |
| <b>CURRENT LIABILITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 8,786                       | 8,290                       | 8,878                                    | 8,970                               | 9,064                        | 9,064                        | 9,064                        |
| Payables .....                             | 29,676                      | 20,788                      | 25,076                                   | 24,961                              | 17,609                       | 37,726                       | 48,226                       |
| Borrowings and leases .....                | 14,946                      | 42,842                      | 52,444                                   | 52,439                              | 50,362                       | 50,362                       | 50,362                       |
| Other.....                                 | 54,188                      | 24,125                      | 77,289                                   | 79,444                              | 73,640                       | 70,997                       | 77,150                       |
| <b>Total current liabilities .....</b>     | <b>107,596</b>              | <b>96,045</b>               | <b>163,687</b>                           | <b>165,814</b>                      | <b>150,675</b>               | <b>168,149</b>               | <b>184,802</b>               |
| <b>NON-CURRENT LIABILITIES</b>             |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                  | 3,526                       | 5,247                       | 3,564                                    | 3,603                               | 3,643                        | 3,643                        | 3,643                        |
| Borrowings and leases .....                | 187,594                     | 246,683                     | 239,723                                  | 211,436                             | 164,544                      | 99,775                       | 80,740                       |
| Other.....                                 | 41,372                      | 36,776                      | 77,096                                   | 79,727                              | 86,986                       | 93,655                       | 109,279                      |
| <b>Total non-current liabilities .....</b> | <b>232,492</b>              | <b>288,706</b>              | <b>320,383</b>                           | <b>294,766</b>                      | <b>255,173</b>               | <b>197,073</b>               | <b>193,662</b>               |
| <b>TOTAL LIABILITIES.....</b>              | <b>340,088</b>              | <b>384,751</b>              | <b>484,070</b>                           | <b>460,580</b>                      | <b>405,848</b>               | <b>365,222</b>               | <b>378,464</b>               |
| <b>NET ASSETS .....</b>                    | <b>1,716,773</b>            | <b>1,883,775</b>            | <b>1,599,195</b>                         | <b>1,649,275</b>                    | <b>1,664,797</b>             | <b>1,643,500</b>             | <b>1,625,671</b>             |
| <b>EQUITY</b>                              |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                   | 1,626,935                   | 1,787,304                   | 1,530,478                                | 1,597,268                           | 1,601,268                    | 1,601,268                    | 1,601,268                    |
| Accumulated surplus/(deficit).....         | 89,838                      | 96,401                      | 68,717                                   | 52,007                              | 63,529                       | 42,232                       | 24,403                       |
| Reserves.....                              | -                           | 70                          | -  | -                                   | -                            | -                            | -                            |
| <b>TOTAL EQUITY .....</b>                  | <b>1,716,773</b>            | <b>1,883,775</b>            | <b>1,599,195</b>                         | <b>1,649,275</b>                    | <b>1,664,797</b>             | <b>1,643,500</b>             | <b>1,625,671</b>             |

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

(b) The 2020-21 Actual financial data has been recast for comparative purposes due to MoG changes to transfer commercial land development functions from the Housing Authority to DevelopmentWA.

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual <sup>(b)</sup> | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Year | 2023-24<br>Outyear | 2024-25<br>Outyear | 2025-26<br>Outyear |
|---|----------------------------------|-------------------|--------------------------------|---------------------------|--------------------|--------------------|--------------------|
|   | \$'000                           | \$'000            | \$'000                         | \$'000                    | \$'000             | \$'000             | \$'000             |
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                                  |                   |                                |                           |                    |                    |                    |
| <b>Receipts</b>   |                                  |                   |                                |                           |                    |                    |                    |
| Sale of goods and services.....                             | 413,745                          | 425,808           | 427,456                        | 483,364                   | 590,695            | 545,323            | 616,375            |
| GST receipts .....  | 27,323                           | 73,220            | 73,943                         | 78,277                    | 83,688             | 30,759             | 66,135             |
| Other receipts .....  | 160,305                          | 80,256            | 93,426                         | 131,129                   | 129,753            | 88,584             | 99,191             |
| <b>Payments</b>   |                                  |                   |                                |                           |                    |                    |                    |
| Employee benefits.....                                      | (35,664)                         | (39,703)          | (39,703)                       | (40,318)                  | (41,091)           | (36,152)           | (36,952)           |
| Supplies and services .....                                 | (60,994)                         | (11,245)          | (16,501)                       | (27,694)                  | (8,214)            | (6,965)            | (7,027)            |
| Accommodation <sup>(c)</sup> .....                          | (4,882)                          | (5,124)           | (11,603)                       | (8,720)                   | (10,734)           | (8,786)            | (8,951)            |
| GST payments .....  | (31,716)                         | (73,413)          | (73,413)                       | (71,787)                  | (82,867)           | (27,871)           | (63,186)           |
| Finance and interest costs.....                             | (15,064)                         | (5,813)           | (5,813)                        | (5,736)                   | (5,648)            | (4,042)            | (2,373)            |
| Payment for the purchase of inventories .....               | (301,158)                        | (401,260)         | (376,300)                      | (470,385)                 | (367,556)          | (311,707)          | (367,131)          |
| Other payments.....   | (115,438)                        | (318,509)         | (307,128)                      | (290,178)                 | (172,063)          | (131,794)          | (256,834)          |
| <b>Net cash from operating activities .....</b>             | <b>36,457</b>                    | <b>(275,783)</b>  | <b>(235,636)</b>               | <b>(222,048)</b>          | <b>115,963</b>     | <b>137,349</b>     | <b>39,247</b>      |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                  |                                  |                   |                                |                           |                    |                    |                    |
| <b>Receipts</b>   |                                  |                   |                                |                           |                    |                    |                    |
| Proceeds from sale of non-current assets.....               | 16                               | 1,858             | 1,858                          | -                         | -                  | -                  | -                  |
| <b>Payments</b>   |                                  |                   |                                |                           |                    |                    |                    |
| Purchase of non-current assets .....                        | (1,750)                          | (300)             | (4,223)                        | (676)                     | (14,287)           | (4,123)            | (300)              |
| <b>Net cash from investing activities.....</b>              | <b>(1,734)</b>                   | <b>1,558</b>      | <b>(2,365)</b>                 | <b>(676)</b>              | <b>(14,287)</b>    | <b>(4,123)</b>     | <b>(300)</b>       |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                  |                                  |                   |                                |                           |                    |                    |                    |
| <b>Receipts</b>   |                                  |                   |                                |                           |                    |                    |                    |
| Proceeds from borrowings.....                               | 2,652                            | 230,081           | 230,081                        | 135,692                   | 198,810            | 196,893            | 270,348            |
| <b>Payments</b>   |                                  |                   |                                |                           |                    |                    |                    |
| Repayment of borrowings and leases .....                    | (265,003)                        | (144,208)         | (144,208)                      | (165,741)                 | (245,580)          | (261,675)          | (289,396)          |
| Other payments.....   | -                                | -                 | (24,448)                       | (52,426)                  | (50,521)           | (46,900)           | (44,414)           |
| <b>Net cash from financing activities.....</b>              | <b>(262,351)</b>                 | <b>85,873</b>     | <b>61,425</b>                  | <b>(82,475)</b>           | <b>(97,291)</b>    | <b>(111,682)</b>   | <b>(63,462)</b>    |
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                                  |                   |                                |                           |                    |                    |                    |
| <b>Receipts</b>   |                                  |                   |                                |                           |                    |                    |                    |
| Capital subsidies .....                                     | -                                | 4,050             | 4,050                          | 7,000                     | 10,600             | -                  | -                  |
| Operating subsidies.....                                    | 337,856                          | 250,649           | 258,423                        | 269,934                   | 128,454            | 103,334            | 98,294             |
| Royalties for Regions .....                                 | 20,546                           | 16,635            | 12,048                         | 7,827                     | -                  | -                  | -                  |
| Equity contributions .....                                  | 226,539                          | 42,100            | 38,100                         | 32,373                    | 4,000              | -                  | -                  |
| Other subsidies .....                                       | 9,620                            | 39,400            | 32,900                         | 6,500                     | -                  | -                  | -                  |
| <b>Payments</b>   |                                  |                   |                                |                           |                    |                    |                    |
| Dividends to Government .....                               | (208,260)                        | -                 | (27,935)                       | (54,215)                  | (41,579)           | (73,410)           | (66,493)           |
| National Tax Equivalent Regime - Income tax...              | (24,366)                         | (13,942)          | (14,438)                       | (24,280)                  | (27,686)           | (23,710)           | (22,686)           |
| Local Government Rates Equivalent.....                      | (7,627)                          | (8,266)           | (8,032)                        | (8,355)                   | (8,436)            | (8,715)            | (8,933)            |
| Receipts paid into Consolidated Account.....                | (6,389)                          | (14,866)          | (866)                          | (14,000)                  | -                  | -                  | -                  |
| <b>Net cash provided to Government .....</b>                | <b>(347,919)</b>                 | <b>(315,760)</b>  | <b>(294,250)</b>               | <b>(222,784)</b>          | <b>(65,353)</b>    | <b>2,501</b>       | <b>(182)</b>       |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>           | <b>120,291</b>                   | <b>127,408</b>    | <b>117,674</b>                 | <b>(82,415)</b>           | <b>69,738</b>      | <b>19,043</b>      | <b>(24,333)</b>    |
| Cash assets at the beginning of the reporting period .....  | 70,171                           | 121,481           | 149,717                        | 267,391                   | 184,976            | 254,714            | 273,757            |
| Net cash transferred to/from other agencies ....            | -                                | 3,380             | -                              | -                         | -                  | -                  | -                  |
| <b>Cash assets at the end of the reporting period .....</b> | <b>190,462</b>                   | <b>252,269</b>    | <b>267,391</b>                 | <b>184,976</b>            | <b>254,714</b>     | <b>273,757</b>     | <b>249,424</b>     |

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

(b) The 2020-21 Actual financial data has been recast for comparative purposes due to MoG changes to transfer commercial land development functions from the Housing Authority to DevelopmentWA.

(c) 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.

## Reconciliation Relating to Residential Projects and Land Development for Social and Affordable Housing <sup>(a)</sup>

|  | 2020-21<br>Actual <sup>(b)</sup><br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE</b>                                 |  |                             |  |                                     |                              |                              |                              |
| Sale of goods .....                            | 230,291                                    | 194,691                     | 174,765                                  | 239,503                             | 252,624                      | 230,540                      | 216,778                      |
| Sale of goods - Department of Communities ...  | 743  | 19,345                      | 38,690                                   | 41,024                              | 43,354                       | 39,280                       | 32,794                       |
| Operating subsidies.....                       | 22,500                                     | 57,009                      | 78,566                                   | 22,500                              | 22,500                       | 22,500                       | 22,500                       |
| <b>TOTAL REVENUE.....</b>                      | <b>253,534</b>                             | <b>271,045</b>              | <b>292,021</b>                           | <b>303,027</b>                      | <b>318,478</b>               | <b>292,320</b>               | <b>272,072</b>               |
| <b>EXPENSES</b>                                |  |                             |  |                                     |                              |                              |                              |
| Cost of land sold .....                        | 117,074                                    | 124,102                     | 149,419                                  | 196,369                             | 153,968                      | 166,808                      | 166,443                      |
| Cost of goods sold.....                        | -  | -                           | -  | -                                   | 53,217                       | 22,066                       | 24,007                       |
| Land tax.....                                  | 22,500                                     | 22,500                      | 15,981                                   | 22,500                              | 22,500                       | 22,500                       | 22,500                       |
| Stamp duty.....                                | -  | 34,509                      | 34,606                                   | -                                   | -                            | -                            | -                            |
| Other expenses.....                            | 38,543                                     | 46,147                      | 53,955                                   | 25,573                              | 25,225                       | 23,936                       | 23,698                       |
| <b>TOTAL EXPENSES.....</b>                     | <b>178,117</b>                             | <b>227,258</b>              | <b>253,961</b>                           | <b>244,442</b>                      | <b>254,910</b>               | <b>235,310</b>               | <b>236,648</b>               |
| National Tax Equivalent Regime.....            | 22,625                                     | 11,728                      | 11,418                                   | 17,576                              | 19,070                       | 17,103                       | 10,627                       |
| Dividends .....                                | 39,594                                     | -                           | 23,435                                   | 19,982                              | 30,757                       | 33,373                       | 29,930                       |
| <b>Total cash returned to Government .....</b> | <b>62,219</b>                              | <b>11,728</b>               | <b>34,853</b>                            | <b>37,558</b>                       | <b>49,827</b>                | <b>50,476</b>                | <b>40,557</b>                |
| <b>BALANCE SHEET</b>                           |  |                             |  |                                     |                              |                              |                              |
| Restricted cash .....                          | 40,745                                     | 110,583                     | 23,115                                   | 84,402                              | 101,050                      | 122,360                      | 138,159                      |
| Inventories .....                              | 520,131                                    | 471,927                     | 493,576                                  | 469,307                             | 441,398                      | 391,357                      | 372,600                      |

(a) Table represents the assets transferred from the Housing Authority as part of the MoG changes and is a subset of the preceding financial statements.

(b) The 2020-21 Actual financial data has been recast for comparative purposes, due to MoG changes to transfer commercial land development functions from the Housing Authority to DevelopmentWA.

## Division 46 **Heritage Council of Western Australia**

### Part 11 **Planning and Land Use**

#### **Appropriations, Expenses and Cash Assets**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>                               |                             |                             |  |                                     |                              |                              |                              |
| Item 90 Net amount appropriated to deliver services ..... | 1,377                       | 1,606                       | 1,606                                    | 1,557                               | 1,540                        | 1,555                        | 1,571                        |
| Total appropriations provided to deliver services.....    | 1,377                       | 1,606                       | 1,606                                    | 1,557                               | 1,540                        | 1,555                        | 1,571                        |
| <b>TOTAL APPROPRIATIONS .....</b>                         | <b>1,377</b>                | <b>1,606</b>                | <b>1,606</b>                             | <b>1,557</b>                        | <b>1,540</b>                 | <b>1,555</b>                 | <b>1,571</b>                 |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....                              | 1,438                       | 2,953                       | 3,268                                    | 1,557                               | 1,540                        | 1,555                        | 1,571                        |
| Net Cost of Services <sup>(a)</sup> .....                 | 1,404                       | 2,953                       | 3,268                                    | 1,557                               | 1,540                        | 1,555                        | 1,571                        |
| <b>CASH ASSETS <sup>(b)</sup> .....</b>                   | <b>8,686</b>                | <b>6,453</b>                | <b>7,494</b>                             | <b>7,494</b>                        | <b>7,494</b>                 | <b>7,494</b>                 | <b>7,494</b>                 |

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the Council'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 Council's Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 2022-23 Streamlined Budget Process Incentive Funding ..... | -  | 31                                  | -                            | -                            | -                            |

#### **Significant Issues Impacting the Agency**

##### **Heritage Grants Program**

1. On behalf of the Government, the Heritage Council of Western Australia provides an annual grants program for conservation and interpretation projects and events that celebrate State Heritage registered places and encourage more Western Australians to engage with the State's history. The grants assist in protecting the social, environmental and economic value that the State's historic heritage assets hold for communities across the State.



## 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 Council'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 Outcome   | Service                                    |
|--|---|--|
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Conservation of cultural heritage places in Western Australia, for the benefit of present and future generations. | 1. Cultural Heritage Conservation Services |

### Service Summary

| Expense  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Cultural Heritage Conservation Services.... | 1,438                       | 2,953                       | 3,268                                    | 1,557                               | 1,540                        | 1,555                        | 1,571                        |
| <b>Total Cost of Services .....</b>            | <b>1,438</b>                | <b>2,953</b>                | <b>3,268</b>                             | <b>1,557</b>                        | <b>1,540</b>                 | <b>1,555</b>                 | <b>1,571</b>                 |

### Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Conservation of cultural heritage places in Western Australia, for the benefit of present and future generations:</b>               |                   |                   |                                |                             |      |
| Extent to which development approvals issued for registered places are consistent with the Council's advice to decision-making authorities..... | 100%              | 100%              | 100%                           | 100%                        |      |
| Percentage of additional private investment generated from grant-assisted conservation projects .....   | 230%              | 150%              | 294%                           | 150%                        | 1    |

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

### Explanation of Significant Movements

(Notes)

- The Heritage Grants Program was previously capped at \$100,000 per applicant. In 2020-21, this cap was reduced to \$40,000 to deliver funds to more applicants. As reflected in the 2020-21 Actual, a lowered cap resulted in a higher ratio of private investment to grant funds paid, with one project contributing 13.6 times more than the grant provided. The 2022-23 Budget Target is expected to reduce as grant recipients will have less available surplus funds to contribute to projects due to the anticipated rising operational costs.

## Services and Key Efficiency Indicators

### 1. Cultural Heritage Conservation Services

Establish and maintain a comprehensive State Register of Heritage Places; provide conservation advice on development referrals and other relevant matters; develop the role of public authorities in conserving and managing heritage places; provide financial assistance and other conservation incentives; and provide publications, seminars and other promotional activities.

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                                      | \$'000<br>1,438   | \$'000<br>2,953   | \$'000<br>3,268                | \$'000<br>1,557             | 1    |
| Less Income .....   | 34                | nil               | nil                            | nil                         |      |
| Net Cost of Service .....                                       | 1,404             | 2,953             | 3,268                          | 1,557                       |      |
| <b>Efficiency Indicators</b>                                    |                   |                   |                                |                             |      |
| Average number of days to make preliminary determinations ..... | 47                | 50                | 42                             | 45                          | 2    |

### Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service between the 2020-21 Actual and the 2021-22 Estimated Actual is largely attributed to conservation works at the Parry Street Precinct as part of the COVID-19 Response.
2. The 2021-22 Estimated Actual is lower than the 2021-22 Budget mainly due to the completion of two preliminary determinations in less than 30 days, and the completion of another preliminary determination in less than 40 days. While the 50-day target was based on past results, the 2022-23 Budget Target has been set based on more recent results that have been achieved.

## Financial Statements

### Income Statement

#### Expenses

1. The decrease in Total Cost of Services between the 2021-22 Estimated Actual and the 2022-23 Budget Year is largely attributable to completion of conservation works at the Parry Street Precinct in Northbridge.
2. The reduction in other revenue since the 2020-21 Actual is a result of the completion of the grant provided by Planning, Lands and Heritage for the Parry Street Precinct.

### Statement of Cashflows

3. Net cash provided by Government has decreased in the 2022-23 Budget Year mainly due to the completion of the Parry Street Precinct project.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                         |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                 |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....                          | 14                          | 32                          | -  | -                                   | -                            | -                            | -                            |
| Grants and subsidies <sup>(b)</sup> .....       | 1,107                       | 1,281                       | 1,336                                    | 1,221                               | 1,221                        | 1,221                        | 1,221                        |
| Supplies and services .....                     | 150                         | 1,471                       | 1,688                                    | 226                                 | 195                          | 195                          | 195                          |
| Other expenses.....                             | 167                         | 169                         | 244                                      | 110                                 | 124                          | 139                          | 155                          |
| <b>TOTAL COST OF SERVICES .....</b>             | <b>1,438</b>                | <b>2,953</b>                | <b>3,268</b>                             | <b>1,557</b>                        | <b>1,540</b>                 | <b>1,555</b>                 | <b>1,571</b>                 |
| <b>Income</b>                                   |                             |                             |  |                                     |                              |                              |                              |
| Other revenue.....                              | 34                          | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Total Income.....</b>                        | <b>34</b>                   | <b>-</b>                    | <b>-</b>                                 | <b>-</b>                            | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |
| <b>NET COST OF SERVICES .....</b>               | <b>1,404</b>                | <b>2,953</b>                | <b>3,268</b>                             | <b>1,557</b>                        | <b>1,540</b>                 | <b>1,555</b>                 | <b>1,571</b>                 |
| <b>INCOME FROM GOVERNMENT</b>                   |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                     | 1,377                       | 1,606                       | 1,606                                    | 1,557                               | 1,540                        | 1,555                        | 1,571                        |
| Other revenues .....                            | -                           | 470                         | 470                                      | -                                   | -                            | -                            | -                            |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>       | <b>1,377</b>                | <b>2,076</b>                | <b>2,076</b>                             | <b>1,557</b>                        | <b>1,540</b>                 | <b>1,555</b>                 | <b>1,571</b>                 |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD.....</b> | <b>(27)</b>                 | <b>(877)</b>                | <b>(1,192)</b>                           | <b>-</b>                            | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |

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

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

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

|                                    | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|------------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Heritage Grants Program .....      | 1,107                       | 1,221                       | 1,336                                    | 1,221                               | 1,221                        | 1,221                        | 1,221                        |
| Local Government and Tourism ..... | -                           | 60                          | -  | -                                   | -                            | -                            | -                            |
| <b>TOTAL .....</b>                 | <b>1,107</b>                | <b>1,281</b>                | <b>1,336</b>                             | <b>1,221</b>                        | <b>1,221</b>                 | <b>1,221</b>                 | <b>1,221</b>                 |

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                     |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                         | 953                         | 951                         | 1,030                                    | 1,030                               | 1,030                        | 1,030                        | 1,030                        |
| Restricted cash .....                     | 7,733                       | 5,502                       | 6,464                                    | 6,464                               | 6,464                        | 6,464                        | 6,464                        |
| Receivables .....                         | 3                           | 1                           | 3  | 3                                   | 3                            | 3                            | 3                            |
| Other.....                                | 1                           | -                           | 1  | 1                                   | 1                            | 1                            | 1                            |
| <b>Total current assets .....</b>         | <b>8,690</b>                | <b>6,454</b>                | <b>7,498</b>                             | <b>7,498</b>                        | <b>7,498</b>                 | <b>7,498</b>                 | <b>7,498</b>                 |
| <b>CURRENT LIABILITIES</b>                |                             |                             |  |                                     |                              |                              |                              |
| Payables .....                            | 1,212                       | 249                         | 1,212                                    | 1,212                               | 1,212                        | 1,212                        | 1,212                        |
| <b>Total current liabilities .....</b>    | <b>1,212</b>                | <b>249</b>                  | <b>1,212</b>                             | <b>1,212</b>                        | <b>1,212</b>                 | <b>1,212</b>                 | <b>1,212</b>                 |
| <b>EQUITY</b>                             |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                  | (5,282)                     | (5,282)                     | (5,282)                                  | (5,282)                             | (5,282)                      | (5,282)                      | (5,282)                      |
| Accumulated surplus/(deficit).....        | 12,760                      | 11,487                      | 11,568                                   | 11,568                              | 11,568                       | 11,568                       | 11,568                       |
| <b>Total equity .....</b>                 | <b>7,478</b>                | <b>6,205</b>                | <b>6,286</b>                             | <b>6,286</b>                        | <b>6,286</b>                 | <b>6,286</b>                 | <b>6,286</b>                 |
| <b>TOTAL LIABILITIES AND EQUITY .....</b> | <b>8,690</b>                | <b>6,454</b>                | <b>7,498</b>                             | <b>7,498</b>                        | <b>7,498</b>                 | <b>7,498</b>                 | <b>7,498</b>                 |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                 | 1,377                       | 1,606                       | 1,606                                    | 1,557                               | 1,540                        | 1,555                        | 1,571                        |
| Other.....  | -                           | 470                         | 470                                      | -                                   | -                            | -                            | -                            |
| <b>Net cash provided by Government .....</b>                | <b>1,377</b>                | <b>2,076</b>                | <b>2,076</b>                             | <b>1,557</b>                        | <b>1,540</b>                 | <b>1,555</b>                 | <b>1,571</b>                 |
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....                                      | (14)                        | (32)                        | -  | -                                   | -                            | -                            | -                            |
| Grants and subsidies.....                                   | (110)                       | (1,281)                     | (1,336)                                  | (1,221)                             | (1,221)                      | (1,221)                      | (1,221)                      |
| Supplies and services .....                                 | (150)                       | (1,471)                     | (1,688)                                  | (226)                               | (195)                        | (195)                        | (195)                        |
| GST payments .....  | (15)                        | -                           | -  | -                                   | -                            | -                            | -                            |
| Other payments.....   | (167)                       | (169)                       | (244)                                    | (110)                               | (124)                        | (139)                        | (155)                        |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| GST receipts .....  | 12                          | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Net cash from operating activities .....</b>             | <b>(444)</b>                | <b>(2,953)</b>              | <b>(3,268)</b>                           | <b>(1,557)</b>                      | <b>(1,540)</b>               | <b>(1,555)</b>               | <b>(1,571)</b>               |
| Cash assets at the beginning of the reporting period .....  | 7,753                       | 7,330                       | 8,686                                    | 7,494                               | 7,494                        | 7,494                        | 7,494                        |
| <b>Cash assets at the end of the reporting period .....</b> | <b>8,686</b>                | <b>6,453</b>                | <b>7,494</b>                             | <b>7,494</b>                        | <b>7,494</b>                 | <b>7,494</b>                 | <b>7,494</b>                 |

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

## Division 47 **National Trust of Australia (WA)**

### Part 11 **Planning and Land Use**

#### **Appropriations, Expenses and Cash Assets**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>DELIVERY OF SERVICES</b>                               |                             |                             |  |                                     |                              |                              |                              |
| Item 91 Net amount appropriated to deliver services ..... | 3,457                       | 3,184                       | 3,184                                    | <b>3,185</b>                        | 3,218                        | 3,262                        | 3,278                        |
| Total appropriations provided to deliver services.....    | 3,457                       | 3,184                       | 3,184                                    | <b>3,185</b>                        | 3,218                        | 3,262                        | 3,278                        |
| <b>CAPITAL</b>  |                             |                             |  |                                     |                              |                              |                              |
| Item 153 Capital Appropriation.....                       | 435                         | 435                         | 435                                      | <b>435</b>                          | 435                          | 435                          | 435                          |
| <b>TOTAL APPROPRIATIONS .....</b>                         | <b>3,892</b>                | <b>3,619</b>                | <b>3,619</b>                             | <b>3,620</b>                        | <b>3,653</b>                 | <b>3,697</b>                 | <b>3,713</b>                 |
| <b>EXPENSES</b>   |                             |                             |  |                                     |                              |                              |                              |
| Total Cost of Services .....                              | 5,972                       | 6,203                       | 6,203                                    | <b>8,577</b>                        | 8,463                        | 7,977                        | 7,993                        |
| Net Cost of Services <sup>(a)</sup> .....                 | 3,264                       | 3,227                       | 3,227                                    | <b>3,930</b>                        | 3,791                        | 3,305                        | 3,429                        |
| <b>CASH ASSETS <sup>(b)</sup> .....</b>                   | <b>3,723</b>                | <b>4,031</b>                | <b>3,523</b>                             | <b>3,323</b>                        | <b>3,123</b>                 | <b>2,923</b>                 | <b>2,615</b>                 |

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the Trust'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 Trust's Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

|                                 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---------------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Ongoing Initiative</b>       |  |                                     |                              |                              |                              |
| Lotterywest Grant Funding ..... | -  | 702                                 | 530                          | -                            | -                            |

## Significant Issues Impacting the Agency

1. The Trust will maintain its focus on the conservation, interpretation and adaptive re-use of heritage places. The Trust has a number of places that are maintained and conserved, but which are not activated. While the management of conservation works will remain a priority to revitalise and activate these properties to enable better outcomes for Government, there will be an additional, valued focus on cultural landscapes associated with the places.
2. The Trust will continue to work on enhancing the value, awareness and public participation in heritage through increased focus on community services and engagement, delivered through formal and non-formal schools, public education programs and events. The increased focus on community services and engagement will see the Trust place greater emphasis on providing additional events and other community engagement activities.
3. The Trust will continue to promote public investment in heritage through its community-based public tax-deductible appeals, its focus on Aboriginal heritage and its natural heritage conservation and stewardship programs.
4. The Trust will continue to enhance its volunteer programs to assist with the activation of National Trust places.

## 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 Trust'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 Outcome  | Services  |
|--|--|---|
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Engage community support for the conservation of our natural, Aboriginal and historic heritage for the present and the future. | 1. Conservation and Management of Built Heritage<br>2. Heritage Services to the Community |

### Service Summary

| Expense  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 1. Conservation and Management of Built Heritage ..... | 3,432                       | 3,564                       | 3,564                                    | 4,927                               | 4,861                        | 4,582                        | 4,591                        |
| 2. Heritage Services to the Community .....            | 2,540                       | 2,639                       | 2,639                                    | 3,650                               | 3,602                        | 3,395                        | 3,402                        |
| <b>Total Cost of Services .....</b>                    | <b>5,972</b>                | <b>6,203</b>                | <b>6,203</b>                             | <b>8,577</b>                        | <b>8,463</b>                 | <b>7,977</b>                 | <b>7,993</b>                 |

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Engage community support for the conservation of our natural, Aboriginal and historic heritage for the present and the future:</b> |                   |                   |                                |                             |      |
| Percentage of planned conservation performed to enable community access to Trust places .....  | 2.1%              | 1.8%              | 1.8%                           | 1.7%                        |      |
| Number of people accessing, engaging, attending Trust places and receiving heritage services .....   | 23,296            | 20,150            | 19,900                         | 22,885                      | 1    |

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

**Explanation of Significant Movements**

(Notes)

1. The increase in the 2022-23 Budget Target compared to the 2021-22 Estimated Actual is primarily due to the anticipated increase in visitation with the easing of restrictions which were in place as the result of the COVID-19 pandemic.

**Services and Key Efficiency Indicators****1. Conservation and Management of Built Heritage**

As a key service, the Trust has the role of providing conservation to government and community heritage properties and places including the operation of a major public appeals program with a key focus on conservation works.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service.....                     | \$'000<br>3,432   | \$'000<br>3,564   | \$'000<br>3,564                | \$'000<br>4,927             | 1    |
| Less Income .....                              | 1,631             | 1,903             | 1,903                          | 2,972                       | 1    |
| Net Cost of Service .....                      | 1,801             | 1,661             | 1,661                          | 1,955                       |      |
| <b>Employees (Full-Time Equivalents) .....</b> | <b>12</b>         | <b>13</b>         | <b>13</b>                      | <b>14</b>                   |      |
| <b>Efficiency Indicators</b>                   |                   |                   |                                |                             |      |
| Average operating cost per place managed ..... | \$32,377          | \$33,623          | \$33,623                       | \$46,481                    | 1    |

**Explanation of Significant Movements**

(Notes)

1. The increase in the 2022-23 Budget Target amount compared to the 2021-22 Budget amount and 2021-22 Estimated Actual amount is due to the delayed treatment of expenditure with the implementation of the new AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-Profit Entities* standards.

## 2. Heritage Services to the Community

The interpretation heritage awareness and education service includes programs targeted at the general public, schools, professional development and training and community service.

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
|  | \$'000            | \$'000            | \$'000                         | \$'000                      |      |
| Total Cost of Service.....   | 2,540             | 2,639             | 2,639                          | 3,650                       | 1    |
| Less Income .....  | 1,077             | 1,073             | 1,073                          | 1,675                       | 1    |
| Net Cost of Service .....  | 1,463             | 1,566             | 1,566                          | 1,975                       |      |
| Employees (Full-Time Equivalents) .....  | 14                | 14                | 14                             | 15                          |      |
| <b>Efficiency Indicators</b>   |                   |                   |                                |                             |      |
| Average operating cost per person accessing, engaging, attending Trust places and heritage services provided ..... | \$109             | \$131             | \$133                          | \$160                       | 1    |

### Explanation of Significant Movements

(Notes)

- The increase in the 2022-23 Budget Target compared to the 2021-22 Budget and 2021-22 Estimated Actual is due to the delayed treatment of expenditure with the implementation of the new AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-Profit Entities* standards.

