



GOVERNMENT OF
WESTERN AUSTRALIA



Western Australia State Budget 2022-23

Budget Paper No. 3
Economic and Fiscal Outlook

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)



2022-23 B U D G E T

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

Budget Paper No. 3

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

2022-23 Economic and Fiscal Outlook

(Budget Paper No. 3)

© Government of Western Australia

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.

Cover image courtesy of WA Police Force.

Excerpts from this publication may be reproduced, with appropriate acknowledgement, as permitted under the *Copyright Act 1968*.

For further information please contact:

Department of Treasury
Locked Bag 11 Cloisters Square WA 6850
Telephone: +61 8 6551 2777
Email: info@treasury.wa.gov.au
Website: www.ourstatebudget.wa.gov.au

Published May 2022

ISSN 1448-2630

2022-23 BUDGET

ECONOMIC AND FISCAL OUTLOOK

TABLE OF CONTENTS

	Page
UNDER TREASURER'S CERTIFICATION.....	i
CHAPTER 1: OVERVIEW	1
Economic and Fiscal Outlook.....	2
<i>Feature Box: Key Initiatives in the 2022-23 Budget</i>	<i>4</i>
CHAPTER 2: ECONOMIC OUTLOOK.....	7
Western Australia.....	8
Gross State Product.....	8
<i>Feature Box: Economic Diversification Initiatives</i>	<i>12</i>
<i>Feature Box: Supply Chain and Cost Pressures</i>	<i>19</i>
Global Outlook	21
Advanced Economies	22
China.....	23
Global Risks	24
Commodity Markets	25
CHAPTER 3: FISCAL OUTLOOK AND STRATEGY	31
Fiscal Outlook	32
General Government Sector	32
<i>Summary.....</i>	<i>32</i>
<i>Operating Statement.....</i>	<i>33</i>
<i>Balance Sheet.....</i>	<i>40</i>
<i>Cashflow Statement.....</i>	<i>41</i>
Total Public Sector.....	42
<i>Operating Statement.....</i>	<i>42</i>
<i>Asset Investment Program</i>	<i>44</i>
<i>Balance Sheet.....</i>	<i>46</i>
<i>Cashflow Statement.....</i>	<i>46</i>
Net Debt.....	47
<i>Feature Box: Western Australia's Net Debt Outlook</i>	<i>49</i>
Government Financial Strategy Statement	52
Financial Targets	52

Statement of Risks	57
Revenue Estimates.....	57
Spending Risks.....	61
Contingent Assets and Liabilities.....	63
CHAPTER 4: GENERAL GOVERNMENT REVENUE	65
Introduction	66
Revenue Measures	68
Taxation Revenue	70
Summary.....	70
Detail.....	71
Royalty Income	75
Summary.....	75
Iron Ore Royalty Income.....	76
Other Royalty Income.....	77
Commonwealth Grants	79
GST Revenue.....	80
Forecast of GST Shares.....	81
<i>Feature Box: GST Distribution Reforms</i>	82
North West Shelf Grants.....	85
Tied Grants.....	86
Other Revenue	88
Sales of Goods and Services.....	88
Interest Income.....	88
Revenue from Public Corporations.....	89
Other Income.....	89
CHAPTER 5: GENERAL GOVERNMENT EXPENSES	91
Introduction	92
<i>Feature Box: Health and Mental Health Funding</i>	93
<i>Feature Box: COVID-19 Response</i>	98
Major Expense Changes	100
Summary.....	100
Parliament.....	101
Government Administration.....	102
Financial Administration.....	106
Jobs and Economic Development.....	110
Health.....	123
Education and Training.....	132
Community Safety.....	137
Community Services.....	146
Transport.....	155

Environment.....	162
Planning and Land Use.....	167
Utilities.....	170
Provisions.....	173
CHAPTER 6: ASSET INVESTMENT	175
Introduction	176
WA Jobs Plan: Diversifying the Western Australian Economy	176
Safe, Strong and Fair Communities: Developing Healthy and Resilient Communities	179
<i>Feature Box: METRONET</i>	181
Major Infrastructure Changes	183
Summary.....	183
Financial Administration.....	184
Jobs and Economic Development	185
Health.....	187
Education and Training.....	191
Community Safety.....	193
Community Services	196
Transport.....	198
Environment.....	205
Planning and Land Use.....	208
Utilities.....	210
Provisions.....	212
CHAPTER 7: INVESTING IN REGIONAL WESTERN AUSTRALIA	215
The WA Jobs Plan for the Regions	216
Safe, Strong and Fair Communities: Developing Healthy and Resilient Communities	217
Investing in Our Children's Education.....	217
Growing Our Communities: Protecting Our Environment and Supporting Thriving Suburbs and Regions.....	218
Investing in Our Roads and Ports	221
Investing in Power and Water	222
Investing in Our Environment	223
Royalties for Regions Program	224
APPENDIX 1: DETAILED FINANCIAL PROJECTIONS	233
APPENDIX 2: GENERAL GOVERNMENT OPERATING REVENUE.....	259
APPENDIX 3: 2021-22 GENERAL GOVERNMENT OPERATING REVENUE.....	263
APPENDIX 4: THE CONSOLIDATED ACCOUNT AND THE TREASURER'S ADVANCE	267
APPENDIX 5: SPECIAL PURPOSE ACCOUNTS.....	281
APPENDIX 6: STATE GOVERNMENT SOCIAL CONCESSIONS EXPENDITURE STATEMENT	293

APPENDIX 7: ASSET INVESTMENT PROGRAM - SUMMARY OF EXPENDITURE AND SOURCE OF FUNDS.....	303
APPENDIX 8: PUBLIC CORPORATIONS AND MAJOR TARIFFS, FEES AND CHARGES	309
APPENDIX 9: WESTERN AUSTRALIAN TREASURY CORPORATION BORROWINGS.....	333
APPENDIX 10: TAX AND ROYALTY EXPENDITURE STATEMENT	339
APPENDIX 11: WESTERN AUSTRALIA'S NET CONTRIBUTION TO THE FEDERATION	347
APPENDIX 12: COMMONWEALTH TIED GRANTS.....	351

Under Treasurer's Certification

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

For the purposes of these GFRA requirements:

- the Government Financial Strategy Statement and associated financial targets disclosures are detailed in Chapter 3: *Fiscal Outlook and Strategy* in this Budget Paper;
- Chapters 1 to 7 and Appendix 1 in this Budget Paper, and the Government's summary Budget strategy detailed in Budget Paper No 1: *Treasurer's Speech*, together form the 2022-23 Government Financial Projections Statement required by sections 12(1) and (2) of the GFRA. In particular:
 - Appendix 1 details the projections required by section 12(2)(a) of the GFRA;
 - Chapters 1, 2 and 3 detail the economic and other assumptions underlying the Budget projections (section 12(2)(b));
 - Chapter 3 details the compliance of the projections with the Government's financial targets (section 12(2)(c)); and
 - the Statement of Risks in Chapter 3 details the sensitivity of the projections to various economic and financial assumptions and other risks (sections 12(2)(d) and (e)); and
- this certification gives effect to the requirements of sections 12(2)(f) and 12(8).

The Government Financial Projections Statement presented in this Budget is based upon Government decisions that I was aware of or that were made available to me by the Treasurer, together with other relevant information known to Treasury, on or before the Budget planning cut-off date of 11 April 2022 and which have a material effect on the State's financial projections.

2022–23 Economic and Fiscal Outlook

It has been prepared in accordance with applicable Australian Accounting Standards and Government Finance Statistics principles, and is based on the economic forecasts and assumptions outlined in Chapter 1: *Overview*, Chapter 2: *Economic Outlook* and Chapter 3: *Fiscal Outlook and Strategy*. These assumptions were finalised by Treasury, under my direction, on 11 April 2022.

Forecasts for 2021-22 to 2025-26 included in this Budget are based on estimates prepared by agencies. Final outcomes for 2021-22 will be available in the *Annual Report on State Finances*, to be released by 28 September 2022.



Michael Barnes PSM
UNDER TREASURER

12 May 2022

Overview

HIGHLIGHTS

- Despite heightened volatility and risks in the global economy, Western Australia's economy continues to grow strongly, with domestic economic activity expanding at its fastest rate in a decade.
- Strong economic growth, coupled with elevated commodity prices, has boosted the general government operating surplus for 2021-22, which is now estimated at \$5.7 billion. Operating surpluses are also forecast in 2022-23 (\$1.6 billion) and across the entire forward estimates period.
- These surpluses have materially reduced the State's net debt levels, with net debt at 30 June 2022 now estimated to be \$29.9 billion - \$2.7 billion lower than forecast in the 2021-22 Mid-year Review, and the first time since 2015 that net debt has been below \$30 billion.
- The 2022-23 Budget uses this improved fiscal capacity to:
 - address cost of living pressures by providing a \$400 Household Electricity Credit to all households from July 2022;
 - invest a record \$2.5 billion in the State's health and mental health systems;
 - provide a further \$1.6 billion to respond to COVID-19, increasing the Government's total response to \$11.2 billion;
 - invest a further \$1.3 billion in the diversification of the State's economy, including key sectors like tourism, defence and international education;
 - boost the Climate Action Fund by a further \$500 million to a total of \$1.25 billion; and
 - pay down \$1.2 billion of existing debt.
- Despite these investments, and a record Asset Investment Program totalling \$33.9 billion over the next four years, Western Australia's net debt is projected to peak at just 9.9% of Gross State Product in 2024-25, before declining from 2025-26.

Economic and Fiscal Outlook

Western Australia's economy has continued to perform strongly, driven by domestic activity (as measured by State Final Demand, SFD), which is estimated to grow by 5.25% in 2021-22 – the strongest rate of growth in a decade. This momentum is expected to continue in 2022-23, with SFD forecast to grow by a further 4%.

This strong economic growth is expected to generate around 68,700 jobs in 2021-22 and a further 28,900 jobs in 2022-23, while the unemployment rate is forecast to average 3.75% from 2022-23 – the lowest rate since 2008-09. The tight labour market is expected to flow through to a lift in wages growth, from an estimated 2% in 2021-22 to 2.75% in 2022-23.

Broader price pressures have accelerated in recent months, particularly in response to high global oil prices, as well as supply chain disruptions, COVID-19 related absenteeism, adverse weather events in other parts of the country, and the temporary closure of the east-west rail route from 21 January to 15 February 2022. The Perth Consumer Price Index is now estimated to grow by 4% in 2021-22, and by 2.75% in 2022-23 as inflationary pressures begin to moderate with the anticipated easing of supply chain issues and other global pressures.

The strength in the domestic economy is underpinning overall economic growth, with Gross State Product (GSP) estimated to grow by 3.75% in 2021-22 and by 2% in 2022-23. GSP growth is then expected to ease, reflecting the moderation in construction work on residential dwellings, as well as private and public sector investment stabilising at high levels. With the reopening of international borders, services imports (such as Western Australians travelling overseas) are expected to lift sharply over the next two years, moderating forecast growth in GSP.

Despite the positive outlook for the Western Australian economy, risks remain elevated and include: how the COVID-19 pandemic develops domestically, nationally and globally (particularly in China); the ongoing conflict in Ukraine and its impacts on commodity prices and the global economy; and the pace and magnitude of increases in consumer prices and interest rates (in Australia and globally).

The economic assumptions underpinning the 2022-23 Budget are outlined in the following table.

Table 1

KEY BUDGET ASSUMPTIONS**Western Australia**

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated Actual	Budget Year	Outyear	Outyear	Outyear
Real Gross State Product growth (%) ^(a)	2.6	3.75	2.0	1.0	1.5	1.5
Real State Final Demand growth (%) ^(a)	4.4	5.25	4.0	3.0	2.25	2.5
Employment growth (%)	1.8	5.0	2.0	1.25	1.25	1.25
Unemployment rate (%) ^(b)	6.1	4.0	3.75	3.75	3.75	3.75
Wage Price Index growth (%)	1.5	2.0	2.75	3.0	3.0	3.0
Perth Consumer Price Index growth (%) ^(c)	1.6	4.0	2.75	2.5	2.5	2.5
Iron ore price, \$US/t, CFR ^{(b)(d)}	154.5	139.5	77.5	66.0	66.0	66.0
Iron ore volumes (million tonnes)	839	853	855	863	865	865
Crude oil price (\$US per barrel) ^(b)	54.6	88.0	97.7	88.1	82.6	79.0
Exchange rate (US cents) ^(b)	74.7	73.5	75.1	73.1	70.6	68.2
Population growth (%)	0.9	0.9	1.2	1.4	1.5	1.5
Interest rate assumptions (%): ^(b)						
– Public Bank Account interest earnings	0.5	0.6	1.2	1.6	1.6	1.6
– Consolidated Account borrowings	2.4	2.3	2.5	2.7	2.6	2.5

(a) Based on 2020-21 annual State Accounts data, updated with the latest State Final Demand and Balance of Payments data for the December quarter 2021.

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

(c) The CPI growth rates in 2021-22 and 2022-23 are based on the total index excluding the electricity sub-index.

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

A stronger economy and elevated commodity prices have significantly strengthened the State's fiscal outlook, with a general government operating surplus of \$5.7 billion now estimated for 2021-22. This will be the State's fourth consecutive operating surplus since 2018-19, following four years of deficits prior to that. An operating surplus of \$1.6 billion is expected in 2022-23, and surpluses are also expected across each of the outyears, ranging from \$2.8 billion to \$3.5 billion.

Relative to 2021-22, the lower operating surplus forecast for 2022-23 is primarily the result of a substantially lower iron ore price budgeted for 2022-23 (\$US77.5 per tonne, compared to an estimated \$US139.5 in 2021-22). This reflects a continuation of the Government's conservative forecasting approach, which assumes that the iron ore price will revert to its long-run average (of \$US66 per tonne) from November 2022.

The improvement in fiscal capacity has enabled the Government to address a range of current and emerging priorities in this Budget, including cost of living support for all Western Australian households, a further record spend on the health and mental health systems, supporting jobs and economic diversification, tackling climate change, and paying down debt.

The 2022-23 Budget also contains a record Asset Investment Program totalling \$33.9 billion over the next four years, with projects across the State that invest in Western Australia's future and create and support local jobs.

Total public sector net debt is expected to fall for a third consecutive year to \$29.9 billion at 30 June 2022 – the first time since 2015 that net debt has been below \$30 billion. Western Australia is the only Australian jurisdiction with a reduction in net debt and an operating surplus in 2021-22.

Net debt is forecast to rise moderately over the forward estimates period in support of the Government's record infrastructure investment and given its conservative iron ore price forecasts. However, as a share of GSP, net debt is forecast to peak at 9.9% in 2024-25, before declining to 9.5% in 2025-26.

The table below outlines the key fiscal aggregates for the 2022-23 Budget.

KEY BUDGET AGGREGATES
Western Australia

Table 2

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated Actual	Budget Year	Outyear	Outyear	Outyear
GENERAL GOVERNMENT SECTOR						
Net Operating Balance (\$m)	5,838	5,676	1,592	3,541	2,760	3,007
Revenue (\$m)	40,151	41,890	38,428	38,578	38,443	39,145
Revenue Growth (%)	24.8	4.3	-8.3	0.4	-0.4	1.8
Expenses (\$m)	34,313	36,214	36,836	35,036	35,683	36,138
Expense Growth (%)	12.5	5.5	1.7	-4.9	1.8	1.3
TOTAL PUBLIC SECTOR						
Net Debt at 30 June (\$m)	33,482	29,949	31,105	32,222	33,933	33,928
Net Debt as a Share of GSP (%)	9.3	7.5	9.1	9.7	9.9	9.5
Asset Investment Program (\$m)	5,816	6,980	8,880	8,867	8,754	7,444
Cash Surplus/Deficit (\$m)	2,454	3,811	-1,027	-761	-1,334	249

KEY INITIATIVES IN THE 2022-23 BUDGET

The 2022-23 Budget utilises the State's strong financial position to respond to current challenges and set the State up for the long-term. Significant initiatives are outlined below, with further details outlined elsewhere in this Budget Paper:

- **cost of living support for Western Australian households**, with \$445 million allocated to provide all households with a \$400 Household Electricity Credit from July 2022 (resulting in a 3.8% decrease in household fees and charges in 2022-23), as well as the provision of free Rapid Antigen Tests (RATs) to every Western Australian household saving them around \$150 (as part of the total \$635 million investment in RATs);
- **a further record \$2.5 billion investment in the State's health and mental health systems**, including a \$252 million Emergency Department Reform Package with a broad range of initiatives to address system pressures, and a \$47 million initial response to the Infants, Children and Adolescents Taskforce report, comprising additional front-line mental health staff in regional Western Australia, peer support workers, and virtual support for at-risk children waiting for a service (see *Health and Mental Health Funding* feature box in Chapter 5: *General Government Expenses*);

- **an additional \$1.6 billion for the continued response to COVID-19**, increasing the total response to \$11.2 billion. New spending in this Budget includes the procurement and distribution of RATs; various WA Health initiatives, including testing and vaccination clinics, hospital response and preparedness activities; support packages for Western Australian businesses during the transition to living with COVID-19; and additional resources for schools (see *COVID-19 Response* feature box in Chapter 5);
- **\$1.3 billion invested in economic diversification initiatives and infrastructure** to expand existing industries and develop new industries. This includes support for the recovery of export sectors affected by the international border closures, particularly the tourism, events and international education sectors; additional funding for the Industry Attraction Fund and Industrial Land Development Fund to support private sector investment; initiatives to support growth across a wide range of industries; and significant investments in port and road infrastructure to expand the State's economic capacity (see *Economic Diversification Initiatives* feature box in Chapter 2: *Economic Outlook*);
- **a further \$652 million to address climate change and protect our environment**, including a \$500 million top-up to the Climate Action Fund increasing the total investment to \$1.25 billion since the 2021-22 Budget. Initiatives in this Budget include a further \$30 million for the Just Transition Plan to support communities with the transition from native forestry logging; incentives for the uptake of electric vehicles and recharging infrastructure; increasing the proportion of electricity generated through renewable energy at Rottnest Island; and initiatives to reduce emissions across various sectors;
- **the repayment of \$1.2 billion of existing Consolidated Account borrowings**, saving an estimated \$132 million in interest payments over the next four years and reducing the State's exposure to future interest rate increases;
- **a \$1 billion investment to expand the METRONET program of works** comprising new projects including the relocation of the Canning Bridge Bus Interchange and removal of the Morrison Road level crossing on the Midland line; further investment in the Train Control and Signalling project to increase the capacity of the rail network; and further investment in the Thornlie-Cockburn Link and Yanchep Rail Extension to address cost escalation and supply constraints impacting the construction market more broadly (see the *METRONET* feature box in Chapter 6: *Asset Investment*);
- **a \$505 million increase in spending on education and training** to expand four primary schools and construct Stage 2 of Alkimos College; additional funding through the Education Allocation Adjustment to improve educational outcomes for students and schools that are most in need; the continuation of Lower Fees, Local Skills for TAFEs; and initiatives to boost workforce participation and training for industries such as defence and construction;

- **an additional \$450 million to support strong communities** including boosting child protection services with more frontline workers, early intervention programs and expanding Target 120; contract indexation for activities delivered by the community services sector; more support for people with disabilities; and a boost for family and domestic violence initiatives;
- **\$350 million to establish a new Remote Communities Fund**, for the regularisation and upgrade of water and electricity services and new and refurbished housing in remote Aboriginal communities, with a matching contribution to be sought from the Commonwealth;
- **a further \$400 million top-up to the Digital Capability Fund** to mitigate service delivery and cyber security risks and progress digital transformation (building on the \$500 million investment in the 2021-22 Budget), with 23 ICT projects funded in this Budget, such as the first phase of the roll-out of electronic medical records for the public hospital system, and digitisation of evidence handling systems for the Office of the Director of Public Prosecutions;
- **a further \$185 million to the National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account** to meet forecast payments over the forward estimates period;
- **a \$40 million package for youth justice initiatives in the Kimberley**, including funding for an on-country youth justice facility; initiatives to better engage youth, provide intensive support for families and improve school attendance; a boost to police resourcing; and a community grants program; as well as a further \$25 million for infrastructure and service upgrades at Banksia Hill Detention Centre; and
- **various tax reforms and incentives to promote infill development and boost housing supply** in metropolitan and regional Western Australia, including support for build-to-rent projects and off-the-plan multi-storey dwellings; density bonuses for private developments that include social housing; and enhancements to Keystart products.

Economic Outlook

HIGHLIGHTS

- While the global economic outlook has deteriorated over recent months, Western Australia's domestic economy (as measured by State Final Demand) is forecast to grow by 5.25% in 2021-22, the strongest growth in a decade, with solid growth of 4% expected in 2022-23.
- Growth in the State's economy is being driven by exceptionally strong growth in consumer spending, as well as rebounding business investment and elevated levels of Government investment.
- These factors are driving near-record demand for labour, with the unemployment rate forecast to fall to just 3.75% from 2022-23 (down from an annual average rate of 4.2% in March 2022, already the lowest of all States).
- Robust labour demand and limited supply are expected to see wages growth lift from an estimated 2% in 2021-22 to 2.75% in 2022-23.
- Strong domestic economic conditions, combined with national and global supply chain constraints and geopolitical factors, are driving elevated inflation, with the Consumer Price Index (CPI) now forecast to increase by 4% in 2021-22. These inflationary pressures are expected to ease somewhat over the next year, with CPI growth of 2.75% forecast for 2022-23.
- With the reopening of international borders, services imports (such as Western Australians travelling overseas) are expected to lift sharply over the next two years, detracting from net exports and moderating forecast growth in Gross State Product.

Western Australia

Gross State Product

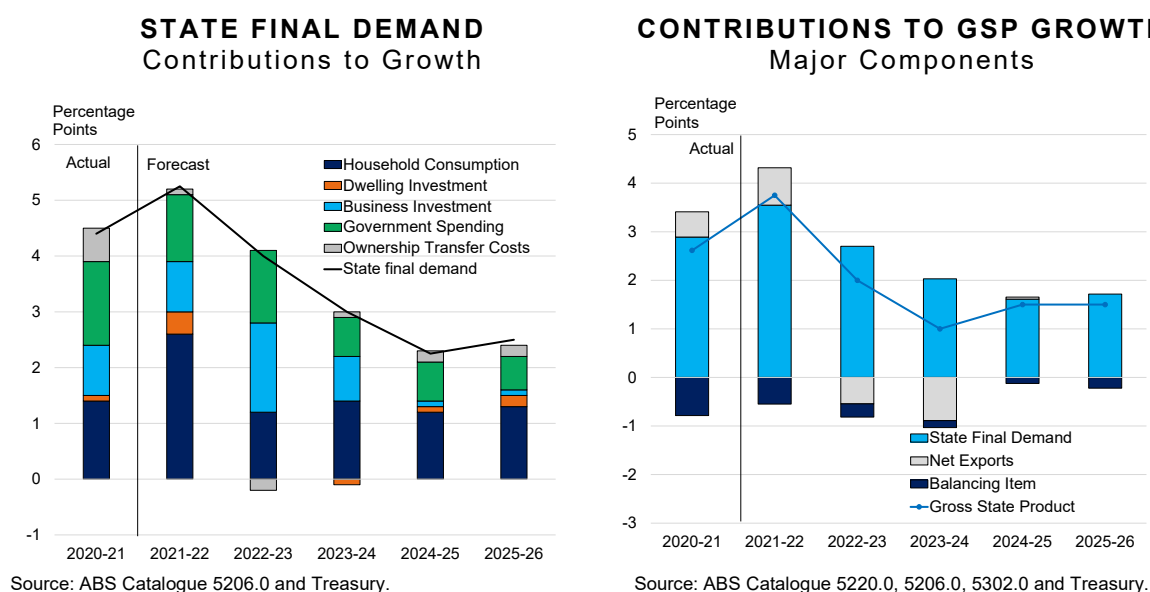
Despite the volatile and uncertain global environment, the Western Australian economy has continued to perform strongly, reflecting the State's positive health outcomes and relatively low levels of public health measures, supported by controlled borders while the COVID-19 vaccination rates picked-up significantly.

The domestic economy (as measured by **State Final Demand**, SFD) is estimated to grow by a very strong 5.25% in 2021-22 - the strongest in a decade – with further growth of 4% expected in 2022-23. To date, this has been underpinned by a strong lift in household spending, with growth in 2022-23 supported by rebounding business investment and elevated levels of Government investment.

The State's strong economic performance is creating a very tight labour market, with employment forecast to grow by 5% (or 68,700 jobs) in 2021-22, and a further 2% (or 28,900 jobs) in 2022-23. The unemployment rate is projected to average just 3.75% from 2022-23.

Price pressures have accelerated in recent months, due to high global oil prices and supply chain disruptions from Omicron outbreaks (particularly in New South Wales and Victoria), as well as adverse weather events, such as flooding that caused the temporary closure of the east-west rail route between 21 January and 15 February 2022. Reflecting these pressures, the Perth Consumer Price Index (CPI) is now estimated to grow by 4% in 2021-22 – up from forecast growth of 2.5% in the 2021-22 Mid-year Review. Growth in the CPI is expected to moderate to 2.75% in 2022-23 as global and domestic supply pressures begin to ease.

Figure 1



Gross State Product (GSP) is estimated to grow by 3.75% in 2021-22 and 2% in 2022-23, driven by the strength in domestic economic activity, partly offset by a contraction in net exports in 2022-23 (and 2023-24) with an expected return to more normal international travel patterns (resulting in Western Australians spending more on overseas travel than the contribution from international visitors and students in the State). At the same time, growth in merchandise exports is forecast to ease as major producers are expected to be operating at close to capacity levels.

Table 1

ECONOMIC FORECASTS
Western Australia, Annual Growth (%)

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated Actual	Budget Year	Outyear	Outyear	Outyear
Demand and Output ^(a)						
Household Consumption	2.7	5.0	2.25	2.75	2.5	2.5
Dwelling Investment	2.0	12.75	0.5	-3.0	1.5	5.75
Business Investment	4.6	4.75	8.25	4.0	0.5	0.25
Government Consumption	6.2	3.0	2.5	1.25	2.5	2.5
Government Investment	4.0	12.5	16.5	7.5	3.25	0.75
State Final Demand	4.4	5.25	4.0	3.0	2.25	2.5
Merchandise Exports	0.5	1.75	1.0	0.5	0.25	0.25
Merchandise Imports	4.6	2.5	4.5	3.0	1.5	1.5
Net Exports ^(b)	1.1	1.75	-1.25	-2.0	0.0	0.0
Gross State Product ^(c)	2.6	3.75	2.0	1.0	1.5	1.5
Labour Market						
Employment	1.8	5.0	2.0	1.25	1.25	1.25
Unemployment Rate ^(d)	6.1	4.0	3.75	3.75	3.75	3.75
Participation Rate ^(d)	68.0	69.2	69.4	69.1	68.8	68.5
Population						
Population	0.9	0.9	1.2	1.4	1.5	1.5
Working Age Population (15+)	1.1	1.0	1.4	1.7	1.7	1.7
Prices						
Consumer Price Index ^(e)	1.6	4.0	2.75	2.5	2.5	2.5
Wage Price Index	1.5	2.0	2.75	3.0	3.0	3.0
Perth Median House Price	3.6	6.2	1.0	2.0	2.1	2.9
Other Key Parameters ^(d)						
Exchange Rate \$US/\$A (US cents)	74.7	73.5	75.1	73.1	70.6	68.2
Iron Ore Price (\$US per tonne) Cost and Freight Inclusive (CFR)	154.5	139.5	77.5	66.0	66.0	66.0
Crude Oil Price (\$US/barrel)	54.6	88.0	97.7	88.1	82.6	79.0

(a) Based on 2020-21 annual State Accounts data, updated with the latest State Final Demand and Balance of Payments data for the December 2021 quarter, the latest data available when the forecasts were finalised.

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

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

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

(e) The CPI growth rates in 2021-22 and 2022-23 are based on the total index excluding the electricity sub-index.

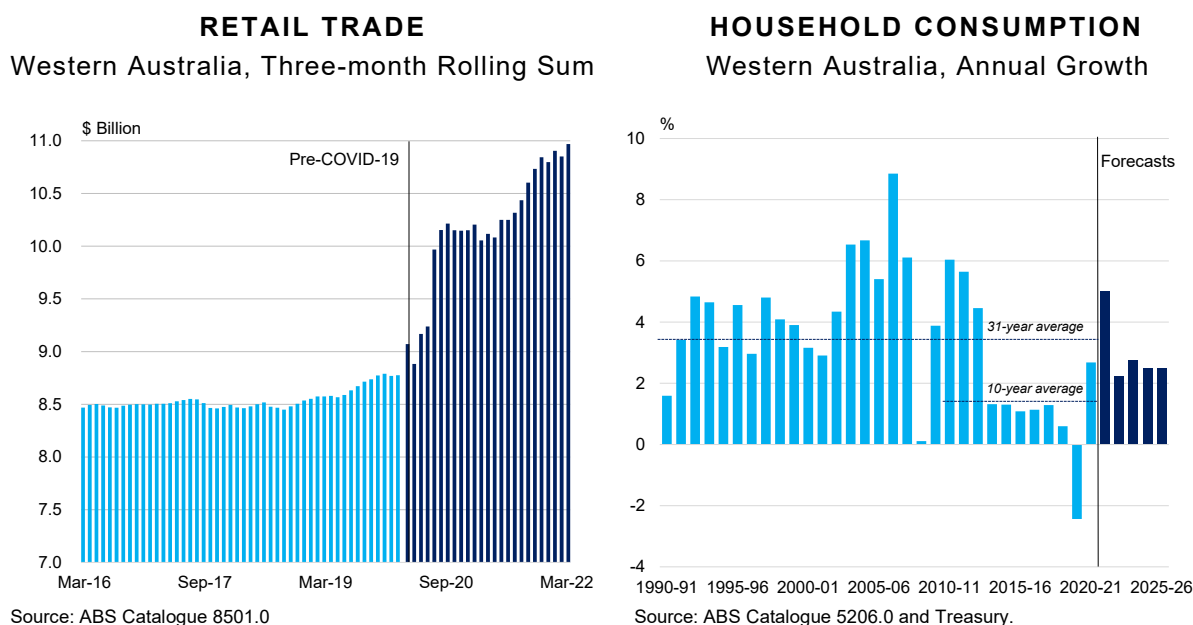
Despite these favourable conditions, the economic outlook still faces a number of risks and uncertainties. These are detailed later in this chapter.

Household consumption has continued to exceed expectations, with growth in spending accelerating to 6% in 2021 from 2.7% in the 2020-21 financial year. This result reflects the success of controlled borders mitigating the need for extended lockdowns in the State, as well as sustained demand for domestic retailing, such as vehicle purchases and household furnishings. High levels of spending have also been supported by strong household balance sheets and consumers diverting spending from international travel to spending within the State.

This spending momentum has continued into 2022 (see figure below, left-hand panel). Experience from the eastern States suggests that the outbreak of the Omicron variant in Western Australia during March and April will likely have a negligible impact on spending. As a result, household consumption is forecast to grow by 5% in 2021-22.

Household spending is expected to grow by 2.25% in 2022-23 before lifting to 2.75% in 2023-24, underpinned by stronger forecast growth in population and wages. Growth of 2.5% is forecast in both 2024-25 and 2025-26 as consumption patterns stabilise.

Figure 2

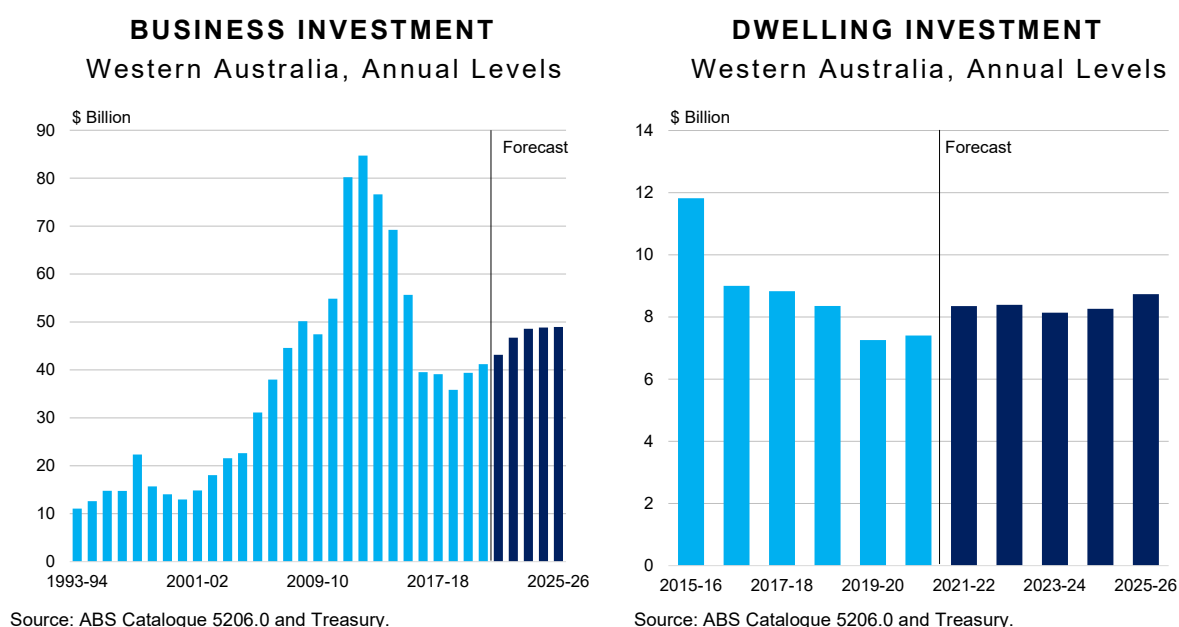


Business investment increased by 4.6% in 2020-21, largely driven by ongoing construction work across various iron ore backfill projects (including the Gudai-Darri, Robe Valley Mesa and Western Turner Syncline 2 projects). Business confidence and conditions remained strong in 2021, supported by the State's ability to contain the spread of COVID-19 in the community. Labour shortages and supply chain disruptions have resulted in some delays to investment spending, particularly for smaller non-mining businesses. As a result, business investment is expected to grow by 4.75% in 2021-22, a slower pace than previously forecast.

Growth is expected to strengthen to 8.25% in 2022-23, as spending on the construction of the large iron ore backfill projects (most notably the Iron Bridge Stage 2 project) is replaced by spending on LNG projects (including the Scarborough/Pluto Stage 2 LNG project and the Jansz-Lo Compression project) and other projects (such as the Eneabba Rare Earths Refinery and the Mardie Salt project). Across the resources sector, capital expenditure to sustain current operations will also support investment spending, as companies look to maintain strong levels of production.

In dollar terms, business investment is expected to continue at solid levels from 2023-24 onwards, increasing to \$49 billion by 2025-26, almost \$8 billion above the 2020-21 level (see figure below, left-hand panel).

Figure 3



Dwelling investment grew by 15.6% in 2021 after increasing by 2% in the 2020-21 financial year. Growth in 2021 was underpinned by the Commonwealth and State COVID-19 stimulus grants for residential construction made available in the second half of 2020. Dwelling investment expenditure is expected to lift by 12.75% in 2021-22, with elevated levels of activity forecast to continue into 2022-23, as the build times for dwellings currently under construction have been extended further than previously anticipated. This reflects ongoing labour constraints and delays in the sourcing of some building materials, such as timber.

Dwelling investment activity is expected to moderate in 2023-24 as the current pipeline of building work is largely completed, and return to growth from 2024-25, supported by growth in the State's population.

Government consumption is estimated to increase by 3% in 2021-22, following strong growth of 6.2% in 2020-21, in line with continuing Government support measures (such as the expansion of health services and the provision of electricity bill relief for Western Australian households). Growth in Government consumption is expected to moderate to 1.25% by 2023-24 as the impact of these support measures unwinds, before stabilising at 2.5% from 2024-25.

Government investment grew by 4% in 2020-21, and is forecast to pick up to growth of 12.5% in 2021-22, reflecting construction work on a large number of road, rail and utilities projects by the State Government. Forecast growth of 16.5% in 2022-23 and 7.5% in 2023-24 is in line with trends in the State Government's Asset Investment Program (see Chapter 6: *Asset Investment Program* for further detail), together with a number of new projects announced by the Commonwealth Government (including the Henderson large-vessel dry-dock project).

The Government consumption and investment forecasts outlined above include a range of initiatives to promote the diversification of the Western Australian economy, as outlined in the feature box below.

ECONOMIC DIVERSIFICATION INITIATIVES

The 2022-23 Budget further supports the Government's priority of diversifying the economy, delivering more than \$1.3 billion across a range of initiatives to drive sustainable, long-term growth and create jobs. This includes boosting export sectors as international borders reopen, promoting the development of emerging industries, expanding into new markets, and investing in economic infrastructure, including ports and roads.

As part of this commitment, the Government has increased support for the tourism and international education sectors. In addition to the Reconnect WA package announced at the 2021-22 Mid-year Review, this Budget provides:

- \$69.5 million of additional support to the tourism sector to attract additional blockbuster and business events, support additional marketing, and develop tourism experiences in Western Australia's national parks; and
- an extra \$41.2 million for a range of measures to accelerate recovery of the international education sector, including increased marketing and student incentives.

Additional funding is also provided to expand export markets and support the development of other priority sectors identified in the Government's Diversify WA economic framework. This includes:

- an \$80 million boost to the existing Investment Attraction Fund, taking the Fund to \$180 million. The Fund is designed to invest in industry-led diversification proposals to create local jobs in new and emerging industries;
- a \$50 million increase in the Industrial Land Development Fund (taking this Fund to \$100 million) to remove barriers to industrial development projects of strategic importance to Western Australia;

- \$25 million for an agricultural research collaboration with the Commonwealth Scientific and Industrial Research Organisation and universities, through the establishment of the Western Australian Agricultural Collaboration;
- an additional \$17.1 million to boost Western Australia's overseas presence, including the opening of four new 'spoke' offices in Chennai, Ho Chi Minh City, Kuala Lumpur and Frankfurt;
- \$12 million will be spent on the WA Array Program, which will provide imaging of areas of the State's geology deep beneath the surface to assist exploration companies in identifying new resources;
- \$10 million for a second round of funding to attract business call centres and back office processing to Western Australia;
- \$8.7 million to implement the WA Health and Medical Life Sciences Industry Strategy, which was released in November 2021;
- the continuation of grant programs to support the space sector, consisting of \$8.4 million to the Australian Remote Operations for Space and Earth and \$2.5 million to Curtin University towards the Binar Space Program;
- \$6 million for the Minerals Research Institute of Western Australia to pursue strategic research opportunities, including critical minerals and clean energy technologies; and
- supporting the development of an LNG decommissioning industry in Western Australia through a \$5 million grant to the Centre for Decommissioning Australia.

Other measures include a 50% royalty rebate to support development of the potash industry and an additional investment in a vessel transfer path at the Australian Marine Complex for the defence industry.

Western Australia's defence industry also received a significant boost in the 2022-23 Commonwealth Budget with the announcement of up to \$4.3 billion to build a new dry dock at the Australian Marine Complex. This dock will enable Western Australia to build and sustain larger vessels to support Australia's naval capability.

As announced in the 2021-22 Mid-Year Review, the Government also remains committed to the development of a renewable hydrogen industry. This includes \$117.5 million set aside for two hydrogen hubs in the Pilbara and Mid West, subject to matching funding from the Commonwealth, with bipartisan Federal support already received for the hydrogen hub in the Pilbara.

More broadly, the 2022-23 Budget supports regional development and export industries through significant additional investment in ports and road projects, including:

- \$332 million for a major upgrade at the Geraldton Port to expand capacity in response to increasing demand;

2022–23 Economic and Fiscal Outlook

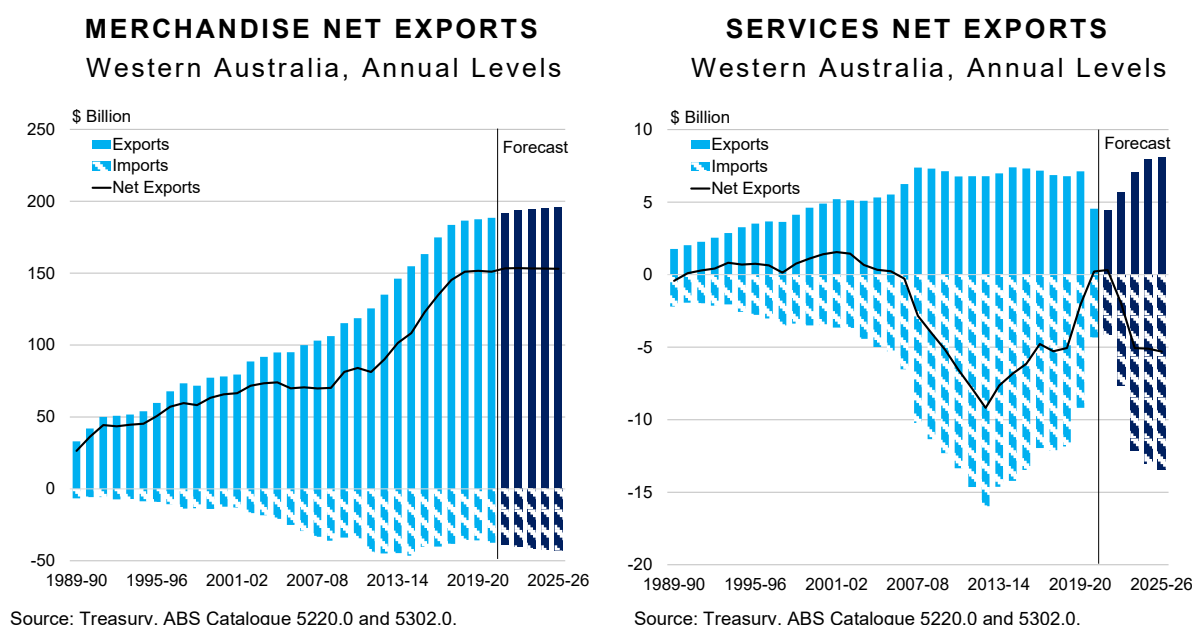
- \$250 million for the Pinjarra Heavy Haulage Deviation project (including new funding of \$135 million to 2025-26);
- \$120 million for the Moorine Rock to Mount Holland Road Upgrades that will support the Covalent lithium mine;
- \$78.1 million to construct supporting infrastructure at Lumsden Point to facilitate the development of additional general cargo facilities and a logistics hub at Port Hedland;
- \$52 million for the construction of a supply base to support oil and gas operations in the Browse Basin and base infrastructure for an associated chemical storage facility in Broome;
- \$50 million for upgrades to the Great Northern Highway between Newman and Port Hedland; and
- \$36 million for the Mid West and Great Southern Secondary Freight Network Program.

Merchandise exports are expected to grow by 1.75% in 2021-22, after increasing by 0.5% in 2020-21, driven by iron ore, LNG and agricultural exports. Iron ore is forecast to continue supporting growth in exports throughout the forecast period, with major producers maintaining elevated levels of production. LNG exports are expected to underpin growth of 1% in merchandise exports in 2022-23, with more production uptime expected at key projects following unplanned maintenance across 2020-21 and 2021-22.

Growth in merchandise exports is expected to moderate in the outyears, down to 0.25% from 2024-25 (see figure below, left-hand panel). While depletion of LNG resources will detract from overall growth over the outyears (with production from the Scarborough/Pluto Stage 2 project not expected to commence until 2026), this is more than offset by growth in other commodities, including nickel and lithium, reflecting increasing demand for battery metals.

Merchandise imports are estimated to grow by 2.5% in 2021-22, with growth lifting to 4.5% in 2022-23, reflecting a combination of higher capital goods imports as business investment lifts, and elevated imports of consumer goods supported by strong levels of household consumption. Growth is expected to moderate over the outyears as discretionary spending eases and the level of business investment stabilises.

Figure 4



Services exports are anticipated to fall by 2% in 2021-22 but are forecast to rebound strongly from 2022-23, reflecting an expected pick-up in inbound education, tourism and business-related travel. Services exports are projected to reach pre-COVID levels in 2023-24, before reverting to more moderate rates of growth in the last two outyears.

Services imports are anticipated to recover more quickly than services exports and to exceed pre-pandemic levels in 2023-24, supported by pent-up demand from Western Australians for international tourism travel (the largest component of services imports, worth almost \$7 billion prior to COVID-19). Services imports growth is forecast to moderate in the last two outyears as outbound travel patterns normalise.

Total net exports are expected to decline by 1.25% in 2022-23 and by 2% in 2023-24 in line with the recovery in international travel and easing of border restrictions globally. In the last two outyears, total net exports are expected to level off as conditions stabilise across both merchandise and services trade.

Housing Market

The established housing market has continued to tighten through 2021-22 to date, with sales exceeding levels over the same period in 2020-21. The supply of dwellings, as measured by the number of listings for sale and for rent, remains at very low levels and is expected to begin increasing by the end of 2022 as dwellings under construction are gradually completed, adding to housing supply (including rental stock).

The median house price is estimated to grow by 6.2% in 2021-22 underpinned by current strong demand. Growth is forecast to ease to 1% in 2022-23 as the expected expansion of the housing stock provides more choice for buyers and renters, and anticipated interest rate rises weigh on household borrowing capacity.

In the outyears, house prices are forecast to rise modestly in line with a pick-up in underlying demand as population growth lifts.

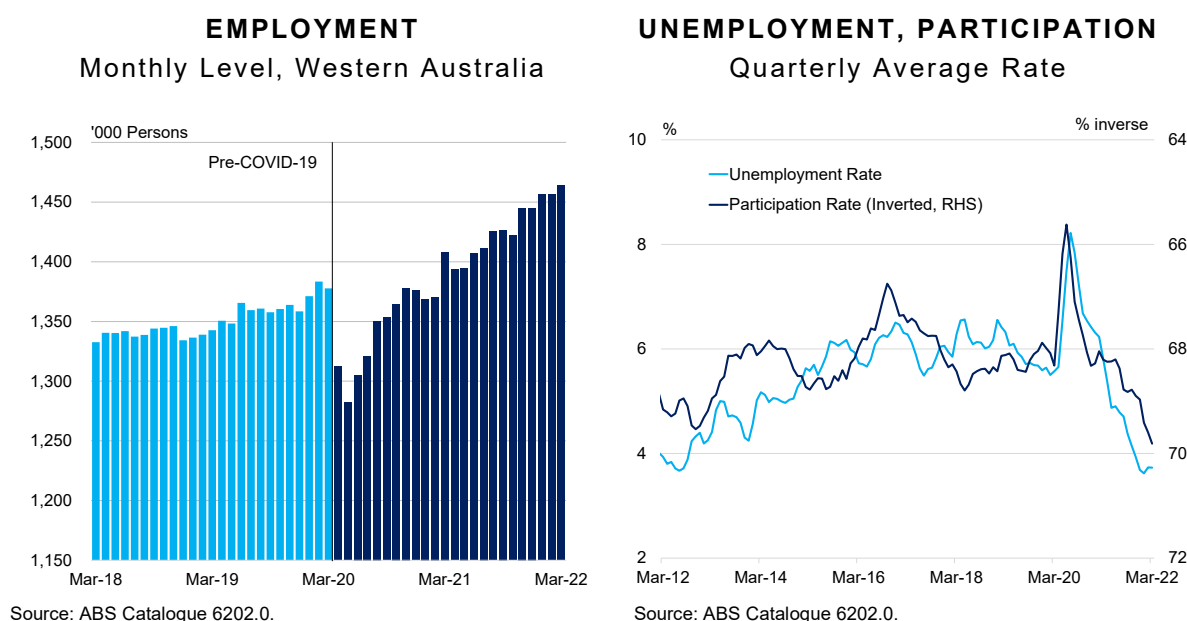
Labour Market

Western Australia's labour market has strengthened further in 2022 to date, with employment reaching record levels, the unemployment rate near its lowest in more than a decade, and an abundance of job opportunities contributing to a surge in workforce participation.

Employment grew by 79,740 people (or 5.9%) in annual average terms in March 2022, reflecting a strong recovery since the onset of the pandemic. As a result, the unemployment rate has trended lower, falling to just 3.4% in March 2022 (with an annual average rate of 4.2%). Advertised job vacancies are at their highest level in nearly fourteen years, and strong hiring conditions have enticed more people into the labour force, with the participation rate reaching an historic peak of 69.8% in the March quarter 2022.

Employment is forecast to increase by 28,900 jobs (or 2%) in 2022-23, building on exceptionally strong growth of 5% (or 68,700 additional jobs) in 2021-22. This is anticipated to be supported by continued hiring in the mining and health care sectors, as well as sustained residential construction activity. In line with trends in the domestic economy, employment is forecast to grow at a more moderate pace of 1.25% per annum for the remainder of the forecast period.

Figure 5



The **unemployment rate** is forecast to average 3.75% in 2022-23, easing further from 4% in 2021-22. Tight labour market conditions are anticipated to continue, reflecting strong demand for labour. Notwithstanding stronger growth in population, the unemployment rate is expected to stabilise at 3.75% in the outyears, as labour demand continues and the participation rate eases over the period.

In line with strong labour demand, the **participation rate** is forecast to reach a record 69.4% in 2022-23, rising from 69.2% in 2021-22 and continuing a COVID-19 period trend for more people to join the workforce. This has coincided with subdued population growth. The participation rate is forecast to moderate over the Budget period to 68.5% by 2025-26, as the population ages and older cohorts (who have recently had the largest increase in participation) are expected to retire from the labour market.

Wages, Prices and Population

Western Australian wages (as measured by the **Wage Price Index**, WPI) increased by 1.7% in 2021, following growth of 1.5% in the 2020-21 financial year. These rates of growth remain subdued despite the current tight labour market conditions. Businesses have been using a range of ways to attract and retain people without building increases into base wages. This includes the use of targeted bonuses and one-off payments, as well as flexible work policies and more internal training and development, which are not captured in the headline WPI data.

Continued strong labour demand is projected to result in wages growth picking up from 2% in 2021-22 to 2.75% in 2022-23 and 3% from 2023-24. Based on the forecasts in this Budget for growth in the Consumer Price Index (see below), this is expected to see real wage growth from 2023-24.

After Perth's **Consumer Price Index** (CPI) averaged just 1% over the five years to the end of 2020-21, CPI picked up in 2021-22 due to a combination of higher prices for automotive fuel and new dwelling prices.

Price pressures have accelerated in recent months, and the Perth CPI is now estimated to grow by 4% in 2021-22. This reflects a combination of high global oil prices (due to strong demand and supply constraints, including as a result of the Ukraine crisis), as well as supply chain disruptions related to Omicron absenteeism and weather events (such as the temporary closure of the east-west rail route and eastern States floods).

Inflationary pressures are expected to moderate in 2022-23, with forecast CPI growth of 2.75%. This reflects the passing of temporary impacts on local supply chains and the easing of other global pressures (for example, growth in new vehicle purchase prices has begun moderating, and freight costs have eased from their recent peak). Pressures are expected to continue for the cost of construction of new homes.

Western Australia's **population growth** is expected to stabilise at 0.9% in 2021-22 and gradually lift over the Budget period.

Population growth has been significantly impacted by the controlled international border, with net overseas migration moving from being the largest driver of population growth to being a drag on growth (as more emigrated from the State than migrated to the State in line with national trends), resulting in population growth declining from 1.5% in 2019-20 to 0.9% in 2020-21. The steady rate of population growth in 2021-22 reflects a modest recovery in net overseas migration to the State, as a result of the full reopening of the border on 3 March 2022.

The steady pick-up in population growth over the forecast period is due to an expected gradual recovery of net overseas migration to once again being the largest driver of growth (from 2023-24). This is projected to more than offset a gradual tapering of net interstate migration to the State from current high levels to longer term average levels over the period.

Risks

The highly dynamic domestic and global environments mean that the economic outlook continues to be subject to heightened risks.

A key risk is how the COVID-19 pandemic develops domestically, nationally and globally (particularly in China). Experience highlights the potential for new COVID-19 variants to emerge which make any transition uncertain. Even if Western Australia continues to restrict transmission of any new outbreaks, there is a risk that an accumulation of cases across the rest of the country may dent confidence levels and further disrupt supply chains.

The State is also facing continued challenges that could impact the near-term outlook. Labour and supply-chain disruptions have impacted activity, most notably new dwelling investment, over the period since COVID-19 commenced. Within the residential construction sector, ongoing shortages have resulted in extended build times and escalating costs. Any additional disruptions could result in build times being stretched further.

Rising inflation is another key risk, both globally and domestically. Following the release of higher than expected CPI data for the March quarter on 27 April 2022¹, the Reserve Bank of Australia increased the cash rate by 25 basis points and flagged further increases over the period ahead. The prospect of increased borrowing costs presents some risk to the outlook for household spending, though many households have been able to build a savings buffer or pay down debt during the pandemic.

While the State's interstate and international borders are now open, there is uncertainty about the pace of recovery in the State's tourism and international education sectors. In particular, the extent of travel hesitancy is uncertain, as is the extent to which businesses continue to use online tools to hold meetings instead of travelling to meet in person.

SUPPLY CHAIN AND COST PRESSURES

Supply chain and cost pressures have been building within the global economy since the middle of 2020. These have been caused by a range of factors including: the strong global stimulus measures in response to the COVID-19 pandemic; changing consumption patterns as households have adapted to the pandemic; disruptions to supply chains and logistics as a result of pandemic-related restrictions; and more recently, the Russian invasion of Ukraine has generated significant additional price pressures for a range of raw materials.

Like other jurisdictions, Western Australia has been impacted by these developments, with households and businesses experiencing delays, materials shortages and higher costs. These dynamics have been exacerbated by several domestic factors, such as flooding which caused the closure of the Trans Australia Railway between 21 January and 15 February 2022, and widespread workplace absences in the Eastern States as a result of domestic transmission of COVID-19.

Economic growth in developed countries rebounded from the COVID-19 crisis faster than anticipated, with global growth estimated at 6.1% in 2021. This strong recovery, together with pandemic-related restrictions (which impacted throughput at key ports) and policy constraints (such as OPEC+ caps on oil production), have contributed to global cost pressures.

Global consumption patterns have shifted substantially in response to the pandemic. Most rich nations offered significant stimulus to households which encouraged a substantial increase in expenditure on goods. The shift from services to goods overwhelmed many supply chains, overwhelmed manufacturing and significantly boosted freight costs (see figure below). This has placed significant pressure on the building and construction industry, with materials costs rising sharply. For example, from the June quarter 2020 to the March quarter 2022, ABS data indicates that steel products have increased by 44.4% and timber products by 21.9%.

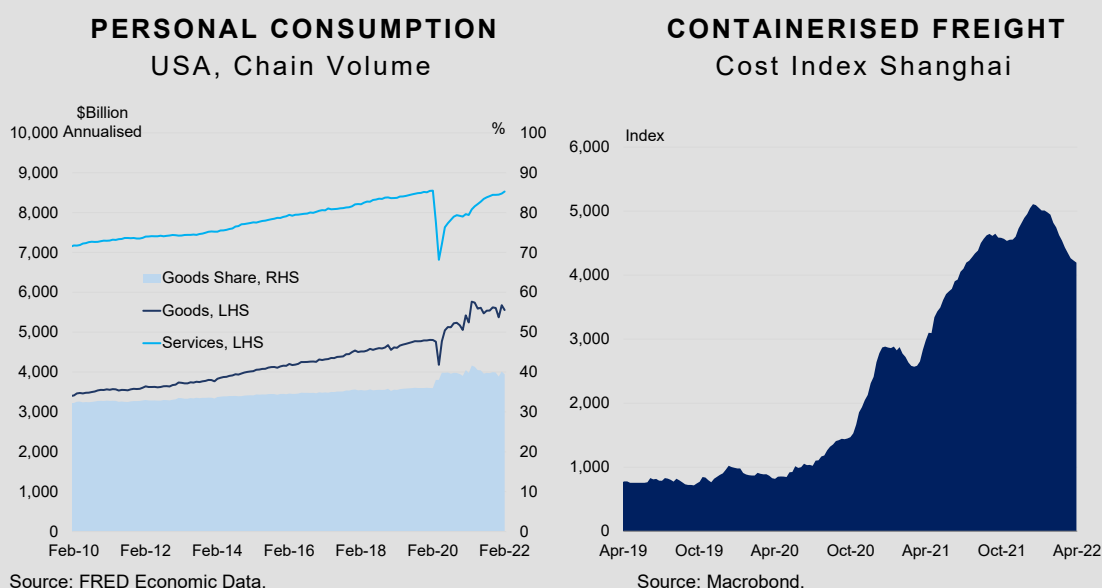
¹ This release was after the 11 April 2022 Budget cut-off when forecasts were finalised.

Supply chains have been further interrupted by repeated waves of COVID-19 impacting production and logistics through lockdowns and workplace absences. Consultations with industry have revealed that supply chain disruptions have been a constant issue over the past two years, with a large range of goods being impacted.

Russia's invasion of Ukraine on 24 February after an extended period of escalating tensions throughout much of 2021 and into 2022 has caused a broad range of commodity prices to rise significantly, with some experiencing extreme volatility. Key sectors impacted are energy, industrial and precious metals, grains, fertilisers and (to a lesser extent) iron ore. Western Australia has a significant export exposure to these sectors and is therefore receiving a boost in export income. However, higher prices for fuel, fertilisers, grains and some construction materials (e.g. aluminium) are adding to cost pressures for consumers and businesses.

Western Australia's direct trade exposure in 2020-21 to Russia, Ukraine and Belarus was just 0.1% of its total trade, although there are some areas where trade is important. For instance, in 2020-21, Western Australia's largest import from these countries was fertiliser from Russia (\$65 million, around 8.6% of total fertiliser imports).

Figure 6



Domestic factors have also disrupted supply chains and exacerbated cost pressures. Severe flooding in central Australia in January caused train services between Western Australia and the Eastern States to be suspended for over three weeks. This significantly reduced the availability of a range of goods, including packaged food at supermarkets and construction materials for housing.

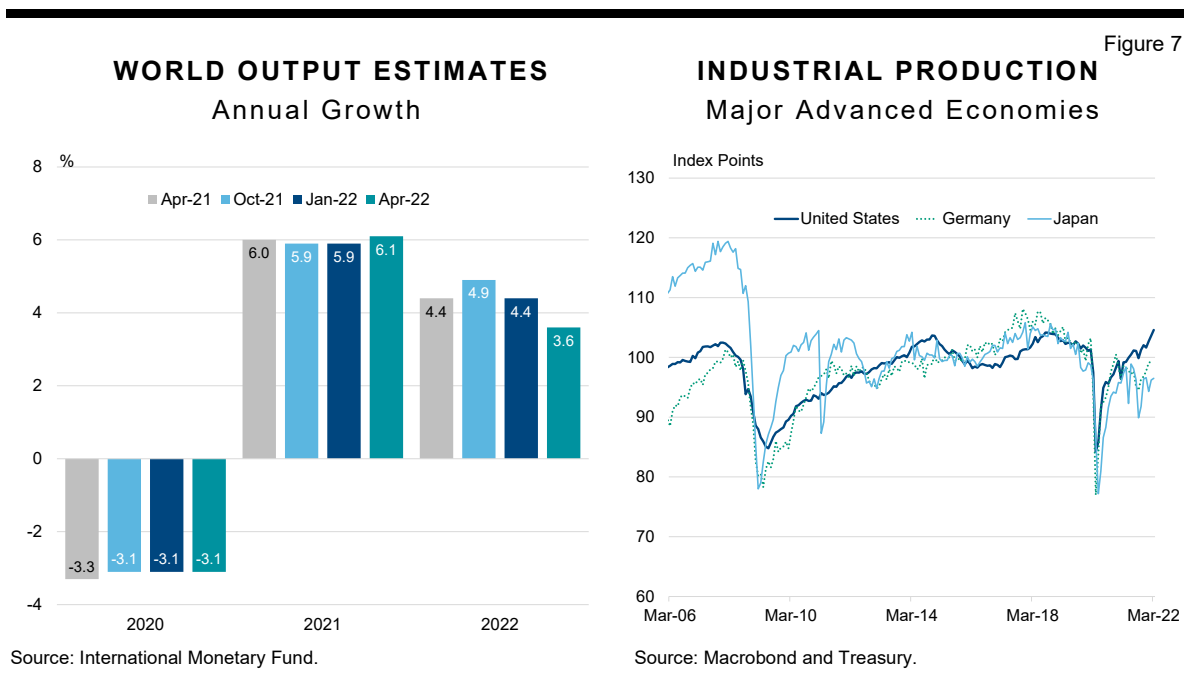
The Omicron outbreak in Australia's Eastern States over December 2021 and January 2022 caused significant disruption to the country due to high levels of workplace absences and overwhelmed testing capacity. This impacted national distribution and logistics centres, which disrupted some supply to Western Australia. While there have been some instances of absenteeism during Western Australia's more recent Omicron outbreak, these have not been widespread and have had only a minimal impact on production, with testing capacity supported by the supply of Rapid Antigen Tests.

The combination of a strong global recovery, pandemic-related supply chain disruptions, policy constraints and the Ukraine conflict have all contributed to an increase in global cost pressures, including recent strong growth in the Perth CPI (most notably through higher fuel prices). The global factors have been exacerbated by short-term Omicron and weather-related supply disruptions. Together, these factors underpin a forecast increase in the Perth CPI from 1.6% in 2020-21 to 4% in 2021-22 (up from forecast growth of 2.5% in the 2021-22 Mid-year Review).

Growth in the Perth CPI is expected to ease to 2.75% in 2022-23, as a reduction in pandemic-related disruptions eases global supply chain pressures and as current price pressures from Omicron and weather-related disruptions unwind.

Global Outlook

Global economic activity rebounded robustly in 2021 (6.1%), supported by significant economic stimulus in advanced economies after a pandemic-induced sharp contraction in 2020 (-3.1%). However, the global economic outlook has deteriorated over recent months, as: persistent and rising inflation prompts central banks in many nations to tighten monetary policy; more transmissible strains of COVID-19 pose challenges to China's economy; and Russia's invasion of Ukraine disrupts global supplies of key raw materials and adds to the overall climate of uncertainty. Reflecting this in its April 2022 update, the International Monetary Fund (IMF) forecasts a slowdown in global economic growth in 2022 (3.6%), lower than the 4.4% growth forecast in January 2022 (see figure below, left-hand panel).



Advanced Economies

The **US** economy rebounded solidly over the course of 2021, growing by 5.7% after contracting by 3.4% in 2020, facilitated by high levels of Government spending, lower interest rates and other policy support. However, the strong economy, high demand for labour and workforce participation have contributed to some of the highest rates of inflation among advanced economies, which has seen monetary policy begin to tighten in 2022. Monetary policy is likely to continue to tighten across the year, which will pose a risk to economic growth. However, the US is likely to be relatively insulated from the fallout from the Ukraine crisis as it is a large energy producer, and the nation will likely see a boost to energy and defence exports to Europe. The IMF is forecasting growth to slow in 2022 (3.7%) and 2023 (2.3%), which represents a relatively modest downgrade of 0.3 percentage points in each year.

The economic outlook for the **euro area** has deteriorated markedly over recent months as a result of the Russian invasion of Ukraine and the flow-on impacts of higher energy prices. Higher energy prices have added to inflationary pressures (which will likely bring forward monetary policy tightening from the European Central Bank), and constrained output in some energy-intensive sectors, such as manufacturing and metal refining. The IMF has revised down economic growth in the euro area heavily as a result, down 1.1 percentage points in 2022 (to 2.8%) and 0.2 percentage points in 2023 (to 2.3%). The impact of rising energy prices is illustrated by the divergent industrial production data between major importers of coal and gas (Germany and Japan) and nations that are self-sufficient, such as the US (see figure above, right-hand panel).

China

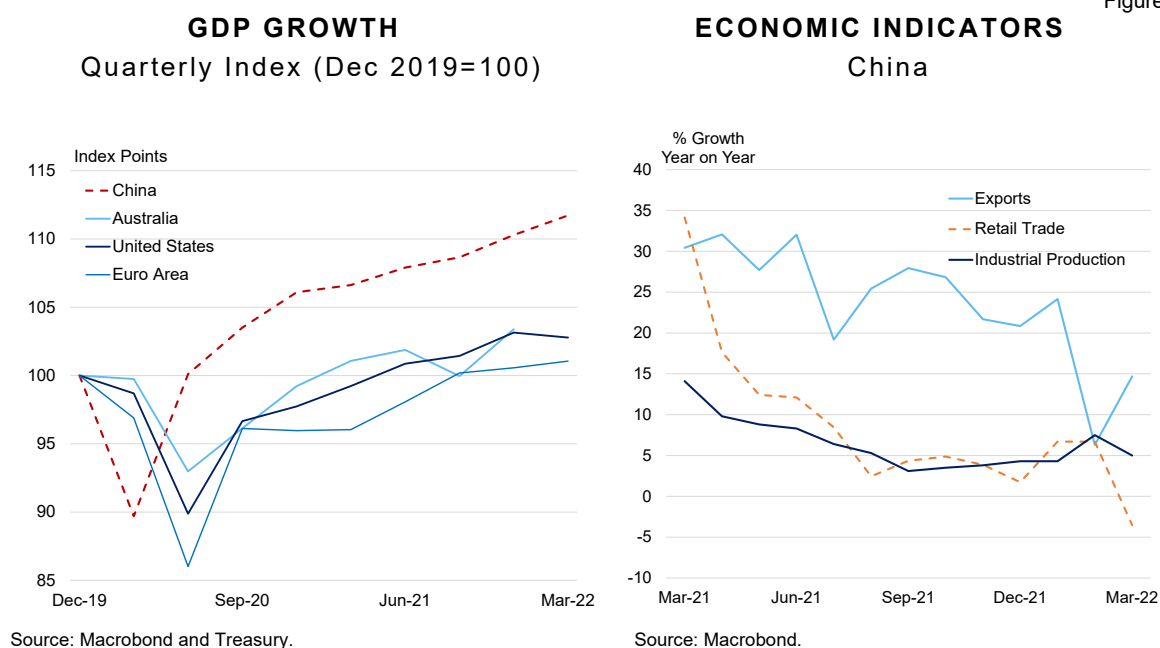
China's economy has been one of the most resilient over the pandemic period as effective containment measures have limited domestic transmission of COVID-19, stimulus measures supported domestic demand, and the global shift in consumption towards goods (and away from services) has supported strong demand for exports (see figure below, left hand panel). China's economy grew 2.2% in 2020 and 8.1% in 2021.

At the beginning of 2021, industrial and construction activity was still being supported by stimulus measures which had commenced in 2020. However, activity moderated in the second half of the year as the boost from stimulus faded, high energy prices restricted output, and more transmissible strains of COVID-19 required more stringent containment measures, which disrupted some logistics hubs. Industrial production increased a modest 4.3% through the year to December 2021. Retail trade also lost momentum over the year (due to concerns about COVID-19 and the property sector) and was only up 1.7% through the year to December 2021. However, exports were strong, up 30% in 2021 compared to 2020 (see figure below, right hand panel).

Since late 2021, the Government has shifted to a more accommodative macroeconomic policy stance, with easing monetary policy and increased infrastructure spending, to stabilise the economy. However, the economy faces a number of challenges over 2022, including: more transmissible strains of COVID-19, which have resulted in ongoing mobility restrictions; ongoing weakness in parts of the property development sector; a potential moderation of external demand as consumers in developed nations adjust to tighter macroeconomic policies; and elevated raw material costs. Accordingly, the IMF has downgraded its growth forecasts by 0.4 percentage points in 2022 (4.4%) and 0.1 percentage points in 2023 (5.1%).

It is quite likely that China will experience divergent growth across various sectors in the near term, with stimulus supporting some industrial sectors and mobility restrictions limiting household consumption. Reflecting this, retail trade declined 3.5% through the year to March 2022, but fixed asset investment increased 9.3%.

Figure 8



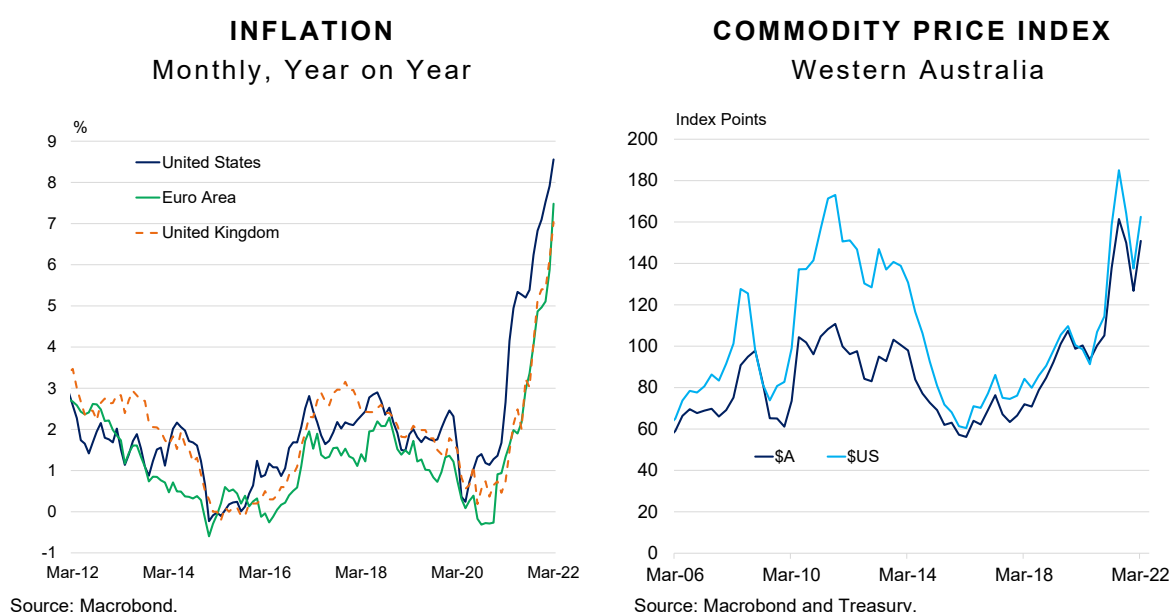
Global Risks

The **global outlook** continues to be clouded by higher-than-average uncertainty. Over the coming year, two key risks stand out above others: the war in Ukraine; and the impacts of monetary policy tightening to rein in inflation.

The **Ukraine** conflict poses a significant risk to the global economy. Wars are inherently unpredictable and there are numerous associated risks. This conflict and its aftermath will likely be a source of ongoing instability of global consequence for a number of years.

Many of the world's nations have been experiencing **persistent and rising inflation** (figure below, left-hand panel). In response, central banks have started **tightening monetary policy** and there are expectations that policy settings will shift considerably over the course of 2022. For example, in March 2022 the US Federal Reserve raised interest rates for the first time since 2018. Moreover, it released projections from Federal Open Market Committee (FOMC) members which implied they expected rates to be around 2% by the end of 2022, up from a range of zero to 0.25% before March 2022. Rates have also started rising in the UK and Canada, and the European Central Bank is also expected to start raising rates over the course of the year. Interest rate rises are designed to cool economic growth, but there is a risk that rates could be raised too quickly which could put some major economies at risk of recession. The risk to the global economy is heightened given the number of central banks lifting rates at the same time.

Figure 9



Commodity Markets

Global commodity markets have tightened significantly since the early stages of the pandemic. This primarily reflects a combination of strong demand as developed countries have rebounded from the initial COVID-19 shock and constrained supply (due to supply chain challenges and OPEC+ production caps), recently exacerbated by a supply shock due to the Russian invasion of Ukraine. At the same time, structural changes, most notably initiatives to mitigate climate change, have boosted demand for battery-related materials.

Commodity prices, particularly energy (e.g. oil and gas), metals (e.g. nickel), and fertilisers (e.g. potash) have risen significantly on the back of the Ukraine crisis. Russia and Ukraine are major exporters of commodities, and sanctions and other disruptions to supply have, and could continue to keep, commodity prices high.

Prices for commodities involved in battery production for electric vehicles and energy storage continue to be strong. Lithium, cobalt and nickel prices have all trended up strongly over the past year. Global demand has been supported by Government policies to encourage sales of electric vehicles as part of the broader aim to reduce carbon emissions, proactive moves by automobile manufacturers and growing consumer acceptance of electric vehicles. Nickel prices have been particularly volatile, influenced by the war in Ukraine, with prices surging in mid-March and causing the London Metals Exchange to suspend trading and impose limits on daily price movements.

The commodity price index², a weighted index of commodity prices most relevant to the Western Australian economy, has risen since the 2021-22 Mid-year Review cut-off (see figure above, right-hand panel). These higher commodity prices, particularly iron ore, have supported an appreciation of the Australian dollar against the United States dollar over the same period. A higher Australian dollar exchange rate reduces mining revenue (as most commodities are priced in US dollars), partially offsetting additional revenue received from higher commodity prices.

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

Iron Ore

The iron ore market has been characterised by strong swings in Chinese demand and unresponsive seaborne supply, which have resulted in the benchmark iron ore price (62% Fe, CFR China) fluctuating considerably over the past two years. After reaching a record high of \$US236 per tonne in mid-May 2021, the iron price fell sharply to a low of \$US87 per tonne by mid-November, before rebounding to \$US151 per tonne at Budget cut-off (11 April 2022) (see figure below, left-hand panel).

The steep decline in the iron ore price in the second half of 2021 was the result of the enforcement of steel production cuts in China, aimed at reducing emissions, as well as a downturn in the country's property and construction sectors. Prices began to recover from late November after the Chinese Government shifted to a more accommodative macroeconomic policy stance, promoting 'economic stability' as a key driver for 2022. This led to improved sentiment in the iron ore and steel markets, pushing prices higher.

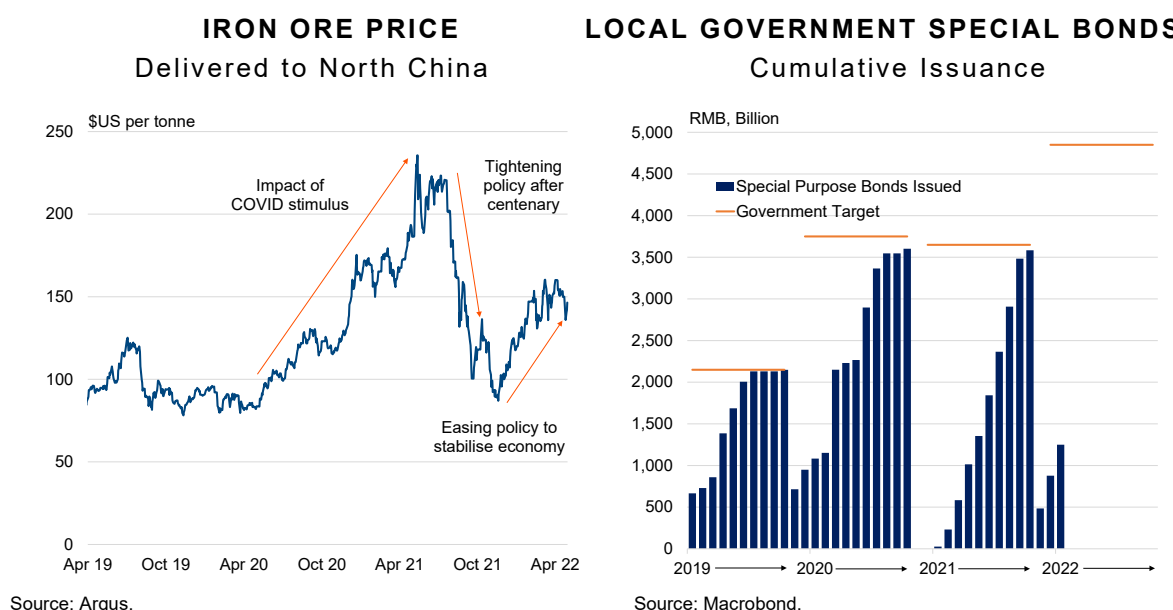
China's infrastructure sector, which accounts for about 30% of Chinese steel demand, is expected to play a key role in stabilising economic growth in 2022. Authorities have allocated a record RMB4.85 trillion in local government special bonds for major infrastructure projects in 2022 after unused funds were reallocated from prior years. The pace of bond issuance has also accelerated with local governments issuing RMB1,250 billion in the March 2022 quarter, compared to RMB26.4 billion issuance in the same period last year (see figure below, right-hand panel).

Meanwhile, a number of measures have been introduced to stabilise China's property market, which accounts for around 25-35% of Chinese steel demand. Credit conditions have started to ease with the People's Bank of China cutting the Reserve Ratio Requirement and announcing an easing of the benchmark mortgage rate since November 2021. Authorities have also partially relaxed control measures imposed upon property developers in late 2020 aimed at curbing debt levels, with previously restricted pre-sale funding available to developers to finish existing projects.

Together, these actions have boosted steel production in China and suggest a relatively steady outlook for demand in 2022.

² The commodity price index is a weighted index of iron ore, gold, oil, condensate, LNG, copper, nickel, zinc, lithium and alumina.

Figure 10

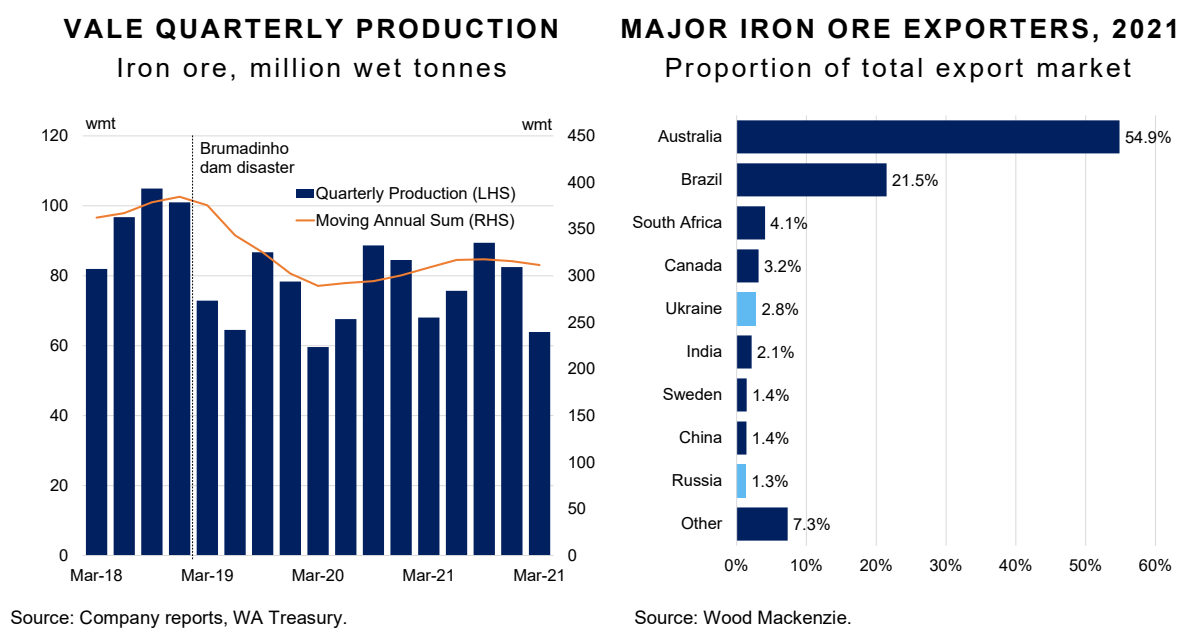


Global iron ore supply has stabilised at a high level reflecting a combination of factors, including that Australia's largest producers have been operating at close to capacity while there has been a slower than expected recovery of Brazilian iron ore following the Brumadinho tailings dam disaster in January 2019. Brazil's largest iron ore producer, Vale, has set production guidance of 320-335 million tonnes in 2022, well below pre-Brumadinho levels of 385 million tonnes (see figure below, left-hand panel). Heavy rains at the beginning of this year have resulted in weak shipments from Brazil, presenting downside risk to Vale's forecast.

Russia's invasion of Ukraine has the potential to further tighten global supply. Combined, Russia and Ukraine exported about 69 million tonnes of iron ore in 2021, or 4.1% of total global exports (see figure below, right-hand panel), with markets across Europe particularly exposed to supply disruptions. So far, the conflict has caused significant infrastructure damage in Ukraine and while some iron ore can still be exported by rail, port closures have prevented seaborne exports. Russian exports have been affected by sanctions imposed by Western Governments.

Iron ore production in Western Australia is projected to increase modestly from around 853 million tonnes in 2021-22 to 865 million tonnes by 2025-26. This reflects incremental increases from larger producers as new replacement mines, which allow producers to better utilise existing infrastructure, come online. Growth is projected to remain flat thereafter as some smaller mines are depleted and not replaced due to lower projected prices.

Figure 11



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

Other Commodities

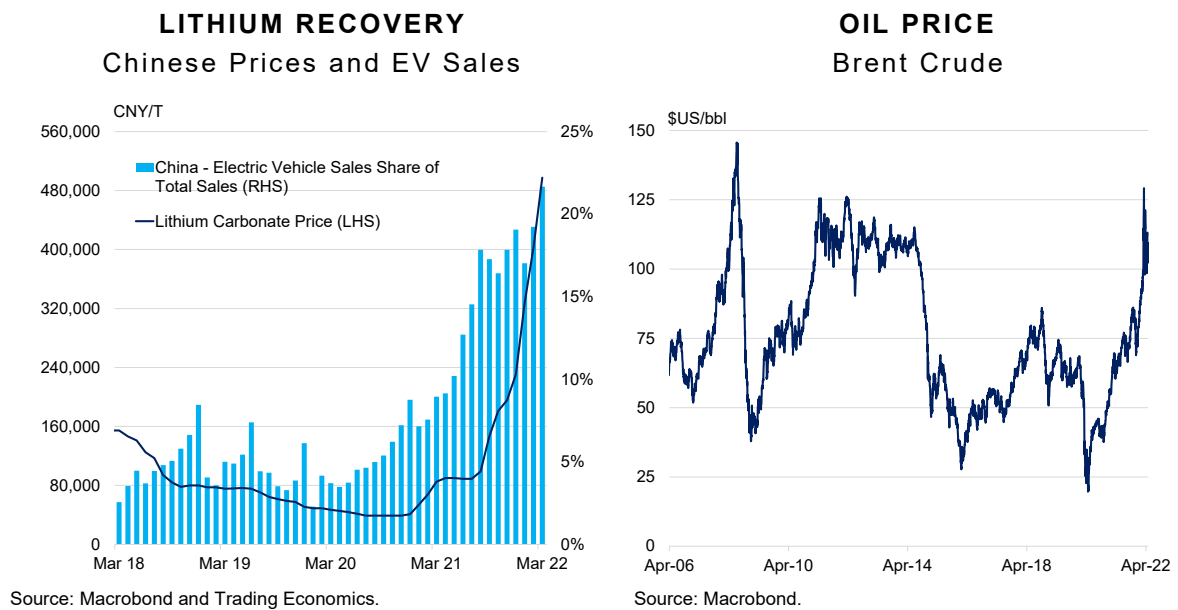
The lithium and oil markets have experienced considerable changes in recent months. The lithium market continues to see demand outstrip supply, whereas the oil market has been impacted by uncertainty due to the war in Ukraine.

Lithium demand continues its rapid growth, with the proportion being used for batteries in electric vehicles rising to around 50%. In 2021 there were further increases in electric vehicle sales in all major markets (China, Europe and North America). In China, the share of electric vehicles as a percentage of all vehicle sales has risen to above 20% (see figure below, left-hand panel). Mirroring the increase in demand for lithium has been the rapid increase in prices, with lithium carbonate prices more than doubling from December 2021 to March 2022.

Oil prices are important for Western Australia as they represent a major input cost for business and through the linkage between LNG and oil prices, a major determinant of export income. Global spot prices for LNG have been at record highs and this has positively impacted export income (to the extent that the State's producers have been able to sell on the spot market).

Oil prices had been trending upwards in late 2021 as recovering demand continued to outpace the additions to supply. This upwards trend accelerated with the Russian invasion of Ukraine and the uncertainty that created about future supplies of oil. However, prices remain below those reached in the middle of 2008, preceding the Global Financial Crisis (see figure below, right-hand panel).

Figure 12



The Ukraine conflict has also pushed up gold and nickel prices. Gold prices have risen as investors seek safety from current uncertainty. Nickel prices were already rising pre-invasion and have since surged as Russia is a major nickel producer.

Fiscal Outlook and Strategy

HIGHLIGHTS

- Western Australia's finances continue to strengthen, with a near-record general government operating surplus of \$5.7 billion now expected for 2021-22, and operating surpluses forecast across the entire forward estimates period (including a \$1.6 billion surplus in 2022-23).
- The Government has used this fiscal capacity to invest in current and emerging priorities, including:
 - another record investment (of \$2.5 billion) in the State's health and mental health systems, including a \$252 million package of measures to address hospital Emergency Department pressures;
 - cost of living support for all Western Australian households, through a \$400 Household Electricity Credit;
 - further COVID-19 response measures, including additional support for frontline services, small and medium businesses, and households (through the WA Free RAT Program); and
 - further climate action, including a \$500 million boost to the Climate Action Fund and a comprehensive package of measures to encourage the uptake of electric vehicles.
- Importantly, the Government has also taken the opportunity to retire \$1.2 billion of existing debt, reducing interest costs by over \$130 million as well as the State's exposure to future interest rate rises.
- An additional \$1.3 billion has been invested in a further range of initiatives to diversify the Western Australian economy and create jobs.
- Total public sector net debt will fall for a third year in a row in 2021-22, to stand at an estimated \$29.9 billion at 30 June 2022. This will be the first time since 2015 that net debt has been below \$30 billion, and is almost \$14 billion lower than projected when the Government came to office.
- As a share of the State's economy (Gross State Product), net debt is forecast to peak at just 9.9% in 2024-25, before declining to 9.5% in 2025-26. This is in stark contrast to the rapidly escalating debt profiles of the Commonwealth and other States.

Fiscal Outlook

General Government Sector

Summary

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

Table 1

GENERAL GOVERNMENT Summary Financial Statements						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
OPERATING STATEMENT						
Revenue	40,151	41,890	38,428	38,578	38,443	39,145
Growth (%)	24.8	4.3	-8.3	0.4	-0.4	1.8
Expenses	34,313	36,214	36,836	35,036	35,683	36,138
Growth (%)	12.5	5.5	1.7	-4.9	1.8	1.3
Net Operating Balance	5,838	5,676	1,592	3,541	2,760	3,007
BALANCE SHEET						
Assets	158,102	170,072	172,385	176,902	180,611	184,264
Liabilities	45,520	45,717	44,340	44,133	44,090	43,972
Net Worth	112,582	124,355	128,045	132,769	136,521	140,292
STATEMENT OF CASHFLOWS						
Net Cash Flows from Operating Activities	5,143	7,885	5,127	5,001	4,450	4,866
Asset Investment Program	2,614	3,157	3,623	3,694	4,117	3,457
Cash Surplus/Deficit	2,620	4,909	1,573	1,383	403	1,489
Net Debt at 30 June	22,788	19,622	20,549	22,180	23,861	23,763

Following the record general government operating surplus of \$5.8 billion recorded in 2020-21, a similar surplus (\$5.7 billion) is expected for 2021-22. This is a substantial \$3.2 billion higher than forecast in the 2021-22 Mid-year Review, and reflects upward revisions to the State's major revenue bases due to stronger than expected economic conditions and a sharp rise in commodity prices since the Mid-year Review cut-off date (29 November 2021).

A smaller operating surplus of \$1.6 billion is forecast for 2022-23 (similar to the Mid-year Review forecast of \$1.8 billion), primarily reflecting the Government's conservative approach to forecasting the iron ore price, as well as new expenditure in 2022-23 such as the \$400 Household Electricity Credit.

Operating surpluses are also forecast across the remainder of the forward estimates period, providing a critical non-debt source of funding for the Government's record investment in infrastructure.

Operating Statement

The table below summarises changes to general government revenue and expenses since the Mid-year Review.

Table 2

SUMMARY OF GENERAL GOVERNMENT REVENUE AND EXPENSE VARIATIONS SINCE THE 2021-22 MID-YEAR REVIEW						
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	Total \$m
2021-22 MID-YEAR REVIEW - NET OPERATING BALANCE	2,446	1,759	3,528	2,360		
Revenue						
<i>Revenue Policy Decisions</i>						
Tax Simplification Package	-	-9	-10	-11		-30
COVID-19 Small Business Payroll Tax Waiver	-3	-	-	-		-3
<i>Other Revenue Movements</i>						
<i>Taxation</i>	536	707	405	287		1,935
- Payroll tax	93	191	157	117		558
- Total duty on transfers	220	349	153	67		789
- Motor vehicle taxes	147	108	27	36		317
- Insurance duty	47	26	26	26		125
- Land tax/Metropolitan Region Improvement tax	-2	40	32	24		94
- Other taxes	32	-8	10	17		51
<i>Commonwealth grants</i>	534	1,064	330	814		2,742
- GST grants	41	334	346	357		1,077
- North West Shelf/condensate compensation	135	175	61	81		452
- Health grants	535	76	17	16		644
- Transport grants	34	202	-140	355		451
- National Preschool Reform Agreement	22	47	47	47		164
- Disability services grants	-140	79	-30	-30		-121
- HomeBuilder grants	-68	68	-	-		-
- Disaster Recovery Funding Arrangements Western Australia	-16	78	30	-58		34
- Other Commonwealth grants	-9	6	-1	45		41
<i>Royalty income</i>	2,760	1,071	114	89		4,034
- Iron ore	2,606	659	-261	-217		2,787
- Lithium	113	285	197	82		677
- Gold	10	60	102	140		313
- Other royalties	31	66	76	84		257
Revenue from public corporations	24	30	6	96		156
Interest	12	39	36	43		129
Local government road transfers	-	11	278	136		425
All other	-44	21	37	9		23
TOTAL REVENUE	3,819	2,933	1,198	1,463		9,413

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

Table 2 (cont.)

SUMMARY OF GENERAL GOVERNMENT REVENUE AND EXPENSE VARIATIONS SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	Total \$m
Expenses						
Application of Higher Than Expected 2021-22 Operating Surplus						
- \$400 Household Electricity Credit	-	445	-	-		445
- Other recurrent spending initiatives	-	20	22	70		112
- Consolidated Account interest saving on debt repayment	-	-25	-35	-36		-96
Rapid Antigen Tests purchase and distribution	338	297	-	-		635
WA Health						
- Other COVID-19 health costs (excluding Rapid Antigen Tests)	298	169	-	-		467
- General health hospital services	49	110	116	143		419
- Non-hospital services	44	82	53	26		205
- All other expenses (includes mental health hospital services)	39	206	128	107		479
Main Roads						
- Depreciation update	10	42	65	85		202
- Grants to the Public Transport Authority (METRONET)	50	61	8	50		168
- Tanami Road upgrade	-	5	65	90		160
- All other	9	27	15	-17		34
Education	69	104	105	131		409
Jobs, Tourism, Science and Innovation	-37	199	90	36		287
Justice	49	119	19	40		228
Primary Industries and Regional Development	-41	128	56	53		195
Communities	103	90	23	-24		193
Western Australia Police Force	41	85	33	22		181
Transport	2	81	51	38		172
Local Government, Sport and Cultural Industries	-26	76	9	15		73
National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse	15	46	48	19		128
Operating subsidies ^(a)						
- DevelopmentWA	-3	88	14	7		106
- Public Transport Authority	-13	37	42	29		95
- Water Corporation	19	27	22	4		73
HomeBuilder and Building Bonus grants	-111	111	-	-		-
Perth City Deal - inner city university campuses	-100	99	-	-		-1
Superannuation interest	24	55	38	33		150
Other Consolidated Account interest expenses	1	74	114	114		303
All other	-240	243	82	28		112
TOTAL EXPENSES	589	3,100	1,184	1,062		5,936
TOTAL VARIANCE	3,230	-167	13	400		3,477
2022-23 BUDGET - NET OPERATING BALANCE	5,676	1,592	3,541	2,760	3,007	

(a) Represented in general government expenses as grants and subsidies, sourced from both the Royalties for Regions Fund and the Consolidated Account and paid through the Department of Treasury.

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

2021-22 Estimated Actual

A general government operating surplus of \$5.7 billion is now expected for 2021-22, which is \$3.2 billion higher than forecast in the Mid-year Review. This significant increase primarily reflects the net impact of:

- higher royalty income (up \$2.8 billion), largely due to a stronger than anticipated iron ore price, which is now expected to average \$US139.5 per tonne over 2021-22 compared to the \$US104.9 per tonne assumed in the 2021-22 Mid-year Review;

- higher taxation revenue (up \$533 million), mainly reflecting higher collections from total transfer duty¹ (up \$220 million), motor vehicle taxes (up \$147 million) and payroll tax (up \$90 million), in line with stronger domestic economic activity;
- higher health-related funding from the Commonwealth (up \$535 million), primarily for the Commonwealth's share of the cost of procuring Rapid Antigen Tests and delivering other response measures to manage the Omicron caseload period; and
- higher spending on COVID-19 health initiatives (up \$636 million), including the home monitoring telehealth program, vaccination delivery, testing (including Rapid Antigen Tests), contact tracing, personal protective equipment, hotel quarantine, State Health Incident Coordination Centre operations, and viability payments for private hospital operators.

Further information on these outcomes will be detailed in the *2021-22 Annual Report on State Finances*, to be released by 28 September 2022.

2022-23 and Beyond

An operating surplus of \$1.6 billion is forecast for 2022-23, with surpluses also expected in each of the outyears, ranging from \$2.8 billion to \$3.5 billion.

Revenue

Relative to 2021-22, general government revenue is forecast to decline by 8.3% or \$3.5 billion in 2022-23, largely reflecting lower royalty income as the iron ore price is assumed to revert to its long-run average from November 2022. Minor revenue fluctuations are expected in 2023-24 and 2024-25, with total revenue over the three years to remain relatively constant at an average of \$38.5 billion each year before rising moderately in 2025-26 to \$39.1 billion. This trend mainly reflects movements in Commonwealth grants.

Compared to the Mid-year Review, the general government revenue estimates for the period 2022-23 to 2024-25 have been revised up by \$5.6 billion, with key revisions including:

- higher taxation revenue (up \$1.4 billion), primarily reflecting:
 - higher transfer duty due to continued strength in the residential property market (up \$546 million);
 - higher payroll tax (up \$466 million) due to stronger than anticipated employment and wages growth;
 - higher motor vehicle taxes (up \$171 million), reflecting the flow-through impact of buoyant demand in 2021-22 and stronger population growth across the forecast period;

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

2022-23 Economic and Fiscal Outlook

- higher land taxes² (up \$89 million), reflecting the improved outlook for a number of property sectors; and
- higher insurance duty (up \$78 million);
- higher royalty income (up \$1.3 billion), including:
 - higher lithium (\$564 million) and gold (\$303 million) royalties, largely due to upward revisions to assumed volumes and prices; and
 - higher iron ore royalties (\$181 million), due to an upward revision to forecast iron ore prices in 2022-23, partly offset by a higher \$US/\$A exchange rate across the forward estimates;
- higher GST grants (up \$1 billion), reflecting Commonwealth Budget forecasts of stronger national consumption and a corresponding increase in the national GST pool, and a higher estimate of Western Australia's share of the national population;
- an increase in other Commonwealth funding (up \$1.2 billion), including:
 - higher transport grants (up \$418 million), largely reflecting the impact of joint State and Commonwealth funded projects announced in the Commonwealth's 2022-23 Budget and the retiming of project cash flows;
 - higher North West Shelf grants and condensate compensation (up \$317 million), due to higher oil and gas prices partly offset by a higher \$US/\$A exchange rate;
 - \$141 million for the National Preschool Reform Agreement (to fund extra hours for preschool programs that were previously funded on a year-by-year basis); and
 - higher health-related funding (up \$109 million), mainly for COVID-19 response initiatives, the continued operation of the Transition Care Program, the Aged Care Assessment Program and highly specialised therapies; and
- the expected transfer to the State of a number of local government roads (\$425 million), including Northlake Road, Abernethy Road and Marriott Road.

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

Expenses

General government expenses are forecast to be \$36.8 billion in 2022-23, an increase of 1.7% or \$621 million on 2021-22. This follows estimated growth of 5.5% in 2021-22. Across the outyears, and reflecting the easing of COVID-19 related expenditure and the one-off nature of the \$400 Household Electricity Credit in 2022-23, expenses are forecast to decline by 4.9% in 2023-24 before a return to modest growth in 2024-25 and 2025-26.

² Includes land tax and the Metropolitan Region Improvement Tax.

Matched by a similar increase in revenue, general government expenses have been revised up by \$3.1 billion in 2022-23 since the Mid-year Review. Material spending changes in 2022-23 include:

- \$445 million to provide cost of living support for all households through the \$400 Household Electricity Credit;
- \$297 million for use of Rapid Antigen Test (RAT) inventory and associated distribution costs; and
- higher spending of \$567 million by WA Health for ongoing COVID-19 response, hospital services and other health sector initiatives.

Relative to the Mid-year Review, WA Health spending has increased by a total of \$1.4 billion over 2022-23 to 2024-25. This largely reflects spending on RATs (noted above) and:

- a \$369 million increase for hospital services, primarily to reflect updated activity and cost growth forecasts;
- an additional \$161 million to address the demand for non-hospital services such as community health services, health prevention and promotion programs, aged care services, and patient transport;
- an additional \$55 million for programs funded by the Commonwealth, such as the Aged Care Assessment Program, Public Dental Services for Adults, Elimination of Trachoma in Indigenous Communities, and the National Bowel Cancer Screening Program;
- an additional \$36 million for the delivery of election commitments including expansions of the Albany General Dental Clinic and the Pilbara Health Initiative, additional paid paramedics in regional Western Australia, and Aboriginal Midwifery Group Practice and Strong Links; and
- a further \$35 million for Healthnext ICT operational costs.

Other spending changes impacting 2022-23 to 2024-25 since the Mid-year Review include:

- higher recurrent spending by Main Roads (up \$495 million), primarily driven by the impact of:
 - revised depreciation costs (up \$192 million);
 - grant payments to the Public Transport Authority (up \$119 million), for works related to METRONET projects; and
 - spending on upgrades to the Tanami Road (up \$160 million);

2022-23 Economic and Fiscal Outlook

- higher expenses for the Department of Jobs, Tourism, Science and Innovation (up \$324 million), including the implementation of:
 - economic diversification initiatives relating to tourism, international education, international investment and trade offices, health and medical life sciences, and the space industry; and
 - the Native Forestry Just Transition Plan and the Safe Transition Industry Support Package;
- a \$340 million increase in education sector spending, mainly for the new National Preschool Reform Agreement with the Commonwealth (\$142 million), higher depreciation expenses resulting from an upward revaluation to building assets (\$141 million) and higher RiskCover premiums (up \$57 million);
- an additional \$236 million for the Department of Primary Industries and Regional Development, largely driven by:
 - \$49 million for the Western Australian Digital Connectivity Program;
 - \$41 million of spending carried over from 2021-22, reflecting timing changes for various Royalties for Regions programs, grants and other operating expenses;
 - \$31 million to support recovery initiatives following Severe Tropical Cyclone Seroja; and
 - \$25 million for the establishment of the Western Australian Agricultural Collaboration to strengthen the State's agricultural research and development capability;
- an increase in Consolidated Account interest costs (up \$206 million), mainly driven by forecast increases in interest rates over the forward estimates period, partly offset by estimated savings from the Government's decision to repay \$1.2 billion of Consolidated Account borrowings in 2022-23;
- higher spending by the Department of Justice (up \$179 million), primarily reflecting cost and demand pressures across the department's services (up \$67 million), higher RiskCover premiums (up \$48 million) and faster processing of compensation payments to victims of crime (\$30 million);
- higher recurrent spending by the Department of Transport (up \$170 million), primarily due to:
 - the transitioning of ageing ICT infrastructure to a cloud-based environment;
 - the roll-out of the zero and low emission light vehicle reform program (10,000 rebates of \$3,500 for eligible vehicles); and
 - expenditure from the Westport Special Purpose Account;

- an increase in spending by the Western Australia Police Force (up \$141 million), including COVID-19 emergency management expenditure, additional police support staff and advertising expenditure in support of the 950 Police Officer Program, recurrent spending under the ICT Transformation Program, and the Infringement Management Reform Program;
- higher superannuation interest costs (up \$126 million), reflecting an increase in the assumed discount rate used to value unfunded scheme liabilities, as long-term bond rates have increased³;
- higher forecast payments for the National Redress Scheme and for expected civil litigation costs associated with historical child sexual abuse claims and related administration and settlement costs (up \$113 million);
- higher spending by the Department of Local Government, Sport and Cultural Industries (up \$100 million), largely reflecting:
 - a \$54 million increase in expenditure relating to the timing of election commitment grant payments flowing from general delays across the building and construction industry;
 - an additional \$10 million for higher sport and arts grants linked to an increase in Lotterywest games revenue;
 - a \$9 million increase for maintenance and management costs, and security improvements for the Perth Cultural Centre;
 - an additional \$5 million for the Town of East Fremantle for the redevelopment of East Fremantle Oval; and
 - \$4 million to address urgent maintenance and remediation work for the Maritime Museum submarine, HMAS Ovens;
- higher subsidy payments to DevelopmentWA (up \$109 million), for expansion of the Government's Industrial Land Development Fund to support industrial projects of strategic importance, the development of residential and industrial land in regional areas, and for new construction work at the Australian Marine Complex;
- higher subsidy payments to the Public Transport Authority (up \$108 million), primarily due to the provision for bus replacement services during the planned Armadale Rail Line shutdown and to partially offset the ongoing impact of COVID-19 on public transport fare revenue;
- higher recurrent spending by the Department of Communities (up \$89 million), largely reflecting increased funding for the delivery of child protection services and family and domestic violence initiatives; and

³ Long-term government bond rates are used to value unfunded superannuation liabilities. Bond rates have increased during 2021-22 as global financial markets have responded to changing conditions. An increase in the bond rate translates to higher non-debt superannuation interest costs.

- higher subsidy payments to the Water Corporation (up \$53 million), primarily reflecting the reclassification of cloud-based ICT capital expenditure to operating expenditure.

Further details on material changes to general government expenses since the Mid-year Review are provided in Chapter 5: *General Government Expenses*.

Balance Sheet

General government sector net worth (i.e. the value of the sector's assets less the value of its liabilities) is forecast to increase in each year of the forward estimates period, rising from an estimated \$124.4 billion at 30 June 2022 to \$140.3 billion by 30 June 2026.

In total, assets are estimated to increase by \$14.2 billion over the next four years, mainly reflecting the net impact of:

- an increase in non-financial assets (up \$12.3 billion), driven by rises in property, plant and equipment (up \$8.7 billion) and land (up \$4.1 billion), reflecting the high level of general government infrastructure spending (see *Asset Investment Program* later in this chapter);
- an \$8.9 billion increase in the net worth of public corporations⁴, reflecting increased holdings of physical assets by non-financial public corporations due to high levels of infrastructure investment, and operating surpluses in both the financial and non-financial public corporations sectors over the forward estimates period;
- a \$5.4 billion reduction in liquid financial assets, reflecting the use of cash set aside in various Special Purpose Accounts to fund infrastructure and other investment over the outyears; and
- lower forecast levels of receivables (down \$1.5 billion), largely due to a return to more usual levels of royalty income receivables as the impact of current high iron ore prices eases⁵.

General government liabilities are forecast to be \$44 billion at 30 June 2026, a \$1.7 billion decline on the estimated outturn for 30 June 2022. The major driver of this reduction is lower borrowings, reflecting the Government's decision in this Budget to repay \$1.2 billion in existing Consolidated Account borrowings.

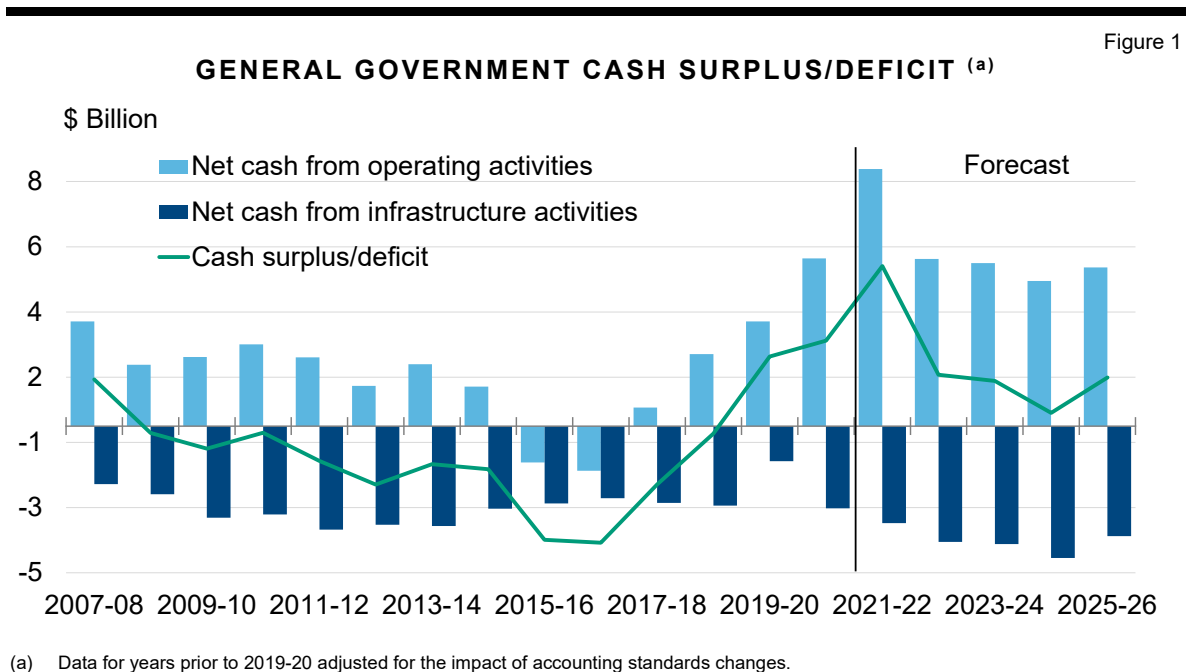
⁴ The net worth of public corporations is included as an asset on the general government balance sheet. This represents the ownership interest of central government in the net value of public sector businesses outside the general government sector.

⁵ Reflecting the payment terms of royalty income, there is a difference in timing between the recognition of royalty revenue and the associated cash receipt. This difference is reflected in 'receivables' on the general government sector balance sheet. With current high iron ore prices, receivables at 30 June 2022 are forecast to be at higher than usual levels.

Cashflow Statement

General government cash surpluses are projected across the forward estimates period, with a \$1.6 billion cash surplus forecast for 2022-23. This follows an estimated \$4.9 billion cash surplus for 2021-22, mirroring the impact of movements in the accrual net operating surplus measure discussed earlier.

General government cash surpluses have been recorded since 2019-20 and follow eleven consecutive cash deficits recorded between 2008-09 and 2018-19. Cash surpluses are a direct result of the sector moving back into an operating surplus position. Despite record levels of infrastructure investment across the forward estimates period, cash generated from operating activities is forecast to more than offset the funding requirement for this investment.



Total Public Sector⁶

Key financial aggregates for the total public sector are shown in the following table.

Table 3

TOTAL PUBLIC SECTOR Summary Financial Statements						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
OPERATING STATEMENT						
Revenue	76,545	76,648	73,230	75,179	76,874	79,375
Expenses	71,008	70,696	72,024	72,113	74,723	77,161
Net Operating Balance	5,537	5,952	1,206	3,066	2,151	2,214
BALANCE SHEET AT 30 JUNE						
Assets	207,738	214,776	218,075	223,246	228,514	233,786
Liabilities	95,156	90,421	90,030	90,477	91,993	93,493
Net Worth	112,582	124,355	128,045	132,769	136,521	140,292
STATEMENT OF CASHFLOWS						
Net Cash Flow s from Operating Activities	7,771	10,290	7,316	7,416	6,772	6,951
Asset Investment Program	5,816	6,980	8,880	8,867	8,754	7,444
Cash Surplus/Deficit	2,454	3,811	-1,027	-761	-1,334	249
Net Debt at 30 June	33,482	29,949	31,105	32,222	33,933	33,928

Note: Columns may not add due to rounding.

Operating Statement

A total public sector operating surplus of \$1.2 billion is forecast for 2022-23. This outcome reflects the general government sector operating surplus discussed earlier in this chapter and operating surpluses in each the public corporations' sectors.

The following table summarises the components of the operating surplus for the total public sector.

⁶ The total public sector (also known as the whole-of-government) consolidates the general government sector (discussed above), the public non-financial corporations sector (which includes entities operating on a predominantly cost-recovery basis like the State's ports and the electricity and water utilities), and the public financial corporations sector (which includes agencies mainly engaged in financial activities, such as the Western Australian Treasury Corporation, the Insurance Commission of Western Australia, and Keystart).

Table 4

TOTAL PUBLIC SECTOR OPERATING BALANCE**By Sector**

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
Net Operating Balance						
General government sector	5,838	5,676	1,592	3,541	2,760	3,007
Public non-financial corporations sector	780	861	1,037	1,035	1,019	896
Public financial corporations sector	434	158	152	112	109	109
<i>less</i>						
General government dividend revenue	1,362	617	1,476	1,527	1,635	1,689
Public non-financial corporations dividend revenue ^(a)	156	129	101	97	105	113
Agency depreciation costs on right of use assets leased from other government sectors ^(b)	-3	-2	-2	-2	-2	-3
Total public sector net operating balance	5,537	5,952	1,206	3,066	2,151	2,214

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

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

Note: Columns may not add due to rounding.

Public Non-Financial Corporations (PNFC)

A PNFC operating surplus of \$1 billion is forecast for 2022-23. Operating surpluses of a broadly similar size are also expected in the outyears. Relative to the Mid-year Review, PNFC operating surplus projections have been revised up by \$164 million over the four years to 2024-25. This primarily reflects:

- higher revenue for the Public Transport Authority, reflecting capital grant funding to support the asset investment in METRONET projects (including the Thornlie-Cockburn Link, Yanchep Rail Extension and Canning Bridge Bus Interchange);
- higher operating subsidies paid to DevelopmentWA for the expansion of the Government's election commitment to establish the Industrial Land Development Fund to support projects of strategic importance, a number of residential and industrial regional land developments, and infrastructure enhancements at the Australian Marine Complex;
- higher revenue for the Mid West Ports Authority resulting from increased throughput at Geraldton Port as a result of the \$350 million Port Maximisation Project; and
- higher revenue for the Pilbara Ports Authority, reflecting port user contributions for dredging, increased throughput forecasts and rent revenue, and increases in port fees at the Port of Port Hedland.

Other PNFC operating changes since the Mid-year Review have a broadly neutral impact on the sector's operating balance.

Public Financial Corporations (PFC)

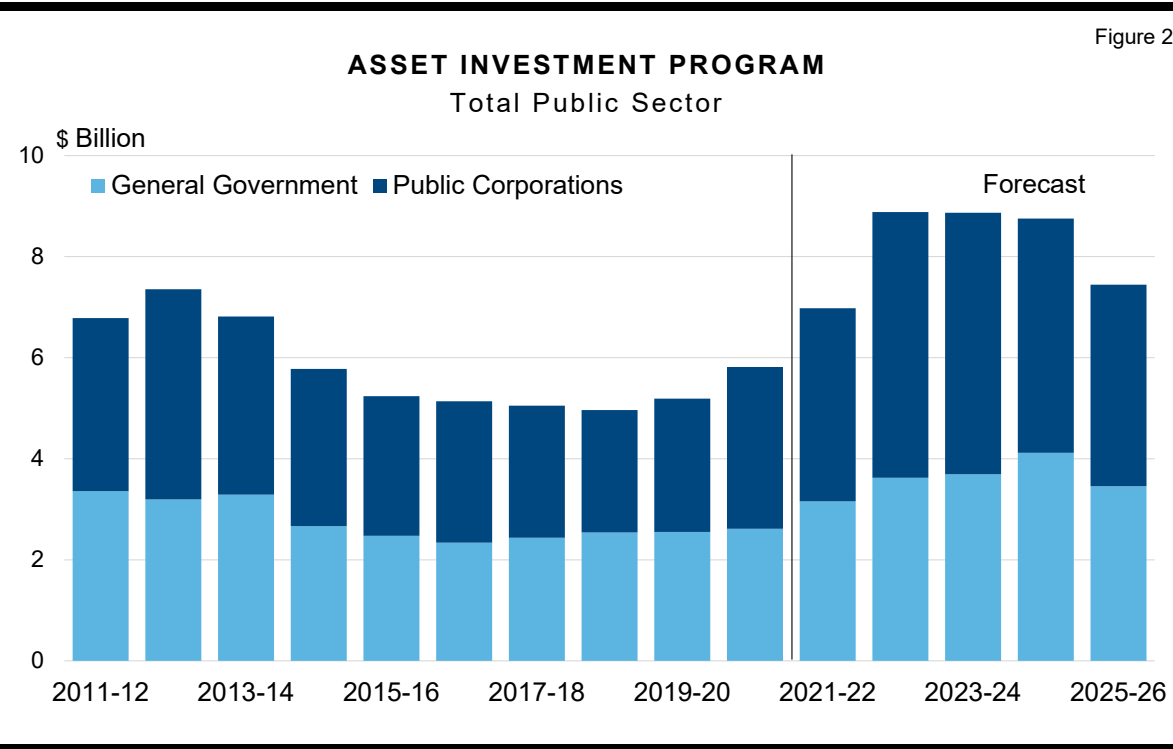
The operating outlook for the PFC sector has softened marginally since the Mid-year Review (down \$70 million over the four-year period to 2024-25). An operating surplus of \$152 million is forecast for 2022-23, with broadly similar surpluses also expected across the outyears.

The revised outlook since the Mid-year Review is largely due to the impact of higher forecast claims expenses for RiskCover (primarily related to historical institutional abuse and other claims) and the impact of higher loan discharges on Keystart’s forecast profit.

Movements in revenue and expenses of other PFCs are largely neutral in net terms.

Asset Investment Program

This Budget accommodates a record \$33.9 billion Asset Investment Program over the next four years. The general government sector accounts for \$14.9 billion, with the majority of this to be invested in road projects (\$7.3 billion), education (\$1.6 billion) and health (\$1.6 billion). The public non-financial corporations sector is projected to spend \$19 billion, with the largest contributions from the Public Transport Authority (\$6.4 billion), Western Power (\$3.7 billion), the Water Corporation (\$2.6 billion), and the Housing Authority (part of the Department of Communities, \$1.1 billion).



Compared with the Mid-year Review, infrastructure spending has increased by a net \$796 million over the period 2021-22 to 2024-25 (which includes \$1.1 billion lower than previously forecast asset investment for 2021-22). Key changes include:

- a \$759 million increase in spending for rail infrastructure, largely reflecting the impact of joint State and Commonwealth funded projects, including the Thornlie-Cockburn Link, Yanchep Rail Extension and Canning Bridge Bus Interchange;
- an additional \$424 million for road projects, mainly reflecting the impact of joint State and Commonwealth funded works, including the Regional Road Safety Program, Pinjarra Heavy Haulage Deviation, and the expansion of the Thomas Road dual carriageway from South Western Highway to Tonkin Highway;
- a \$306 million increase in spending by the Mid West Ports Authority to provide additional capacity at Geraldton Port (part of a total \$350 million investment over 2021-22 to 2025-26);
- a \$238 million increase in spending by WA Health, including the bring-forward of \$69 million to deliver a new Human Resource Information Management System, \$44 million for the Medical Equipment and Imaging Replacement Program, \$34 million for the further roll-out of Digital Medical Records to a total of five hospitals, an additional \$20 million for redevelopment of the Geraldton Health Campus, and \$17 million to build a 10-bed unit to provide replacement capacity within the existing Intensive Care Unit at Sir Charles Gairdner Hospital;
- a \$193 million increase in spending by the Department of Education, primarily reflecting the Stage 2 expansion of Alkimos College (\$39 million), an increase in permanent capacity across four primary schools including education support facilities at Brabham Primary School (\$66 million), and a program of critical school maintenance works (\$32 million);
- a \$99 million increase in spending by the Pilbara Ports Authority, mainly due to investment to facilitate the future development of additional general cargo facilities and a logistics hub at Port Hedland (\$78 million), and additional dredging expenditure to facilitate increased capacity at Port Hedland (\$15 million);
- an additional \$69 million for the Department of Biodiversity, Conservation and Attractions, including an additional \$49 million to upgrade electrical and water infrastructure on Rottnest Island;
- a \$58 million increase in spending by Western Power, mainly for customer-funded works to replace traditional streetlights with smart-enabled LED streetlights, and the accelerated rollout of advanced metering infrastructure in the South West Interconnected System;
- a \$56 million increase in spending by the Western Australia Police Force, primarily for construction of a new District Support Facility in Broome (\$30 million) and works to modernise and consolidate critical ICT systems (\$18 million);

- a \$52 million increase in spending by the Kimberley Ports Authority, mainly for the construction of a new supply base and investment in base infrastructure for an associated chemical processing and storage facility to support oil and gas operations in the Browse Basin;
- a \$29 million increase in spending by the Department of Local Government, Sport and Cultural Industries, mainly for works to expand the scope of the Perth Cultural Centre Rejuvenation project (\$16 million), and further improvements to the Perth Concert Hall; and
- a \$24 million increase in spending by the Department of Justice, reflecting upgrades to Banksia Hill Detention Centre (including a new Crisis Care Unit) and custodial ICT infrastructure.

The Budget also includes additional asset investment provisions for:

- the top-up of the Digital Capability Fund (to mitigate cyber security and service delivery risks, and to progress digital transformation);
- the top-up of the Climate Action Fund (to support the Government's emissions reduction target and other climate-related initiatives);
- spending to be funded from a new Remote Communities Fund (established as part of this Budget for the regularisation and upgrade of water and electricity services, and for new and refurbished housing in remote Aboriginal communities); and
- potential higher project costs as a result of current construction market conditions.

Further detail on provisions and other infrastructure investment initiatives is available in Chapter 6: *Asset Investment*.

Balance Sheet

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

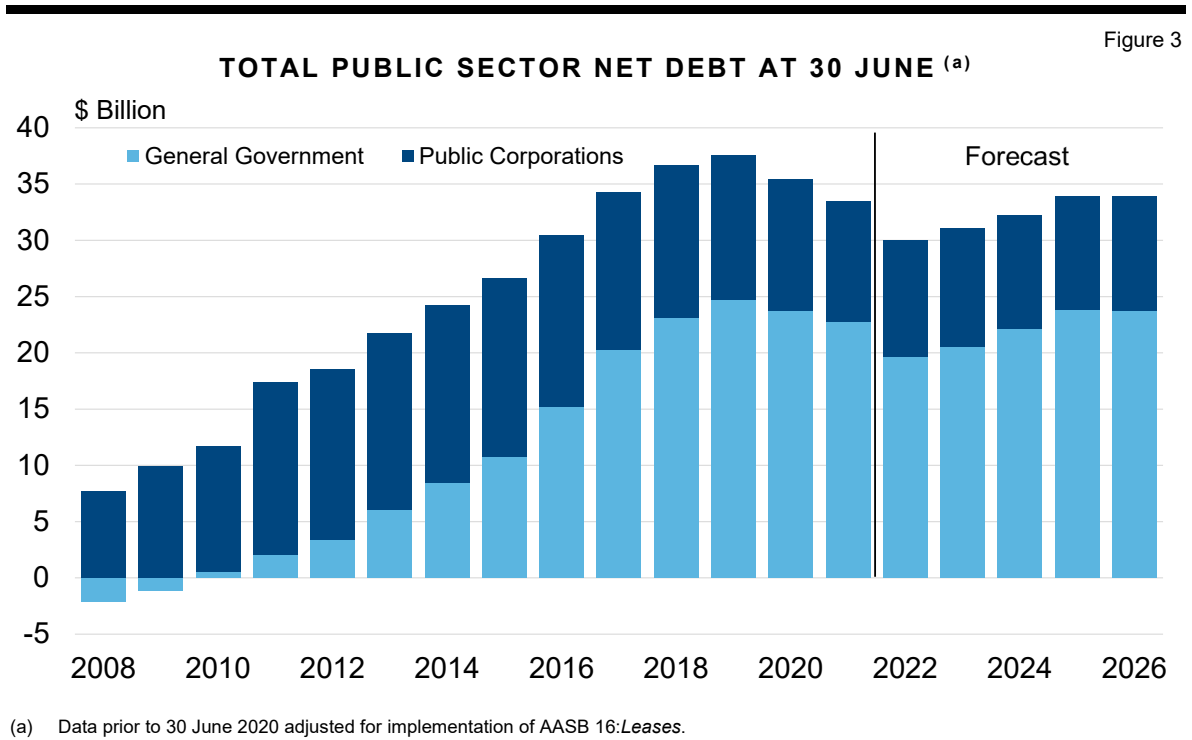
Total public sector net debt is discussed in more detail below.