## Asset Investment Program

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COMPLETED WORKS</b>                                       |                                   |  |   |                                     |                              |                              |                              |
| <b>Election Commitments</b>                                  |                                   |  |   |                                     |                              |                              |                              |
| Property Restoration - Luisini Winery Nature Play Area ..... | 400                               | 400  | 400   | -                                   | -                            | -                            | -                            |
| <b>Other Completed Works</b>                                 |                                   |  |   |                                     |                              |                              |                              |
| Asset Replacement - 2021-22 Program.....                     | 50                                | 50   | 50  | -                                   | -                            | -                            | -                            |
| Property Restoration   |                                   |  |   |                                     |                              |                              |                              |
| 2021-22 Program .....  | 650                               | 650  | 650   | -                                   | -                            | -                            | -                            |
| Collie Roundhouse Restoration .....                          | 999                               | 999  | 155   | -                                   | -                            | -                            | -                            |
| Lotterywest Conservation Project .....                       | 1,974                             | 1,974  | 250   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Asset Replacement  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 50                                | -  | -   | 50                                  | -                            | -                            | -                            |
| 2023-24 Program .....  | 50                                | -  | -   | -                                   | 50                           | -                            | -                            |
| 2024-25 Program .....  | 50                                | -  | -   | -                                   | -                            | 50                           | -                            |
| 2025-26 Program .....  | 50                                | -  | -   | -                                   | -                            | -                            | 50                           |
| Property Restoration   |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....  | 650                               | -  | -   | 650                                 | -                            | -                            | -                            |
| 2023-24 Program .....  | 650                               | -  | -   | -                                   | 650                          | -                            | -                            |
| 2024-25 Program .....  | 650                               | -  | -   | -                                   | -                            | 650                          | -                            |
| 2025-26 Program .....  | 650                               | -  | -   | -                                   | -                            | -                            | 650                          |
| Lotterywest Land Covenanting Program .....                   | 130                               | -  | -   | 100                                 | 30                           | -                            | -                            |
| <b>Total Cost of Asset Investment Program.....</b>           | <b>7,003</b>                      | <b>4,073</b>                                     | <b>1,505</b>                                  | <b>800</b>                          | <b>730</b>                   | <b>700</b>                   | <b>700</b>                   |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Capital Appropriation .....                                  |                                   |  | 435   | 435                                 | 435                          | 435                          | 435                          |
| Drawdowns from the Holding Account.....                      |                                   |  | 265   | 265                                 | 265                          | 265                          | 265                          |
| Other Grants and Subsidies .....                             |                                   |  | 805   | 100                                 | 30                           | -                            | -                            |
| <b>Total Funding .....</b>                                   |                                   |  | <b>1,505</b>                                  | <b>800</b>                          | <b>730</b>                   | <b>700</b>                   | <b>700</b>                   |



## Financial Statements

### INCOME STATEMENT <sup>(a)</sup> (Controlled)

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COST OF SERVICES</b>                          |                             |                             |  |                                     |                              |                              |                              |
| <b>Expenses</b>                                  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....           | 2,811                       | 2,902                       | 2,902                                    | 3,290                               | 3,332                        | 3,002                        | 3,002                        |
| Supplies and services .....                      | 1,666                       | 1,446                       | 1,446                                    | 3,432                               | 3,276                        | 3,120                        | 3,136                        |
| Accommodation .....                              | 476                         | 383                         | 383                                      | 383                                 | 383                          | 383                          | 383                          |
| Depreciation and amortisation .....              | 641                         | 655                         | 655                                      | 655                                 | 655                          | 655                          | 655                          |
| Other expenses .....                             | 378                         | 817                         | 817                                      | 817                                 | 817                          | 817                          | 817                          |
| <b>TOTAL COST OF SERVICES .....</b>              | <b>5,972</b>                | <b>6,203</b>                | <b>6,203</b>                             | <b>8,577</b>                        | <b>8,463</b>                 | <b>7,977</b>                 | <b>7,993</b>                 |
| <b>Income</b>                                    |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services .....                 | 1,557                       | 200                         | 200                                      | 200                                 | 200                          | 200                          | 200                          |
| Grants and subsidies .....                       | 475                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Other revenue .....                              | 676                         | 2,776                       | 2,776                                    | 4,447                               | 4,472                        | 4,472                        | 4,364                        |
| <b>Total Income .....</b>                        | <b>2,708</b>                | <b>2,976</b>                | <b>2,976</b>                             | <b>4,647</b>                        | <b>4,672</b>                 | <b>4,672</b>                 | <b>4,564</b>                 |
| <b>NET COST OF SERVICES .....</b>                | <b>3,264</b>                | <b>3,227</b>                | <b>3,227</b>                             | <b>3,930</b>                        | <b>3,791</b>                 | <b>3,305</b>                 | <b>3,429</b>                 |
| <b>INCOME FROM GOVERNMENT</b>                    |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations .....                     | 3,457                       | 3,184                       | 3,184                                    | 3,185                               | 3,218                        | 3,262                        | 3,278                        |
| Other revenues .....                             | 437                         | -                           | 805                                      | 802                                 | 560                          | -                            | -                            |
| <b>TOTAL INCOME FROM GOVERNMENT .....</b>        | <b>3,894</b>                | <b>3,184</b>                | <b>3,989</b>                             | <b>3,987</b>                        | <b>3,778</b>                 | <b>3,262</b>                 | <b>3,278</b>                 |
| <b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b> | <b>630</b>                  | <b>(43)</b>                 | <b>762</b>                               | <b>57</b>                           | <b>(13)</b>                  | <b>(43)</b>                  | <b>(151)</b>                 |

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 26, 27 and 29 respectively.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                     |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                         | 2,071                       | 2,066                       | 2,071                                    | 2,071                               | 1,871                        | 1,671                        | 1,363                        |
| Restricted cash .....                     | 1,652                       | 1,965                       | 1,452                                    | 1,252                               | 1,252                        | 1,252                        | 1,252                        |
| Holding Account receivables .....         | 265                         | 265                         | 265                                      | 265                                 | 265                          | 265                          | 265                          |
| Receivables .....                         | 424                         | 154                         | 376                                      | 328                                 | 280                          | 280                          | 432                          |
| Other.....                                | 34                          | 52                          | 34                                       | 34                                  | 34                           | 34                           | 34                           |
| Total current assets .....                | 4,446                       | 4,502                       | 4,198                                    | 3,950                               | 3,702                        | 3,502                        | 3,346                        |
| <b>NON-CURRENT ASSETS</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Holding Account receivables .....         | 3,473                       | 3,863                       | 3,863                                    | 4,253                               | 4,643                        | 5,033                        | 5,423                        |
| Property, plant and equipment.....        | 103,490                     | 102,638                     | 104,345                                  | 104,495                             | 104,575                      | 105,275                      | 105,325                      |
| Intangibles .....                         | 207                         | 215                         | 207                                      | 207                                 | 207                          | 207                          | 207                          |
| Other.....                                | 89                          | 93                          | 89                                       | 89                                  | 89                           | 89                           | 89                           |
| Total non-current assets .....            | 107,259                     | 106,809                     | 108,504                                  | 109,044                             | 109,514                      | 110,604                      | 111,044                      |
| <b>TOTAL ASSETS .....</b>                 | <b>111,705</b>              | <b>111,311</b>              | <b>112,702</b>                           | <b>112,994</b>                      | <b>113,216</b>               | <b>114,106</b>               | <b>114,390</b>               |
| <b>CURRENT LIABILITIES</b>                |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 748                         | 725                         | 748                                      | 748                                 | 748                          | 748                          | 748                          |
| Payables .....                            | 73                          | 163                         | 73                                       | 73                                  | -                            | 36                           | 36                           |
| Other.....                                | 1,135                       | 1,047                       | 935                                      | 735                                 | 608                          | 1,070                        | 1,070                        |
| Total current liabilities .....           | 1,956                       | 1,935                       | 1,756                                    | 1,556                               | 1,356                        | 1,854                        | 1,854                        |
| <b>NON-CURRENT LIABILITIES</b>            |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                 | 105                         | 101                         | 105                                      | 105                                 | 105                          | 105                          | 105                          |
| Other.....                                | 843                         | 986                         | 843                                      | 843                                 | 843                          | 843                          | 843                          |
| Total non-current liabilities .....       | 948                         | 1,087                       | 948                                      | 948                                 | 948                          | 948                          | 948                          |
| <b>TOTAL LIABILITIES.....</b>             | <b>2,904</b>                | <b>3,022</b>                | <b>2,704</b>                             | <b>2,504</b>                        | <b>2,304</b>                 | <b>2,802</b>                 | <b>2,802</b>                 |
| <b>EQUITY</b>                             |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                  | 28,408                      | 29,186                      | 28,843                                   | 29,278                              | 29,713                       | 30,148                       | 30,583                       |
| Accumulated surplus/(deficit).....        | 57,864                      | 58,533                      | 58,626                                   | 58,683                              | 58,670                       | 58,627                       | 58,476                       |
| Reserves.....                             | 22,529                      | 20,570                      | 22,529                                   | 22,529                              | 22,529                       | 22,529                       | 22,529                       |
| Total equity .....                        | 108,801                     | 108,289                     | 109,998                                  | 110,490                             | 110,912                      | 111,304                      | 111,588                      |
| <b>TOTAL LIABILITIES AND EQUITY .....</b> | <b>111,705</b>              | <b>111,311</b>              | <b>112,702</b>                           | <b>112,994</b>                      | <b>113,216</b>               | <b>114,106</b>               | <b>114,390</b>               |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM GOVERNMENT</b>                                |                             |                             |  |                                     |                              |                              |                              |
| Service appropriations.....                                     | 2,802                       | 2,529                       | 2,529                                    | 2,530                               | 2,563                        | 2,607                        | 2,623                        |
| Capital appropriation .....                                     | 435                         | 435                         | 435                                      | 435                                 | 435                          | 435                          | 435                          |
| Holding Account drawdowns .....                                 | 265                         | 265                         | 265                                      | 265                                 | 265                          | 265                          | 265                          |
| Other.....  | 437                         | -                           | 805                                      | 802                                 | 560                          | -                            | -                            |
| <b>Net cash provided by Government .....</b>                    | <b>3,939</b>                | <b>3,229</b>                | <b>4,034</b>                             | <b>4,032</b>                        | <b>3,823</b>                 | <b>3,307</b>                 | <b>3,323</b>                 |
| <b>CASHFLOWS FROM OPERATING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....  | (2,776)                     | (2,895)                     | (2,895)                                  | (3,283)                             | (3,325)                      | (2,995)                      | (2,995)                      |
| Supplies and services .....                                     | (1,696)                     | (3,262)                     | (3,262)                                  | (3,595)                             | (3,439)                      | (3,283)                      | (3,299)                      |
| Accommodation .....   | (458)                       | (366)                       | (366)                                    | (366)                               | (366)                        | (366)                        | (366)                        |
| GST payments .....  | (496)                       | (270)                       | (270)                                    | (270)                               | (270)                        | (270)                        | (270)                        |
| Other payments.....   | (448)                       | (694)                       | (694)                                    | (694)                               | (694)                        | (694)                        | (694)                        |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Grants and subsidies.....                                       | 475                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Sale of goods and services.....                                 | 1,490                       | 200                         | 200                                      | 200                                 | 200                          | 200                          | 200                          |
| GST receipts .....  | 371                         | 270                         | 270                                      | 270                                 | 270                          | 270                          | 270                          |
| Other receipts .....  | 245                         | 4,288                       | 4,288                                    | 4,306                               | 4,331                        | 4,331                        | 4,223                        |
| <b>Net cash from operating activities .....</b>                 | <b>(3,293)</b>              | <b>(2,729)</b>              | <b>(2,729)</b>                           | <b>(3,432)</b>                      | <b>(3,293)</b>               | <b>(2,807)</b>               | <b>(2,931)</b>               |
| <b>CASHFLOWS FROM INVESTING<br/>ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                            | (811)                       | (700)                       | (1,505)                                  | (800)                               | (730)                        | (700)                        | (700)                        |
| <b>Net cash from investing activities.....</b>                  | <b>(811)</b>                | <b>(700)</b>                | <b>(1,505)</b>                           | <b>(800)</b>                        | <b>(730)</b>                 | <b>(700)</b>                 | <b>(700)</b>                 |
| Cash assets at the beginning of the reporting<br>period .....   | 4,231                       | 4,231                       | 3,723                                    | 3,523                               | 3,323                        | 3,123                        | 2,923                        |
| Net cash transferred to/from other agencies ....                | (343)                       | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Cash assets at the end of the reporting<br/>period .....</b> | <b>3,723</b>                | <b>4,031</b>                | <b>3,523</b>                             | <b>3,323</b>                        | <b>3,123</b>                 | <b>2,923</b>                 | <b>2,615</b>                 |

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

## Part 12

### Utilities

#### Introduction

The Utilities portfolio comprises the six State-owned electricity and water utilities, providing homes and businesses with access to safe, reliable and efficient services. The portfolio maintains the capacity and reliability of its assets, and invests in infrastructure and new and emerging technologies to support the State. It plays a central role in the economic development of the State and in improving the living standards of the community.

#### Summary of Recurrent and Asset Investment Expenditure

| Agency                           | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 |
|----------------------------------|--|-------------------------------------|
| Synergy                          |  |                                     |
| – Asset Investment Program ..... | 165,614                                  | 143,443                             |
| Western Power                    |  |                                     |
| – Asset Investment Program ..... | 833,415                                  | 1,011,265                           |
| Horizon Power                    |  |                                     |
| – Asset Investment Program ..... | 130,714                                  | 100,053                             |
| Water Corporation                |  |                                     |
| – Asset Investment Program ..... | 680,950                                  | 648,319                             |
| Bunbury Water Corporation        |  |                                     |
| – Asset Investment Program ..... | 11,986                                   | 38,126                              |
| Busselton Water Corporation      |  |                                     |
| – Asset Investment Program ..... | 3,798                                    | 4,398                               |

## Ministerial Responsibilities

| Minister  | Agency                      | Services |
|---|-----------------------------|----------|
| Minister for Mines and Petroleum; Energy; Corrective Services; Industrial Relations | Synergy                     | n/a      |
|   | Western Power               | n/a      |
|   | Horizon Power               | n/a      |
| Minister for Water; Forestry; Youth   | Water Corporation           | n/a      |
|   | Bunbury Water Corporation   | n/a      |
|   | Busselton Water Corporation | n/a      |

# Synergy

## Part 12

## Utilities

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

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE TO GENERAL GOVERNMENT<br/>SECTOR</b> <sup>(a)(b)</sup> |                             |                             |  |                                     |                              |                              |                              |
| Local Government Rates Equivalent .....                           | 674                         | 1,027                       | 1,174                                    | 1,318                               | 1,445                        | 1,252                        | 1,168                        |
| <b>EXPENSES FROM GENERAL<br/>GOVERNMENT SECTOR</b>                |                             |                             |  |                                     |                              |                              |                              |
| Operating Subsidies <sup>(c)</sup> .....                          | 942,364                     | 386,669                     | 415,891                                  | 761,005                             | 347,514                      | 305,481                      | 256,365                      |
| Other Subsidies <sup>(d)</sup> .....                              | 1,961                       | 7,900                       | 7,900                                    | 7,900                               | 7,900                        | 7,900                        | 7,900                        |
| <b>EQUITY CONTRIBUTION FROM<br/>GENERAL GOVERNMENT SECTOR</b>     |                             |                             |  |                                     |                              |                              |                              |
| Equity Contribution <sup>(e)</sup> .....                          | -                           | 170,202                     | 155,701                                  | 33,301                              | 10,000                       | 1,000                        | -                            |
| <b>RATIOS</b>   |                             |                             |  |                                     |                              |                              |                              |
| Dividend Payout Ratio (%) .....                                   | 75                          | 75                          | 75                                       | 75                                  | 75                           | 75                           | 75                           |
| <b>GOVERNMENT TRADING ENTERPRISE<br/>INFORMATION</b>              |                             |                             |  |                                     |                              |                              |                              |
| Revenue from Operations .....                                     | 2,975,914                   | 2,810,049                   | 2,844,039                                | 2,829,466                           | 2,847,434                    | 2,886,956                    | 2,925,741                    |
| Revenue from Government .....                                     | 944,325                     | 396,892                     | 426,114                                  | 770,615                             | 355,414                      | 313,381                      | 264,265                      |
| Total Expenses <sup>(f)</sup> .....                               | 4,183,712                   | 3,110,696                   | 3,253,712                                | 3,540,444                           | 3,134,854                    | 3,194,476                    | 3,202,360                    |
| Total Borrowings .....  | 218,236                     | 310,798                     | 236,660                                  | 280,037                             | 211,004                      | 182,142                      | 176,007                      |
| <b>NET PROFIT AFTER TAX</b> .....                                 | (263,444)                   | 96,245                      | 16,441                                   | 59,637                              | 67,994                       | 5,861                        | (12,354)                     |
| <b>CASH ASSETS</b> <sup>(g)</sup> .....                           | 389,075                     | 136,200                     | 138,517                                  | 138,893                             | 139,375                      | 136,024                      | 136,089                      |

- (a) No income tax is projected to be payable over the forward estimates period as Synergy is not expected to return taxable profits.  
(b) In determining the dividend payment to the general government sector, Net Profit After Tax (NPAT) may be adjusted based on other factors as permitted by the relevant legislation.  
(c) Synergy will receive significant additional operating subsidies in 2022-23 primarily as a result of administering the \$400 Household Electricity Credit.  
(d) Includes amounts from Communities (Hardship Utility Grant Scheme).  
(e) Over the period from 2021-22 to 2025-26, Synergy will receive equity contributions for asset investment, inclusive of \$140 million in 2021-22 and \$5 million in 2022-23 for the Big Battery project.  
(f) Excludes current tax expense, deferred tax expense and dividends.  
(g) 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<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Key Adjustments</b>  |  |                                     |                              |                              |                              |
| \$400 Household Electricity Credit .....                        | -  | (419,657)                           | -                            | -                            | -                            |
| Emergency Solar Management .....                                | (6,005)                                  | (6,290)                             | (6,100)                      | (6,100)                      | -                            |
| <b>Other</b>  |  |                                     |                              |                              |                              |
| Financial Viability Subsidies and Rebates and Concessions ..... | (23,217)                                 | (3,970)                             | (15,870)                     | 2,837                        | (6,699)                      |

## **Significant Issues Impacting the Government Trading Enterprise**

### **External Environment and Challenges**

1. Synergy is working with the Government to support families with a \$400 Household Energy Credit for residential customers to ease financial pressures and assist customers to meet their electricity costs.
2. The next five years will be one of the most critical and transformational periods for the energy sector not only in Western Australia but across Australia and the world. The impacts associated with the race to decarbonise, new technologies and growing competition are still evolving. The energy market is rapidly changing with decreasing system revenue, pressure on scheduled generation, increasing customer inequity and, for Synergy directly, the requirement to purchase more energy at high prices and sell energy at low or negative prices.
3. Like many electricity utilities around the world, Synergy is facing significant disruption. Upstream generation activities and traditional business models are being challenged by the increased penetration of large and small-scale renewable generation and energy storage.
4. As a GTE, Synergy recognises it has a role to play in helping to transition to the new energy future. Synergy's assets are needed to ensure secure and reliable electricity supply, particularly during the transition.
5. Advances in downstream technology (such as battery storage and advanced meters) and the emergence of different business models enabled by distributed generation, such as virtual power plants (VPPs) and peer-to-peer trading, are changing the way electricity is traded, sold and consumed by customers. These technologies offer customers greater awareness, choice and more control over their electricity usage.
6. Increased solar generation during the day has the effect of requiring Synergy's scheduled coal and gas generation to ramp-up at a steeper rate to meet evening demand. The marked change to the electricity demand profile requires greater flexibility of supply, characterised by increased use of higher cost, flexible gas-fired peaking generators (until energy storage such as batteries can be installed at scale), as well as more frequent plant shutdown and start-up cycles for base load coal generation.
7. Customers now have greater autonomy and more choice in the way they source, use, store and pay for electricity. In the short term, Synergy's energy demand from non-contestable customers is forecast to decline over the next five years. Changes in customer expectations (particularly low or zero carbon emissions energy), competition from other retailers and technological disruptions are direct challenges to Synergy's future sustainability and economic performance.

### **Strategic Objectives**

8. A transformative corporate strategy for Synergy to become a customer-centric, proactive, energy solutions provider is supported by the Synergy Board and the Government.
9. With the customer as its focus and its mandate, Synergy is upgrading its Customer Engagement Platform, which will replace a variety of platforms and result in a more integrated and bespoke customer service experience.
10. To support new Distributed Energy Resources (DER) markets and the Government's DER Roadmap, Synergy will investigate investing in systems and technologies that facilitate its customers becoming active market participants in generating, using and trading electricity.
11. Synergy will play a strong role in consumer education, positively incentivising customers to change their behaviour, including by giving them control and helping them manage their own energy usage.

### **Distributed Energy Resources**

12. DER is the term given to solar panels, batteries, electric vehicles, microgrids and other small-scale energy technologies. These resources are transforming electricity systems. With this transformation comes a range of challenges and opportunities related to how electricity is produced, managed and consumed in Western Australia.

13. The Government has released the DER Roadmap to guide reform priorities and practical activities that need to be completed over the next several years. Synergy supports the DER Roadmap and is working with the Government and other energy partners to deliver the actions needed to meet these challenges and harness the potential for cleaner, more affordable energy for everyone.
14. DER have the potential to bring great benefit to customers by allowing them to increasingly control how their energy needs are met, but also poses challenges and uncertainty for regulators, who have struggled to keep up with rapid technological advances.
15. Synergy's investment in DER is focused on developing the tools and technologies that are needed to accelerate DER uptake when and where it makes sense to do so, while at the same time providing a return on investment to Synergy and the Government.

### **Climate Change**

16. In November 2020, the Government released the Western Australian Climate Policy, which confirms a target of net zero (economy wide) greenhouse gas emissions by 2050. The policy requires GTEs to develop net zero emissions transition plans.
17. In 2022-23, Synergy will continue working towards reducing its carbon emissions in line with State and Commonwealth government obligations and customer expectations. Synergy will do this in a way that also meets the generation requirements of the system to ensure power security and reliability across the South West Interconnected System (SWIS).

### **Ongoing Transition of the Generation Fleet**

18. With ongoing changes in demand, the rise of new technologies and changes to the market, Synergy needs to re-shape its supply portfolio to match current and future electricity demand requirements more effectively. In reshaping generation business operations, Synergy will continue to play a key role in maintaining a secure and reliable electricity supply to SWIS customers and in doing so, support economic growth and the diversification of the State economy.
19. As Synergy works towards the staged closure of its Muja Stage C units 5 and 6 in 2022 and 2024 (respectively), the business will continue to manage employee transitions associated with the change in operations. Synergy will continue to undertake proactive engagement with key stakeholders including government, industry, employees and unions and, where practical, retrain impacted employees and move them into new roles created to execute Synergy's strategic priorities.

### **Financial Sustainability**

20. Synergy receives operating subsidies to fund it for obligations that are not commercial (primarily to better manage the cost of electricity for residential and small business customers in the SWIS) and for rebates and concessions to customers that it administers on behalf of the Government.
  - 20.1. A range of operating subsidies were approved as part of the 2020-21 and 2021-22 Budgets to fund Synergy for revenue shortfalls that it is currently unable to recover.
  - 20.2. The Government also supports Synergy customers under financial hardship or on a concession through a range of subsidies. These range from the Western Australian Energy Assistance Payment to supporting eligible customers with dependent children and waiving several fees and charges for concession card holders.
21. Synergy will receive equity contributions over the forward estimates period to fund major capital works projects linked to its corporate strategy and to support the transition to a low carbon future, whilst maintaining reliable and affordable energy supply. These projects are covered in detail in the Asset Investment Program below and include the Big Battery, electric vehicle charging stations, thermal fleet flexibility projects, expansion of the Schools VPP project and implementation of the new Customer Engagement Platform.



## 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 Goals   | Strategic Objectives  | Desired Outcomes  |
|--|---|---|
| Strong and Sustainable Finances:<br>Responsible, achievable, affordable budget management.   | Keeping the Budget healthy.   | 1. Financial performance                                      |
| WA Jobs Plan:<br>Diversifying the WA economy, creating local jobs for the future.  | Improve Aboriginal training and employment opportunities.                 | 2. Aboriginal and Torres Strait Islander business procurement |
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive.   | Safety and compliance with regulatory requirements.                       | 3. Employee safety<br>4. Regulatory compliance                |
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Develop climate-resilient communities and a prosperous low-carbon future. | 5. Protecting our environment<br>6. Customer service          |

## Outcomes and Key Performance Indicators

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Financial performance:</b>  |                   |                   |                                |                             |      |
| Earnings before interest, taxes, depreciation, and amortisation (EBITDA) (\$ million) equal or greater than <sup>(a)</sup> .....    | 124.9             | >=219.7           | 133.7                          | >=178.1                     | 1    |
| EBITDA margin (%) equal or greater than <sup>(a)</sup> .....  | 4.1%              | >=6.8%            | 4.1%                           | >=4.9%                      | 1    |
| NPAT margin (%) equal or greater than <sup>(a)</sup> .....  | 0.1%              | >=3%              | 0.5%                           | >=1.7%                      | 1    |
| <b>Outcome: Aboriginal and Torres Strait Islander business procurement:</b>   |                   |                   |                                |                             |      |
| Percentage of all contracts and purchase orders awarded to Aboriginal and Torres Strait Islander businesses <sup>(b)(c)</sup> ..... | n/a               | n/a               | n/a                            | 3.5%                        |      |
| <b>Outcome: Employee safety:</b>  |                   |                   |                                |                             |      |
| Recordable Injury Frequency Rate (RIFR) equal or less than <sup>(d)</sup> .....   | 1.9               | <=1.9             | 1.9                            | <=1.7                       |      |
| <b>Outcome: Regulatory compliance:</b>  |                   |                   |                                |                             |      |
| Various legislative compliance requirements <sup>(e)</sup> .....  | nil               | nil               | nil                            | nil                         |      |
| <b>Outcome: Protecting our environment:</b>   |                   |                   |                                |                             |      |
| Reduction in Synergy's scope one emissions as compared to 2005 levels of at least <sup>(c)</sup> .....                              | n/a               | n/a               | n/a                            | 50%                         |      |
| <b>Outcome: Customer service:</b>   |                   |                   |                                |                             |      |
| Customer Effort Score (CES) <sup>(f)</sup> .....  | 68.1%             | >=67.5%           | 67.1%                          | >=68.2%                     |      |

(a) EBITDA is calculated as NPAT, removing the impact of depreciation and amortisation and finance and interest costs per the Income Statement.

(b) Proportion of contracts and purchase orders of a value of \$50,000 or greater.

(c) New key performance indicator established from 2022-23.

(d) RIFR is calculated as the number of lost-time and medical treatment injuries, divided by total hours worked, multiplied by one million.

(e) Refers to legislative compliance requirements that could result in a material regulatory breach.

(f) CES is the metric Synergy uses to understand customer processes and experiences. CES is the percentage of survey respondents who provided a score of 9 or 10 out of a 0 to 10 point rating for the question 'How easy was it to interact with Synergy?'.

## Explanation of Significant Movements

(Notes)

1. The 2020-21 Actual excludes an increase in the provision for onerous contracts, increase in the provision for the decommissioning of Kwinana Power Station (a retired asset) and the cost relating to the closure of Muja Stage C.

## Asset Investment Program

1. In 2022-23, Synergy will spend \$143.4 million on its Asset Investment Program, investing in projects that reposition Synergy to respond to the evolving energy market, support communities through investment in renewable energy technology as part of the COVID-19 Response and continued investment to maintain the existing generation asset base. These investments support economic growth and jobs in the regions, where a significant portion of the existing generation asset base is located.

## Election Commitments

2. Following the success of the VPP for Schools pilot project, Synergy will spend \$4.3 million in 2022-23 to install battery storage and/or solar panel technology at seven additional schools across Geraldton, Kalbarri and Kalgoorlie.

## Generation

3. In 2022-23, Synergy will spend \$51 million to finalise the construction and operation of a 100-megawatt/200-megawatt-hour 'Big Battery' located at Synergy's decommissioned Kwinana Power Station. The battery is anticipated to be operational by the end of 2022 and, once connected, will improve system security, optimise Synergy's generation fleet and facilitate an orderly transition to renewable (intermittent) generation. Projects like the Big Battery provide storage solutions to ensure electricity system security. This project is both an initiative within Energy Policy WA's Energy Transformation Strategy and an action within the Government's Western Australian Climate Policy.
4. To enable Synergy's existing thermal fleet to better respond to system needs including increased frequency of start-ups and operating at lower voltages, Synergy will invest \$6 million in upgrades to enable more flexible operations and the capability to cold start turbines at Muja Power Station after a period of inactivity.
5. Synergy's existing generation portfolio is comprised of coal, gas, liquid fuel and renewable energy assets. Expenditure to maintain the capacity and reliability of existing assets amounts to a total of \$49.1 million in 2022-23. Major investments include:
  - 5.1. \$13.9 million for turbine rotor replacements at the Pinjar Gas Turbine to mitigate the risk of failure of the turbine rotor. Several of Synergy's Pinjar power station peaking units require rotor replacement and upgraded stacks. The units play a pivotal role in meeting consumer demand for energy during peak demand times. The replacement of turbine rotors is required (and is accepted industry practice) to mitigate the risk of failure;
  - 5.2. \$12.5 million for the Cockburn Gas Turbine to purchase parts required for manufacturer recommended outages;
  - 5.3. \$11.3 million for the plant maintenance program at Muja Power Station. This will ensure the safe operation of the plant at the lowest cost to ensure operational reliability, efficiency, availability and flexibility of the plant to meet rapidly changing market demands on the existing assets through to end of life. Synergy's generation fleet requires increasing investment to sustain the assets to end of life and ensure reliability and availability;
  - 5.4. \$9.6 million for various projects at Collie Power Station, including a new condenser tube as the existing tubes are showing signs of pitting and corrosion. If this is not addressed, the efficiency of the condenser may be impacted; and
  - 5.5. \$500,000 for the continuation of compliance works for rehabilitation and relocation of shared services at Kwinana Power Station in order to support other generation infrastructure located at the Kwinana site following the retirement of the power station.

## COVID-19 Response

6. In 2022-23, Synergy will undertake investment in new renewable energy technology in Perth and the regions, including \$1.6 million for the Smart Energy for Social Housing project, which will benefit the community by installing solar panels on social housing to provide those customers, who would otherwise not be able to easily access renewable technology, the opportunity to unlock solar benefits.

## Retail

7. Synergy will spend \$13 million in 2022-23 to continue the implementation of a new Customer Engagement Platform, replacing a number of legacy customer systems that are reaching end of life over the forward estimates period, and enable Synergy to provide new services to customers.
8. Synergy will spend \$470,000 in 2022-23 for the purchase and installation of an ICT platform that will enable it to undertake the Emergency Solar Management function. The project provides Synergy with the capability to remotely turn off new and upgraded solar systems during emergency system security events to avoid widespread blackouts.
9. Synergy will spend \$4.5 million in 2022-23 to create Australia's longest Electric Vehicle fast charging highway. The network of electric vehicle charging stations, to be installed by Synergy and Horizon Power, will operate between Perth to Kununurra, along the South West coast to Eucla and east to Kalgoorlie. This initiative is one of the key initiatives of the Government's State Electric Vehicle Strategy and is funded from the \$21 million Electric Vehicle Fund.

## Corporate

10. A total of \$10 million in 2022-23 has been allocated for the replacement and/or upgrade of ICT infrastructure associated with finance and human resources systems, as well as ongoing ICT capital expenditure requirements such as the replacement of end-of-life devices.
11. Additionally, \$2 million in 2022-23 has been committed to various infrastructure and system upgrades to ensure readiness for the Wholesale Electricity Market (WEM) reforms which will be implemented by October 2023.