Cashflow Statement

Reflecting the stronger operating outlook and changes to infrastructure spending discussed earlier, a cash surplus of \$3.8 billion is now estimated for 2021-22. This represents a \$2.6 billion increase on the \$1.2 billion cash surplus forecast at the time of the Mid-year Review. A cash deficit of \$1 billion is forecast for 2022-23, with broadly similar cash deficits projected in 2023-24 and 2024-25 before a turnaround to a small cash surplus in 2025-26. The outyear projections reflect the conservative iron ore price assumptions and the Government's record Asset Investment Program over the four year forward estimates period.

Net Debt

Total public sector net debt will fall for a third consecutive year in 2021-22, to stand at an estimated \$29.9 billion at 30 June 2022. It is forecast to rise modestly across the outyears, broadly in line with cash movements, including the Government's record Asset Investment Program and conservative iron ore price assumptions, as discussed above.



The following table summarises changes to projected net debt levels since the Mid-year Review.

Table 5					
NET DEBT OF THE TOTAL PUBLIC SECTOR AT 30 JUNE					
	2022	2023	2024	2025	2026
	\$m	\$m	\$m	\$m	\$m
2021-22 Mid-year Review - Total Public Sector Net Debt	32,621	34,959	35,576	36,795	
<i>Less</i> change in net cash flow s from operating activities and dividends paid					
- general government	1,494	1,867	-13	504	
- public non-financial corporations	-10	-134	61	117	
- public financial corporations	-13	-182	-75	-76	
<i>Total public sector</i>	<i>1,472</i>	<i>1,551</i>	<i>-27</i>	<i>545</i>	
<i>Plus</i> purchases of non-financial assets ^{(a) (b)}					
2022-23 Budget - Underspend and Carryover Provision	-300	-1,050	-600	-100	
2022-23 Budget - Cost Escalation Provision	-	350	-	-	
Road, Rail and Transport	-237	469	354	544	
Mid West Ports Authority	1	71	145	89	
WA Health	-154	185	184	24	
Education	-19	76	86	50	
Pilbara Ports Authority	-12	60	46	5	
Biodiversity, Conservation and Attractions	-26	41	17	37	
Western Power	-38	25	40	31	
Police	14	12	29	1	
Kimberley Ports Authority	-	5	29	18	
Local Government, Sport and Cultural Industries	-16	8	21	16	
Justice	-20	30	8	7	
Fremantle Port Authority	-27	-12	-1	-15	
DevelopmentWA	-35	65	-57	-32	
Provision for Remote Communities Fund	-	50	100	100	
Provision for Climate Action Fund (top-up)	-	-	-	250	
Provision for Digital Capability Fund (top-up)	-	-	75	75	
Provision for replacement of Aluminium Composite Panel Cladding	-	11	25	37	
All other	-231	34	-82	-88	
<i>Total purchase of non-financial assets</i>	<i>-1,100</i>	<i>430</i>	<i>418</i>	<i>1,047</i>	
<i>Less</i> proceeds from sale of non-financial assets	<i>30</i>	<i>-35</i>	<i>-30</i>	<i>-14</i>	
<i>Plus</i> all other financing ^(c)	<i>-70</i>	<i>-96</i>	<i>24</i>	<i>-25</i>	
<i>Cumulative impact on net debt at 30 June</i>	<i>-2,672</i>	<i>-3,854</i>	<i>-3,354</i>	<i>-2,862</i>	
2022-23 Budget - Total Public Sector Net Debt	29,949	31,105	32,222	33,933	33,928

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

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

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

Note: Columns may not add due to rounding.

Net debt at 30 June 2025 is forecast to be \$33.9 billion – \$2.9 billion lower than forecast in the Mid-year Review. This incorporates the Government's decision in this Budget to retire \$1.2 billion of existing Consolidated Account borrowings (see following feature box).

WESTERN AUSTRALIA'S NET DEBT OUTLOOK

Total public sector net debt is expected to decline to \$29.9 billion at 30 June 2022. This is the third consecutive annual decline, and is the first time since 2015 that net debt will be below \$30 billion⁷.

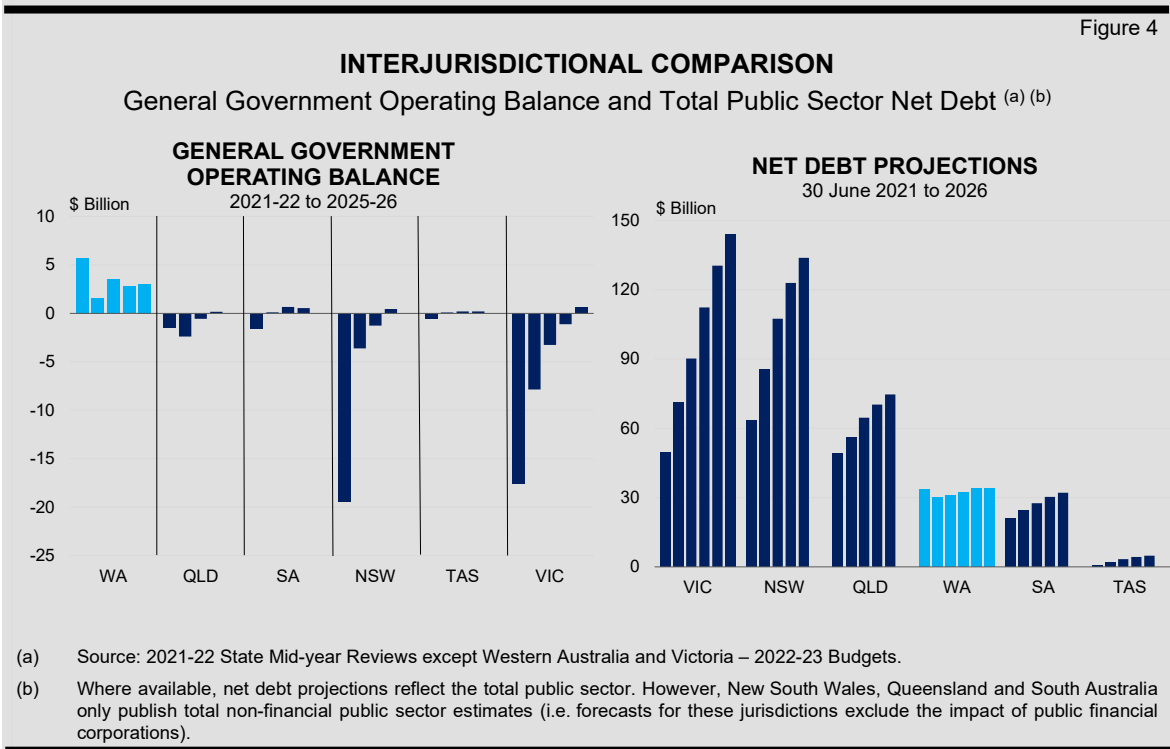
The expected net debt outcome for 30 June 2022 is \$13.7 billion (or 31.4%) lower than the 2016-17 *Pre-election Financial Projections Statement* forecast for net debt at 30 June 2020 (adjusted for changes in lease accounting). The substantially lower outcome reflects the impact of Budget repair during the Government's first term, a continued focus on responsible financial management, the fairer share of the GST, and the strong rebound in the State's economy from the initial impacts of COVID-19.

Across the forward estimates, net debt is forecast to increase moderately to \$33.9 billion by 30 June 2026, in support of the Government's record Asset Investment Program and based on conservative commodity price projections. Nevertheless, this is still \$2.9 billion lower than the \$36.8 billion forecast (for 30 June 2025) reflected in the 2021-22 Mid-year Review. Moreover, as a share of the State's economy (Gross State Product), net debt is projected to peak at just 9.9% in 2024-25, before declining from 2025-26.

Western Australia an Outlier Amongst the States

Based on latest available projections for other States, Western Australia continues to be the only jurisdiction forecasting operating surpluses in each year of the forward estimates. This results in a much flatter net debt profile than the other States, as illustrated in the following figure.

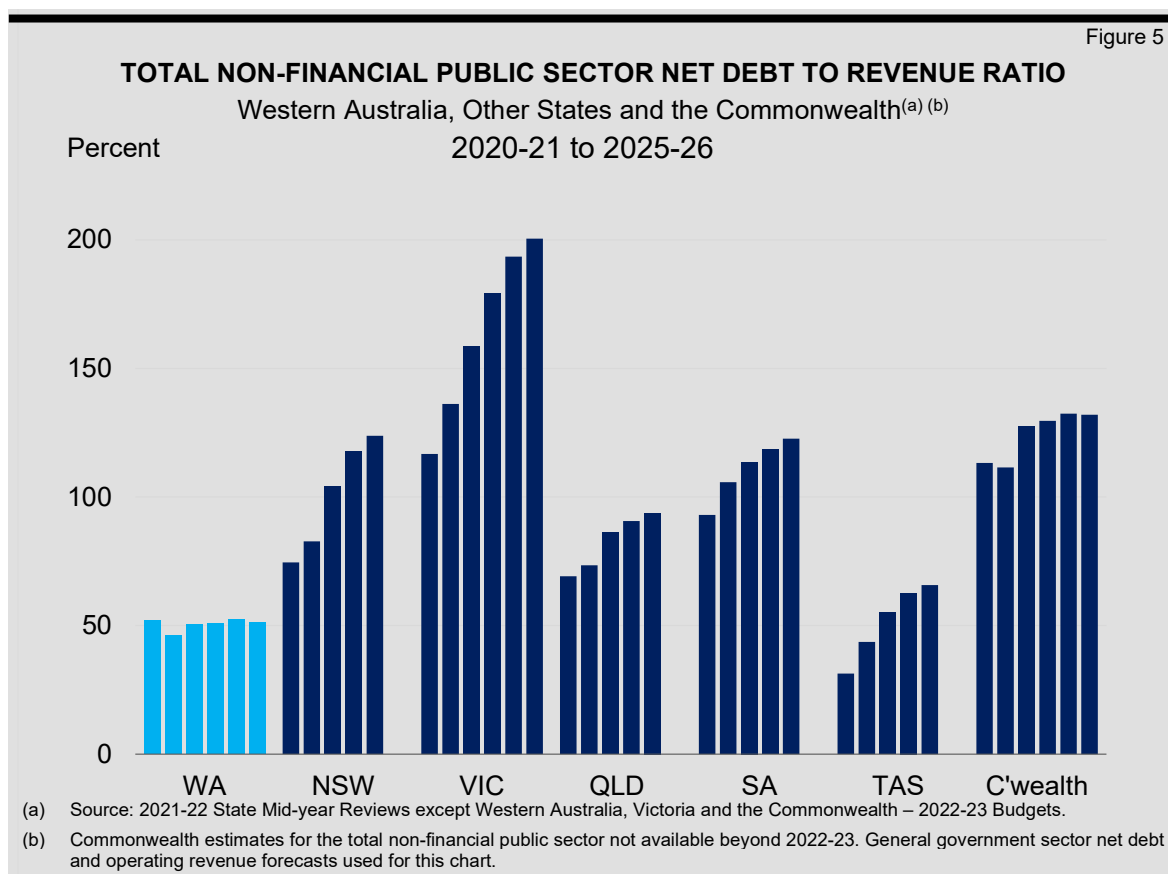
⁷ Net debt for 30 June 2019 and earlier adjusted for comparability with lease accounting under AASB 16: *Leases*, implemented from 2019-20. AASB 16 brought both finance and operating leases to book as a form of borrowings.



Of note, Western Australia’s level of net debt is significantly more affordable than other States as measured by the total non-financial public sector net debt to revenue ratio. A key debt metric, this ratio measures the burden of both general government sector and public non-financial corporations sector net debt as a share of operating revenue.

Western Australia’s net debt to revenue ratio is forecast to be stable at around 50% across the forward estimates period. This compares with significantly higher and increasing ratios across other States, with New South Wales and Victoria reaching projected levels of 123.7% and 200.5% by 2024-25 and 2025-26 respectively. The Commonwealth’s general government net debt to revenue ratio is projected to increase from 75.7% prior to the pandemic (2018-19 levels) to 132% by 2025-26.

Figure 5



This lower net debt outlook, coupled with the Western Australian Government's financial management, has been recognised by S&P Global which put the State's AA+ credit rating on a 'positive' outlook in October 2021. A 'positive' outlook is consistent with a one in three chance that Western Australia's credit rating will be revised up a 'notch' to AAA within the next two years. Western Australia's credit rating is already very high and consistent with the State being an attractive, low risk investment destination.

Managing Interest Rate Risk

By containing net debt growth through the achievement of operating surpluses, Western Australia has increased financial capacity to deal with current and emerging priorities. At the same time, it reduces the State's exposure to increases in interest rates, which are expected to rise from current record low levels over the near term.

In this regard, the Government's decision in this Budget to repay \$1.2 billion in existing Consolidated Account borrowings reduces interest costs by an estimated \$132 million across the forward estimates period.

Further information on interest rate risk is detailed in the Statement of Risks at the end of this chapter.

Government Financial Strategy Statement

The Government's financial strategy is focused on the achievement of general government operating surpluses through careful management of recurrent expenditure, and applying these surpluses to reduce debt and invest in the State's future. This strategy is operationalised through the Government's financial targets.

Financial Targets

The Government's financial targets are to:

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

The Government is forecast to meet all financial targets across the entire forward estimates period (2022-23 to 2025-26). Reflecting the additional COVID-19 response and other priority spending decisions, the expense target is not expected to be met in 2021-22. However, all other targets are on track to be met for the financial year ending 30 June 2022. The remainder of this section summarises expected performance against these targets.

2022-23 BUDGET FINANCIAL TARGET COMPLIANCE					
	2021-22 Estimated Actual	2022-23 Budget Year	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear
Maintain a net operating surplus for the general government sector on average over the forward estimates period					
- General government net operating balance (\$m)	5,676	1,592	3,541	2,760	3,007
- 2022-23 Budget compliance	Yes	Yes	Yes	Yes	Yes
Maintain disciplined general government expense management through:					
- delivering public sector wages outcomes in line with Government wages policy					
- 2022-23 Budget compliance	Yes	Yes	Yes	Yes	Yes
- ensuring key service delivery agency recurrent spending outcomes are in line with budgeted expense limits in Resource Agreements					
- 2022-23 Budget compliance	No	Yes	Yes	Yes	Yes
Maintain or increase net worth of the total public sector					
- Total public sector net worth (\$b)	124.4	128.0	132.8	136.5	140.3
- 2022-23 Budget compliance	Yes	Yes	Yes	Yes	Yes

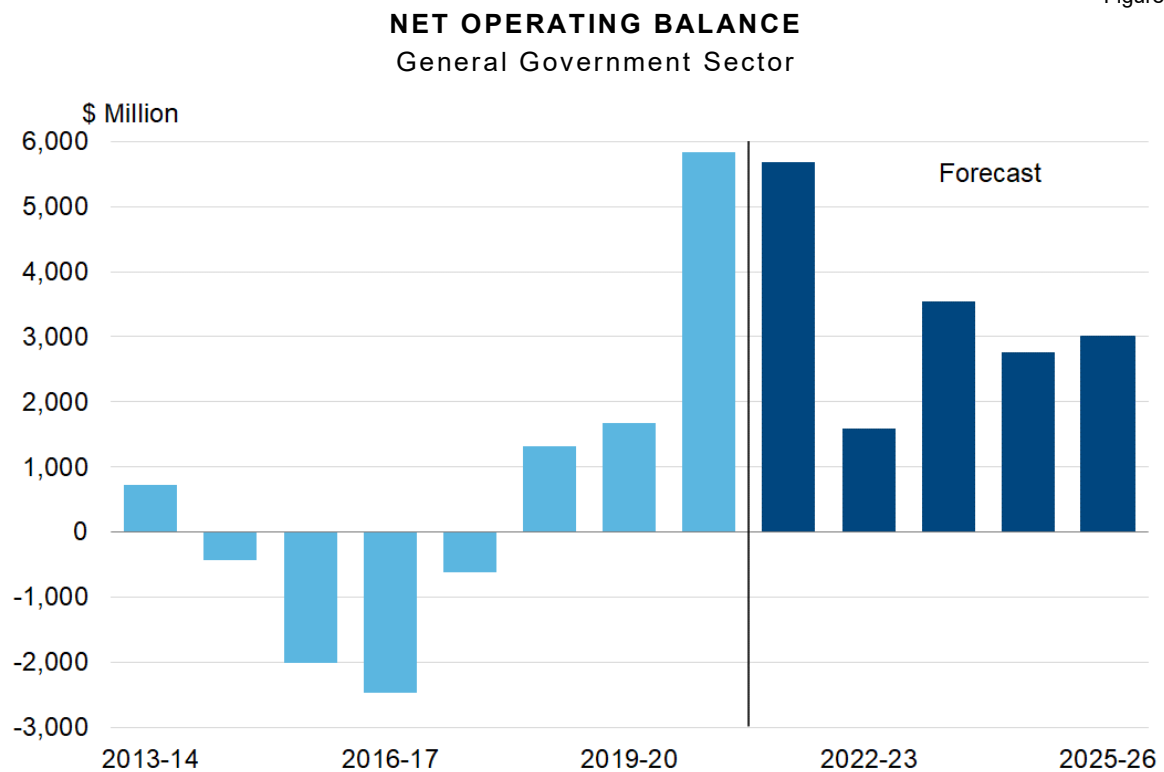
Maintain a net operating surplus for the general government sector on average over the forward estimates period

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

This target is expected to be achieved across the forward estimates period, with operating surpluses expected each year to 2025-26. The general government sector has been in an operating surplus position since 2018-19, following four consecutive operating deficits over 2014-15 to 2017-18.

Compliance with this financial target reflects the Government's commitment to responsible financial management and the strength of the Western Australian economy throughout the COVID-19 pandemic. Record operating surpluses in 2020-21 (\$5.8 billion) and 2021-22 (estimated \$5.7 billion) have enabled the Government to allocate significant funds towards current and emerging priorities while at the same time paying down debt.

Figure 6



Maintain disciplined general government expense management

The Government's expense management target is measured by two criteria. The wages outcome component of the target was met in 2021-22 and is expected to be met again in 2022-23. The recurrent spending component of the target was not met in 2021-22, reflecting above-budget spending for WA Health and several other agencies, including to meet the ongoing demands of the COVID-19 pandemic. All agencies are expected to comply with their Resource Agreement targets for 2022-23.

Delivering public sector wages outcomes in line with Government wages policy

Consistent with the outlook at the time of the 2021-22 Mid-year Review, wage outcomes are forecast to be in line with the Government's wages policy in 2022-23 and each of the outyears. At the 11 April 2022 cut-off date for this Budget, a number of expired agreements were subject to ongoing negotiation.

EXPIRING KEY INDUSTRIAL AGREEMENTS ^(a)				Table 7
Agreement	Employees	Expiry Date	Status	
2019-20				
WA Health System Medical Practitioners	5,225	30 Sep 2019	Under Negotiation	
2020-21				
AWU Miscellaneous Public Sector Employees	500	26 Apr 2021	Under Negotiation	
2021-22				
PTA Transit Officers	348	6 Oct 2021	Under Negotiation	
School Teachers and Administrators	29,529	5 Dec 2021	Agreed in-principle	
TAFE Lecturers	2,377	15 Dec 2021	Under Negotiation	
VenuesWest	518	31 Dec 2021	Under Negotiation	
Main Roads Enterprise Agreement	922	31 Jan 2022	Under Negotiation	
Prison Officers	2,937	10 Jun 2022	Under Negotiation	
Public Servants and Government Officers	29,918	12 Jun 2022	Under Negotiation	
School Support Officers	4,682	12 Jun 2022	Under Negotiation	
Disability Services Social Trainers	464	12 Jun 2022	Under Negotiation	
Insurance Commission (Government Officers)	405	12 Jun 2022	Under Negotiation	
WA Health PACTS (Health Salaried Officers)	18,748	30 Jun 2022	Upcoming Agreement	
WA Police	6,642	30 Jun 2022	Upcoming Agreement	
2022-23				
Hospital Support Workers	4,580	4 Aug 2022	Upcoming Agreement	
Enrolled Nurses	2,685	6 Oct 2022	Upcoming Agreement	
Registered Nurses	18,566	11 Oct 2022	Upcoming Agreement	
PTA Salaried Officers	1,052	26 Oct 2022	Upcoming Agreement	
WA Police Auxiliary Officers	358	1 Nov 2022	Upcoming Agreement	
Government Services (Miscellaneous)	5,485	31 Dec 2022	Upcoming Agreement	
Education Assistants	13,424	31 Dec 2022	Upcoming Agreement	
PTA Train Drivers	365	16 Mar 2023	Upcoming Agreement	
Firefighters	1,234	8 Jun 2023	Upcoming Agreement	

(a) This table only includes agreements that cover more than 300 employees. Smaller agreements covering less than 300 employees are excluded for materiality purposes.

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

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

Above-budget outcomes in excess of 2% are expected to be recorded for a number of agencies in 2021-22, which means that the target is not expected to be met in this financial year⁸. Higher than expected spending in 2021-22 is largely for additional COVID-19 response initiatives (particularly in WA Health). Additional detail on the factors driving these outcomes will be available in the 2021-22 *Annual Report on State Finances*, to be released by 28 September 2022.

The 2022-23 expense limits for the 15 largest appropriation-funded agencies (applicable for this target) are shown in the following table, with progress against these targets to be reported in the 2022-23 Mid-year Review.

2022-23 AGENCY RESOURCE AGREEMENTS		Table 8
	2022-23 Budget Resource Agreement \$m	
WA Health	11,185	
Education	5,893	
Communities	3,298	
Public Transport Authority	1,879	
Justice	1,806	
Western Australia Police Force	1,792	
Finance	1,768	
Commissioner of Main Roads	1,714	
Mental Health Commission	1,258	
Training and Workforce Development	749	
Transport	648	
Primary Industries and Regional Development	622	
Fire and Emergency Services	545	
Local Government, Sport and Cultural Industries	517	
Jobs, Tourism, Science and Innovation	509	

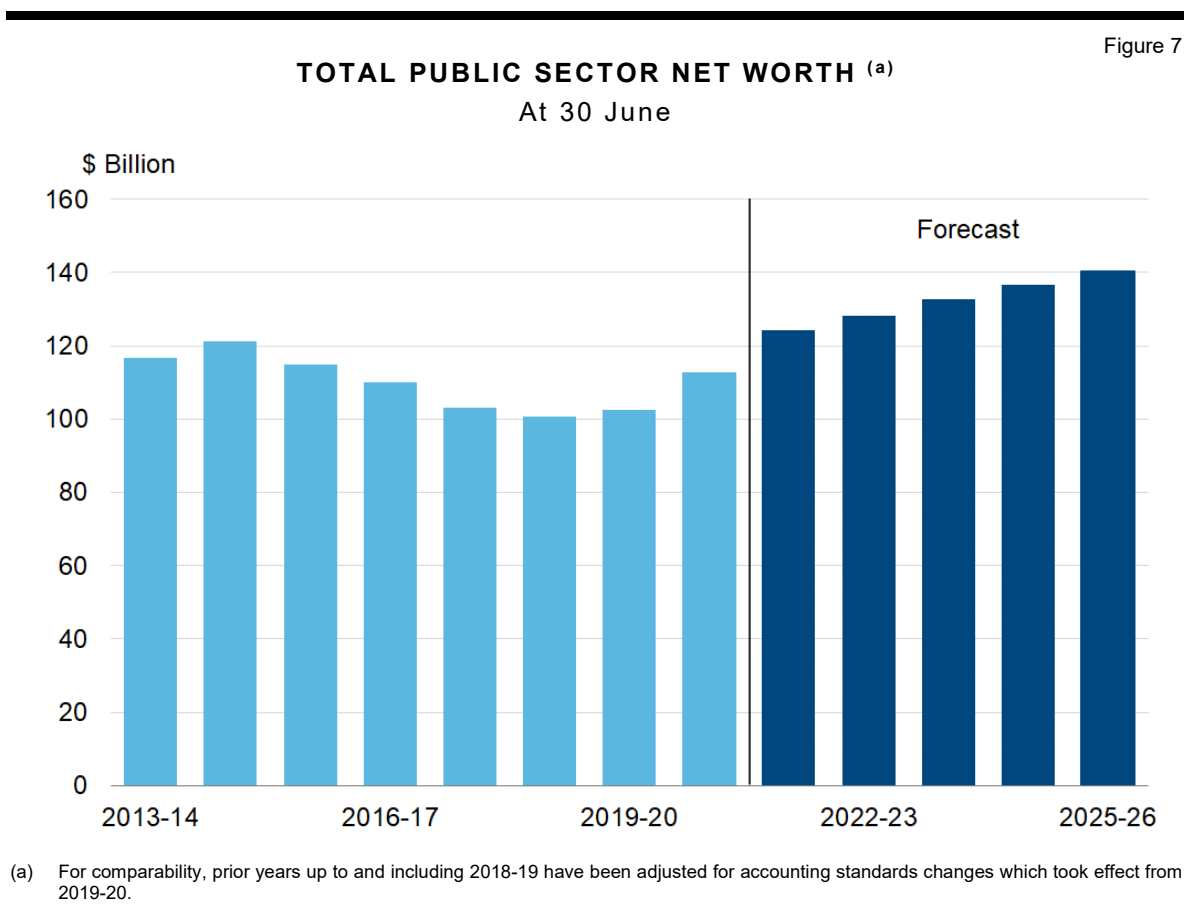
⁸ Agencies in excess of the 2% upper limit for the financial target in 2021-22 include WA Health, Education, Justice, the Western Australia Police Force, Finance, the Commissioner of Main Roads, and Fire and Emergency Services.

Maintain or increase net worth of the total public sector

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

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

Net worth is forecast to increase by \$15.9 billion over the period to 30 June 2026, to a forecast \$140.3 billion. The projected increase in net worth reflects the impact of operating surplus outcomes for the total public sector (particularly the general government operating surplus) and the forecast value of non-financial assets (mainly land and property, plant and equipment, including as a result of the record \$33.9 billion Asset Investment Program reflected in this Budget).



Statement of Risks

The inherent uncertainties associated with producing forecasts for an approximately \$340 billion economy and a general government sector recurrent spending budget in excess of \$36 billion mean that there will always be differences between the forecasts of key aggregates and the final audited results. This Statement of Risks provides an overview of the known issues that have the potential to materially affect the financial projections contained in this Budget.

Revenue Estimates

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

Table 9

APPROXIMATE PARAMETER SENSITIVITY OF REVENUE ESTIMATES
2022-23

	Variability (\$m)	Detail
Royalty income and North West Shelf grants	±106	For each US1 cent decrease/increase in the \$US/\$A exchange rate (royalty income is inversely related to the \$US/\$A exchange rate).
Iron ore royalties	±81	For each \$US1 per tonne increase/decrease in the price of iron ore.
Petroleum royalties and North West Shelf grants	±8	For each \$US1 increase/decrease in the price of a barrel of oil.
Payroll tax	±44	For each 1% increase/decrease in taxable wages or employment growth (i.e. the total wages bill).
Underlying transfer duty		
• Prices	±25	For each 1% increase/decrease in average property prices.
• Transactions	±16	For each 1% increase/decrease in transaction levels.

State Taxes

Payroll Tax

The mining industry is the largest contributor to payroll tax of all industries. Any material changes in activity and employment in this sector (e.g. as a result of COVID-19 related disruptions either domestically or in key trading partners like China) would substantially impact payroll tax collections.

Total Duty on Transfers⁹

Residential property transactions are the largest contributor to total transfer duty. Both residential property transactions and prices are susceptible to fluctuations in market sentiment and are therefore inherently volatile and difficult to forecast. The possibility of interest rates lifting more quickly than anticipated and/or population growth being slower than forecast are two key risks that could impact property market activity, and therefore transfer duty.

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

Royalty Income

Movements in the iron ore price and \$US/\$A exchange rate represent the largest risks (both upside and downside) to general government revenue, as the majority of Western Australia's commodities are sold through international markets and are priced in US dollars.

The iron ore market is highly concentrated, with China accounting for around 70% of global imports. This means that the price is heavily influenced by economic conditions and policies in one country, which can create a high level of volatility.

The period since the onset of the COVID-19 pandemic is illustrative of this dynamic:

- in early 2020, policy stimulus and strong external demand for manufactured goods led to a surge in demand for iron ore in China, which drove the iron ore price up from around \$US90 per tonne to \$US236 in mid-May 2021;
- from July 2021 as authorities in China cracked down on risky behaviour in the property sector and sought to reduce emissions ahead of the Glasgow climate summit, the iron ore price dropped to \$US87 by mid-November 2021; and
- since late November 2021 a shift in policy emphasis in China, aimed at steadying economic growth, has seen the iron ore price rebound to \$US151 at the 11 April 2022 Budget cut-off date (see following figure).

To mitigate this inherent volatility, this Budget continues the Government's conservative approach of assuming that the iron ore price will revert to its long-run average (of \$US66 per tonne) in six months' time (i.e. from November 2022).

⁹ The sum of transfer duty, foreign buyer duty and landholder duty.

Figure 8



Source: Argus Media.

Commonwealth Grants

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

GST Grants

Despite the GST floor introduced as part of the 2018 GST reforms, there is substantial scope for the State's GST grants to vary in response to variations in the national GST pool and the State's population share. This Budget uses projections of the national GST pool and each State's population growth estimates from the 2022-23 Commonwealth Budget. These are generally subject to uncertainty, but more so because of the ongoing COVID-19 pandemic. National GST collections have so far rebounded more strongly than expected, with the Commonwealth raising its estimates in its 2021-22 *Mid-year Economic and Fiscal Outlook* and again in its 2022-23 Budget. However, national GST collections (and hence Western Australia's GST grants) may be adversely affected by any future impacts of the COVID-19 pandemic on national consumption.

Expiring Commonwealth Tied Grants

The Budget includes funding for more than 40 tied grant agreements with the Commonwealth Government that involve State Government policy responsibilities over the period 2021-22 to 2025-26. There are also a range of generally more prescriptive agreements in relation to Commonwealth own-purpose spending programs.

Agreements involving State policy responsibilities take the form of National Agreements (e.g. National Health Reform Agreement), Schedules to the five Federation Funding Agreements, and some bespoke arrangements. They provide funding for core services, delivery of specific projects, improvements in service delivery and reform. Currently there are 24 such agreements, including one National Agreement, under development.

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

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

Significant Agreements Under Negotiation in 2022-23

National Skills and Workforce Development Agreement

This Budget assumes that the ongoing and unconditional funding under the current National Agreement on Skills and Workforce Development (NASWD) continues over the forward estimates period. Commonwealth funding under the NASWD accounts for 23% of the Department of Training and Workforce Development's total expenditure over this period.

In 2020-21, the Commonwealth, State and Territory Governments signed a Heads of Agreement for Skills Reform, which sets out broad principles for a new National Skills Agreement. Negotiations between all jurisdictions are underway for a new National Skills Agreement which could potentially replace the NASWD from mid-2022.

Funding to the State under a replacement agreement may differ materially from the existing Budget provision, and/or be conditional on consistency with national benchmarks.

National Disability Insurance Scheme

Western Australia's transition agreement for the National Disability Insurance Scheme expires on 30 June 2023. Negotiations for a full entry bilateral agreement are expected to occur this calendar year.

National Housing and Homelessness Agreement

The Budget assumes that the funding provided for delivery of housing and homelessness services under the National Housing and Homelessness Agreement (NHHA) will continue over the forward estimates period. The States' bilateral Schedules to the NHHA expire on 30 June 2023. Negotiations for new arrangements are expected to occur this calendar year, informed by a Productivity Commission review of the current agreement.

COVID-19 Revenue Risks

Further outbreaks of COVID-19 domestically and/or globally present a risk to the revenue outlook. The largest risk relates to China's ability to control its current COVID-19 outbreak. A prolonged outbreak and protracted lockdowns pose a significant downside risk to Chinese iron ore demand. Market concerns around this saw the spot price of iron ore fall by almost \$US15 per tonne (or 10%) in a single day in late April. This is expected to remain a source of ongoing volatility over the near term.

Spending Risks

Future COVID-19 Costs

Continued uncertainties remain as to the impacts of COVID-19 on the State's health system and economic conditions. Given this uncertainty, COVID-19 costs are factored into WA Health's budget for the first six months of 2022-23 only (for the majority of initiatives, other than the additional beds and staffing approved at the 2021-22 Mid-year Review).

This Budget reflects the Commonwealth's decision to cease the National Partnership on COVID-19 Response on 30 September 2022. The sustainability of current funding arrangements for the hospital system and COVID-related public health response continues to be raised with the Commonwealth by all States and Territories, in acknowledgement of the disruption that COVID-19 has placed (and will continue to place) on all health systems.

Consistent with practice since the beginning of the pandemic, the ongoing impacts of COVID-19 on the WA Health budget will be assessed as part of future Budget and Mid-year Review processes.

Interest Rates

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

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

The table below provides a comparison of the interest rate outcomes under the 'expected' and 'high' interest rate paths. As indicated, average effective annual interest rates are between 22 and 73 basis points higher over 2022-23 to 2025-26, and annual Consolidated Account interest expenses are \$169 million per annum higher by 2025-26, under the 'high' scenario.

Table 10

CONSOLIDATED ACCOUNT INTEREST RATE SCENARIOS				
	2022-23	2023-24	2024-25	2025-26
'Expected' (%)	2.54	2.65	2.60	2.51
'High' (%)	2.76	3.05	3.15	3.24
Variance (Basis Points)	22	40	55	73
Variance (\$m)	51	90	128	169

Asset Investment Program (AIP)

The 2022-23 Budget reflects a record \$33.9 billion AIP over the four year forward estimates period. This includes investment of \$8.9 billion in 2022-23, which represents a \$1.9 billion or 27% increase on the estimated outturn for 2021-22.

A high volume of projects approaching readiness for tender is occurring at a time when the construction market is experiencing capacity constraints due to continued supply chain disruption and challenges filling vacant positions. This represents a risk to the AIP forecasts, including project costs and delivery timeframes.

In recognition of these risks, global slippage provisions have been included in the AIP to reflect the likelihood that individual project expenditure will experience delays. A global cost escalation provision has also been included in the Budget forecasts to reflect the likelihood that some project costs will increase as a result of current cost pressures in the construction market (see Chapter 6).

The Government is also taking a considered and proactive approach to managing changes in project costs to ensure that projects continue to represent value for money. Work is also being undertaken to better align the release of projects to market with industry capacity to deliver, including reviewing the timing of project tenders over the next twelve months.

Housing Market Risks

Slow build times and escalating costs in the residential construction sector across the country, due to labour and material shortages and continued supply challenges, have placed some builders with fixed price contracts under stress. To date, a small number of builders have closed. An increasing incidence of builders failing has the potential to test the capacity of the Home Indemnity Insurance Scheme (HIIS), which the Government of Western Australia has fully under-written since 2013-14. Currently, the balance of the HIIS Fund is \$64.1 million (as at the end of April 2022).

Government Trading Enterprises (GTEs)

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

- *Energy Market Developments* – the magnitude of rooftop solar and large-scale renewable energy generation connected to the South West Interconnected System continues to increase at a fast pace. This creates a potential need for investment in the future to ensure power system security and reliability, while maintaining consumer choice over their investments in rooftop solar and batteries. Additional investment may also be required by the State-owned electricity corporations to achieve the Government's target of net zero emissions by 2050. The Government continues to manage the transformation of Western Australia's electricity system through the Energy Transformation Strategy Stage 2: 2021 to 2025.
- *Western Power Access Arrangement* – Western Power has submitted its initial proposal to the Economic Regulation Authority (ERA) for the fifth network access arrangement (AA5). The ERA's final determination on AA5 is expected to be finalised in March 2023 and will set the terms and conditions, including prices, for third parties seeking access to the Western Power electricity network over 2022-23 to 2026-27. The ERA's determination will impact Western Power's revenue and capital expenditure over the period of the access arrangement. Depending on the outcome, the AA5 determination presents both upside and downside risks to Western Power, and flow-on implications for Synergy as a major user of the Western Power electricity network.
- *Western Power – Parkerville Proceedings* – on 2 July 2021, the Supreme Court of Western Australia, Court of Appeal determined that Western Power had breached its duty of care by failing to have a system for periodically inspecting consumer poles used to support live electrical apparatus forming part of its distribution system. The judgment has several cost implications for Western Power, including increased responsibility to inspect consumer poles and potentially other consumer assets at the network interface. Western Power has applied for and obtained special leave to appeal the Court of Appeal decision in order to clarify its inspection obligations. A hearing on the appeal will occur later this year. In the interim, Western Power has extended its network inspection program to include private consumer poles in line with the judgement. Final cost implications will be determined following the outcome of the appeal process.

Contingent Assets and Liabilities

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

The disclosures below update previous contingent assets and liabilities disclosed over the last year. A more comprehensive update of contingencies will be disclosed in the 2021-22 *Annual Report on State Finances*, due for release by 28 September 2022.

Claims by Mr Clive Palmer, Mineralogy and International Minerals

A contingent liability for a legal dispute between Mineralogy Pty Ltd and International Minerals Pty Ltd, and the Western Australian Government was included in the *2020-21 Annual Report on State Finances*.

The dispute related to a State Agreement originally made in 2002 and the subsequent impact of Ministerial decisions. The entities were claiming compensation of around \$28 billion (including interest penalties). However, legislation was enacted in 2020 which terminated the claims for compensation.

A constitutional challenge to the legislation brought by Mr Palmer and the entities was heard by the High Court in June 2021. On 13 October 2021, the High Court handed down its judgments in favour of the Western Australian Government.

Other actions commenced by Mineralogy and International Minerals in the Federal Court of Australia and in the Supreme Court of Queensland were adjourned pending the High Court outcome. The action in the Federal Court of Australia was subsequently discontinued by Mineralogy and International Minerals on 13 December 2021. The Queensland Court of Appeal has reserved its decision following an appeal hearing in mid-April 2022.

East Perth Power Station Works

DevelopmentWA is currently negotiating a Project Development Deed with the preferred proponent to redevelop the East Perth Power Station site. The Project Development Deed will stipulate the responsibilities of both parties under the development. To address a number of risks associated with site de-constraining works (e.g. infrastructure decommissioning and removal, and site decontamination), the parties are negotiating performance warranties with respect to delays in the completion of State-led site de-constraining works. Negotiations are continuing between DevelopmentWA and the preferred proponent.

Synergy

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

In May and June 2021, Synergy defended its conduct in a hearing before the ERB. To date, no provision for potential penalties that could be imposed by the ERB has been made as Synergy denies any wrongdoing or liability. The ERB's ruling is yet to be delivered. In the event the ERB finds that Synergy has breached the WEM rules, the ERB has wide discretion to set the amount of any penalty, and hence there is no firm estimate for any potential liability.

General Government Revenue

HIGHLIGHTS

- The general government revenue estimates have been revised up significantly since the 2021-22 Mid-year Review, reflecting the impact of:
 - Western Australia's stronger than expected domestic economy on taxation revenue (particularly payroll tax and transfer duty);
 - a sharp increase in the iron ore price (and other commodity prices) over recent months on mining revenue; and
 - an upward revision to national GST collections in the Commonwealth's recent Budget on Western Australia's GST grants.
- The iron ore price is now forecast to average \$US139.5 per tonne over 2021-22, up from \$US104.9 per tonne in the Mid-year Review. Given the inherent volatility in the iron ore price, this Budget maintains the Government's conservative approach of assuming a return to the long-run average price over the next six months, resulting in a \$US77.5 per tonne iron ore price assumption for 2022-23.
- The State Government will continue to advocate in the strongest possible terms to ensure that the incoming Commonwealth Government (regardless of the outcome of the election) abides by its commitment to retain the GST reforms legislated in 2018. In the absence of these reforms, Western Australia would have received just 15.8% of its population share of the national GST pool in 2022-23 and a forecast share of just 1% in 2023-24 - a clearly unfair and unsustainable outcome.
- This Budget includes a range of taxation simplification measures to assist businesses, as well as changes to the existing transfer duty rebate for off-the-plan apartment purchases, and a new 50% land tax concession for new build-to-rent developments (from July 2023) to support future housing supply.

Introduction

The general government revenue estimates have been revised up significantly relative to the 2021-22 Mid-year Review. This primarily reflects the combined impact of: Western Australia's stronger than expected domestic economy on taxation revenue (up \$1.9 billion); a sharp increase in iron ore and other commodity prices on mining revenue (up \$4.5 billion); and an upward revision to national GST collections in the Commonwealth's 2022-23 Budget (with GST revenue to the State up \$1.1 billion as a result).

Revenue is estimated to peak at \$41.9 billion in 2021-22 before contracting in 2022-23 by 8.3% (or \$3.5 billion), primarily due to the Government's conservative assumption that the iron ore price will revert to its long-run average (of \$US66 per tonne) from November 2022. Across the outyears, revenue is anticipated to increase modestly to \$39.1 billion by 2025-26.

Revenue is projected to be relatively flat across the outyears as a result of:

- the iron ore price forecasting methodology, which assumes the price remains at \$US66 in each of the outyears;
- relatively flat iron ore volumes across the outyears;
- declining North West Shelf grants (which are forecast to decline from \$921 million in 2022-23 to \$520 million by 2025-26); and
- an expected moderation in taxation revenue growth from 2022-23, as the current very buoyant conditions in the State's property and labour markets begin to normalise.

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

Table 1

GENERAL GOVERNMENT
Operating Revenue

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated Actual	Budget Year	Outyear	Outyear	Outyear
Level (\$m)						
Taxation	10,153	11,476	11,111	11,014	11,304	11,744
Commonwealth grants	10,552	13,667	14,135	14,777	14,337	14,446
Sales of goods and services	2,821	3,058	3,050	3,074	3,013	3,089
Interest income	110	118	133	131	133	124
Revenue from public						
corporations	2,319	1,302	2,255	2,361	2,489	2,566
Royalty income	12,181	11,490	7,093	6,328	6,427	6,573
Other	2,015	778	652	891	738	602
Total	40,151	41,890	38,428	38,578	38,443	39,145
Annual Growth (%)						
Taxation	12.1	13.0	-3.2	-0.9	2.6	3.9
Commonwealth grants	5.3	29.5	3.4	4.5	-3.0	0.8
Sales of goods and services	1.6	8.4	-0.3	0.8	-2.0	2.5
Interest income	-11.2	7.3	12.7	-1.0	1.4	-6.6
Revenue from public						
corporations	106.4	-43.8	73.1	4.7	5.4	3.1
Royalty income	44.2	-5.7	-38.3	-10.8	1.6	2.3
Other	228.2	-61.4	-16.2	36.7	-17.3	-18.3
Total	24.8	4.3	-8.3	0.4	-0.4	1.8

Note: Columns may not add due to rounding.

The remainder of this chapter focuses on the new measures implemented since the 2021-22 Mid-year Review, and the detailed basis for the estimates through to 2025-26 in each of the major revenue categories.

Revenue Measures

New measures implemented in the lead-up to, or as part of, the 2022-23 Budget are outlined below. In addition to these measures, a number of tariffs, fees and charges have been amended in this Budget. These are outlined in Appendix 8: *Public Corporations and Major Tariffs, Fees and Charges*.

Table 2

SUMMARY OF REVENUE MEASURES IN THE 2022-23 BUDGET						
	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	Total \$m
Revenue Measures						
Payroll Tax Waiver - Hospitality Businesses	-2.8	-	-	-	-	-2.8
Transfer Duty Reduction	-	-7.2	-7.9	-8.3	-8.8	-32.2
Removal of Duty on Prospecting Licenses	-	-0.1	-0.1	-0.1	-0.1	-0.4
Removal of Surcharge on Land Tax Tri-Instalments	-	-2.1	-2.1	-2.1	-2.1	-8.4
Total	-2.8	-9.4	-10.1	-10.5	-11.0	-43.8

Note: Columns may not add due to rounding.

Payroll Tax Waiver – Hospitality Businesses

Hospitality businesses with annual wages larger than \$4 million but no larger than \$20 million may be eligible for a three-month payroll tax waiver announced as part of the Level 2 Business Assistance Package in March 2022 to support businesses impacted by public health and social measures. Eligible hospitality businesses must have experienced at least a 40% drop in turnover for any four-week period between 1 January 2022 and 30 April 2022, relative to a comparable period in 2021. This is estimated to reduce payroll tax revenue by \$2.8 million in 2021-22.

Future Road User Charge for Zero or Low Emission Vehicles

A distance-based road user charge for all zero or low emission vehicles will apply from 1 July 2027. A rate in today's prices of 2.5 cents per km will apply for battery electric vehicles and hydrogen vehicles, while the equivalent rate for plug-in hybrid electric vehicles will be 2 cents per km. Both rates will be indexed to CPI from 1 July 2022. This is consistent with the road user charge already in place in Victoria and charges recently announced in New South Wales, South Australia and Tasmania.

This Budget also includes a range of measures to support the transition to zero or low emission vehicles, including rebates of \$3,500 on the purchase price of eligible battery electric and hydrogen light vehicles. Further details are outlined in Chapter 5: *General Government Expenses*.

Tax Simplification Package

This Budget includes a number of measures as detailed below to reduce the tax burden on some taxpayers and to simplify tax administration.

Transfer Duty Reduction

From 1 July 2022, the general rate of transfer duty will be reduced to be equivalent to the rate of duty for residential transactions. From the same date, the residential or business property concession will also be modified to ensure the transfer duty concession provides benefits on all eligible transactions up to \$200,000. These changes will reduce the burden on taxpayers and simplify tax administration. These measures will reduce transfer duty revenue by an estimated \$32.2 million across 2022-23 to 2025-26.

Abolish Duty on Prospecting Licenses Unless Transferred with Other Dutiable Property

From 1 July 2022, the duty on prospecting licenses and derivative mining rights in relation to prospecting licences will be removed, unless they are transferred with other dutiable property. This is estimated to have a financial impact of \$0.1 million per annum.

Other Duty Measures

From the day after the proposed *Duties Amendment Act 2022* receives Royal Assent, there will be an exemption from motor vehicle duty for service demonstrator vehicles as well as vehicles that are returned to the seller that are faulty. From the same date, duty on Family Court Orders will also no longer apply. This means that duty will only apply when property is actually transferred under an order. The impact of these measures on transfer duty revenue is negligible.

Increase in Quarterly Payroll Tax Return Threshold

From 1 July 2022, the quarterly payroll tax return lodgement threshold will increase from \$100,000 to \$150,000. This means that payroll tax payers with an annual liability of up to \$150,000 will have the option to choose to pay quarterly (rather than monthly), providing cashflow benefits and reducing administrative processes. Payroll tax payers with an annual liability of less than \$20,000 will continue to have the option to choose to pay annually.

This measure is estimated to benefit up to 1,000 payroll tax-paying businesses. There is no impact on the payroll tax estimates as taxation revenue is budgeted on an accrual basis.

Removal of Surcharge for Paying Land Tax in Three Instalments

From 1 July 2022, the 2% surcharge on assessed land tax liability when paid over three instalments will be removed. This will provide taxpayers with greater choice of payment schedules and to assist with cashflow. This is estimated to reduce land tax revenue by \$2.1 million per annum, benefiting up to 12,000 taxpayers each year.

Land Tax Relief for Build-to-Rent Developments

A 50% land tax concession for new eligible build-to-rent developments will commence on 1 July 2023. This measure is expected to have a negligible impact on land tax revenue, but will provide an incentive to developers (by reducing their annual land tax bill) to boost the supply of properties available to rent. Similar concessions have been introduced or announced in New South Wales, South Australia and Victoria.

Amendment to the Off-the-Plan Transfer Duty Rebate Scheme

From 1 June 2022, the existing off-the-plan transfer duty rebate will be amended to increase the assistance provided to those that purchase lower value dwellings. Eligible purchasers will receive a transfer duty rebate equal to 100% of the duty payable for a dwelling valued at less than \$500,000, and between 100% to 50% of the duty payable for a dwelling valued between \$500,000 and \$600,000.

For dwellings valued above \$600,000, the existing rebate of 50% will continue to apply. The eligibility period for this rebate will end on 24 October 2023 (as per the existing rebate), and the maximum value of the rebate will remain capped at \$50,000. These changes will increase Government expenditure by an estimated \$4.7 million across the forward estimates period (see Chapter 5: *General Government Expenses*).

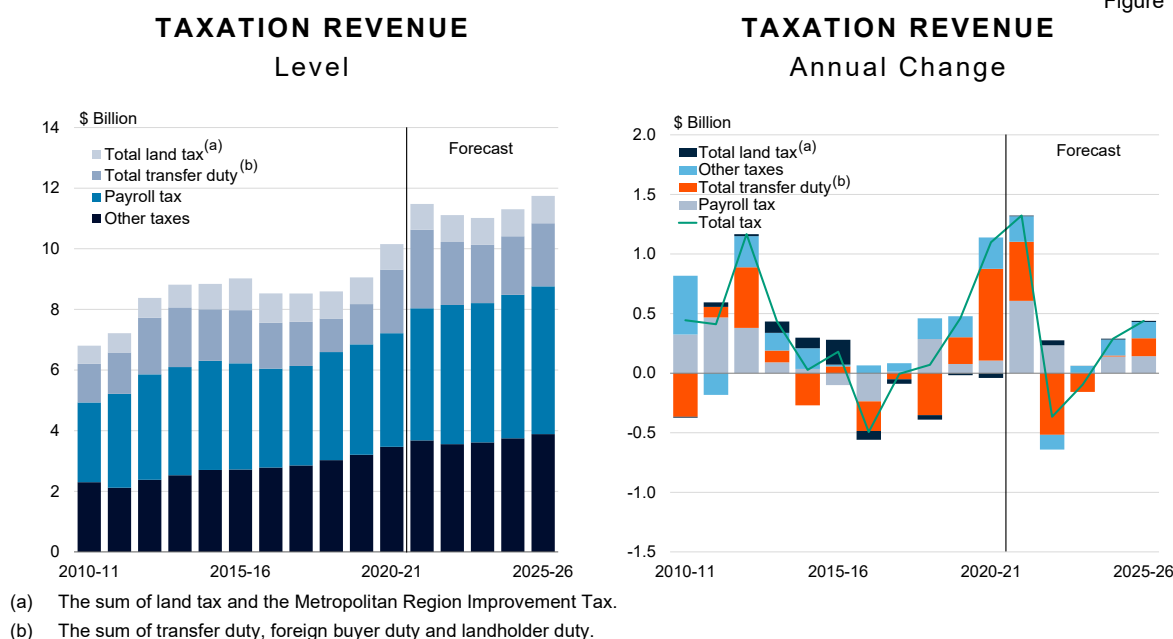
Taxation Revenue

Summary

Following estimated collections of \$11.5 billion in 2021-22, taxation revenue is expected to decline by \$366 million (or 3.2%) in 2022-23, primarily reflecting an expected easing in property market conditions and an unwinding in demand for motor vehicles. The forecast decline in revenue from property and vehicle transfers is partially offset by a lift in payroll tax collections in 2022-23, consistent with continuing strong labour market conditions.

Over the three years to 2025-26, taxation revenue is forecast to grow by an average of 1.9% per annum, broadly in line with domestic economic conditions.

Figure 1



Detail

Payroll Tax

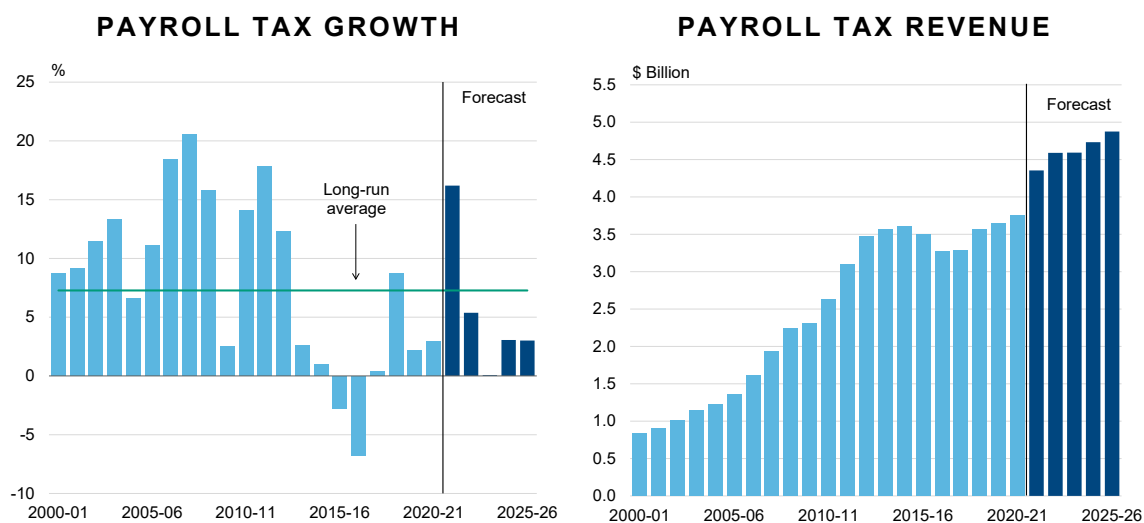
Payroll tax collections have continued to strengthen in 2021-22, reflecting the robustness of the resources sector (the largest contributor to payroll tax revenue) throughout the pandemic, and a rapid recovery in the demand for labour (and hence payroll tax) from most other industries.

Payroll tax collections are forecast to increase by 5.4% (or \$234 million) in 2022-23, following very strong growth in 2021-22 of 16.2% (or \$607 million) (see figure below). The significant increase in 2021-22 primarily reflects strong employment and remuneration growth in the resources sector, including significant bonuses paid during the year to date. It also reflects a sharp recovery in most other industries after the initial impacts of COVID-19 reduced payrolls in the first half of 2020-21. Continued robust growth is in line with expectations of solid employment and wages growth, particularly in payroll tax-intensive industries such as mining.

Payroll tax is expected to remain flat in 2023-24 reflecting the unwinding of the temporary tax scale change from 1 July 2023¹. Collections are projected to grow by an average of around 3% per annum in the last two outyears, underpinned by sustained demand for labour and anticipated growth in private sector wages.

¹ The 2017-18 Budget introduced a progressive payroll tax scale for a finite period of five years from 1 July 2018 to 30 June 2023. The policy requires Western Australian employers with an Australia-wide, annual taxable payroll exceeding \$100 million to pay a marginal tax rate of 6% (up from the current 5.5%) on the part of their payroll above \$100 million but less than or equal to \$1.5 billion, and a marginal tax rate of 6.5% on the part of their payroll exceeding \$1.5 billion.

Figure 2



Taxes on Property

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

Total Transfer Duty²

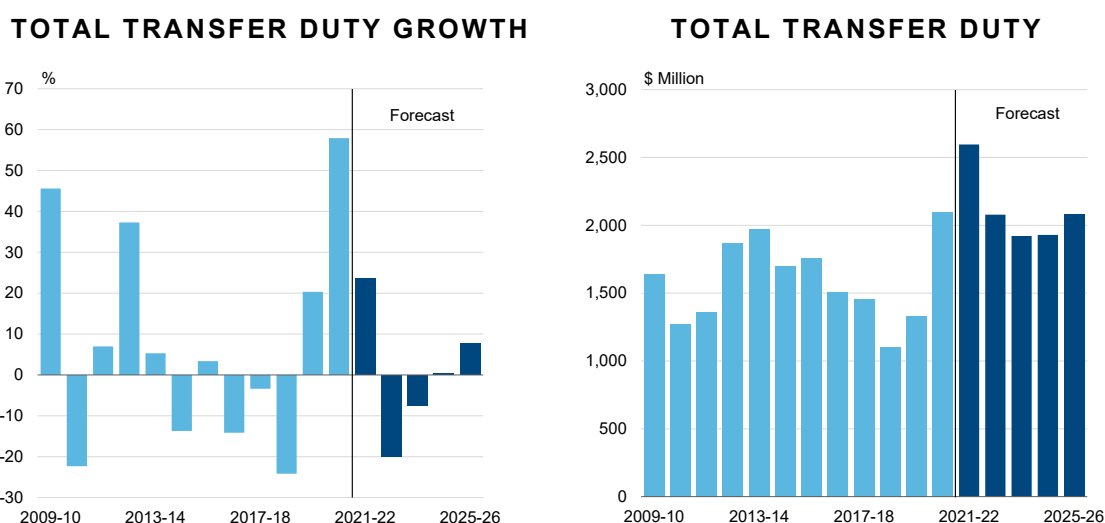
Total transfer duty is estimated to reach \$2.6 billion in 2021-22, growing by a very strong 23.6% (or \$496 million) compared to 2020-21. This reflects continued high turnover in the established residential property market and the anticipated assessment of a large one-off commercial property transaction.

Duty is forecast to contract by 19.9% (or \$517 million) in 2022-23 as revenue from high value commercial property transactions returns to a more typical level, activity in the residential property market eases as lending rates begin to lift, and the high number of dwellings currently under construction translates into additional housing supply.

Total transfer duty is forecast to trough in 2023-24 and recover by an average growth rate of 4% per annum thereafter, consistent with a pick-up in underlying demand as the State's population growth lifts (see figure below).

² The sum of transfer duty, foreign buyer duty and landholder duty.

Figure 3



Total Land Tax³

Total land tax collections are forecast to increase by \$41 million (or 4.9%) to \$886 million in 2022-23, consistent with a lift in unimproved land values⁴ across a number of property sectors, including residential land. This follows an estimated increase of 0.7% in 2021-22.

In the outyears, total land tax collections are forecast to remain relatively flat, growing by an average 0.6% per annum in line with the outlook for unimproved land values across the State.

Other Taxes on Property

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

Other taxes on property are forecast to increase by \$36 million (or 5.9%) in 2022-23, following a modest increase of 0.7% (or \$4 million) in 2021-22. Growth in 2022-23 largely reflects higher revenue from the Emergency Services Levy (ESL) due to a decision to increase the ESL charges for property owners in the metropolitan area by 5% to fund the ongoing costs of critical fire and emergency services across the State.

The ESL Category One – Average Residential Charge remains more than 4% below 2019-20 levels following the Government's decision to pass on the impact of lower gross rental valuations as part of the 2020-21 Budget.

In 2023-24 and beyond, other taxes on property are projected to grow by an average of 3.5% per annum.

³ The sum of land tax and the Metropolitan Region Improvement Tax (MRIT).

⁴ Land tax and MRIT revenue in 2022-23 is based on the unimproved value of land as assessed by the Valuer General's Office as at August 2021.

Taxes on Gambling

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

Gambling taxes are estimated to increase by 1.9% in 2021-22 following very strong growth of 23.6% in 2020-21. This strong growth likely reflected a lift in disposable income and a constrained capacity to spend on international travel. Collection levels have remained high since the onset of COVID-19 but are expected fall by 10.8% (or \$40 million) in 2022-23 as restrictions ease and household spending is directed back to international travel.

Over the remainder of the forecast period, revenue from gambling is expected to grow by an average of 3.4% per annum.

Taxes on Insurance

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

In 2021-22, insurance duty is estimated to increase by \$91 million (or 12.5%), consistent with strong growth in the domestic economy. This follows an increase of 4.7% (or \$33 million) in 2020-21.

Insurance duty is expected to decline modestly in 2022-23 by \$9 million (or 1.2%) as activity in certain sectors of the economy (such as the housing and vehicle markets) begins to ease. Over the remainder of the forecast period, taxes on insurance are expected to rise steadily by an average of 2.9% per annum.

Motor Vehicle Taxes

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

Vehicle licence duty in 2021-22 is estimated to rise by \$46 million (or 8.9%), following a record increase of \$139 million (or 37%) in 2020-21. Growth in vehicle licence duty in both 2020-21 and 2021-22 has been supported by elevated light vehicle transactions - consistent with increased demand for vehicles for domestic tourism purposes. Strong demand for vehicles, together with supply chain challenges have resulted in strong rises in light vehicle prices, which has also contributed to higher vehicle license duty.

Vehicle licence duty is projected to fall by 21.4% in 2022-23 and a further 15.7% in 2023-24, as the current bring-forward of purchases unwinds. In the remaining outyears, vehicle licence duty is forecast to resume growing (by an average of 4.6% per annum), supported by the expected lift in population growth.

Revenue from annual vehicle registrations is expected to increase by \$50 million (or 4.4%) in 2022-23. This incorporates an increase of 4% in light motor vehicle registration fees and a 2.5% increase in heavy motor vehicle registration fees. In the last three outyears, revenue from vehicle registrations and related fees is forecast to grow by an average of 5% per annum, consistent with sustained growth in the domestic economy and assumed fee increases.

Royalty Income

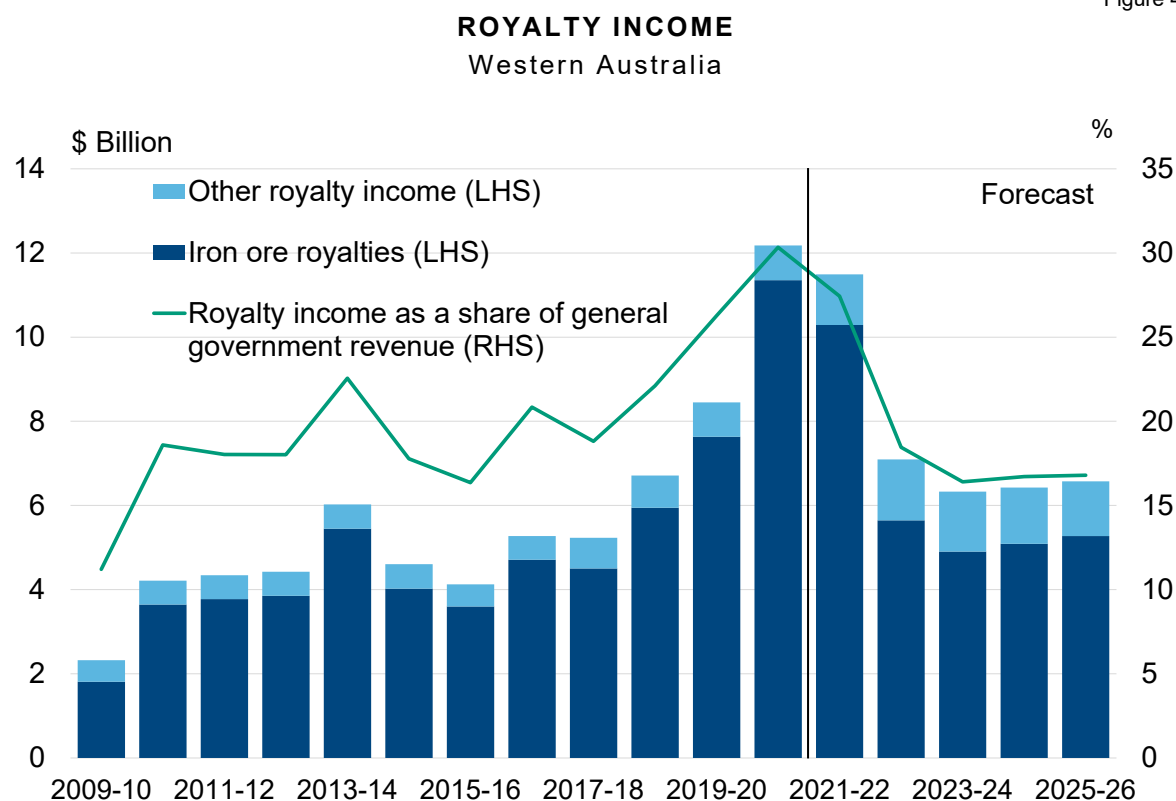
Summary

Following an estimated \$11.5 billion in 2021-22, royalty income is projected to decline by \$4.4 billion (or 38.3%) in 2022-23, as the iron ore price is assumed to revert to its long-run average of \$US66 per tonne from November 2022 (resulting in an average iron ore price for 2022-23 of \$US77.5, compared to an estimated \$US139.5 in 2021-22).

Royalty income is projected to decrease further by \$765 million (or 10.8%) in 2023-24, based on a full-year iron ore price assumption of \$US66. Royalty income is then expected to increase by \$99 million in 2024-25 and \$146 million in 2025-26, reflecting forecast declines in the \$US/\$A exchange rate (boosting the Australian dollar value of royalty payments).

Volatility in commodity prices (particularly the iron ore price) is a significant ongoing risk, as outlined in Chapter 3: *Statement of Risks*.

Figure 4



Source: Department of Treasury estimates.

Iron Ore Royalty Income

Iron ore royalty income is forecast to decrease by \$1.1 billion in 2021-22 to \$10.3 billion. While the iron ore price is expected to remain elevated, the decline in income is due to a fall in the average iron ore price from \$US154.5 per tonne in 2020-21 to an estimated \$US139.5 per tonne in 2021-22.

In 2022-23, iron ore royalty income is projected to decrease by \$4.6 billion (or 45.1%) to \$5.6 billion. This sharp decline reflects an assumed fall in the iron ore price to an average of \$US77.5 per tonne in 2022-23.

The iron ore price is assumed to decline from an average of \$US150 per tonne in March 2022 to its long-run average (of \$US66) from November 2022. As a result, iron ore royalty income is then projected to fall by a further \$742 million (or 13.1%) in 2023-24, to \$4.9 billion. Iron ore royalty income is then projected to rise by 3.8% in 2024-25 and 3.6% in 2025-26, reflecting a declining \$US/\$A exchange rate.

Iron ore volumes have been revised up marginally since the 2021-22 Mid-year Review and are forecast to grow to 865 million dry tonnes by 2024-25 and then plateau. There are upside risks to volume forecasts as some mid-tier producers are considering new mines but are yet to make final investment decisions and receive all the necessary approvals.

As noted, the 2022-23 Budget assumes a long-run iron ore price of \$US66 per tonne from November 2022. Given the inherent volatility in iron ore prices and the associated forecasting challenges and risks to the State's Budget, this is considered a prudent budgeting assumption. It is noted that the Commonwealth adopts a very similar approach in its Budget.

Iron ore royalty income is forecast to account for around 80% of total royalty income over the forecast period.

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

Other Royalty Income

Royalty income from all other commodities (excluding iron ore) is expected to rise by \$374 million (or 45.3%) in 2021-22, primarily due to higher lithium royalties (up \$206 million). The lithium price has risen sharply over 2021-22, underpinned by a rapid pick-up in demand due to growing sales of electric vehicles. Royalty revenue from nickel (another commodity used in batteries) is forecast to increase by \$59 million in 2021-22 as a result of higher nickel prices.

In 2022-23, royalty income from all other commodities (excluding iron ore) is projected to rise by a further \$248 million (or 20.7%), with lithium royalties forecast to increase by \$191 million. Higher average lithium prices are forecast over 2022-23, and additional lithium volumes are forecast as idled production is restarted. Gold royalties are forecast to rise by \$43 million in 2022-23 and a further \$40 million in 2023-24 with expanding production.

Royalty income from other commodities is projected to decrease by \$23 million in 2023-24, \$87 million in 2024-25 and \$39 million in 2025-26. These falls primarily reflect a decline in lithium royalties as prices are forecast to normalise as more supply comes online.

Table 3

ROYALTY INCOME AND KEY ASSUMPTIONS
Western Australia

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated Actual	Budget Year	Outyear	Outyear	Outyear
Royalty Income (\$m)						
Iron ore	11,355	10,290	5,645	4,903	5,090	5,275
Gold	407	437	481	521	520	495
Alumina	91	114	116	116	119	128
Lithium	50	255	447	371	262	233
Copper	70	89	68	62	63	60
Nickel	86	145	160	163	171	178
Mineral Sands	30	37	34	36	35	33
Petroleum - State component	3	13	15	11	22	22
Other	90	110	128	144	144	149
Total Royalty Income	12,181	11,490	7,093	6,328	6,427	6,573
KEY ASSUMPTIONS						
Exchange rate \$US/\$A (US cents)	74.7	73.5	75.1	73.1	70.6	68.2
Iron ore price (CFR, \$US per tonne)	154.5	139.5	77.5	66.0	66.0	66.0
Iron ore volumes (million dry tonnes)	839	853	855	863	865	865
Crude oil price (\$US per barrel)	54.6	88.0	97.7	88.1	82.6	79.0

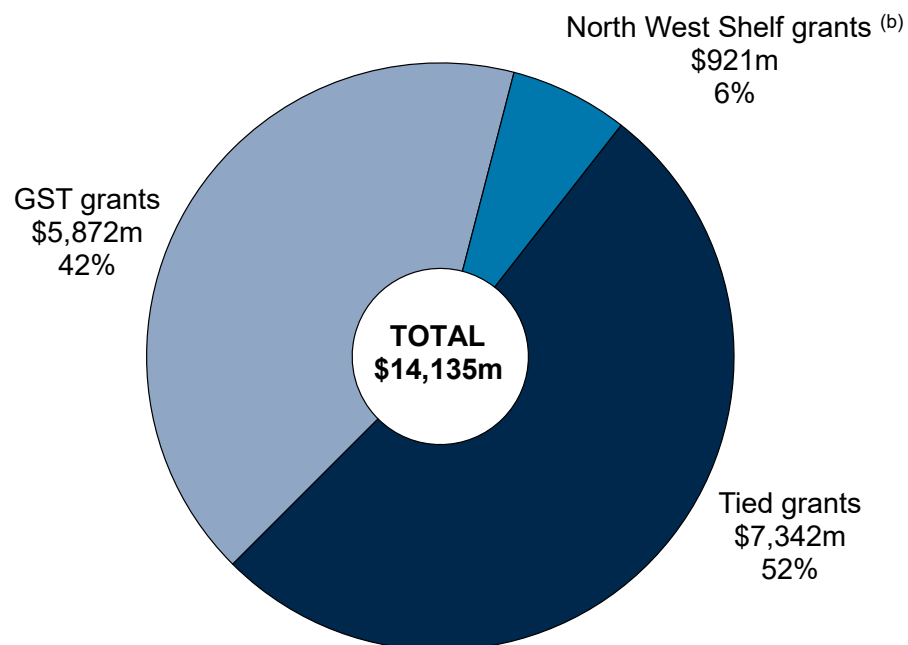
Note: Columns may not add due to rounding.

Commonwealth Grants

Commonwealth grants are estimated to total \$14.1 billion in 2022-23 and account for 37% of the State's total revenue. There are no restrictions on the spending of GST grants or North West Shelf grants. Other grants ('tied grants') are provided for specific activities (e.g. health, education, roads and social housing).

COMMONWEALTH GRANTS TO WESTERN AUSTRALIA ^(a)
2022-23

Figure 5



(a) Includes recurrent and capital grants.

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

Note: Segments may not add due to rounding.

Table 4

COMMONWEALTH GRANTS TO WESTERN AUSTRALIA						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated Actual	Budget Year	Outyear	Outyear	Outyear
General Purpose Grants						
GST-related grants (\$m) ^(a)	4,553	5,484	5,872	6,133	6,881	7,383
North West Shelf grants (\$m) ^(b)	444	915	921	730	622	520
Total General Purpose Grants (\$m)	4,996	6,399	6,792	6,863	7,503	7,904
Tied Grants (\$m) ^(c)	5,556	7,268	7,342	7,914	6,834	6,543
TOTAL COMMONWEALTH GRANTS (\$m)	10,552	13,667	14,135	14,777	14,337	14,446
Growth (%)	5.3	29.5	3.4	4.5	-3.0	0.8

(a) Includes Commonwealth-funded floor grants of \$1,547 million in 2020-21 and \$2,115 million in 2021-22.

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

(c) Includes recurrent and capital grants.

Note: Columns may not add due to rounding.

Total Commonwealth grants are forecast to be relatively stable over the forward estimates, after a significant increase in 2021-22 (29.5% or \$3.1 billion).

While growth between 2021-22 and 2022-23 is expected to be modest (3.4% or \$468 million), there are significant compositional changes. These primarily relate to increases in GST-related grants and transport infrastructure grants, offset by the ending of the National Partnership on COVID-19 Response and HomeBuilder scheme funding in 2022-23.

GST grants are forecast to continue growing across the outyears, offset by reductions in transport infrastructure grants.

GST Revenue

Western Australia's GST-related grants are the sum of the State's GST grants and Commonwealth-funded 70% floor grants. Under the 2018 GST distribution reforms, the Commonwealth provided GST floor grants to Western Australia to effectively bring the State's relativity up to 70%, over the period 2019-20 to 2021-22. From 2022-23 onwards, the 70% floor is provided from within the GST system (increasing to 75% from 2024-25).

The GST grant is expected to increase to \$5.9 billion in 2022-23, from \$3.4 billion in 2021-22. Although large, the increase mainly reflects the commencement of the within-system GST floor and cessation of the Commonwealth-funded 70% floor grant. Total GST-related grants are expected to increase from \$5.5 billion in 2021-22 to \$5.9 billion in 2022-23. This increase is predominantly due to a larger national GST pool.

If not for the reforms, Western Australia's relativity would have decreased to just 15.8% in 2022-23, from 32.9% in 2021-22. The decrease is largely due to a lagged response to an increased capacity to raise iron ore royalty revenues, from high iron ore prices, over the period 2018-19 to 2020-21 (the data years used to calculate the GST relativity for the 2022-23 grant year). In calculating States' relativities, the Commonwealth Grants Commission (CGC) reduces the relativity for a State whose revenue bases have grown faster than other States, or whose relative costs of providing a standard level of services have declined (and vice versa). But under the reforms, the CGC has adjusted Western Australia's relativity to the minimum 70% in 2022-23.

Forecast of GST Shares

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

- projections of GST relativities beyond 2022-23;
- GST pool projections from the 2022-23 Commonwealth Budget; and
- projections of State shares of the national population.

Under the 2018 GST distribution reforms, no State's relativity can fall below 70%. From 2022-23 onwards, the CGC will recommend Western Australia's relativity be raised to 70%, funded from the GST pool (rather than a Commonwealth-funded floor grant). From 2024-25, this floor will be raised to 75%. In addition to the floor, the reforms include a transition over six years to a new equalisation benchmark, eventually ensuring no State's relativity will fall below the lower of New South Wales or Victoria. By 2025-26, Western Australia will be five sixths along that transition, and our relativity is expected to be above the 75% floor.

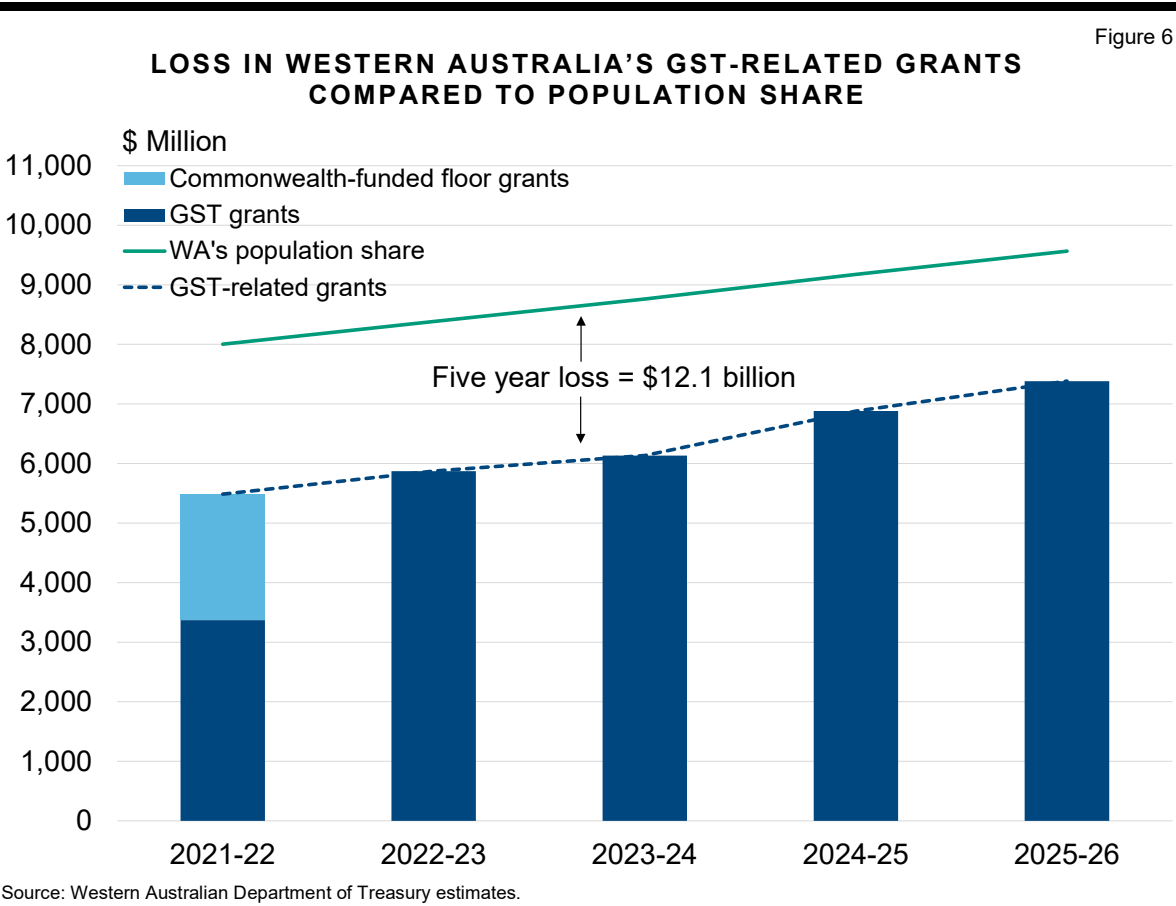
Table 5

WESTERN AUSTRALIA'S PROJECTED GST RELATIVITY AND GST SHARE						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated Actual	Budget Year	Outyear	Outyear	Outyear
WA GST relativity ^(a)	0.450	0.420	0.700	0.700	0.750	0.772
WA population share (%)	10.4	10.4	10.5	10.5	10.5	10.5
WA share of national GST pool (%) ^(b)	4.7	4.4	7.3	7.3	7.9	8.1

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

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

Even with the reforms to the GST distribution, Western Australia will continue to receive far less GST than its population share. Over the five years from 2021-22 to 2025-26, Western Australia will receive \$12.1 billion less than its population share of the GST (see following figure) – effectively a GST subsidy from Western Australia to other States.



As large as this GST subsidy from Western Australia to the other States is, it is just one part of the State's overall annual net contribution to the Australian Federation. For 2020-21 (the latest year of complete data), the Western Australian Treasury estimates the State's net contribution to be \$30.8 billion (see Appendix 11: *Western Australia's Net Contribution to the Federation*).

GST DISTRIBUTION REFORMS

Western Australia will receive 70% of its population share of GST in 2022-23, still by far the lowest of all States and Territories (States). The next lowest State (Victoria) will receive 92%, while New South Wales will receive 101%, and the Northern Territory will receive 493% (after the no-worse-off guarantee is paid). No other State has ever received a share of GST lower than 83%.

Table 6

2022-23 EFFECTIVE GST RELATIVITIES

New South Wales	1.014
Victoria	0.922
Queensland	1.097
Western Australia	0.700
South Australia	1.347
Tasmania	1.917
Australian Capital Territory	1.156
Northern Territory	4.933

Effective relativities include the no-worse-off guarantee.

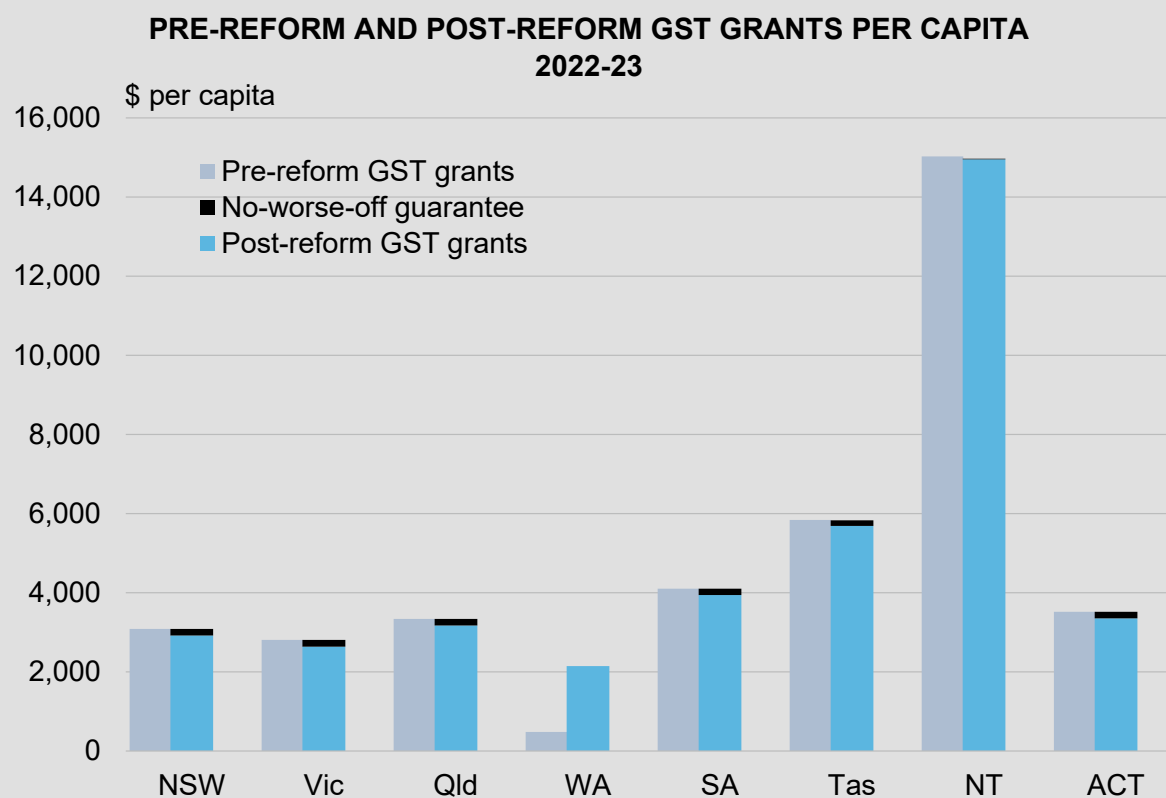
The 2018 GST distribution reforms recognised that the way the GST was previously distributed among the States had many shortfalls. For Western Australia, the reforms introduce a correction to the unfairly low share of GST the State had received over decades, and compensate for continued inadequacies in the GST distribution system that are difficult to resolve.

The underlying GST distribution calculations penalise Western Australia for its unique economy and revenue bases, which under the previous system led to the effective loss of 90% of Western Australia's iron ore royalty collections through reduced GST. The underlying calculations also fail to adequately recognise many unique costs facing Western Australia, such as through the State's significant areas of remoteness.

Without the reforms, Western Australia would have received only 15.8% of its population share of the GST pool in 2022-23, and the Western Australian Treasury estimates that this would have fallen to just 1% in 2023-24. Such low relativities are unprecedented, and highlight how extreme and unsustainable the GST distribution system is in the absence of the 2018 reforms.

The reforms are significant for Western Australia and have no impact on other States' GST grants over the forward estimates period. The following figure shows, for 2022-23, Western Australia is expected to receive just \$2,150 of GST per capita, compared to \$3,089 for New South Wales, \$2,808 for Victoria and \$3,342 for Queensland (the most comparable State to Western Australia). It also shows that the no-worse-off guarantee comprises a very small proportion of other States' overall grants. In the absence of the reforms, Western Australia would have received only \$481 per capita in 2022-23.

Figure 7



The reforms include benefits and protections for all States. States are protected from any shortfall in GST compared to the previous system through a legislated no-worse-off guarantee, which will continue until 2026-27 and provides time to adjust to the new system. All States will also benefit from the Commonwealth's annual top up to the GST pool. The Western Australian Treasury estimates this will grow to \$1.1 billion in 2027-28, after the no-worse-off guarantee has ceased. States will receive the top up in all years regardless of whether they are worse off from the reforms.

Every State, not just Western Australia, is receiving a significant benefit from current high iron ore prices. Other States continue to receive 90% of Western Australia's increased royalties through higher GST grants and no-worse-off guarantee payments. If iron ore prices had remained as expected in 2018 when the reforms were agreed, all States would be worse off than they are currently. Compared to the 2018 projections that were used to quantify the impact of the GST reforms, the other States can now expect to receive about \$16 billion extra GST over 2020-21 to 2025-26 due to high iron ore prices.

Western Australia's strong mining sector benefits the national economy as a whole, and improves Commonwealth revenues. It drives up personal income taxes and other revenue derived from a stronger economy. The three big iron ore mining companies (Rio Tinto, BHP and FMG) paid \$22.5 billion in company tax on their iron ore operations in 2020-21, 63% higher than what they paid in 2019-20 and almost four times that paid in 2017-18. This is almost three times the \$8.2 billion paid in royalties in 2020-21.

This extra revenue has enabled the Commonwealth to assist other States hit hard by the COVID-19 pandemic. While recent strong iron ore prices have increased the direct costs of the GST reforms to the Commonwealth, the Commonwealth's overall net position is positive, with the additional company tax revenue alone well in excess of the increased costs of the GST reforms.

Even with the reforms, Western Australia continues to contribute far more to GST than is returned to the State. Western Australia will subsidise the other States by \$2.5 billion in 2022-23 alone – even with the 70% GST floor. Over the ten years 2012-13 to 2021-22, Western Australia received around \$32.4 billion less than its population share of GST revenue.

The GST system still does not recognise that the structure of the Western Australian economy and our revenue base is different to other jurisdictions. If mining revenue was generated through another source of revenue, such as payroll tax, Western Australia would receive much closer to its population share.

The Western Australian Government will continue to advocate in the strongest possible terms to ensure that the incoming Commonwealth Government (regardless of the outcome of the election) abides by its commitment to retain the GST reforms.

North West Shelf Grants

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

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

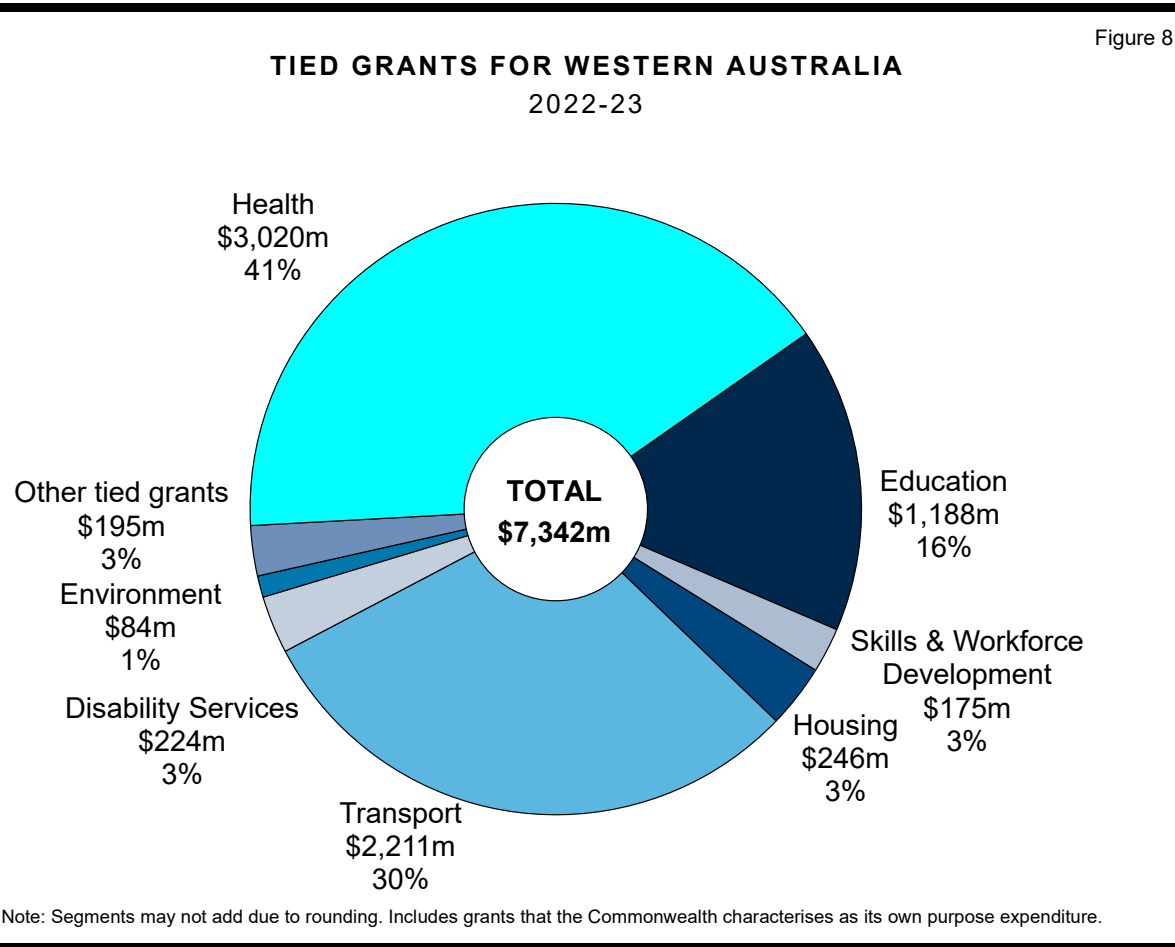
In 2022-23, North West Shelf grants are expected to be \$921 million, an increase from \$915 million in 2021-22. This is largely due to the strength in oil and gas prices throughout 2021-22, which are anticipated to remain strong into 2022-23.

Revenue from North West Shelf grants is projected to decline from 2023-24 to 2025-26. This is due to the combined impact of lower assumed oil and gas prices and a gradual decline in sales volumes, with the North West Shelf project forecast to process higher volumes of gas sourced from areas outside the revenue sharing agreement.

Tied Grants

A variety of Commonwealth-State agreements facilitate tied grants for specific services and infrastructure in areas such as health, education, roads and housing. Western Australia is estimated to receive \$7.3 billion in tied grants in 2022-23, \$73 million more than in 2021-22. A significant increase in transport infrastructure funding offsets the ending of the National Partnership on COVID-19 Response and funding for the HomeBuilder program in 2022-23.

A break-down of tied grants by functional activity is provided in the following figure. Further detail is provided in Appendix 2: *General Government Operating Revenue* and Appendix 12: *Commonwealth Tied Grants*.



Tied grants in 2022-23 comprise:

- major National Agreements including: the National School Reform Agreement, the National Health Reform Agreement (NHRA), the National Agreement for Skills and Workforce Development and the National Housing and Homelessness Agreement;
- Federation Funding Agreements for: health; environment; infrastructure; education and skills; and affordable housing, community services and other. These are umbrella agreements that collate many small individual agreements as Schedules;
- Disaster Recovery Funding Arrangements;
- Memorandum of Understanding on Provision of Fire Services; and
- payments from the Commonwealth in relation to its own-purpose spending programs.

The NHRA is the largest tied grant (estimated at \$2.8 billion in 2022-23), providing funding to public hospitals on an activity basis. Annual growth in Commonwealth funding reflects 45% of the growth in the cost of hospital services at the national efficient price (subject to a 6.5% national cap on funding growth).⁵

Funding through the Land Transport Infrastructure Projects Agreement has been substantially increased (from \$1.3 billion in 2021-22 to an estimated \$2.3 billion in 2022-23), and significant funding is also provided through the National School Reform Agreement (estimated at \$1.1 billion in 2022-23).

A new National Mental Health and Suicide Prevention agreement was finalised in 2021-22. Western Australia's accompanying bilateral agreement (signed in April 2022) includes an additional \$8.6 million in Commonwealth funding to the State, which will be recognised in the 2022-23 Mid-year Review. This forms part of a \$61.5 million joint investment to support improved mental health and suicide prevention outcomes in Western Australia via this agreement.

Two major COVID-related programs are expected to end during 2022-23:

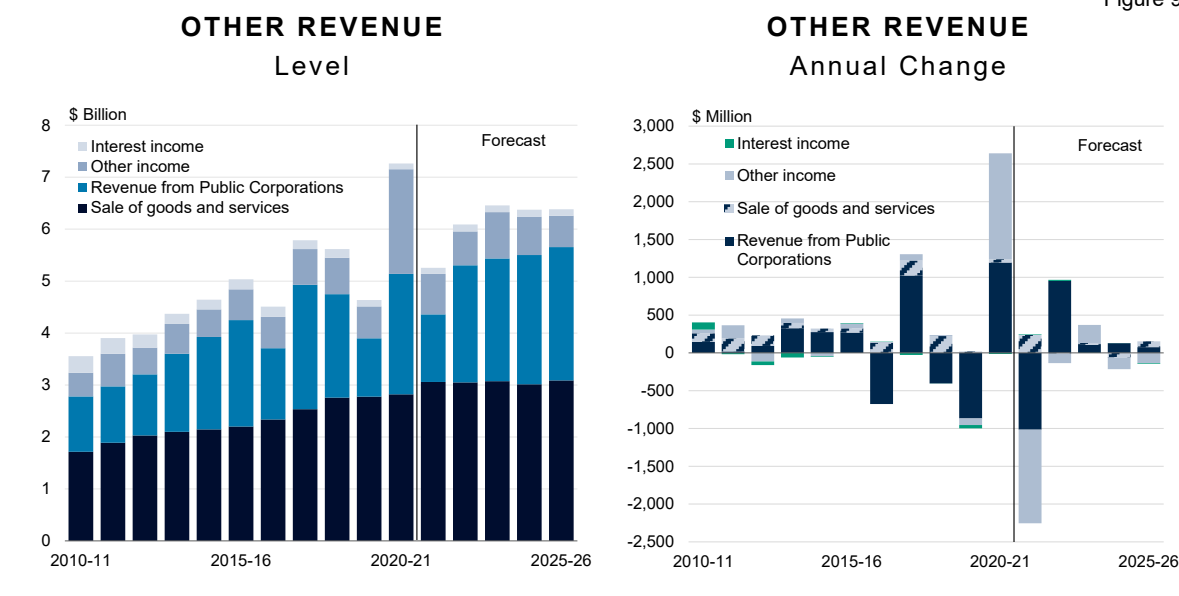
- the Commonwealth has signalled the end of the National Partnership on COVID-19 Response after 30 September 2022 (subject to review); and
- final grants to applicants for the Homebuilder program are expected to be paid out in 2022-23. Western Australia is estimated to receive \$364 million in 2021-22, falling to \$68 million in 2022-23.

⁵ Reflecting the special circumstances of the COVID pandemic, a minimum funding guarantee has been applied for 2019-20 to 2021-22. At this stage, no revised arrangements have been agreed for 2022-23 or later years.

Other Revenue

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

Figure 9



Sales of Goods and Services

Following consecutive years in which revenue collections for a number of general government agencies were negatively impacted by the COVID-19 pandemic, revenue from the sale of goods and services is estimated to rise by 8.4% in 2021-22. This follows growth of just 0.7% in 2019-20 and 1.6% in 2020-21.

From 2022-23, goods and services revenue is forecast to remain relatively flat, averaging around \$3.1 billion per annum. This flat growth largely reflects movements in revenue for Main Roads, which is undertaking works on behalf of the Public Transport Authority, in particular for work on the Tonkin Gap Project. Abstracting from forecast revenue for Main Roads, goods and services revenue is projected to increase by 2.4% in 2021-22, and by around 2% per year on average across the outyears - broadly in line with inflation forecasts.

Interest Income

The general government sector earns interest income from investments in cash and other liquid asset holdings. Interest revenue is forecast to total \$133 million in 2022-23, up \$15 million from 2021-22. This reflects both higher holdings of interest earning assets, and projected increases in forecast interest rates. Across the outyears, interest income is forecast to average around \$130 million per annum, with a gradual decline in cash and investment holdings partly offset by higher interest rates.

Revenue from Public Corporations

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

Revenue from public corporations is forecast to total \$2.3 billion in 2022-23.

- Relative to 2021-22, dividend income in 2022-23 is forecast to rise by \$859 million following the Government's decision in the 2021-22 Budget for most Government Trading Enterprises to retain their 2021-22 dividends and apply this funding to future infrastructure investment.
- Tax equivalent revenue is forecast to total \$779 million in 2022-23. This is \$93 million (or 13.6%) higher than the estimated outturn for 2021-22, largely reflecting increases in revenue from the Water Corporation and the Pilbara Ports Authority as a result of higher profitability.

Revenue from public corporations is expected to average \$2.5 billion across the three years to 2025-26, reflecting a return to more normal underlying annual income flows from the corporations.

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

Other Income

Revenue from all other sources (which includes fines for traffic infringements, court fines and penalties, penalty tax, donations and gifts from private organisations, asset transfers, and mining-related lease rental revenue) is forecast to total \$652 million in 2022-23. This follows an estimated outturn of \$778 million in 2021-22. 'Other' revenue is forecast to average around \$744 million across the three outyears, ranging between \$602 million and \$891 million. This 'lumpy' pattern is not unusual given the nature of transactions that are classified to this aggregate, in particular asset transfers such as roads and bridges, and private sector contributions to specific projects.

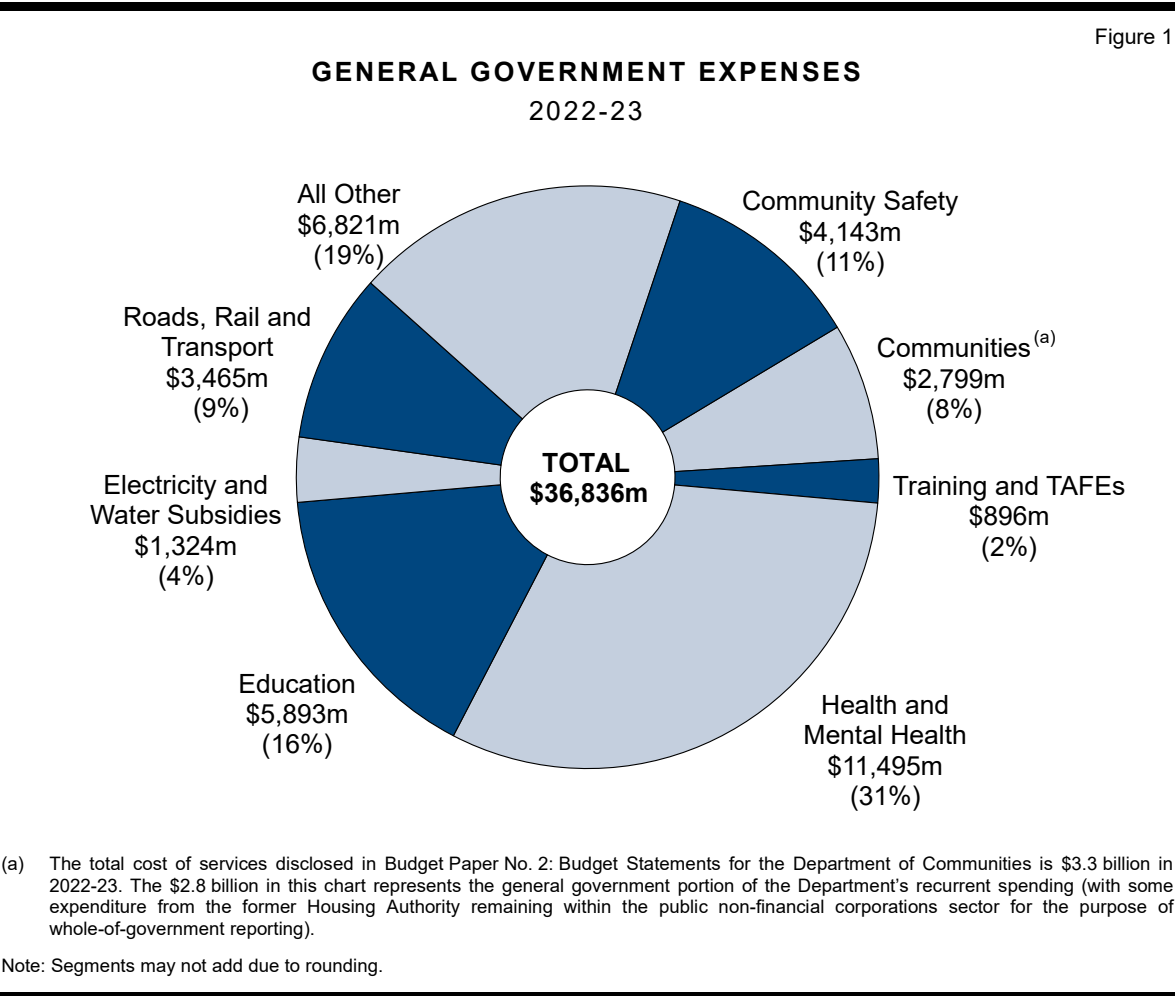
General Government Expenses

HIGHLIGHTS

- General government expenses are budgeted to increase by \$621 million or 1.7% in 2022-23, moderating from estimated growth of 5.5% in 2021-22.
- Moderating expense growth reflects the State's transition to living with COVID-19, including the continued unwinding of economic stimulus measures given the current strength of the Western Australian economy.
 - To date, the Government has committed over \$11.2 billion to COVID-19 response measures, including almost \$1.6 billion of additional initiatives in this Budget.
- This Budget also includes a record \$2.5 billion investment in the State's health and mental health systems, including a targeted package of measures to relieve pressure on hospital Emergency Departments and improve patient flow.
- To assist Western Australian households with the cost of living, a \$400 Household Electricity Credit will be available to all households from July 2022, at an estimated cost of \$445 million.
- In addition to addressing these immediate priorities, the 2022-23 Budget also uses the State's strong fiscal capacity to make investments for the long-term benefit of the Western Australian community, in critical areas like climate action, diversification of the economy, and child protection services.

Introduction

Recurrent spending by the general government sector is budgeted to increase by \$621 million (or 1.7%) in 2022-23, to a total of \$36.8 billion. Health and mental health, education and training, and community safety account for \$22.4 billion or 61% of total spending (see figure below).



At \$11.5 billion or 31% of total recurrent spending in 2022-23, the State's health and mental health systems are once again a major area of focus in the 2022-23 Budget (see the following feature box).

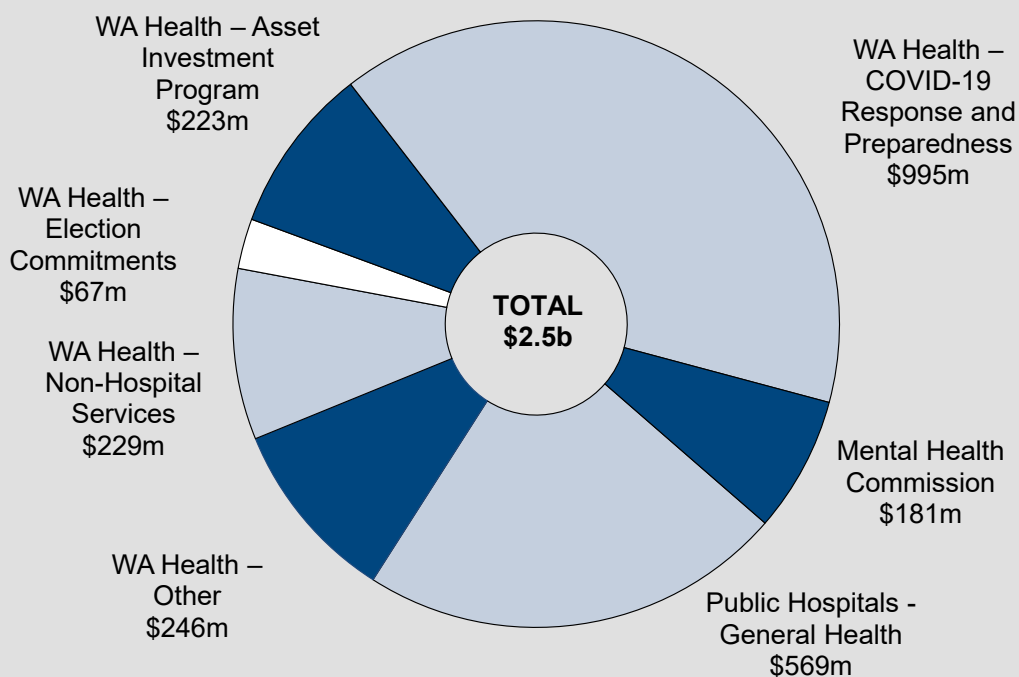
HEALTH AND MENTAL HEALTH FUNDING

The 2022-23 Budget provides the largest ever single Budget boost to health and mental health, with additional investment of \$2.5 billion over 2021-22 to 2025-26. This takes the Government's total new investment to \$5.7 billion in the eight months since the 2021-22 Budget.

The additional spending is focused on measures to protect the health and wellbeing of the community during the Omicron COVID-19 wave, which includes a significant investment in Rapid Antigen Tests (RATs), along with further investment to increase the capacity of our hospital system, including a \$252 million package of initiatives to relieve pressure on Emergency Departments and improve patient flow.

Figure 2

RECORD \$2.5 BILLION ADDITIONAL HEALTH AND MENTAL HEALTH INVESTMENT 2022-23 Budget



Hospital Services

The 2022-23 Budget includes a \$630 million investment in public hospital services over the Budget period (including \$61.3 million for mental health hospital services). This reflects updated activity and cost growth forecasts, along with additional funding in 2021-22 and 2022-23 to address cost pressures during the transition to living with COVID-19.

A total 342 of the announced additional 602 beds¹ have been added to the Western Australian hospital system to date², significantly boosting capacity and alleviating hospital bed occupancy (a key factor impacting Emergency Department access block). In addition, in the two years to March 2022, the WA Health system workforce has grown by 4,736 (15.6%) full-time equivalents (FTEs), with medical and nursing FTEs comprising 40% of this growth.

Emergency Department Reform Package

Consistent with the current experience of health systems across Australia, Emergency Departments across the State have seen a steady increase in presentations and ambulance attendances, with a long-term trend of increasing patient acuity. In this Budget, the Government continues to support hospital Emergency Departments with a targeted \$252 million package to address demand pressures and improve patient flow, building on the \$100 million Emergency Department Support Package in last year's Budget.

This new package includes:

- \$59.5 million for the continued operation of 120 Transition Care Program places to assist older people transition from hospital into community settings, thereby freeing up hospital beds and improving patient flow;
- \$55.8 million to establish a 24/7 presence of ED waiting room nurses across fifteen metropolitan and regional sites;
- \$39.6 million for the COVID-19 Home Monitoring Program;
- \$18.2 million to develop and expand a real time data platform for the WA Health system;
- \$14.6 million to free up hospital beds occupied by long-stay patients who are not medically required to be in hospital, including a Long Stay Patient Fund and expanding the Disability Transition Care pilot and Transitional Accommodation Program;
- \$10.8 million to extend the Active Recovery Teams pilot and the Child and Adolescent Mental Health Service Emergency Telehealth Service;
- \$10.5 million to extend and expand the Virtual Emergency Medicine pilot;
- \$10.5 million to provide video and telecommunication mental health support to children and families in the transition phase between services;
- \$10.1 million to expand the capacity of the Complex Needs Coordination Team;

¹ 332 beds announced in the 2021-22 Budget and 270 beds announced in the 2021-22 Mid-year Review. 530 of the 602 beds are expected to be added by late 2022.

² As at May 2022.

- \$7.3 million for the continued operation of the 14-bed Sobering Up Centre and 7-bed Low Medical Withdrawal Service;
- \$5.1 million to continue the 24/7 WA Country Health Service Mental Health Emergency Telehealth Service in 2022-23;
- \$3.5 million for a four-year Cardiff Model of Violence Prevention Pilot at Royal Perth Hospital;
- \$3 million to develop a business case for a State Health Operations Centre;
- \$2.4 million to commence Emergency Access Response Program initiatives; and
- \$750,000 for interim minor works and to develop a business case for a Paediatric Eating Disorders Unit at Perth Children's Hospital.

WA Health Asset Investment Program

The Government will spend an additional \$223 million over the forward estimates to deliver on asset investment priorities and address critical safety and compliance risks. This includes:

- \$49.4 million additional investment to deliver the Geraldton Health Campus Redevelopment project;
- \$44 million to further boost the Medical Equipment and Imaging Replacement Program;
- \$38.1 million for Digital Medical Records, taking the roll-out to a total of five hospitals;
- \$23.7 million for Aluminium Composite Panel remediation; and
- \$16.7 million to build a 10-bed unit to provide replacement capacity within the existing Intensive Care Unit at Sir Charles Gairdner Hospital.

Mental Health

A further investment of \$181 million is being made in mental health, contributing to a 12.5% increase in the Mental Health Commission's budget in 2022-23 (following an 11% increase in 2021-22). This includes an additional \$61.3 million on mental health hospital services.

\$47.3 million will be spent on priority initiatives in response to the Infants, Children and Adolescents (ICA) Taskforce report. This includes \$31.5 million to increase the number of frontline staff in regional areas and establish 20 Peer Worker-related positions, \$10.5 million to provide virtual support for at-risk children waiting for a service, and \$5.3 million to undertake implementation planning, service model design and develop a workforce development plan.

Also included is the State's contribution under the National Mental Health and Suicide Prevention Agreement – Bilateral Schedule, forming part of the \$61.5 million joint investment as part of this Agreement.

COVID-19

The 2022-23 Budget provides for additional spending by WA Health totalling \$995 million over 2021-22 and 2022-23 on continued COVID-19 response initiatives, including due to the impact of the Omicron caseload. Of note, this Budget has provided for RAT purchases and distribution costs for WA Health of \$458.4 million³.

In total, the Government has now approved more than \$2.8 billion in additional COVID-19 spending for WA Health since the pandemic began⁴.

Supporting the Future

In addition to addressing immediate priorities, the 2022-23 Budget also uses the State's strong fiscal capacity to invest in areas of long-term benefit to the Western Australian community, like diversifying the economy, tackling climate action, and investing in child protection and other services to help local and regional communities thrive.

WA Jobs Plan – Diversifying the Western Australian Economy

This Budget includes a \$1.3 billion additional investment to further drive jobs and economic diversification and support sectors of the economy most affected by the pandemic, including:

- an \$80 million boost to the Investment Attraction Fund (bringing this Fund to \$180 million) to continue to support investment attraction in new and emerging industries and further diversify the economy;
- \$69.5 million of additional support to the tourism sector to attract additional events, support additional marketing, and develop tourism experiences in Western Australia's national parks;
- a \$50 million boost to the Industrial Land Development Fund (doubling this Fund to \$100 million) to support strategically important industrial development projects;
- an extra \$41.2 million to support the continued recovery of the international education sector; and
- an additional \$25 million to boost Western Australia's agriculture research capability and collaboration.

See feature box in Chapter 2: *Economic Outlook* for further details on economic diversification initiatives in this Budget.

³ Includes the purchase of 85.7 million RATs by WA Health. A further \$176.6 million will be spent by the Department of Finance for the purchase of 25 million RATs and distribution costs, including for households.

⁴ Includes \$415.6 million for initiatives approved as part of the 2021-22 Mid-year Review primarily to increase hospital capacity by 270 beds, to support the Government's Safe Transition Plan.

The Government continues to invest in climate action initiatives in this Budget, with a further \$500 million allocated to the Climate Action Fund. Other initiatives include:

- \$59 million for a reform package for zero and low emission light vehicles, including 10,000 rebates of \$3,500 for the purchase of eligible vehicles;
- \$54.8 million to upgrade the electrical infrastructure system on Rottnest Island and generate 75% of the Island's power from renewable sources;
- \$31 million for development of sectoral emissions reduction strategies and implementation of a range of actions under the Western Australian Climate Policy; and
- a further \$30 million for the Just Transition Plan from the Climate Action Fund to deliver industry and community development programs to support small businesses indirectly affected by the planned closure of the native forest industry.

Safe, Strong and Fair Communities

This Budget further highlights the Government's ongoing commitment to providing safe communities and to help local and regional communities thrive. Key initiatives include:

- an additional \$114 million for the child protection system and supporting services to protect vulnerable children and their families, and steer at-risk children away from the justice system. This includes an additional \$75.2 million to boost child protection services, including an additional 36 child protection workers, enhanced earlier intervention services, and establishment of a new Chief Practitioner for Child Protection in the Department of Communities;
- a \$40.4 million comprehensive package of initiatives for the Kimberley Youth and Community Justice Response, including on-country residential youth diversionary facilities, extending the Kimberley Schools Program, and expanding intensive family support and youth services in the West Kimberley;
- a change to the student-centred funding model providing public schools with an additional \$31.9 million over four years, to help more students with additional learning needs (due to undiagnosed disabilities or disorders) develop their literacy and numeracy skills; and
- additional investment of \$22.4 million to establish and operate the Armadale Family and Domestic Violence Hub, which will provide a comprehensive wrap-around service for those impacted by family and domestic violence (FDV), and implement an enhanced FDV Response Team.

COVID-19 RESPONSE

The State Government's management of the COVID-19 pandemic has kept Western Australians safe, the economy strong, and supported Western Australian businesses and households. This support continues in the 2022-23 Budget, with almost \$1.6 billion of additional initiatives, including:

- \$635 million for the procurement and distribution of Rapid Antigen Tests (RATs), including the provision of free RATs, including to every Western Australian household – the only program of its kind in the country;
- \$537 million for various WA Health initiatives, including for personal protective equipment, PCR testing and COVID-19 Clinics, hospital response and preparedness activities, hotel quarantine, the COVID-19 Home Monitoring telehealth program, State Health Incident Coordination Centre and contact tracing, and the State-led vaccination program;
- \$237 million in support packages for Western Australian businesses to assist with the transition to living with COVID-19 and reconnecting with the rest of the world through the provision of various grants and payments, business counselling support services, tenant rental relief, and other support to the higher education, events, tourism, aviation and hospitality sectors;
- \$61 million to the Western Australia Police Force for ongoing State Emergency Management Response initiatives, such as cleaning and personal protective equipment, overtime and shift allowances, and continuing COVID-19 Public Information Call Centre Operations;
- \$42 million to maintain health and safety in Western Australian schools, including the procurement of air purifiers and carbon dioxide monitors to improve ventilation in public schools, continuation of enhanced school cleaning in Term 2 in 2022, the purchase of masks for schools, the distribution of RATs, and provision of additional administrative support in public schools; and
- \$28 million for the Department of the Premier and Cabinet's COVID-19 Coordination and Communications team, to provide a centralised approach to communicating pandemic-related matters to the community, and policy guidance and support for the State's ongoing management and response to the pandemic.

To date, the Government has committed over \$11.2 billion to COVID-19 response measures. This includes:

- around \$3.3 billion on health, police and other frontline services (with \$1.2 billion of this in the 2022-23 Budget);
- more than \$2.1 billion of initiatives to support the State's economic recovery, including a range of initiatives to drive industry development, the Social Housing Economic Recovery Package, investments in tourism, the Reconnect WA Package, Regional Land Booster Package, Keeping Training Fees Low and a number of other WA Recovery Plan initiatives;

- almost \$1.7 billion of business assistance measures, including grants for small and medium sized businesses, payroll tax relief, waivers of business licence fees, small business and charity electricity offsets, and a range of support measures for specific industries;
- almost \$1.6 billion in infrastructure investment, including the Building Schools for the Future Program (\$493 million);
- support to Western Australian households of over \$1.2 billion, including the \$600 Household Electricity Credit included in the 2020-21 Budget; and
- additional community health and safety initiatives of around \$930 million (with \$93 million added in this Budget), including measures such as initiatives to strengthen the health and mental health systems, and cleaning of schools and public transport assets.

Major Expense Changes

Summary

The following information provides details of major changes in general government expenses by agency since the 2021-22 Mid-year Review. Any timing changes and accounting adjustments that are broadly net debt neutral across the forward estimates period, and changes to depreciation expense, are not generally included in this chapter. Timing changes of a material nature are discussed in Chapter 3: *Fiscal Outlook and Strategy*.

A number of recurrent spending changes since the 2021-22 Mid-year Review are common to a number of agencies. These include incentive funding for smaller and low risk agencies under the Streamlined Budget Process⁵ and Non-Government Human Services Sector Indexation.

Changes in total public sector infrastructure spending (i.e. the Asset Investment Program) since the 2021-22 Mid-year Review are outlined in Chapter 6.

⁵ The Streamlined Budget Process (SBP) seeks to reduce the number of Budget bids put forward by smaller and low risk agencies through the provision of a financial incentive. For the 2022-23 Budget, incentive funding provided to agencies that opt-in to the SBP equates to a 2% increase in service appropriation in 2022-23, with eligible agencies limited to those with service appropriations of less than \$100 million.

PARLIAMENT

Table 1

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
LEGISLATIVE COUNCIL					
– 2022-23 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
LEGISLATIVE ASSEMBLY					
– 2022-23 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
PARLIAMENTARY SERVICES					
– 2022-23 Streamlined Budget Process Incentive Funding	-	0.3	-	-	-
PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS					
– Oversight and Monitoring of Criminal Law (Unlawful Consorting and Identified Organisation Insignia) Legislation	0.2	0.3	0.3	0.4	0.4
– 2022-23 Streamlined Budget Process Incentive Funding	-	0.2	-	-	-

Parliamentary Commissioner for Administrative Investigations

Oversight and Monitoring of Criminal Law (Unlawful Consorting and Identified Organisation Insignia) Legislation

Expenditure of \$1.6 million has been approved over 2021-22 to 2025-26 to undertake the legislative monitoring functions under the *Criminal Law (Unlawful Consorting and Identified Organisation Insignia) Act 2021*.

GOVERNMENT ADMINISTRATION

Table 2

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
PREMIER AND CABINET					
COVID-19 Response					
– COVID-19 Coordination and Communications	-	15.0	12.7	2.0	2.0
Other Spending					
– Intergovernmental Relations Directorate	-	1.2	1.2	1.3	1.3
– Digital Capability Fund – Whole of Government Data Linkage and Analytics	-	1.3	1.6	2.0	1.9
– Digital Capability Fund – ServiceWA App Support Program	-	4.7	-	-	-
– Digital Capability Fund – eInvoicing Pilot	-	0.7	-	-	-
– Red Cross Floods Appeal	2.0	-	-	-	-
– Kimberley Youth and Community Justice Response	-	0.3	-	-	-
PUBLIC SECTOR COMMISSION					
– High Potential Senior Leader Initiative Development Program	-	0.3	0.3	0.3	0.3
– 2022-23 Streamlined Budget Process Incentive Funding	-	0.5	-	-	-
GOVERNOR'S ESTABLISHMENT					
Other Spending					
– Government House Security	-	0.5	-	-	-
WESTERN AUSTRALIAN ELECTORAL COMMISSION					
Other Spending					
– Joint Roll Arrangement with the Australian Electoral Commission	0.4	0.4	0.4	0.4	0.4
– 2021-22 Cost Pressures	0.8	-	-	-	-
– 2022-23 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
SALARIES AND ALLOWANCES TRIBUNAL					
Other Spending					
– 2022-23 Streamlined Budget Process Incentive Funding	-	– (a)	-	-	-
COMMISSIONER FOR CHILDREN AND YOUNG PEOPLE					
Other Spending					
– 2022-23 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
OFFICE OF THE INFORMATION COMMISSIONER					
Other Spending					
– 2022-23 Streamlined Budget Process Incentive Funding	-	– (a)	-	-	-

Table 2 (cont.)

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
WORKCOVER WA AUTHORITY					
– Revised Financial Forecasts	2.1	1.9	1.2	0.8	0.6
– Workers Compensation and Injury Management Bill	-	1.0	1.1	0.9	1.2
REGISTRAR, WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION					
Other Spending					
– 2022-23 Streamlined Budget Process Incentive Funding	-	0.2	-	-	-

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

Department of the Premier and Cabinet**COVID-19 Response*****COVID-19 Coordination and Communications***

To maintain the operation of the COVID-19 Coordination and Communications team, \$31.7 million will be spent over the forward estimates period to ensure timely and consistent advice to the Western Australian community on pandemic-related matters and ensure the ongoing implementation of the WA Safe Transition Plan, and baseline public health measures.

Other Spending***Intergovernmental Relations Directorate***

The Government will spend an additional \$5 million over the forward estimates period to support the capacity of the Department's Intergovernmental Relations Directorate to meet current and future Federal-State relations obligations, including National Cabinet.