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>                            |                                   |  |   |                                     |                              |                              |                              |
| <b>Election Commitments</b>                         |                                   |  |   |                                     |                              |                              |                              |
| Retail - Election Commitment - VPPs .....           | 4,800                             | 500  | 500   | 4,300                               | -                            | -                            | -                            |
| <b>COVID-19 Response</b>                            |                                   |  |   |                                     |                              |                              |                              |
| Retail - Smart Energy for Social Housing.....       | 4,787                             | 2,300  | 1,513   | 1,600                               | 887                          | -                            | -                            |
| <b>Other Works in Progress</b>                      |                                   |  |   |                                     |                              |                              |                              |
| <b>Corporate</b>                                    |                                   |  |   |                                     |                              |                              |                              |
| Business Systems Replacement .....                  | 89,905                            | 66,905   | 11,000  | 10,000                              | 7,000                        | 3,000                        | 3,000                        |
| Property, Plant and Equipment .....                 | 13,915                            | 7,915  | 1,500   | 1,500                               | 1,500                        | 1,500                        | 1,500                        |
| WEM Market Readiness .....                          | 11,833                            | 9,833  | 5,000   | 2,000                               | -                            | -                            | -                            |
| <b>Generation</b>                                   |                                   |  |   |                                     |                              |                              |                              |
| Big Battery .....                                   | 153,217                           | 102,217  | 99,000  | 51,000                              | -                            | -                            | -                            |
| Cockburn Gas Turbine .....                          | 91,393                            | 45,937   | 11,752  | 12,500                              | 14,056                       | 9,000                        | 9,900                        |
| Collie Power Station .....                          | 88,613                            | 57,017   | 1,982   | 9,596                               | 8,000                        | 7,000                        | 7,000                        |
| Flexible Operations .....                           | 11,000                            | 5,000  | 5,000   | 6,000                               | -                            | -                            | -                            |
| Kwinana Power Station .....                         | 56,371                            | 54,871   | 3,670   | 500                                 | 500                          | 500                          | -                            |
| Muja Power Station .....                            | 160,780                           | 124,035  | 6,535   | 11,293                              | 7,086                        | 10,000                       | 8,366                        |
| Other Generation Infrastructure Projects .....      | 71,539                            | 67,289   | 1,517   | 1,250                               | 1,000                        | 1,000                        | 1,000                        |
| Pinjar Gas Turbine .....                            | 51,962                            | 20,470   | 3,524   | 13,933                              | 6,236                        | 7,323                        | 4,000                        |
| <b>Retail</b>                                       |                                   |  |   |                                     |                              |                              |                              |
| Customer Engagement Platform .....                  | 30,000                            | 5,000  | 5,000   | 13,000                              | 10,000                       | 1,000                        | 1,000                        |
| Electric Vehicle Charging Stations .....            | 9,002                             | 4,501  | 4,501   | 4,501                               | -                            | -                            | -                            |
| Emergency Solar Management .....                    | 3,570                             | 3,100  | 3,100   | 470                                 | -                            | -                            | -                            |
| <b>COMPLETED WORKS</b>                              |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>                            |                                   |  |   |                                     |                              |                              |                              |
| Retail - VPP for Schools .....                      | 5,420                             | 5,420  | 520   | -                                   | -                            | -                            | -                            |
| <b>Total Cost of Asset Investment Program .....</b> | <b>858,107</b>                    | <b>582,310</b>                                   | <b>165,614</b>                                | <b>143,443</b>                      | <b>56,265</b>                | <b>40,323</b>                | <b>35,766</b>                |
| <b>FUNDED BY</b>                                    |                                   |  |   |                                     |                              |                              |                              |
| Internal Funds and Balances .....                   |                                   |  | 17,612  | 122,643                             | 53,265                       | 39,323                       | 35,766                       |
| Other .....   |                                   |  | 148,002                                       | 20,800                              | 3,000                        | 1,000                        | -                            |
| <b>Total Funding .....</b>                          |                                   |  | <b>165,614</b>                                | <b>143,443</b>                      | <b>56,265</b>                | <b>40,323</b>                | <b>35,766</b>                |

## Financial Statements

### Income Statement

#### Revenue

1. The \$61 million increase in Other revenue in the 2022-23 Budget Year, compared to the 2021-22 Estimated Actual, relates to Synergy meeting its renewable energy certificate obligations and recovering shortfall payments made in 2019-20 and 2020-21.
2. Operating subsidies provided to Synergy in the 2022-23 Budget Year are materially higher than those projected over the forward estimates due to the one-off \$400 Household Electricity Credit payment. This revenue increase is offset by equivalent Grants and subsidies expenditure outlays.

### Statement of Financial Position

3. Cash is held constant over the forward estimates period to reflect Synergy's two-week working capital requirements.

### Statement of Cashflows

4. The reduction in Other Payments in the 2021-22 Estimated Actual is largely due to the 2020-21 Actual including \$617.5 million in payments for the \$600 Household Electricity Credit.

#### INCOME STATEMENT <sup>(a)</sup> (Controlled)

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE</b>   |                             |                             |  |                                     |                              |                              |                              |
| <b>Revenue from operations</b>   |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....  | 2,948,454                   | 2,805,932                   | 2,839,187                                | 2,763,583                           | 2,841,575                    | 2,880,869                    | 2,919,561                    |
| Other revenue.....   | 27,460                      | 4,117                       | 4,852                                    | 65,883                              | 5,859                        | 6,087                        | 6,180                        |
| <b>Revenue from Government</b>   |                             |                             |  |                                     |                              |                              |                              |
| Operating subsidies.....   | 942,364                     | 386,669                     | 415,891                                  | 761,005                             | 347,514                      | 305,481                      | 256,365                      |
| Capital subsidies.....   | -                           | 2,323                       | 2,323                                    | 1,710                               | -                            | -                            | -                            |
| Other subsidies.....   | 1,961                       | 7,900                       | 7,900                                    | 7,900                               | 7,900                        | 7,900                        | 7,900                        |
| <b>TOTAL REVENUE.....</b>  | <b>3,920,239</b>            | <b>3,206,941</b>            | <b>3,270,153</b>                         | <b>3,600,081</b>                    | <b>3,202,848</b>             | <b>3,200,337</b>             | <b>3,190,006</b>             |
| <b>Expenses</b>  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....                                   | 120,170                     | 130,464                     | 150,179                                  | 159,729                             | 139,751                      | 137,205                      | 128,991                      |
| Grants and subsidies.....  | 793,540                     | 97,765                      | 125,428                                  | 514,368                             | 98,595                       | 102,830                      | 114,440                      |
| Supplies and services.....   | 2,973,502                   | 2,657,548                   | 2,759,729                                | 2,677,666                           | 2,639,780                    | 2,711,652                    | 2,693,513                    |
| Accommodation.....   | 3,123                       | 1,418                       | 1,585                                    | 1,729                               | 1,856                        | 1,664                        | 1,578                        |
| Depreciation and amortisation.....                                       | 86,903                      | 84,083                      | 83,676                                   | 78,026                              | 100,143                      | 106,854                      | 101,694                      |
| Finance and interest costs.....  | 36,092                      | 39,327                      | 35,873                                   | 40,338                              | 38,153                       | 34,760                       | 33,797                       |
| Other expenses.....  | 170,382                     | 100,091                     | 97,242                                   | 68,588                              | 116,576                      | 99,511                       | 128,347                      |
| <b>TOTAL EXPENSES.....</b>   | <b>4,183,712</b>            | <b>3,110,696</b>            | <b>3,253,712</b>                         | <b>3,540,444</b>                    | <b>3,134,854</b>             | <b>3,194,476</b>             | <b>3,202,360</b>             |
| <b>NET PROFIT/(LOSS) BEFORE TAX.....</b>                                 | <b>(263,473)</b>            | <b>96,245</b>               | <b>16,441</b>                            | <b>59,637</b>                       | <b>67,994</b>                | <b>5,861</b>                 | <b>(12,354)</b>              |
| National Tax Equivalent Regime - Deferred<br>tax equivalent expense..... | (29)                        | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>NET PROFIT/(LOSS) AFTER TAX.....</b>                                  | <b>(263,444)</b>            | <b>96,245</b>               | <b>16,441</b>                            | <b>59,637</b>                       | <b>67,994</b>                | <b>5,861</b>                 | <b>(12,354)</b>              |

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 906, 982 and 964 respectively.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|                                     | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|-------------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>               |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                   | 389,075                     | 136,200                     | 138,517                                  | 138,893                             | 139,375                      | 136,024                      | 136,089                      |
| Receivables .....                   | 348,813                     | 265,326                     | 167,914                                  | 153,111                             | 134,225                      | 107,522                      | 108,609                      |
| Assets held for sale .....          | 7,571                       | 9,390                       | 198                                      | 198                                 | 198                          | 198                          | -                            |
| Other .....                         | 229,041                     | 253,635                     | 237,935                                  | 232,690                             | 222,915                      | 232,419                      | 222,211                      |
| Total current assets .....          | 974,500                     | 664,551                     | 544,564                                  | 524,892                             | 496,713                      | 476,163                      | 466,909                      |
| <b>NON-CURRENT ASSETS</b>           |                             |                             |  |                                     |                              |                              |                              |
| Property, plant and equipment ..... | 744,026                     | 907,846                     | 855,617                                  | 927,630                             | 878,730                      | 810,453                      | 781,633                      |
| Intangibles .....                   | 135,327                     | 96,875                      | 110,790                                  | 102,718                             | 107,971                      | 109,535                      | 58,238                       |
| Other .....                         | 74,405                      | 81,000                      | 68,095                                   | 56,209                              | 45,050                       | 24,852                       | 31,998                       |
| Total non-current assets .....      | 953,758                     | 1,085,721                   | 1,034,502                                | 1,086,557                           | 1,031,751                    | 944,840                      | 871,869                      |
| <b>TOTAL ASSETS .....</b>           | <b>1,928,258</b>            | <b>1,750,272</b>            | <b>1,579,066</b>                         | <b>1,611,449</b>                    | <b>1,528,464</b>             | <b>1,421,003</b>             | <b>1,338,778</b>             |
| <b>CURRENT LIABILITIES</b>          |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....           | 40,039                      | 32,954                      | -  | 40                                  | 80                           | 120                          | -                            |
| Payables .....                      | 627,687                     | 328,992                     | 261,859                                  | 246,555                             | 260,595                      | 249,667                      | 251,259                      |
| Borrowings and leases .....         | 18,982                      | 17,098                      | 18,982                                   | 18,982                              | 18,982                       | 18,982                       | 18,982                       |
| Interest payable .....              | 461                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Other .....                         | 244,389                     | 140,340                     | 230,980                                  | 207,477                             | 166,430                      | 134,114                      | 198,326                      |
| Total current liabilities .....     | 931,558                     | 519,384                     | 511,821                                  | 473,054                             | 446,087                      | 402,883                      | 468,567                      |
| <b>NON-CURRENT LIABILITIES</b>      |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....           | 29,788                      | 36,660                      | 43,858                                   | 43,858                              | 43,858                       | 43,858                       | 43,858                       |
| Borrowings and leases .....         | 422,822                     | 498,690                     | 421,947                                  | 444,093                             | 351,428                      | 296,228                      | 260,782                      |
| Other .....                         | 596,056                     | 530,688                     | 479,192                                  | 435,258                             | 393,911                      | 377,993                      | 277,884                      |
| Total non-current liabilities ..... | 1,048,666                   | 1,066,038                   | 944,997                                  | 923,209                             | 789,197                      | 718,079                      | 582,524                      |
| <b>TOTAL LIABILITIES .....</b>      | <b>1,980,224</b>            | <b>1,585,422</b>            | <b>1,456,818</b>                         | <b>1,396,263</b>                    | <b>1,235,284</b>             | <b>1,120,962</b>             | <b>1,051,091</b>             |
| <b>NET ASSETS .....</b>             | <b>(51,966)</b>             | <b>164,850</b>              | <b>122,248</b>                           | <b>215,186</b>                      | <b>293,180</b>               | <b>300,041</b>               | <b>287,687</b>               |
| <b>EQUITY</b>                       |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....            | 1,292,744                   | 1,462,946                   | 1,448,445                                | 1,481,746                           | 1,491,746                    | 1,492,746                    | 1,492,746                    |
| Accumulated surplus/(deficit) ..... | (1,337,179)                 | (1,285,453)                 | (1,320,738)                              | (1,261,101)                         | (1,193,107)                  | (1,187,246)                  | (1,199,600)                  |
| Reserves .....                      | (7,531)                     | (12,643)                    | (7,523)                                  | (7,523)                             | (7,523)                      | (7,523)                      | (7,523)                      |
| <b>TOTAL EQUITY .....</b>           | <b>(51,966)</b>             | <b>164,850</b>              | <b>120,184</b>                           | <b>213,122</b>                      | <b>291,116</b>               | <b>297,977</b>               | <b>285,623</b>               |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....                            | 2,929,368                   | 2,391,402                   | 2,945,033                                | 2,689,977                           | 2,771,024                    | 2,808,448                    | 2,818,346                    |
| Grants and subsidies.....                                  | 15,000                      | -                           | -  | -                                   | -                            | -                            | -                            |
| GST receipts.....  | 301,806                     | 285,731                     | 231,245                                  | 229,034                             | 260,270                      | 265,249                      | 265,583                      |
| Other receipts.....  | 7,956                       | 222,386                     | 4,852                                    | 65,883                              | 5,859                        | 6,087                        | 6,180                        |
| <b>Payments</b>  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....                                     | (103,230)                   | (138,928)                   | (150,179)                                | (159,729)                           | (139,751)                    | (137,205)                    | (128,991)                    |
| Supplies and services.....                                 | (2,902,360)                 | (2,799,380)                 | (3,279,508)                              | (2,739,106)                         | (2,738,833)                  | (2,757,373)                  | (2,704,832)                  |
| Accommodation <sup>(b)</sup> .....                         | (2,449)                     | (84)                        | (411)                                    | (411)                               | (411)                        | (412)                        | (410)                        |
| GST payments.....  | (297,419)                   | (271,009)                   | (249,811)                                | (284,888)                           | (286,373)                    | (290,290)                    | (294,048)                    |
| Finance and interest costs.....                            | (32,947)                    | (31,639)                    | (5,523)                                  | (6,859)                             | (5,792)                      | (5,229)                      | (5,130)                      |
| Other payments.....  | (849,073)                   | (98,824)                    | (145,484)                                | (501,433)                           | (106,843)                    | (140,521)                    | (182,387)                    |
| <b>Net cash from operating activities.....</b>             | <b>(933,348)</b>            | <b>(440,345)</b>            | <b>(649,786)</b>                         | <b>(707,532)</b>                    | <b>(240,850)</b>             | <b>(251,246)</b>             | <b>(225,689)</b>             |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from sale of non-current assets.....              | 956                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Other receipts.....  | -                           | 2,924                       | 2,923                                    | 3,078                               | 3,139                        | 1                            | 3,888                        |
| <b>Payments</b>  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets.....                        | (65,144)                    | (194,569)                   | (165,614)                                | (143,443)                           | (56,265)                     | (40,323)                     | (35,766)                     |
| Other payments.....  | (24,401)                    | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Net cash from investing activities.....</b>             | <b>(88,589)</b>             | <b>(191,645)</b>            | <b>(162,691)</b>                         | <b>(140,365)</b>                    | <b>(53,126)</b>              | <b>(40,322)</b>              | <b>(31,878)</b>              |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from borrowings.....                              | -                           | 228,369                     | 187,574                                  | 192,476                             | 150,815                      | 179,000                      | 125,000                      |
| <b>Payments</b>  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases.....                    | (9,967)                     | (135,807)                   | (169,150)                                | (149,099)                           | (219,848)                    | (207,862)                    | (131,135)                    |
| <b>Net cash from financing activities.....</b>             | <b>(9,967)</b>              | <b>92,562</b>               | <b>18,424</b>                            | <b>43,377</b>                       | <b>(69,033)</b>              | <b>(28,862)</b>              | <b>(6,135)</b>               |
| <b>CASHFLOWS FROM GOVERNMENT ACTIVITIES</b>                |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| Capital subsidies.....                                     | -                           | 2,323                       | 2,323                                    | 1,710                               | -                            | -                            | -                            |
| Operating subsidies.....                                   | 884,895                     | 386,669                     | 378,745                                  | 763,303                             | 347,036                      | 309,431                      | 257,035                      |
| Equity Contributions.....                                  | -                           | 170,202                     | 155,701                                  | 33,301                              | 10,000                       | 1,000                        | -                            |
| Other subsidies.....                                       | 1,961                       | 7,900                       | 7,900                                    | 7,900                               | 7,900                        | 7,900                        | 7,900                        |
| <b>Payments</b>  |                             |                             |  |                                     |                              |                              |                              |
| Local Government Rates Equivalent.....                     | (674)                       | (1,027)                     | (1,174)                                  | (1,318)                             | (1,445)                      | (1,252)                      | (1,168)                      |
| <b>Net cash provided to Government.....</b>                | <b>(886,182)</b>            | <b>(566,067)</b>            | <b>(543,495)</b>                         | <b>(804,896)</b>                    | <b>(363,491)</b>             | <b>(317,079)</b>             | <b>(263,767)</b>             |
| <b>NET INCREASE/(DECREASE) IN CASH HELD.....</b>           | <b>(145,722)</b>            | <b>26,639</b>               | <b>(250,558)</b>                         | <b>376</b>                          | <b>482</b>                   | <b>(3,351)</b>               | <b>65</b>                    |
| Cash assets at the beginning of the reporting period.....  | 534,797                     | 109,561                     | 389,075                                  | 138,517                             | 138,893                      | 139,375                      | 136,024                      |
| <b>Cash assets at the end of the reporting period.....</b> | <b>389,075</b>              | <b>136,200</b>              | <b>138,517</b>                           | <b>138,893</b>                      | <b>139,375</b>               | <b>136,024</b>               | <b>136,089</b>               |

(a) Full audited financial statements are published in Synergy'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.

# Western Power

## Part 12

## Utilities

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

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE TO GENERAL GOVERNMENT<br/>SECTOR</b>               |                             |                             |  |                                     |                              |                              |                              |
| National Tax Equivalent Regime - Income Tax.....              | 84,079                      | 105,463                     | 110,928                                  | 113,485                             | 127,049                      | 110,248                      | 98,347                       |
| Local Government Rates Equivalent .....                       | 1,608                       | 1,805                       | 1,805                                    | 1,651                               | 1,692                        | 1,734                        | 1,769                        |
| Dividends <sup>(a)(b)</sup> .....                             | 299,760                     | -                           | -  | 301,093                             | 295,571                      | 281,489                      | 262,318                      |
| <b>EXPENSES FROM GENERAL<br/>GOVERNMENT SECTOR</b>            |                             |                             |  |                                     |                              |                              |                              |
| Other Subsidies .....   | 2,958                       | 2,895                       | 2,895                                    | -                                   | -                            | -                            | -                            |
| <b>EQUITY CONTRIBUTION FROM<br/>GENERAL GOVERNMENT SECTOR</b> |                             |                             |  |                                     |                              |                              |                              |
| Equity Contribution <sup>(c)</sup> .....                      | 133,573                     | 170,146                     | 176,489                                  | 93,759                              | 96,740                       | 99,141                       | 93,634                       |
| <b>GOVERNMENT TRADING ENTERPRISE<br/>INFORMATION</b>          |                             |                             |  |                                     |                              |                              |                              |
| Revenue from Operations .....                                 | 1,871,579                   | 1,897,988                   | 1,938,089                                | 1,904,412                           | 1,965,689                    | 1,971,332                    | 1,965,822                    |
| Revenue from Government .....                                 | 2,958                       | 2,895                       | 2,895                                    | -                                   | -                            | -                            | -                            |
| Total Expenses <sup>(d)</sup> .....                           | 1,315,536                   | 1,328,810                   | 1,326,950                                | 1,349,717                           | 1,405,539                    | 1,447,337                    | 1,478,125                    |
| Total Borrowings <sup>(e)</sup> .....                         | 7,670,588                   | 7,999,938                   | 7,445,298                                | 7,870,975                           | 8,122,171                    | 8,374,782                    | 8,559,871                    |
| <b>NET PROFIT AFTER TAX.....</b>                              | 390,612                     | 401,437                     | 432,430                                  | 391,075                             | 395,131                      | 368,710                      | 343,439                      |
| <b>CASH ASSETS <sup>(e)(f)</sup> .....</b>                    | 50,379                      | 555,889                     | 25,000                                   | 25,000                              | 25,000                       | 25,000                       | 25,000                       |

(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) Western Power will retain 2021-22 dividend payments to instead contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise (GTE) for further detail.

(c) Equity contributions arise where Government returns cash to Western Power via an equity injection. They are made up of contributions for dividends on capital contributions, equity contribution for taxes on residential customers' contributions, and equity contribution to offset dividends on asset sales.

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

(e) The 2021-22 dividend retention mechanism has been updated in the 2021-22 Estimated Actual. Utilisation of the retained dividend to be reflected as an increase in debt limit, instead of a drawdown of cash held in a separate bank account.

(f) As at 30 June each financial year.



## Financial Changes

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

|   | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Key Adjustments</b>  |  |                                     |                              |                              |                              |
| 2021-22 Dividend Adjustments.....   | (14,505)                                 | 8,295                               | 8,926                        | 9,411                        | 10,046                       |
| Advanced Metering Infrastructure Acceleration.....                          | (16)                                     | (283)                               | (97)                         | 570                          | (5,084)                      |
| Increasing Service Standard Payments for Extended Electricity Outages ..... | (520)                                    | (2,644)                             | (2,889)                      | (2,911)                      | (2,928)                      |
| Network Inspection Services .....   | (5,192)                                  | (11,438)                            | (1,922)                      | (172)                        | (164)                        |
| Proactive LED Rollout and Smart Streetlights.....                           | -  | 2,445                               | 8,957                        | 12,868                       | 6,665                        |
| Relocation and Augmentation of Network Assets .....                         | (5,794)                                  | (2,031)                             | (2,941)                      | (3,032)                      | (2,998)                      |
| <b>Other</b>  |  |                                     |                              |                              |                              |
| 2020-21 Dividend and Equity Update .....                                    | 73                                       | 377                                 | 405                          | 423                          | 429                          |
| 2021-22 Estimated Actual Outturn and Recashflows .....                      | 205                                      | 977                                 | 318                          | (593)                        | (1,855)                      |
| Interest Update .....   | 3,098                                    | 6,649                               | 1,667                        | 6,044                        | 1,120                        |
| Network Tariff Revenue Update .....   | 28,116                                   | (19,322)                            | (4,824)                      | (12)                         | 26                           |
| Tariff Equalisation Contribution Update .....                               | -  | 9,756                               | (7,841)                      | (1,851)                      | (4)                          |

## Significant Issues Impacting the Government Trading Enterprise

1. Western Power has been working closely with Energy Policy WA and the Australian Energy Market Operator in the development and implementation of the Government's Energy Transformation Strategy.
2. To meet these expectations, Western Power is planning and implementing the network of the future, which will facilitate decarbonisation, enable benefits for the community from their investments in Distributed Energy Resources (DER) and ensure an energy supply which is more resilient to extreme climate events for future generations.

### Optimising the Modular Grid Transition

3. Western Power's grid is in a period of transition with challenges presented by a large portion of ageing assets. This causes challenges in managing Western Power's assets while planning for, and starting to transition into, the network of the future.
4. Western Power is optimising the transformation of its network to a modular grid for end-of-life assets, while providing safe, reliable and affordable electricity services to the Western Australian community, regardless of where they live.

### Integrating Distributed Energy Resources into the Grid

5. The rise in DER is fundamentally changing the energy value chain. It is driving increasingly complex consumption and production patterns that will challenge the historical approach of delivering electricity one way across a centralised network.
6. Anticipated growth of customer behaviour towards rooftop solar photovoltaic systems, increasing decarbonisation of the electricity system, and ongoing technological advancement in the energy sector will exacerbate pressures on the capacity of the network. Minimum operational demand and the associated impact on system stability represents a growing challenge for Western Power to maintain a reliable supply.

## **Decarbonising Our Community**

7. The Government has committed to achieving net zero greenhouse gas emissions by 2050. Western Power is taking action to address climate change through supporting decarbonisation of the economy. Western Power's grid has a critical enabling role in reducing emissions in the Western Australian economy.
8. Western Power's grid is already enabling the transition from carbon-intensive generation to renewable generation. A decarbonised grid allows other industries to achieve their decarbonisation aspirations via electrification.
9. In recent times, extreme climate events have had a significant impact on the network. Climate change will present both physical and transitional risks for Western Power. Climate change will see a need for greater emphasis on disaster preparedness and increase the challenge of protecting grid infrastructure and supply to vulnerable communities.

## **Developing Our Next Access Arrangement**

10. Western Power submitted its proposal for the fifth network access arrangement (AA5) period on 1 February 2022. AA5 covers the five-year period from 1 July 2022 to 30 June 2027.
11. Western Power's AA5 proposal is the result of extensive independent consultation to understand the values and priorities of the community and customers. This consultation determined that customers expect Western Power to deliver safe, reliable, and increasingly renewable energy, at an affordable price. The four key pillars of the proposal, to deliver on customer expectations, are:
  - 11.1. a continued focus on safety;
  - 11.2. reliable supply;
  - 11.3. facilitating more renewables; and
  - 11.4. affordable prices, all of which are enabled by the transition to the modular grid.

## **2021-22 Retained Dividend**

12. Western Power will retain its forecast 2021-22 dividend payments totalling \$540.7 million to fund future infrastructure investment. The funds will be quarantined until the Government approves business cases for the strategic infrastructure requirements. Of the retained dividend amount, \$76.4 million has been allocated to the relocation and augmentation of network assets.

## 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 Goals   | Strategic Objectives                        | Desired Outcomes  |
|--|---|---|
| Strong and Sustainable Finances:<br>Responsible, achievable, affordable budget management.   | Affordable: Keep costs low.                 | 1. Manage the cost to the community of delivering core network services on a per connection basis   |
| WA Jobs Plan:<br>Diversifying the WA economy, creating local jobs for the future.  | People: Support jobs and growth.            | 2. Engaged employees  |
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive.   | Safe and Reliable: Provide reliable supply. | 3. Reliability of customer supply across the South West Interconnected Network (SWIN)<br>4. Minimise the number of public safety incidents which result in human electric shock, injury or fatality, livestock fatality, property damage or a fire started<br>5. Minimise injuries to our employees |
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Sustainable: Connect more renewables.       | 6. Increase the proportion of all electricity needs met by renewable energy, through tracking of total electricity generation in the South West Interconnected System (SWIS)  |

## Outcomes and Key Performance Indicators

|   | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Manage the cost to the community of delivering core network services on a per connection basis:</b>   |                   |                   |                                |                             |      |
| Net cost to the community per connection .....  | \$993             | <\$1,000          | \$1,348                        | <\$1,000                    | 1    |
| <b>Outcome: Engaged employees:</b>  |                   |                   |                                |                             |      |
| Employee engagement score <sup>(a)</sup> .....  | 82%               | >80%              | 82%                            | >80%                        |      |
| <b>Outcome: Reliability of customer supply across the SWIN:</b>   |                   |                   |                                |                             |      |
| Network availability .....  | 99.90%            | >=99.93%          | 99.88%                         | >=99.93%                    |      |
| <b>Outcome: Minimise the number of public safety incidents which result in human electric shock, injury or fatality, livestock fatality, property damage or a fire started:</b> |                   |                   |                                |                             |      |
| Public safety incidents per month .....   | 39                | <61               | 31                             | <=31                        | 2    |
| <b>Outcome: Minimise injuries to our employees:</b>   |                   |                   |                                |                             |      |
| All injury frequency rate <sup>(b)</sup> .....  | 20                | <15               | 22.6                           | <=15                        | 3    |
| <b>Outcome: Increase the proportion of all electricity needs met by renewable energy, through tracking of total electricity generation in the SWIS:</b>                         |                   |                   |                                |                             |      |
| Proportion of all electricity needs met by renewables.....  | 29%               | >30%              | 32%                            | 32%                         |      |

(a) Measurement of the proportion of employees that are engaged.

(b) Measurement of the number of 'all' injuries per one million hours worked where 'all' injuries include Lost Time Injuries, Restricted Work Injuries, Medical Treatment Injuries, First Aid Injuries and No Treatment Required Injuries, on a rolling 12-month basis.

## Explanation of Significant Movements

(Notes)

1. The increase in the net cost to the community per connection between the 2021-22 Estimated Actual and 2021-22 Budget is the result of the 2021-22 dividend being retained as per Government's direction. Dividends are included in the calculation of this performance indicator as a benefit to the community and offset against costs.
2. The decrease in public safety incidents between the 2021-22 Estimated Actual and 2021-22 Budget is the result of a change in calculation methodology of the performance indicator so that it aligns with the targets in the Network Management Plan.
3. The increase in all injury frequency rate between the 2021-22 Estimated Actual and the 2021-22 Budget is due to improved reporting of a contracting company, with all injuries being minor i.e. first aid injury or no treatment required.

## Asset Investment Program

1. Western Power builds, maintains and operates the electricity network in the southwest of Western Australia. Western Power's Asset Investment Program (AIP) is underpinned by its Asset Management Framework, designed to meet the requirements of Western Power's licence obligations, good industry practice and relevant Australian standards. Western Power's focus is to provide customers with access to a safe, reliable and efficient supply of electricity with a focus on more flexible connection and operation of DER and large-scale renewables.

2. Western Power is currently negotiating the final terms of its next access arrangement proposal with the Economic Regulation Authority of Western Australia (ERA) to cover the five-year period from 1 July 2022 to 30 June 2027 (AA5). The proposal is a credible, sustainable and future-focused plan of key activities and investments over the period to ensure the network can continue to meet the energy needs of Western Australians, including addressing the strategic issues noted above.
3. As part of Western Power's Access Arrangement submission and approvals process, the ERA undertakes a rigorous review of Western Power's forecast expenditure. The Authority sets service performance targets, network tariffs and charges for Western Power that are in the best interests of the customer. This process ensures that there is demonstrable need for the investments proposed by Western Power, and that the investments are efficient. The 2022-23 Budget will be the first year of AA5.
4. Western Power's grid is in a period of transition. Its existing network assets are ageing and approaching end of life. At the same time, technological progress is rapidly reducing the cost of non-wire alternatives. To best meet the needs of the community, Western Power needs to move as safely and as affordably as possible to a modular version of the grid during a period of major technological change. This will take a decade of transformational investment in existing assets and new technology to support a community of 3 million Western Australians by 2031. This transformation has already started, with Western Power investing \$1,011.3 million in 2022-23 and a further \$2.6 billion across the outyears.
5. Under the current round of the State Underground Power Program (Round 6), Western Power, in partnership with the Government and local governments, is improving customer experiences through investment in Western Australia's suburbs. Seventeen areas/suburbs in Perth have or will receive underground power under Round 6. Around 18,000 properties will benefit from underground power in this round, with works expected to be completed by the end of 2022-23. Of the projects selected for Round 6, those delivered across the forward estimates are: Kardinya South, Collier, Manning, Victoria Park West, Victoria Park East, Carlisle North, Maylands Central, South Lake East and Shelley West.

## Growth

6. Growth capital expenditure (both transmission and distribution) is typically one of the largest areas of investment for an energy network business. Western Power is committed to connecting customers and investing in infrastructure to support the State's economy, with \$178.5 million allocated for customer-driven works and \$37.8 million in network augmentation in 2022-23. Network augmentation also includes \$4.8 million for the redevelopment of East Perth Power Station.
7. Capacity expansion projects for the distribution network will continue to address future loading and voltage obligations on Western Power's forecast customer demand for load. The number of over-utilised feeders is forecast to increase compared to previous years that had flat or negative growth in areas. Investment will be required to cater for load growth and avoid premature asset ageing.
8. Investment in high voltage distribution projects is designed to ensure the parts of the network that are experiencing growth have sufficient capacity and that the requirements in Technical Rules are met. It also includes expenditure for Project Symphony, an active DER demonstration project, which will inform the evolution of the Distribution System Operator role and contribute to understanding and building of required capability within Western Power. Project Symphony is a key project under the Government's DER Roadmap.
9. Growth capital expenditure also includes projects driven by individual customers, which tend to be driven by economic conditions and traditionally represent a significant portion of the works program. Customer-driven capital expenditure includes all work associated with connecting customer loads or generators and relocation of assets. Projects range from small residential connections (pole to pillar) through to network extensions to cater for large industrial customers.

## Safety

10. The safety of the community and staff is Western Power's most important priority. Investment in safety accounts for 32% of the forecast capital expenditure over the period 2022-23 to 2025-26.
11. Western Power has adopted a risk-based approach to asset replacement and renewal, targeting the poorest-condition assets and identifying the treatments that achieve the greatest risk reduction per dollar invested. The Grid Strategy is based on long-term scenario planning for evolving customer preferences and needs, which identifies the right technology to use at the right place and time. This approach provides a roadmap to the grid vision which minimises whole-of-life cycle costs and regrettable investment.
12. Western Power will commit \$320.6 million in 2022-23 to continue important safety programs, including:
  - 12.1. \$216.5 million to replace 277 km of the highest-risk overhead conductors and replacing or reinforcing 12,561 wooden power poles, continuing to mitigate safety risks in the most fire-prone areas with management programs;
  - 12.2. \$50.8 million as part of the Western Power's Network Renewal Underground Program Pilot, where significant capital works projects have been planned to replace and upgrade sections of overhead networks with underground power. The program is an opportunity for local governments to capitalise on the significant investment of Western Power to improve reliability, increase ability to host DER, improve safety and enhance customer choice. In 2022-23 the program will be delivered in six suburbs including Hilton, St James, Scarborough and Eden Hill; and
  - 12.3. \$50 million on the deployment of 69 standalone power systems and associated batteries as part of round 3 of the election commitment, to improve power system reliability for regional customers in the Western Power network area.

## Security

13. Investment in security is designed to reduce supply interruptions resulting from transmission line or electrical facility outages. Western power will commit \$12.8 million in 2022-23 in thermal management to mitigate thermal overloads in the transmission network, and \$8.8 million in voltage and fault level management to address fault-rated equipment, voltage instability and relieving voltage constraints in the network.

## Service

14. Service covers investment to ensure regulatory compliance, system reliability, asset replacement, metering, business support, ICT including Supervisory Control and Data Acquisition (SCADA) and building and site management (termed corporate real estate). Western Power will invest \$359.2 million in service-related projects in 2022-23. Key investments include:
  - 14.1. \$121.5 million for business support and ICT which primarily includes upgrades and replacement of ICT hardware and software that face rapid obsolescence, and maintenance of telecommunication Network Management Systems;
  - 14.2. \$37.3 million on corporate real estate to undertake upgrades to depots to meet current workplace safety practices and improve financial efficiency through redevelopment and consolidation. Investment includes modernisation of South Metro and Albany depots, upgrade to the Geraldton depot and relocation of the Bibra Lake depot;
  - 14.3. \$68.4 million on metering, including the installation of 131,380 advanced meters. Advanced meters provide more detailed usage and power quality information and can be read remotely so will support the Government's Energy Transformation Strategy, as well as improve safety outcomes by reducing the risk of electric shocks;
  - 14.4. \$34.2 million in regulatory compliance with upgrades to substation security and improvements to network reliability; and
  - 14.5. \$97.8 million on reliability-driven asset replacement to reduce the risks of plant asset failure and ensuring service and operability are maintained. This includes investment to proactively replace approximately 4,427 existing traditional streetlights with smart-enabled LED streetlights. The replacement program will enable remote monitoring and control of streetlights, as well as support decarbonisation and reduce environmental impacts.

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>  |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>  |                                   |  |   |                                     |                              |                              |                              |
| Growth - East Perth Power Station .....                             | 17,343                            | 12,498   | 11,611  | 4,845                               | -                            | -                            | -                            |
| Safety - Service Connection Condition Monitoring .....              | 15,873                            | 15,420   | 7,563   | 453                                 | -                            | -                            | -                            |
| <b>Other Works in Progress</b>                                      |                                   |  |   |                                     |                              |                              |                              |
| Government Initiative   |                                   |  |   |                                     |                              |                              |                              |
| Relocation and Augmentation of Network Assets .....                 | 76,363                            | 6,675  | 6,675   | 43,017                              | 21,567                       | 5,104                        | -                            |
| State Underground Power Program .....                               | 375,863                           | 212,236  | 26,227  | 42,085                              | 40,514                       | 40,514                       | 40,514                       |
| Growth  |                                   |  |   |                                     |                              |                              |                              |
| Distribution  |                                   |  |   |                                     |                              |                              |                              |
| Capacity Expansion .....  | 344,269                           | 243,119  | 19,688  | 26,172                              | 24,993                       | 24,993                       | 24,992                       |
| Customer Access .....   | 1,962,955                         | 1,363,035  | 131,949                                       | 155,909                             | 148,004                      | 148,004                      | 148,003                      |
| Transmission  |                                   |  |   |                                     |                              |                              |                              |
| Capacity Expansion .....  | 186,356                           | 162,193  | 16,808  | 6,796                               | 5,789                        | 5,789                        | 5,789                        |
| Customer Driven .....   | 435,298                           | 348,039  | 16,765  | 22,569                              | 21,563                       | 21,563                       | 21,564                       |
| Other Asset Investment - Motor Vehicle Fleet and Mobile Plant ..... |                                   |  |   |                                     |                              |                              |                              |
|   | 77,714                            | 45,476   | 7,608   | 8,433                               | 7,935                        | 7,935                        | 7,935                        |
| Safety  |                                   |  |   |                                     |                              |                              |                              |
| Bushfire Mitigation .....   | 87,168                            | 75,750   | 1,965   | 2,943                               | 2,825                        | 2,825                        | 2,825                        |
| Conductor Management .....  | 862,152                           | 633,062  | 51,233  | 59,575                              | 56,505                       | 56,505                       | 56,505                       |
| Connection Management .....   | 211,837                           | 173,028  | 4,109   | 9,886                               | 9,641                        | 9,641                        | 9,641                        |
| Grid Transformation .....   | 214,323                           | 13,568   | 12,595  | 50,755                              | 50,000                       | 50,000                       | 50,000                       |
| Pole Management .....   | 2,478,615                         | 1,949,346  | 163,185                                       | 146,995                             | 127,424                      | 127,424                      | 127,424                      |
| Standalone Power System .....                                       | 192,711                           | 42,710   | 20,990  | 50,000                              | 50,000                       | 50,000                       | -                            |
| Security  |                                   |  |   |                                     |                              |                              |                              |
| Thermal Management .....  | 54,407                            | 3,078  | -   | 12,832                              | 12,833                       | 12,833                       | 12,831                       |
| Voltage and Fault Level Management .....                            | 68,145                            | 33,096   | 943   | 8,805                               | 8,748                        | 8,748                        | 8,748                        |
| Service   |                                   |  |   |                                     |                              |                              |                              |
| Business Support and ICT .....                                      | 1,187,590                         | 749,021  | 110,759                                       | 121,514                             | 107,173                      | 104,941                      | 104,941                      |
| Corporate Real Estate .....   | 324,098                           | 246,041  | 62,496  | 37,332                              | 13,575                       | 13,575                       | 13,575                       |
| Metering .....  | 520,489                           | 235,529  | 28,973  | 68,410                              | 70,025                       | 72,441                       | 74,084                       |
| Regulatory Compliance .....   | 342,864                           | 214,977  | 48,723  | 34,161                              | 31,242                       | 31,242                       | 31,242                       |
| Reliability Driven Asset Replacement .....                          | 1,068,346                         | 668,921  | 70,433  | 97,778                              | 100,638                      | 104,909                      | 96,100                       |
| <b>COMPLETED WORKS</b>  |                                   |  |   |                                     |                              |                              |                              |
| Safety - Emerging Technologies .....                                | 14,930                            | 14,930   | 12,117  | -                                   | -                            | -                            | -                            |
| <b>Total Cost of Asset Investment Program .....</b>                 | <b>11,119,709</b>                 | <b>7,461,748</b>                                 | <b>833,415</b>                                | <b>1,011,265</b>                    | <b>910,994</b>               | <b>898,986</b>               | <b>836,713</b>               |
| <b>FUNDED BY</b>  |                                   |  |   |                                     |                              |                              |                              |
| Borrowings .....  |                                   |  | 173,165                                       | 424,630                             | 287,963                      | 267,660                      | 821,118                      |
| Other .....   |                                   |  | 660,250                                       | 586,635                             | 623,031                      | 631,326                      | 15,595                       |
| <b>Total Funding .....</b>  |                                   |  | <b>833,415</b>                                | <b>1,011,265</b>                    | <b>910,994</b>               | <b>898,986</b>               | <b>836,713</b>               |

## Financial Statements

### Income Statement

#### *Revenue*

1. Western Power primarily receives revenue from the rendering of network tariff services. Network tariff revenue is approved by the ERA under the Electricity Network Access Code 2004, including an efficient level of operating expenditure.
2. Pending the ERA's AA5 determination, Western Power's approach to populating the AA5 'gap year' (2022-23) is based on the ERA's framework and approach for Western Power's Fifth Access Arrangement. Western Power's current price list will apply until the revised access arrangement comes into effect. Accordingly, network tariff revenue for 2022-23 is aligned to the price list approved by the ERA on 21 May 2021, which commenced on 1 July 2021.
3. The extent to which these increases in network tariffs will affect retail electricity prices for residential customers is determined by the Government.

#### *Expenses*

4. Over the forward estimates period, in the absence of the final access arrangement (AA5) ceilings, a conservative forecasting approach to network tariff revenue has been applied, with operating expenditure escalated by CPI.

### Statement of Financial Position

5. The decrease in cash assets - retained dividend in the 2021-22 Estimated Actual is due to a change in the 2021-22 dividend retention mechanism, with utilisation of the retained dividend to be reflected as an increase in debt limit (subject to Government's approval), instead of being held in a separate bank account as cash. The total forecast retained dividend amount has increased from \$530.9 million in the 2021-22 Budget to \$540.7 million in the 2021-22 Estimated Actual, reflecting higher profitability in the 2020-21 Actual and 2021-22 Estimated Actual.
6. The increase in Net Assets over the forward estimates period reflects the ongoing investment in the AIP, which is funded by internally-generated funds and part borrowings from the Western Australian Treasury Corporation.
7. The increase in borrowings in the 2022-23 Budget Year and over the outyears will largely be to finance Western Power's investment in capital expenditure and net payment to shareholder (Government) in the form of dividends.

### Statement of Cashflows

8. The decrease in net cash from financing activities in the 2021-22 Estimated Actual is due to the 2021-22 dividend being retained in line with the Government's direction.
9. Western Power's borrowings in the 2022-23 Budget Year and over the outyears is largely impacted by the level of network tariff revenue it receives from customers, offset by investment in capital expenditure and net payment to shareholder (Government) in the form of dividends.



**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE</b>                            |                             |                             |  |                                     |                              |                              |                              |
| <b>Revenue from operations</b>            |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....           | 1,672,858                   | 1,720,535                   | 1,760,636                                | 1,723,946                           | 1,784,508                    | 1,786,412                    | 1,788,397                    |
| Other revenue .....                       | 198,721                     | 177,453                     | 177,453                                  | 180,466                             | 181,181                      | 184,920                      | 177,425                      |
| <b>Revenue from Government</b>            |                             |                             |  |                                     |                              |                              |                              |
| Capital subsidies .....                   | 2,958                       | 2,895                       | 2,895                                    | -                                   | -                            | -                            | -                            |
| <b>TOTAL REVENUE.....</b>                 | <b>1,874,537</b>            | <b>1,900,883</b>            | <b>1,940,984</b>                         | <b>1,904,412</b>                    | <b>1,965,689</b>             | <b>1,971,332</b>             | <b>1,965,822</b>             |
| <b>Expenses</b>                           |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....    | 197,692                     | 208,565                     | 208,565                                  | 213,779                             | 219,123                      | 224,602                      | 224,602                      |
| Grants and subsidies .....                | -                           | 284                         | 284                                      | -                                   | -                            | -                            | -                            |
| Supplies and services .....               | 180,802                     | 178,102                     | 195,241                                  | 199,002                             | 185,972                      | 190,079                      | 193,955                      |
| Accommodation .....                       | 2,276                       | 3,040                       | 3,040                                    | 3,094                               | 3,156                        | 3,219                        | 3,284                        |
| Depreciation and amortisation .....       | 401,586                     | 418,425                     | 418,773                                  | 436,667                             | 471,638                      | 487,125                      | 504,106                      |
| Finance and interest costs .....          | 233,013                     | 247,811                     | 226,751                                  | 229,437                             | 256,760                      | 263,569                      | 267,508                      |
| Other expenses .....                      | 115,167                     | 85,583                      | 87,296                                   | 92,738                              | 95,890                       | 99,743                       | 101,670                      |
| Tariff Equalisation Contribution .....    | 185,000                     | 187,000                     | 187,000                                  | 175,000                             | 173,000                      | 179,000                      | 183,000                      |
| <b>TOTAL EXPENSES.....</b>                | <b>1,315,536</b>            | <b>1,328,810</b>            | <b>1,326,950</b>                         | <b>1,349,717</b>                    | <b>1,405,539</b>             | <b>1,447,337</b>             | <b>1,478,125</b>             |
| <b>NET PROFIT/(LOSS) BEFORE TAX .....</b> | <b>559,001</b>              | <b>572,073</b>              | <b>614,034</b>                           | <b>554,695</b>                      | <b>560,150</b>               | <b>523,995</b>               | <b>487,697</b>               |
| National Tax Equivalent Regime            |                             |                             |  |                                     |                              |                              |                              |
| Current tax equivalent expense .....      | 84,079                      | 105,463                     | 110,928                                  | 113,485                             | 127,049                      | 110,248                      | 98,347                       |
| Deferred tax equivalent expense .....     | 84,310                      | 65,173                      | 70,676                                   | 50,135                              | 37,970                       | 45,037                       | 45,911                       |
| <b>NET PROFIT/(LOSS) AFTER TAX .....</b>  | <b>390,612</b>              | <b>401,437</b>              | <b>432,430</b>                           | <b>391,075</b>                      | <b>395,131</b>               | <b>368,710</b>               | <b>343,439</b>               |
| <b>Dividends .....</b>                    | <b>299,760</b>              | <b>-</b>                    | <b>-</b>                                 | <b>301,093</b>                      | <b>295,571</b>               | <b>281,489</b>               | <b>262,318</b>               |

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 2,928, 3,312 and 3,325 respectively.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|                                       | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---------------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                     | 50,379                      | 25,000                      | 25,000                                   | 25,000                              | 25,000                       | 25,000                       | 25,000                       |
| Cash assets - Retained dividends..... | -                           | 530,889                     | -  | -                                   | -                            | -                            | -                            |
| Receivables .....                     | 292,579                     | 275,500                     | 292,708                                  | 290,236                             | 290,908                      | 297,133                      | 303,981                      |
| Assets held for sale .....            | 400                         | 71                          | 400                                      | 400                                 | 400                          | 400                          | 400                          |
| Other.....                            | 112,894                     | 96,028                      | 112,188                                  | 111,449                             | 110,695                      | 110,695                      | 110,695                      |
| Total current assets .....            | 456,252                     | 927,488                     | 430,296                                  | 427,085                             | 427,003                      | 433,228                      | 440,076                      |
| <b>NON-CURRENT ASSETS</b>             |                             |                             |  |                                     |                              |                              |                              |
| Property, plant and equipment.....    | 11,569,880                  | 12,057,115                  | 12,013,058                               | 12,624,528                          | 13,089,564                   | 13,506,769                   | 13,904,977                   |
| Intangibles .....                     | 190,528                     | 218,999                     | 218,999                                  | 253,019                             | 302,289                      | 361,417                      | 361,417                      |
| Receivables .....                     | 407                         | 516                         | 417                                      | 417                                 | 430                          | 430                          | 430                          |
| Other.....                            | 648                         | -                           | 648                                      | 648                                 | 648                          | 648                          | 648                          |
| Total non-current assets .....        | 11,761,463                  | 12,276,630                  | 12,233,122                               | 12,878,612                          | 13,392,931                   | 13,869,264                   | 14,267,472                   |
| <b>TOTAL ASSETS .....</b>             | <b>12,217,715</b>           | <b>13,204,118</b>           | <b>12,663,418</b>                        | <b>13,305,697</b>                   | <b>13,819,934</b>            | <b>14,302,492</b>            | <b>14,707,548</b>            |
| <b>CURRENT LIABILITIES</b>            |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....             | 112,473                     | 89,563                      | 114,863                                  | 116,430                             | 118,253                      | 120,423                      | 120,423                      |
| Payables .....                        | 124,720                     | 155,730                     | 128,996                                  | 109,470                             | 128,107                      | 100,033                      | 88,589                       |
| Borrowings and leases .....           | 17,579                      | 44,933                      | 17,579                                   | 17,579                              | 17,579                       | 17,579                       | 17,579                       |
| Other.....                            | 130,424                     | 134,097                     | 109,050                                  | 111,659                             | 105,475                      | 103,305                      | 103,305                      |
| Total current liabilities .....       | 385,196                     | 424,323                     | 370,488                                  | 355,138                             | 369,414                      | 341,340                      | 329,896                      |
| <b>NON-CURRENT LIABILITIES</b>        |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....             | 10,474                      | 10,315                      | 10,782                                   | 12,283                              | 12,519                       | 12,760                       | 12,760                       |
| Borrowings and leases .....           | 7,673,202                   | 7,982,588                   | 7,448,096                                | 7,874,131                           | 8,122,866                    | 8,375,477                    | 8,560,566                    |
| Other.....                            | 1,201,716                   | 1,284,604                   | 1,278,007                                | 1,324,359                           | 1,379,050                    | 1,450,467                    | 1,507,123                    |
| Total non-current liabilities .....   | 8,885,392                   | 9,277,507                   | 8,736,885                                | 9,210,773                           | 9,514,435                    | 9,838,704                    | 10,080,449                   |
| <b>TOTAL LIABILITIES.....</b>         | <b>9,270,588</b>            | <b>9,701,830</b>            | <b>9,107,373</b>                         | <b>9,565,911</b>                    | <b>9,883,849</b>             | <b>10,180,044</b>            | <b>10,410,345</b>            |
| <b>NET ASSETS .....</b>               | <b>2,947,127</b>            | <b>3,502,288</b>            | <b>3,556,045</b>                         | <b>3,739,786</b>                    | <b>3,936,085</b>             | <b>4,122,448</b>             | <b>4,297,203</b>             |
| <b>EQUITY</b>                         |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....              | 1,688,300                   | 1,858,396                   | 1,864,788                                | 1,958,547                           | 2,055,286                    | 2,154,428                    | 2,248,062                    |
| Accumulated surplus/(deficit).....    | 1,344,664                   | 1,762,410                   | 1,777,094                                | 1,867,076                           | 1,966,636                    | 2,053,857                    | 2,134,978                    |
| Reserves.....                         | (85,837)                    | (118,518)                   | (85,837)                                 | (85,837)                            | (85,837)                     | (85,837)                     | (85,837)                     |
| <b>TOTAL EQUITY .....</b>             | <b>2,947,127</b>            | <b>3,502,288</b>            | <b>3,556,045</b>                         | <b>3,739,786</b>                    | <b>3,936,085</b>             | <b>4,122,448</b>             | <b>4,297,203</b>             |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....                             | 1,647,085                   | 1,749,765                   | 1,789,866                                | 1,724,875                           | 1,788,599                    | 1,790,593                    | 1,792,854                    |
| GST receipts .....  | 162,464                     | 183,059                     | 184,062                                  | 175,091                             | 184,730                      | 184,882                      | 184,708                      |
| Other receipts .....  | 125,402                     | 133,560                     | 133,560                                  | 113,745                             | 117,591                      | 121,331                      | 113,835                      |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....                                      | (203,916)                   | (208,455)                   | (208,455)                                | (213,724)                           | (219,035)                    | (224,513)                    | (224,513)                    |
| Supplies and services .....                                 | (162,275)                   | (189,880)                   | (204,406)                                | (182,514)                           | (187,730)                    | (189,031)                    | (192,070)                    |
| Accommodation <sup>(b)</sup> .....                          | (668)                       | (3,040)                     | (3,040)                                  | (3,094)                             | (3,156)                      | (3,219)                      | (1,515)                      |
| GST payments .....  | (161,757)                   | (183,060)                   | (184,063)                                | (175,091)                           | (184,730)                    | (184,882)                    | (184,708)                    |
| Finance and interest costs.....                             | (237,141)                   | (233,668)                   | (222,779)                                | (232,588)                           | (234,853)                    | (236,522)                    | (256,331)                    |
| Tariff Equalisation Fund.....                               | (185,000)                   | (187,000)                   | (187,000)                                | (175,000)                           | (173,000)                    | (179,000)                    | (183,000)                    |
| Other payments.....   | (119,197)                   | (93,654)                    | (117,388)                                | (95,447)                            | (97,738)                     | (100,675)                    | (103,558)                    |
| <b>Net cash from operating activities .....</b>             | <b>864,997</b>              | <b>967,627</b>              | <b>980,357</b>                           | <b>936,253</b>                      | <b>990,678</b>               | <b>978,964</b>               | <b>945,702</b>               |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from sale of non-current assets.....               | 10,490                      | 26,000                      | 26,000                                   | -                                   | -                            | -                            | -                            |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                        | (745,888)                   | (834,213)                   | (833,415)                                | (1,011,265)                         | (910,994)                    | (898,986)                    | (836,713)                    |
| <b>Net cash from investing activities.....</b>              | <b>(735,398)</b>            | <b>(808,213)</b>            | <b>(807,415)</b>                         | <b>(1,011,265)</b>                  | <b>(910,994)</b>             | <b>(898,986)</b>             | <b>(836,713)</b>             |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from borrowings.....                               | 984,100                     | 857,187                     | 300,111                                  | 1,128,590                           | 920,729                      | 920,075                      | 852,550                      |
| Other proceeds .....  | 16,463                      | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases.....                     | (819,672)                   | (528,280)                   | (525,385)                                | (702,896)                           | (669,489)                    | (667,461)                    | (667,461)                    |
| Other payments.....   | (12,669)                    | (16,248)                    | (16,248)                                 | (15,792)                            | (15,837)                     | (15,883)                     | (16,201)                     |
| <b>Net cash from financing activities.....</b>              | <b>168,222</b>              | <b>312,659</b>              | <b>(241,522)</b>                         | <b>409,902</b>                      | <b>235,403</b>               | <b>236,731</b>               | <b>168,888</b>               |
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Capital subsidies .....                                     | 1,300                       | 3,687                       | 792                                      | 3,687                               | -                            | -                            | -                            |
| Equity contributions .....                                  | 133,573                     | 170,146                     | 176,489                                  | 93,759                              | 96,740                       | 99,141                       | 93,634                       |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Dividends to Government.....                                | (299,760)                   | -                           | -  | (301,096)                           | (295,573)                    | (281,488)                    | (262,318)                    |
| National Tax Equivalent Regime - Income tax.....            | (109,201)                   | (138,605)                   | (132,275)                                | (129,589)                           | (114,562)                    | (132,628)                    | (107,424)                    |
| Local Government Rates Equivalent.....                      | (1,609)                     | (1,805)                     | (1,805)                                  | (1,651)                             | (1,692)                      | (1,734)                      | (1,769)                      |
| <b>Net cash provided to Government .....</b>                | <b>275,697</b>              | <b>(33,423)</b>             | <b>(43,201)</b>                          | <b>334,890</b>                      | <b>315,087</b>               | <b>316,709</b>               | <b>277,877</b>               |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>           | <b>22,124</b>               | <b>505,496</b>              | <b>(25,379)</b>                          | <b>-</b>                            | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |
| Cash assets at the beginning of the reporting period .....  | 28,255                      | 50,393                      | 50,379                                   | 25,000                              | 25,000                       | 25,000                       | 25,000                       |
| <b>Cash assets at the end of the reporting period .....</b> | <b>50,379</b>               | <b>555,889</b>              | <b>25,000</b>                            | <b>25,000</b>                       | <b>25,000</b>                | <b>25,000</b>                | <b>25,000</b>                |

(a) Full audited financial statements are published in Western Power'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.

# Horizon Power

## Part 12 Utilities

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

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE TO GENERAL GOVERNMENT<br/>SECTOR</b>               |                             |                             |  |                                     |                              |                              |                              |
| National Tax Equivalent Regime - Income Tax.....              | 10,236                      | 2,232                       | 2,349                                    | <b>2,805</b>                        | 4,150                        | 6,700                        | 9,565                        |
| Local Government Rates Equivalent .....                       | 795                         | 695                         | 695                                      | <b>704</b>                          | 722                          | 736                          | 751                          |
| Dividends <sup>(a)(b)</sup> .....                             | 6,681                       | -                           | -  | <b>5,660</b>                        | 7,537                        | 10,531                       | 15,402                       |
| <b>EXPENSES FROM GENERAL<br/>GOVERNMENT SECTOR</b>            |                             |                             |  |                                     |                              |                              |                              |
| Operating Subsidies.....                                      | 39,115                      | 8,298                       | 8,298                                    | <b>35,545</b>                       | 9,902                        | 7,734                        | 6,132                        |
| Other Subsidies .....   | -                           | 200                         | 200                                      | <b>200</b>                          | 200                          | 200                          | 200                          |
| <b>EQUITY CONTRIBUTION FROM<br/>GENERAL GOVERNMENT SECTOR</b> |                             |                             |  |                                     |                              |                              |                              |
| Equity Contribution <sup>(c)</sup> .....                      | -                           | 27,516                      | 24,016                                   | <b>3,500</b>                        | 2,404                        | -                            | -                            |
| <b>RATIOS</b>   |                             |                             |  |                                     |                              |                              |                              |
| Dividend Payout Ratio (%) .....                               | 75                          | 75                          | 75                                       | <b>75</b>                           | 75                           | 75                           | 75                           |
| <b>GOVERNMENT TRADING ENTERPRISE<br/>INFORMATION</b>          |                             |                             |  |                                     |                              |                              |                              |
| Revenue from Operations .....                                 | 532,512                     | 518,536                     | 519,376                                  | <b>521,121</b>                      | 525,985                      | 537,404                      | 545,809                      |
| Revenue from Government .....                                 | 39,115                      | 8,498                       | 8,498                                    | <b>35,745</b>                       | 10,102                       | 7,934                        | 6,332                        |
| Total Expenses <sup>(d)</sup> .....                           | 547,360                     | 517,899                     | 520,442                                  | <b>546,416</b>                      | 521,233                      | 523,116                      | 524,260                      |
| Total Borrowings .....  | 751,988                     | 848,671                     | 803,791                                  | <b>840,364</b>                      | 854,216                      | 865,688                      | 868,010                      |
| <b>NET PROFIT AFTER TAX.....</b>                              | <b>17,044</b>               | <b>6,903</b>                | <b>5,083</b>                             | <b>7,645</b>                        | <b>10,704</b>                | <b>15,522</b>                | <b>18,316</b>                |
| <b>CASH ASSETS <sup>(e)</sup> .....</b>                       | <b>144,868</b>              | <b>166,969</b>              | <b>167,774</b>                           | <b>177,746</b>                      | <b>210,460</b>               | <b>241,320</b>               | <b>256,536</b>               |

(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) Horizon Power will retain 2021-22 dividend payments to instead contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise (GTE) for further detail.

(c) Equity Contribution for 2021-22 includes \$13.5 million for the Western Australian Microgrids project and \$10.5 million for the Electric Vehicle project. Equity Contribution for 2022-23 comprises \$3.5 million for Kununurra Cotton Gin Electricity Infrastructure.

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

(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 GTE's Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

|   | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Key Adjustments</b>  |  |                                     |                              |                              |                              |
| Buyout of Remote Towns Power Plants.....                          | 66                                       | 276                                 | 282                          | 328                          | 354                          |
| Continuity of Esperance Energy Supply .....                       | -  | (10,356)                            | 367                          | 409                          | 418                          |
| Cost of Living Support - \$400 Household Electricity Credit ..... | -  | (15,802)                            | -                            | -                            | -                            |
| Electric Vehicle Spine from Norseman to Eucla .....               | -  | -                                   | (180)                        | (346)                        | (377)                        |
| Extended Outage Service Payment.....                              | -  | (49)                                | (51)                         | (51)                         | (51)                         |
| Insurance Premium Increases.....                                  | (422)                                    | (1,172)                             | (1,185)                      | (1,207)                      | (1,231)                      |
| New Large Enterprise Contract .....                               | -  | 5,615                               | 6,683                        | 6,707                        | 6,743                        |
| Revised Demand and Energy Forecast .....                          | -  | 2,478                               | 4,536                        | 5,136                        | (361)                        |
| Solar Incentives Scheme.....                                      | -  | (347)                               | (413)                        | (413)                        | (413)                        |
| Tariff Adjustment Payment Update .....                            | -  | 481                                 | 522                          | 690                          | 1,174                        |
| Tariff and Social Concession Update.....                          | 2,094                                    | 931                                 | 1,797                        | 2,611                        | 3,419                        |
| Tariff Equalisation Contribution Update .....                     | -  | (9,712)                             | (12,243)                     | (10,998)                     | (7,950)                      |
| Temporary Access Contribution Update .....                        | -  | (18)                                | (21)                         | (21)                         | (21)                         |
| Utility of the Future.....  | -  | (18)                                | 136                          | 1,683                        | 1,971                        |

## Significant Issues Impacting the Government Trading Enterprise

### Energy Affordability

#### *Innovative Customer Solutions*

- Horizon Power's ambition is to deliver energy solutions for regional growth and vibrant communities. Horizon Power is working with the Government to support families with a \$400 Household Energy Credit for residential customers to ease financial pressures and assist customers to meet their electricity costs.
- In an effort to empower customers to significantly reduce their energy use, Horizon Power successfully completed a three-year SmartSun pilot with participating households in Broome in partnership with DevelopmentWA. The SmartSun pilot coordinated rooftop solar, battery energy storage and smart appliance control products as a single system to limit reverse power flow and reduce peak consumption. Due to the success of the pilot, Horizon Power and DevelopmentWA have formally committed to collaborating on additional regional estates.

### Sustainable Business

- Horizon Power is committed to reducing the Tariff Equalisation Contribution (TEC), improving asset utilisation and improving reliability through changes in technology and reducing the duration of outages. Horizon Power has a preference towards generation ownership to leverage its core business to improve scale, lower the cost of supply and pursue new revenue opportunities. Horizon Power will strive to develop capability to build generation assets from development through to commissioning. Horizon Power will work with the Government to invest in the non-interconnected system to support decarbonisation and electrification, whilst de-risking the enterprise and extending its services to communities with unregulated networks.

### Renewable Energy

- Horizon Power is working to develop energy solutions which do not use fossil fuels and to have renewable assets incorporated into each of its 38 systems. By removing the barriers which inhibit customers' ability to install solar and batteries, Horizon Power is enabling a reduction in costs to customers and consequently to their carbon footprint. Horizon Power has already led the way with trials and projects which have enabled higher levels of renewable penetration. It is now looking at community solutions to enable customer products to be provided to those customers without access to capital or their own rooftops to take up Distributed Energy Resource (DER) options.