Digital Capability Fund – Whole of Government Data Linkage and Analytics

The Government has invested \$6.9 million over the forward estimates period to centralise data linkage and analytics in Western Australia. This initiative seeks to provide government agencies and non-government researchers with high quality and timely access to linked data for policy development and evaluation.

Digital Capability Fund – ServiceWA App Support Program

The Office of Digital Government (ODG) will spend \$4.7 million in 2022-23 to ensure that the ServiceWA App and the underlying whole-of-government digital platforms remain supported.

Digital Capability Fund – eInvoicing Pilot

The Government will spend \$725,000 in 2022-23 to undertake a feasibility study on the barriers, benefits and risks of adopting eInvoicing in Western Australia.

Red Cross Floods Appeal

In response to the recent major flooding catastrophe in Queensland and New South Wales, the Government has contributed \$2 million to the Red Cross Queensland and New South Wales Floods Appeal on behalf of all Western Australians.

Kimberley Youth and Community Justice Response

As part of the Government's Kimberley Youth and Community Justice Response, the Department will spend \$250,000 in 2022-23 to fund the development of Aboriginal-led initiatives to address youth offending in the region.

Public Sector Commission

High Potential Senior Leader Initiative Development Program

A new High Potential Senior Leader Initiative Development Program has been created at a cost of \$1.2 million over 2022-23 to 2025-26 to develop senior leaders across the public sector, and is to be funded by additional fee revenue from agencies.

Governor's Establishment

Government House Security

The Governor's Establishment will incur additional expenditure of \$465,000 in 2022-23 to maintain its manned security presence at Government House.

Western Australian Electoral Commission

Joint Roll Arrangement with the Australian Electoral Commission

The Government will contribute \$2.2 million over the forward estimates period towards the cost of maintaining the electoral rolls under the Joint Roll Arrangement with the Australian Electoral Commission.

2021-22 Cost Pressures

The Commission spent \$790,000 in 2021-22 to meet unavoidable cost pressures relating to the Non-Voter Project (\$124,000), finalisation of 2021 State election costs (\$346,000), the Technology Assisted Voting Project (\$40,000) and State Government Election Review (\$280,000).

WorkCover WA Authority

Revised Financial Forecasts

WorkCover (WA) will provide an additional \$6.6 million over 2021-22 to 2025-26 to service increased uninsured claim liabilities.

Workers Compensation and Injury Management Bill

An additional \$4.2 million of the WorkCover Levy will be spent over the forward estimates period to resource the development and implementation of the new Workers Compensation and Injury Management Bill.

FINANCIAL ADMINISTRATION

Table 3

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
TREASURY					
COVID-19 Response					
– Level 1 COVID-19 Business Assistance Package (Administered)	52.7	-	-	-	-
– Level 2 COVID-19 Business Assistance Package (Administered)	66.8	-	-	-	-
Other Spending					
– Climate Action - Climate Coordination Unit	0.1	0.5	0.6	0.6	0.6
– Target 120 Program	-	0.3	0.3	-	-
– Digital Capability Fund (DCF) and the Office of Digital Government (ODG) Evaluation	-	0.3	-	-	-
– New Public Sector Wages Policy	-	0.3	0.4	-	-
– 2022-23 Streamlined Budget Process Incentive Funding	-	0.9	-	-	-
OFFICE OF THE AUDITOR GENERAL					
Other Spending					
– 2022-23 Streamlined Budget Process Incentive Funding	-	0.2	-	-	-
FINANCE					
COVID-19 Response					
– Rapid Antigen Tests (RATs) Purchase and Distribution	107.1	69.5	-	-	-
– Purchase of N95 masks	3.1	-	-	-	-
– Small Business and Charities Electricity Credit Scheme (Administered)	-23.9	-	-	-	-
Other Spending					
– First Home Owner Grant Scheme (Administered)	-6.3	4.8	7.2	4.7	-1.8
– \$400 Household Electricity Credit (Administered)	-	9.8	-	-	-
– Government Office Accommodation – Asset Management Reform	-	3.0	0.4	0.8	0.8
– Off-the-plan Transfer Duty Rebate (Administered)	-	0.2	0.2	2.2	2.0
– New Women and Babies Hospital Project	0.3	2.5	0.4	-	-
– ServiceWA – Bunbury Trial Extension	-	1.3	0.5	0.6	-
– Perth Children's Hospital – Contractual Entitlement Resolution ^(b)	-	-	-	-	-

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

(b) Commercial-in-confidence.

Treasury

COVID-19 Response

Level 1 COVID-19 Business Assistance Package (Administered)

Financial assistance of \$52.7 million has been made available in 2021-22 for businesses adversely affected by the implementation of Level 1 public health and social measures. Under this package, grants of \$3,000 are paid to eligible small business tenants under the Tenant Rent Relief Scheme and grants of \$1,500 are paid to eligible landlords under the Landlord Rent Relief Incentive.

Level 2 COVID-19 Business Assistance Package (Administered)

Financial assistance of \$66.8 million in 2021-22 has been made available to small businesses likely to be significantly affected by the Level 2 public health and social measures and increasing spread of COVID-19. The package offers hardship grants of up to \$50,000 to eligible businesses.

Other Spending

Climate Action – Climate Coordination Unit

A new unit will be established and resourced at a cost of \$2.4 million over the forward estimates period to support the implementation of the Western Australian Climate Policy.

Target 120 Program

With the expansion of the Target 120 program to nine additional locations, a further \$500,000 will be invested over 2022-23 and 2023-24 to maintain and enhance the Social Investment Data Resource which assists in the monitoring and evaluation of this initiative.

Digital Capability Fund (DCF) and the Office of Digital Government (ODG) Evaluation

Treasury will spend \$250,000 in 2022-23 for an independent evaluation of the administration of the DCF and the effectiveness and efficiency of the ODG in building the required ICT maturity and capability across the public sector.

New Public Sector Wages Policy

An additional \$660,000 has been allocated over 2022-23 and 2023-24 to assist in the renegotiation of multiple key industrial agreements under the new Public Sector Wages Policy.

Finance

COVID-19 Response

Rapid Antigen Tests (RATs) Purchase and Distribution

As part of the Government's plan to prepare Western Australians for the next stage of COVID-19, \$176.6 million will be spent over 2021-22 and 2022-23 on the purchase and distribution of 25 million RATs for critical non-WA Health government workers, the community services sector and Western Australian households.

Purchase of N95 masks

Two million N95 masks have been purchased in 2021-22 at a cost of \$3.1 million, to be provided to non-WA Health government agencies.

Small Business and Charities Electricity Credit Scheme (Administered)

Expenditure is forecast to be \$23.9 million lower than budgeted for the Scheme, which has been reinvested into providing additional business assistance measures in response to COVID-19.

Other Spending

First Home Owner Grant Scheme (Administered)

Based on the latest projections for the housing market, First Home Owner Grants expenditure has been revised up by a net \$8.6 million over 2021-22 to 2025-26.

\$400 Household Electricity Credit (Administered)

Support of \$400 per household to offset cost of living pressures for non-Synergy and non-Horizon Power customers (e.g. caravan park and retirement village customers) will be provided at a cost of \$8 million in 2022-23. A further \$1.8 million will be spent by the Department in 2022-23 on additional staff to administer the payment.

Government Office Accommodation – Asset Management Reform

The Government will invest \$5 million over the forward estimates period on Asset Management Reform (AMR). The AMR will develop whole-of-government asset management capabilities and policies that promote continuous improvement and drive greater efficiencies from the Government-owned non-residential building asset portfolio.

Off-the-plan Transfer Duty Rebate (Administered)

Greater assistance to those purchasing lower value off-the-plan dwellings will be provided at an estimated cost of \$4.5 million over 2023-24 to 2025-26. While the value of the rebate will remain capped at \$50,000, from 1 June 2022 until 24 October 2023, eligible purchasers will receive a transfer duty rebate:

- equal to 100% of the duty payable if the dwelling is valued at less than \$500,000;
- between 100% and 50% of duty payable if the dwelling is valued between \$500,000 and \$600,000; or
- 50% of duty payable if the dwelling is valued at more than \$600,000.

A further \$150,000 will be spent by the Department in 2022-23 to amend necessary systems to allow for these changes to occur.

New Women and Babies Hospital Project

Of the \$10.2 million allocated to further develop the Project Definition Plan for this project (refer to WA Health's details in Chapter 6), \$3.2 million will be spent over 2021-22 to 2023-24 by Finance in resourcing and accommodating its project team.

ServiceWA – Bunbury Trial Extension

The ServiceWA trial in Bunbury will be extended over 2022-23 to 2024-25 at a cost of \$2.4 million. The cost includes management, data analysis, reporting, marketing and the development of a business case to support the future of ServiceWA.

A further \$2.5 million will be spent over the same period by the Department of Transport (see Department of Transport later in this chapter).

Perth Children's Hospital – Contractual Entitlement Resolution

The Government has provided additional funding in 2022-23 to exercise contractual entitlements and endeavour to resolve outstanding matters with the Managing Contractor of the Perth Children's Hospital. The amount of funding is not disclosed in order to avoid prejudicing the State's position.

JOBS AND ECONOMIC DEVELOPMENT

Table 4

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
JOBS, TOURISM, SCIENCE AND INNOVATION					
Election Commitments					
– Event Tourism	-	5.0	9.9	10.8	5.0
– Destination Marketing	-	8.9	12.2	-	-
COVID-19 Response					
– Safe Transition Industry Support Package – Tourism	38.0	-	-	-	-
– Safe Transition Industry Support Package – International Education	16.0	-	-	-	-
– Safe Transition Industry Support Package – Aviation Recovery Fund	-	5.0	3.0	2.0	-
Other Spending					
– Investment Attraction Fund	-	20.0	20.0	20.0	20.0
– Native Forest Transition – Just Transition Plan	0.8	51.7	27.0	-	-
– International Education	0.6	24.9	6.7	5.3	3.8
– National Park Tourism Experiences Development Package	-	5.0	4.3	4.4	4.0
– Invest and Trade Western Australia	-	4.0	4.3	4.4	4.4
– Call Centre and Back Office Processing Scheme Phase Two	-	2.0	3.0	3.0	2.0
– Australian Remote Operations for Space and Earth ^(a)	4.4	1.0	1.0	1.0	1.0
– Digital Capability Fund – ICT Digital Foundations Program	-	2.1	2.7	1.8	1.7
– Centre for Decommissioning Australia	-	2.0	2.0	0.5	0.5
– Local Capability Fund	-	1.1	1.1	1.1	1.1
– 2023 Total Solar Eclipse	-	3.5	-	-	-
– WA Health and Medical Life Sciences Industry Strategy Implementation ^(a)	-	2.4	2.1	2.0	2.1
– Climate Action	-	2.0	0.6	-	-
– Binar Space Program	-	1.0	0.5	0.5	0.5
– Perth USAsia Centre	0.4	0.8	0.8	0.4	-
– Alzheimer's Australia WA Ltd	2.0	-	-	-	-
– Premier's Science Awards	– (b)	– (b)	– (b)	– (b)	– (b)
PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT					
Other Spending					
– Climate Action – Katanning Research Station	-	1.3	1.1	0.9	0.9
– Climate Action – Agricultural Sectoral Emissions Reduction Strategies	-	0.7	0.8	-	-
– Climate Action – Western Australian Carbon Farming Strategy and Industry Development	-	0.4	0.5	0.6	-
– Western Australian Regional Digital Connectivity Program (Administered)	-	4.9	9.8	14.9	4.4
– Western Australian Regional Connectivity Program Round 2 and Program Costs ^(c)	-	4.8	4.8	4.7	0.3
– Western Australian Agricultural Collaboration	-	5.0	8.0	12.0	-

Table 4 (cont.)

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
– Kimberley Youth and Community Justice Response					
Kimberley On-Country Residential Youth Facilities (Administered)	-	2.5	5.0	5.0	2.5
Kimberley Community Action Fund	-	1.0	1.0	-	-
Kimberley Schools Project Extension – Kimberley Development Commission	-	-	0.2	0.2	0.2
Kimberley On-Country Residential Youth Facilities Business Case	0.2	0.3	-	-	-
– <i>Biosecurity and Agriculture</i>					
<i>Management Act 2007</i> - Declared Pest Control Activities	-	-2.1	-2.2	-2.0	-1.9
– 2023 Total Solar Eclipse	3.0	2.4	-	-	-
– Biosecurity Incidents and Emergency Responses	1.4	1.2	0.3	0.2	0.3
– Horticulture Netting Infrastructure Scheme	2.6	-	-	-	-
– Aquaculture Projects ^(a)	0.5	0.6	0.6	0.5	-
– Sustainable Pastoral Land Management	-	-	-	1.1	1.1
– Non-Government Human Services Sector Indexation	-	0.2	0.4	0.6	0.8
– Continuation of the South West Development Commission Collie Office	-	-	-	0.5	0.6
– Peel Harvey Catchment Council	-	0.1	0.1	0.1	0.1
– Coral Bay Workers Accommodation	-	0.5	-	-	-
– Westport Program	-	0.1	0.2	-	-
– Great Southern Development Commission Mira Mar Landslide	0.3	-	-	-	-
– Rural, Regional and Remote Network	-	0.2	0.1	-	-
MINES, INDUSTRY REGULATION AND SAFETY					
Election Commitments					
– <i>Work Health and Safety Act 2020</i>	0.2	0.7	0.7	0.6	0.5
Other Spending					
– Resources Advice and Regulation	-	4.2	4.4	5.4	6.3
– Electric Vehicle Grants for Fast Charging Infrastructure	-	4.2	11.5	-	-
– WA Array Program	-	3.0	3.0	3.0	3.0
– Potash Industry Royalty Rebate Scheme (Administered)	-	3.2	5.4	1.3	-
– Digital Capability Fund – Safety Management System Modernisation	-	2.4	2.5	2.5	1.8
– Mental Awareness, Respect and Safety Program	-	6.2	-	-	-
– Energy Safety Business Plan	2.4	3.4	-	-	-
– New Public Sector Wages Policy	-	0.4	0.5	-	-
– Climate Action – WA Carbon Dioxide Geological Storage Atlas	-	0.4	0.4	-	-
– Climate Action – Supporting Agencies to Reduce Emissions	-	0.2	0.2	0.2	0.2
– Climate Action – Carbon Sequestration Optimisation Study	-	0.2	-	-	-
MINERALS RESEARCH INSTITUTE OF WESTERN AUSTRALIA					
Other Spending					
– Expanded Minerals Research	-	1.0	1.7	2.3	3.0

Table 4 (cont.)

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
SMALL BUSINESS DEVELOPMENT CORPORATION					
COVID-19 Response					
– COVID-19 Business Assistance Packages	0.8	0.6	-	-	-
Other Spending					
– 2022-23 Streamlined Budget Process Incentive Funding	-	0.3	-	-	-
ANIMAL RESOURCES AUTHORITY					
Other Spending					
– Wind Up Activities	0.6	5.5	-9.7	-9.8	-9.9
INFRASTRUCTURE WA					
Other Spending					
– 2022-23 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
BURSWOOD PARK BOARD					
Other Spending					
– Additional Staff	-	0.7	0.7	0.7	0.7
– Foreshore Stabilisation Project Stage 2	-	2.3	-	-	-

(a) Initiative either partially or fully funded from an internal reallocation of expenditure.
(b) Amounts less than \$50,000.
(c) Funded from the Western Australian Regional Digital Connectivity Program.

Jobs, Tourism, Science and Innovation**Election Commitments*****Event Tourism***

The Government has allocated an additional \$30.7 million over the forward estimates period, including the establishment of a \$20 million Major Events Fund, to secure additional blockbuster and business events.

Destination Marketing

In response to the opening of State and international borders, the Government has increased Tourism WA's Destination Marketing budget by \$21.1 million over 2022-23 and 2023-24, to assist with the launch of the State's new tourism brand.

COVID-19 Response***Safe Transition Industry Support Package – Tourism***

As part of the Government's \$77 million Safe Transition Industry Support Package announced in February 2022, \$38 million has been allocated in 2021-22 to support tourism businesses that were most affected by the decision to delay the full reopening of Western Australia's borders.

The support package includes:

- *Tourism Support Program* - \$20 million to fund grants of up to \$20,000 to eligible tourism businesses to offset expenses incurred in preparation for the initially scheduled full border opening;
- *Tourism Deposit Refund Program* - \$15 million to fund grants of up to \$50,000 to eligible tourism businesses that refunded deposits from some cancelled interstate and international bookings; and
- *Travel Agent Support Fund* - \$3 million to fund grants of up to \$20,000 to eligible travel agents.

Safe Transition Industry Support Package – International Education

To help support the return of international students to Western Australia, the Government has allocated \$16 million towards three support programs in 2021-22:

- *Student Quarantine Support Program* - \$8 million in funding for payments of \$2,000 to international students studying at Western Australian education institutions in Semester 1, 2022, to assist with quarantine-related costs;
- *Industry Support Program* - \$6 million to fund grants of up to \$100,000 to eligible education providers impacted by the closure of international borders; and
- *University Services for Students Support Program* - \$2 million in funding to facilitate payments of \$500 per student to Western Australian universities for these institutions to provide support services to affected international students.

Safe Transition Industry Support Package – Aviation Recovery Fund

A further \$10 million boost to the existing Aviation Recovery Fund was announced as part of the Safe Transition Industry Support Package. This further investment will enable the Government to continue to secure aviation agreements with various airlines, to assist with the recovery of air services and visitors to Western Australia.

Other Spending

Investment Attraction Fund

The Government has approved an \$80 million boost to the existing Investment Attraction Fund, taking the total contribution to \$180 million. Launched in March 2022, the Investment Attraction Fund seeks to attract further investment into Western Australia that will create local jobs in new and emerging industries, and contribute to a more diversified economy.

Native Forest Transition – Just Transition Plan

To further support workers, businesses and communities through the transition from native forestry to softwood plantations, the Government's existing \$50 million Just Transition Plan provision has been increased to \$80 million. As part of the 2021-22 Mid-year Review, an initial \$3 million from this provision was allocated to industry engagement and the establishment of a Bunbury-based project team.

The remaining \$77 million will be spent over 2022-23 to 2024-25 on the following initiatives:

- *Industry and Community Development Program* - \$30 million for grants to small businesses indirectly affected by the closure of the native forest industry;
- *Business Transition Program* - \$26.4 million for grants to support regional native forestry businesses to transition out of the industry;
- *Workforce Transition Program* - \$19.3 million for training vouchers and grants to assist native forestry industry workers to transition to other industries; and
- \$1.3 million for program contingency and additional resourcing.

International Education

To assist with the recovery of the international education sector, the Government will spend an additional \$41.2 million over 2021-22 to 2025-26 to deliver a package of support measures. This includes the extension of many of the international education elements of the Reconnect WA package, two new scholarship programs and incentive payments to overseas education agents to assist with increasing the number of international students studying in Western Australia.

National Park Tourism Experiences Development Package

The Government has invested \$153 million in national park infrastructure since 2017. Tourism WA will spend a further \$17.7 million over the forward estimates period to deliver a National Park Tourism Experiences Development Package. This package will facilitate private sector development of accommodation options and experiences, leveraging the Government's investment in infrastructure to help drive visitation to Western Australia.

Invest and Trade Western Australia

To enhance the Department's response to existing and emerging trade opportunities, an additional \$17.1 million will be spent over the forward estimates period to permanently appoint current temporary staff in overseas offices, as well as provide an additional resource for the London office. This expenditure will also support the opening of four new 'spoke' offices in Chennai, Ho Chi Minh City, Kuala Lumpur and Frankfurt and extend the Global Marketing campaign (part of the Reconnect WA package) for a further six months to 30 June 2023.

Call Centre and Back Office Processing Scheme Phase Two

Phase one of the Call Centre and Back Office Processing Scheme has been fully committed. The Government has allocated a further \$10 million to deliver a second phase of the Call Centre and Back Office Processing Scheme which aims to incentivise existing call centres to expand their operations in Western Australia.

Australian Remote Operations for Space and Earth

To assist knowledge transfer between Western Australia's remote operations sector and the international space sector, the Government will provide grants totalling \$8.4 million over 2021-22 to 2025-26 to the Australian Remote Operations for Space and Earth.

Digital Capability Fund - ICT Digital Foundations Program

To mitigate risks associated with the Department's existing ICT systems, \$8.3 million will be spent over the forward estimates period to migrate multiple networks, grants databases and payroll functions into single systems.

Centre for Decommissioning Australia

Grant payments totalling \$5 million over the four years to 2025-26 will be made to the Centre for Decommissioning Australia so that the State can continue to support the development of the oil and gas decommissioning industry in Western Australia.

Local Capability Fund

The Government has increased the Local Capability Fund by \$4.5 million over the forward estimates period to support small and medium businesses to increase their capability and competitiveness as suppliers of products, services and works to the Government and other major projects.

2023 Total Solar Eclipse

The Department is leading a whole-of-government approach to the management of the Total Solar Eclipse event in April 2023, and will spend an additional \$3.5 million in 2022-23 on event management including event planning, marketing and communication, and accommodation and services for approximately 150 event workers. This forms part of the total \$19.3 million commitment in this Budget to support preparations for the Total Solar Eclipse event.

WA Health and Medical Life Sciences Industry Strategy Implementation

To implement the WA Health and Medical Life Sciences Industry Strategy, the Government will spend \$8.7 million over the forward estimates period (of which \$5.9 million will be funded from the Investment Attraction Fund). The Strategy, which was launched in October 2021, provides a blueprint to develop and grow the sector and diversify Western Australia's economy.

Climate Action

The Department will spend \$2.6 million over 2022-23 and 2023-24, funded from the Climate Action Fund, on a number of climate action initiatives. This includes developing a strategy to transition heavy industries to net zero emissions, developing a preliminary map of Western Australia's carbon stocks, undertaking a blue carbon industry economic assessment and market scoping study, and for an electrolyser manufacturing economic analysis and feasibility study.

Binar Space Program

The Government has allocated \$2.5 million over the forward estimates period to continue supporting Curtin University's Binar Space Program. This four-year co-investment will help grow the State's space industry and support the aims of the Diversify WA economic development framework.

Perth USAsia Centre

The State's partnership with the Perth USAsia Centre will be extended for a further three years at a cost of \$2.4 million.

Alzheimer's Australia WA Ltd

The Department will recognise an expense of \$2 million in 2021-22, to reflect the Government's decision to forgo the remaining balance of an interest-free loan that was provided to Alzheimer's Australia WA Ltd in 2010.

Premier's Science Awards

An additional \$20,000 per annum, met from industry contributions, will be spent over 2021-22 to 2025-26 on the Premier's Science Awards. The awards recognise outstanding Western Australian scientists and their contributions to the scientific community.

Primary Industries and Regional Development

Other Spending

Climate Action – Katanning Research Station

An additional \$4.2 million will be spent over the forward estimates period to complete the Katanning Research Station Carbon Neutral Demonstration Project. The Project will demonstrate practical approaches for reducing on-farm emissions and producing low carbon food and fibre.

Climate Action – Agricultural Sectoral Emissions Reduction Strategies

Development of an overall agricultural emissions reduction strategy and identification of supporting transition plans across the range of agricultural sub-sectors (including grains, extensive livestock, intensive animal industries and horticulture) will occur over 2022-23 and 2023-24 at a cost of \$1.5 million.

Climate Action – Western Australian Carbon Farming Strategy and Industry Development

The Government will invest a further \$1.5 million over 2022-23 to 2024-25 to develop the Carbon Farming Industry Development Plan and to plan for Phase 2 of the Carbon Farming and Land Restoration Program.

Western Australian Regional Digital Connectivity Program (Administered)

The Government has allocated \$48.6 million over the forward estimates period to enable Western Australia to leverage a share of \$724 million in Commonwealth and industry co-funding available for the expansion of mobile broadband and other digital connectivity solutions in regional, rural and remote areas across Australia. From this amount, \$14.5 million has been approved for the Western Australian Regional Connectivity Program Round 2 and program costs (see below).

Western Australian Regional Connectivity Program Round 2 and Program Costs

The Government will contribute \$13.5 million over the forward estimates period as the State's co-contribution for participation in the Commonwealth Government's Regional Connectivity Program Round 2 (RCP2). The RCP2 will provide mobile telecommunications infrastructure and access provisions for State emergency services and other government and non-government users in regional Western Australia. A further \$1 million has been approved for expert consultancy services and evaluation of the overall program.

Western Australian Agricultural Collaboration

In partnership with the Commonwealth Scientific and Industrial Research Organisation, the University of Western Australia, Curtin University and Murdoch University, the Government has allocated \$25 million over 2022-23 to 2024-25 as the State's contribution to the establishment of the Western Australian Agricultural Collaboration (WAAC).

In consultation with industry, the WAAC will rebuild and strengthen Western Australia's research, development and extension capabilities to focus on research priorities and position the State to receive a greater share of national funding. The program's outcomes and effectiveness will be reviewed as part of the 2024-25 Budget.

Kimberley Youth and Community Justice Response

As part of the Government's \$40.4 million package of initiatives to tackle youth and community justice issues in the Kimberley, the Kimberley Development Commission (KDC) will undertake the following initiatives over 2021-22 to 2025-26:

- *Kimberley On-Country Residential Youth Facilities (Administered)* – a \$15 million provision for an on-country, residential facility for young offenders as an alternative to detention has been included in the forward estimates, with funding to be released subject to approval of a business case;
- *Kimberley Community Action Fund* – \$2 million for a grants program aimed at increasing community safety and security by providing safe places and activities for young people;
- *Kimberley Schools Project Extension – Kimberley Development Commission* – as part of a \$12.7 million package to continue the Kimberley Schools Project, which includes \$1 million to fund a business case for a Western Australian Agricultural College in the Kimberley (see the Education section in this Chapter), \$539,000 has been allocated to the Kimberley Development Commission to facilitate and coordinate the program; and
- *Kimberley On-Country Residential Youth Facilities Business Case* – \$500,000 to undertake a feasibility study and business case for the establishment of a safe place residential facility for at-risk youth in the Kimberley.

Biosecurity and Agriculture Management Act 2007 – Declared Pest Control Activities

A reduction in expenditure of \$8.2 million over the forward estimates period has been approved to match a reduction in levied rates on properties for declared pest control activities in accordance with the legislative requirements of the *Biosecurity and Agriculture Management Act 2007*.

2023 Total Solar Eclipse

Forming part of the Government's total commitment in this Budget of \$19.3 million, \$5.4 million will be spent over 2021-22 and 2022-23 to temporarily boost the Exmouth telecommunications network during the Total Solar Eclipse event in April 2023, and to upgrade the range and capacity of telecommunications infrastructure in the Exmouth region.

Biosecurity Incidents and Emergency Responses

The Government has provided an additional \$3.3 million over 2021-22 to 2025-26 for a range of biosecurity and emergency response initiatives.

Horticulture Netting Infrastructure Scheme

Additional Commonwealth funding of \$2.6 million in 2021-22 has been spent by primary producers on the purchase and installation of new netting over land used to grow commercial apple and/or pear crops.

Aquaculture Projects

To assist in implementing aquaculture zoning-related projects and associated initiatives, an additional \$2.2 million will be spent over 2021-22 to 2024-25 including additional resources to support policy development, regulatory reform and industry development.

Sustainable Pastoral Land Management

Commencing in 2024-25, an additional \$1.1 million per annum will be spent to retain five Pastoral Lands Reform regional Development Officers for the Sustainable Pastoral Land Management Program.

Continuation of the South West Development Commission Collie Office

To continue the South West Development Commission's Collie Office, a further \$1.1 million will be spent over 2024-25 and 2025-26 to support the delivery and implementation of the Economic Development Action Plan for the Collie and Bunbury Regions.

Peel Harvey Catchment Council

The Government has approved an additional grant of \$120,000 per annum over the forward estimates period to the Peel Harvey Catchment Council to support the retention of a science advisor for the Peel Harvey Estuary.

Coral Bay Workers Accommodation

The Government has approved additional expenditure of \$450,000 in 2022-23 to support the Coral Bay Workers accommodation facility.

Westport Program

Expenditure of \$322,000 has been approved over 2022-23 and 2023-24 for additional resources to provide agricultural export and input data and to support the analysis of future locations for non-container trades.

Great Southern Development Commission Mira Mar Landslide

The Government has spent \$250,000 in 2021-22 to commission an independent investigation into the cause of the Mira Mar Landslide in Albany and to undertake immediate remediation work.

Rural, Regional and Remote Network

An additional \$250,000 over 2022-23 and 2023-24 will be provided to continue the Rural, Regional and Remote Network program for women in regional Western Australia.

Mines, Industry Regulation and Safety

Election Commitments

Work Health and Safety Act 2020

The Government has approved additional expenditure of \$2.6 million from the Mine Safety Account over the forward estimates period to support increased regulatory and compliance activities associated with Plant Design and Item of Plant registration applications under the new Work Health and Safety laws.

Other Spending

Resources Advice and Regulation

The Government has allocated an additional \$20.3 million over the forward estimates period from Mining Tenement Rentals revenue on the following service improvement initiatives to enhance the capacity and capability of the Department's Resources Advice and Regulation Services:

- *Aboriginal Empowerment Initiative* – \$14.6 million will be spent on reviewing and redesigning the resource and environmental regulation activities undertaken by the Department in consultation with Aboriginal people, to ensure alignment with the Western Australian Aboriginal Empowerment Strategy 2021-2029 and the Closing the Gap Implementation Plan;
- *Post-grant title compliance activities* – \$2.9 million to enhance post-grant mining and petroleum title administration activities and increase strategic oversight of petroleum compliance matters, including decommissioning, rehabilitation and closures;

- *Service delivery in the Gascoyne* – \$1 million for the establishment of a new Mining Registrar’s office in Geraldton that will re-align and expand service delivery to regional customers; and
- *Perth Warden’s Court* – \$1.8 million to continue the appointment of a second Perth Mining Warden and associated support staff to address the increased number of contested mining title applications before the court.

Electric Vehicle Grants for Fast Charging Infrastructure

The Government has allocated \$15 million over 2022-23 and 2023-24 to a grants program (\$5 million for local governments and \$10 million for small and medium-sized businesses and not-for-profits) that provides up to 50% of the cost of installing electric vehicle recharging infrastructure in workplaces. Energy Policy WA will receive an additional \$709,000 to administer and deliver the grants program.

WA Array Program

The Government will spend \$12 million over the forward estimates period to implement a State-wide passive seismic survey to identify prospective resources concealed deep underground. The survey results will both enhance Western Australia’s attractiveness as a location for future exploration investment, and assist the State with future land use planning. The expenditure will be funded by industry through increased revenue from Mining Tenement Rentals.

Potash Industry Royalty Rebate Scheme (Administered)

A rebate scheme will be established at a total cost of \$10 million over 2022-23 to 2024-25 for producers of sulphate of potash to assist with the establishment of a new industry in Western Australia.

Digital Capability Fund – Safety Management System Modernisation

The Department will spend \$9.2 million over the forward estimates on the implementation of a unified Safety Management System to replace two ageing, legacy platforms. The modernised central system will improve efficiency, reduce processing times and improve data sharing capabilities. Capital investment of \$4.3 million over the forward estimates period has also been approved for this project (see Chapter 6).

Mental Awareness, Respect and Safety Program

In partnership with the Mental Health Commission (detailed elsewhere in this chapter) and the Office of Women’s Interests, the Department will spend \$6.2 million in 2022-23 to finalise a program of mental health and mines safety initiatives to address mental health issues, workplace culture, mine safety, and sexual harassment and assaults in the workplace.

Energy Safety Business Plan

Energy Safety Levy funds of \$5.8 million will be spent over 2021-22 and 2022-23 to meet the costs of delivering the energy safety statutory compliance obligations and activities outlined in the approved Energy Safety Business Plan.

New Public Sector Wages Policy

To meet the expected increase in workload, an additional \$916,000 will be spent over 2022-23 and 2023-24 on additional resources to assist the Government Sector Labour Relations Division in the renegotiation of multiple key industrial agreements under the new Public Sector Wages Policy.

Climate Action – WA Carbon Dioxide Geological Storage Atlas

As part of the Government's Climate Action work plan, \$779,000 will be spent over 2022-23 and 2023-24 to engage specialist technical expertise to update and expand the Western Australia Carbon Dioxide Geological Storage Atlas to provide updated data on potential carbon dioxide geological storage sites.

Climate Action – Supporting Agencies to Reduce Emissions

Energy Policy WA will engage an additional resource at a cost of \$636,000 over 2022-23 to 2025-26 to co-ordinate and assist agencies with reducing emissions from energy use to help achieve the Government's goal of net zero emissions by 2050.

Climate Action – Carbon Sequestration Optimisation Study

The Department will spend \$150,000 in 2022-23 on a study to evaluate the full portfolio of carbon sequestration technologies and options and identify the relative merits of each in achieving the best transition to net zero emissions for the Western Australian economy.

Minerals Research Institute of Western Australia (MRIWA)

Other Spending

Expanded Minerals Research

MRIWA will spend an additional \$8 million over the forward estimates, to be co-funded by the Government and industry, to expand its minerals research efforts by pursuing and facilitating the development of research proposals that target more strategic and larger-scale collaboration opportunities that can support the delivery of State Government policy initiatives.

Small Business Development Corporation

COVID-19 Response

COVID-19 Business Assistance Packages

An additional \$1.4 million will be spent over 2021-22 and 2022-23 for the management and administration of the Tenant Rent Relief Scheme, the Landlord Rent Relief Incentive and the Small Business Hardship Grants Program which were approved under Levels 1 and 2 of the COVID-19 Business Assistance Packages.

Funding of \$119.5 million has been allocated to the Department of Treasury in 2021-22 for the payment of the grants (discussed earlier in this chapter).

Animal Resources Authority

Other Spending

Wind Up Activities

To reflect the wind up and transition of ownership of the Animal Resources Authority by 30 June 2023, planned expenditure totalling \$29.4 million over 2023-24 to 2025-26 has been removed consistent with the timeframes mandated by the *Animal Resources Authority Amendment and Repeal Act 2022*.

Spending of \$6.1 million has been allocated over 2021-22 and 2022-23 to meet expenses associated with the payout of employee entitlements and other related matters.

Burswood Park Board

Other Spending

Additional Staff

To support the ongoing management and maintenance of the park, additional resources will be engaged at a cost of \$2.9 million over the forward estimates period.

Foreshore Stabilisation Project Stage 2

The Government will spend \$2.3 million in 2022-23 to stabilise the eroding foreshore within the Burswood Park.

HEALTH

Table 5

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
WA HEALTH					
Election Commitments					
– Paid Paramedics for the Regions	-	5.5	6.8	8.9	9.0
– Albany General Dental Clinic Expansion	-	-	0.2	1.0	1.4
– Expansion of the Pilbara Health Initiative	-	3.1	2.7	2.4	1.8
– Aboriginal Midwifery Group Practice and Strong Links	-	1.7	1.7	1.8	1.8
COVID-19 Response					
– Response to COVID-19 ^(a)	528.4	397.1	-	-	-
Other Spending					
– General Health Hospital Services ^(a)	49.3	109.6	116.3	143.4	150.0
– Non-Hospital Services Expenditure ^(a)	44.0	82.2	53.1	26.0	23.4
– Commonwealth Agreements	9.2	50.3	2.9	2.0	-
– Non-Government Human Services Sector Indexation	-	3.6	6.4	9.5	26.9
– Healthnext	-	22.0	12.9	-	-
– Emergency Department Reform Package:					
Digital Capability Fund – Real Time Data	2.5	3.2	4.4	4.0	4.2
Long Stay Patient Initiatives:					
Disability Transition Care Pilot	-	3.9	3.9	-	-
Long Stay Patient Fund	-	2.9	2.9	-	-
Adults with Complex Needs	-	1.1	-	-	-
Virtual Emergency Medicine	-	7.7	2.7	-	-
State Health Operations Centre	-	2.0	1.0	-	-
Emergency Access Response	-	2.4	-	-	-
– Sustainable Health Review	-	6.0	6.0	2.5	-
– Public Sector Casual Long Service Leave	20.9	-	-	-	-
– Newborn Emergency Transport Service	2.8	2.8	2.8	2.8	2.9
– Graylands Reconfiguration and Forensics Taskforce	-	5.0	5.0	-	-
– Digital Capability Fund – Electronic Medical Record	-	0.2	1.4	1.4	1.4
– Aboriginal Health Practitioners in the WA Health Workforce	-	0.6	3.1	-	-
– Child Health Checks	1.4	1.2	-	-	-
– WA Comprehensive Cancer Centre	-	2.5	-	-	-
– Anti-ligature Remediation Program	-	1.0	-	-	-
MENTAL HEALTH COMMISSION					
Election Commitments					
– Karratha Step Up/Step Down	-1.4	-2.0	-	-	-
COVID-19 Response					
– Continuation of Suicide Prevention Services	-	3.5	-	-	-
Other Spending					
– Mental Health Hospital Services	-1.5	12.6	13.4	16.8	19.9
– Infants, Children and Adolescents Taskforce – Immediate Response:					
Relieving Immediate Rural and Remote Pressures	-	4.3	4.5	4.8	5.0
Peer Workers	-	1.3	3.9	4.2	3.6
Virtual Support for At-Risk Children Waiting for a Service ^(a)	-	4.4	6.1	-	-
Implementation Planning and Service Model Design	-	3.0	1.0	-	-
Workforce Development	-	0.9	0.4	-	-
– Emergency Department Reform Package:					
Active Recovery Team Pilot Extension	-	10.8	-	-	-
Perth Sobering Up Centre and Low Medical Withdrawal Services	-	1.8	1.8	1.8	1.9

Table 5 (cont.)

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
WA Country Health Service Mental Health					
Emergency Telehealth Service	-	5.1	-	-	-
Cardiff Model of Violence Prevention Pilot	-	1.0	0.8	0.8	0.8
– Non-Government Human Services Sector Indexation	-	1.4	2.4	3.5	9.5
– National Mental Health and Suicide Prevention Agreement – Bilateral Schedule	-	0.9	0.1	6.3	6.1
– Commitment to Aboriginal Youth Wellbeing – Preventing Fetal Alcohol Spectrum Disorder Continuation	-	1.5	1.5	1.5	1.6
– Digital Capability Fund – Mental Health, Alcohol and Drugs Information Management Solution	-	1.9	1.4	0.2	0.2
– Digital Capability Fund – Mental Health Tribunal Case Management System	-	0.7	0.2	-	-
– Mental Awareness, Respect and Safety Program	-	0.3	-	– (b)	– (b)
HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE					
Election Commitments					
– Implementation of the National Code of Conduct for Health Care Workers	– (b)	0.6	0.6	0.6	0.6
Other Spending					
– Statutory Review of the <i>Health and Disability Services (Complaints) Act 1995</i> and the <i>Disability Services Act 1993</i>	-	0.3	0.1	-	-

(a) Part of this expenditure is also included within the Emergency Department Reform Package of initiatives totalling \$251.7 million across the Health and Mental Health portfolio.

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

WA Health

Election Commitments

Paid Paramedics for the Regions

The Government has allocated an additional \$30.1 million over 2022-23 to 2025-26 to improve country ambulance services in regional Western Australia. This will include an additional 18 paid paramedics, six additional ambulances, the implementation of alternative workforce model trials in remote areas, and a satellite communications pilot.

Albany General Dental Clinic Expansion

To support the establishment of a new 8-chair dental clinic in Albany, \$2.5 million will be spent over 2023-24 to 2025-26 on operating the service. This is in addition to \$10.5 million in capital investment to construct the facility (see Chapter 6).

Expansion of the Pilbara Health Initiative

To improve access to specialist paediatric, cancer, haematology, stroke and neurology services at Karratha Health Campus and surrounding sites, an additional \$10 million will be spent over 2022-23 to 2025-26 as part of the Pilbara Health Initiative.

Aboriginal Midwifery Group Practice and Strong Links

An Aboriginal Midwifery Group Practice model will be established at King Edward Memorial Hospital, and the Strong Links program re-established, with an investment of \$7 million over 2022-23 to 2025-26. These services will provide tertiary level, culturally secure and consistent obstetric care to Aboriginal women, increasing the uptake of antenatal care and improving maternity health outcomes.

COVID-19 Response

Response to COVID-19

To continue WA Health's response to COVID-19, the Government has approved additional spending of \$995 million over 2021-22 and 2022-23 (\$925.5 million recurrent, \$5.7 million capital (see Chapter 6) and \$63.8 million for inventory purchases). This brings total 2021-22 COVID-19 spending by WA Health to \$1.4 billion (including purchases of Rapid Antigen Tests).

Additional WA Health expenditure on COVID-19 includes the COVID-19 home monitoring telehealth program, vaccination delivery, testing (including Rapid Antigen Tests), contact tracing, personal protective equipment, hotel quarantine and State Health Incident Coordination Centre operations.

Other Spending

General Health Hospital Services

The Government will spend an additional \$629.9 million on recurrent hospital services expenditure over 2021-22 to 2025-26, of which \$568.6 million relates to general health (with the remaining \$61.3 million for mental health). This uplift primarily reflects updated activity and cost growth forecasts.

This funding uplift will also provide capacity for the following Emergency Department Reform Package:

- *Emergency Department Waiting Room Nurses* – \$55.8 million to provide capacity for registered nurses to staff 15 Emergency Department waiting rooms across the State for 24 hours a day, seven days a week, improving patient safety and quality; and
- *Complex Needs Coordination Team* – \$10.1 million to expand the capacity of services provided by the Complex Needs Coordination Team, to provide care to people with complex health and social issues in a more suitable and less costly care at home setting.

In addition, to further build skills capacity in the WA Health workforce, part of the hospital services block funding uplift will be spent on the following initiatives over the forward estimates:

- *Observership and Assessment Program* – \$8.1 million to establish a formal observership and assessment program, enabling international medical graduates holding citizenship or permanent residency to obtain professional registration and employment in Western Australia, accommodating up to 42 graduates; and

- *Advanced Neurology Training* – \$3.5 million to support prospective Neurologists in their final year of advanced neurology training (a requirement that currently involves trainees having to relocate interstate or overseas), enabling a sustainable future neurology workforce in Western Australia.

Non-Hospital Services Expenditure

Spending on non-hospital services will increase by \$228.7 million over the forward estimates period, to enable WA Health to meet its contractual obligations and address the demand for services such as community health services, health prevention and promotion programs, aged care services, and patient transport.

Of this increased spend, \$59.5 million has been provided to allow for the continued operation of 120 Transition Care Program places, assisting older people at the end of their hospital stay to transition into community settings.

Commonwealth Agreements

Under various Commonwealth funding agreements, an additional \$64.4 million will be spent over 2021-22 to 2024-25. This includes \$9.7 million to improve the oral health of eligible adult public dental patients, and a \$7.5 million Commonwealth contribution to the Perth Children's Hospital Foundation towards the construction of the Western Australian Children's Hospice.

Healthnext

Following the implementation of Healthnext, which has transitioned WA Health's ICT infrastructure into a hybrid cloud environment, a further \$34.9 million has been allocated over 2022-23 and 2023-24 to meet additional operational costs as a result of increased scale, complexity and COVID-19 impacts.

Emergency Department Reform Package

The following form part of the Government's Emergency Department Reform Package of initiatives in the 2022-23 Budget totalling \$251.7 million across the Health and Mental Health portfolios:

- \$18.2 million over 2021-22 to 2025-26 from the Digital Capability Fund to develop and expand a real time data platform for the WA Health system. This initiative is intended to enable significant improvements in the management of health system pressures (such as inter-hospital transfers, bed occupancy, Emergency Department diversion strategies and ambulance ramping), and improve patient safety and outcomes;
- building on the Government's \$17.6 million investment in the 2021-22 Mid-year Review to free up hospital beds occupied by patients who have no medical reason to remain in hospital, this Budget includes the following Long Stay Patient initiatives:
 - \$7.7 million over 2022-23 and 2023-24 for the expansion of the Disability Transition Care pilot to the North and South Metropolitan Health Services;

- \$5.8 million over 2022-23 and 2023-24 for a Long Stay Patient Fund, which will provide a pool of funding that can be drawn on to implement patient-by-patient solutions to safely transition long stay patients out of hospital and into more suitable accommodation; and
- \$1.1 million in 2022-23 for an additional five beds at the Brightwater Care Group's Transitional Accommodation Program site;
- \$10.3 million over 2022-23 and 2023-24 on the Virtual Emergency Medicine pilot to directly divert patients away from Emergency Departments where appropriate and reduce pressure on metropolitan hospitals. This includes \$5.3 million for the South Metropolitan Health Service to extend the current pilot for a further two years, and \$5 million to extend the pilot to the East and North Metropolitan Health Services in 2022-23;
- \$3 million to develop a business case for a State Health Operations Centre, which is intended to provide 24/7 monitoring and oversight of health system operations; and
- \$2.4 million in 2022-23 to support the commencement of Emergency Access Response Program initiatives, including establishing a program team to plan for large scale improvements in access to emergency care.

Sustainable Health Review

To support and implement recommendations from the Sustainable Health Review, the Government will invest a further \$14.4 million over 2022-23 to 2024-25, including \$7.4 million to continue the Sustainable Health Implementation Support Unit and \$7 million to expand the Syphilis Outbreak Response program.

Public Sector Casual Long Service Leave

Based on advice from the State Solicitor's Office, an additional \$20.9 million has been allocated in 2021-22 to meet historical liabilities that have accrued under the *Long Service Leave Act 1958* and prior to the registration of an industrial agreement.

Newborn Emergency Transport Service

To address increased patient acuity and demand for the Newborn Emergency Transport Service, \$14.1 million will be spent over 2021-22 to 2025-26 on additional medical and nursing staff to expand the capacity of the service.

Graylands Reconfiguration and Forensics Taskforce

To progress the work of the Graylands Reconfiguration and Forensics Taskforce, an additional \$10 million will be spent over 2022-23 and 2023-24 primarily to develop business cases for the State-wide reconfiguration of mental health services and Graylands Hospital redevelopment, including the relocation of certain non-essential functions.

Digital Capability Fund – Electronic Medical Record

Recurrent spending of \$4.4 million out of a total investment of \$38.1 million (see Chapter 6) has been allocated over 2022-23 to 2025-26 from the Digital Capability Fund for operational costs to continue the roll out of Digital Medical Records. This takes the Government's Digital Medical Record roll-out to five hospital sites and regional areas as part of a prioritised, staged strategy to progress Electronic Medical Records across the Western Australian health system.

Aboriginal Health Practitioners in the WA Health Workforce

The Government will spend \$3.7 million over 2022-23 and 2023-24 on the initial implementation and evaluation of the Aboriginal Health Practitioners (AHP) profession in Western Australia. This includes the employment of 25 AHPs across the health system, five FTE for clinical supervision and mentorship, and the provision of training and upskilling services.

Child Health Checks

The Government will spend an additional \$2.7 million to continue the Child Health Check pilot program by a further 18 months to 30 June 2023. This pilot commenced in 2020-21, aiming to increase the completion rate of one-year and two-year child health checks in Midland and Bunbury to 75% of the population and 100% of high-risk children.

WA Comprehensive Cancer Centre

The Government has allocated \$2.5 million in 2022-23 for the planning and development of a business case for the proposed WA Comprehensive Cancer Centre.

Anti-ligature Remediation Program

In order to identify and prioritise the remediation of ligature risks across the WA Health system, \$1 million will be spent in 2022-23 on a system-wide audit and the development of a business case.

Mental Health Commission

Election Commitments

Karratha Step Up/Step Down

Operational expenditure on the Karratha Step Up/Step Down facility has been reduced by \$3.4 million over 2021-22 and 2022-23, reflecting delayed commencement, including due to construction cost pressures. These funds have been used to partially offset capital cost pressures totalling \$3.8 million for both the Karratha and Broome Step Up/Step Down facilities (see Chapter 6).

COVID-19 Response

Continuation of Suicide Prevention Services

To continue the Government's interim boost to suicide prevention services implemented at the onset of the COVID-19 pandemic, an additional \$3.5 million will be spent in 2022-23 on aftercare and postvention suicide prevention services.

Other Spending

Mental Health Hospital Services

The Government will spend an additional \$61.3 million on mental health hospital services over 2021-22 to 2025-26, reflecting increased price escalation and updated activity growth forecasts.

Infants, Children and Adolescents Taskforce – Immediate Response

As part of the Government's immediate response to the Infants, Children and Adolescents (ICA) Taskforce report released on 15 March 2022, an additional \$47.3 million will be invested over the forward estimates period on priority initiatives as follows:

- *Relieving Immediate Rural and Remote Pressures* – \$18.5 million to increase the WA Country Health Service (WACHS) Child and Adolescent Mental Health Service (CAMHS) frontline workforce (e.g. clinical nurses, psychiatrists, etc.);
- *Peer Workers* – \$12.9 million on additional peer workers and peer worker coordinators. This investment also includes organisational readiness training to create a consistent understanding of the role and importance of peer workers, and a peer workforce implementation and support team to support the growth of the peer workforce;
- *Virtual Support for At-Risk Children Waiting for a Service* – \$10.5 million on video and telecommunication support to children and families in the transition phase between services (for example, while waiting for an admission to an inpatient unit after discharge from an emergency department, or while waiting for an initial CAMHS appointment);
- *Implementation Planning and Service Model Design* – \$4 million on the establishment of an interagency program office (across the Mental Health Commission, WACHS and CAMHS) to undertake service model design and develop an implementation plan for the ICA Taskforce report's recommendations; and
- *Workforce Development* – \$1.3 million to develop a specific ICA mental health workforce plan to grow and develop the clinical workforce pipeline, and foster existing formal partnerships with the education sector to grow the local ICA mental health workforce.

Emergency Department Reform Package

Investment in the following initiatives over the forward estimates period forms part of the Government's Emergency Department Reform Package in the 2022-23 Budget totalling \$252 million across the Health and Mental Health portfolios:

- *Active Recovery Teams Pilot Program Extension* – \$10.8 million to enable a twelve-month extension of the Active Recovery Team Pilot. Active Recovery Teams provide multidisciplinary treatment over a 90-day period and aim to prevent emergency department presentations by bridging the gap between clinical and community mental health services;
- *Perth Sobering Up Centre and Low Medical Withdrawal Services* – \$7.3 million to ensure the continuation of the 14-bed Sobering Up Centre and 7-bed Low Medical Withdrawal Service in Highgate. Without this service, patients are likely to present to an emergency department for help;
- *WACHS Mental Health Emergency Telehealth Service* – \$5.1 million on a 24/7 WACHS Mental Health Emergency Telehealth Service; and
- *Cardiff Model of Violence Prevention Pilot* – \$3.5 million on a pilot at the Royal Perth Hospital Emergency Department which utilises data to develop strategies aimed at reducing alcohol-related emergency department presentations.

See further details of the Package in the feature box earlier in this chapter.

National Mental Health and Suicide Prevention Agreement – Bilateral Schedule

To facilitate the signing of the Bilateral Schedule to the National Mental Health and Suicide Prevention Agreement in April 2022, the State will invest an additional \$13.4 million over the forward estimates period, along with in-kind funding of \$10.5 million for the ICA Taskforce Report Virtual Support for At-Risk Children Waiting for a Service initiative (see above). This forms part of \$61.5 million in new joint investment to support improved mental health and suicide prevention outcomes in Western Australia through this Agreement.

Commitment to Aboriginal Youth Wellbeing - Preventing Fetal Alcohol Spectrum Disorder Continuation

An additional \$6.1 million will be spent over the forward estimates period to continue Fetal Alcohol Spectrum Disorder (FASD) prevention strategies funded under the Commitment to Aboriginal Youth Wellbeing in the 2020-21 Budget, including a State-wide public education campaign to increase awareness of the risks of alcohol use during pregnancy.

Digital Capability Fund – Mental Health, Alcohol and Drugs Information Management Solution

Expenditure totalling \$3.7 million over the forward estimates period will go towards the replacement of the existing systems underpinning the Alcohol and Drug Support Service with a new customer relationship management solution to improve service delivery.

Digital Capability Fund – Mental Health Tribunal Case Management System

The Government has approved expenditure of \$920,000 over 2022-23 and 2023-24 to replace the Mental Health Tribunal's existing case management system with a contemporary end-to-end system with improved functionality to facilitate more efficient operational procedures.

Mental Awareness, Respect and Safety Program

In partnership with the Department of Mines, Industry Regulation and Safety and the Office of Women's Interests, the Mental Health Commission will spend \$326,000 in 2022-23 to finalise a program of mental health and mines safety initiatives to address mental health issues, workplace culture, mine safety and sexual harassment and assaults in the workplace.

Health and Disability Services Complaints Office

Election Commitments

Implementation of the National Code of Conduct for Health Care Workers

The Health and Disability Services Complaints Office will spend an additional \$2.4 million over 2021-22 to 2025-26 to deliver the expanded regulatory functions arising from the Government's election commitment to implement the National Code of Conduct for health care workers in Western Australia.

Other Spending

Statutory Review of the Health and Disability Services (Complaints) Act 1995 and the Disability Services Act 1993

The Government has approved additional expenditure of \$452,000 over 2022-23 to 2023-24 to enable the Office to undertake a statutory review of the *Health and Disability Services Complaints Act 1995* and Part 6 of the *Disability Services Act 1993*.

EDUCATION AND TRAINING

Table 6

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
EDUCATION					
COVID-19 Response					
– COVID-19 Measures in Schools ^(a)	29.7	-	-	-	-
– School Administrative Support	5.0	-	-	-	-
– School Camps Assistance Package	3.5	-	-	-	-
Other Spending					
– National Preschool Reform Agreement	22.1	47.4	46.8	47.4	25.8
– Revision to School Enrolments	-20.2	-31.2	-21.4	-13.1	10.7
– RiskCover Insurance Premiums	-	13.4	13.8	29.6	17.2
– Educational Adjustment Allocation Extension	-	4.4	8.9	9.2	9.5
– Public Sector Casual Long Service Leave	29.4	-	-	-	-
– Grants to Non-Government Schools	4.7	12.8	-	-	-
– Kimberley Youth and Community Justice Response	-	1.0	3.7	3.7	3.7
– Preventative Maintenance	-	5.4	-	-	-
– Supporting Students with Disabilities and Complex Behaviours	-	1.5	3.1	-	-
– Expansion of Specialist Learning Programs ^(a)	1.6	4.1	4.5	4.0	4.1
– Historical Child Sexual Abuse	0.4	-	-	-	-
– Year 1 Phonics Initiative ^(a)	0.5	0.7	0.5	0.4	0.5
TRAINING AND WORKFORCE DEVELOPMENT					
Other Spending					
– Keeping Training Fees Low	-	-	-	-	25.9
– Defence Industry White and Grey Collar Workforce ^(a)	-	2.4	2.0	2.2	2.2
– Mature Aged Job Seekers and Ex-Offenders ^(a)	-	1.6	2.5	1.2	-
– Collie Just Transition Plan – Workforce Support ^(a)	-	0.5	0.5	0.5	0.5
– Regional TAFE International Student Strategy ^(a)	-	1.0	0.5	-	-
TAFE COLLEGES					
Other Spending					
– Revisions to International Student Enrolment Forecasts	-	-9.7	-6.8	-2.7	-
– Home Care Workforce Support Program	4.3	4.2	-	-	-
BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD					
Other Spending					
– 2022-23 Operational Plan and New Initiatives	2.8	17.5	6.9	7.0	6.4

(a) Expenditure has been reprioritised from within the Department's existing budget to support part or all of this initiative.

Education

COVID-19 Response

COVID-19 Measures in Schools

As part of WA's Safe Return to School Plan, the Government has spent an additional \$12.9 million in 2021-22 on improving ventilation in government schools. A further \$16.8 million has been allocated to continue enhanced cleaning and to maintain personal protective equipment supplies in schools in Term 2 of 2022, and to ensure compliance with COVID-19 testing and vaccination protocols.

School Administrative Support

Reflecting administrative demands on schools in managing positive cases, \$5 million has been provided in 2021-22 for additional resources in small and medium-sized schools.

School Camps Assistance Package

Up to \$3.5 million will be spent in 2021-22 to provide financial assistance to school camp operators that were affected by the introduction of public health and social measures which resulted in the postponement or cancellation of school camps in 2021-22.

Other Spending

National Preschool Reform Agreement

The Government has signed the National Preschool Reform Agreement, securing additional spending of \$189.5 million from 2021-22 to 2025-26. This will fund 15 hours per week of preschool programs, with the State Government providing 11 hours and the Commonwealth funding four hours per week.

Revision to School Enrolments

Recurrent expenditure for government schools has been revised down by \$75.2 million over 2021-22 to 2025-26, largely driven by a downward revision to mainstream student enrolment projections following the Semester 1, 2022 school census, more than offsetting an increased investment to address the number of students diagnosed with disability.

RiskCover Insurance Premiums

Reflecting revised estimates from the Insurance Commission of Western Australia, insurance premium expenditure has been revised up by a total of \$74 million over 2022-23 to 2025-26.

Educational Adjustment Allocation Extension

From 2023, the Education Adjustment Allocation will be strengthened to fund more students with additional learning needs due to undiagnosed disabilities or disorders, to help develop their literacy and numeracy skills through explicit instruction.

This change to the student-centred funding model will provide public schools with an additional \$31.9 million over four years.

Public Sector Casual Long Service Leave

Based on advice from the State Solicitor's Office, \$29.4 million has been allocated in 2021-22 to meet historical liabilities that have accrued under the *Long Service Leave Act 1958* and prior to the registration of an industrial agreement.

Grants to Non-Government Schools

Recurrent grants to non-government schools have been revised up by \$17.5 million over 2021-22 and 2022-23 due to higher than forecast student enrolments in Semester 1, 2022.

Kimberley Youth and Community Justice Response

As part of the Kimberley Youth and Community Justice Response, the Government has committed \$11.1 million over 2023-24 to 2025-26 to continue the Kimberley Schools Program, with a key focus on student attendance and engagement at participating schools.

An additional \$1 million will be allocated in 2022-23 to develop a business case assessing the feasibility and cost of establishing a Western Australian College of Agriculture in the Kimberley.

Preventative Maintenance

The Government has allocated an additional \$5.4 million in 2022-23 on critical maintenance in schools, including pool safety upgrades and addressing electrical safety and compliance issues.

Supporting Students with Disabilities and Complex Behaviours

As part of the 'Supporting Teaching and Learning of Students with Disabilities and Complex Behaviours Framework', \$4.6 million will be spent over 2022-23 and 2023-24 to support schools and teachers with meeting the needs of these students.

Expansion of Specialist Learning Programs

To expand the existing Specialist Learning Programs for students with autism spectrum disorder to an additional eight schools, a total of \$18.2 million will be spent over the Budget period (comprising additional expenditure of \$2.7 million and reprioritised expenditure of \$15.5 million).

Historical Child Sexual Abuse

Following the introduction of reforms to remove statutory limitation periods for historical child sexual abuse, the Department will spend an additional \$358,000 in 2021-22 on civil litigation claims.

Year 1 Phonics Initiative

To support improved literacy outcomes, the Government will redirect \$2.5 million from existing resources to teach phonics to Year 1 students and to undertake phonics-based assessments.

Training and Workforce Development

Other Spending

Keeping Training Fees Low

To maintain vocational education and training fees at discounted levels, the Government will spend an additional \$25.9 million in 2025-26, with fees to increase in line with the CPI from the 2026 training year.

Defence Industry White and Grey Collar Workforce

The Government has allocated \$8.8 million over the forward estimates period to deliver a package of defence industry 'white and grey collar' initiatives and to create a pipeline of skilled workers.

Mature Aged Job Seekers and Ex-Offenders

As part of its commitment to alleviate skills shortages, the Government will spend \$5.3 million over 2022-23 to 2024-25 to provide additional support for mature aged and ex-offender job seekers, with the objective being to increase workforce participation and improve social and economic outcomes.

Collie Just Transition Plan – Workforce Support

Building on the Collie Just Transition Plan, the Government will spend \$2 million over the forward estimates period on a workforce transition program, including the establishment of a full-time Collie Jobs and Skills Centre, which will assist workers with transitioning to new employment opportunities.

Regional TAFE International Student Strategy

The Government will spend \$1.5 million over 2022-23 and 2023-24 to commence a pilot program to attract international students to enrol in targeted courses at regional TAFE Colleges.