#### *Solar Generation*

5. Horizon Power encourages the uptake of rooftop solar and has a plan for zero refusals when connecting solar by 2025. To achieve this, Horizon Power is undertaking detailed technical studies, product development and investment modelling with a view to easing hosting capacity constraints, allowing more customers to safely connect DER without compromising a region's system reliability. Across nine regions, Battery Energy Storage Systems (BESS) are to be installed with the intent of managing higher levels of DER without adverse impact on network reliability, resulting in a shifting of peak loads and providing critical solar smoothing functionality to mitigate power fluctuations.

#### *Standalone Power Systems*

6. Horizon Power continues the wider rollout of the next generation of Standalone Power Systems (SPS), an effective renewable energy solution customised to the needs of end-of-grid customers, for remote use applications where SPS is a more viable alternative than traditional overhead network assets which require maintenance and replacement. Commercialising the opportunity offered by SPS, Horizon Power and Ampcontrol Limited entered into an incorporated joint venture operating under the name Boundary Power to design, build, operate and commercialise these products and services. Boundary Power will install SPS in up to 45 locations throughout regional Western Australia. This will stimulate new and existing industry growth and further innovation beyond Horizon Power's service area to across the country, evident through the development of Boundary Power's modular 'generation 2' system which is easier to transport, more affordable to maintain and quicker to deploy, facilitating the rapid rollout of SPS.

#### *Denham Hydrogen Demonstration Project*

7. The Denham-based Green Hydrogen Demonstration project is to showcase the viability of delivering a significant reduction in the carbon footprint. The project is informing Horizon Power on the possibility of implementing microgrids and hydrogen technology into other regional power systems across the State, while also helping to advance hydrogen development across Australia.

#### *Onslow DER Project*

8. Horizon Power is delivering on its renewable energy strategic goal with the Onslow DER Project, the largest project of its kind in Australia, connecting traditional energy sources with customer solar and battery solutions to maximise the renewable energy used to power the entire town. The roll-out of a DER Management System is demonstrating the technical ability for higher penetration of DER in other microgrids, as the Onslow DER project manages centralised and rooftop renewables to power the town's microgrid in 'hydrocarbon free mode' with 100% renewables for periods of time.

#### **Future Power Systems**

9. Horizon Power is utilising an Integrated Resource Planning (IRP) framework to address long-term power needs. The IRP process sees Horizon Power engage with communities and stakeholders to establish aligned solutions that consider communities' needs. The new approach involves early management and proper planning as a framework for a more collaborative path to major decision-making that affects the regions Horizon Power serves.

#### **People, Safety and Wellbeing**

10. Futureproofing Horizon Power's employees with the skills required to meet the rapidly changing energy sector is of critical importance. Equally, establishing an inspired workplace culture that attracts and retains the best talent is essential. Horizon Power has formed a collaborative team with GTE Diversity and Inclusion leads to align on Diversity and Inclusion events, messaging and aspirational targets. An essential component of the goals embedded in the guiding principles of Horizon Power's Strategy is to have a positive impact on Aboriginal customers, employees and communities.

#### **Renew the Regions**

11. Horizon Power is supporting the State's regional economic recovery with an investment of \$75 million in major renewable energy infrastructure projects through its Renew the Regions program. This program of works includes the Government's COVID-19 Response investment of \$57.4 million, enabling Horizon Power to expedite the delivery of 18 sustainable energy projects located across more than 110 different sites throughout the Kimberley, Pilbara, Mid West and Gascoyne and Goldfields-Esperance regions, using local suppliers whenever possible. Through the Renew the Regions program, Horizon Power expects 357 jobs to be associated, with over 233 associated to date, of which almost half of these are regional opportunities. Regionally, Horizon Power expects to spend \$20.4 million.

## Significant Projects and Infrastructure

12. The Utility of the Future program is a multi-year program designed to futureproof Horizon Power by creating a leading edge, digitally enabled and sustainable enterprise. This will ensure Horizon Power can continue to meet the energy needs of regional Western Australians so that the State continues to flourish. By leveraging the building blocks of digitisation, such as digital platforms, smart devices, the cloud and advanced analytics, Horizon Power can increase the asset life cycle of its infrastructure, optimise electricity network flows, innovate with new customer-centric products and improve the employee and customer experience.
13. Consistent with its strategic initiative of rebuilding generation, Horizon Power has bought out the generation facilities of the remote towns of Gascoyne Junction, Menzies and Laverton at a cost of \$3.7 million. Taking ownership of the three remote towns' power stations will allow the continued delivery of power, the ability to increase the level of renewables and the trialling of emerging technologies.

## Esperance Electrification Program

14. The Esperance Electrification program facilitates the development and delivery of a longer-term solution that will ensure energy supply continuity for reticulated gas customers within Esperance beyond 31 March 2023. It assumes that all reticulated gas customers in Esperance will move towards, where possible, full electrification, given the alignment of electrification outcomes with the Shire of Esperance Climate Change Declaration and the Western Australian Climate Policy, along with the broader trend towards decarbonisation of the energy industry.

## 2021-22 Retained Dividend

15. Horizon Power will retain its forecast 2021-22 dividend payments totalling \$5.7 million (reduced from an initial estimate of \$10 million) to fund future infrastructure investment. The funds will be quarantined until the Government approves business cases for strategic infrastructure requirements. Horizon Power's entire dividend has been allocated to the Utility of the Future program.

## 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 Goals   | Strategic Objectives           | Desired Outcomes   |
|--|--------------------------------|--|
| Strong and Sustainable Finances:<br>Responsible, achievable, affordable budget management.     | Sustainable business.          | 1. Optimising and extending core business                        |
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive. | People, safety, and wellbeing. | 2. Minimise the risk of harm<br>3. Be a high-performing business |

## Outcomes and Key Performance Indicators

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Optimising and extending core business:</b>                        |                   |                   |                                |                             |      |
| Cost to supply unit cost (cents/kWh) <sup>(a)</sup> .....                      | 37.4              | 38.7              | 36.4                           | 38.9                        |      |
| Return on assets <sup>(b)</sup> .....  | 4.5%              | 3.3%              | 3.1%                           | 3.1%                        |      |
| Net Profit After Tax .....   | \$17 million      | \$6.9 million     | \$5.1 million                  | \$7.6 million               |      |
| <b>Outcome: Minimise the risk of harm:</b>                                     |                   |                   |                                |                             |      |
| Lost time injury frequency rate <sup>(c)</sup> .....                           | nil               | nil               | nil                            | nil                         |      |
| Total number of notifiable incidents <sup>(d)</sup> .....                      | 14                | nil               | 10                             | nil                         |      |
| Unassisted pole failure rate <sup>(e)</sup> .....                              | 0.65              | 1.6               | 0.71                           | 1.6                         | 1    |
| <b>Outcome: Be a high-performing business:</b>                                 |                   |                   |                                |                             |      |
| Customer satisfaction <sup>(f)</sup> .....                                     | 77%               | 70%               | 76%                            | 70%                         |      |
| System Average Interruption Duration Index (SAIDI) <sup>(g)</sup> .....        | 115 minutes       | 290 minutes       | 110 minutes                    | 290 minutes                 | 1    |
| System Average Interruption Frequency Index (SAIFI) <sup>(h)</sup> .....       | 1.8               | 6.6               | 1.4                            | 6.6                         | 1    |
| Number of compliant systems (out of 38) <sup>(i)</sup> .....                   | 36                | 33                | 33                             | 33                          |      |
| Major project completion within +/- 5% of approved budget <sup>(j)</sup> ..... | 100%              | 100%              | 100%                           | 100%                        |      |

(a) All cost associated with Horizon Power's customers divided by kilowatt-hours supplied.

(b) Return to investors for every dollar of assets under Horizon Power's control.

(c) Lost time injury frequency rate is a formula to provide the number of lost time injuries to be sustained, per one million hours worked, over a given 12-month period.

(d) A network operator must notify the Director of Building and Energy, Department of Mines, Industry Regulation and Safety, of any incident or event that is caused or significantly contributed to by electricity that results in serious injury or serious damage.

(e) An unassisted pole failure is not caused by customer installation, lightning, vehicle, water ingress or vandalism or occurs when the pole failed under forces that were less than its design specification.

(f) Customer satisfaction is measured by an annual survey, undertaken by an external agency, amalgamating customer perceptions of reliability, service quality and product offering.

(g) The SAIDI measures the duration of sustained customer interruptions.

(h) The SAIFI measures the frequency of interruptions to customers.

(i) Achievement of SAIDI and SAIFI system reliability performance (as agreed or per the Reliability Code) for each system.

(j) Percentage of Government-approved projects completed within the approved budget.

## Explanation of Significant Movements

(Notes)

- Horizon Power's investments through the Asset Management Plan and reliability maintenance has resulted in fewer outages in generation and network assets.



## **Asset Investment Program**

1. Horizon Power will invest \$100.1 million during 2022-23 and a further \$141.3 million across the outyears. This investment in regional Australia will continue to focus on providing safe and reliable electricity supply to regional customers and supporting jobs in regional areas.

## **Asset Management Plan**

2. Horizon Power is forecast to invest \$38.4 million in 2022-23 and a further \$125.8 million across the outyears to mitigate extreme and high risks associated with energy assets. This investment contributes towards ensuring regulatory compliance, reliability and capacity of all of Horizon Power's systems to support the safety, development and enhancement of communities throughout regional Western Australia.

## **Denham Hydrogen Demonstration Plant**

3. The \$9.3 million Denham Hydrogen Demonstration Plant project will be completed in 2022-23, allowing Horizon Power to test whether hydrogen can be used to meaningfully displace the use of diesel.
4. As part of the COVID-19 Response, Horizon Power has been allocated part of the project funding to proactively initiate testing and gain technical understanding for integrating this technology into electricity networks and small microgrid applications.

## **Standalone Power Systems**

5. SPS is the next generation of advanced technology specially designed for Horizon Power. These units are being provided to selected rural customers and are offering more reliable electricity without the need to be connected to the overhead electricity network.
6. The Strategic SPS Deployment program assumes an investment of \$13.5 million over 2020-21 to 2022-23 to support the deployment of 50 SPS across regional Western Australia. This includes four systems to be installed in the Kimberley, seven systems in the Mid West and Gascoyne, and 39 systems across the Goldfields-Esperance region.

## **Energy Storage in Regional Towns**

7. Horizon Power is to install \$30.8 million worth of BESS in nine regional towns over 2020-21 to 2022-23. This will help alleviate current limitations on rooftop solar installations and enable more customers in the regions to invest in renewable energy, lower their energy bills and decarbonise Horizon Power's service area.

## **Derby Port**

8. Horizon Power will rebuild, then assume ownership of the current embedded network at the Port of Derby, including rebuilding the high voltage distribution line and upgrading the low voltage network (e.g. rectifying faulty streetlights). This will safeguard the provision of electricity, remove uncertainty over ownership, and ensure that future loads at the Port of Derby can be met and have the capacity to grow.

## **Electric Vehicle Charging Infrastructure**

9. The Electric Vehicle Strategy is a key element of the Western Australian Climate Policy that commits to delivering a cleaner, more sustainable environment through the increased uptake of low and zero emission vehicles. The strategy will facilitate the creation of Australia's longest, and one of the world's longest, electric vehicle charging infrastructure networks - from Perth to Kununurra in the north, Esperance in the south and Eucla in the east. Western Australians and visitors will be able to access fast charging stations along major travel routes in the regions, town and city centres, and tourism sites. Construction of the network will also create jobs in metropolitan and regional areas. Global and domestic uptake of electric vehicles also presents significant opportunities for industry and jobs growth in Western Australia.

### **Onslow Distributed Energy Resource Project**

10. The Onslow DER project is aiming to generate up to 50% of the town's electricity from customer-owned renewable energy. Working with the community, Horizon Power facilitated the rapid uptake of renewables, resulting in residential and business customers collectively installing 273 distributed rooftop solar systems and 25 distributed batteries. This project is leading the Government's goal of achieving a higher renewable energy future through testing the boundaries of new energy infrastructure and technology.

### **Remote Communities Photovoltaics**

11. The Government will invest \$11.6 million to enable the design and construction of solar farms in six remote Kimberley Aboriginal communities, which will reduce the reliance on diesel generated power and deliver cleaner energy to communities.

### **Utility of the Future**

12. The Utility of the Future initiative is a key enabler of the corporate strategy for the design and implementation of a 'digital utility' that will allow customers and stakeholders to connect securely through digital channels to Horizon Power, and allow staff to better utilise data and mobile solutions to deliver safer and more reliable energy solutions to customers and communities. It will also provide better technology, tools and processes for employees to grow and thrive.
13. Utility of the Future represents the mix of digital, process and new ways of working initiatives that encompass the strategic initiative at a capital cost of \$23.8 million.

### **Western Australian Microgrids**

14. The Australian energy sector is undergoing a profound and complex transformation as the benefits and shift to renewable energy gathers momentum. Remote Aboriginal communities and regional towns are heavily reliant on diesel generation for energy and the implementation of renewable energy generation sources would provide affordable, secure and reliable electricity. Horizon Power and Energy Policy WA (EPWA) have obtained Commonwealth funding for seven remote Aboriginal communities and regional towns to install renewables due to their reliance on diesel fuel to generate electricity. As the price of diesel fuel is high and its use for energy heavily contributes to carbon emissions, this investment will implement solar and BESS into the energy mix for each community/town.

### **Kununurra Cotton Gin Electricity Infrastructure**

15. The investment will provide 5 megawatts of power and an upgraded electrical connection to the proposed Kununurra Cotton Gin project. Funding the connection will enable a significant State development project and secure the project's location in Kununurra over the Northern Territory. The project will create significant regional employment and economic activity in the north of the State. This is a relatively small State investment for wide-ranging, positive regional economic and employment outcomes.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Asset Management Plan  |                                   |  |   |                                     |                              |                              |                              |
| Asset Replacement .....  | 184,216                           | 115,670  | 19,881  | 19,432                              | 15,982                       | 16,402                       | 16,730                       |
| Capacity .....   | 34,899                            | 21,661   | 3,166   | 3,293                               | 3,293                        | 3,293                        | 3,359                        |
| Knowledge and Technology Investment .....  | 67,114                            | 45,352   | 5,684   | 5,911                               | 5,911                        | 4,911                        | 5,029                        |
| Mobile Plant and Operational Fleet .....   | 49,272                            | 32,874   | 3,899   | 4,079                               | 4,079                        | 4,079                        | 4,161                        |
| Property Management .....  | 44,744                            | 32,466   | 3,780   | 406                                 | 3,931                        | 3,931                        | 4,010                        |
| Regulatory Compliance .....  | 36,027                            | 34,528   | 359   | 373                                 | 373                          | 373                          | 380                          |
| Reliability .....  | 55,339                            | 47,713   | 1,824   | 1,897                               | 1,897                        | 1,897                        | 1,935                        |
| Safety .....   | 174,009                           | 151,153  | 6,332   | 2,966                               | 6,586                        | 6,586                        | 6,718                        |
| COVID-19 Response  |                                   |  |   |                                     |                              |                              |                              |
| Denham Hydrogen Demonstration Plant .....  | 9,255                             | 5,255  | 2,000   | 4,000                               | -                            | -                            | -                            |
| Standalone Power Systems .....   | 13,502                            | 12,502   | 5,938   | 1,000                               | -                            | -                            | -                            |
| Energy Storage in Regional Towns   |                                   |  |   |                                     |                              |                              |                              |
| Broome .....   | 10,300                            | 5,200  | 3,500   | 5,100                               | -                            | -                            | -                            |
| Carnarvon .....  | 5,800                             | 3,800  | 3,450   | 2,000                               | -                            | -                            | -                            |
| Gascoyne Junction .....  | 600                               | 15   | -   | 585                                 | -                            | -                            | -                            |
| Yungngora .....  | 1,700                             | 1,450  | 1,180   | 250                                 | -                            | -                            | -                            |
| Customer-Funded Works - Other Customer-Driven Works .....  | 166,079                           | 151,067  | 9,263   | 3,753                               | 3,753                        | 3,753                        | 3,753                        |
| Major Projects   |                                   |  |   |                                     |                              |                              |                              |
| Derby Port .....   | 1,200                             | 480  | 480   | 720                                 | -                            | -                            | -                            |
| Electric Vehicle Charging Infrastructure .....   | 12,920                            | 2,058  | 2,058   | 8,458                               | 2,404                        | -                            | -                            |
| Onslow Distributed Energy Resource Project .....   | 105,293                           | 102,793  | 1,850   | 2,500                               | -                            | -                            | -                            |
| Remote Communities Photovoltaics .....   | 11,610                            | 5,310  | 2,500   | 6,300                               | -                            | -                            | -                            |
| Utility of the Future .....  | 23,830                            | 9,000  | 9,000   | 13,030                              | 1,800                        | -                            | -                            |
| Western Australian Microgrids .....  | 13,500                            | 3,000  | 3,000   | 10,500                              | -                            | -                            | -                            |
| <b>COMPLETED WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| COVID-19 Response  |                                   |  |   |                                     |                              |                              |                              |
| Remote Communities Embedded Networks .....   | 3,811                             | 3,811  | 3,205   | -                                   | -                            | -                            | -                            |
| Solar, Energy Storage and LED Streetlights for Derby<br>Hospital and the Shire of Derby .....        | 4,760                             | 4,760  | 2,100   | -                                   | -                            | -                            | -                            |
| Energy Storage in Regional Towns   |                                   |  |   |                                     |                              |                              |                              |
| Exmouth .....  | 7,800                             | 7,800  | 4,800   | -                                   | -                            | -                            | -                            |
| Marble Bar .....   | 1,700                             | 1,700  | 1,150   | -                                   | -                            | -                            | -                            |
| Menzies .....  | 600                               | 600  | 585   | -                                   | -                            | -                            | -                            |
| Wiluna .....   | 1,700                             | 1,700  | 1,140   | -                                   | -                            | -                            | -                            |
| Yalgoo .....   | 600                               | 600  | 585   | -                                   | -                            | -                            | -                            |
| Major Projects   |                                   |  |   |                                     |                              |                              |                              |
| Buyout of Remote Towns Power Stations .....  | 3,651                             | 3,651  | 3,651   | -                                   | -                            | -                            | -                            |
| Distributed Energy Buy-back Scheme Infrastructure<br>Upgrade .....                                   | 600                               | 600  | 600   | -                                   | -                            | -                            | -                            |
| Esperance Power Project .....  | 16,616                            | 16,616   | 12,092  | -                                   | -                            | -                            | -                            |
| Feasibility Studies for the Regularisation of<br>13 Ngaanyatjarra Lands Aboriginal Communities ..... | 725                               | 725  | 725   | -                                   | -                            | -                            | -                            |
| Hardship Response Infrastructure Upgrades .....  | 740                               | 740  | 500   | -                                   | -                            | -                            | -                            |
| Karratha-Dampier Transmission Line Upgrade .....   | 23,844                            | 23,844   | 2,318   | -                                   | -                            | -                            | -                            |
| Mid West Pipeline .....  | 300                               | 300  | 300   | -                                   | -                            | -                            | -                            |
| Refurbishment of Denham Power Station .....  | 11,819                            | 11,819   | 7,819   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>   |                                   |  |   |                                     |                              |                              |                              |
| Major Projects - Kununurra Cotton Gin Electricity<br>Infrastructure .....                            |                                   |  |   |                                     |                              |                              |                              |
|  | 3,500                             | -  | -   | 3,500                               | -                            | -                            | -                            |
| <b>Total Cost of Asset Investment Program .....</b>  | <b>1,103,975</b>                  | <b>862,613</b>                                   | <b>130,714</b>                                | <b>100,053</b>                      | <b>50,009</b>                | <b>45,225</b>                | <b>46,075</b>                |
| <b>FUNDED BY</b>   |                                   |  |   |                                     |                              |                              |                              |
| Borrowings .....   |                                   |  | 104,288                                       | 66,573                              | 43,852                       | 41,472                       | 42,322                       |
| Capital Appropriation .....  |                                   |  | 24,016  | -                                   | 2,404                        | -                            | -                            |
| Drawdowns from Royalties for Regions Fund .....  |                                   |  | -   | 3,500                               | -                            | -                            | -                            |
| Internal Funds and Balances .....  |                                   |  | (6,853)                                       | 26,227                              | -                            | -                            | -                            |
| Other .....  |                                   |  | 9,263   | 3,753                               | 3,753                        | 3,753                        | 3,753                        |
| <b>Total Funding .....</b>   |                                   |  | <b>130,714</b>                                | <b>100,053</b>                      | <b>50,009</b>                | <b>45,225</b>                | <b>46,075</b>                |

## Financial Statements

### INCOME STATEMENT <sup>(a)</sup> (Controlled)

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE</b>                           |                             |                             |  |                                     |                              |                              |                              |
| <b>Revenue from operations</b>           |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....          | 322,897                     | 304,147                     | 304,147                                  | 321,071                             | 326,843                      | 331,664                      | 334,968                      |
| Other revenue.....                       | 24,615                      | 27,389                      | 28,229                                   | 25,050                              | 26,142                       | 26,740                       | 27,841                       |
| Tariff Equalisation Contribution.....    | 185,000                     | 187,000                     | 187,000                                  | 175,000                             | 173,000                      | 179,000                      | 183,000                      |
| <b>Revenue from Government</b>           |                             |                             |  |                                     |                              |                              |                              |
| Operating subsidies.....                 | 39,115                      | 8,298                       | 8,298                                    | 35,545                              | 9,902                        | 7,734                        | 6,132                        |
| Other subsidies.....                     | -                           | 200                         | 200                                      | 200                                 | 200                          | 200                          | 200                          |
| <b>TOTAL REVENUE.....</b>                | <b>571,627</b>              | <b>527,034</b>              | <b>527,874</b>                           | <b>556,866</b>                      | <b>536,087</b>               | <b>545,338</b>               | <b>552,141</b>               |
| <b>Expenses</b>                          |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....   | 70,137                      | 61,620                      | 62,401                                   | 63,782                              | 65,128                       | 66,187                       | 67,511                       |
| Grants and subsidies.....                | 33,016                      | 5,193                       | 5,242                                    | 31,753                              | 7,733                        | 5,271                        | 5,446                        |
| Supplies and services.....               | 253,746                     | 264,431                     | 263,802                                  | 256,660                             | 261,137                      | 274,378                      | 278,707                      |
| Accommodation.....                       | 5,121                       | 4,343                       | 4,343                                    | 4,431                               | 4,540                        | 4,631                        | 4,724                        |
| Depreciation and amortisation.....       | 99,067                      | 103,882                     | 104,010                                  | 107,031                             | 104,816                      | 97,794                       | 94,761                       |
| Finance and interest costs.....          | 57,885                      | 57,803                      | 56,515                                   | 56,333                              | 52,599                       | 49,076                       | 46,802                       |
| Other expenses.....                      | 28,388                      | 20,627                      | 24,129                                   | 26,426                              | 25,280                       | 25,779                       | 26,309                       |
| <b>TOTAL EXPENSES.....</b>               | <b>547,360</b>              | <b>517,899</b>              | <b>520,442</b>                           | <b>546,416</b>                      | <b>521,233</b>               | <b>523,116</b>               | <b>524,260</b>               |
| <b>NET PROFIT/(LOSS) BEFORE TAX.....</b> | <b>24,267</b>               | <b>9,135</b>                | <b>7,432</b>                             | <b>10,450</b>                       | <b>14,854</b>                | <b>22,222</b>                | <b>27,881</b>                |
| National Tax Equivalent Regime           |                             |                             |  |                                     |                              |                              |                              |
| Current tax equivalent expense.....      | 10,236                      | 2,232                       | 2,349                                    | 2,805                               | 4,150                        | 6,700                        | 9,565                        |
| Deferred tax equivalent expense.....     | (3,013)                     | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>NET PROFIT/(LOSS) AFTER TAX.....</b>  | <b>17,044</b>               | <b>6,903</b>                | <b>5,083</b>                             | <b>7,645</b>                        | <b>10,704</b>                | <b>15,522</b>                | <b>18,316</b>                |
| <b>Dividends.....</b>                    | <b>6,681</b>                | <b>-</b>                    | <b>-</b>                                 | <b>5,660</b>                        | <b>7,537</b>                 | <b>10,531</b>                | <b>15,402</b>                |

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

(b) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 451, 515 and 530 respectively.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|                                       | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---------------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                     | 144,868                     | 156,961                     | 162,833                                  | 177,573                             | 210,287                      | 241,147                      | 256,363                      |
| Cash assets - Retained dividends..... | -                           | 10,008                      | 4,941                                    | 173                                 | 173                          | 173                          | 173                          |
| Receivables .....                     | 37,722                      | 43,328                      | 37,542                                   | 36,750                              | 36,646                       | 36,646                       | 36,646                       |
| Assets held for sale .....            | 1,469                       | -                           | 1,469                                    | 1,469                               | 1,469                        | 1,469                        | 1,469                        |
| Other.....                            | 17,881                      | 28,521                      | 17,881                                   | 17,881                              | 17,881                       | 17,881                       | 17,881                       |
| Total current assets .....            | 201,940                     | 238,818                     | 224,666                                  | 233,846                             | 266,456                      | 297,316                      | 312,532                      |
| <b>NON-CURRENT ASSETS</b>             |                             |                             |  |                                     |                              |                              |                              |
| Property, plant and equipment.....    | 1,379,391                   | 1,767,037                   | 1,440,506                                | 1,477,645                           | 1,464,826                    | 1,448,520                    | 1,432,908                    |
| Intangibles .....                     | 219,170                     | 10,243                      | 392,068                                  | 348,713                             | 307,513                      | 272,038                      | 239,753                      |
| Receivables .....                     | 3,639                       | 2,884                       | 3,639                                    | 3,639                               | 3,639                        | 3,639                        | 3,639                        |
| Other investments .....               | 518                         | -                           | 518                                      | 518                                 | 518                          | 518                          | 518                          |
| Other.....                            | 105,387                     | 111,162                     | 105,387                                  | 105,387                             | 105,387                      | 105,387                      | 105,387                      |
| Total non-current assets .....        | 1,708,105                   | 1,891,326                   | 1,942,118                                | 1,935,902                           | 1,881,883                    | 1,830,102                    | 1,782,205                    |
| <b>TOTAL ASSETS .....</b>             | <b>1,910,045</b>            | <b>2,130,144</b>            | <b>2,166,784</b>                         | <b>2,169,748</b>                    | <b>2,148,339</b>             | <b>2,127,418</b>             | <b>2,094,737</b>             |
| <b>CURRENT LIABILITIES</b>            |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....             | 17,913                      | 16,077                      | 17,913                                   | 17,913                              | 17,913                       | 17,913                       | 17,913                       |
| Payables .....                        | 69,882                      | 68,059                      | 74,554                                   | 74,554                              | 74,554                       | 74,554                       | 74,554                       |
| Borrowings and leases .....           | 89,675                      | 72,143                      | 90,445                                   | 92,531                              | 89,515                       | 90,503                       | 93,581                       |
| Other.....                            | 16,965                      | 17,796                      | 16,965                                   | 16,965                              | 19,785                       | 19,785                       | 19,785                       |
| Total current liabilities .....       | 194,435                     | 174,075                     | 199,877                                  | 201,963                             | 201,767                      | 202,755                      | 205,833                      |
| <b>NON-CURRENT LIABILITIES</b>        |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....             | 3,513                       | 3,211                       | 3,513                                    | 3,513                               | 3,513                        | 3,513                        | 3,513                        |
| Borrowings and leases .....           | 963,378                     | 1,171,310                   | 1,185,964                                | 1,183,225                           | 1,160,501                    | 1,135,706                    | 1,099,268                    |
| Other.....                            | 142,433                     | 149,440                     | 142,045                                  | 140,177                             | 136,117                      | 134,012                      | 131,777                      |
| Total non-current liabilities .....   | 1,109,324                   | 1,323,961                   | 1,331,522                                | 1,326,915                           | 1,300,131                    | 1,273,231                    | 1,234,558                    |
| <b>TOTAL LIABILITIES.....</b>         | <b>1,303,759</b>            | <b>1,498,036</b>            | <b>1,531,399</b>                         | <b>1,528,878</b>                    | <b>1,501,898</b>             | <b>1,475,986</b>             | <b>1,440,391</b>             |
| <b>NET ASSETS .....</b>               | <b>606,286</b>              | <b>632,108</b>              | <b>635,385</b>                           | <b>640,870</b>                      | <b>646,441</b>               | <b>651,432</b>               | <b>654,346</b>               |
| <b>EQUITY</b>                         |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....              | 392,097                     | 419,613                     | 416,113                                  | 419,613                             | 422,017                      | 422,017                      | 422,017                      |
| Accumulated surplus/(deficit).....    | 214,189                     | 211,395                     | 219,272                                  | 221,257                             | 224,424                      | 229,415                      | 232,329                      |
| Reserves.....                         | -                           | 1,100                       | -  | -                                   | -                            | -                            | -                            |
| <b>TOTAL EQUITY .....</b>             | <b>606,286</b>              | <b>632,108</b>              | <b>635,385</b>                           | <b>640,870</b>                      | <b>646,441</b>               | <b>651,432</b>               | <b>654,346</b>               |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....                             | 300,821                     | 302,247                     | 302,247                                  | 319,171                             | 324,934                      | 329,726                      | 332,966                      |
| GST receipts .....  | 45,138                      | 38,333                      | 38,333                                   | 36,338                              | 37,407                       | 37,844                       | 38,601                       |
| Other receipts .....  | 28,118                      | 26,818                      | 27,599                                   | 19,037                              | 20,178                       | 19,908                       | 21,009                       |
| Tariff Equalisation Contribution.....                       | 185,000                     | 187,000                     | 187,000                                  | 175,000                             | 173,000                      | 179,000                      | 183,000                      |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....                                      | (64,339)                    | (60,579)                    | (61,360)                                 | (63,706)                            | (65,050)                     | (66,187)                     | (67,511)                     |
| Supplies and services .....                                 | (273,683)                   | (270,333)                   | (269,704)                                | (257,579)                           | (262,047)                    | (273,754)                    | (278,106)                    |
| Accommodation <sup>(b)</sup> .....                          | (4,326)                     | (5,766)                     | (5,766)                                  | (2,763)                             | (2,832)                      | (2,889)                      | (4,574)                      |
| GST payments .....  | (44,686)                    | (38,329)                    | (38,329)                                 | (36,323)                            | (37,407)                     | (37,844)                     | (38,601)                     |
| Finance and interest costs.....                             | (57,891)                    | (53,021)                    | (51,733)                                 | (51,894)                            | (48,570)                     | (45,378)                     | (42,994)                     |
| Other payments.....   | (30,081)                    | (18,714)                    | (22,265)                                 | (58,067)                            | (32,934)                     | (30,872)                     | (29,753)                     |
| <b>Net cash from operating activities .....</b>             | <b>84,071</b>               | <b>107,656</b>              | <b>106,022</b>                           | <b>79,214</b>                       | <b>106,679</b>               | <b>109,554</b>               | <b>114,037</b>               |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from sale of non-current assets.....               | 76                          | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                        | (95,339)                    | (151,898)                   | (130,714)                                | (100,053)                           | (50,009)                     | (45,225)                     | (46,075)                     |
| Other payments.....   | (499)                       | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>Net cash from investing activities .....</b>             | <b>(95,762)</b>             | <b>(151,898)</b>            | <b>(130,714)</b>                         | <b>(100,053)</b>                    | <b>(50,009)</b>              | <b>(45,225)</b>              | <b>(46,075)</b>              |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from borrowings.....                               | 95,000                      | 270,722                     | 257,408                                  | 232,710                             | 191,845                      | 137,936                      | 132,110                      |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases .....                    | (63,744)                    | (210,673)                   | (239,280)                                | (231,975)                           | (215,916)                    | (161,372)                    | (165,470)                    |
| <b>Net cash from financing activities.....</b>              | <b>31,256</b>               | <b>60,049</b>               | <b>18,128</b>                            | <b>735</b>                          | <b>(24,071)</b>              | <b>(23,436)</b>              | <b>(33,360)</b>              |
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Administered appropriations .....                           | 2,177                       | -                           | -  | -                                   | -                            | -                            | -                            |
| Operating subsidies.....                                    | 48,316                      | 8,298                       | 8,298                                    | 35,545                              | 9,902                        | 7,734                        | 6,132                        |
| Equity contributions.....                                   | -                           | 27,516                      | 24,016                                   | 3,500                               | 2,404                        | -                            | -                            |
| Other subsidies .....                                       | -                           | 200                         | 200                                      | 200                                 | 200                          | 200                          | 200                          |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Dividends to Government .....                               | (6,681)                     | -                           | -  | (5,660)                             | (7,537)                      | (10,531)                     | (15,402)                     |
| National Tax Equivalent Regime - Income tax...              | (7,633)                     | (2,232)                     | (2,349)                                  | (2,805)                             | (4,150)                      | (6,700)                      | (9,565)                      |
| Local Government Rates Equivalent.....                      | (795)                       | (695)                       | (695)                                    | (704)                               | (704)                        | (736)                        | (751)                        |
| <b>Net cash provided to Government .....</b>                | <b>(35,384)</b>             | <b>(33,087)</b>             | <b>(29,470)</b>                          | <b>(30,076)</b>                     | <b>(115)</b>                 | <b>10,033</b>                | <b>19,386</b>                |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>           | <b>54,949</b>               | <b>48,894</b>               | <b>22,906</b>                            | <b>9,972</b>                        | <b>32,714</b>                | <b>30,860</b>                | <b>15,216</b>                |
| Cash assets at the beginning of the reporting period .....  | 89,919                      | 118,075                     | 144,868                                  | 167,774                             | 177,746                      | 210,460                      | 241,320                      |
| <b>Cash assets at the end of the reporting period .....</b> | <b>144,868</b>              | <b>166,969</b>              | <b>167,774</b>                           | <b>177,746</b>                      | <b>210,460</b>               | <b>241,320</b>               | <b>256,536</b>               |

(a) Full audited financial statements are published in Horizon Power'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.