TAFE Colleges

Other Spending

Revisions to International Student Enrolment Forecasts

Reflecting the impact of COVID-19 related travel restrictions and reduced international student enrolments, spending on training delivery across the metropolitan TAFE Colleges has been revised down by \$19.2 million over 2022-23 to 2024-25.

Home Care Workforce Support Program

Under the State's agreement with the Commonwealth on the Home Care Workforce Support Program, the North Metropolitan TAFE will spend an additional \$8.5 million over 2021-22 and 2022-23 to increase the size of the personal care workforce within the aged care sector by 1,400 workers by July 2023.

Building and Construction Industry Training Board

Other Spending

2022-23 Operational Plan and New Initiatives

To align with the Building and Construction Industry Training Board’s operational plan, and to reflect the implementation of additional initiatives to support the construction sector, expenditure will increase by \$40.6 million over 2021-22 to 2025-26, funded by an increase in revenue due to strong activity in the construction and resources sectors.

The additional support measures include subsidising the cost of equipment purchases for apprentices, and a driver’s licence training initiative, to assist removing barriers to employment.

COMMUNITY SAFETY

Table 7

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
WESTERN AUSTRALIA POLICE FORCE					
COVID-19 Response					
– COVID-19 Emergency Management	31.3	18.8	-	-	-
Other Spending					
– Digital Capability Fund – ICT Transformation Program	5.1	16.3	2.8	2.9	3.2
– 950 Police Officer Program	-	6.4	6.1	4.5	4.6
– Organised Crime Operations	8.2	5.5	2.5	-	-
– Police Services Expenditure	-	16.9	-	-	-
– RiskCover Insurance Premiums	-	3.4	4.5	2.7	3.8
– Armadale Courthouse and Police Complex Operating Costs	-	2.3	2.4	2.4	2.5
– Operation Regional Shield	0.8	1.7	-	-	-
– Road Trauma Trust Account					
– Infringement Management Reform Program	-3.6	3.6	9.8	5.2	5.3
– 2023 Total Solar Eclipse	-	0.9	-	-	-
JUSTICE					
COVID-19 Response					
– Community Legal Services Demand	-	4.5	-	-	-
Other Spending					
– Criminal Injuries Compensation Payments	58.2	9.9	9.9	9.9	9.9
– Justice Services Expenditure	-	51.3	5.4	10.3	18.3
– National Redress Scheme	-	18.9	21.0	9.0	8.3
– RiskCover Insurance Premiums	-	48.5	-	-	-
– Banksia Hill Detention Centre	-	0.9	0.9	0.9	0.9
– Mining Warden's Court	0.4	0.9	0.9	-	-
– Armadale Courthouse and Police Complex Operating Costs	-	0.4	0.4	0.4	0.4
– Perth Children's Court – Therapeutic Pilot Court	-	0.7	0.7	-	-
– Enhanced Family and Domestic Violence Response Team	-	0.3	0.3	0.3	0.3
– Digital Capability Fund – Custodial Technology Strategy	-	0.3	0.5	-	-
LEGAL AID COMMISSION OF WESTERN AUSTRALIA					
Other Spending					
– Commonwealth Criminal Cases	4.4	-	-	-	-
– National Legal Assistance Partnership Agreement	2.0	-	-	-	-
– Perth Children's Court – Therapeutic Pilot Court	-	0.2	0.2	-	-

Table 7 (cont.)

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
FIRE AND EMERGENCY SERVICES					
Other Spending					
– Aerial Bushfire Surveillance - Large Air Tanker	-	2.7	2.7	2.8	2.8
– Jandakot Consolidated Aviation Airbase	-	0.7	3.3	3.3	3.4
– Digital Capability Fund – Emergency WA	-0.2	0.7	1.4	1.3	3.0
– Digital Capability Fund – Financial Management Information System (FMIS)	-	3.5	2.1	0.2	0.2
– State Natural Disasters Recovery	2.2	1.7	0.3	-	-
– Direct Brigade Alarms Network – 4G Upgrade	-	3.4	0.5	-	-
– RiskCover Insurance Premiums	-	0.6	0.4	-0.2	1.5
– Western Australian Emergency Management Training Centre	-	1.7	-	-	-
– Bushfire Framework Review	0.2	0.5	-	-	-
– Royal Commission Into National Natural Disaster Arrangements (RCNNDA) ^(a)	0.1	0.2	0.1	-	-
– Warmun Community Flood Mitigation	0.1	-	_(b)	_(b)	_(b)
OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS					
– Demand for Prosecution Services	1.2	2.7	2.8	2.2	2.9
– Perth Children's Court Early Resolution	0.2	0.7	0.7	1.0	0.7
– Digital Capability Fund – Change Management and System Replacement Program	-	-	0.6	1.1	1.1
STATE SOLICITOR'S OFFICE					
COVID-19 Response					
– COVID-19 Related Expenditure	-	2.3	-	-	-
Other Spending					
– Demand for Legal Services	2.0	6.5	2.3	2.4	2.4
– Civil Litigation – Institutional Abuse Claims	-	3.0	3.1	-	-
– Prosecution of Corruption and Crime Matters	-	0.3	0.3	0.3	0.3
CORRUPTION AND CRIME COMMISSION					
Other Spending					
– Unexplained Wealth Function	-	2.8	-	-	-
CHEMISTRY CENTRE (WA)					
Other Spending					
– 2022-23 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES					
Other Spending					
– 2022-23 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION					
Other Spending					
– 2022-23 Streamlined Budget Process Incentive Funding	-	_(b)	-	-	-

(a) Expenditure has been reprioritised from within the Department's existing budget to support part or all of this initiative.

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

Western Australia Police Force

COVID-19 Response

COVID-19 Emergency Management

To support the State Government's COVID-19 emergency management response, an additional \$50.1 million has been approved for the Western Australia Police Force across 2021-22 and 2022-23.

This will fund enhanced cleaning and personal protective equipment, the pandemic call centre, border management activities, and overtime and shift allowances for police officers.

Other Spending

Digital Capability Fund – ICT Transformation Program

To maintain and modernise critical police ICT systems and databases, the Government will spend \$30.4 million over the forward estimates period for application consolidation and development and software licencing expenses. A further \$17.5 million is being invested in ICT infrastructure upgrades across 2021-22 and 2022-23 (see Chapter 6).

950 Police Officer Program

In support of the Government's commitment to recruit and deploy an additional 950 police officers, a further \$21.5 million has been committed over the forward estimates on additional police support staff, the 'Let's Join Forces' recruitment campaign, and leasing costs in Kununurra to meet immediate accommodation needs in the region.

The Government has also approved capital investment of \$32.3 million to expand police facilities in key regional areas to accommodate additional officers (see Chapter 6).

Organised Crime Operations

Utilising funding from the Confiscation Proceeds Account, the Western Australia Police Force will spend an additional \$16.2 million over 2021-22 to 2023-24 on specialised equipment, expertise, and police operations to combat and disrupt organised crime across the State.

Police Services Expenditure

To address unavoidable cost and demand pressures, such as ICT expenditure, building maintenance costs, and other expenditure obligations, an additional \$16.9 million has been provided in 2022-23 to fund police operating expenses.

RiskCover Insurance Premiums

To reflect updated estimates from the Insurance Commission of Western Australia, a further \$14.4 million will be spent over 2022-23 to 2025-26 on RiskCover insurance premiums.

Armadale Courthouse and Police Complex Operating Costs

To support the opening of the new Armadale Courthouse and Police Complex, a total of \$9.7 million has been provided to the Western Australia Police Force and \$1.5 million to the Department of Justice over the forward estimates to meet the additional operating costs.

Operation Regional Shield

As part of the Government's response to escalating youth crime in the Kimberley and other regional areas, an additional \$2.5 million will be spent over 2021-21 and 2022-23 to deploy additional police officers to these areas.

Road Trauma Trust Account – Infringement Management Reform Program

The Government has approved an allocation of \$20.4 million from the Road Trauma Trust Account (RTTA) over the forward estimates to procure and implement a new infringement processing solution, supporting the delivery of improved infringement management and customer services.

Road Trauma Trust Account – 2023 Total Solar Eclipse

To increase the safety of visitors and residents, an allocation of \$850,000 from the RTTA will be spent in 2022-23 on road safety advertising and awareness campaigns, and roadside activations for the 2023 Total Solar Eclipse in Exmouth. The Road Safety Commission's existing approved Community Education and Engagement program will also support road safety education grants in response to the eclipse event.

Justice

COVID-19 Response

Community Legal Services Demand

To address demand for legal assistance services associated with the COVID-19 pandemic, the Government will provide additional grant funding of \$4.5 million in 2022-23 to support Community Legal Centres across the State.

Other Spending

Criminal Injuries Compensation Payments

The Government has allocated an additional \$97.9 million over 2021-22 to 2025-26 to cover compensation payments to victims of crime under the *Criminal Injuries Compensation Act 2003*. The increase in payments partly reflects a concerted effort to reduce processing times and the historic backlog of claims.

Justice Services Expenditure

To maintain the financial sustainability of the Department and meet forecast cost and demand growth, additional expenditure totalling \$85.3 million has been approved over the forward estimates period. This funding will also support continuation of the Prison Services Evaluation, aimed at modernising employment practices and improving the efficiency of prison operations.

National Redress Scheme

Reflecting recent trends and updated projections, an additional \$57.2 million over the forward estimates has been allocated to cover anticipated redress settlement claims and associated administration costs.

RiskCover Insurance Premiums

The Department will spend an additional \$48.5 million in 2022-23 to meet higher than budgeted RiskCover insurance premiums, primarily driven by historical workers' compensation claims.

Banksia Hill Detention Centre

The Government has committed an additional \$25.1 million to improve the infrastructure and services at Banksia Hill Detention Centre. This includes \$3.6 million over the forward estimates for additional health and welfare resourcing within the newly established Aboriginal Services Unit.

Mining Warden's Court

To account for a growing number of mining title applications, an additional \$2.2 million has been allocated over 2021-22 to 2023-24 for a second Perth Mining Warden and support staff to ensure contested applications are progressed in a timely manner.

Perth Children's Court – Therapeutic Pilot Court

The Government will provide \$1.4 million to the Department, and \$368,000 to the Legal Aid Commission over 2022-23 and 2023-24 to expand the operation of the Therapeutic Pilot Court to four sitting days a week, with a fifth day for emergency hearings. The Pilot provides a therapeutic approach to addressing protection and care matters before the Perth Children's Court, with a focus on keeping families together.

Enhanced Family and Domestic Violence Response Team

To support a new enhanced Family and Domestic Violence Response Team model, the Department, in partnership with Communities and the Western Australia Police Force, will spend an additional \$1.2 million over the forward estimates to implement the first phase of improvements.

Digital Capability Fund – Custodial Technology Strategy

The Department will modernise ICT infrastructure across the custodial estate, with a total of \$777,000 over 2022-23 and 2023-24 to be spent on the assessment and remediation of communications and ICT service deficiencies. A further \$3.7 million is being invested in infrastructure upgrades (see Chapter 6).

Legal Aid Commission of Western Australia

Commonwealth Criminal Cases

To meet costs associated with the legal defence of clients in high-cost Commonwealth criminal matters, an additional \$4.4 million will be spent in 2021-22, funded through the Expensive Commonwealth Criminal Cases Fund.

National Legal Assistance Partnership Agreement

The Commission will spend \$2 million in 2021-22 on increased legal assistance for vulnerable women and support services for people with mental health conditions accessing the justice system, reflecting additional Commonwealth funding under the National Legal Assistance Partnership Agreement.

Fire and Emergency Services (DFES)

Other Spending

Aerial Bushfire Surveillance – Large Air Tanker

To enhance Western Australia's aerial bushfire suppression capability, an additional \$11 million will be spent over the forward estimates period through a three-year lease (with the possibility of a further two one-year extensions) for a Large Air Tanker (and accompanying lead aircraft) based at the Busselton Margaret River Airport during the peak bushfire season.

Jandakot Consolidated Aviation Airbase

The Government has allocated \$10.7 million over the forward estimates period to establish a new aviation and maintenance facilities base through a 25-year lease at 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 at the one facility, optimising its aviation emergency management and delivering shorter response and recovery times.

A further \$1.8 million in 2022-23 has been approved for the fit-out of the new base (see Chapter 6).

Digital Capability Fund – Emergency WA

The Government will spend \$6.2 million (including \$947,000 funded by the Digital Capability Fund) over 2021-22 to 2025-26 on the operating costs associated with the development of the next generation Emergency WA platform. The new platform will transform the way emergency information is delivered to Western Australians by providing real-time visual emergency spread alerts, two-way communication, and language diversity. The platform will also enable full implementation of the new nationally consistent Australian Warning System.

Additional capital investment of \$9.7 million over 2021-22 to 2025-26 has also been approved to deliver the new Emergency WA platform (see Chapter 6).

Digital Capability Fund – Financial Management Information System (FMIS)

The Department will spend \$6 million over the forward estimates period to replace its obsolete FMIS. The new FMIS, funded from the Digital Capability Fund in 2022-23 (\$3.5 million) and additional Emergency Services Levy (ESL) revenue from 2023-24, will integrate finance and business services capability and is expected to result in significant efficiencies. Capital investment of \$8.9 million over the forward estimates period has also been approved for this project (see Chapter 6).

State Natural Disasters Recovery

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 following the Wooroloo bushfire (February 2021) and Severe Tropical Cyclone Seroja (April 2021) natural disasters.

Direct Brigade Alarms (DBA) Network – 4G Upgrade

The Government will spend \$3.9 million over 2022-23 and 2023-24 to replace or upgrade approximately 4,000 DBA devices to the 4G network following Telstra's decision to decommission the 3G network in June 2024.

RiskCover Insurance Premiums

The Government has approved additional expenditure of \$2.3 million over the forward estimates period to meet the estimated growth in RiskCover premiums.

Western Australian Emergency Management Training Centre

The Department will spend a further \$1.7 million in 2022-23 on the development of the Project Definition Plan and identification of a suitable site for the Western Australian Emergency Management Training Centre.

Bushfire Framework Review

The Government will spend an additional \$717,000 over 2021-22 and 2022-23 on additional resources to assist with the implementation of the Bushfire Framework Review. This includes the delivery of the new mapping methodology of Bushfire Prone Areas in collaboration with the Commonwealth Scientific and Industrial Research Organisation.

Royal Commission Into National Natural Disaster Arrangements (RCNDA)

As the responsible agency for the coordination of the State's implementation, monitoring and reporting of the agreed RCNDA recommendations, \$436,000 will be spent over 2021-22 to 2023-24 (through reprioritised expenditure) on resources to undertake this function. This will include providing implementation progress updates to the National Cabinet and the National Federation Reform Council.

Warmun Community Flood Mitigation

As part of a \$700,000 Commonwealth grant received under the National Flood Mitigation Infrastructure Program, \$100,000 has been spent in 2021-22 on planning for a replacement flood warning system in the Warmun community. The capital cost of the system is \$400,000 in 2022-23 (see Chapter 6).

Office of the Director of Public Prosecutions

Demand for Prosecution Services

The Government has approved additional expenditure totalling \$11.9 million over 2021-22 to 2025-26 to meet projected growth in the demand for prosecution services, including the prosecution of complex crime and corruption cases, and ICT costs associated with storing digital evidence.

Perth Children's Court Early Resolution

To address increasing demand at the Perth Children's Court, a total of \$3.5 million will be spent over 2021-22 to 2025-26 to implement an early resolution program aimed at resolving cases at an earlier stage, and reducing the time spent by young people on remand while awaiting trial.

Digital Capability Fund – Change Management and System Replacement Program

The Office of the Director of Public Prosecutions will spend \$2.8 million over the forward estimates period on licensing, maintenance and support costs associated with the Integrated Prosecutorial Management and Evidence Handling System. A further \$7 million is being invested to implement the new system (see Chapter 6).

State Solicitor's Office

COVID-19 Response

COVID-19 Related Expenditure

To support the State's response to the COVID-19 pandemic, the Government has allocated \$2.3 million in 2022-23 for the continued provision of COVID-19 related legal advice.

Other Spending

Demand for Legal Services

Reflecting the increasing workload and complexity of legal matters managed by the State Solicitor's Office (SSO), an additional \$15.6 million will be spent over 2021-22 to 2025-26 on resourcing and external counsel costs.

This expenditure will allow the SSO to meet ongoing work demands resulting from major commercial projects and litigation proceedings, including high-profile class actions in the Federal Court and supporting the Royal Commission into Defence and Veterans Suicide.

Civil Litigation – Institutional Abuse Claims

The Government has allocated a total of \$6.1 million over 2022-23 and 2023-24 for the SSO to continue its civil litigation team, which is responsible for the management of historical child sexual abuse matters.

Prosecution of Corruption and Crime Matters

To facilitate the timely prosecution of matters referred by the Corruption and Crime Commission, the Government has approved additional resourcing for the SSO of \$1.3 million over the forward estimates period.

Corruption and Crime Commission

Other Spending

Unexplained Wealth Function

The Commission will spend an additional \$2.8 million in 2022-23 to maintain its Unexplained Wealth Function, which seeks to deter crime (particularly organised crime) by investigating and confiscating assets from individuals whose wealth exceeds the value of what has been lawfully acquired.

A further \$480,000 will be spent in 2022-23 for office fit-out works and additional ICT systems to support the Commission's Unexplained Wealth Function (see Chapter 6).

COMMUNITY SERVICES

Table 8

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
COMMUNITIES					
Election Commitments					
– Armadale Family and Domestic Violence Hub	-0.2	4.7	3.4	3.3	3.5
– Seniors' Safety and Security Rebate Resourcing	0.3	0.4	-	-	-
COVID-19 Response					
– Test Isolation Payment	30.0	1.9	-	-	-
– Self-Isolation Accommodation	11.3	-	-	-	-
– Emergency Welfare Services	-	4.5	-	-	-
– COVID-19 Preparedness for the Community Services Sector	1.4	-	-	-	-
– Small Business Financial Counselling and Advisory Services	1.2	-	-	-	-
Other Spending					
– National Disability Insurance Scheme – Transition	-41.7	-41.7	-41.7	-41.7	-41.7
– National Disability Insurance Scheme Participants	78.5	-	-	-	-
– Extension of Service Contracts	-	24.9	17.1	11.1	10.9
– Investment in Child Protection Services	2.0	15.6	16.0	4.1	37.4
– Royal Commission into Institutional Responses to Child Sexual Abuse	0.4	5.9	5.7	1.1	-
– Regulation and Quality Assurance to Safeguard Children	-	3.6	3.6	3.6	3.6
– Government Office Accommodation	12.0	-	-	-	-
– Digital Capability Fund – Human Resource Management System	1.3	5.4	2.7	-	-
– National Partnership Agreement for Family Domestic Sexual Violence Responses 2021-2023	7.5	-	-	-	-
– Remote Aboriginal Communities – Municipal Services	-	2.4	1.5	1.6	1.6
– Enhanced Family and Domestic Violence Response Team	-	3.6	0.9	1.0	1.0
– Digital Capability Fund – Property Asset Management System and Project Management Information System	1.0	3.2	0.2	0.2	0.2
– Safe Perth City	1.8	1.1	-	-	-
– Improving Outcomes for Aboriginal People	-0.3	1.1	1.0	_(a)	_(a)
– Perth Children's Court – Therapeutic Pilot Court	-	0.2	0.2	-	-
LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES					
Election Commitments					
– East Fremantle Oval Redevelopment	-	5.0	-	-	-
COVID-19 Response					
– Reallocation of Small Business Assistance Grants (Administered)	-13.4	-	-	-	-
– Business Assistance Grants	11.6	-	-	-	-
– Getting the Show Back on the Road+ Program Extension and Revised Eligibility	10.0	-	-	-	-
– Event Supplier Support Program (Administered)	3.0	-	-	-	-
– Business Assistance Package – December 2021 Public Health Measures	2.3	-	-	-	-
– Industry Support Package and Business Hardship Fund - Administration Support	0.7	-	-	-	-

Table 8 (cont.)

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
Other Spending					
– Gambling Tax Rebates (Administered)	6.3	0.9	1.4	3.2	4.4
– Lotteries Commission Act 1990 Payments	5.9	0.5	1.0	2.6	3.7
– WA Museum Boola Bardip Admission and Operational Costs	-	0.7	0.8	5.4	0.6
– Perth Cultural Centre Security	0.4	0.8	0.8	0.8	0.9
– HMAS Ovens Submarine Works	-	2.1	1.4	-	-
– Production Attraction Support	1.0	2.0	-	-	-
– Banned Drinkers Register Trial – Kimberley and Pilbara Extension	0.5	2.0	-	-	-
– National Redress Scheme Costs	-	0.6	0.7	-	-
– Digital Capability Fund – State Library of Western Australia Digitisation	-	1.0	-	-	-
– Art Gallery of Western Australia Project Definition Planning	-	0.5	-	-	-
WESTERN AUSTRALIAN SPORTS CENTRE TRUST					
COVID-19 Response					
– Commercial Sporting Franchises Support Program	1.4	-	-	-	-
Other Spending					
– Revised Financial Forecasts	-8.1	0.8	-	-	-
– Optus Stadium – Modifications and Lifecycle Costs	1.2	1.4	1.0	0.9	1.5
– Occupational Safety and Health Compliance	-	0.4	0.4	0.4	0.4

(a) Amounts less than \$50,000

Communities

Election Commitments

Armadale Family and Domestic Violence Hub

The Government has approved an additional investment totalling \$14.7 million over 2022-23 to 2025-26 to establish and operate the Armadale Family and Domestic Violence Hub, which will provide a comprehensive wrap-around service for those impacted by family and domestic violence, including children and young people.

Seniors' Safety and Security Rebate Resourcing

To administer the Government's \$12 million Seniors' Safety and Security Rebate Scheme, a further \$701,000 will be spent over 2021-22 and 2022-23 on additional resourcing to ensure timely processing of applications.

COVID-19 Response

Test Isolation Payment

The Department of Communities has been allocated \$31.9 million over 2021-22 and 2022-23 for the Government's COVID-19 Test Isolation Payments Scheme, which commenced in early 2022. The payment provides eligible workers and carers without access to paid leave or income support a \$320 payment while awaiting a COVID-19 test result. A further \$48.1 million in 2022-23 is held in a global provision for this scheme, pending actual uptake.

Self-Isolation Accommodation

As part of the State Welfare Response to the COVID-19 pandemic, the Department will spend an additional \$11.3 million in 2021-22 to provide temporary emergency rooms for individuals who are required to self-isolate and do not have access to appropriate accommodation.

Emergency Welfare Services

The Government has committed an additional \$4.5 million in 2022-23 for the State Welfare Incident Coordination Centre function to continue managing the State's COVID-19 emergency welfare response between July and December 2022.

COVID-19 Preparedness for the Community Services Sector

The Department will provide \$1.4 million in 2021-22 to the Western Australian Council of Social Services (WACOSS) for a small grants program to enable community services organisations to recoup the cost of cleaning after COVID-19 exposure, and the development of a sector-wide response for surge workforce requirements.

Small Business Financial Counselling and Advisory Services

As part of the Government's \$67 million COVID-19 Business Assistance Package and \$77 million Safe Transition Industry Support Package, a total of \$1.2 million will be spent in 2021-22 to provide financial counselling and advisory services for small businesses adversely affected by the implementation of public health and social measures.

Other Spending

National Disability Insurance Scheme - Transition

In line with Western Australia's transition into the National Disability Insurance Scheme (NDIS), specialty disability services for people 65 years and older, previously delivered by the State, will now be funded by the Commonwealth. As a result, spending by the Department has been revised down by \$208.5 million over the forward estimates period.

National Disability Insurance Scheme Participants

The State's contributions to the NDIS have been increased by \$78.5 million in 2021-22, due to a higher than forecast number of Western Australian participants joining the Scheme. In 2021-22, the State's payments to the Commonwealth for the NDIS are forecast to total \$998.7 million.

Extension of Service Contracts

To support the Department's planned commissioning of critical services provided by the community services sector, an additional \$63.9 million will be spent over 2022-23 to 2025-26. This will enable continuation of services at current levels for the term of the contract, for services including homelessness, family and domestic violence, and out-of-home care.

Investment in Child Protection Services

This Budget invests an additional \$114 million into the child protection system and supporting services to protect vulnerable children and their families, and steer at-risk children away from the justice system. This includes an additional \$75.2 million to boost child protection services, including:

- \$36.7 million to meet the cost of delivering essential child protection services, including recruitment of an additional 36 child protection workers;
- \$23.9 million to expand and enhance earlier intervention services, including intensive family support and outreach services for at-risk youths and their families;
- \$11.1 million to roll-out the successful Target 120 program to nine additional regional and metropolitan sites, including four sites in the Kimberley;
- \$2.7 million to deliver a dedicated pilot intervention responding to harmful sexual behaviours by children or young people (see below); and
- \$800,000 to appoint a Chief Practitioner for Child Protection within the Department.

Royal Commission into Institutional Responses to Child Sexual Abuse

In addition to its investment in a Harmful Sexual Behaviours Pilot, the Government will also spend \$13.2 million over the forward estimates period to continue its ongoing commitment to implement recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse, including:

- \$5.6 million to meet the costs associated with managing historical child sexual abuse civil litigation claims and National Redress Scheme requests and associated settlement expenses;
- \$4.2 million to undertake preparatory work to support implementation of the Government's Working with Children (Criminal Record Checking) Amendment Bill 2021, which includes \$2.4 million for system upgrades funded by the Digital Capability Fund; and

- \$3.3 million to continue the Royal Commission Implementation team within the Department to support the ongoing implementation of recommendations across the State.

Other related initiatives noted in this chapter include an increased investment in resourcing for monitoring and compliance functions overseeing early childhood education and out-of-home care services and to assist children in the justice system, and increased expenditure to meet the Department's commissioning priorities for out-of-home care services.

Regulation and Quality Assurance to Safeguard Children

The Department will spend an additional \$14.4 million over the forward estimates period to strengthen and meet an increase in demand for monitoring and compliance functions overseeing early childhood education and care services, and out-of-home care services for children in the care of the Chief Executive Officer.

Government Office Accommodation

Spending on office accommodation will be \$12 million higher in 2021-22 to reflect the updated forecast of the Department's office accommodation footprint and requirements across the State.

Digital Capability Fund – Human Resource Management System

A new consolidated human resource management (HRM) system will be implemented at a cost of \$9.4 million over 2021-22 to 2023-24 to consolidate the Department's three existing HRM systems. This will ensure better support to employees, compliance with legislative requirements and procurement policies, and will integrate with the Department's new Finance system currently being implemented.

National Partnership Agreement for Family Domestic Sexual Violence Responses 2021-2023

Under the National Partnership Agreement for Family Domestic Sexual Violence Responses with the Commonwealth, \$7.5 million will be spent in 2021-22 to boost services provided by community service organisations delivering critical family, domestic and sexual violence services.

Remote Aboriginal Communities – Municipal Services

Spending on municipal services in remote Aboriginal communities will be increased by \$7.1 million over the forward estimates period, specifically to support critical waste management services in Ngaanyatjaraku Lands and to develop and maintain three new community swimming pools in Blackstone, Warakurna and Warburton.

Enhanced Family and Domestic Violence Response Team

The Department will implement a phased enhancement of its Family and Domestic Violence Response Team model, at a cost of \$6.5 million over the forward estimates period, primarily for additional staff resources and system upgrades. The enhanced services aim to reduce reoffending by perpetrators and harm to victims by providing early intervention and targeted support to address perpetrator behaviour.

A further \$1.2 million has been approved for the Department of Justice as part of this initiative.

Digital Capability Fund - Property Asset Management System and Project Management Information System

The Government has invested a total of \$4.9 million over the forward estimates period to replace the Department's current Property Asset Management and Project Management Information systems to better support management of its housing assets and support the delivery of social housing services going forward.

Safe Perth City

As part of the Government's commitment to address antisocial behaviour and boost safety in the Perth central business district and Northbridge, a total of \$2.8 million has been committed over 2021-22 and 2022-23 to deliver the Safe Perth City Initiative. This includes \$1.5 million to expand and continue the Housing First Rapid Response service (also known as the HEART program) to improve outreach for those sleeping rough, and \$1 million for a security patrol service delivered by Aboriginal liaison officers.

Improving Outcomes for Aboriginal People

To improve outcomes for Aboriginal people, a total of \$1.8 million is being committed over 2022-23 to 2025-26 to enhance the Department's cultural capability and ensure service delivery is culturally safe and responsive to the needs of Aboriginal people.

Perth Children's Court – Therapeutic Pilot Court

The Government has allocated an additional \$422,000 over 2022-23 and 2023-24 for the Department to support the expansion of the Therapeutic Pilot Court to four sitting days a week, with a fifth day for emergency crisis hearings.

Local Government, Sport and Cultural Industries

Election Commitments

East Fremantle Oval Redevelopment

An additional \$5 million will be provided to the Town of East Fremantle in 2022-23 to assist in offsetting general increases in construction costs for the redevelopment of the East Fremantle Oval, bringing the Government's total commitment for this project to \$25 million.

COVID-19 Response

Reallocation of Small Business Assistance Grants (Administered)

Previously approved expenditure for COVID-19 Response measures totalling \$13.4 million in 2021-22 has been reallocated to support new COVID-19 support measures, including an expansion of the eligibility criteria under the Getting the Show Back on the Road+ (GTSBOR+) program (see below).

Business Assistance Grants

A total of \$11.6 million will be spent in 2021-22 on business support measures under the Level 1 COVID-19 Business Assistance Package including: the Alfresco Rebate program; Waiver of Liquor Licensing Fees; Nightclub Assistance program; and the Performing Arts, Theatres and Cinemas assistance package.

Getting the Show Back on the Road+ Program Extension and Revised Eligibility

The Government has approved \$10 million in 2021-22 to support an extension of GTSBOTR+ support and eligibility, including support for the rescheduling of events impacted by Level 2 public health and social measures.

Event Supplier Support Program (Administered)

Expenditure of \$3 million has been allocated in 2021-22 to assist event suppliers in conjunction with an expansion of the GTSBOTR+ program.

Business Assistance Package – December 2021 Public Health Measures

The Department will spend an additional \$2.3 million in 2021-22 to support events cancelled or impacted by public health measures over 24 December 2021 to 4 January 2022.

Industry Support Package and Business Hardship Fund - Administration Support

Additional expenditure of \$712,000 has been approved for the Department in 2021-22 to meet costs associated with the administration and payment of COVID-19 related grants.

Other Spending

Gambling Tax Rebates (Administered)

The Government has approved additional recurrent expenditure of \$16.2 million over 2021-22 to 2025-26 to reflect increased GST gambling tax rebates primarily as a result of a general uplift in Lotterywest games revenue.

Lotteries Commission Act 1990 Payments

The Department has allocated a further \$13.7 million to arts and sporting groups over 2021-22 to 2025-26 reflecting an uplift in Lotterywest games revenue. In accordance with the *Lotteries Commission Act 1990*, a portion of Lotterywest games revenue is distributed to the arts and sport sectors.

WA Museum Boola Bardip Admission and Operational Costs

An additional \$7.5 million will be spent over the forward estimates period to meet increased operational costs for the new WA Museum Boola Bardip and maintain free general admission until October 2022.

Perth Cultural Centre Security

Expenditure of \$3.6 million has been approved over the forward estimates period to deliver a 24-hour security presence across the Perth Cultural Centre precinct.

HMAS Ovens Submarine Works

To address urgent maintenance and remediation work for the submarine HMAS Ovens and the vessel slipway in Fremantle Harbour, an additional \$3.5 million will be spent over 2022-23 and 2023-24.

Production Attraction Support

The Government has allocated an additional \$3 million over 2021-22 and 2022-23 to assist in attracting television production to Western Australia.

Banned Drinkers Register Trial – Kimberley and Pilbara Extension

To extend the Banned Drinkers Register trial to the Kimberley and Pilbara regions, a further \$2.5 million will be spent over 2021-22 and 2022-23 before an evaluation of the outcomes of the trial is undertaken.

National Redress Scheme Costs

The Department will spend \$1.3 million over 2022-23 and 2023-24 to manage historical child sexual abuse civil litigation claims and National Redress Scheme requests.

Digital Capability Fund – State Library of Western Australia Digitisation

Additional expenditure of \$1 million has been approved in 2022-23 to allow the State Library of Western Australia to implement a program of increased in-house audio and outsourced commercial film digitisation. Additional capital expenditure of \$392,000 is detailed in Chapter 6.

Art Gallery of Western Australia Project Definition Planning

A total of \$500,000 will be spent in 2022-23 to progress project definition planning for an offsite storage facility for the Art Gallery of Western Australia.

Western Australian Sports Centre Trust

COVID-19 Response

Commercial Sporting Franchises Support Program

As part of the Level 2 COVID-19 Business Assistance Package, \$1.4 million has been allocated in 2021-22 for the Commercial Sporting Franchises Support Program. The Program includes up to a \$35,000 rebate per game for venue hire costs for commercial sporting franchises.

Other Spending

Revised Financial Forecasts

Financial forecasts for a number of Western Australian Sports Centre Trust venues have been revised, primarily to reflect the ongoing impact of COVID-19 and associated restrictions on events and attendances. As a result, expenses have been revised down by \$7.3 million across the forward estimates period, primarily for Optus Stadium, RAC Arena and HBF Park.

Optus Stadium – Modifications and Lifecycle Costs

To meet increased operating and lifecycle costs at Optus Stadium, the Government will spend \$5.9 million over 2021-22 to 2025-26 on modifications that improve the Stadium design.

Occupational Safety and Health (OSH) Compliance

Additional expenditure of \$1.6 million over the forward estimates period has been approved to ensure appropriate safety and risk management at venues.

TRANSPORT

Table 9

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
TRANSPORT					
Election Commitments					
– Mount Lawley Cycling Network	-	0.2	-	-	-
COVID-19 Response					
– COVID-19 Information Call Centre	7.5	3.3	-	-	-
Other Spending					
– Reform Package for Zero and Low Emission Light Vehicles	-	8.5	11.9	16.0	-
– Digital Capability Fund – Cloud Transition Program	-	11.8	9.0	4.1	-
– Driving Access and Equity Program Extension	-	5.5	-	-	-
– Inter-Regional Flight Network Expansion	-	1.8	0.9	0.9	0.5
– Westport Enabling Works Feasibility Studies	-	2.5	1.0	-	-
– Climate Action – Sectoral Emissions Reduction Strategy	0.3	1.3	0.9	0.4	-
– ServiceWA – Bunbury Trial Extension	-	0.8	0.8	0.9	-
– Digital Capability Fund – Taxi User Subsidy Scheme (TUSS) Reform Program	-	-	-	1.1	1.1
– TUSS Reform Program – Vehicle Modification Grants and Taxi User Co-Payment	2.0	2.4	2.4	2.4	2.4
– Strategic Policy and Planning for Ports	-	0.6	-	-	-
– Climate Action – Green Hydrogen Feasibility Study	-	0.3	-	-	-
COMMISSIONER OF MAIN ROADS					
Other Spending					
– Outback Way ^(a)	-	75.0	75.0	70.0	70.0
– Tanami Road	-	5.0	65.0	90.0	105.0
– Mid West and Great Southern Secondary Freight Network Program	1.5	18.0	16.5	-	-
– State Road Funds to Local Government Agreement	-	4.9	5.0	4.7	5.3
– 2023 Total Solar Eclipse – Traffic Management and Rest Area Upgrades	-	7.9	-	-	-
– Road Maintenance In-House Delivery Model	-	-	-6.4	-3.4	-18.1
PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA^(b)					
Election Commitments					
– METRONET – Replacement Services for Armadale Rail Line Shutdown	-	16.7	40.0	3.3	-
– METRONET – Rail Network Growth	-	6.4	7.2	7.4	7.5
– METRONET – Update to Operating Costs	-11.8	-23.0	-19.8	-4.3	0.2
COVID-19 Response					
– Public Transport Patronage	18.2	27.3	3.3	0.5	0.4
– Waiver of Service Contributions for Transport Services to Events	0.7	-	-	-	-
Other Spending					
– Cost and Funding Updates	-8.8	8.0	12.4	24.0	34.0
– Digital Capability Fund – Asset Management Systems Improvement Program	0.1	0.2	0.3	0.3	0.4
– Climate Action – Strategy to Transition the Transperth Bus Fleet to Electric Vehicles	-	0.2	0.2	-	-
– Reduced Operating Subsidy for Public Transport Fare Changes	-	-1.0	-1.4	-3.0	-3.7

Table 9 (cont.)

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
FREMANTLE PORT AUTHORITY					
Other Spending					
– Westport Feasibility Study – Vehicles Trade Relocation	-	3.5	1.5	-	-
– Westport Feasibility Study – Kwinana Bulk Jetty Relocation	-	5.5	2.0	-	-
SOUTHERN PORTS AUTHORITY					
Other Spending					
– Government Support Package for Koolyanobbing Iron Ore ^(b)	-	5.6	-	-	-

(a) Although the financial impact of this project was accounted for in the 2021-22 Mid-year Review, the spending change was not disclosed in that publication as negotiations with the Commonwealth were not finalised at that time.

(b) Represented in general government expenses as grants and subsidies, sourced from the Consolidated Account and paid through the Department of Treasury.

Transport

Election Commitments

Mount Lawley Cycling Network

The Government will provide \$200,000 to the City of Stirling in 2022-23 to plan a bicycle path network.

COVID-19 Response

COVID-19 Information Call Centre

The Department will continue to operate the COVID-19 Information Call Centre over 2021-22 and 2022-23 at a cost of \$10.7 million. The call centre provides vital information about the pandemic to Western Australians.

Other Spending

Reform Package for Zero and Low Emission Light Vehicles

To help encourage the uptake of electric vehicles, 10,000 rebates of \$3,500 will be provided to purchasers of eligible vehicles valued up to \$70,000. Over the period 2022-23 to 2024-25, a total of \$36.5 million will be spent to provide and administer the rebates.

Digital Capability Fund – Cloud Transition Program

To provide a more reliable and secure platform for the provision of the State's critical transport ICT services, including the storage of driver's licence details, \$24.9 million will be spent over 2022-23 to 2024-25 to transition the Department of Transport's ageing, core ICT infrastructure to a cloud environment.

Driving Access and Equity Program Extension

The Driving Access and Equity Program will be extended for another year, with a further \$5.5 million to be spent in regional Western Australia in 2022-23.

Inter-Regional Flight Network Expansion

Alongside contributions from local governments, \$4.1 million will be contributed over 2022-23 to 2025-26 to support regional airline Aviair to upgrade the capacity of its aircraft servicing Karratha-Port Hedland-Broome and to establish a new route between Geraldton and Karratha.

Westport Enabling Works Feasibility Studies

An additional \$3.5 million has been allocated over 2022-23 and 2023-24 to the Department of Transport to develop feasibility studies for the following enabling works projects to support the new Kwinana port:

- relocation of non-container trades from the Port of Fremantle to other locations; and
- development of a new southern Kwinana Rail Loop to avoid rail congestion.

These studies will be funded from the Westport Special Purpose Account (SPA).

Climate Action – Sectoral Emissions Reduction Strategy

The Transport sector's Emissions Reduction Strategy will be developed at a cost of \$2.9 million over 2021-22 to 2024-25, which includes initial planning to transition the Transperth bus fleet to electric vehicles.

ServiceWA – Bunbury Trial Extension

The ServiceWA trial in Bunbury will continue through 2022-23 to 2024-25 at an additional cost of \$2.5 million.

Digital Capability Fund – Taxi User Subsidy Scheme (TUSS) Reform Program

As part of the reform of the State's TUSS, which provides subsidised travel for eligible people with a disability, \$2.2 million will be spent over 2024-25 and 2025-26 to support the transition to a new digital system. This will be developed and implemented through a supporting \$8.8 million capital investment (see Chapter 6).

TUSS Reform Program – Vehicle Modification Grants and Taxi User Co-Payment

To increase the value of the TUSS Wheelchair Accessible Vehicle Modification Grant program, a further \$1.5 million will be spent across the forward estimates period to help increase the supply of wheelchair accessible vehicles, particularly in regional Western Australia. In addition, and reflecting increased program demand, an extra \$10 million (\$2 million per annum) has been allocated to the Department's Taxi User Co-Payment budget.

Strategic Policy and Planning for Ports

The Department will spend \$568,000 in 2022-23 to continue the management of the safe entry of foreign vessels into ports during the COVID-19 pandemic.

Climate Action – Green Hydrogen Feasibility Study

A high-level feasibility study will be undertaken in 2022-23, at a cost of \$300,000, into the potential to power trains on the State's regional network with green hydrogen.

Commissioner of Main Roads

Other Spending

Outback Way

To provide Western Australia with a third sealed route across Australia, the State and Commonwealth Governments will invest \$290 million over 2022-23 to 2025-26 (with a further \$210 million beyond the forward estimates) to fully seal Outback Way.

Tanami Road

The Tanami Road will be completely sealed to the Western Australian border, with the State and Commonwealth Governments to invest \$265 million over the forward estimates (with a further \$235 million beyond the forward estimates). The newly sealed road will improve safety, accessibility and flood resilience, and better support communities and industries in the north-west.

Mid West and Great Southern Secondary Freight Network Program

Joint State and Commonwealth funding totalling \$36 million will be spent over 2021-22 to 2023-24 to seal road shoulders and widen traffic lanes in the Mid West and Great Southern regions.

State Road Funds to Local Government Agreement

Main Roads' expenditure on local road projects under the State Road Funds to Local Government Agreement will increase by \$19.9 million over the period 2022-23 to 2025-26 as a result of a forecast increase in motor vehicle licence fee revenue.

2023 Total Solar Eclipse – Traffic Management and Rest Area Upgrades

In preparation for the large number of vehicles that are expected to travel to Exmouth for the Total Solar Eclipse in April 2023, the Government has approved additional expenditure of \$7.9 million in 2022-23 for traffic management costs and upgrades to road rest areas. This forms part of the Government's total commitment in this Budget of \$19.3 million for the Total Solar Eclipse event.

Road Maintenance In-House Delivery Model

The Government will return road maintenance services to Main Roads, directly employing up to an additional 660 staff over the forward estimates, which is expected to save \$27.9 million over the forward estimates period. Four new offices and depots will be established in regional Western Australia, including Manjimup, Esperance, Karratha and Broome.

Public Transport Authority

Election Commitments

METRONET – Replacement Services for Armadale Rail Line Shutdown

To deliver extensive bus replacement services during the Armadale Rail Line shutdown, \$60 million has been provisioned over 2022-23 to 2024-25 for the costs of running the replacement services. The provision will be drawn once specific routes and the operating plan is finalised after public consultation has been completed.

METRONET – Rail Network Growth

To support the commissioning, integration and operation of the new METRONET stations and rail lines, \$28.5 million will be spent on additional resources over 2022-23 to 2025-26 – including engineers, network controllers and work safe trainers.

METRONET – Update to Operating Costs

Following updates to various project parameters, including the previously announced and adjusted delivery of the Forrestfield-Airport Link, the Yanchep Rail Extension and the Thornlie-Cockburn Link projects, the operating subsidy paid to the Authority will decrease by \$58.7 million over 2021-22 to 2025-26.

COVID-19 Response

Public Transport Patronage

The COVID-19 pandemic continues to impact Transperth and Transwa patronage. Whilst patronage levels remain high relative to other Australian jurisdictions, they are forecast to be lower than previously expected. Additional operating subsidy of \$49.8 million to 2025-26 has been provided to the Authority to offset the forecast reduction in fare revenue.

Waiver of Service Contributions for Transport Services to Events

The Authority received an additional operating subsidy of \$736,000 in 2021-22 to offset a decrease in revenue following the continued waiver of fees for transport services to special events due to reduced crowd capacities.

Other Spending

Cost and Funding Updates

As a result of updated cost and economic parameters, including the forecast Consumer Price Index and interest rates, an additional \$69.6 million is forecast to be spent by the Authority over 2021-22 to 2025-26.

Digital Capability Fund – Asset Management Systems Improvement Program

The Authority's asset management system, which will be required to manage over 75,000 public transport assets over the coming years, is to be enhanced with \$1.4 million to be spent over 2021-22 to 2025-26. The improvements will support the continued safe and efficient operation of public transport services in Western Australia. This is supported by capital expenditure of \$7.6 million for system enhancements (see Chapter 6).

Climate Action – Strategy to Transition the Transperth Bus Fleet to Electric Vehicles

To support the transition of the Authority's bus fleet to electric vehicles, \$396,000 will be spent over 2022-23 and 2023-24 to undertake specialist modelling and analysis.

Reduced Operating Subsidy for Public Transport Fare Changes

The operating subsidy paid to the Authority will reduce by \$9 million over the period 2022-23 to 2025-26 as a result of Transperth and Transwa fare changes.

Fremantle Port Authority

Other Spending

Westport Feasibility Study – Vehicles Trade Relocation

The Government will provide up to \$5 million from the Westport SPA over 2022-23 and 2023-24 to the Fremantle Port Authority (FPA) to assess future location options, and possible berth designs, for the roll-on roll-off (vehicle shipping). This has the potential to allow for alternative development on the existing site ahead of the container port moving to Kwinana.

Westport Feasibility Study – Kwinana Bulk Jetty Relocation

The FPA will be provided up to \$7.5 million from the Westport SPA over 2022-23 and 2023-24 to conduct feasibility studies and assess design options to relocate the current aging Kwinana Bulk Terminal jetty to provide flexibility for the proposed new container terminal site.

Southern Ports Authority

Other Spending

Government Support Package for Koolyanobbing Iron Ore

In line with the Government support package agreed in 2018, the operating subsidy paid to the Southern Ports Authority will be extended into 2022-23 because of revised throughput forecasts for 2021-22 and 2022-23. This operating subsidy is forecast to cease in 2023, subject to actual throughput.

ENVIRONMENT

Table 10

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
WATER AND ENVIRONMENTAL REGULATION					
Other Spending					
– Climate Action – Climate Risk Advisory Service	-	0.4	0.4	0.4	0.4
– Climate Action – Sectoral Emissions Reduction Strategies	0.5	0.8	0.6	-	-
– Climate Action – Supporting Agencies to Estimate Emissions and Assess Opportunities for Emissions Reductions	-	0.4	-	-	-
– Climate Action – Strengthened Carbon Farming Policy Capability	-	0.3	0.3	0.3	0.3
– Climate Action – Resourcing for Senior Executive Position for Climate Change	-	0.2	0.2	0.2	0.2
– Climate Action – Health Sector Adaptation Plan	-	0.2	0.2		
– Climate Action – Climate Resilient WA		0.1			
– Plan for Plastics – Community Engagement Program	0.5	-	-	-	-
– Rebuild of Australind Jetty	-	3.0	-	-	-
– Native Vegetation Policy Implementation	-	1.1	1.6	-	-
– Replace and Maintain Monitoring Bores – Funding Reclassification	-	-0.6	-0.6	-0.6	-0.6
– Port Hedland Ambient Air Quality Monitoring	0.3	0.7	0.7	0.8	0.8
– Delivery of Gnamptara Groundwater Allocation Plan	-	0.8	0.8	0.8	0.8
– Murujuga Rock Art Strategy	-	0.4	0.4	0.5	0.3
– Murujuga Rock Art Monitoring Program	-	6.5	4.7	4.7	3.2
– Compliance Resourcing	-	0.7	0.7	-	-
– Plant, Equipment and Minor Works – Funding Reclassification	0.7	0.7	0.7	0.7	0.7
– Exmouth Gulf Coordinating Body	-	0.8	0.9	0.9	-
BIODIVERSITY, CONSERVATION AND ATTRACTIONS					
Election Commitments					
– Kalbar Regional Park Management	-	1.3	1.4	1.4	1.4
COVID-19 Response					
– Murujuga National Park Access Road	-	4.0	5.3	-	-
Other Spending					
– Plan for Our Parks – Joint Management of the Proposed Matuwa Kurarra Kurarra National Park and the Lake Carnegie Nature Reserve	-	3.6	3.7	3.7	3.8
– Climate Action – Carbon Farming on Lands Managed by the DBCA	-	1.7	1.7	1.5	1.5
– Zoological Parks Authority – Additional Resources	-	0.3	0.3	0.3	0.3
– Exmouth Gulf – Marine Research and Management Planning	-	0.4	0.4	-	-
– 2023 Total Solar Eclipse – Event Management	-	0.9	-	-	-

Water and Environmental Regulation

Other Spending

Climate Action – Climate Risk Advisory Service

The Government has committed \$1.6 million over the forward estimates period from the Climate Action Fund for the creation of a Climate Risk Advisory service within the Department. This service will provide climate risk training modules, guidance and support for government agencies and Government Trading Enterprises.

Climate Action – Sectoral Emissions Reduction Strategies

The Department has been allocated \$2 million from the Climate Action Fund over 2021-22 to 2023-24 to coordinate economy-wide analysis and scenario modelling for the development of Sectoral Emissions Reduction Strategies. These strategies will guide the State's transition to net zero emissions by 2050.

Climate Action – Supporting Agencies to Estimate Emissions and Assess Opportunities for Emissions Reductions

Additional expenditure of \$400,000 has been allocated from the Climate Action Fund in 2022-23 for the Department to build the in-house capability of government agencies to measure and report on emissions and deliver emissions reduction plans.

Climate Action – Strengthened Carbon Farming Policy Capability

The Department will spend \$1.3 million over 2022-23 to 2025-26 from the Climate Action Fund to lead the coordination of, and provide guidance to the sector on, carbon farming initiatives under the Western Australian Climate Policy.

Climate Action – Resourcing for Senior Executive Position for Climate Change

The Government has allocated \$905,000 over 2022-23 to 2025-26 from the Climate Action Fund for a new senior executive position for the Department's expanded climate change role.

Climate Action – Health Sector Adaptation Plan

The Department will spend \$350,000 over 2022-23 and 2023-24 from the Climate Action Fund to deliver a Health Sector Adaptation Plan assessing the health impacts of climate change on the State's population.

Climate Action – Climate Resilient WA

To develop a Climate Resilience Strategy, the Department will spend \$120,000 in 2022-23 from the Climate Action Fund that aims to support industry, cities, and regions to identify and manage climate impacts and enhance their climate resilience.

Plan for Plastics – Community Engagement Program

The Government has committed an additional \$500,000 in 2021-22 to undertake a community education campaign to support phase one implementation of Western Australia's Plan for Plastics.

Rebuild of Australind Jetty

The Government has committed to rebuild the Australind Jetty following its closure in 2021 (see Chapter 6). The Department is seeking an in-principle agreement for the jetty to be owned and managed by the Shire of Harvey upon completion of the rebuild, with the asset transfer expensed in 2022-23.

Native Vegetation Policy Implementation

The Department will spend an additional \$2.7 million over 2022-23 and 2023-24 to provide additional staff and resources to support the development and implementation of a new Native Vegetation Policy for Western Australia. This is in addition to \$623,000 approved for capital investment in 2022-23 (see Chapter 6).

Port Hedland Ambient Air Quality Monitoring

Additional industry-funded expenditure of \$3.3 million over the forward estimates period has been approved for the transfer of the ambient air quality monitoring network in Port Hedland from industry to the Department. The transfer is a recommendation from the 2018 Port Hedland Dust Management Taskforce Report.

Delivery of Gnangara Groundwater Allocation Plan

The Gnangara Groundwater Allocation Plan sets a target of reducing groundwater volume entitlements from 1 July 2028. An additional \$3.1 million across the forward estimates period will be spent on additional resources to amend water licences and enact other compliance actions to achieve water use reductions.

Murujuga Rock Art Strategy

The Murujuga Rock Art Strategy provides the framework for the management and monitoring of environmental impacts on Murujuga Rock Art. A further \$1.6 million will be spent over the forward estimates period to support the continued implementation of the strategy in partnership with the Murujuga Aboriginal Corporation.

Murujuga Rock Art Monitoring Program

The Department will spend an additional \$19 million, funded by industry, over 2022-23 to 2025-26 to support additional costs incurred by the monitoring program's expansion and scope change. The monitoring program is part of the Murujuga Rock Art Strategy.

Compliance Resourcing

An additional \$1.4 million over 2022-23 and 2023-24 will be spent on additional resources to support the Department's environmental compliance team while Environment Online (the digital platform for environmental regulation) is being built.

Exmouth Gulf Coordinating Body

To support the establishment of an Exmouth Gulf Coordinating Body, the Department will spend an additional \$2.6 million over 2022-23 to 2024-25 on additional resources to support an integrated management approach for the conservation and enhancement of the environmental, social and cultural values of Exmouth Gulf and its surrounds.

Biodiversity, Conservation and Attractions

Election Commitments

Kalgulup Regional Park Management

The Government has approved a further \$5.5 million over the forward estimates period to continue the employment of resources for the ongoing management of the Kalgulup Regional Park, which forms part of the Plan for Our Parks initiative.

COVID-19 Response

Murujuga National Park Access Road

An additional \$9.3 million over 2022-23 and 2023-24 has been allocated to provide grant funding to the City of Karratha for the construction of a bridge over a tidal creek to access the Murujuga National Park and the tourism precinct in Conzinc Bay. This will bring the total investment from the Government for the Murujuga Access Road to \$19.3 million.

Other Spending

Plan for Our Parks – Joint Management of the Proposed Matuwa Kurarra Kurarra National Park and the Lake Carnegie Nature Reserve

As part of the Plan for Our Parks initiative, the Government has approved additional spending of \$14.9 million over the forward estimates period to implement joint management arrangements with the Traditional Owners of the Matuwa Kurarra Kurarra National Park and the Lake Carnegie Nature Reserve. Under these joint management arrangements, the Department will employ 10 Aboriginal Rangers and liaison officers for on-ground operational works, as well as additional resources to support the Traditional Owners.

Climate Action – Carbon Farming on Lands Managed by the DBCA

The Government has allocated \$6.4 million over the forward estimates period to enable the expansion of the savanna burning program and the establishment of a team to explore carbon abatement opportunities on existing and proposed conservation estates to maximise benefits to conservation, reserve management and Traditional Owners (employment and capacity building).

Zoological Parks Authority – Additional Resources

The Government has approved spending of \$265,000 per annum over the forward estimates period for additional resources to support the implementation of the Perth Zoo's Strategic Fundraising Strategy and delivery of commercial activities.

Exmouth Gulf – Marine Research and Management Planning

The Government has approved \$800,000 over 2022-23 and 2023-24 for additional resources to undertake marine research on key species such as bonefish and dolphins, and management planning and on-country activities associated with the proposed Exmouth Gulf marine park.

2023 Total Solar Eclipse – Event Management

In preparation for the Total Solar Eclipse in April 2023, the Department will spend \$903,000 in 2022-23 on event management activities including additional maintenance grading of tracks and roads, patrol and incident response, equipment hire and waste disposal.

PLANNING AND LAND USE

Table 11

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
PLANNING, LANDS AND HERITAGE					
Election Commitments					
– METRONET Precinct Planning	-	2.5	2.5	-	-
Other Spending					
– Aboriginal Cultural Heritage Act 2021	-	6.3	6.0	-	-
– Digital Capability Fund – State Planning System	0.2	1.3	1.1	0.6	0.7
– Planning Reform Phase Two	-	3.0	3.0	-	-
– Baseline Funding Review	-	2.3	2.3	-	-
– Market-led Proposals Team Resourcing	0.4	0.8	0.8	0.8	0.8
– Bushfire Framework Review	0.2	0.5	0.6	0.6	0.6
– Fremantle Prison Conservation	-	0.9	0.9	0.9	0.9
– Northampton Lead Tailings Project	-	1.2	-	-	-
WESTERN AUSTRALIAN PLANNING COMMISSION					
Other Spending					
– Future of Fremantle	0.8	1.5	0.3	-	-
– 2022-23 Streamlined Budget Process Incentive Funding	-	0.2	-	-	-
WESTERN AUSTRALIAN LAND INFORMATION AUTHORITY (LANDGATE)					
Other Spending					
– National Electronic Conveyancing Data Standards	0.2	-	-	-	-
DEVELOPMENTWA					
Other Spending					
– Yagan Square	3.9	3.2	-	-	-
HERITAGE COUNCIL OF WESTERN AUSTRALIA					
Other Spending					
– 2022-23 Streamlined Budget Process Incentive Funding	-	– (a)	-	-	-
NATIONAL TRUST OF AUSTRALIA (WA)					
Other Spending					
– Cultural Management and Covenanting Programs	-	0.7	0.5	-	-

(a) Amounts less than \$50,000

Planning, Lands and Heritage

Election Commitments

METRONET Precinct Planning

An additional \$5 million will be spent over 2022-23 and 2023-24 on continued station precinct planning for METRONET.

Other Spending

Aboriginal Cultural Heritage Act 2021

To support the implementation of the *Aboriginal Cultural Heritage Act 2021*, additional expenditure of \$12.4 million over 2022-23 and 2023-24 has been allocated to undertake an extensive stakeholder engagement and co-design process to develop subsidiary legislation, establish the Aboriginal Cultural Heritage Council, progress compliance activities and develop procedures to enable an efficient transition to the new legislative regime.

Digital Capability Fund – State Planning System

The Government has allocated \$3.9 million over 2021-22 to 2025-26 to replace the State's land use planning ICT system. The new ICT system will include an improved planning portal to facilitate online lodgement of a broader range of planning applications and provide a more contemporary approach to public engagement linked to mapping and three-dimensional imaging. A further \$7.1 million in capital expenditure has been allocated to this project (see Chapter 6).

Planning Reform Phase Two

The Department will spend \$6 million over 2022-23 and 2023-24 on Phase Two of planning reforms. This will further build on Phase One changes which reduced planning red tape.

Baseline Funding Review

Following a review of the Department's operations and baseline funding, \$4.6 million over 2022-23 and 2023-24 has been allocated to address identified structural deficit issues and investigate options to increase cost recovery.

Market-led Proposals Team Resourcing

The Department will spend \$3.5 million over 2021-22 to 2025-26 to provide additional resources and ancillary operating costs associated with the Market-led Proposals function (transferred from the Department of Finance in March 2022), given the anticipated ongoing volume of proposals.

Bushfire Framework Review

To support the continued implementation of the Bushfire Framework Review, \$2.4 million will be spent over 2021-22 to 2025-26 to progress changes to the Bushfire Framework, including implementing improvements to the Bushfire Accreditation Framework.

Fremantle Prison Conservation

As part of the \$12.6 million allocated by the Government over 2022-23 to 2025-26 for the Prison Conservation project, \$3.7 million will be spent on operational expenditure to facilitate essential heritage conservation works at the Fremantle Prison.

Northampton Lead Tailings Project

The Department will spend \$1.2 million in 2022-23 to complete the Northampton Lead Tailings Project and to assess contamination and safety at two other abandoned mine sites in Northampton.

Western Australian Planning Commission

Other Spending

Future of Fremantle

The Commission will spend \$2.5 million from the Westport SPA over 2021-22 to 2023-24 on the Future of Fremantle project, which will examine land use and economic development opportunities at Fremantle's Inner Harbour, forming part of the broader Westport program of works.

Western Australian Land Information Authority (Landgate)

Other Spending

National Electronic Conveyancing Data Standards

The Government has contributed \$240,000 in 2021-22 for Landgate to jointly establish an entity (NECDS Co) with other States and Territories to manage the National Electronic Conveyancing Data Standards. The NECDS Co will own intellectual property rights and manage the licensing of electronic conveyancing data standards for the State and Territory Governments.

DevelopmentWA

Other Spending

Yagan Square

DevelopmentWA will spend \$7 million over 2021-22 and 2022-23 on public realm upgrades and site activations works at the Yagan Square precinct.

National Trust of Australia (WA)

Other Spending

Cultural Management and Covenanting Programs

Spending of \$1.2 million over 2022-23 and 2023-24 will occur on various programs including cultural awareness training for volunteers, sponsorship for the Australian Heritage festival, cultural landscape management for various National Trust properties, and covenanting programs.

UTILITIES

Table 12

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
SYNERGY					
Other Spending					
– \$400 Household Electricity Credit	-	419.7	-	-	-
– Operating Subsidies	23.2	4.0	15.9	-2.8	6.7
HORIZON POWER					
Other Spending					
– Esperance Energy Supply – Short-Term Contract	-	-(a)	-(a)	-	-
– Esperance Energy Supply – Long-Term Solution	-	10.5	-	-	-
– \$400 Household Electricity Credit	-	15.8	-	-	-
– Electric Vehicle Charging Network	-	-	0.2	0.2	0.2
– Tariff Adjustment Payment Operating Subsidy	-	-1.6	-2.4	-3.3	-5.2
WATER CORPORATION^(b)					
– Operating Subsidy	19.3	27.1	21.9	4.4	-2.9
BUNBURY WATER CORPORATION					
– Operating Subsidy	-	0.4	0.8	1.3	1.8

(a) Not disclosed to avoid prejudicing the State's position.

(b) Represented in general government expenses as grants and subsidies sourced from both the Royalties for Regions Fund and the Consolidated Account and paid through the Department of Treasury.

Synergy

Other Spending

\$400 Household Electricity Credit

An operating subsidy of \$419.7 million will be provided to Synergy in 2022-23 to meet the cost of providing a one-off \$400 credit on the electricity bills of more than 1 million residential customers to help manage current cost of living pressures. The credit will be rolled out from July 2022.

Operating Subsidies

Due to an increase in the cost of the rebates and concessions Synergy administers on behalf of the Government, and the costs that underpin the Financial Viability Subsidies, Synergy will be provided additional subsidies totalling a net \$46.9 million over the forward estimates period.

The increase is primarily driven by a greater impost on Synergy associated with payments it is required to make to customers who export electricity generated from rooftop solar to the network, and revised CPI and population growth forecasting assumptions.

Horizon Power

Other Spending

Esperance Energy Supply – Short-Term Contract

Horizon Power has negotiated a short-term gas supply agreement in Esperance until March 2023. The amount of funding is not disclosed in order to avoid prejudicing the State's position.

Esperance Energy Supply – Long-Term Solution

Horizon Power will invest \$10.5 million in 2022-23 on a long-term energy supply solution for Esperance, which will transition reticulated gas customers to an electrified or bottled gas solution.

\$400 Household Electricity Credit

An operating subsidy of \$15.8 million will be provided to Horizon Power in 2022-23 to meet the cost of providing a one-off \$400 credit on the electricity bills of about 40,000 residential customers to help manage current cost of living pressures. The credit will be rolled out from July 2022.

Electric Vehicle Charging Network

The Government will complete the electric vehicle fast charging network to South Australia by installing additional recharging stations from Norseman to Eucla. Horizon Power will spend \$180,000 per annum over 2023-24 to 2025-26 for the operating costs of the eight additional fast public recharging stations. This is supported by associated capital costs of \$2.4 million (see Chapter 6).

Tariff Adjustment Payment Operating Subsidy

The Tariff Adjustment Payment operating subsidy is paid to Horizon Power for the difference between the efficient cost of supplying electricity in the South West Interconnected System (SWIS) and the uniform tariff revenue paid by customers. This has been revised down by \$12.5 million over 2022-23 to 2025-26, primarily due to a reduction in the efficient cost of supply in the SWIS.

Water Corporation

Operating Subsidy

The operating subsidy paid to the Water Corporation will increase by \$69.8 million over 2021-22 to 2025-26, largely due to the Corporation reclassifying cloud-based ICT projects from capital to operating expenditure (\$52.5 million), updating expense forecasts based on the latest CPI, wage and population growth forecasts (\$20.8 million), and fluoridating the Newman water supply scheme (up \$10 million), partially offset by a reduction in the operating subsidy due to the impact of the water tariff price path (down \$24.3 million).

Bunbury Water Corporation (Aqwest)

Operating Subsidy

An operating subsidy of \$4.3 million will be provided to Aqwest over 2022-23 to 2025-26 to fund a revenue shortfall that arises from increasing residential tariffs in line with forecast CPI rather than the amount needed to achieve cost-reflectivity.

PROVISIONS

Table 13

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
Provisions					
– Digital Capability Fund (Additional Allocation)	-	-	50.0	50.0	60.0
– Digital Capability Fund (Allocation to Agencies)	-	-12.7	-64.9	-69.2	-
– Road Trauma Trust Account Spending	-6.7	-	-	-4.4	5.9
– Provision for National Redress Scheme and Civil Litigation Settlements for Survivors of Institutional Child Sexual Abuse	14.3	20.5	20.5	10.0	10.0
– Industrial Agreement ^(a)	-	-	-	-	-
– COVID-19 Test Isolation Payment (Allocation to agencies)	-30.0	-1.9	-	-	-
– Government Office Accommodation savings	-2.8	-16.3	-9.5	-8.4	-10.8

(a) Confidential – subject to ongoing negotiations.

Provisions

Digital Capability Fund (DCF)

In the 2021-22 Budget, a \$500 million DCF expenditure provision was established to advance digital transformation for sector-wide strategic information and communications technology (ICT) projects and provide capacity to upgrade legacy ICT systems and address cyber-security risk. An additional \$400 million – comprising \$160 million in expenses and \$240 million in capital investment – has been provisioned as part of the 2022-23 Budget.

In this Budget, a total of \$249.6 million has been allocated from the total DCF provision (\$146.8 million of expenses and \$102.8 million of capital investment) to agencies over 2021-22 to 2025-26. Details of the projects funded from the DCF are included in agency disclosures throughout Chapters 5 and 6.

A total of \$337.8 million of recurrent and capital expenditure remains provisioned for future projects.

Road Trauma Trust Account (RTTA) Spending

The 2021-22 Mid-year Review included a provision of \$13 million over the forward estimates for anticipated RTTA spending. Reflecting revised revenue forecasts and new RTTA spending initiatives, the provision has been reduced by \$5.1 million in net terms, leaving a balance of \$7.9 million.

Provision for National Redress Scheme and Civil Litigation Settlements for Survivors of Institutional Child Sexual Abuse

An increase of \$75.3 million in the provision for the national redress scheme has been approved over the forward estimates period. The provisioned costs represent the anticipated future costs associated with the Redress Scheme and civil litigation claims for survivors of institutional child sexual abuse over and above those already reflected in agency budgets (mainly the Department of Justice).

Industrial Agreement

A provision has been included in the Budget aggregates to reflect the estimated financial impact of an ongoing industrial negotiation. The quantum of the provision cannot be disclosed at this time pending the outcome of the agreement.

COVID-19 Test Isolation Payment

The 2021-22 Mid-year Review included an \$80 million provision to support the reopening of Western Australia's borders, with a new payment to ensure that those who do not have access to leave entitlements (mainly casual employees) can access support in line with minimum wages whilst isolated and awaiting test results. To date, \$31.9 million of this provision has been allocated to the Department of Communities, with a balance of \$48.1 million remaining in the provision.

Government Office Accommodation Savings

A provision of \$47.8 million has been established for the forecast savings from asset management reform initiatives related to Government Office Accommodation (GOA). Following the successful delivery of previous GOA reforms, a staged implementation of further asset management reforms has been approved for delivery led by the Department of Finance.

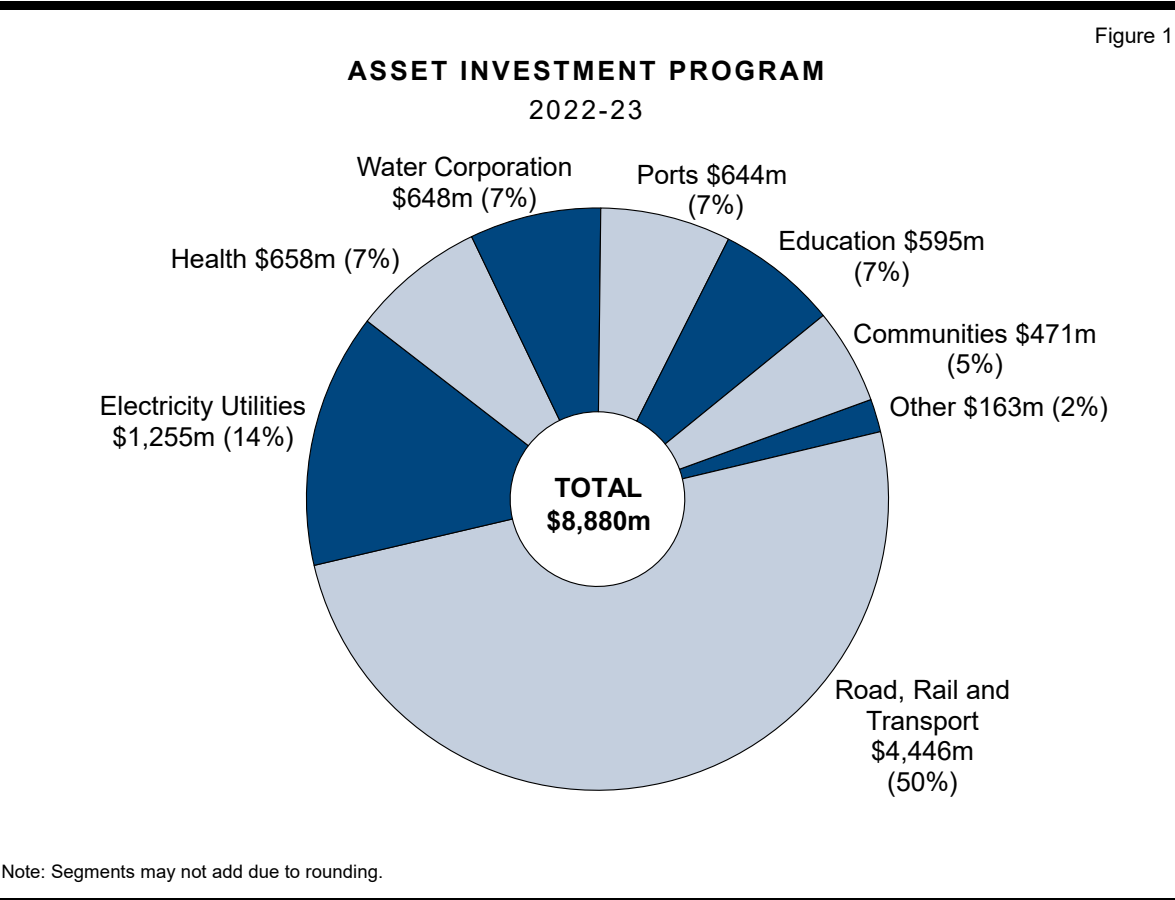
Asset Investment

HIGHLIGHTS

- The 2022-23 Budget includes a record \$33.9 billion Asset Investment Program over the next four years, with projects across the State that invest in Western Australia's future and create and support local jobs.
- Road, rail and transport infrastructure spending totals a substantial \$14.3 billion over the four years to 2025-26, including \$6 billion committed to METRONET projects and \$7.1 billion on metropolitan and regional road projects to address congestion and improve transport linkages and road safety.
- Additional investment of over \$500 million has been committed in this Budget to port projects that will increase the State's economic capacity, including a major capacity expansion at the Port of Geraldton, a supply base and chemical facility at Broome Port, and progressing the Lumsden Point development at Port Hedland.
- Investment in health and education infrastructure remains a high priority, with an additional \$49.4 million for the Geraldton Health Campus redevelopment and \$16.7 million to upgrade the Intensive Care Unit at Sir Charles Gairdner Hospital, and an additional \$146.1 million to increase student accommodation and a further \$28.4 million for preventative maintenance at schools across the State.
- The Budget also includes additional investment in community services infrastructure, including a new \$350 million Remote Communities Fund, \$31.4 million for the spot purchase of social housing, \$19.7 million on the Perth Aboriginal Short Stay Accommodation facility, and an additional \$16 million towards rejuvenation of the Perth Cultural Centre.

Introduction

The 2022-23 Budget includes a record \$33.9 billion Asset Investment Program (AIP) over the next four years, continuing the Government’s strong track record of investment in critical transport, health and education, and community infrastructure. The AIP for 2022-23 totals \$8.9 billion, with \$4.4 billion (or 50%) of this in road, rail and transport infrastructure, \$1.9 billion (or 21%) in electricity and water infrastructure, \$1.3 billion (or 14%) in education and health infrastructure, and \$644 million (or 7%) in works at the State’s ports.



The operating surpluses expected across the forward estimates period provide a significant source of funding for the AIP, reducing the need for additional borrowings to fund the Government’s record infrastructure investment.

WA Jobs Plan: Diversifying the Western Australian Economy

Investment in road, rail and transport infrastructure is estimated at \$4.4 billion in 2022-23 (a 41% increase over estimated spending of \$3.1 billion in 2021-22), and a total of \$14.3 billion over the four years to 2025-26.

METRONET projects account for a substantial proportion of this investment, with \$6 billion committed over the next four years to shape future development of the Perth metropolitan area, reducing road congestion and improving connectivity and urban amenity. Key investments in this Budget include:

- an additional \$379.5 million to complete the Thornlie-Cockburn Link and the Yanchep Rail Extension; and
- \$167.9 million to relocate the Canning Bridge Bus Interchange to an elevated platform above the Kwinana Freeway and train station.

The Government is also investing heavily to support the freight network, safer roads and reduced congestion, particularly in the regions, with an additional:

- \$400 million to complete the Bunbury Outer Ring Road;
- \$175 million to continue the Regional Road Safety Program in 2023-24; and
- \$135 million for the Pinjarra Heavy Haulage Deviation project (and an additional \$88 million in 2026-27).

The Government also will restore regional road maintenance as an in-house function within Main Roads Western Australia, saving more than \$25 million per year and creating 660 permanent jobs (once fully transitioned). Main Roads will spend \$48 million to provide necessary staff accommodation, office space and vehicle depots required to deliver these services.

Table 1

ASSET INVESTMENT IN ROAD, RAIL AND TRANSPORT INFRASTRUCTURE					
	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
Main Roads	1,633.2	2,021.1	2,013.0	1,667.5	1,392.8
Public Transport Authority	1,380.4	2,328.1	2,378.7	1,225.3	425.7
Department of Transport	44.7	53.7	78.5	65.2	38.9
Provision for METRONET Projects Under Development	-	18.0	87.0	169.3	298.6
Western Australian Planning Commission	90.4	25.0	-	-	-
Total	3,148.7	4,445.9	4,557.2	3,127.3	2,156.0

Note: Columns may not add due to rounding.

The 2022-23 Budget invests a total of \$1.7 billion in port infrastructure (and land acquisition) over the four years to 2025-26, which is crucial to support and facilitate the expansion of existing and new industries. This includes the following new initiatives:

- \$332 million for a major upgrade at Geraldton Port to expand capacity and facilitate new projects in the Mid West region;
- \$78.1 million for Lumsden Point to facilitate the future development of additional cargo facilities and a logistics hub at Port Hedland port; and

- \$52 million for the Kimberley Ports Authority, mainly for the construction of a new supply base and base infrastructure for a chemical processing and storage facility to support oil and gas operations in the Browse Basin (with this spending contingent on a contractual commitment to establish the supply base).

Table 2

ASSET INVESTMENT IN PORTS

	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
Fremantle Port Authority	47.1	78.6	62.5	36.8	29.4
Kimberley Ports Authority	2.7	7.1	31.1	20.1	1.6
Mid West Ports Authority	34.8	103.8	154.2	94.3	31.6
Pilbara Ports Authority	159.9	339.4	219.3	38.5	24.6
Southern Ports Authority	25.2	59.4	14.4	10.8	10.4
Provision for Westport Land Purchases	-	55.8	123.2	150.0	52.5
TOTAL	269.7	644.1	604.7	350.5	150.1

Note: Columns may not add due to rounding.

Investment by the State's electricity and water utilities totals \$6.8 billion over the four years to 2025-26, with \$1.9 billion to be spent in 2022-23. While most utility investment is focused on ongoing works, new projects aimed at improving efficiency and responsiveness of supply and supporting the transition away from fossil fuels include:

- the rollout of smart LED streetlights by Western Power (\$44.4 million);
- an additional \$31.9 million over 2021-22 to 2025-26 to bring forward the installation of approximately 240,000 advanced meters, which will support the Government's Energy Transformation Strategy as well as improve safety outcomes by reducing the risk of electric shocks; and
- the installation of a further eight electric vehicle fast recharging stations across four locations between Norseman and Eucla (\$2.4 million).

An additional \$9.8 million will be drawn from the Water Corporation's 2021-22 retained dividend and spent over 2021-22 and 2022-23 for further enabling and planning works for the Seawater Desalination Plant project.

Table 3

ASSET INVESTMENT IN WESTERN AUSTRALIAN UTILITIES

	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
Electricity Corporations	1,129.7	1,254.8	1,017.3	984.5	918.6
Water Corporation	681.0	648.3	712.6	638.5	637.6
Bunbury and Busselton Water Corporations	15.8	42.5	7.6	7.9	8.6
Total	1,826.5	1,945.6	1,737.5	1,630.9	1,564.8

Note: Columns may not add due to rounding.

Safe, Strong and Fair Communities: Developing Healthy and Resilient Communities

This Budget includes investment of \$1.6 billion over the next four years to construct, refurbish and expand the State's health infrastructure. Significant investments include the Geraldton Health Campus redevelopment, Albany General Dental Clinic expansion, Sir Charles Gairdner Hospital Intensive Care Unit Upgrade, Renal Dialysis in Halls Creek, and commencement of work on the Byford Health Hub election commitment. In addition, \$1.8 billion has been set aside in a Special Purpose Account for the new Women and Babies Hospital.

The Budget also includes \$1.7 billion for the construction, refurbishment and expansion of public schools across Western Australia, including \$595 million in 2022-23. Additional accommodation will be provided at Harrisdale and Anne Hamersley Primary Schools, as well as expansions to Alkimos College and Brabham Primary School.

Table 4

ASSET INVESTMENT IN HEALTH AND EDUCATION

	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
WA Health	484.3	657.9	473.3	261.5	159.4
Education	430.1	595.0	502.7	341.0	209.2
Total	914.3	1,252.9	976.1	602.5	368.6

Note: Columns may not add due to rounding.

The Budget also delivers on the Government's commitment to provide safe communities and help local and regional communities thrive. Including \$350 million for a new Remote Communities Fund, a total of \$1.8 billion will be invested in community services infrastructure over the next four years. This includes:

- \$31.4 million to spot purchase private dwellings in 2022-23 to increase the social housing stock and address demand in the social housing wait list;
- \$19.7 million to complete the 100 bed Perth Aboriginal Short Stay Accommodation facility to provide culturally appropriate and affordable short-term accommodation for Aboriginal people visiting Perth;
- \$16 million to expand the scope of the Perth Cultural Centre rejuvenation project (bringing the total cost of the project to \$35 million); and
- \$15.6 million to establish the Fitzroy Crossing Aboriginal Housing Program to provide pathways to economic independence and home ownership for Aboriginal people.

Table 5

ASSET INVESTMENT IN COMMUNITY SERVICES

	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
Communities	350.1	471.4	353.5	153.9	135.6
Local Government, Sport and Cultural Industries	55.7	82.1	128.1	61.5	1.6
Western Australian Sports Centre Trust	64.8	32.8	21.5	18.4	20.5
Remote Communities Fund	-	50.0	100.0	100.0	100.0
TOTAL	470.6	636.3	603.1	333.8	257.7

Note: Columns may not add due to rounding.

Investment in facilities to support community safety totals \$688 million over 2022-23 to 2025-26. New works include:

- expanding police facilities in key regional areas, such as a new District Support Facility in Broome and the fit-out of a new leased facility in Kununurra;
- infrastructure upgrades at Banksia Hill Detention Centre to address critical safety and security issues, including a new Crisis Care Unit; and
- delivering a next generation Emergency WA platform to transform the way emergency information is delivered to Western Australians.

Table 6

ASSET INVESTMENT IN COMMUNITY SAFETY

	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
Department of Justice	78.6	102.6	72.2	27.6	16.8
Western Australia Police Force	110.8	102.5	110.6	58.5	20.8
Fire and Emergency Services	35.2	46.3	31.2	51.7	47.0
Total	224.5	251.3	213.9	137.8	84.6

Note: Columns may not add due to rounding.

METRONET

The METRONET program is transforming Perth's public transport network, with a fourth project, Forrestfield-Airport Link (FAL), to be opened in 2022 and the recent completion of the METRONET railcar manufacturing facility, the Denny Avenue Level Crossing Removal and Mandurah Station Multi-Storey Car Park projects. A further 13 projects are underway.

A large portion of this record investment in rail infrastructure is currently under construction and is supporting thousands of local jobs and businesses. These investments will progressively deliver significantly improved public transport services across the metropolitan area.

The 2022-23 Budget includes \$1 billion in additional State and Commonwealth funding for METRONET projects, including:

- further investment in the Train Control and Signalling project, which forms part of the High Capacity Signalling program of works and is currently out to tender. The program of works will increase the capacity of the rail network, improve safety, and allow trains to operate more efficiently;
- relocating the Canning Bridge Bus Interchange from Canning Highway to an elevated platform above the Freeway and train station, to improve safety for commuters and reduce traffic congestion and travel times;
- planning for the removal of the level crossing at Morrison Road on the Midland line, which will improve safety and traffic congestion in the area; and
- further investment in the Thornlie-Cockburn Link and Yanchep Rail Extension projects to address the impacts of increased costs and supply chain constraints impacting the construction market.

This brings total investment in METRONET projects over the forward estimates period to \$6 billion. A \$2.4 billion contribution to the program of works has been obtained from the Commonwealth.

The Budget aggregates continue to include global provisions for the delivery of METRONET projects that are in live procurement processes (such as the Train Control and Signalling project) or in planning (such as the Morrison Road Level Crossing Removal). As has been the case for other METRONET projects, the budgets for these projects will be included in the delivery agencies' Asset Investment Programs upon completion of the tender processes.

Key milestones for the METRONET program in 2022-23 will include:

- the new FAL which is expected to have 20,000 passenger trips per day, providing quick and easy access to the Perth Airport and eastern suburbs;
- the first C-series train which will be produced at the now completed Bellevue Railcar Manufacturing and Assembly Facility and rolled onto the network for testing;

- Lakelands Station which is on track for entry into passenger service in mid-2023;
- peak construction activities across a number of METRONET projects (Morley-Ellenbrook Line, Thornlie-Cockburn Link, Yanchep Rail Extension and Bayswater Station);
- the commencement of the main construction works on the Midland Station, Byford Rail Extension, Victoria Park-Canning Level Crossing Removal, Greenwood Station Multi-Storey Carpark and the Public Transport Operations Control Centre projects;
- the expected awarding of construction contracts for the Train Control and Signalling project; and
- the commencement of detailed planning for the Morrison Road Level Crossing Removal.

Table 7

METRONET Capital Spending and Funding

	2022-23	2023-24	2024-25	2025-26	Total 2022-23 to 2025-26
	\$m	\$m	\$m	\$m	\$m
Capital Expenditure					
Forrestfield-Airport Link	143.4	-	-	-	143.4
Thornlie-Cockburn Link	231.3	157.7	46.9	-	436.0
Yanchep Rail Extension	238.2	96.2	-	-	334.4
Morley-Ellenbrook Line	313.9	331.8	270.4	-	916.2
Byford Rail Extension	214.4	405.8	175.4	-	795.6
Midland Station	34.6	129.9	67.0	-	231.6
Bayswater Station	93.0	21.8	-	-	114.8
Lakelands Station	31.5	9.1	-	-	40.6
Denny Avenue Level Crossing Removal	3.1	-	-	-	3.1
Victoria Park - Canning Level Crossing Removal	216.8	558.7	196.8	24.6	996.8
Caledonian Avenue Level Crossing Removal	3.7	6.4	3.0	-	13.1
Mandurah Station Multi-Storey Carpark	3.2	-	-	-	3.2
Greenwood Station Multi-Storey Carpark	4.4	23.0	10.0	-	37.4
Midland Station Multi-Storey Carpark	9.6	26.3	-	-	35.9
Rail Line Planning	1.2	1.2	1.5	0.3	4.2
New and Existing Train Station Upgrades	11.0	11.9	12.2	3.3	38.5
High Capacity Signalling Program of Works	156.7	111.0	57.0	58.1	382.8
Railcar Acquisition	125.2	167.9	109.9	110.0	512.9
Canning Bridge Bus Interchange	1.4	2.0	57.7	106.9	168.0
Provision for Projects under Development	18.0	87.0	169.3	298.6	572.8
Land Acquisition and Enabling Works	177.5	83.8	4.9	-	266.2
Total	2,032.1	2,231.6	1,182.0	601.7	6,047.4
Capital Funding					
Commonwealth Funding	737.9	752.0	515.4	371.5	2,376.8
Land Sales	6.6	8.2	12.0	-	26.7
Metropolitan Region Improvement Fund	33.7	-	-	-	33.7
Consolidated Account	565.2	988.4	469.5	66.2	2,089.3
Borrowings	226.7	80.2	10.2	45.7	362.8
Other (inc. Motor Vehicle Licence Revenue)	372.4	242.6	167.7	118.0	900.7
Cash at Bank	89.7	160.2	7.2	0.3	257.4
Total	2,032.1	2,231.6	1,182.0	601.7	6,047.4

Major Infrastructure Spending Changes

Summary

The following tables provide details of major changes in total public sector infrastructure spending by agency since the 2021-22 Mid-Year Review. These include policy decisions made between the cut-off date for the Mid-Year Review (29 November 2021) and the cut-off date for this Budget (11 April 2022), and other changes of a material nature affecting agency infrastructure spending over the forward estimates period.

The timing of cash flows for some previously announced projects may also have been revised but are not included in this chapter as they are broadly net debt neutral across the forward estimates period. Further details on individual projects are contained in Budget Paper No. 2: *Budget Statements*.

FINANCIAL ADMINISTRATION

Table 8

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW					
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
OFFICE OF THE AUDITOR GENERAL					
– Digital Capability Fund - Audit Methodology and Tool Project	-	3.1	1.1	-	-

Office of the Auditor General

Digital Capability Fund – Audit Methodology and Tool Project

New capital expenditure of \$4.2 million will be incurred over 2022-23 and 2023-24 to procure a new automated Audit Methodology and Tool, to replace the Office's existing systems that are either reaching obsolescence or are no longer supported by suppliers.

JOBS AND ECONOMIC DEVELOPMENT

Table 9

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT					
– Large Vessel Replacement Program	-	5.6	5.9	-	-
MINES, INDUSTRY REGULATION AND SAFETY					
– Digital Capability Fund – Safety Management System Modernisation	-	1.3	1.2	1.4	0.3
WESTERN AUSTRALIAN GREYHOUND RACING ASSOCIATION					
– Cannington Office and Racetrack	1.0	-	-	-	-
GOLD CORPORATION					
– Equipment Upgrades and Replacement	13.1	3.9	0.7	-	-

Department of Primary Industries and Regional Development

Large Vessel Replacement Program

The Government will invest \$11.5 million over 2022-23 and 2023-24 to replace the Patrol Vessel Walcott, which is near the end of its operational life. This vessel supports the management of marine parks and conducts extended voyages to remote areas, including offshore commercial fisheries north from Ningaloo Marine Park. The replacement vessel will significantly improve patrol capabilities and ensure continued compliance with the National Standard for Commercial Vessels.

Mines, Industry Regulation and Safety

Digital Capability Fund – Safety Management System Modernisation

Over the four years from 2022-23, \$4.3 million from the Digital Capability Fund will be spent on the implementation of a unified Safety Management System to replace two ageing legacy platforms. The modernised central system will improve efficiency, reduce processing times and improve data sharing capabilities. Additional recurrent expenditure of \$9.2 million over the same period has also been approved for this project (see Chapter 5).

Western Australian Greyhound Racing Association

Cannington Office and Racetrack

An additional \$976,000 will be spent in 2021-22 for a new Cannington Office (\$727,000) and plant and equipment at the Cannington racetrack (\$249,000).

Gold Corporation

Equipment Upgrades and Replacements

The Gold Corporation will spend \$17.7 million over 2021-22 to 2023-24 on a number of upgrades to its manufacturing and refining equipment, including gold and silver casting lines, blanking press and fingerprinting technology, as well as its ongoing asset replacement program. This expenditure is expected to generate efficiencies, future cost savings and additional revenues, and will be funded from the Corporation's retained dividend.

HEALTH

Table 10

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
WA HEALTH					
Election Commitments					
– Geraldton Health Campus Redevelopment	-	-	-	19.8	29.6
– Albany General Dental Clinic Expansion	-	2.2	8.3	-	-
– Byford Health Hub	-	3.3	2.6	-	-
– Renal Dialysis in Halls Creek	-	0.9	-	-	-
COVID-19 Response					
– Response to COVID-19: Medical Equipment and Minor Works	3.5	2.2	-	-	-
Other Spending					
– Medical Equipment and Imaging Replacement Program	-	7.0	37.0	-	-
– Digital Capability Fund – Electronic Medical Record	-	27.6	6.1	-	-
– Sir Charles Gairdner Hospital Intensive Care Unit Upgrade	-	3.2	10.2	3.3	-
– Aluminium Composite Panel Remediation	-	6.3	15.9	1.4	-
– Existing Project Cost Pressures	-	15.6	-	1.5	-
– New Women and Babies Hospital Project	1.8	8.4	-	-	-
– Refurbishment Works for Biplanar Units at Sir Charles Gairdner Hospital	-	4.7	2.9	-	-
– Critical Staff Accommodation Upgrade Program	-	5.0	-	-	-
– Anti-Ligature Remediation Program	-	2.5	2.5	-	-
– Australian Standard 4187 (Reprocessing of Reusable Medical Devices)	-	4.3	-	-	-
– Tympanometers	1.6	-	-	-	-
– Virtual Emergency Medicine	-	0.2	-	-	-
MENTAL HEALTH COMMISSION					
Election Commitments					
– Karratha Step Up/Step Down	-	-	1.6	-	-
Other Spending					
– Broome Step Up/Step Down	-	-	2.3	-	-

WA Health

Election Commitments

Geraldton Health Campus Redevelopment

To deliver on the Government's commitment for a staged redevelopment of the Geraldton Health Campus, an additional \$49.4 million of capital investment has been allocated over 2024-25 and 2025-26 to address cost escalation and supply chain constraints impacting the construction market in the Mid-West region, including as a result of Cyclone Seroja. This brings the estimated total cost of this project to \$122.7 million.

Albany General Dental Clinic Expansion

In order to meet increased service demand and improve access to government-subsidised dental health services in Albany, \$10.5 million has been committed over 2022-23 and 2023-24 to construct a new 8-chair dental clinic. An additional \$2.5 million has also been provided for operating costs (see Chapter 5).

Byford Health Hub

To commence work on the Government's Byford Health Hub election commitment, \$5.9 million will be spent in 2022-23 for site development and forward works for the project.

Renal Dialysis in Halls Creek

The Government has allocated \$920,000 in 2022-23 for the planning and design phase of the Renal Dialysis Unit, Renal Hostel and Staff Accommodation in Halls Creek.

COVID-19 Response

Response to COVID-19: Medical Equipment and Minor Works

As part of the State's continued response to the COVID-19 pandemic, an additional \$5.7 million will be spent by WA Health over 2021-22 and 2022-23 on medical equipment, minor capital works, and continuation of the *Vaccinate WA* application. A further \$925.5 million has been provided for WA Health's recurrent pandemic response costs (see Chapter 5) and \$63.8 million for inventory purchases.

Other Spending

Medical Equipment and Imaging Replacement Program

To further boost the Medical Equipment and Imaging Replacement Program, the Government will invest an additional \$44 million over 2022-23 and 2023-24 to replace high priority medical and imaging equipment that is at the end of its useful life.

Digital Capability Fund – Electronic Medical Record

A total of \$33.7 million (of a total outlay of \$38.1 million – see Chapter 5) has been allocated from the Digital Capability Fund over 2022-23 and 2023-24 for capital investment in the roll-out of Digital Medical Records, taking the current staged roll-out to five hospital sites and regional areas. This forms part of a prioritised, staged strategy to progress Electronic Medical Records across the Western Australian health system.

Sir Charles Gairdner Hospital Intensive Care Unit Upgrade

The Government is investing \$16.7 million over 2022-23 to 2024-25 to construct a 10-bed unit within the Sir Charles Gairdner Hospital Intensive Care Unit. The 10-bed unit will provide replacement capacity for the Intensive Care Unit, to enable critical refurbishment works to existing beds.

Aluminium Composite Panel Remediation

To undertake remediation works associated with aluminium composite panels, an additional \$23.6 million will be spent over 2022-23 to 2024-25 at Fiona Stanley Hospital, Perth Children's Hospital, and the Queen Elizabeth II Medical Centre. This takes the Government's investment in remediation works for WA Health sites to \$35.9 million to date.

Existing Project Cost Pressures

To address cost escalation and supply chain constraints impacting the construction market, an additional \$17.1 million will be spent over 2022-23 to 2024-25 on various projects in the State's health sector. This will ensure these projects can be delivered in accordance with currently approved timeframes.

New Women and Babies Hospital Project

The Government has allocated \$10.2 million over 2021-22 and 2022-23 from the \$1.8 billion New Women and Babies Hospital Account for the completion of a combined Business Case and Project Definition Plan for the new Women and Babies Hospital, and the commencement of enabling works.

Refurbishment Works for Biplanar Units at Sir Charles Gairdner Hospital

In order to house two new biplanar units within the Neurological Intervention and Imaging Service suites at Sir Charles Gairdner Hospital, \$7.6 million will be spent over 2022-23 and 2023-24 to undertake critical refurbishment works at these suites. The biplanar units use minimally invasive, catheter-based approaches to treat specific diseases of the blood vessels of the head, neck and spine.

Critical Staff Accommodation Upgrade Program

The Government will invest \$5 million in 2022-23 to address critical regional staff accommodation priorities to support the attraction and retention of the health workforce and the delivery of essential health care services across regional and remote Western Australia.

Anti-Ligature Remediation Program

To continue its urgent anti-ligature works, the Government has allocated a further \$5 million in 2022-23 to 2023-24 to remediate priority ligature risks at the in-patient Mental Health units located at Bentley and Armadale Health Services, Royal Perth Hospital, and St John of God Midland Public Hospital. The Government will also spend \$1 million in 2022-23 to undertake a health system-wide audit and develop a business case to address the highest ligature risks across WA Health (see Chapter 5).

Australian Standard (AS) 4187 (Reprocessing of Reusable Medical Devices)

AS 4187 is the national standard required to be met by hospitals to achieve accreditation for reprocessing reusable medical devices (e.g. cleansing, sterilisation and storage of equipment). The Government will invest \$4.3 million in 2022-23 to address urgent compliance priorities and undertake detailed planning across impacted hospitals to address priority compliance and accreditation issues.

Tympanometers

To support ear health screening for Aboriginal children across community health centres and primary schools, \$1.6 million will be spent in 2021-22 on the purchase of tympanometers. These instruments are used in early detection, treatment and prevention of permanent damage and hearing loss, ultimately improving education and life outcomes.

Virtual Emergency Medicine

To support the implementation and expansion of the Virtual Emergency Medicine pilot, \$200,000 has been allocated in 2022-23 for equipment purchases.

Mental Health Commission

Election Commitments

Karratha Step Up/Step Down

To address cost escalation and supply chain constraints impacting the construction market with respect to construction of the six-bed Karratha Step Up/Step Down facility, an additional \$1.6 million will be spent in 2023-24. This expenditure has been partially offset by a reduction in operational expenditure due to the delayed commencement of the facility (see Chapter 5).

Other Spending

Broome Step Up/Step Down

An additional \$2.3 million will be spent in 2023-24 to address cost escalation and supply chain constraints impacting the construction market in relation to construction of the six-bed Broome Step Up/Step Down facility.

EDUCATION AND TRAINING

Table 11

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
EDUCATION					
– Primary Schools – Additional Accommodation	-	1.3	11.6	22.0	15.9
– Alkimos College Stage 2	-	14.8	21.0	3.3	-
– Brabham Primary School Expansion	-	2.5	8.7	20.3	4.7
– Asset Investment Cost Pressures	0.3	11.9	9.7	5.5	3.6
– Preventative Maintenance	-	17.2	11.3	-	-
– Transportable Classrooms	-	20.0	-	-	-
– Land Acquisition	-	3.8	-	-	-
– Aluminium Composite Panel Replacement	-	-	-	3.3	-
TRAINING AND WORKFORCE DEVELOPMENT					
COVID-19 Response					
– Asset Investment Cost Pressures	0.1	1.5	17.8	10.1	- (a)

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

Education

Primary Schools – Additional Accommodation

In response to enrolment growth in outer metropolitan locations, the Government will invest \$50.7 million over the four years to 2025-26 and a further \$1.6 million in 2026-27 to construct additional classroom blocks at Harrisdale Primary School (\$22.9 million), Anne Hamersley Primary School (\$19.1 million), and Caversham Valley Primary School (\$10.3 million).

Alkimos College Stage 2

Alkimos College is forecast to exceed its maximum student capacity by the 2025 school year. To address this, a total of \$39.1 million will be invested over 2022-23 to 2024-25 to construct a Stage 2 expansion that will include additional general classroom blocks and the specialist facilities required to deliver a full senior secondary curriculum.

Brabham Primary School Expansion

In response to increasing enrolment demand for both mainstream students and high need students with a disability, the Government will deliver an additional three-storey general learning classroom block and education support facilities at Brabham Primary School, at a cost of \$36.2 million over 2022-23 to 2025-26.

Asset Investment Cost Pressures

To address cost escalation and supply chain constraints impacting the construction market across several priority education projects, the Government will invest an additional \$31 million over the five years from 2021-22. This investment will ensure these projects can be delivered in accordance with currently approved construction timelines.

Preventative Maintenance

The Government will invest an additional \$28.4 million over 2022-23 and 2023-24 on critical maintenance programs, including roof replacement, plaster glass and ceiling remediation, as well as upgrades to school alarm systems, fire services and pool safety facilities.

Transportable Classrooms

To manage localised student enrolment pressures, a further \$20 million will be invested in 2022-23 to facilitate the acquisition of 86 additional transportable classrooms for the 2023 school year.

Land Acquisition

To address land assembly costs for the school building program, the Government will invest an additional \$3.8 million in 2022-23.

Aluminium Composite Panel Replacement

Following an audit undertaken jointly by the Department of Education and the Department of Mines, Industry Regulation and Safety, \$3.3 million will be invested in 2024-25 to undertake works to remove aluminium composite panels at 13 schools.

Training and Workforce Development

COVID-19 Response

Asset Investment Cost Pressures

In response to cost escalation arising from supply chain constraints impacting the construction market across several training projects, the Government will invest an additional \$29.6 million over the five years from 2021-22 to progress these projects in line with approved timeframes.

COMMUNITY SAFETY

Table 12

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
WESTERN AUSTRALIA POLICE FORCE					
– 950 Police Officer Infrastructure Program	-	5.5	25.9	0.9	-
– Digital Capability Fund – ICT Transformation Program	3.9	13.6	-	-	-
JUSTICE					
– Banksia Hill Detention Centre Infrastructure Upgrades	1.0	11.8	4.5	3.0	1.3
– Digital Capability Fund – Custodial Technology Strategy	-	2.6	1.1	-	-
FIRE AND EMERGENCY SERVICES					
– Digital Capability Fund – Emergency WA	0.2	1.0	3.7	4.0	0.8
– Digital Capability Fund – Financial Management Information System (FMIS)	-	0.1	-	4.8	4.0
– Jandakot Consolidated Aviation Airbase	-	1.8	-	-	-
– Warmun Community Flood Mitigation	-	0.4	-	-	-
OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS					
– Digital Capability Fund – Change Management and System Replacement Program	-0.8	4.4	3.4	-	-
CORRUPTION AND CRIME COMMISSION					
– Unexplained Wealth Function	-	0.5	-	-	-

Western Australia Police Force

950 Police Officer Infrastructure Program

In support of the Government's commitment to boost community policing by 950 police officers, an additional \$32.3 million will be invested to expand police facilities in key regional areas. This comprises \$30.4 million over 2022-23 to 2024-25 for a new District Support Facility in Broome, and \$1.9 million in 2022-23 to fit-out a new leased facility in Kununurra.

Digital Capability Fund – ICT Transformation Program

The Government will invest \$17.5 million from the Digital Capability Fund across 2021-22 and 2022-23 on ICT infrastructure upgrades to modernise and consolidate critical police ICT systems, databases, and applications. A further \$30.4 million is allocated over the four years from 2022-23 for application development and licencing costs (see Chapter 5).

Department of Justice

Banksia Hill Detention Centre Infrastructure Upgrades

The Government has approved an additional \$21.6 million over 2021-22 to 2025-26 to deliver infrastructure upgrades that will improve safety, security and crisis management at the Centre. The planned works include construction of a new Crisis Care Unit, roof and fence remediation, improvements to secure recreational spaces, and upgrades to closed circuit television and educational ICT systems.

Digital Capability Fund – Custodial Technology Strategy

To support the remediation and modernisation of ICT infrastructure and services across the custodial estate, \$3.7 million has been allocated from the Digital Capability Fund over 2022-23 and 2023-24 to upgrade communications and related power supply systems at Casuarina and Hakea prisons. A further \$777,000 will be spent to assess and repair critical system issues over this period (see Chapter 5).

Fire and Emergency Services (DFES)

Digital Capability Fund – Emergency WA

The Government will invest \$9.7 million, including \$9.5 million from the Digital Capability Fund, from 2021-22 to 2025-26 to deliver the next generation Emergency WA platform that will transform the way emergency information is delivered to Western Australians by providing real-time visual emergency spread alerts, two-way communication and language diversity. The platform will enable full implementation of the new nationally consistent Australian Warning System.

An additional \$6.2 million has also been approved as recurrent expenditure over the four years from 2022-23 to deliver this project (see Chapter 5).

Digital Capability Fund – Financial Management Information System (FMIS)

The Department will spend \$8.9 million over the four years from 2022-23 to replace its obsolete FMIS. The new FMIS will integrate finance and business services capabilities, and is expected to result in significant efficiencies, primarily through automation of current manual processes and improvements in budgeting, project costing and monitoring capabilities.

A further \$6 million has also been approved as recurrent expenditure over the same period to deliver this project (see Chapter 5).

Jandakot Consolidated Aviation Airbase

DFES will spend \$1.8 million in 2022-23 on the fit-out of a new aviation and maintenance facilities base (established through a 25-year lease with Jandakot Airport Holdings) within the Jandakot Airport precinct. The new base will allow the Department to house all of its current aircraft (including the Emergency Rescue Service Helicopters) and aviation maintenance facilities.

In addition, \$10.7 million will be spent over the four years from 2022-23 on the lease and management costs of the new base (see Chapter 5).

Warmun Community Flood Mitigation

DFES will spend \$400,000 in 2022-23 on a replacement flood warning system in the Warmun community to protect the local community from potential flooding impacts in the future.

Office of the Director of Public Prosecutions

Digital Capability Fund – Change Management and System Replacement Program

To modernise and support the management of prosecution services and evidentiary material, the Government will invest an additional \$7 million from 2021-22 to 2023-24 on implementation of a new Integrated Prosecution Management and Evidence Handling System. A further \$2.8 million in recurrent spending is detailed in Chapter 5.

Corruption and Crime Commission

Unexplained Wealth Function

A total of \$480,000 will be spent in 2022-23 for office fit-out works and additional ICT systems to support the Commission's Unexplained Wealth Function. Additional recurrent expenditure of \$2.8 million is detailed in Chapter 5.

COMMUNITY SERVICES

Table 13

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
COMMUNITIES					
Election Commitments					
– Perth Aboriginal Short Stay Accommodation Facility	-0.3	5.7	11.4	3.1	-0.3
Other Spending					
– Spot Purchasing of Social Housing	-	31.4	-	-	-
– North West Aboriginal Housing Fund – Fitzroy Crossing Aboriginal Housing Program	-	4.8	5.5	2.8	2.5
LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES					
– Perth Cultural Centre Rejuvenation	-	1.0	13.0	2.0	-
– Perth Concert Hall	-	4.0	-	-	-
– WA Maritime Museum – Critical Maintenance	-	2.0	-	-	-
– Digital Capability Fund – State Library of Western Australia Digitisation Equipment	-	0.4	-	-	-
WESTERN AUSTRALIAN SPORTS CENTRE TRUST					
– Building Condition Audit	-	0.6	1.0	0.7	2.9

Department of Communities

Election Commitments

Perth Aboriginal Short Stay Accommodation Facility

The Government has committed an additional \$19.7 million from 2021-22 to 2025-26 to complete the Perth Aboriginal Short Stay Accommodation facility. When constructed, the facility will provide safe, culturally appropriate, and affordable short-term accommodation for Aboriginal people visiting Perth.

This investment is in addition to a \$6 million allocation approved as part of the 2021-22 Budget to undertake planning activities and land acquisition.

Other Spending

Spot Purchasing of Social Housing

In response to tight construction market conditions and with a view to boosting social housing in the immediate term, the Government will invest an additional \$31.4 million to spot purchase existing private dwellings in 2022-23. This investment is financed from the Social Housing Investment Fund established as part of the 2021-22 Budget, and will assist to increase social housing stock and address demand in the social housing wait list.

North West Aboriginal Housing Fund – Fitzroy Crossing Aboriginal Housing Program

A total of \$15.6 million will be spent over the forward estimates period to establish the Fitzroy Crossing Aboriginal Housing Program. This investment will address the lack of suitable land and housing in Fitzroy Crossing, enabling pathways to economic independence and home ownership for Aboriginal people.

Local Government, Sport and Cultural Industries

Perth Cultural Centre Rejuvenation

An additional \$16 million will be spent over 2022-23 to 2024-25 to expand the scope of works for the Perth Cultural Centre Rejuvenation project to the western boundary of the precinct at James Street (including \$1 million to be spent on a central energy plant upgrade). This takes the total capital cost of the project to \$35 million.

Perth Concert Hall

The total project budget for refurbishments to the Perth Concert Hall has increased to \$52.4 million with the City of Perth agreeing to honour a long-standing commitment to provide \$4 million towards the improvements in 2022-23. As part of the Perth City Deal, the State and Commonwealth Governments are funding the majority of the project, with contributions of \$36.4 million and \$12 million respectively.

WA Maritime Museum – Critical Maintenance

The Department will spend \$2 million in 2022-23 on the replacement of aluminium composite panels at the Western Australian Maritime Museum.

Digital Capability Fund – State Library of Western Australia Digitisation Equipment

In 2022-23, \$392,000 will be spent to progress the State Library's digitisation program. This expenditure is funded from the Digital Capability Fund and is in addition to the \$1 million of recurrent expenditure detailed in Chapter 5.

Western Australian Sports Centre Trust

Building Condition Audit

Additional capital expenditure of \$5.3 million over the four years to 2025-26 has been approved to address deficiencies identified by a Building Condition Audit of the Western Australian Sports Centre Trust's asset base. The additional spending will ensure that venues are maintained to a standard that enables the delivery of world-class sport, leisure and entertainment experiences.

TRANSPORT

Table 14

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
TRANSPORT					
– Digital Capability Fund – Taxi User Subsidy Scheme	-	6.1	2.7	-	-
COMMISSIONER OF MAIN ROADS					
– Joint State and Commonwealth Funded Projects ^(a)	30.4	118.7	417.9	444.0	403.0
– Regional Road Maintenance In-House Delivery Model	0.9	20.2	7.6	18.4	0.8
– East Perth Cyclist and Pedestrian Bridge	-	-	-	19.5	-
PUBLIC TRANSPORT AUTHORITY					
Election Commitments					
– METRONET – Thornlie-Cockburn Link and Yanchep Rail Extension	25.2	214.6	123.2	16.4	-
Other Spending					
– METRONET – Canning Bridge Bus Interchange	-	1.3	2.0	57.7	106.9
– Rail Infrastructure Program	40.0	29.2	17.5	4.9	-
– METRONET – Replacement Services for Armadale Rail Line Shutdown	-	2.8	11.9	-	-
– Digital Capability Fund – Asset Management Systems Improvement Program	0.5	2.5	2.0	1.6	1.0
– Climate Action – Electric Vehicle Recharging Infrastructure Trial	-	4.0	-	-	-
– Perth Train Station Forecourt Upgrade	2.5	-	-	-	-
– METRONET – Morrison Road Level Crossing Removal	-	2.0	-	-	-
FREMANTLE PORT AUTHORITY					
– Asset Investment Program Review	-6.8	-14.6	-20.9	-16.6	-1.7
– Victoria Quay – Activation Stage 1	-	2.5	5.0	-	-
KIMBERLEY PORTS AUTHORITY					
– Supply Base and Chemical Facility	-	5.0	29.0	18.0	-
MID WEST PORTS AUTHORITY					
– Port Maximisation Project	-	75.0	142.2	88.8	26.0
PILBARA PORTS AUTHORITY					
– Lumsden Point	-	78.1	-	-	-
– Port of Port Hedland – Dredging	-	15.0	-	-	-
– Port Hedland Voluntary Buy-Back Scheme	3.0	1.2	1.3	-	-
SOUTHERN PORTS AUTHORITY					
COVID-19 Response					
– Esperance Berth 2 Hardstand and Stormwater System (Stage 2)	-	3.4	0.5	-	-
– Bunbury Berth 8 Fire Ring Main (Stage 2)	-	2.7	0.5	-	-
Other Spending					
– Sustaining Capital Works Program	-	7.8	3.6	1.8	1.4
– Bunbury Pilot Launch	-	2.7	0.9	-	-

(a) The financial impacts for the Bunbury Outer Ring Road, Port Hedland Airport Deviation, Wanneroo Road Duplication and Forrest Highway projects, and a partial amount of the Swan River Cyclist and Pedestrian Bridge, were accounted for in the 2021-22 Mid-year Review. However, these projects and their spending changes were not disclosed in that publication as negotiations with the Commonwealth were not finalised at that time.

Transport

Digital Capability Fund – Taxi User Subsidy Scheme (TUSS)

To improve access and ease-of-use for both participants and providers, \$8.8 million from the Digital Capability Fund will be spent over 2022-23 and 2023-24 to develop a new digital solution for the State's TUSS, which provides subsidised travel for eligible people with a disability. This initiative also involves a further \$2.2 million in recurrent expenditure over 2024-25 and 2025-26, as detailed in Chapter 5.

Commissioner of Main Roads

Joint State and Commonwealth Funded Projects

Regional Projects

Investment of \$912 million over the five years from 2021-22 (and an additional \$126 million beyond this period) has been committed jointly by the State and Commonwealth Governments toward regional road projects. This comprises:

- \$400 million to complete the Bunbury Outer Ring Road, which will improve freight efficiency, remove trucks from local roads and reduce travel time;
- \$175 million to continue the Regional Road Safety Program in 2023-24, providing further low-cost and highly effective treatments on regional roads;
- \$135 million over the four years to 2025-26 (and an additional \$88 million in 2026-27) for Stages 1 and 2 of the Pinjarra Heavy Haulage Deviation project, which will provide an alternative route for heavy vehicles resulting in improved efficiency, reduced congestion and safer central town streets for local residents and pedestrians;
- \$120 million for Moorine Rock to Mount Holland Road upgrades (partly funded by a third-party contribution);
- \$40 million for the Port Hedland Airport Deviation;
- \$20 million for upgrades to the intersection of Forrest Highway and Vittoria Road in Picton, which will improve traffic flow in the area;
- \$12 million over 2024-25 and 2025-26 (and an additional \$38 million in 2026-27) for the construction of additional overtaking lanes on the Great Northern Highway between Newman and Port Hedland; and
- \$10 million for upgrades to the intersection of Chidlow-York Road and Forrest Street in York (which includes a minor third-party contribution).

Metropolitan Projects

A further \$502 million of investment over the five years from 2021-22 (with an additional \$338 million beyond this period) has been funded jointly by the Commonwealth and State Governments for the following metropolitan road projects:

- an expansion of the Thomas Road dual carriageway from South Western Highway to Tonkin Highway, which will cost \$160 million over the four years to 2025-26 (and an additional \$130 million in 2026-27) and improve traffic flow and alleviate bottlenecks leading into the new Thomas Road bridge over the rail line in Byford (which is currently in delivery);
- the Tonkin Highway Extension, with \$140 million in additional expenditure over 2023-24 to 2025-26 (and a further \$110 million beyond 2025-26);
- a new interchange between Warbrook Road and Maralla Road on Tonkin Highway to provide better access to Ellenbrook and current and future surrounding suburbs, with \$2 million to be spent over 2024-25 and 2025-26 (and an additional \$98 million in 2026-27);
- commencing planning and construction of a bridge to connect Nicholson Road and Garden Street at a cost of \$80 million;
- the Swan River Crossing (Fremantle Road and Rail Bridge), with additional expenditure of \$50 million;
- the Swan River Cyclist and Pedestrian Bridge under the Perth City Deal, with additional expenditure of \$50 million;
- commencing a grade separation of the Leach Highway and Stock Road intersection, at a cost of \$10 million; and
- the Wanneroo Road duplication project, with additional expenditure of \$10 million.

Regional Road Maintenance In-House Delivery Model

As part of the Government's decision to deliver a number of regional road maintenance contracts in-house, Main Roads will spend \$48 million to provide the necessary staff accommodation, office space and vehicle depots required to deliver the services. Once fully transitioned, this is estimated to save more than \$25 million per year.

East Perth Cyclist and Pedestrian Bridge

A cyclist and pedestrian bridge will be constructed over the period 2022-23 to 2024-25 to address connectivity to the East Perth Station. An additional \$19.5 million in 2024-25 has been allocated to the project to improve its design and width, which will improve integration with the train station and better cater for cyclists and 'e-transport' users. Responsibility for the project has been transferred from DevelopmentWA to Main Roads as it is better suited to deliver the bridge's updated design and scope.

Public Transport Authority

Election Commitments

METRONET – Thornlie-Cockburn Link and Yanchep Rail Extension

To address cost escalation and supply chain constraints impacting the construction market, the State and Commonwealth Governments will spend a further \$379.5 million over the period 2021-22 to 2024-25 to complete the Thornlie-Cockburn Link and Yanchep Rail Extension projects.

Other Spending

METRONET – Canning Bridge Bus Interchange

To improve safety for commuters and reduce traffic congestion and travel times, the Canning Bridge Bus Interchange will be relocated from Canning Highway to an elevated platform above the Freeway and train station, at a cost of \$167.9 million over 2022-23 to 2025-26 (with a further \$32.1 million beyond this period).

Rail Infrastructure Program

The Rail Infrastructure Program, which supports the maintenance and improvement of the existing rail network, includes upgrades to signalling, pedestrian gates, level crossings and rail bridge works. Additional investment of \$91.6 million has been allocated to the program over 2021-22 to 2024-25.

METRONET – Replacement Services for Armadale Rail Line Shutdown

To deliver bus replacement services during the Armadale Rail Line shutdown, \$14.7 million will be invested over 2022-23 and 2023-24 to expand the bus fleet and construct a new bus depot in Jandakot.

Digital Capability Fund – Asset Management Systems Improvement Program

The Public Transport Authority's asset management system, which manages over 35,000 public transport assets, will be enhanced with a \$7.6 million investment over 2021-22 to 2025-26 (with a further \$1.4 million of recurrent expenditure – see Chapter 5). This will ensure the continued safe and efficient operation of public transport services.

Climate Action – Electric Vehicle Recharging Infrastructure Trial

As part of the Government's \$59 million package for zero and low emission light vehicles in this Budget, \$4 million will be invested in 2022-23 to trial the installation of electric vehicle recharging infrastructure at four metropolitan train station carparks.

Perth Train Station Forecourt Upgrade

With the goal of improving safety for patrons, \$2.5 million has been invested in 2021-22 to upgrade the Perth Train Station forecourt. The upgrade will improve lighting and pedestrian movement and provide better connection to Yagan Square.

METRONET – Morrison Road Level Crossing Removal

In 2022-23, detailed planning works at a cost of \$2 million will be undertaken for the removal of the Midland Line's Morrison Road level crossing and its road-under-rail replacement solution.

Fremantle Port Authority

Asset Investment Program (AIP) Review

The Fremantle Port Authority has reviewed its asset investment requirements and reduced its AIP by \$60.7 million over 2021-22 to 2025-26, reflecting changed customer demands and business requirements. Despite this reduction, the Fremantle Port Authority's AIP is budgeted to increase from \$47.1 million in 2021-22 to \$78.6 million in 2022-23 (an increase of 67%).

Victoria Quay – Activation Stage 1

The Fremantle Port Authority will spend \$7.5 million over 2022-23 and 2023-24 to continue the Government's development of the Victoria Quay into a vibrant civic, commercial and tourist destination. This project will support the early activation of the inner harbour for alternative uses ahead of the new port being established in Kwinana.

Kimberley Ports Authority

Supply Base and Chemical Facility

The Kimberley Ports Authority is expected to spend \$52 million at Broome Port over 2022-23 to 2024-25, including \$45 million for the construction of a supply base to support oil and gas operations in the Browse Basin and \$7 million for base infrastructure for an associated chemical processing and storage facility. The expenditure is contingent on a contractual commitment by a third party to move a supply base to Broome, with the third party to repay the \$52 million investment over a 20 year period.

Mid West Ports Authority

Port Maximisation Project (PMaxP)

The Government will invest \$332 million over 2022-23 to 2025-26 to provide additional capacity at Geraldton Port. The investment includes a new berth with associated ship-loading and material handling infrastructure, a multi-user storage facility, two truck unloaders, relocation of the tugboat harbour to allow additional tugs to be accommodated, and road works to facilitate the increase in truck movements. This will bring total spending on the project to \$350 million over 2021-22 to 2025-26, and will facilitate a range of new projects in the Mid-West region.

Pilbara Ports Authority

Lumsden Point

To facilitate the future development of additional general cargo facilities and a logistics hub at Port Hedland, the Pilbara Ports Authority (PPA) will spend \$78.1 million in 2022-23 on the construction of seawalls and bund/retaining walls (\$66.1 million) and a causeway (\$12 million) at Lumsden Point.

Port of Port Hedland – Dredging

The PPA will spend \$15 million in 2022-23 to undertake dredging in the Port Hedland inner harbour. The dredging will facilitate additional capacity and will be funded by port user contributions.

Port Hedland Voluntary Buy-back Scheme

An additional \$5.5 million has been approved over 2021-22 to 2023-24 for the Port Hedland Voluntary Buy-back Scheme, reflecting an increase in the average price for the purchase of eligible properties of approximately 4%.

Southern Ports Authority

COVID-19 Response

Esperance Berth 2 Hardstand and Stormwater System (Stage 2)

The Southern Ports Authority (SPA) will spend \$3.9 million over 2022-23 and 2023-24 to progress stage 2 of the Esperance Port Berth 2 upgrade to enable the installation of a first flush tank and filtration system. This will improve stormwater quality by removing contaminants prior to runoff entering the harbour and ensure compliance with environmental standards.

Bunbury Berth 8 Fire Ring Main (Stage 2)

To upgrade the fire protection system at Berth 8 Bunbury Port, the SPA will spend \$3.2 million over 2022-23 and 2023-24. The works will extend the existing fire pipe network to cover all assets within the Berth 8 precinct and will ensure compliance with fire safety protocols.

Other Spending

Sustaining Capital Works Program

The SPA will spend \$14.6 million over 2022-23 to 2025-26 to address priority asset maintenance works across its three ports at Albany, Esperance and Bunbury. The expenditure will ensure that the Authority's major infrastructure assets, such as wharves and breakwaters, meet operational and safety requirements.

Bunbury Pilot Launch

The SPA will spend \$3.6 million over 2022-23 and 2023-24 on the purchase of a new all-weather pilot launch. The new pilot launch will provide better coverage and risk management to Bunbury Port's pilotage services and be able to operate in all weather conditions.

ENVIRONMENT

Table 15

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
WATER AND ENVIRONMENTAL REGULATION					
– Rebuild of Australind Jetty	-	3.0	-	-	-
– Native Vegetation Policy Implementation	-	0.6	-	-	-
BIODIVERSITY, CONSERVATION AND ATTRACTIONS					
Election Commitments					
– Kalgulup Regional Park Management	-	1.6	1.1	-	-
– Peri-Urban Parks – Penguin Island Discovery Centre	-	1.2	0.7	-	-
– Stockton Lake Redevelopment	-	0.3	-	-	-
COVID-19 Response					
– Zoological Parks Authority – Perth Zoo Café and Function Centre	1.0	7.3	-	-	-
– Rottnest Island Authority – Water Network Upgrade	-	-	2.0	5.0	-
Other Spending					
– Rottnest Island Authority – Electrical Infrastructure Upgrade	-	3.4	7.7	30.9	12.8
– Plan for Our Parks – Joint Management of the Proposed Matuwa Kurarra Kurarra National Park and the Lake Carnegie Nature Reserve	-	1.4	1.3	1.2	1.1
– Tree Top Walk Web Struts Replacement	1.9	2.7	-	-	-
– 2023 Total Solar Eclipse – Waste Management	-	0.2	-	-	-

Water and Environmental Regulation

Rebuild of Australind Jetty

The Government has committed \$3 million in 2022-23 to replace the Australind Jetty. The Department is seeking an in-principle agreement to transfer the jetty to the Shire of Harvey upon completion of the rebuild, which is reflected as an expense in Chapter 5.