# Water Corporation

## Part 12 Utilities

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

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE TO GENERAL GOVERNMENT<br/>SECTOR</b>               |                             |                             |  |                                     |                              |                              |                              |
| National Tax Equivalent Regime - Income Tax...                | 376,699                     | 371,019                     | 367,017                                  | <b>405,810</b>                      | 436,686                      | 454,131                      | 472,699                      |
| Local Government Rates Equivalent .....                       | 7,554                       | 8,021                       | 7,772                                    | <b>8,202</b>                        | 8,386                        | 8,575                        | 8,747                        |
| Dividends <sup>(a)(b)</sup> .....                             | 642,413                     | -                           | -  | <b>727,965</b>                      | 782,200                      | 840,777                      | 884,478                      |
| <b>EXPENSES FROM GENERAL<br/>GOVERNMENT SECTOR</b>            |                             |                             |  |                                     |                              |                              |                              |
| Operating Subsidies <sup>(c)</sup> .....                      | 218,579                     | 364,349                     | 393,170                                  | <b>472,023</b>                      | 514,065                      | 516,923                      | 517,561                      |
| Other Subsidies .....   | 16,801                      | 36,658                      | 15,048                                   | <b>47,812</b>                       | 57,576                       | 7,185                        | 200                          |
| Royalties for Regions <sup>(c)</sup> .....                    | 250,000                     | 126,816                     | 126,016                                  | <b>53,957</b>                       | -                            | -                            | -                            |
| <b>EQUITY CONTRIBUTION FROM<br/>GENERAL GOVERNMENT SECTOR</b> |                             |                             |  |                                     |                              |                              |                              |
| Equity Contribution.....                                      | -                           | -                           | 22,910                                   | -                                   | -                            | -                            | -                            |
| <b>GOVERNMENT TRADING ENTERPRISE<br/>INFORMATION</b>          |                             |                             |  |                                     |                              |                              |                              |
| Revenue from Operations .....                                 | 2,464,978                   | 2,420,637                   | 2,470,302                                | <b>2,564,013</b>                    | 2,664,247                    | 2,771,567                    | 2,880,593                    |
| Revenue from Government .....                                 | 485,380                     | 527,823                     | 534,234                                  | <b>573,792</b>                      | 571,641                      | 524,108                      | 517,761                      |
| Total Expenses <sup>(d)</sup> .....                           | 1,700,885                   | 1,725,822                   | 1,789,000                                | <b>1,804,061</b>                    | 1,803,315                    | 1,812,279                    | 1,847,343                    |
| Total Borrowings .....  | 5,785,650                   | 6,160,650                   | 5,429,046                                | <b>5,436,990</b>                    | 5,432,747                    | 5,432,747                    | 5,432,747                    |
| <b>NET PROFIT AFTER TAX.....</b>                              | <b>875,609</b>              | <b>855,593</b>              | <b>851,384</b>                           | <b>934,157</b>                      | <b>1,003,311</b>             | <b>1,038,884</b>             | <b>1,086,215</b>             |
| <b>CASH ASSETS <sup>(e)</sup> .....</b>                       | <b>367,328</b>              | <b>1,385,548</b>            | <b>717,909</b>                           | <b>760,219</b>                      | <b>783,033</b>               | <b>788,831</b>               | <b>807,581</b>               |

- (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 Corporation will retain 2021-22 dividend payments to instead contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise (GTE) for further detail.
- (c) Operating subsidies will be partially funded from Royalties for Regions in 2021-22 and 2022-23 and fully funded from the Consolidated Account from 2023-24 onwards.
- (d) Excludes current tax expense, deferred tax expense and dividends.
- (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 GTE's Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Key Adjustments</b>   |  |                                     |                              |                              |                              |
| 2021-22 Mid-year Review Adjustments .....  | (19,048)                                 | 29,932                              | 9,909                        | 32,085                       | 10,783                       |
| Cyber Security Implementation Plan.....  | (692)                                    | (5,305)                             | (4,675)                      | (3,800)                      | (3,239)                      |
| Developer Contribution Update .....  | -  | (17,412)                            | (9,921)                      | (1,499)                      | 26,706                       |
| Essential and Municipal Services Upgrade Program.....                                | 214                                      | (1,197)                             | 1,188                        | 1,157                        | -                            |
| Operating Expenditure Update.....  | 13,681                                   | (14,579)                            | 5,474                        | 5,959                        | 12,111                       |
| Reallocation of Cloud-Based ICT Capital Expenditure to Operating<br>Expenditure..... | (26,426)                                 | (50,785)                            | (27,884)                     | (14,840)                     | 455                          |
| Regulated and Other Revenue Update (Including Operating Subsidies) .....             | -  | 22,078                              | 941                          | 30,967                       | 48,083                       |

## Significant Issues Impacting the Government Trading Enterprise

1. The Corporation's key objective is to deliver safe, secure, fit-for-purpose water services, while keeping the cost of services as low as possible in the long-term. There is also a growing expectation that services are delivered in an increasingly environmentally sensitive way.
2. Climate change will continue to impact the availability of water sources, customers' demand for water, the need to address greenhouse gas emissions, the options available for energy consumption, and the need for infrastructure adaptation. The implementation of Western Australia's Climate Policy will be one of the key drivers which will help align the Corporation's actions with those of the rest of the State.
3. Reduced rainfall, particularly in the South West, has significantly reduced surface water dam inflows and is likely to constrain groundwater availability. This will continue to impact the capacity of city and town water supplies, increasing the need for augmentation with climate independent sources such as seawater desalination and groundwater replenishment to grow and maintain liveability. This will also continue to drive the need to save water and promote the efficient use of water resources.
4. The pandemic has affected the Corporation's operating environment, as well as that of suppliers, customers, regulators and other stakeholders. Recovery from the pandemic, as well as building future resilience, will be focus areas over the next five years. Community sentiment and Government policy will elevate the importance of building local industry and manufacturing capability, while growing reliance on desalination and complex plant will drive closer links between Water Corporation and energy utilities. Co-optimising water and power will be a key theme in the Corporation's economics and sourcing strategy.
5. The Corporation is also facing accelerating technological progress, increasing price and cost pressures and a growing demand for a future-ready workforce. All of these factors require investment in people, processes and assets so that we can continue to deliver high-quality services.

### 2021-22 Retained Dividend

6. The Corporation retained its forecast 2021-22 dividend payment of \$1,354.9 million in the 2021-22 Budget to instead contribute to funding a new desalination plant. The Corporation has utilised a portion of these funds to reduce borrowings in the interim and to start preparation works for the desalination plant. The funds will be fully utilised once the Government approves the business case for the desalination plant as part of a future Budget process.



## 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 Goals   | Strategic Objectives   | Desired Outcomes   |
|--|--|--|
| Strong and Sustainable Finances:<br>Responsible, achievable, affordable budget management.   | Sustainably finance our vision.  | 1. Reducing total recurring expenditure to fund our key priorities and provide socially equitable outcomes for communities   |
| WA Jobs Plan:<br>Diversifying the WA economy, creating local jobs for the future.  | Empowering our people to deliver our best performance.                               | 2. Creating an inclusive workplace for a diverse workforce<br>3. Engaging and enabling our employees to perform at our best  |
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive.   | Safety for customers, communities and employees.                                     | 4. Providing safe and secure water to meet or exceed United Nations Sustainable Development Goal #6<br>5. Improving employee and public safety outcomes  |
|  | Local solutions in partnership with communities.                                     | 6. Driving value for money and customer satisfaction across all regions and segments<br>7. Building trust among the communities we serve   |
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Accelerating environmental sustainability of the water cycle as our climate changes. | 8. Accelerating to net zero for scope 1 and 2 greenhouse gas emissions<br>9. Educating the community on climate change impacts, driving waterwise outcomes and ramping up wastewater recycling |

## Outcomes and Key Performance Indicators

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Reducing total recurring expenditure to fund our key priorities and provide socially equitable outcomes for communities:</b> |                   |                   |                                |                             |      |
| Reduction in real recurring total expenditure per service (%) <sup>(a)</sup> .....   | n/a               | n/a               | n/a                            | 1.4                         |      |
| <b>Outcome: Creating an inclusive workplace for a diverse workforce:</b>   |                   |                   |                                |                             |      |
| Employee Experience Survey - Inclusion and diversity (%) <sup>(b)(c)</sup> .....   | 2nd quartile      | n/a               | n/a                            | 2nd quartile                |      |
| <b>Outcome: Engaging and enabling our employees to perform at our best:</b>  |                   |                   |                                |                             |      |
| Employee Experience Survey - Engagement (%) <sup>(b)(c)</sup> .....  | 2nd quartile      | n/a               | n/a                            | 2nd quartile                |      |
| <b>Outcome: Providing safe and secure water to meet or exceed UN Sustainable Development Goal #6:</b>                                    |                   |                   |                                |                             |      |
| Please see footnote <sup>(d)</sup>   |                   |                   |                                |                             |      |
| <b>Outcome: Improving employee and public safety outcomes:</b>   |                   |                   |                                |                             |      |
| Total recordable injury frequency rate (per million hours worked) .....  | 4.5               | 2.2               | 4                              | <3                          |      |
| <b>Outcome: Driving value for money and customer satisfaction across all regions and segments:</b>                                       |                   |                   |                                |                             |      |
| Individual measurement of value for money, across regions and segments (score out of 10) <sup>(e)(c)</sup> .....                         | 2nd quartile      | n/a               | n/a                            | 2nd quartile                |      |
| <b>Outcome: Building trust among the communities we serve:</b>   |                   |                   |                                |                             |      |
| Individual measurement of community trust, across regions and segments (score out of 10) <sup>(e)(c)</sup> .....                         | top quartile      | n/a               | n/a                            | top quartile                |      |
| <b>Outcome: Accelerating to net zero for scope 1 and 2 greenhouse gas emissions:</b>   |                   |                   |                                |                             |      |
| Reported greenhouse gas emissions (CO <sub>2</sub> equivalent kilotonnes) <sup>(f)</sup> .....   | 736               | n/a               | 646                            | n/a                         |      |
| <b>Outcome: Educating the community on climate change impacts, driving waterwise outcomes and ramping up wastewater recycling:</b>       |                   |                   |                                |                             |      |
| Wastewater recycled (%) .....  | 21                | 21.8              | n/a                            | 21                          |      |

(a) Operating expense plus sustaining capital expense.

(b) From Qualtrics comparative data against other 'Australian companies' benchmark.

(c) New key performance indicator. 2020-21 Actual based on previously determined outcome.

(d) Key performance indicator under development and will be available in 2023-24 Budget Paper 2 and Statement of Corporate Intent.

(e) From the Water Services Association of Australia Customer Perceptions survey against 30 water utilities in Australian and New Zealand.

(f) Long-term target of net zero greenhouse gas emissions by 2050. Current measure is consistent with National Greenhouse Energy Reporting Scheme (Scope 1 and Scope 2, does not include offsets). 2021-22 Estimated Actual as at 5 April 2022.

## Asset Investment Program

1. In 2022-23, \$648.3 million has been committed to asset investment projects across the State. These projects will improve the Corporation's services and continue to ensure its customers have access to reliable, high-quality water and wastewater services.

### Expenditure in the Metropolitan Area

2. A total of \$350 million has been committed in 2022-23 to projects across the metropolitan area that ensure an ongoing supply of drinking water and the development of adequate facilities for the collection and treatment of the community's wastewater.
3. \$140.9 million has been committed to water network and supply projects, including \$8 million on the Talbot Road pipe renewal project to replace 3.5 km of pipe from Talbot Road to Scott Street in the localities of Hazelmere and Helena Valley to ensure security of supply. This project has an estimated total value of \$18.5 million.
4. \$195.3 million has been committed in 2022-23 for wastewater treatment projects in both the northern and southern corridors, including:
  - 4.1. \$44.7 million to upgrade the Woodman Point Wastewater Treatment Plant, including all aspects of the solids treatment facilities to increase treatment capacity. The project has an estimated total value of \$202.4 million; and
  - 4.2. \$18.4 million towards the Quinns Sewer Main. The project will design and construct 2 km of main sewer to enable flow from the Neerabup pump station to be conveyed to the Alkimos Wastewater Treatment Plant to cater for increased flows. The project has an estimated total value of \$39.1 million.

### Expenditure in the Regions

5. Regional Western Australia will continue to benefit from the development and upgrading of water and wastewater infrastructure, with \$169.5 million committed in 2022-23 to projects across the regions.
6. A total of \$98.8 million has been committed in 2022-23 on water projects, including:
  - 6.1. \$5.2 million towards the Merredin pipe renewal project to replace 3.5 km of pipe from the Merredin main conduit to ensure security of supply. The project has an estimated total value of \$11.1 million; and
  - 6.2. \$4.5 million upgrading the Moora Kolburn Water Treatment Plant. The upgrade will increase plant performance and treatment capacity. The project has an estimated total value of \$7.7 million.
7. A total of \$37.9 million will be spent in 2022-23 on wastewater projects, including:
  - 7.1. \$23.2 million towards upgrading wastewater treatment and management in Broome's North. The upgrade will increase the capacity and improve the treatment of wastewater and operational efficiency of the plant. The project has an estimated total value of \$45.9 million; and
  - 7.2. \$5 million towards installing a new pump station and associated pipework at Waggrakine. The new pump station will handle an increase in sewer inflows to the desired level of service. The project has an estimated total value of \$5.8 million.

### Election Commitments

8. In 2022-23, the Corporation will invest:
  - 8.1. \$11.8 million in the Essential and Municipal Services Upgrade Program for remote Aboriginal communities to deliver more reliable and improved water and wastewater services. The project has an estimated total value of \$39.1 million;
  - 8.2. \$4.1 million towards relocation and augmentation of water assets. This project has an estimated total value of \$26.4 million; and
  - 8.3. \$3 million towards installing seven gross pollution traps to storm drains at various locations to reduce plastic pollution into waterways. The project has an estimated total value of \$10 million.

**COVID-19 Response**

9. The Corporation will invest \$10.5 million in 2022-23 as part of the COVID-19 Response to drive economic, social recovery, and create local jobs. This includes investment in major water and wastewater infrastructure upgrades to improve services across regional Western Australia. The COVID-19 Response has an estimated total value of \$51.3 million.

|  | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>                               |                                   |  |   |                                     |                              |                              |                              |
| COVID-19 Response                                      |                                   |  |   |                                     |                              |                              |                              |
| Irrigation of Public Open Space in Broome .....        | 10,712                            | 6,373  | 5,587   | 4,339                               | -                            | -                            | -                            |
| Remote Aboriginal Communities Accelerated Works .....  | 38,906                            | 3,194  | 3,194   | 6,115                               | 17,588                       | 12,009                       | -                            |
| Election Commitment                                    |                                   |  |   |                                     |                              |                              |                              |
| Essential and Municipal Services Upgrade Program ..... | 39,061                            | 3,611  | 2,770   | 11,806                              | 17,059                       | 6,585                        | -                            |
| Gross Pollution Traps .....                            | 10,000                            | 500  | 500   | 3,000                               | 6,500                        | -                            | -                            |
| Olga Road - Albany Highway and Kelvin Road             |                                   |  |   |                                     |                              |                              |                              |
| Intersection (Pipe Relocation) .....                   | 6,529                             | 5,212  | 4,940   | 1,317                               | -                            | -                            | -                            |
| Relocation and Augmentation of Water Assets .....      | 26,437                            | 22,096   | 22,096  | 4,064                               | 277                          | -                            | -                            |
| Metropolitan   |                                   |  |   |                                     |                              |                              |                              |
| Drainage   |                                   |  |   |                                     |                              |                              |                              |
| Capacity .....   | 62,353                            | 40,972   | 8,132   | 6,935                               | 3,524                        | 6,145                        | 4,777                        |
| Renewals .....   | 29,155                            | 11,914   | 2,478   | 7,231                               | 2,730                        | 3,125                        | 4,155                        |
| Wastewater   |                                   |  |   |                                     |                              |                              |                              |
| Network Capacity .....                                 | 407,080                           | 149,370  | 51,453  | 86,821                              | 65,543                       | 63,775                       | 41,571                       |
| Network Renewals .....                                 | 161,928                           | 104,108  | 23,086  | 16,506                              | 11,924                       | 19,924                       | 9,466                        |
| Treatment Capacity .....                               | 531,489                           | 153,559  | 32,809  | 81,705                              | 71,165                       | 60,740                       | 164,320                      |
| Treatment Renewals .....                               | 136,412                           | 62,781   | 29,333  | 10,317                              | 16,699                       | 27,475                       | 19,140                       |
| Water  |                                   |  |   |                                     |                              |                              |                              |
| Network Capacity .....                                 | 372,299                           | 184,141  | 50,553  | 32,162                              | 31,684                       | 50,175                       | 74,137                       |
| Network Renewals .....                                 | 243,611                           | 171,620  | 24,740  | 18,640                              | 34,196                       | 11,455                       | 7,700                        |
| Supply Capacity .....                                  | 425,290                           | 270,171  | 34,978  | 63,034                              | 39,171                       | 28,967                       | 23,947                       |
| Supply Renewals .....                                  | 149,284                           | 87,354   | 22,423  | 27,066                              | 20,834                       | 9,535                        | 4,495                        |
| Regional   |                                   |  |   |                                     |                              |                              |                              |
| Drainage   |                                   |  |   |                                     |                              |                              |                              |
| Capacity .....   | 37,705                            | 33,358   | 3,312   | 1,146                               | 1,628                        | 687                          | 886                          |
| Renewals .....   | 37,092                            | 18,330   | 5,930   | 2,879                               | 6,821                        | 3,797                        | 5,265                        |
| Irrigation .....                                       | 76,625                            | 25,527   | 5,341   | 6,480                               | 9,105                        | 19,243                       | 16,270                       |
| Wastewater   |                                   |  |   |                                     |                              |                              |                              |
| Network Capacity .....                                 | 84,006                            | 46,618   | 8,023   | 5,910                               | 5,575                        | 13,009                       | 12,894                       |
| Network Renewals .....                                 | 78,703                            | 44,891   | 14,258  | 7,403                               | 9,280                        | 6,552                        | 10,577                       |
| Treatment Capacity .....                               | 246,180                           | 131,021  | 54,255  | 17,216                              | 19,655                       | 59,674                       | 18,614                       |
| Treatment Renewals .....                               | 45,137                            | 16,747   | 8,357   | 7,387                               | 7,876                        | 5,158                        | 7,969                        |
| Water  |                                   |  |   |                                     |                              |                              |                              |
| Network Capacity .....                                 | 169,406                           | 86,608   | 20,259  | 13,898                              | 11,900                       | 35,320                       | 21,680                       |
| Network Renewals .....                                 | 267,412                           | 159,838  | 50,085  | 26,344                              | 38,946                       | 17,646                       | 24,638                       |
| Supply Capacity .....                                  | 484,050                           | 233,094  | 53,877  | 54,115                              | 100,213                      | 52,905                       | 43,723                       |
| Supply Renewals .....                                  | 44,517                            | 29,997   | 9,843   | 4,451                               | 2,984                        | 2,796                        | 4,289                        |
| Service  |                                   |  |   |                                     |                              |                              |                              |
| Business Support Costs .....                           | 486,443                           | 261,212  | 43,804  | 47,097                              | 86,367                       | 48,274                       | 43,493                       |
| Capital Support Costs .....                            | 227,339                           | 113,619  | 28,259  | 28,218                              | 28,358                       | 28,501                       | 28,643                       |
| Corporate Real Estate .....                            | 161,556                           | 89,839   | 27,924  | 17,717                              | 18,000                       | 18,000                       | 18,000                       |
| Operational Information and Control .....              | 201,376                           | 93,376   | 26,772  | 27,000                              | 27,000                       | 27,000                       | 27,000                       |
| <b>COMPLETED WORKS</b>                                 |                                   |  |   |                                     |                              |                              |                              |
| COVID-19 Response - Coral Bay Wastewater Treatment     |                                   |  |   |                                     |                              |                              |                              |
| Plant Evaporation Pond Relining .....                  | 1,724                             | 1,724  | 1,579   | -                                   | -                            | -                            | -                            |
| <b>Total Cost of Asset Investment Program .....</b>    | <b>5,299,817</b>                  | <b>2,662,775</b>                                 | <b>680,950</b>                                | <b>648,319</b>                      | <b>712,602</b>               | <b>638,472</b>               | <b>637,649</b>               |
| <b>FUNDED BY</b>                                       |                                   |  |   |                                     |                              |                              |                              |
| Borrowings .....                                       |                                   |  | 22,096  | 4,064                               | 277                          | -                            | -                            |
| Internal Funds and Balances .....                      |                                   |  | 658,854                                       | 644,255                             | 712,325                      | 638,472                      | 637,649                      |
| <b>Total Funding .....</b>                             |                                   |  | <b>680,950</b>                                | <b>648,319</b>                      | <b>712,602</b>               | <b>638,472</b>               | <b>637,649</b>               |

## **Financial Statements**

### **Income Statement**

#### *Revenue*

1. 2022-23 Total Revenue is \$133.3 million higher than the 2021-22 Estimated Actual due to greater than expected returns from the sale of goods and services and operating subsidy revenue.

#### *Expenses*

2. 2022-23 Total Expenses are \$15 million higher than the 2021-22 Estimated Actual due to the reallocation of 80% of cloud-based ICT capital expenditure to operating expenditure. This is offset by savings in depreciation in the outyears.

### **Statement of Financial Position**

3. 2022-23 Net Assets are expected to increase by \$206.2 million compared to the 2021-22 Estimated Actual. This is largely due to additional capital projects in the Asset Investment Program.

### **Statement of Cashflows**

4. The 2021-22 Estimated Actual cash balance is expected to reduce by \$667.6 million compared to the 2021-22 Budget. This is largely due to the Corporation repaying debt in the short-term utilising its 2021-22 retained dividend payment. As the cost of debt is higher than forecast interest returns from the Public Bank Account, the greatest economic benefit to the Corporation when holding the 2021-22 retained dividend is to repay the quarterly maturing debt where cashflows allow. This will reduce the Corporation's interest expense on existing debt.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE</b>                            |                             |                             |  |                                     |                              |                              |                              |
| <b>Revenue from operations</b>            |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....           | 2,248,303                   | 2,282,189                   | 2,295,795                                | 2,372,012                           | 2,452,067                    | 2,543,715                    | 2,648,420                    |
| Other revenue .....                       | 216,675                     | 138,448                     | 174,507                                  | 192,001                             | 212,180                      | 227,852                      | 232,173                      |
| <b>Revenue from Government</b>            |                             |                             |  |                                     |                              |                              |                              |
| Operating subsidies.....                  | 218,579                     | 364,349                     | 393,170                                  | 472,023                             | 514,065                      | 516,923                      | 517,561                      |
| Capital subsidies .....                   | 5,944                       | 25,130                      | 3,520                                    | 35,806                              | 45,284                       | 6,585                        | -                            |
| Royalties for Regions .....               | 250,000                     | 126,816                     | 126,016                                  | 53,957                              | -                            | -                            | -                            |
| Other subsidies .....                     | 10,857                      | 11,528                      | 11,528                                   | 12,006                              | 12,292                       | 600                          | 200                          |
| <b>TOTAL REVENUE.....</b>                 | <b>2,950,358</b>            | <b>2,948,460</b>            | <b>3,004,536</b>                         | <b>3,137,805</b>                    | <b>3,235,888</b>             | <b>3,295,675</b>             | <b>3,398,354</b>             |
| <b>Expenses</b>                           |                             |                             |  |                                     |                              |                              |                              |
| Claims expense.....                       | -                           | 2,477                       | -  | -                                   | -                            | -                            | -                            |
| Employee benefits <sup>(b)</sup> .....    | 355,143                     | 438,905                     | 450,234                                  | 449,974                             | 452,026                      | 455,913                      | 459,430                      |
| Supplies and services .....               | 484,868                     | 412,207                     | 479,454                                  | 475,060                             | 485,166                      | 490,712                      | 493,188                      |
| Accommodation .....                       | 7,554                       | 8,021                       | 7,772                                    | 8,202                               | 8,386                        | 8,575                        | 8,747                        |
| Depreciation and amortisation .....       | 532,117                     | 558,354                     | 547,482                                  | 541,070                             | 543,926                      | 543,309                      | 543,809                      |
| Finance and interest costs.....           | 182,479                     | 175,950                     | 167,874                                  | 169,953                             | 175,914                      | 174,360                      | 174,978                      |
| Other expenses.....                       | 138,724                     | 129,908                     | 136,184                                  | 159,802                             | 137,897                      | 139,410                      | 167,191                      |
| <b>TOTAL EXPENSES.....</b>                | <b>1,700,885</b>            | <b>1,725,822</b>            | <b>1,789,000</b>                         | <b>1,804,061</b>                    | <b>1,803,315</b>             | <b>1,812,279</b>             | <b>1,847,343</b>             |
| <b>NET PROFIT/(LOSS) BEFORE TAX .....</b> | <b>1,249,473</b>            | <b>1,222,638</b>            | <b>1,215,536</b>                         | <b>1,333,744</b>                    | <b>1,432,573</b>             | <b>1,483,396</b>             | <b>1,551,011</b>             |
| National Tax Equivalent Regime            |                             |                             |  |                                     |                              |                              |                              |
| Current tax equivalent expense.....       | 376,699                     | 371,019                     | 367,017                                  | 405,810                             | 436,686                      | 454,131                      | 472,699                      |
| Deferred tax equivalent expense.....      | (2,835)                     | (3,974)                     | (2,865)                                  | (6,223)                             | (7,424)                      | (9,619)                      | (7,903)                      |
| <b>NET PROFIT/(LOSS) AFTER TAX .....</b>  | <b>875,609</b>              | <b>855,593</b>              | <b>851,384</b>                           | <b>934,157</b>                      | <b>1,003,311</b>             | <b>1,038,884</b>             | <b>1,086,215</b>             |
| <b>Dividends .....</b>                    | <b>642,413</b>              | <b>-</b>                    | <b>-</b>                                 | <b>727,965</b>                      | <b>782,200</b>               | <b>840,777</b>               | <b>884,478</b>               |

(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 3,499, 3,607 and 3,607 respectively.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                                 |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                                     | 367,328                     | 30,675                      | 131,519                                  | 182,590                             | 205,404                      | 211,202                      | 225,269                      |
| Cash assets - Retained dividends <sup>(b)</sup> ..... | -                           | 1,354,873                   | 586,390                                  | 577,629                             | 577,629                      | 577,629                      | 577,629                      |
| Restricted Cash .....                                 | -                           | -                           | -  | -                                   | -                            | -                            | 4,683                        |
| Receivables .....                                     | 214,510                     | 216,352                     | 227,884                                  | 235,186                             | 243,131                      | 251,690                      | 260,663                      |
| Other .....   | 89,133                      | 87,097                      | 92,134                                   | 93,034                              | 95,034                       | 97,134                       | 99,334                       |
| Total current assets .....                            | 670,971                     | 1,688,997                   | 1,037,927                                | 1,088,439                           | 1,121,198                    | 1,137,655                    | 1,167,578                    |
| <b>NON-CURRENT ASSETS</b>                             |                             |                             |  |                                     |                              |                              |                              |
| Property, plant and equipment .....                   | 17,761,277                  | 17,967,695                  | 17,883,716                               | 18,061,974                          | 18,299,361                   | 18,471,708                   | 18,640,178                   |
| Intangibles .....                                     | 130,242                     | 110,308                     | 65,255                                   | 65,255                              | 65,255                       | 65,255                       | 65,255                       |
| Receivables .....                                     | 24,868                      | 23,934                      | 24,867                                   | 24,867                              | 24,868                       | 24,866                       | 24,866                       |
| Total non-current assets .....                        | 17,916,387                  | 18,101,937                  | 17,973,838                               | 18,152,096                          | 18,389,484                   | 18,561,829                   | 18,730,299                   |
| <b>TOTAL ASSETS</b> .....                             | 18,587,358                  | 19,790,934                  | 19,011,765                               | 19,240,535                          | 19,510,682                   | 19,699,484                   | 19,897,877                   |
| <b>CURRENT LIABILITIES</b>                            |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                             | 115,053                     | 99,014                      | 115,036                                  | 117,136                             | 117,536                      | 117,536                      | 117,536                      |
| Payables .....  | 307,584                     | 343,753                     | 354,968                                  | 380,091                             | 391,493                      | 379,252                      | 377,738                      |
| Borrowings and leases .....                           | 17,539                      | 19,688                      | 19,712                                   | 19,259                              | 18,865                       | 19,103                       | 19,340                       |
| Other .....   | 58,896                      | 49,237                      | 63,233                                   | 63,365                              | 63,659                       | 64,499                       | 65,795                       |
| Total current liabilities .....                       | 499,072                     | 511,692                     | 552,949                                  | 579,851                             | 591,553                      | 580,390                      | 580,409                      |
| <b>NON-CURRENT LIABILITIES</b>                        |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                             | 39,942                      | 49,001                      | 39,959                                   | 37,859                              | 37,459                       | 37,459                       | 37,459                       |
| Borrowings and leases <sup>(b)</sup> .....            | 6,003,993                   | 6,360,224                   | 5,636,220                                | 5,638,217                           | 5,681,375                    | 5,690,852                    | 5,693,392                    |
| Other .....   | 253,186                     | 238,044                     | 252,321                                  | 248,100                             | 242,676                      | 235,057                      | 229,154                      |
| Total non-current liabilities .....                   | 6,297,121                   | 6,647,269                   | 5,928,500                                | 5,924,176                           | 5,961,510                    | 5,963,368                    | 5,960,005                    |
| <b>TOTAL LIABILITIES</b> .....                        | 6,796,193                   | 7,158,961                   | 6,481,449                                | 6,504,027                           | 6,553,063                    | 6,543,758                    | 6,540,414                    |
| <b>NET ASSETS</b> .....                               | 11,791,165                  | 12,631,973                  | 12,530,316                               | 12,736,508                          | 12,957,619                   | 13,155,726                   | 13,357,463                   |
| <b>EQUITY</b>   |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                              | 234,698                     | 234,698                     | 257,608                                  | 257,608                             | 257,608                      | 257,608                      | 257,608                      |
| Accumulated surplus/(deficit) <sup>(c)</sup> .....    | 4,229,791                   | 5,070,599                   | 4,946,032                                | 5,152,224                           | 5,373,335                    | 5,571,442                    | 5,773,179                    |
| Reserves .....  | 7,326,676                   | 7,326,676                   | 7,326,676                                | 7,326,676                           | 7,326,676                    | 7,326,676                    | 7,326,676                    |
| <b>TOTAL EQUITY</b> .....                             | 11,791,165                  | 12,631,973                  | 12,530,316                               | 12,736,508                          | 12,957,619                   | 13,155,726                   | 13,357,463                   |

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

(b) The Corporation retained its 2021-22 dividend payment of \$1.4 billion in the 2021-22 Budget to contribute to funding future infrastructure assets. The Corporation has partially utilised these funds to reduce borrowings until required.

(c) In line with an International Financial Reporting Interpretations Committee decision issued in April 2021, the Corporation has forecast the write-off of cloud-based ICT arrangements that were capitalised pre-1 July 2021 to retained earnings as reflected in the 2021-22 Estimated Actual.

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....                            | 2,255,152                   | 2,272,180                   | 2,252,911                                | 2,359,871                           | 2,460,970                    | 2,535,990                    | 2,633,520                    |
| Grants and subsidies.....                                  | -                           | -                           | 1,887                                    | 3,775                               | 1,888                        | -                            | -                            |
| GST receipts.....  | 116,901                     | 119,224                     | 119,224                                  | 117,182                             | 116,008                      | 117,589                      | 117,589                      |
| Other receipts.....  | 148,323                     | 109,332                     | 129,846                                  | 135,716                             | 155,975                      | 168,099                      | 171,491                      |
| <b>Payments</b>  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....                                     | (337,460)                   | (434,998)                   | (446,226)                                | (445,864)                           | (447,809)                    | (451,594)                    | (455,031)                    |
| Supplies and services.....                                 | (484,868)                   | (412,207)                   | (479,454)                                | (475,060)                           | (485,166)                    | (490,712)                    | (493,188)                    |
| GST payments.....  | (115,556)                   | (119,770)                   | (119,770)                                | (117,719)                           | (116,539)                    | (118,127)                    | (118,127)                    |
| Finance and interest costs.....                            | (221,925)                   | (185,901)                   | (178,672)                                | (182,090)                           | (186,150)                    | (186,653)                    | (187,920)                    |
| Other payments.....  | (148,794)                   | (116,609)                   | (85,242)                                 | (161,270)                           | (146,590)                    | (131,823)                    | (161,544)                    |
| <b>Net cash from operating activities.....</b>             | <b>1,211,773</b>            | <b>1,231,251</b>            | <b>1,194,504</b>                         | <b>1,234,541</b>                    | <b>1,352,587</b>             | <b>1,442,769</b>             | <b>1,506,790</b>             |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from sale of non-current assets.....              | 10,781                      | 1,600                       | 1,600                                    | 1,600                               | 1,600                        | 1,601                        | 1,600                        |
| <b>Payments</b>  |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets <sup>(b)</sup> .....        | (681,892)                   | (699,229)                   | (680,950)                                | (648,319)                           | (712,602)                    | (638,472)                    | (637,649)                    |
| <b>Net cash from investing activities.....</b>             | <b>(671,111)</b>            | <b>(697,629)</b>            | <b>(679,350)</b>                         | <b>(646,719)</b>                    | <b>(711,002)</b>             | <b>(636,871)</b>             | <b>(636,049)</b>             |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from borrowings.....                              | -                           | 1,156,064                   | 424,459                                  | 739,485                             | 785,165                      | 758,464                      | 761,938                      |
| <b>Payments</b>  |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases.....                    | (205,231)                   | (793,328)                   | (792,043)                                | (743,448)                           | (744,127)                    | (751,271)                    | (757,329)                    |
| Other payments.....  | (8,350)                     | (8,729)                     | (8,729)                                  | (7,336)                             | (7,459)                      | (7,579)                      | (7,724)                      |
| <b>Net cash from financing activities.....</b>             | <b>(213,581)</b>            | <b>354,007</b>              | <b>(376,313)</b>                         | <b>(11,299)</b>                     | <b>33,579</b>                | <b>(386)</b>                 | <b>(3,115)</b>               |
| <b>CASHFLOWS FROM GOVERNMENT</b>                           |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>  |                             |                             |  |                                     |                              |                              |                              |
| Capital subsidies.....                                     | 237                         | 32,000                      | 24,029                                   | 36,232                              | 22,853                       | -                            | -                            |
| Operating subsidies.....                                   | 218,579                     | 364,349                     | 393,170                                  | 472,023                             | 514,065                      | 516,923                      | 517,561                      |
| Royalties for Regions.....                                 | 250,000                     | 126,816                     | 126,016                                  | 53,957                              | -                            | -                            | -                            |
| Equity contributions.....                                  | -                           | -                           | 22,910                                   | -                                   | -                            | -                            | -                            |
| Other subsidies.....                                       | 10,857                      | 11,528                      | 11,528                                   | 12,006                              | 12,292                       | 600                          | 200                          |
| <b>Payments</b>  |                             |                             |  |                                     |                              |                              |                              |
| Dividends to Government.....                               | (642,413)                   | -                           | -  | (727,965)                           | (782,200)                    | (840,773)                    | (884,478)                    |
| National Tax Equivalent Regime - Income tax...             | (391,960)                   | (374,888)                   | (358,141)                                | (372,264)                           | (410,974)                    | (467,889)                    | (473,412)                    |
| Local Government Rates Equivalent.....                     | (7,554)                     | (8,021)                     | (7,772)                                  | (8,202)                             | (8,386)                      | (8,575)                      | (8,747)                      |
| <b>Net cash provided to Government.....</b>                | <b>562,254</b>              | <b>(151,784)</b>            | <b>(211,740)</b>                         | <b>534,213</b>                      | <b>652,350</b>               | <b>799,714</b>               | <b>848,876</b>               |
| <b>NET INCREASE/(DECREASE) IN CASH HELD.....</b>           | <b>(235,173)</b>            | <b>1,039,413</b>            | <b>350,581</b>                           | <b>42,310</b>                       | <b>22,814</b>                | <b>5,798</b>                 | <b>18,750</b>                |
| Cash assets at the beginning of the reporting period.....  | 602,501                     | 346,135                     | 367,328                                  | 717,909                             | 760,219                      | 783,033                      | 788,831                      |
| <b>Cash assets at the end of the reporting period.....</b> | <b>367,328</b>              | <b>1,385,548</b>            | <b>717,909</b>                           | <b>760,219</b>                      | <b>783,033</b>               | <b>788,831</b>               | <b>807,581</b>               |

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

(b) Due to an International Financial Reporting Interpretations Committee decision issued in April 2021, the Corporation expects more ICT services to be cloud-based computing arrangements and expensed through the Income Statement.



# Bunbury Water Corporation

## Part 12 Utilities

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

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE TO GENERAL GOVERNMENT<br/>SECTOR</b>               |                             |                             |  |                                     |                              |                              |                              |
| National Tax Equivalent Regime - Income Tax.....              | 1,184                       | 1,687                       | 1,210                                    | 897                                 | 1,037                        | 1,427                        | 1,883                        |
| Local Government Rates Equivalent .....                       | 84                          | 86                          | 104                                      | 96                                  | 98                           | 101                          | 103                          |
| Dividends <sup>(a)(b)</sup> .....                             | 2,110                       | -                           | -  | 910                                 | 1,085                        | 1,265                        | 1,757                        |
| <b>EXPENSES FROM GENERAL<br/>GOVERNMENT SECTOR</b>            |                             |                             |  |                                     |                              |                              |                              |
| Operating Subsidies.....                                      | 786                         | 798                         | 856                                      | 1,232                               | 1,692                        | 2,141                        | 2,683                        |
| <b>EQUITY CONTRIBUTION FROM<br/>GENERAL GOVERNMENT SECTOR</b> |                             |                             |  |                                     |                              |                              |                              |
| Equity Contribution <sup>(c)</sup> .....                      | 11,900                      | -                           | 10,170                                   | 11,050                              | -                            | -                            | -                            |
| <b>RATIOS</b>   |                             |                             |  |                                     |                              |                              |                              |
| Dividend Payout Ratio (%) .....                               | 85                          | -                           | -  | 85                                  | 85                           | 85                           | 85                           |
| <b>GOVERNMENT TRADING ENTERPRISE<br/>INFORMATION</b>          |                             |                             |  |                                     |                              |                              |                              |
| Revenue from Operations .....                                 | 16,328                      | 19,004                      | 18,590                                   | 17,221                              | 17,883                       | 18,616                       | 19,335                       |
| Revenue from Government .....                                 | 786                         | 798                         | 856                                      | 1,232                               | 1,692                        | 2,141                        | 2,683                        |
| Total Expenses <sup>(d)</sup> .....                           | 14,536                      | 14,085                      | 14,849                                   | 16,217                              | 17,022                       | 17,270                       | 17,434                       |
| Total Borrowings .....  | 6,602                       | 11,364                      | 5,807                                    | 15,509                              | 13,812                       | 12,084                       | 10,325                       |
| <b>NET PROFIT AFTER TAX.....</b>                              | 1,394                       | 4,030                       | 3,387                                    | 1,339                               | 1,516                        | 2,060                        | 2,701                        |
| <b>CASH ASSETS <sup>(e)</sup> .....</b>                       | 10,579                      | 4,415                       | 14,744                                   | 1,204                               | 1,426                        | 1,822                        | 1,487                        |

(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) Aqwest will retain 2021-22 dividend payments to contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise (GTE) for further detail.

(c) Aqwest will receive a \$10.2 million equity contribution in 2021-22 and \$11.1 million in 2022-23 for the fluoridation of its water network (\$0.6 million in 2021-22 and \$10 million in 2022-23) and the Bunbury Water Resource Recovery Scheme (\$9.6 million in 2021-22 and \$1.1 million in 2022-23).

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

(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 GTE's Income Statement since presentation of the 2021-22 Budget to Parliament on 9 September 2021, are outlined below:

|   | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COVID-19 Response</b>                                  |  |                                     |                              |                              |                              |
| Bunbury Water Resource Recovery Scheme Update .....       | (101)                                    | (2,042)                             | (510)                        | (621)                        | -                            |
| <b>Key Adjustments</b>                                    |  |                                     |                              |                              |                              |
| Fluoridation of Aqwest's Water Network .....              | -  | -                                   | 100                          | 228                          | 228                          |
| Water Tariff Increase and Operating Subsidy .....         | -  | (150)                               | 11                           | 221                          | 375                          |
| Workforce Expansion and Other Strategic Expenditure ..... | 1  | (344)                               | (769)                        | (799)                        | (859)                        |
| <b>Other</b>  |  |                                     |                              |                              |                              |
| Operating Revenue and Expenditure Update .....            | (417)                                    | (270)                               | 38                           | (191)                        | (896)                        |

## Significant Issues Impacting the Government Trading Enterprise

### Climate Change

1. In 2020, the Government released the Western Australian Climate Policy, which sets out a plan to make Western Australia more climate-resilient and ensure a prosperous low-carbon future. Aqwest is now reviewing its Environmental Sustainability Strategic Plan to bring in renewable energy, waste and recycling targets, to help achieve net zero greenhouse gas emissions by 2050. As a regional water provider Aqwest is nominated as a lead agency within the policy with the action to 'Invest in water infrastructure and water recycling to enhance security, efficiency and resilience of community water schemes'.
2. In the South West, the effects of climate change have never been more apparent than they are today. Since the mid-1970s, a 15% reduction in average annual rainfall has been recorded. Further to this, the threat of saltwater intrusion is reducing the long-term sustainability of Aqwest's only viable water source, the Yarragadee Aquifer.

### COVID-19 Response

3. As part of the COVID-19 Response, \$28 million has been invested in the Bunbury Water Resource Recovery Scheme (BWRRS), to provide recycled water for irrigation of public open space, construction and other industrial activities. The construction of the scheme will create local jobs and the sale of the recycled water will provide an alternative revenue stream (differing from potable water sales) for the first time in Aqwest's 117-year history.
4. The impacts of COVID-19 continue to present challenges and opportunities for Aqwest. Throughout the pandemic, Aqwest has focused on delivering safe, high quality drinking water that is not compromised in the current uncertain environment. Aqwest has maintained a safe and effective work environment by refining its incident management planning and deployment in response to changing COVID-19 restrictions.

### 2021-22 Retained Dividend

5. Aqwest will retain its forecast 2021-22 dividend payment to fund future infrastructure investment, with the funds to be quarantined until the Government approves business cases for the strategic infrastructure requirements. The forecast \$1.8 million retained dividend, as part of the 2021-22 Budget, was revised down to \$1 million based on Aqwest's Estimated Actual outcome for 2021-22. This amount (\$1 million) has been allocated to the BWRRS.

## 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 Goals   | Strategic Objectives   | Desired Outcomes   |
|--|--|--|
| Strong and Sustainable Finances:<br>Responsible, achievable, affordable budget management.   | Utilise our assets to generate sustainable and responsible financial outcomes.                           | 1. Long-term financial viability   |
|  | Maintain safe, reliable and affordable water services for our customers.                                 | 2. Satisfied customers   |
| WA Jobs Plan:<br>Diversifying the WA economy, creating local jobs for the future.  | Support the Greater Bunbury economy.   | 3. Local jobs and local suppliers  |
|  | Develop innovation opportunities within the circular economy.  | 4. Highly skilled and diversified workforce  |
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive.   | Provide accessibility and support for employees, vulnerable customers and the Greater Bunbury community. | 5. Strong supported community  |
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Provide climate resilient, sustainable, fit for purpose water to the community.                          | 6. Safe, reliable, high quality drinking water<br>7. Safe, reliable, recycled water available<br>8. Environmentally sustainable operations |

**Outcomes and Key Performance Indicators <sup>(a)</sup>**

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Long-term financial viability:</b>                             |                   |                   |                                |                             |      |
| Economic real rate of return .....   | 2%                | 3.6%              | 3.5%                           | 1.3%                        | 1    |
| <b>Outcome: Satisfied customers:</b>                                       |                   |                   |                                |                             |      |
| Overall customer satisfaction rating .....                                 | 86%               | 85%               | 88%                            | 85%                         |      |
| <b>Outcome: Local jobs and local suppliers:</b>                            |                   |                   |                                |                             |      |
| Percentage of local suppliers (Buy Local Policy target) .....              | 67%               | 70%               | 67%                            | 70%                         |      |
| <b>Outcome: Highly skilled and diversified workforce:</b>                  |                   |                   |                                |                             |      |
| Increase jobs by >2% per annum <sup>(b)</sup> .....                        | nil               | >2%               | >2%                            | >2%                         |      |
| Training expenditure per annum against salaries and wages .....            | 0.9%              | >3%               | >3%                            | >3%                         |      |
| Safety index .....   | 0.8               | 1                 | 1                              | 1                           |      |
| <b>Outcome: Strong supported community:</b>                                |                   |                   |                                |                             |      |
| Customer awareness of Aqwest services .....                                | 95%               | 85%               | 93%                            | 85%                         |      |
| Employee diversity and wellbeing index <sup>(c)</sup> .....                | n/a               | 1                 | 1                              | 1                           |      |
| Strong communities index <sup>(c)</sup> .....                              | n/a               | 1                 | 1                              | 1                           |      |
| <b>Outcome: Safe, reliable, high quality drinking water:</b>               |                   |                   |                                |                             |      |
| Customers agree water is safe to drink .....                               | 86%               | 85%               | 86%                            | 85%                         |      |
| Microbiological compliance .....   | 100%              | 100%              | 100%                           | 100%                        |      |
| Average frequency of an unplanned interruption (per 1000 properties) ..... | 165               | <250              | <250                           | <250                        |      |
| <b>Outcome: Safe, reliable, recycled water available:</b>                  |                   |                   |                                |                             |      |
| Make available 2GL of recycled water per annum <sup>(c)</sup> .....        | n/a               | 2                 | nil                            | 2                           | 2    |
| <b>Outcome: Environmentally sustainable operations:</b>                    |                   |                   |                                |                             |      |
| Environmental sustainability index <sup>(c)</sup> .....                    | n/a               | 1                 | 1                              | 1                           |      |

(a) A detailed explanation of the composition of the indices is provided in Aqwest's 2022-23 Statement of Corporate Intent.

(b) This indicator targets an increase to full-time jobs by decreasing contracted work without negatively impacting on operating expenses.

(c) Not reported in 2020-21, new indicators for 2021-22.

**Explanation of Significant Movements**

(Notes)

1. The 2022-23 Budget Target is reduced due to an expansion in Aqwest's asset base.
2. The BWRRS's scheduled completion date has been delayed until December 2022; therefore, no recycled water will be produced in the 2021-22 financial year.

## **Asset Investment Program**

### **Key Deliverables**

1. Aqwest's Asset Investment Program totals \$48 million across the forward estimates period and is a continuance of Aqwest's long-term plan to deliver quality community services by developing and maintaining infrastructure to meet the water supply needs for Bunbury and surrounding areas.
2. The total investment over the forward estimates period includes:
  - 2.1. \$10 million to fluoridate the water supply;
  - 2.2. \$9.6 million to refurbish and maintain existing reservoir and water treatment plant infrastructure; and
  - 2.3. \$5.3 million to replace ageing water mains.

### **COVID-19 Response**

3. Aqwest will invest \$28 million under the COVID-19 Response for the BWRRS. The Scheme will provide recycled water for use on major infrastructure projects and irrigation of public open spaces, reducing the impact on groundwater sources.

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>WORKS IN PROGRESS</b>                            |                                   |  |   |                                     |                              |                              |                              |
| <b>COVID-19 Response</b>                            |                                   |  |   |                                     |                              |                              |                              |
| Water Resource Recovery Scheme .....                | 27,992                            | 7,950  | 6,568   | 20,042                              | -                            | -                            | -                            |
| <b>Other Works in Progress</b>                      |                                   |  |   |                                     |                              |                              |                              |
| Treatment Plants - Fluoridation .....               | 10,600                            | 600  | 600   | 10,000                              | -                            | -                            | -                            |
| <b>COMPLETED WORKS</b>                              |                                   |  |   |                                     |                              |                              |                              |
| Fleet, ICT and Other - 2021-22 Program .....        | 1,347                             | 1,347  | 1,347   | -                                   | -                            | -                            | -                            |
| Mains - 2021-22 Program .....                       | 843                               | 843  | 843   | -                                   | -                            | -                            | -                            |
| Reservoirs - 2021-22 Program .....                  | 822                               | 822  | 822   | -                                   | -                            | -                            | -                            |
| Services - 2021-22 Program .....                    | 331                               | 331  | 331   | -                                   | -                            | -                            | -                            |
| Treatment Plants                                    |                                   |  |   |                                     |                              |                              |                              |
| 2021-22 Program .....                               | 1,375                             | 1,375  | 1,375   | -                                   | -                            | -                            | -                            |
| Ngoora Moolinap Water Treatment Plant .....         | 14,379                            | 14,379   | 100   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>                                    |                                   |  |   |                                     |                              |                              |                              |
| Fleet, ICT and Other                                |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                               | 1,393                             | -  | -   | 1,393                               | -                            | -                            | -                            |
| 2023-24 Program .....                               | 803                               | -  | -   | -                                   | 803                          | -                            | -                            |
| 2024-25 Program .....                               | 405                               | -  | -   | -                                   | -                            | 405                          | -                            |
| 2025-26 Program .....                               | 445                               | -  | -   | -                                   | -                            | -                            | 445                          |
| Mains   |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                               | 2,189                             | -  | -   | 2,189                               | -                            | -                            | -                            |
| 2023-24 Program .....                               | 1,170                             | -  | -   | -                                   | 1,170                        | -                            | -                            |
| 2024-25 Program .....                               | 981                               | -  | -   | -                                   | -                            | 981                          | -                            |
| 2025-26 Program .....                               | 1,003                             | -  | -   | -                                   | -                            | -                            | 1,003                        |
| Reservoirs  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                               | 2,786                             | -  | -   | 2,786                               | -                            | -                            | -                            |
| 2023-24 Program .....                               | 450                               | -  | -   | -                                   | 450                          | -                            | -                            |
| 2024-25 Program .....                               | 650                               | -  | -   | -                                   | -                            | 650                          | -                            |
| 2025-26 Program .....                               | 2,285                             | -  | -   | -                                   | -                            | -                            | 2,285                        |
| Services  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                               | 74                                | -  | -   | 74                                  | -                            | -                            | -                            |
| 2023-24 Program .....                               | 75                                | -  | -   | -                                   | 75                           | -                            | -                            |
| 2024-25 Program .....                               | 76                                | -  | -   | -                                   | -                            | 76                           | -                            |
| 2025-26 Program .....                               | 78                                | -  | -   | -                                   | -                            | -                            | 78                           |
| Treatment Plants                                    |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                               | 1,642                             | -  | -   | 1,642                               | -                            | -                            | -                            |
| 2023-24 Program .....                               | 467                               | -  | -   | -                                   | 467                          | -                            | -                            |
| 2024-25 Program .....                               | 999                               | -  | -   | -                                   | -                            | 999                          | -                            |
| 2025-26 Program .....                               | 37                                | -  | -   | -                                   | -                            | -                            | 37                           |
| <b>Total Cost of Asset Investment Program .....</b> | <b>75,697</b>                     | <b>27,647</b>                                    | <b>11,986</b>                                 | <b>38,126</b>                       | <b>2,965</b>                 | <b>3,111</b>                 | <b>3,848</b>                 |
| <b>FUNDED BY</b>                                    |                                   |  |   |                                     |                              |                              |                              |
| Borrowings .....                                    |                                   |  | 1,837   | 2,451                               | 1,058                        | 1,616                        | -                            |
| Capital Appropriation .....                         |                                   |  | 10,170  | 11,050                              | -                            | -                            | -                            |
| Internal Funds and Balances .....                   |                                   |  | (2,271)                                       | 24,625                              | 1,907                        | 1,495                        | 3,848                        |
| Other Grants and Subsidies .....                    |                                   |  | 2,250   | -                                   | -                            | -                            | -                            |
| <b>Total Funding .....</b>                          |                                   |  | <b>11,986</b>                                 | <b>38,126</b>                       | <b>2,965</b>                 | <b>3,111</b>                 | <b>3,848</b>                 |

## Financial Statements

### Income Statement

#### Revenue

- Revenue is forecast to increase through higher than forecast returns from goods and services and subsidy revenue streams over the forward estimates period.

#### Expenses

- Total expenses are forecast to increase over the forward estimates period due to the implementation of Aqwest's Strategic Workforce Plan, which is driven by organisational growth and the requirement for increased staffing levels.

### Statement of Financial Position

- Property, Plant and Equipment, borrowings and equity contributions are increasing in line with Aqwest's current Asset Investment Program.

### Statement of Cashflows

- Aqwest's cash position is forecast to remain relatively steady over the forward estimates period.

#### INCOME STATEMENT <sup>(a)</sup> (Controlled)

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE</b>   |                             |                             |  |                                     |                              |                              |                              |
| <b>Revenue from operations</b>   |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....  | 14,967                      | 15,382                      | 15,429                                   | 16,035                              | 16,651                       | 17,356                       | 18,044                       |
| Other revenue .....  | 1,361                       | 3,622                       | 3,161                                    | 1,186                               | 1,232                        | 1,260                        | 1,291                        |
| <b>Revenue from Government</b>   |                             |                             |  |                                     |                              |                              |                              |
| Operating subsidies <sup>(b)</sup> .....                                 | 786                         | 798                         | 856                                      | 1,232                               | 1,692                        | 2,141                        | 2,683                        |
| <b>TOTAL REVENUE.....</b>  | <b>17,114</b>               | <b>19,802</b>               | <b>19,446</b>                            | <b>18,453</b>                       | <b>19,575</b>                | <b>20,757</b>                | <b>22,018</b>                |
| <b>Expenses</b>  |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(c)(d)</sup> .....                                | 4,648                       | 4,767                       | 4,869                                    | 5,870                               | 6,016                        | 6,181                        | 6,346                        |
| Supplies and services .....  | 3,146                       | 3,234                       | 3,837                                    | 3,921                               | 3,209                        | 3,300                        | 3,289                        |
| Accommodation .....  | 798                         | 861                         | 1,031                                    | 1,189                               | 1,218                        | 1,248                        | 1,282                        |
| Depreciation and amortisation .....                                      | 4,157                       | 3,035                       | 3,454                                    | 3,486                               | 4,523                        | 4,511                        | 4,405                        |
| Finance and interest costs.....  | 165                         | 118                         | 103                                      | 89                                  | 275                          | 244                          | 213                          |
| Other expenses.....  | 1,622                       | 2,070                       | 1,555                                    | 1,662                               | 1,781                        | 1,786                        | 1,899                        |
| <b>TOTAL EXPENSES.....</b>   | <b>14,536</b>               | <b>14,085</b>               | <b>14,849</b>                            | <b>16,217</b>                       | <b>17,022</b>                | <b>17,270</b>                | <b>17,434</b>                |
| <b>NET PROFIT/(LOSS) BEFORE TAX .....</b>                                | <b>2,578</b>                | <b>5,717</b>                | <b>4,597</b>                             | <b>2,236</b>                        | <b>2,553</b>                 | <b>3,487</b>                 | <b>4,584</b>                 |
| National Tax Equivalent Regime - Current<br>tax equivalent expense ..... | 1,184                       | 1,687                       | 1,210                                    | 897                                 | 1,037                        | 1,427                        | 1,883                        |
| <b>NET PROFIT/(LOSS) AFTER TAX .....</b>                                 | <b>1,394</b>                | <b>4,030</b>                | <b>3,387</b>                             | <b>1,339</b>                        | <b>1,516</b>                 | <b>2,060</b>                 | <b>2,701</b>                 |
| <b>Dividends .....</b>   | <b>2,110</b>                | <b>-</b>                    | <b>-</b>                                 | <b>910</b>                          | <b>1,085</b>                 | <b>1,265</b>                 | <b>1,757</b>                 |

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

(b) From 2022-23 onwards, Aqwest will receive an Operating subsidy to fund the gap between the cost of providing services to residential customers and the revenue received from those customers.

(c) Wages will increase in 2022-23 due to the implementation of Aqwest's Strategic Workforce Plan.

(d) The full-time equivalents for 2020-21 Actual, 2021-22 Estimated Actual and 2022-23 Budget Year are 35, 50 and 55 respectively.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                              |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                                  | 10,579                      | 2,589                       | 14,744                                   | 1,204                               | 1,426                        | 1,822                        | 1,487                        |
| Cash assets - Retained dividends.....              | -                           | 1,826                       | -  | -                                   | -                            | -                            | -                            |
| Receivables .....                                  | 1,945                       | 1,585                       | 1,995                                    | 2,045                               | 2,098                        | 2,148                        | 2,201                        |
| Other.....   | 745                         | 1,024                       | 763                                      | 782                                 | 802                          | 822                          | 843                          |
| Total current assets .....                         | 13,269                      | 7,024                       | 17,502                                   | 4,031                               | 4,326                        | 4,792                        | 4,531                        |
| <b>NON-CURRENT ASSETS</b>                          |                             |                             |  |                                     |                              |                              |                              |
| Property, plant and equipment <sup>(b)</sup> ..... | 121,717                     | 133,710                     | 130,314                                  | 165,022                             | 163,531                      | 162,203                      | 161,722                      |
| Other.....   | 1,945                       | -                           | 1,945                                    | 1,945                               | 1,945                        | 1,945                        | 1,945                        |
| Total non-current assets .....                     | 123,662                     | 133,710                     | 132,259                                  | 166,967                             | 165,476                      | 164,148                      | 163,667                      |
| <b>TOTAL ASSETS .....</b>                          | <b>136,931</b>              | <b>140,734</b>              | <b>149,761</b>                           | <b>170,998</b>                      | <b>169,802</b>               | <b>168,940</b>               | <b>168,198</b>               |
| <b>CURRENT LIABILITIES</b>                         |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                          | 926                         | 812                         | 862                                      | 884                                 | 906                          | 928                          | 950                          |
| Payables.....                                      | 1,736                       | 1,723                       | 1,880                                    | 1,927                               | 1,975                        | 2,024                        | 2,075                        |
| Borrowings and leases <sup>(c)</sup> .....         | 795                         | 1,353                       | 798                                      | 1,697                               | 1,728                        | 1,759                        | 1,791                        |
| Other.....   | 12                          | 13                          | -  | -                                   | -                            | -                            | -                            |
| Total current liabilities .....                    | 3,469                       | 3,901                       | 3,540                                    | 4,508                               | 4,609                        | 4,711                        | 4,816                        |
| <b>NON-CURRENT LIABILITIES</b>                     |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....                          | 34                          | 22                          | 35                                       | 22                                  | 22                           | 22                           | 22                           |
| Borrowings and leases <sup>(c)</sup> .....         | 5,807                       | 10,011                      | 5,009                                    | 13,812                              | 12,084                       | 10,325                       | 8,534                        |
| Other.....   | 11,339                      | 11,179                      | 11,339                                   | 11,339                              | 11,339                       | 11,339                       | 11,339                       |
| Total non-current liabilities .....                | 17,180                      | 21,212                      | 16,383                                   | 25,173                              | 23,445                       | 21,686                       | 19,895                       |
| <b>TOTAL LIABILITIES.....</b>                      | <b>20,649</b>               | <b>25,113</b>               | <b>19,923</b>                            | <b>29,681</b>                       | <b>28,054</b>                | <b>26,397</b>                | <b>24,711</b>                |
| <b>NET ASSETS .....</b>                            | <b>116,282</b>              | <b>115,621</b>              | <b>129,838</b>                           | <b>141,317</b>                      | <b>141,748</b>               | <b>142,543</b>               | <b>143,487</b>               |
| <b>EQUITY</b>                                      |                             |                             |  |                                     |                              |                              |                              |
| Contributed equity .....                           | 11,900                      | 11,900                      | 22,070                                   | 33,120                              | 33,120                       | 33,120                       | 33,120                       |
| Accumulated surplus/(deficit).....                 | 37,046                      | 41,417                      | 40,432                                   | 40,861                              | 41,292                       | 42,087                       | 43,031                       |
| Reserves.....                                      | 67,336                      | 62,304                      | 67,336                                   | 67,336                              | 67,336                       | 67,336                       | 67,336                       |
| <b>TOTAL EQUITY .....</b>                          | <b>116,282</b>              | <b>115,621</b>              | <b>129,838</b>                           | <b>141,317</b>                      | <b>141,748</b>               | <b>142,543</b>               | <b>143,487</b>               |

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

(b) Total non-current assets will increase by \$34.7 million in 2022-23 due to the completion of the BWRRS and fluoridation of the water supply.

(c) Borrowings will increase from 2022-23 to fund the current Asset Investment Program.



**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....                             | 14,462                      | 15,344                      | 15,362                                   | 15,965                              | 16,580                       | 17,283                       | 17,968                       |
| GST receipts .....  | 1,120                       | 1,796                       | 2,268                                    | 5,091                               | 1,553                        | 1,598                        | 1,705                        |
| Other receipts .....  | 1,234                       | 3,536                       | 3,094                                    | 1,117                               | 1,165                        | 1,188                        | 1,218                        |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....                      | (4,608)                     | (4,752)                     | (4,834)                                  | (5,834)                             | (5,980)                      | (6,142)                      | (6,307)                      |
| Supplies and services .....                                 | (462)                       | (459)                       | (1,149)                                  | (1,286)                             | (1,297)                      | (1,367)                      | (1,333)                      |
| Accommodation <sup>(c)</sup> .....                          | (714)                       | (775)                       | (927)                                    | (1,093)                             | (1,120)                      | (1,147)                      | (1,177)                      |
| GST payments .....  | (1,288)                     | (1,794)                     | (2,266)                                  | (5,090)                             | (1,561)                      | (1,597)                      | (1,707)                      |
| Finance and interest costs.....                             | (166)                       | (118)                       | (103)                                    | (89)                                | (275)                        | (244)                        | (213)                        |
| Other payments.....   | (4,048)                     | (4,867)                     | (4,222)                                  | (4,276)                             | (3,653)                      | (3,685)                      | (3,822)                      |
| <b>Net cash from operating activities .....</b>             | <b>5,530</b>                | <b>7,911</b>                | <b>7,223</b>                             | <b>4,505</b>                        | <b>5,412</b>                 | <b>5,887</b>                 | <b>6,332</b>                 |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from sale of non-current assets.....               | 55                          | 63                          | -  | -                                   | -                            | -                            | -                            |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                        | (7,002)                     | (18,464)                    | (11,986)                                 | (38,126)                            | (2,965)                      | (3,111)                      | (3,848)                      |
| <b>Net cash from investing activities.....</b>              | <b>(6,947)</b>              | <b>(18,401)</b>             | <b>(11,986)</b>                          | <b>(38,126)</b>                     | <b>(2,965)</b>               | <b>(3,111)</b>               | <b>(3,848)</b>               |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from borrowings.....                               | -                           | 6,000                       | -  | 10,500                              | -                            | -                            | -                            |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases .....                    | (770)                       | (1,227)                     | (784)                                    | (798)                               | (1,697)                      | (1,728)                      | (1,759)                      |
| <b>Net cash from financing activities.....</b>              | <b>(770)</b>                | <b>4,773</b>                | <b>(784)</b>                             | <b>9,702</b>                        | <b>(1,697)</b>               | <b>(1,728)</b>               | <b>(1,759)</b>               |
| <b>CASHFLOWS FROM GOVERNMENT ACTIVITIES</b>                 |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Operating subsidies <sup>(d)</sup> .....                    | 786                         | 798                         | 856                                      | 1,232                               | 1,692                        | 2,141                        | 2,683                        |
| Equity contributions.....                                   | 11,900                      | -                           | 10,170                                   | 11,050                              | -                            | -                            | -                            |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Dividends to Government .....                               | (2,110)                     | -                           | -  | (910)                               | (1,085)                      | (1,265)                      | (1,757)                      |
| National Tax Equivalent Regime - Income tax...              | (793)                       | (1,687)                     | (1,210)                                  | (897)                               | (1,037)                      | (1,427)                      | (1,883)                      |
| Local Government Rates Equivalent.....                      | (84)                        | (86)                        | (104)                                    | (96)                                | (98)                         | (101)                        | (103)                        |
| <b>Net cash provided to Government .....</b>                | <b>(9,699)</b>              | <b>975</b>                  | <b>(9,712)</b>                           | <b>(10,379)</b>                     | <b>528</b>                   | <b>652</b>                   | <b>1,060</b>                 |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>           | <b>7,512</b>                | <b>(6,692)</b>              | <b>4,165</b>                             | <b>(13,540)</b>                     | <b>222</b>                   | <b>396</b>                   | <b>(335)</b>                 |
| Cash assets at the beginning of the reporting period .....  | 3,067                       | 11,107                      | 10,579                                   | 14,744                              | 1,204                        | 1,426                        | 1,822                        |
| <b>Cash assets at the end of the reporting period .....</b> | <b>10,579</b>               | <b>4,415</b>                | <b>14,744</b>                            | <b>1,204</b>                        | <b>1,426</b>                 | <b>1,822</b>                 | <b>1,487</b>                 |

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

(b) Wages will increase in 2022-23 due to the implementation of Aqwest's Strategic Workforce Plan.

(c) 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.

(d) From 2022-23 onwards, Aqwest will receive an operating subsidy to fund the gap between the cost of providing services to residential customers and the revenue received from those customers.

# Busselton Water Corporation

## Part 12 Utilities

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

|  | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE TO GENERAL GOVERNMENT<br/>SECTOR</b>      |                             |                             |  |                                     |                              |                              |                              |
| National Tax Equivalent Regime - Income Tax.....     | 1,019                       | 551                         | 552                                      | 557                                 | 579                          | 591                          | 632                          |
| Local Government Rates Equivalent .....              | 63                          | 61                          | 61                                       | 67                                  | 69                           | 70                           | 72                           |
| Dividends <sup>(a)(b)</sup> .....                    | 757                         | -                           | -  | 437                                 | 325                          | 469                          | 362                          |
| <b>EXPENSES FROM GENERAL<br/>GOVERNMENT SECTOR</b>   |                             |                             |  |                                     |                              |                              |                              |
| Operating Subsidies.....                             | 670                         | 768                         | 761                                      | 688                                 | 691                          | 695                          | 698                          |
| <b>GOVERNMENT TRADING ENTERPRISE<br/>INFORMATION</b> |                             |                             |  |                                     |                              |                              |                              |
| Revenue from Operations .....                        | 13,100                      | 11,754                      | 11,758                                   | 12,081                              | 12,432                       | 12,883                       | 13,376                       |
| Revenue from Government .....                        | 670                         | 768                         | 761                                      | 688                                 | 691                          | 695                          | 698                          |
| Total Expenses <sup>(c)</sup> .....                  | 10,032                      | 11,238                      | 11,327                                   | 11,646                              | 11,859                       | 12,325                       | 12,626                       |
| Total Borrowings .....                               | 240                         | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>NET PROFIT AFTER TAX.....</b>                     | 3,972                       | 733                         | 640                                      | 566                                 | 685                          | 662                          | 816                          |
| <b>CASH ASSETS <sup>(d)</sup> .....</b>              | 13,894                      | 11,962                      | 13,571                                   | 12,501                              | 11,530                       | 10,516                       | 9,807                        |

- (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 Corporation will retain 2021-22 dividend payments to instead contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise (GTE) for further detail.
- (c) Excludes current tax expense, deferred tax expense and dividends.
- (d) As at 30 June each financial year.

## Financial Changes

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

|  | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Key Adjustments</b>                         |  |                                     |                              |                              |                              |
| Water Tariff Increase .....                    | -  | 51                                  | 67                           | 130                          | 121                          |
| <b>Other</b>                                   |  |                                     |                              |                              |                              |
| Operating Revenue and Expenditure Update ..... | 8  | (246)                               | (469)                        | (356)                        | (418)                        |

## **Significant Issues Impacting the Government Trading Enterprise**

### **Climate Change**

1. Climate change is having a significant impact in the South West region of Western Australia through declining rainfall and rising sea levels. Combined with groundwater abstraction by all users, these impacts are influencing the freshwater/saltwater interface in the vicinity of the Corporation's existing borefields which are located near the coast. Consequently, abstraction of water from coastal bores needs to reduce, and future bores need to be located inland. In response to these impacts and strong persistent growth that is driving an increased demand for potable water, the Corporation is conducting preliminary work to support the Inland Borefield Transition (Plant 8) Project.

### **Financial Sustainability**

2. Financial modelling has identified that continued population growth is resulting in additional service connections and higher consumption. The Corporation also has an increasing capital investment program in response to climate change. The Corporation will closely monitor these impacts and work with stakeholders to ensure its ongoing financial sustainability.

### **COVID-19 Response**

3. As a designated critical water infrastructure workplace, the Corporation is committed to maintaining its comprehensive incident response to the pandemic, including sensitive consideration and support of customers, staff, contractors and visitors.

### **2021-22 Retained Dividend**

4. The Corporation will retain its forecast 2021-22 dividend payments totalling \$2.2 million to fund future infrastructure investment. The funds will be quarantined until the Government approves business cases for the strategic infrastructure requirements.

## 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 Goals   | Strategic Objectives                            | Desired Outcomes   |
|--|---|--|
| Strong and Sustainable Finances:<br>Responsible, achievable, affordable budget management.   | Process management, improvement and innovation. | 1. Committed to supply value to stakeholders through our processes and to encourage innovation and improvement to our processes and, therefore improve the quality of outputs                              |
|  | Results and sustainable performance.            | 2. Committed to achieving excellent results and using effective methods to monitor and demonstrate performance and review and improve performance  |
|  | Information and knowledge.                      | 3. Effective application of the information and knowledge required to achieve business objectives together with efficient and effective processes to acquire, analyse and manage this process              |
| WA Jobs Plan:<br>Diversifying the WA economy, creating local jobs for the future.  | People.   | 4. Valuing our people and creating a great place to work. This will be achieved through initial attraction, then continued engagement and development which will lead to retention of these staff members  |
|  | Growth.   | 5. Committed to growing our business by expanding and diversifying our existing water services   |
| Safe, Strong and Fair Communities:<br>Supporting our local and regional communities to thrive.   | Customers and other stakeholders.               | 6. Committed to analysing customer and other stakeholder requirements, then using this knowledge while managing relationships to deliver increasing value to customers and other stakeholders              |
| Investing in WA's Future:<br>Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Leadership.                                     | 7. Committed to developing and using leadership concepts, processes and management systems to develop an organisational culture consistent with identified values and supporting community and environment |
|  | Strategy and planning.                          | 8. Commitment to establishing systems to set strategic direction, where we have come from, where we are going and how we will get there. Deploying plans to achieve our strategies                         |

## Outcomes and Key Performance Indicators

|  | 2020-21<br>Actual | 2021-22<br>Budget | 2021-22<br>Estimated<br>Actual | 2022-23<br>Budget<br>Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| <b>Outcome: Committed to supply value to stakeholders through our processes and to encourage innovation and improvement to our processes and, therefore improve the quality of outputs:</b>                              |                   |                   |                                |                             |      |
| Business Excellence Index <sup>(a)</sup> .....   | 4                 | 4                 | 4                              | 5.25                        |      |
| <b>Outcome: Committed to achieving excellent results and using effective methods to monitor and demonstrate performance and review and improve performance:</b>  |                   |                   |                                |                             |      |
| Drinking water quality compliance with health standards .....  | 100%              | 100%              | 100%                           | 100%                        |      |
| <b>Outcome: Effective application of the information and knowledge required to achieve business objectives together with efficient and effective processes to acquire, analyse and manage this process:</b>              |                   |                   |                                |                             |      |
| The Office of Digital Government's cyber security controls -Minimum requirement achieved for all controls <sup>(b)</sup> .....   | n/a               | n/a               | n/a                            | >=1                         |      |
| <b>Outcome: Valuing our people and creating a great place to work. This will be achieved through initial attraction, then continued engagement and development which will lead to retention of these staff members:</b>  |                   |                   |                                |                             |      |
| WorkSafe assessments .....   | Gold              | Gold              | Platinum                       | Gold                        |      |
| <b>Outcome: Committed to growing our business by expanding and diversifying our existing water services:</b>   |                   |                   |                                |                             |      |
| Timely provision of new infrastructure required for land development and growth opportunities .....  | 100%              | 100%              | 100%                           | 100%                        |      |
| <b>Outcome: Committed to analysing customer and other stakeholder requirements, then using this knowledge while managing relationships to deliver increasing value to customers and other stakeholders:</b>              |                   |                   |                                |                             |      |
| Number of complaints per 1000 customers (rolling average) .....  | 2.6               | <10               | 2.3                            | <10                         |      |
| <b>Outcome: Committed to developing and using leadership concepts, processes and management systems to develop an organisational culture consistent with identified values and supporting community and environment:</b> |                   |                   |                                |                             |      |
| Energy efficiency monthly production (rolling year) kWh/kL .....   | 0.6               | 0.6               | 0.6                            | <0.6                        |      |
| Residential water efficiency kL/pp/year.....   | 104               | 110               | 105                            | 109                         |      |
| <b>Outcome: Commitment to establishing systems to set strategic direction, where we have come from, where we are going and how we will get there. Deploying plans to achieve our strategies:</b>                         |                   |                   |                                |                             |      |
| Strategic Development Plan and Statement of Corporate Intent submitted to Minister .....   | April 2020        | April 2021        | April 2021                     | April 2022                  |      |

(a) The Business Excellence Index measures progress towards best practice across seven elements of the Business Excellence Framework.

(b) The Office of Digital Government have put in place five mandatory controls for all Government organisations. The minimum requirement is 1 on a scale of 0 to 5.

## Asset Investment Program

1. The Corporation's Asset Investment Program (AIP) reflects its capital investment requirements for the forward estimates period. A total of \$18.5 million is required over this period to enable the Corporation to continue to support a strong regional economy.
2. Key projects over the forward estimates period include:
  - 2.1. \$8.5 million for the replacement and maintenance of tanks and delivery pumps used to store treated water and to ensure greater efficiency and energy consumption;
  - 2.2. \$2.4 million for the installation of new connections, new meters and ongoing meter replacement;
  - 2.3. \$2.3 million to upgrade reticulation mains and services within the network;
  - 2.4. \$1.8 million for preliminary works relating to the development of the Inland Borefield Transition (Plant 8) Project;
  - 2.5. \$1.7 million for ICT, including cyber security and Intelligent Water Network projects;
  - 2.6. \$1 million to upgrade operational building facilities to allow greater functionality with a more sustainable footprint; and
  - 2.7. \$0.9 million for the ongoing upgrade and renewal of mobile plant and vehicles.
3. This AIP ensures that existing infrastructure is maintained and new infrastructure is provided to maintain water supplies and sustain growth into the future.

|   | Estimated<br>Total Cost<br>\$'000 | Estimated<br>Expenditure<br>to 30-6-22<br>\$'000 | 2021-22<br>Estimated<br>Expenditure<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>COMPLETED WORKS</b>                                      |                                   |  |   |                                     |                              |                              |                              |
| Building, Land and Land Improvements - 2021-22 Program..... | 115                               | 115  | 115   | -                                   | -                            | -                            | -                            |
| ICT - 2021-22 Program .....                                 | 184                               | 184  | 184   | -                                   | -                            | -                            | -                            |
| New Connections and Meters - 2021-22 Program .....          | 334                               | 334  | 334   | -                                   | -                            | -                            | -                            |
| New Mains and Services - 2021-22 Program.....               | 345                               | 345  | 345   | -                                   | -                            | -                            | -                            |
| Plant, Mobile and Other Purchases - 2021-22 Program....     | 133                               | 133  | 133   | -                                   | -                            | -                            | -                            |
| Treatment Plants - 2021-22 Program .....                    | 2,687                             | 2,687  | 2,687   | -                                   | -                            | -                            | -                            |
| <b>NEW WORKS</b>  |                                   |  |   |                                     |                              |                              |                              |
| Building, Land and Land Improvements                        |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                                       | 120                               | -  | -   | 120                                 | -                            | -                            | -                            |
| 2023-24 Program .....                                       | 422                               | -  | -   | -                                   | 422                          | -                            | -                            |
| 2024-25 Program .....                                       | 218                               | -  | -   | -                                   | -                            | 218                          | -                            |
| 2025-26 Program .....                                       | 218                               | -  | -   | -                                   | -                            | -                            | 218                          |
| ICT   |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                                       | 350                               | -  | -   | 350                                 | -                            | -                            | -                            |
| 2023-24 Program .....                                       | 443                               | -  | -   | -                                   | 443                          | -                            | -                            |
| 2024-25 Program .....                                       | 500                               | -  | -   | -                                   | -                            | 500                          | -                            |
| 2025-26 Program .....                                       | 400                               | -  | -   | -                                   | -                            | -                            | 400                          |
| New Connections and Meters                                  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                                       | 409                               | -  | -   | 409                                 | -                            | -                            | -                            |
| 2023-24 Program .....                                       | 671                               | -  | -   | -                                   | 671                          | -                            | -                            |
| 2024-25 Program .....                                       | 870                               | -  | -   | -                                   | -                            | 870                          | -                            |
| 2025-26 Program .....                                       | 401                               | -  | -   | -                                   | -                            | -                            | 401                          |
| New Mains and Services                                      |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                                       | 496                               | -  | -   | 496                                 | -                            | -                            | -                            |
| 2023-24 Program .....                                       | 279                               | -  | -   | -                                   | 279                          | -                            | -                            |
| 2024-25 Program .....                                       | 537                               | -  | -   | -                                   | -                            | 537                          | -                            |
| 2025-26 Program .....                                       | 975                               | -  | -   | -                                   | -                            | -                            | 975                          |
| Plant, Mobile and Other Purchases                           |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                                       | 265                               | -  | -   | 265                                 | -                            | -                            | -                            |
| 2023-24 Program .....                                       | 163                               | -  | -   | -                                   | 163                          | -                            | -                            |
| 2024-25 Program .....                                       | 211                               | -  | -   | -                                   | -                            | 211                          | -                            |
| 2025-26 Program .....                                       | 213                               | -  | -   | -                                   | -                            | -                            | 213                          |
| Treatment Plants  |                                   |  |   |                                     |                              |                              |                              |
| 2022-23 Program .....                                       | 2,758                             | -  | -   | 2,758                               | -                            | -                            | -                            |
| 2023-24 Program .....                                       | 2,647                             | -  | -   | -                                   | 2,647                        | -                            | -                            |
| 2024-25 Program .....                                       | 2,405                             | -  | -   | -                                   | -                            | 2,405                        | -                            |
| 2025-26 Program .....                                       | 2,534                             | -  | -   | -                                   | -                            | -                            | 2,534                        |
| <b>Total Cost of Asset Investment Program.....</b>          | <b>22,303</b>                     | <b>3,798</b>                                     | <b>3,798</b>                                  | <b>4,398</b>                        | <b>4,625</b>                 | <b>4,741</b>                 | <b>4,741</b>                 |
| <b>FUNDED BY</b>  |                                   |  |   |                                     |                              |                              |                              |
| Asset Sales.....  |                                   |  | 56  | 159                                 | 85                           | 118                          | -                            |
| Internal Funds and Balances.....                            |                                   |  | 3,742   | 4,239                               | 4,540                        | 4,623                        | 4,741                        |
| <b>Total Funding .....</b>                                  |                                   |  | <b>3,798</b>                                  | <b>4,398</b>                        | <b>4,625</b>                 | <b>4,741</b>                 | <b>4,741</b>                 |

## **Financial Statements**

### **Income Statement**

#### *Revenue*

1. The increase in total revenue across the forward estimates period is largely driven by the water tariff price path, and sustained population growth in the region resulting in additional service connections and higher consumption.

#### *Expenses*

2. Growth in expenditure is reflective of the additional cost of producing and distributing higher volumes of water.

### **Statement of Financial Position**

3. The Statement of Financial Position shows a stable net equity position over the forward estimates period.

### **Statement of Cashflows**

4. Net cash from operating activities continues to increase due to anticipated growth in water sales because of sustained population and consequently demand growth in the region. Expenditure increases are limited to the cost of producing and distributing higher volumes of water.
5. An AIP of \$4.2 million to \$4.7 million per annum is maintained during the forward estimates period.
6. Cash assets at the end of the period will reduce due to the Corporation's ongoing investment in property, plant and equipment required to meet the demand needs of the region.



**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE</b>                            |                             |                             |  |                                     |                              |                              |                              |
| <b>Revenue from operations</b>            |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....           | 10,791                      | 10,327                      | 10,330                                   | 10,635                              | 10,963                       | 11,393                       | 11,754                       |
| Other revenue .....                       | 2,309                       | 1,427                       | 1,428                                    | 1,446                               | 1,469                        | 1,490                        | 1,622                        |
| <b>Revenue from Government</b>            |                             |                             |  |                                     |                              |                              |                              |
| Operating subsidies.....                  | 670                         | 768                         | 761                                      | 688                                 | 691                          | 695                          | 698                          |
| <b>TOTAL REVENUE.....</b>                 | <b>13,770</b>               | <b>12,522</b>               | <b>12,519</b>                            | <b>12,769</b>                       | <b>13,123</b>                | <b>13,578</b>                | <b>14,074</b>                |
| <b>Expenses</b>                           |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits <sup>(b)</sup> .....    | 3,784                       | 3,696                       | 3,696                                    | 4,037                               | 4,143                        | 4,258                        | 4,368                        |
| Supplies and services .....               | 1,954                       | 2,623                       | 2,712                                    | 2,851                               | 2,804                        | 2,893                        | 2,873                        |
| Accommodation .....                       | 623                         | 947                         | 947                                      | 658                                 | 663                          | 690                          | 708                          |
| Depreciation and amortisation .....       | 2,956                       | 3,103                       | 3,103                                    | 3,109                               | 3,288                        | 3,496                        | 3,599                        |
| Finance and interest costs.....           | 42                          | 19                          | 19                                       | 6                                   | 6                            | 6                            | 6                            |
| Other expenses.....                       | 673                         | 850                         | 850                                      | 985                                 | 955                          | 982                          | 1,072                        |
| <b>TOTAL EXPENSES.....</b>                | <b>10,032</b>               | <b>11,238</b>               | <b>11,327</b>                            | <b>11,646</b>                       | <b>11,859</b>                | <b>12,325</b>                | <b>12,626</b>                |
| <b>NET PROFIT/(LOSS) BEFORE TAX .....</b> | <b>3,738</b>                | <b>1,284</b>                | <b>1,192</b>                             | <b>1,123</b>                        | <b>1,264</b>                 | <b>1,253</b>                 | <b>1,448</b>                 |
| National Tax Equivalent Regime            |                             |                             |  |                                     |                              |                              |                              |
| Current tax equivalent expense .....      | 1,019                       | 551                         | 552                                      | 557                                 | 579                          | 591                          | 632                          |
| Deferred tax equivalent expense .....     | (1,253)                     | -                           | -  | -                                   | -                            | -                            | -                            |
| <b>NET PROFIT/(LOSS) AFTER TAX .....</b>  | <b>3,972</b>                | <b>733</b>                  | <b>640</b>                               | <b>566</b>                          | <b>685</b>                   | <b>662</b>                   | <b>816</b>                   |
| <b>Dividends .....</b>                    | <b>757</b>                  | <b>-</b>                    | <b>-</b>                                 | <b>437</b>                          | <b>325</b>                   | <b>469</b>                   | <b>362</b>                   |

(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 30, 30 and 32 respectively.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

|                                       | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---------------------------------------|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS</b>                 |                             |                             |  |                                     |                              |                              |                              |
| Cash assets .....                     | 11,004                      | 9,656                       | 11,370                                   | 10,300                              | 9,329                        | 8,315                        | 7,606                        |
| Cash assets - Retained dividends..... | -                           | 1,637                       | 2,201                                    | 2,201                               | 2,201                        | 2,201                        | 2,201                        |
| Restricted Cash.....                  | 2,890                       | 669                         | -  | -                                   | -                            | -                            | -                            |
| Receivables .....                     | 3,089                       | 3,014                       | 3,088                                    | 3,089                               | 3,089                        | 3,089                        | 3,089                        |
| Other.....                            | 662                         | 614                         | 662                                      | 662                                 | 662                          | 662                          | 662                          |
| Total current assets .....            | 17,645                      | 15,590                      | 17,321                                   | 16,252                              | 15,281                       | 14,267                       | 13,558                       |
| <b>NON-CURRENT ASSETS</b>             |                             |                             |  |                                     |                              |                              |                              |
| Property, plant and equipment.....    | 99,755                      | 100,726                     | 100,529                                  | 101,570                             | 102,734                      | 103,716                      | 105,106                      |
| Intangibles .....                     | 263                         | 363                         | 296                                      | 540                                 | 798                          | 1,112                        | 976                          |
| Total non-current assets .....        | 100,018                     | 101,089                     | 100,825                                  | 102,110                             | 103,532                      | 104,828                      | 106,082                      |
| <b>TOTAL ASSETS .....</b>             | <b>117,663</b>              | <b>116,679</b>              | <b>118,146</b>                           | <b>118,362</b>                      | <b>118,813</b>               | <b>119,095</b>               | <b>119,640</b>               |
| <b>CURRENT LIABILITIES</b>            |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....             | 1,167                       | 1,284                       | 1,188                                    | 1,209                               | 1,231                        | 1,253                        | 1,344                        |
| Payables .....                        | 1,531                       | 428                         | 1,534                                    | 1,536                               | 1,540                        | 1,540                        | 1,540                        |
| Borrowings and leases .....           | 362                         | 110                         | 122                                      | 122                                 | 122                          | 122                          | 122                          |
| Total current liabilities .....       | 3,060                       | 1,822                       | 2,844                                    | 2,867                               | 2,893                        | 2,915                        | 3,006                        |
| <b>NON-CURRENT LIABILITIES</b>        |                             |                             |  |                                     |                              |                              |                              |
| Employee provisions .....             | 22                          | 108                         | 84                                       | 147                                 | 212                          | 279                          | 279                          |
| Borrowings and leases .....           | 76                          | 120                         | 75                                       | 76                                  | 76                           | 76                           | 76                           |
| Other.....                            | 16,904                      | 18,157                      | 16,904                                   | 16,904                              | 16,904                       | 16,904                       | 16,904                       |
| Total non-current liabilities .....   | 17,002                      | 18,385                      | 17,063                                   | 17,127                              | 17,192                       | 17,259                       | 17,259                       |
| <b>TOTAL LIABILITIES.....</b>         | <b>20,062</b>               | <b>20,207</b>               | <b>19,907</b>                            | <b>19,994</b>                       | <b>20,085</b>                | <b>20,174</b>                | <b>20,265</b>                |
| <b>NET ASSETS .....</b>               | <b>97,601</b>               | <b>96,472</b>               | <b>98,239</b>                            | <b>98,368</b>                       | <b>98,728</b>                | <b>98,921</b>                | <b>99,375</b>                |
| <b>EQUITY</b>                         |                             |                             |  |                                     |                              |                              |                              |
| Accumulated surplus/(deficit).....    | 30,390                      | 42,434                      | 42,922                                   | 43,051                              | 43,411                       | 43,604                       | 44,058                       |
| Reserves.....                         | 67,211                      | 54,038                      | 55,317                                   | 55,317                              | 55,317                       | 55,317                       | 55,317                       |
| <b>TOTAL EQUITY .....</b>             | <b>97,601</b>               | <b>96,472</b>               | <b>98,239</b>                            | <b>98,368</b>                       | <b>98,728</b>                | <b>98,921</b>                | <b>99,375</b>                |

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

|   | 2020-21<br>Actual<br>\$'000 | 2021-22<br>Budget<br>\$'000 | 2021-22<br>Estimated<br>Actual<br>\$'000 | 2022-23<br>Budget<br>Year<br>\$'000 | 2023-24<br>Outyear<br>\$'000 | 2024-25<br>Outyear<br>\$'000 | 2025-26<br>Outyear<br>\$'000 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Sale of goods and services.....                             | 11,091                      | 10,328                      | 10,331                                   | 10,634                              | 10,964                       | 11,393                       | 11,754                       |
| GST receipts .....  | 465                         | 482                         | 482                                      | 482                                 | 482                          | 482                          | 482                          |
| Other receipts .....  | 2,478                       | 1,427                       | 1,428                                    | 1,446                               | 1,469                        | 1,489                        | 1,622                        |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Employee benefits.....                                      | (3,867)                     | (3,613)                     | (3,613)                                  | (3,952)                             | (4,056)                      | (4,169)                      | (4,277)                      |
| Supplies and services .....                                 | (856)                       | (1,066)                     | (1,159)                                  | (1,365)                             | (1,277)                      | (1,359)                      | (1,310)                      |
| Accommodation <sup>(b)</sup> .....                          | (564)                       | (886)                       | (886)                                    | (591)                               | (594)                        | (620)                        | (636)                        |
| GST payments .....  | (506)                       | (482)                       | (482)                                    | (482)                               | (482)                        | (482)                        | (482)                        |
| Finance and interest costs.....                             | (44)                        | (19)                        | (19)                                     | (6)                                 | (6)                          | (6)                          | (6)                          |
| Other payments.....   | (1,785)                     | (2,404)                     | (2,407)                                  | (2,454)                             | (2,479)                      | (2,514)                      | (2,635)                      |
| <b>Net cash from operating activities .....</b>             | <b>6,412</b>                | <b>3,767</b>                | <b>3,675</b>                             | <b>3,712</b>                        | <b>4,021</b>                 | <b>4,214</b>                 | <b>4,512</b>                 |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Proceeds from sale of non-current assets.....               | 55                          | 56                          | 56                                       | 159                                 | 85                           | 118                          | 58                           |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Purchase of non-current assets .....                        | (2,376)                     | (3,798)                     | (3,798)                                  | (4,398)                             | (4,625)                      | (4,741)                      | (4,741)                      |
| <b>Net cash from investing activities .....</b>             | <b>(2,321)</b>              | <b>(3,742)</b>              | <b>(3,742)</b>                           | <b>(4,239)</b>                      | <b>(4,540)</b>               | <b>(4,623)</b>               | <b>(4,683)</b>               |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                  |                             |                             |  |                                     |                              |                              |                              |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Repayment of borrowings and leases .....                    | (444)                       | (411)                       | (411)                                    | (170)                               | (170)                        | (170)                        | (170)                        |
| <b>Net cash from financing activities.....</b>              | <b>(444)</b>                | <b>(411)</b>                | <b>(411)</b>                             | <b>(170)</b>                        | <b>(170)</b>                 | <b>(170)</b>                 | <b>(170)</b>                 |
| <b>CASHFLOWS FROM GOVERNMENT</b>                            |                             |                             |  |                                     |                              |                              |                              |
| <b>Receipts</b>   |                             |                             |  |                                     |                              |                              |                              |
| Administered appropriations .....                           | 230                         | -                           | -  | -                                   | -                            | -                            | -                            |
| Operating subsidies.....                                    | 670                         | 768                         | 768                                      | 688                                 | 691                          | 695                          | 698                          |
| <b>Payments</b>   |                             |                             |  |                                     |                              |                              |                              |
| Dividends to Government .....                               | (757)                       | -                           | -  | (437)                               | (325)                        | (469)                        | (362)                        |
| National Tax Equivalent Regime - Income tax...              | (714)                       | (551)                       | (552)                                    | (557)                               | (579)                        | (591)                        | (632)                        |
| Local Government Rates Equivalent.....                      | (63)                        | (61)                        | (61)                                     | (67)                                | (69)                         | (70)                         | (72)                         |
| <b>Net cash provided to Government .....</b>                | <b>634</b>                  | <b>(156)</b>                | <b>(155)</b>                             | <b>373</b>                          | <b>282</b>                   | <b>435</b>                   | <b>368</b>                   |
| <b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>           | <b>3,013</b>                | <b>(230)</b>                | <b>(323)</b>                             | <b>(1,070)</b>                      | <b>(971)</b>                 | <b>(1,014)</b>               | <b>(709)</b>                 |
| Cash assets at the beginning of the reporting period .....  | 10,881                      | 12,192                      | 13,894                                   | 13,571                              | 12,501                       | 11,530                       | 10,516                       |
| <b>Cash assets at the end of the reporting period .....</b> | <b>13,894</b>               | <b>11,962</b>               | <b>13,571</b>                            | <b>12,501</b>                       | <b>11,530</b>                | <b>10,516</b>                | <b>9,807</b>                 |

(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.



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