Native Vegetation Policy Implementation

New funding of \$623,000 has been allocated in 2022-23 for vegetation mapping in the Wheatbelt and the preparation of a business case for a new native vegetation mapping and monitoring system to support State-wide planning and decision making. This is in addition to \$2.7 million of operating expenditure approved for implementing the Native Vegetation Policy roadmap actions across the four years to 2025-26 (see Chapter 5).

Biodiversity, Conservation and Attractions

Election Commitments

Kalgulup Regional Park Management

The Government has approved additional expenditure of \$2.7 million over 2022-23 and 2023-24 to address construction market cost escalation and supply chain constraints impacting the completion of lookouts and accessible trails in the Maidens Reserve and the replacement of a boardwalk and path within the Leschenault Inlet at Mangrove Cove. This brings the total commitment for these projects to \$8.2 million.

Peri-Urban Parks – Penguin Island Discovery Centre

Additional expenditure of \$1.9 million over 2022-23 and 2023-24 has been approved to address cost escalation and a minor change in project scope to enable the completion of the Penguin Island Discovery Centre and refurbishment of the jetty. The total spending commitment for this project has increased to \$5.2 million.

Stockton Lake Redevelopment

An additional \$250,000 will be spent in 2022-23 to undertake geotechnical drilling investigations at the Stockton Lake recreation site in order to address subsidence issues, following enhancement of facilities at the Stockton Lake recreation site for camping and water-based recreation activities.

COVID-19 Response

Zoological Parks Authority – Perth Zoo Café and Function Centre

The Government has approved additional investment of \$8.3 million over 2021-22 and 2022-23 for the Perth Zoo Café and Function Centre. This is to address cost escalation and supply chain constraints in the construction market that have impacted this project, enabling its completion in 2022-23. The total commitment for the Perth Zoo Café and Function Centre has increased to \$21.8 million.

Rottnest Island Authority – Water Network Upgrade

To complete the upgrade of water infrastructure on Rottnest Island, the Government has approved additional spending of \$7 million over 2023-24 and 2024-25 to address cost escalation and supply chain constraints impacting labour and materials inputs. The total cost of the project is now \$33 million.

Other Spending

Rottnest Island Authority – Electrical Infrastructure Upgrade

The Government has approved additional investment of \$54.8 million over the next four years to upgrade the ageing electrical infrastructure system on Rottnest Island and generate 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, power system reliability and public safety outcomes.

Plan for Our Parks – Joint Management of the Proposed Matuwa Kurarra Kurarra National Park and the Lake Carnegie Nature Reserve

To implement and support joint management arrangements with the Traditional Owners of the Matuwa Kurarra Kurarra National Park and the Lake Carnegie Nature Reserve, an additional \$5 million will be spent over the next four years on essential start-up infrastructure to support joint management outcomes. This includes the requirements for accommodation at Lorna Glen, refurbishment of the existing homestead and woolshed, fencing, road and track maintenance, installation of water points and radio towers, and equipment and materials.

Tree Top Walk Web Struts Replacement

To address structural safety issues, an additional \$4.6 million will be spent over 2021-22 and 2022-23 to replace 216 web struts and support infrastructure at the Tree Top Walk in the Walpole-Nornalup National Park's Valley of the Giants, which will also extend the life of the existing structure.

2023 Total Solar Eclipse – Waste Management

In preparation for the total solar eclipse that will occur in April 2023, the Government will spend \$150,000 in 2022-23 to replace two dump points at the Giralia Reserve to meet the Department of Health's standards for the disposal of waste.

PLANNING AND LAND USE

Table 16

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
PLANNING, LANDS AND HERITAGE					
– Fremantle Prison Conservation	-	3.8	1.8	1.7	1.6
– Digital Capability Fund – State Planning System	-1.0	7.1	-	-	-
WESTERN AUSTRALIAN LAND INFORMATION AUTHORITY (LANDGATE)					
– Geocentric Datum of Australia	-1.0	-2.0	-0.9	1.5	1.5
DEVELOPMENTWA					
Election Commitments					
– Industrial Land Development Fund	-	-	-	25.0	25.0
Other Spending					
– Australian Marine Complex – Infrastructure ^(a)	-	-	-	-	-
– Regional Residential Land Developments	4.0	15.1	-	-	-
– Lot 350, Great Eastern Highway, Kalgoorlie – Industrial Development	0.5	10.5	-	-	-
– East Perth Power Station	-	5.5	1.9	1.9	-
NATIONAL TRUST OF AUSTRALIA (WA)					
– Cultural Management and Covenanting Programs	-	0.1	- ^(b)	-	-

(a) Commercial-in-confidence.

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

Planning, Lands and Heritage

Fremantle Prison Conservation

The Government has approved \$12.6 million over 2022-23 to 2025-26 for the Prison Conservation project, including \$8.9 million capital expenditure to undertake essential heritage conservation works at the Fremantle Prison.

Digital Capability Fund – State Planning System

The State's land-use planning ICT system will be replaced in 2022-23 at a cost of \$7.1 million. The new ICT system will include an improved planning portal to facilitate online lodgement of a broader range of planning applications and provide a more contemporary approach to public engagement linked to mapping and three-dimensional imaging. The Department will fund \$1 million of the cost of the project by repurposing approved capital expenditure, with the remainder to be funded from the Digital Capability Fund. Recurrent expenditure of \$3.9 million has also been allocated from the Fund for this project (see Chapter 5).

Western Australian Land Information Authority (Landgate)

Geocentric Datum of Australia

Landgate has achieved a net saving of \$1 million for the Geocentric Datum of Australia 2020 project following a review of cost estimates and implementation requirements.

DevelopmentWA

Election Commitments

Industrial Land Development Fund

The Government has allocated an additional \$50 million over 2024-25 and 2025-26 to the Industrial Land Development Fund. The Fund was a 2021 election commitment to remove barriers to industrial development for projects of strategic importance to Western Australia, through discounted lease rates or contributions to capital works. The additional funding takes the Government's total commitment to the Fund to \$100 million over 2021-22 to 2025-26.

Other Spending

Australian Marine Complex – Infrastructure

The Government has allocated expenditure for the construction of a vessel transfer path at the Australian Marine Complex (AMC). The path is required to facilitate the implementation of a defence secure zone at the AMC Common User Facility, and will connect land in the northern harbour of the AMC to the Facility to enable vessel launching and extraction. The amount of expenditure is not disclosed due to commercial negotiations.

Regional Residential Land Developments

To facilitate regional residential land developments in Karratha and Kalgoorlie, \$19.1 million will be spent over 2021-22 and 2022-23. This investment will build on the Government's Regional Land Booster initiative to ensure an adequate supply of residential land in regional areas.

Lot 350, Great Eastern Highway, Kalgoorlie – Industrial Development

Capital expenditure of \$11 million over 2021-22 and 2022-23 has been allocated to facilitate the development of Lot 350, Great Eastern Highway, Kalgoorlie. The development of Lot 350 will enable multiple industrial uses to be accommodated on the site, including an intermodal transport and logistics hub, materials processing, mining equipment and technical services.

East Perth Power Station

An additional \$9.2 million will be invested over 2022-23 to 2024-25 to facilitate de-constraining works at the East Perth Power Station site, which will facilitate public access to the site.

National Trust of Australia (WA)

Cultural Management and Covenanting Programs

The National Trust of Australia (WA) will spend an additional \$130,000 on capital works, consisting of a new yarning space at Strawberry Hill in Barnup, as well as upgrades to the visitor experience at Peninsula Farm, Strawberry Hill and Central Greenough.

UTILITIES

Table 17

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW					
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
SYNERGY					
– Safety and Reliability	-0.4	13.1	-	-	-
WESTERN POWER					
– Accelerated Rollout of Advanced Metering Infrastructure	-7.5	15.5	5.8	8.2	9.9
– Proactive Rollout of Smart LED Streetlights	-	5.9	12.9	17.2	8.4
HORIZON POWER					
– Electric Vehicle Charging Network	-	-	2.4	-	-
WATER CORPORATION					
– Reclassification of Cloud-based ICT Capital Expenditure to Operating Expenditure	-54.4	-62.2	-66.2	-65.4	-61.4
– Wellington Dam Road Bridge	3.0	6.0	1.0	-	-
– Third Seawater Desalination Plant	1.0	8.8	-	-	-
BUNBURY WATER CORPORATION (AQWEST)					
– Fluoridation Directive	-	10.0	-	-	-

Synergy

Safety and Reliability

Synergy will invest a net \$12.6 million over 2021-22 and 2022-23 on a range of projects required to ensure the ongoing safety and reliability of its generation plant.

Western Power

Accelerated Rollout of Advanced Metering Infrastructure

Western Power will invest an additional \$31.9 million over 2021-22 to 2025-26 to bring forward the installation of approximately 240,000 advanced meters, providing full coverage of advanced metering in the South West Interconnected System by 30 June 2027. Advanced meters provide more detailed usage and power quality information, and can be read remotely to support the Government's Energy Transformation Strategy and improve safety outcomes by reducing the risk of electric shocks.

Proactive Rollout of Smart LED Streetlights

Western Power is forecast to spend \$44.4 million over 2022-23 to 2025-26, funded by local government authorities, to proactively replace approximately 44,600 existing traditional streetlights with smart-enabled LED streetlights. The replacement program will enable remote monitoring and control of streetlights.

Horizon Power

Electric Vehicle Charging Network

Horizon Power will allocate \$2.4 million in 2023-24 to install a further eight fast recharging stations across four locations between Norseman and Eucla, to allow for more reliable interstate travel by electric vehicles between Western Australia and South Australia. Recurrent costs associated with this initiative of \$180,000 per annum are detailed in Chapter 5.

Water Corporation

Reclassification of Cloud-based ICT Capital Expenditure to Operating Expenditure

In line with a recent decision of the International Financial Reporting Interpretations Committee, the Water Corporation is reclassifying \$309.7 million (80%) of its cloud-based ICT-related capital projects to operating expenditure, which has no impact on net debt.

Wellington Dam Road Bridge

An allocation of \$10 million has been made to upgrade the existing single lane Wellington Dam Road bridge with dual-lanes and a large pedestrian walkway.

Third Seawater Desalination Plant

An amount of \$9.8 million will be drawn from the Water Corporation's 2021-22 retained dividend and spent over 2021-22 and 2022-23 for further enabling and planning works on Perth's third Seawater Desalination Plant project.

Bunbury Water Corporation (Aqwest)

Fluoridation Directive

Aqwest will spend \$10 million in 2022-23 to fluoridate its water supply network.

PROVISIONS

Table 18

MAJOR SPENDING CHANGES SINCE THE 2021-22 MID-YEAR REVIEW

	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
Provisions					
– 2022-23 Budget - Underspend and Carryover Provision	-300.0	-1,050.0	-600.0	-100.0	1,650.0
– Cost Escalation Provision	-	350.0	-	-	-
– Film Studio Provision ^(a)	-	-	-	-	-
– METRONET Projects Under Development	-	-13.0	43.3	127.2	298.6
– Digital Capability Fund (Additional Allocation)	-	-	75.0	75.0	90.0
– Digital Capability Fund (Allocation to Agencies)	-	-	-48.6	-54.2	-
– Climate Action Fund (Additional Allocation)	-	-	-	250.0	250.0
– Climate Action Fund (Allocation to Agencies)	-	-15.0	-15.0	-	-
– Remote Communities Fund	-	50.0	100.0	100.0	100.0
– Replacement of Aluminium Composite Panel Cladding	-	11.4	24.9	36.7	27.8
– Westport Project (Allocation to Agencies)	-	-	-13.8	-4.7	-

(a) Commercial-in-confidence.

Provisions

2022-23 Budget – Underspend and Carryover Provision

The AIP is forecast to total \$33.9 billion over the four years to 2025-26. Capacity constraints are impacting the construction sector due to supply chain disruptions and challenges filling vacant positions. As a result, the forecast spending profile across agencies will inevitably be subject to some cashflow and timing adjustments. The Budget updates the provision for (as yet unidentified) carryover of project delivery expenditure across the program.

Cost Escalation Provision

This Budget includes a provision in 2022-23 for potential higher project costs as a result of current construction market conditions.

Film Studio Provision

This Budget includes a provision for additional spending on the Government's 2021 election commitment to construct a film studio as a result of the capacity constraints in the construction sector. The amount of this additional investment cannot be disclosed due to a current live market-led proposal.

METRONET Projects Under Development

A further \$456.1 million over 2022-23 to 2025-26 has been provisioned for METRONET projects under development to continue procurement and project planning for various projects. The provisioned spending will be transferred to delivery agencies' budgets upon completion of tender processes and/or final investment decisions.

Digital Capability Fund (DCF)

In the 2021-22 Budget, a \$500 million DCF expenditure provision was established to advance digital transformation for sector-wide strategic information and communications technology (ICT) projects and provide capacity to upgrade legacy ICT systems and address cyber security risk. An additional \$400 million – comprising \$160 million in recurrent expenses and \$240 million in capital investment – has been provisioned as part of the 2022-23 Budget.

In this Budget, a total of \$249.6 million has been allocated from the total DCF provision (\$146.8 million of expenses and \$102.8 million of capital investment) to agencies over 2021-22 to 2025-26. Details of the projects funded from the DCF are included in agency disclosures throughout Chapters 5 and 6.

A total of \$337.8 million of recurrent and capital expenditure remains provisioned in the DCF for future projects.

Climate Action Fund

The Government has allocated an additional \$500 million to the Climate Action Fund in this Budget. This allocation increases the contribution to the Fund to \$1.25 billion following the initial \$750 million investment in the 2021-22 Budget. The new funding is expected to support the Government's emissions reduction target and other climate-related initiatives.

Remote Communities Fund

The Government has allocated \$350 million to a new Remote Communities Fund. This provision reflects anticipated spending for the regularisation of water and electricity services and new and refurbished housing in remote Aboriginal communities.

Replacement of Aluminium Composite Panel Cladding

A provision of \$101 million over the forward estimates has been established for the cost of works to remediate all remaining instances of Aluminium Composite Panel cladding that have been identified across the general government building portfolio. Funding will be released to respective agencies subject to the Government's approval of finalised scope and costings of remediation works.

This provision is in addition to funding totalling \$29 million over the forward estimates provided directly to the Department of Education, Department of Local Government, Sport and Cultural Industries, and WA Health as part of this Budget.

Westport Project

The 2021-22 Budget included a \$400 million provision for anticipated spending to facilitate strategic land acquisitions to enable the Westport project. The funding for this expenditure is held in a Special Purpose Account (see Appendix 5), with the expenditure subject to Government approval as opportunities to acquire specific lots arise.

2022–23 Economic and Fiscal Outlook

In this Budget, \$18.5 million of the provision has been allocated to the Department of Transport, the Fremantle Port Authority and the Western Australian Planning Commission to support feasibility studies for various enabling works (details of the specific projects funded from this allocation are included in agency disclosures in Chapter 5). There is currently \$381.5 million remaining in the Westport Project provision.

Investing in Regional Western Australia

HIGHLIGHTS

- The 2022-23 Budget continues to invest heavily in stronger regional communities through the delivery of high-quality healthcare, education, police and community services. This Budget includes a record \$12 billion investment in regional infrastructure over the forward estimates, a further \$2 billion increase since the 2021-22 Mid-year Review.
- Expenditure under the Royalties for Regions (RfR) program totals \$4.2 billion over the next four years, and accommodates new RfR spending of \$263 million in regional election commitments and other new initiatives.
- Major new regional initiatives in this Budget include:
 - \$737 million (and an additional \$361 million beyond 2025-26) on regional roads jointly funded with the Commonwealth, including \$500 million for the Tanami Road project and \$135 million for the Pinjarra Heavy Haulage Deviation project (and an additional \$88 million in 2026-27);
 - \$350 million to establish a new Remote Communities Fund to improve the provision of water, electricity and housing in remote Aboriginal communities;
 - \$332 million for a major upgrade at Geraldton Port to expand capacity and facilitate new projects in the Mid-West region;
 - \$78.1 million on the construction of seawalls, bund/retaining walls and the construction of a causeway at Lumsden Point, Port Hedland;
 - an additional \$49.4 million to deliver the Government's commitment for a staged redevelopment of the Geraldton Health Campus;
 - \$48.6 million allocated to the Western Australian Regional Digital Connectivity Program;
 - \$40.4 million for a cross-agency response to address the escalation in offending and antisocial behaviour by children and young people in the Kimberley; and
 - \$30.4 million for a new District Support Facility in Broome for the Western Australia Police Force.

The WA Jobs Plan for the Regions

Growing regional jobs and diversifying regional economies is a priority for the State Government. This Budget includes initiatives that will encourage new industries and innovation in the regions, support industries in transition, and provide a pipeline of work that will grow regional economies and jobs.

The Government has approved a \$30 million boost to the existing \$50 million Just Transition Plan to further support workers, businesses and communities through the transition from native forestry to softwood plantations. The Just Transition Plan includes the following programs:

- Industry and Community Development Program (\$30 million) – to support those businesses indirectly affected by the closure of the native forest industry;
- Business Transition Program (\$26.4 million) – grants to support regional native forestry businesses to transition out of the industry; and
- Workforce Transition Program (\$19.3 million) – payments of up to \$45,000 to eligible workers, and support for reskilling and retraining, so that workers can transition to other industries.

Other significant regional initiatives funded in the 2022-23 Budget include:

- \$48.6 million for the Western Australian Regional Digital Connectivity Program, which will leverage Commonwealth and industry co-funding available for the expansion of mobile broadband and other digital connectivity solutions in regional, rural and remote areas of the State;
- \$17.7 million to deliver a National Park Tourism Experiences Development Package, which will facilitate the development of accommodation options and experiences in national parks to help drive visitation to Western Australia;
- \$12 million for the WA Array Program to accelerate implementation of a passive seismic survey across Western Australia, which will assist with future land-use planning and attract future exploration investment; and
- up to \$1.6 million as part of the Disaster Recovery Construction Training Grant in 2022-23 to employers to support the training of construction workers engaged in the reconstruction of the Mid West in the aftermath of Severe Tropical Cyclone Seroja.

In addition, \$25 million has been allocated as the State's contribution to the establishment of the Western Australian Agricultural Collaboration (WAAC), together with the Commonwealth Scientific and Industrial Research Organisation, the University of Western Australia, Curtin University and Murdoch University. The WAAC will strengthen Western Australia's research, development and extension (RD&E) capabilities and assist the State to receive a greater share of national RD&E funding for grains, livestock, wine, fisheries and other rural industries, which will in turn support jobs growth and productivity improvements in these sectors.

Safe, Strong and Fair Communities: Developing Healthy and Resilient Communities

The Government remains committed to improving the quality and sustainability of regional health services, with approximately \$2.2 billion per annum spent on health services for regional Western Australians. New initiatives funded as part of this Budget include:

- an additional \$30.1 million to improve country ambulance services in regional Western Australia. This will support an additional 18 paid paramedics, six additional ambulances, the implementation of alternative workforce model trials in remote areas, and a satellite communications pilot;
- as part of the Government's immediate response to the Infants, Children and Adolescents Taskforce report, an additional \$18.5 million will be spent over the forward estimates period to increase the WA Country Health Service (WACHS) Child and Adolescent Mental Health Service frontline workforce;
- \$10.5 million over 2022-23 and 2023-24 to construct a new eight-chair dental clinic in Albany, with an additional \$2.5 million provided for operating costs;
- an additional \$10 million will be spent as part of the Pilbara Health Initiative to improve access to specialist paediatric, cancer, haematology, stroke and neurology services at Karratha Health Campus and surrounding sites;
- an additional \$5.1 million for continuation of the 24/7 WACHS Mental Health Emergency Telehealth Service; and
- \$5 million in 2022-23 to address critical regional staff accommodation priorities to support the attraction and retention of the health workforce.

To address cost escalation and supply chain constraints impacting the construction market in the regions, an additional:

- \$49.4 million has been allocated over 2024-25 and 2025-26 to deliver the Government's commitment for a staged redevelopment of the Geraldton Health Campus;
- \$2.3 million will be spent in 2023-24 on the construction of the six-bed Broome Step Up/Step Down facility, located on the Broome Health and Wellbeing Campus; and
- \$1.6 million will be spent in 2023-24 on the construction of the six-bed Karratha Step Up/Step Down facility.

Investing in Our Children's Education

The State Government spends an estimated \$1.5 billion per annum to provide access to a quality education for approximately 87,000 students, enrolled in over 340 schools, in regional Western Australia.

In addition, \$349.2 million will be invested in regional primary and secondary schools over the next four years for refurbishments, upgrades, and new builds.

New spending approved in the 2022-23 Budget includes:

- \$6.6 million over 2022-23 and 2023-24 on critical maintenance programs, including roof replacement, plaster glass ceiling remediation, as well as upgrades to school alarm systems, fire services and pool safety facilities; and
- \$5 million to facilitate the acquisition of additional transportable classrooms for the 2023 school year.

An estimated \$200 million per annum will be spent over the forward estimates to deliver vocational education and training, career and employment advice, and TAFE Support services across regional Western Australia. In addition, over 2022-23 to 2025-26, it is estimated that:

- fee reductions totalling \$113.1 million will be achieved in the regions through the Lower Fees, Local Skills initiative; and
- \$37.6 million will be spent on the Employer Incentive Scheme, which provides incentive payments for employers of apprentices and trainees located in the regions.

New initiatives approved in this Budget include:

- \$4.9 million to implement a workforce transition program, including career and training services to provide practical and immediate support for the workforce in the Collie and South-West regions;
- \$2.4 million to attract international students to live, work and study in regional Western Australia and to assist in alleviating critical skills shortages in the aged and disability care, child care, hospitality and tourism sectors; and
- \$2 million to address skills shortages by tapping into under-utilised segments of the labour market, including ex-offenders and the mature aged labour force (45+ years).

Work is also ongoing to upgrade existing TAFE infrastructure in the regions, with a \$68.2 million capital investment program over the forward estimates period.

Growing Our Communities: Protecting Our Environment and Supporting Thriving Suburbs and Regions

The Department of Communities has approximately 1,240 staff in regional Western Australia providing access to disability services, housing, child protection, and family supports and services. The Department also administers almost 5,000 Government Regional Officers' Housing (GROH) properties across the State, and will invest a further \$99.4 million in GROH stock over 2022-23 to 2025-26.

The Government has allocated \$350 million to a new Remote Communities Fund in this Budget, with the intention of leveraging external contributions to support investment in new and refurbished housing, to improve water, electricity and municipal services, and improve economic participation in remote Aboriginal communities.

To support the Government's commitment to keep regional communities safe, over \$410 million per annum will be spent on services provided by the Western Australia Police Force's regional districts. This encompasses 122 police stations and around 1,800 police officers and staff.

In support of the Government's commitment to boost community policing by 950 police officers, an additional \$33.8 million has been approved in this Budget to expand police facilities in key regional areas. This comprises \$30.4 million for a new District Support Facility in Broome, and \$3.4 million to fit-out and lease a new facility in Kununurra.

The Government has approved a \$40.4 million cross-agency response to the escalation in offending and antisocial behaviour by children and young people in the Kimberley. This includes:

- \$15.5 million allocated for the development of an on-country, residential facility in the Kimberley for young offenders as an alternative to detention;
- \$12.7 million to continue the Kimberley Schools Program and develop a business case assessing the feasibility of establishing a Western Australian College of Agriculture in the Kimberley;
- \$4.4 million to expand the Target 120 program to additional sites across the Kimberley (Broome, Halls Creek, Fitzroy Crossing and Derby)¹;
- \$3.1 million to deliver a suite of initiatives providing early intervention and intensive family support for at-risk youths and their families;
- \$2.5 million to deploy additional police officers to increase targeted policing in regional communities under Operation Regional Shield;
- \$2 million for a small grants program for community-led initiatives to improve community safety and security; and
- \$250,000 in 2022-23 to fund the development of Aboriginal-led initiatives to address youth offending in the region.

The Department of Justice will spend around \$299 million per annum on court and tribunal administration in the regions, community corrections, and the operation of the State's eight regional prisons (and workcamps). This investment supports access to justice across the whole of the State, including by allowing offenders to be secured and rehabilitated close to their community.

¹ Target 120 is also being expanded to four other regional locations in this Budget – Newman, Karratha, Carnarvon and Mandurah.

In preparation for the April 2023 Total Solar Eclipse event, and the additional 20,000 visitors expected to the Exmouth region, this Budget includes:

- \$7.9 million for traffic management costs and upgrades to road rest areas;
- \$5.4 million to temporarily boost the Exmouth telecommunications network during the Total Solar Eclipse event and to upgrade the range and capacity of telecommunications infrastructure in the Exmouth region;
- an additional \$3.5 million for event management including event planning, marketing and communication, and accommodation and services for approximately 150 event workers;
- up to \$1.1 million for the Road Safety Commission to deliver road safety campaigns (\$850,000 funded from the Road Trauma Trust Account) and community grants program (up to \$250,000 funded from within existing budget parameters);
- \$1.1 million for event management activities such as additional maintenance grading of tracks and roads within nearby national parks, patrol and incident response, equipment hire and waste disposal; and
- \$380,000 to implement an event health plan (funded from within existing budget parameters).

Other initiatives funded in this Budget include:

- \$19.1 million to facilitate regional residential land developments in Karratha and Kalgoorlie;
- \$15.6 million to establish the Fitzroy Crossing Aboriginal Housing Program in partnership with Leedal;
- \$11 million to facilitate the development of Lot 350, Great Eastern Highway, Kalgoorlie;
- \$11 million to enhance Western Australia's aerial bushfire suppression capability through a three-year lease for a Large Air Tanker (and accompanying lead aircraft) based at the Busselton-Margaret River Airport;
- \$10 million allocated to upgrade the existing single lane Wellington Dam Road bridge with dual-lanes and a large pedestrian walkway;
- an additional \$9.3 million in grant funding to the City of Karratha for the construction of a bridge over a tidal creek to access the Murujuga National Park and the tourism precinct in Conzinc Bay;
- a \$7.1 million increase in spending on municipal services in remote Aboriginal communities, including to develop and maintain three new community swimming pools in Blackstone, Warakurna and Warburton;

- an additional \$4.6 million to replace 216 web struts and support infrastructure at the Tree Top Walk in the Walpole-Nornalup National Park's Valley of the Giants to extend the life of the existing structure;
- \$3 million towards replacement of the Australind Jetty; and
- an additional \$2.5 million over 2021-22 and 2022-23 to extend the Banned Drinkers Register trial to the Kimberley and Pilbara regions.

Investing in Our Roads and Ports

The Government has continued its significant investment in improving and renewing regional road infrastructure, with a total of \$5.6 billion to be spent over the next four years. This significant investment will reduce travel times, improve safety and increase freight efficiency.

A number of major regional road projects in construction will continue in 2022-23 such as the Bunbury Outer Ring Road (\$1.25 billion), Great Northern Highway – Bindoon Bypass New Alignment (\$275 million), and Great Eastern Highway Upgrades – Coates Gully, Walgoolan to Southern Cross and Ghooli to Benari (\$250 million).

This Budget also includes new spending of \$737 million (and an additional \$361 million beyond the forward estimates) on regional roads which have been jointly funded by the Commonwealth and State Governments, including:

- \$500 million to completely seal Tanami Road to the border, improving safety, accessibility, and flood resilience;
- an additional \$135 million for the Pinjarra Heavy Haulage Deviation Stages 1 and 2 (and an additional \$88 million in 2026-27, increasing total project expenditure to \$250 million), allowing heavy vehicles to fully bypass the town; and
- a further \$159 million through the Regional Road Safety Program to repair, rebuild and provide road safety treatments of country roads, with total expenditure of \$175 million in 2023-24.

A further \$960 million of spending to 2025-26 (and an additional \$210 million beyond the forward estimates) was budgeted for, but not disclosed at project level, in the 2021-22 Mid-year Review. The spending was subject to negotiations with the Commonwealth (which have now concluded), and includes:

- \$500 million to fully seal the remaining lengths of Outback Way, providing a third sealed route across Australia;
- \$400 million to complete the Bunbury Outer Ring Road;
- \$40 million for the Port Hedland Deviation; and
- \$20 million for upgrades to the intersection of Forrest Highway and Vittoria Road in Picton, which will improve traffic flow in the area.

Other regional port and transport-related infrastructure approved in this Budget includes:

- \$332 million for a major upgrade at Geraldton Port in response to increasing demand, including a new berth with associated ship loading and material handling infrastructure, and a multi-user storage facility;
- \$78.1 million on the construction of seawalls, bund/retaining walls and the construction of a causeway at Lumsden Point, Port Hedland;
- \$52 million for the construction of a supply base to support oil and gas operations in the Browse Basin (\$45 million) and for base infrastructure for an associated chemical processing and storage facility (\$7 million);
- \$15 million to undertake dredging in the Port Hedland inner harbour in 2022-23;
- \$14.6 million to address priority asset maintenance works at the Albany, Esperance, and Bunbury ports;
- an additional \$5.5 million for the Port Hedland Voluntary Buy-back Scheme;
- \$3.9 million to progress stage 2 of the Esperance Port Berth 2 upgrade to enable the installation of a first flush tank and filtration system;
- \$3.6 million to purchase a new pilot launch for Bunbury Port's pilotage services; and
- \$3.2 million to upgrade the fire protection system at Berth 8, Bunbury Port.

Investing in Power and Water

The Government is committed to ensuring the safe and reliable provision of power, water, wastewater and drainage services in regional Western Australia, with asset investment totalling \$1.8 billion over the period 2022-23 to 2025-26. This includes Western Power's safety-related expenditure on poles and wires, maintenance of Synergy's generation assets located in the regions, Horizon Power's Asset Investment Program, and capital expenditure by the Water Corporation, Bunbury Water Corporation, and Busselton Water Corporation.

In addition, the Water Corporation is expected to receive \$1.3 billion over the next four years through the Country Water Pricing Subsidy, with \$54 million of this funded from the Royalties for Regions program and the balance funded from the Consolidated Account. This subsidy covers the difference between the cost of providing water, sewerage and drainage services to regional customers, and the (subsidised) price paid by these customers. Similarly, \$710 million is provided by the Tariff Equalisation Contribution to subsidise the provision of electricity to regional customers.

As part of this Budget, regional households will also receive the \$400 Household Electricity Credit from July 2022 to assist with cost of living pressures.

Investing in Our Environment

The Department of Biodiversity, Conservation and Attractions maintains a network of 109 national parks, 20 marine reserves, 73 conservation parks, 60 State forests and other lands and waters across the State. Total direct recurrent regional expenditure by the Department is estimated at \$222 million in 2022-23, employing around 1,075 regional staff. This expenditure delivers management of parks, prescribed burning and bushfire suppression, scientific research, threatened species conservation, and management of State forests in the regions. This is a significant commitment by the Government to regional economies, nature-based tourism and conservation of biodiversity.

As part of the Government's Plan for Our Parks initiative, an additional \$19.9 million will be spent to implement and support joint management arrangements with the Traditional Owners of the Matuwa Kurarra Kurarra National Park and the Lake Carnegie Nature Reserve. Of this amount, \$5 million will be spent on essential start-up infrastructure, including the requirements for accommodation at Lorna Glen, and refurbishment of the existing homestead and woolshed.

Capital expenditure of \$11.5 million has been approved in this Budget to replace the Department of Primary Industries and Regional Development's Patrol Vessel Walcott, which is near the end of its operational life. This vessel supports the management of marine parks and conducts extended voyages to remote areas, including offshore commercial fisheries north from Ningaloo Marine Park.

An additional \$1.6 million will be spent to support the continued implementation of the Murujuga Rock Art Strategy, in partnership with the Murujuga Aboriginal Corporation. The Strategy provides the framework for the management and monitoring of environmental impacts on Murujuga Rock Art. As part of the Strategy, an additional \$19 million, funded by industry, will be spent over the forward estimates to expand the scope of the monitoring program.

As part of climate action initiatives included in this Budget, the following regional initiatives have been approved:

- \$6.4 million has been allocated to enable the expansion of the savanna burning program and to explore carbon abatement opportunities on existing and proposed conservation estates to maximise benefits to conservation, reserve management and Traditional Owners; and
- \$4.2 million will be spent over the forward estimates period to complete the Katanning Research Facility Carbon Neutral Demonstration Project.

The Government has also approved additional expenditure of \$2.7 million over 2022-23 and 2023-24 to address the impact of cost escalation and supply chain constraints on the completion of lookouts and accessible trails at Maidens Reserve, and the replacement of a boardwalk and path within the Leschenault Inlet at Mangrove Cove. This will bring the total commitment for these projects to \$8.2 million.

Royalties for Regions Program

Under this program, which is funded by 25% of the State's annual royalty income (up to a \$1 billion annual cap on the balance held in the RfR Fund), the Government will spend \$4.2 billion over the next four years to support service delivery and infrastructure provision in regional Western Australia.

The 2022-23 Budget RfR program is detailed in the following table.

ROYALTIES FOR REGIONS EXPENDITURE						
INITIATIVE	2021-22 Estimated Actual	2022-23 Budget Year	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
INVESTING IN JOBS						
Aboriginal Pastoral Training Program	0.7	0.7	0.7	0.3	-	1.7
Aboriginal Ranger Program	6.8	11.1	13.8	19.6	16.5	61.0
Aboriginal Tourism Fund	1.2	3.7	3.7	3.6	-	10.9
Agricultural Sciences Research and Development Fund	1.5	-	-	-	-	-
Agrifood Activation Fund – Food Technology Facility Project (Peel)	3.0	4.0	1.5	1.5	-	7.0
Albany Middleton Beach Stage 2	1.8	-	-	-	-	-
Albany Wave Energy Demonstration	0.8	0.5	0.3	-	-	0.8
Albany Wave Energy Project	– (a)	-	-	-	-	-
Aquaculture Development Zones	0.5	0.6	0.6	0.5	-	1.7
Boost to Food Industry Innovation	0.3	1.3	1.3	1.2	-	3.7
Brand WA – Destination Marketing	5.5	5.5	5.5	5.5	5.5	22.0
Brand WA – Event Tourism	6.5	7.9	8.4	6.7	6.3	29.3
Building Western Australian Grains Research and Development Capacity	12.8	12.9	10.8	10.8	10.0	44.5
Collie Adventure Trails	3.0	3.8	-	-	-	3.8
Collie Delivery Unit	0.9	0.8	1.0	0.5	0.5	2.9
Collie Eco-Concrete Processing Plant	0.3	-	-	-	-	-
Collie Emergency Services Vehicle Manufacturing	– (a)	-	-	-	-	-
Collie Futures Fund	5.7	7.0	3.1	-	-	10.1
Collie Replica Mine Upgrade Project	0.3	-	-	-	-	-
Collie Tourism Readiness and Economic Stimulation	1.3	1.1	-	-	-	1.1
Collie Visitor's Centre Upgrade Project	-	0.5	-	-	-	0.5
Country Firefighters Recruitment	1.6	3.0	4.6	4.6	4.6	16.8
Develop Serviced Land at Shotts and Kemerton	0.8	1.7	-	-	-	1.7
Digital Farm	2.8	4.9	2.8	-	-	7.6
Feasibility Study for AMTECH for Bunbury Geographe	0.5	1.5	-	-	-	1.5
Food Industry Export Assistance	-	0.4	-	-	-	0.4
Food Industry Innovation	1.0	1.8	1.9	1.8	1.5	6.9
Geraldton Marine Finfish Nursery Facility	0.1	0.1	6.4	-	-	6.5
Goldfields Major Solar Feasibility	-	0.1	0.3	-	-	0.4
Help Grain Growers to Better Manage Risk (e-Connected Grainbelt)	2.0	2.6	2.4	2.1	2.1	9.1
Industry Attraction and Development Fund – Collie	0.5	26.5	5.4	6.0	-	37.9
Industry Growth Partnership Processed Oats Industry	0.8	4.8	2.3	2.3	-	9.4
Industry Growth Partnership Wine Export	0.4	0.4	0.4	0.4	-	1.1
Kariyarra Indigenous Land Use Agreement	0.1	-	-	-	-	-
Koolinup Emergency Services Centre – Collie	3.9	0.8	-	-	-	0.8
Kununurra Cotton Gin Infrastructure Support Package	-	3.5	-	-	-	3.5
Lake Kepwari	0.9	0.3	-	-	-	0.3
Mount Augustus Tourism Infrastructure	0.6	0.9	3.6	5.0	-	9.4
Myalup-Wellington Water for Growth	0.7	25.6	1.9	5.3	-	32.8
Northern Beef Industry Strategy	1.7	1.4	1.4	-	-	2.8
Northern Goldfields Digital Connectivity Project	0.5	0.5	-	-	-	0.5
Ord Channel Upgrade	0.8	0.4	-	-	-	0.4
Ord-East Kimberley Expansion Project	4.8	2.0	-	-	-	2.0
Peel-Harvey Catchment Council's Water Research Infrastructure Project	0.1	0.4	– (a)	-	-	0.4

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2021-22 Estimated Actual	2022-23 Budget Year	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
Plan for Our Parks – Indigenous Land Use Agreements	0.3	0.2	-	-	-	0.2
Port Hedland Waterfront Revitalisation – Spoilbank Marina	31.4	23.3	26.2	-	-	49.5
Regional Accommodation and Travel Support Scheme	1.2	-	-	-	-	-
Regional Local Content Initiative	0.1	0.1	-	-	-	0.1
Regional Natural Resource Management – State Barrier Fence	1.3	2.0	-	-	-	2.0
Regional Telecommunications Project	3.5	12.4	6.6	2.6	-	21.6
Science and Agribusiness Connect Program	0.4	0.2	-	-	-	0.2
South Coast Aquaculture Development Zone	0.2	0.5	-	-	-	0.5
Southern Forests Irrigation Scheme	1.4	2.7	-	11.9	-	14.7
Southern Rangelands Restoration Project	0.3	0.1	-	-	-	0.1
Special Regional Event Sponsorship	-	0.3	-	-	-	0.3
State Agricultural Telecommunications Infrastructure Improvement Fund	0.7	2.5	-	-	-	2.5
Sustainable Development of the Abrolhos Islands	7.0	1.9	-	-	-	1.9
2023 Total Solar Eclipse	3.0	2.4	-	-	-	2.4
Transform Peel – Phase 1	2.9	7.4	-	-	-	7.4
Transforming Agriculture in the Pilbara	1.5	0.8	-	-	-	0.8
Transforming Bunbury's Waterfront - Stages 1 and 2	8.1	1.0	-	-	-	1.0
Transforming Bunbury's Waterfront – Stage 3 (Phase 1)	1.5	4.6	32.9	23.6	17.1	78.3
Water for Food West Kimberley	0.5	-	-	-	-	-
Water Smart Farms Project	0.5	0.9	-	-	-	0.9
Wellington Dam Mural and Collie Art Trail	0.1	-	-	-	-	-
Western Australian Screen Fund	6.4	4.0	1.6	4.0	4.0	13.6
Western Australian Regional Digital Connectivity Program	-	4.8	4.8	4.7	0.3	14.5
Western Australian Wine Industry Export Growth Partnership	0.4	0.4	0.4	0.3	-	1.0
Wild Dogs Action Plan	4.3	5.5	3.4	3.4	3.4	15.6
Yawuru Strategic Economic Development	0.3	0.3	-	-	-	0.3
TOTAL - INVESTING IN JOBS	154.5	222.8	159.7	128.2	71.7	582.4
PUTTING PATIENTS FIRST						
Digital Innovation, Transport and Access to Care	70.3	66.9	64.3	63.9	63.9	258.9
Emergency and Acute Workforce	21.8	21.3	21.3	20.5	20.5	83.5
Health Services						
Albany General Dental Clinic	-	2.2	8.4	1.0	1.4	13.0
Albany Radiation Oncology	7.5	3.8	-	-	-	3.8
Find Cancer Early	0.4	0.4	0.4	0.4	0.4	1.6
Meet and Greet Service	0.6	0.6	0.5	0.5	0.5	2.1
Paid Paramedics for the Regions	-	5.5	6.8	8.9	9.0	30.1
Pilbara Health Initiatives	3.5	6.5	2.7	2.4	1.8	13.5
Regional Renal Support Teams	0.5	0.6	0.5	0.3	0.3	1.8
Renal Dialysis	3.4	4.3	3.4	3.4	3.4	14.5
Residential Aged and Dementia Care Investment Program	1.3	-	-	-	-	-
Health Infrastructure						
Bunbury Hospital	10.5	14.5	-	-	-	14.5
Carnarvon Residential Aged Care Facility	7.9	1.4	-	-	-	1.4
Collie Hospital Upgrade	5.7	7.2	0.8	-	-	8.0
Community Alcohol and Other Drug Integrated Services in the South Metropolitan Health Service Region (Peel)	0.8	2.6	2.6	2.7	2.7	10.5

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2021-22 Estimated Actual	2022-23 Budget Year	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
Derby Community Health Service	3.1	-	-	-	-	-
District Hospital Investment Program	1.0	-	-	-	-	-
Dongara Aged Care	-	2.5	0.8	-	-	3.3
Geraldton Health Campus Redevelopment	1.5	27.9	31.5	-	-	59.4
Geraldton Hospital Co-location	0.5	1.5	-	-	-	1.5
Karratha Health Campus	0.1	1.2	-	-	-	1.2
Kimberley Mobile Dialysis Unit	0.5	-	-	-	-	-
Meekatharra Hospital	0.2	0.9	3.9	10.7	33.3	48.8
Newman Health Service Redevelopment Project	29.0	6.0	-	-	-	6.0
Nickol Bay Hospital Site	-(a)	-	-	-	-	-
Onslow Health Service Redevelopment Project	-(a)	-	-	-	-	-
Primary Health Centres Demonstration Program	2.9	7.8	0.5	-	-	8.3
Remote Indigenous Health Clinics	0.5	1.3	-	-	-	1.3
Small Hospital and Nursing Post Refurbishment Program	0.2	-	-	-	-	-
Tom Price Hospital Redevelopment	0.5	4.6	-	-	-	4.6
Other Health Programs						
Newman Renal Dialysis Service	-	-	1.3	-	-	1.3
Warmun Facility Upgrade	-	0.5	-	-	-	0.5
Women's Community Health Services: Kimberley Women's Health Program	-	1.2	0.8	0.8	0.8	3.6
Mental Health Programs						
Aboriginal Social and Emotional Wellbeing	0.7	6.5	6.7	3.6	-	16.8
Geraldton Step Up/Step Down Facilities	2.5	2.5	2.5	2.5	2.5	9.9
Mental Health Anti-Ligature Works at Regional Hospitals	1.0	0.7	-	-	-	0.7
Mental Health Step Up/Step Down Facilities – Kalgoorlie/Goldfields 10 Beds	2.7	2.6	2.6	2.6	2.6	10.5
Methamphetamine Action Plan – South West AOD Residential Rehabilitation and Treatment Service	2.8	2.8	2.9	2.9	2.9	11.6
North West Drug and Alcohol Support Program – Kimberley	6.7	6.9	7.1	7.1	7.1	28.1
Regional Men's Health	0.8	0.8	0.8	0.8	0.8	3.2
Strong Spirit Strong Mind Public Education Campaign to Run State-wide	2.6	2.1	2.3	2.2	2.2	8.8
Sub-acute Mental Health Services in Bunbury	2.2	2.3	2.3	2.3	2.3	9.1
Sub-acute Mental Health Services in Karratha	3.2	0.8	4.2	2.7	2.7	10.3
Sub-acute Mental Health Services in South Hedland	0.1	1.6	5.3	7.8	3.8	18.5
TOTAL - PUTTING PATIENTS FIRST	199.6	222.8	187.2	149.9	164.7	724.6
INVESTING IN OUR CHILDREN'S EDUCATION						
Aboriginal and Islander Education Officers	3.6	3.6	3.6	3.6	3.6	14.3
Albany Secondary Education Support Centre and North Albany Senior High School	0.1	-	-	-	-	-
Albany Senior High School	-	0.4	5.9	2.2	-	8.5
Baler Primary School	-	0.2	3.1	0.2	-	3.5
Baynton West Primary School	0.4	4.1	1.0	0.1	-	5.1
Better Beginnings – Early Literacy	0.3	0.3	0.3	0.3	0.3	1.0
Broome Senior High School	0.8	0.6	3.0	1.1	-	4.7
Bunbury Senior High School – Upgrades	0.1	0.3	-	-	-	0.3

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2021-22 Estimated Actual	2022-23 Budget Year	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
Cassia Primary School	0.1	3.6	0.5	0.2	-	4.4
Clontarf Colleges	1.5	1.5	1.5	1.5	1.5	6.2
Dampier Primary School	-	0.1	0.8	0.1	-	1.0
Donnybrook District High School	0.1	0.8	0.1	-	-	0.9
Eaton Community College	0.2	2.1	4.3	0.5	-	6.9
Eaton Community College – New Facilities	0.6	-	-	-	-	-
Feasibility Study Residential Colleges for Aboriginal Students in Newman	-	0.1	-	-	-	0.1
Halls Creek District High School	0.2	1.8	6.7	1.4	-	9.8
Improving Teacher Quality	1.9	1.9	1.9	1.9	1.9	7.7
Independent Learning Co-ordinators	1.5	1.5	1.5	1.5	1.5	6.0
Kimberley and Pilbara Solar Schools Program	3.0	1.6	-	-	-	1.6
Kimberley Schools Project	4.9	4.7	3.9	3.9	3.9	16.4
Margaret River Senior High School	0.6	0.2	-	-	-	0.2
Mental Health Support	0.8	0.8	0.8	0.8	0.8	3.2
Puntukurnu Aboriginal Medical Service Jiji Program	-	0.8	-	-	-	0.8
Put Education Assistants Back in the Classroom	9.1	9.1	9.1	9.1	9.1	36.6
Regional Learning Specialists	1.5	1.5	1.5	1.5	1.5	6.0
Regional School Breakfast and Nutritional Education Program	0.2	0.2	0.2	0.2	0.2	0.9
Regional School Bus Services	79.9	79.9	79.9	79.9	79.9	319.7
South Bunbury Education Support Centre	0.1	2.6	0.3	- ^(a)	-	2.9
Tambrey Primary School	0.1	0.7	-	-	-	0.7
Vocational Education Regional Subsidies	45.4	45.4	45.4	45.4	45.4	181.6
Western Australian College of Agriculture – Kimberley	-	1.0	-	-	-	1.0
TOTAL – INVESTING IN OUR CHILDREN'S EDUCATION	156.9	171.4	175.4	155.5	149.7	652.1
INVESTING IN OUR COMMUNITIES						
Aboriginal Governance and Leadership Development Program	0.8	1.6	1.3	1.3	1.1	5.3
Aboriginal Tourism Initiatives	0.9	0.9	0.9	0.9	0.9	3.6
Air-conditioning at Five Remote Multifunctional Policing Facilities	0.5	-	-	-	-	-
Albany Entertainment Centre	0.5	0.5	0.5	0.5	0.5	2.0
Albany (Emu Point) Maritime Facility – Jetty B Remediation	-	1.0	-	-	-	1.0
Albany Trails	-	3.2	-	-	-	3.2
Batavia Coast Marina Stage 2	0.9	-	-	-	-	-
Beach Emergency Numbering System	0.2	0.3	-	-	-	0.3
Bridge St. Affordable Housing Project – Donnybrook	0.5	-	-	-	-	-
Broome Aboriginal Short Stay Accommodation Facility	3.1	2.9	2.9	2.9	2.8	11.5
Broome Aboriginal-led Specialist Family Violence Court	0.1	3.3	0.6	0.6	0.6	5.0
Bunbury Prison Alcohol and Other Drug Unit	-	2.5	3.6	2.6	2.6	11.2
Bunbury Regional Prison	0.2	-	-	-	-	-
Capel Police Station	0.4	-	-	-	-	-
Carnarvon One Mile Jetty	1.3	3.2	-	-	-	3.2
Carnarvon One Mile Jetty – Partial Demolition of Jetty	4.2	-	-	-	-	-
Collie Mineworkers Memorial Pool Enclosure	-	0.9	-	-	-	0.9

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	Total Four Years \$m
Community Chest Grants Scheme	0.1	-	-	-	-	-
Community Resource Centres	12.6	13.2	13.4	13.6	13.8	54.0
Community Safety Network	9.1	8.5	8.7	8.7	8.5	34.4
Country Age Pension Fuel Card	30.5	30.5	30.5	30.5	30.5	122.0
Country Water Pricing Subsidy	126.0	54.0	-	-	-	54.0
Culturally Appropriate Services to Victims of Domestic Violence	0.1	0.1	-	-	-	0.1
Dalyellup Family Centre	0.3	0.3	0.3	0.2	-	0.7
Dampier Peninsula Activation	1.9	1.4	-	-	-	1.4
East Kimberley Transitional Housing	0.8	0.9	0.9	0.9	1.1	3.9
Enhanced Driver Training and Education for Regional and Remote Communities	1.7	1.5	1.4	1.4	1.4	5.7
Essential and Municipal Services Improvement in Remote Aboriginal Communities	13.6	15.0	12.6	-	-	27.7
Family and Domestic Violence Counselling Services – Peel	0.3	-	-	-	-	-
Family Domestic Violence Refuge – Peel	1.4	1.2	1.2	1.2	1.2	4.7
Financial Counselling Services	0.7	0.7	0.7	0.7	0.7	2.9
Geraldton Basketball Stadium Upgrade	1.5	-	-	-	-	-
Goldfields Arts Centre	0.1	0.1	0.1	0.1	0.1	0.6
Gwoonwardu Mia Aboriginal Heritage and Cultural Centre – Carnarvon	1.8	1.2	1.2	-	-	2.3
Halls Creek Town Development Masterplan – State Contribution	-	3.5	-	-	-	3.5
Harvey Trail Precinct	-	0.1	-	-	-	0.1
Hedland Transitional Housing	0.9	0.8	0.8	0.9	-	2.5
Indigenous Visitor Hostels	2.8	2.5	2.5	2.5	2.5	10.0
Jalbi Jiya (Your Home) Program	0.7	2.4	0.1	0.1	-	2.6
Kalgoorlie Career Fire and Rescue Service Station Upgrade	1.2	-	-	-	-	-
Kalgoorlie Motorsports Precinct	1.0	1.0	-	-	-	1.0
Kimberley Aboriginal Law and Culture Centre to Document and Teach Traditional Languages	0.1	0.1	-	-	-	0.1
Kimberley Community Action Fund	-	1.0	1.0	-	-	2.0
Kimberley Juvenile Justice Strategy	0.3	-	-	-	-	-
Kimberley On-country Residential Youth Facilities	0.3	2.8	5.0	5.0	2.5	15.3
Koombana Bay Park Facilities	2.3	0.4	-	-	-	0.4
Laverton Visitor Centre	0.3	-	-	-	-	-
Leedal – Fitzroy Affordable Housing Project	-	5.0	5.7	3.1	2.9	16.7
Leonora Ageing in Place Project	2.5	0.5	-	-	-	0.5
Mandurah Eastern Foreshore Redevelopment	1.5	-	-	-	-	-
Motorplex Complex Albany	5.5	-	-	-	-	-
Multi-functional Policing Facilities Air-Conditioning System Replacement	5.4	1.2	-	-	-	1.2
North West Aboriginal Housing Initiative	-	4.7	9.6	18.5	7.5	40.3
Olabud Doogethu Halls Creek Youth Justice Reinvestment Project	0.2	0.6	0.3	0.3	-	1.3
Peel Regional Trails	0.5	1.5	-	-	-	1.5
Pilbara Aboriginal Town Based Reserves – Yet-to-Be Allocated	0.1	0.2	6.1	1.0	-	7.3
Pilbara Town Based Reserves – Irrungadji	-	4.7	0.3	-	-	5.0
Pilbara Town Based Reserves – Parnpajinya	1.6	2.0	0.4	0.4	-	2.8
Pilbara Town Based Reserves – Tjalka Boorda	0.9	0.7	-	-	-	0.7

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	Total Four Years \$m
Police Radio Network	1.0	0.5	0.7	-	-	1.2
Regional Arts and Cultural Investment Program	5.0	4.9	4.9	4.9	4.9	19.7
Regional Athlete Support Program	1.1	1.1	-	-	-	1.1
Regional Centres Development Plan	-	2.5	-	-	-	2.5
Regional COVID-19 Response Provision	-	0.1	-	-	-	0.1
Regional Economic Development Grants	11.6	5.0	5.0	5.0	5.0	20.0
Regional Enforcement Unit	5.5	5.5	5.5	5.5	5.5	21.9
Regional Exhibition Touring Boost	2.1	1.5	2.0	2.0	2.0	7.5
Regional Grants Scheme	0.6	-	-	-	-	-
Regional Investment Initiative	-	0.2	-	-	-	0.2
Regional Museum Grants – Regional Collections Development Program	0.5	0.2	0.2	0.2	0.2	0.8
Regional Police Incentives	2.5	2.5	2.5	2.5	2.5	10.0
Regional Renewal Program	3.2	9.4	7.4	-	-	16.8
Regional Taxi Transition Fund	0.1	-	-	-	-	-
Regional Workers Campaign	0.5	-	-	-	-	-
Regional Youth Justice Services	5.5	5.6	5.7	5.8	5.8	22.9
Remote Aboriginal Communities	54.0	77.7	72.1	59.1	64.0	272.9
Remote Aboriginal Communities COVID-19 Emergency Relief Fund	1.0	1.1	-	-	-	1.1
Remote Essential and Municipal Services	56.0	56.0	56.0	56.0	56.0	224.0
Remote Swimming Pools	0.6	0.8	0.6	0.6	0.6	2.6
Respectful Relationship Programs in Schools	0.1	-	-	-	-	-
Riverview Residence – Upgrade to Over 55's Estate	-	2.0	-	-	-	2.0
Rural, Regional and Remote Network South Hedland and CBD	-	0.2	0.1	-	-	0.3
Revitalisation – Stage 2	1.0	-	-	-	-	-
Southern Forests Food Council	-	0.4	-	-	-	0.4
Stockton Lake	0.3	- (a)	-	-	-	- (a)
Upgrades to Hay Park – Bunbury	0.1	-	-	-	-	-
Volunteer Fuel Card	1.0	1.0	1.0	1.0	1.0	4.0
Western Desert Justice Program	0.5	0.5	0.5	-	-	1.0
Yindjibarndi Ganjalili Accommodation and Transitional Housing Program	2.6	3.5	0.1	0.1	-	3.7
Yawuru Home Ownership Program	0.5	0.3	0.4	0.6	0.2	1.5
TOTAL – INVESTING IN OUR COMMUNITIES	401.0	367.0	277.3	241.3	228.7	1,114.2
INVESTING IN OUR ROADS AND PORTS						
AgLime Routes	0.4	-	-	-	-	-
Albany Ring Road – Design, Preconstruction and Construction Activities	10.6	6.1	-	-	-	6.1
Broome Boating Facilities Upgrade	1.0	-	-	-	-	-
Broome Marina Planning	0.3	-	-	-	-	-
Bunbury Port – Inner Harbour Access Bridge	1.7	13.7	-	-	-	13.7
Chidlow – York Road and Forrest Street Intersection Upgrade	-	0.1	0.2	0.7	-	1.0
Collie Preston Region – Upgrades Over Multiple Local Roads	2.9	-	-	-	-	-
Coolgardie-Esperance Highway (Goldfields) – Widen, Overlay and Reconstruction	1.0	-	-	-	-	-
Covalent Lithium Mine Access Road	-	7.0	5.0	-	-	12.0
Derby-Broome Airservice	1.0	-	-	-	-	-
Dongara Road Alignment	0.4	-	-	-	-	-
Duncan Road and Gordon Downs Road Upgrade	2.2	-	-	-	-	-
Forrest Highway (Vittoria Road)	-	1.0	2.0	1.0	-	4.0
Grain Freight Upgrades	5.0	7.0	7.0	3.0	-	17.0

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	Total Four Years \$m
Great Eastern Highway – Walgoolan to Southern Cross and Coates Gully	3.6	-	-	-	-	-
Great Eastern Highway Upgrades – Ghooli to Benari	0.2	6.8	2.8	2.8	13.2	25.6
Great Northern Highway – Broome to Kununurra – Nellie Springs to Sally Downs Well and Arthur Creek	-	1.0	1.0	2.0	3.5	7.5
Great Northern Highway – Newman to Port Hedland – Overtaking Lanes	-	-	-	0.4	2.0	2.4
Greenbushes Lithium Supply Chain	-	3.8	-	-	-	3.8
Indian Ocean Drive – Jurien Bay to Brand Highway	0.2	3.0	3.0	0.4	2.4	8.8
Karratha to Tom Price Road – Manuwarra Red Dog Highway	17.5	19.0	-	-	-	19.0
Koojan Downs Road Upgrade	0.6	0.4	-	-	-	0.4
Land Acquisition and Road Improvements	4.0	4.0	-	-	-	4.0
Local Government Commodity Freight Roads Fund	0.2	-	-	-	-	-
Mandurah Estuary Bridge Duplication	1.5	7.5	41.0	5.0	-	53.5
Mandurah Train Station – New Parking Bays	6.0	-	-	-	-	-
Marble Bar Road Upgrade	3.0	6.0	3.0	-	-	9.0
Mid West and Great Southern Secondary Freight Network Program	0.3	3.6	3.3	-	-	6.9
Moonamang Road	14.3	-	-	-	-	-
Oakajee Strategic Industrial Area Access Road	1.0	6.5	-	-	-	6.5
Outback Way – Laverton to WA Border	-	15.0	15.0	14.0	14.0	58.0
Outback Way – Seal Priority Sections	4.0	-	-	-	-	-
Pinjarra Heavy Haulage Deviation	-	0.5	0.5	4.0	22.2	27.2
Rail Future Fund	3.5	3.3	15.1	-	-	18.3
Regional Airfare Zone Cap for Regional Residents	0.3	6.6	6.5	6.4	-	19.5
Regional Blackspot Program	4.9	4.9	4.9	-	-	9.9
Regional Road Safety Improvement Program	4.0	-	-	-	-	-
South Coast Highway – Upgrade Between Albany and Jerramungup	2.7	-	-	-	-	-
Square Kilometre Array Roads	5.0	5.0	5.0	10.2	-	20.2
Tanami Road	-	1.0	13.0	18.0	21.0	53.0
Toodyay Road Upgrade – Dryandra to Toodyay	-	0.2	0.8	4.0	4.0	9.0
Truck Rest Stops	1.3	1.3	1.3	1.3	-	3.8
Western Australian Agricultural Supply Chain Improvements	-	-	9.0	9.0	-	18.0
TOTAL – INVESTING IN OUR ROADS AND PORTS	104.4	134.2	139.4	82.1	82.3	438.0
INVESTING IN OUR ENVIRONMENT						
Bushfire Mitigation on Crown Land Regional Townsites	3.8	3.8	3.8	-	-	7.5
Carnarvon Flood Mitigation Works – Stage 2	0.3	2.5	-	-	-	2.5
Climate Resilience Fund	1.0	4.0	3.8	3.5	2.8	14.0
Dampier Peninsula and Buccaneer Archipelago Visitor Plan	0.1	0.3	-	-	-	0.3
Dampier Peninsula Project	0.3	0.2	-	-	-	0.2
Danggu Geike Gorge Upgrades	1.0	0.8	-	-	-	0.8
Drummond Cove Coastal Erosion Project and Boat Launching Facility	0.1	0.5	1.1	1.5	-	3.1
Dwellingup Gap Trails Project	0.9	1.5	0.3	-	-	1.8
Enhanced Prescribed Burning Program	5.5	5.5	5.5	5.5	5.5	22.0
Fitzroy River Catchment	0.1	-	-	-	-	-

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	Total Four Years \$m
Fitzroy River Management Plan	0.6	0.3	-	-	-	0.3
Healthy Estuaries WA	5.7	6.8	6.3	2.3	-	15.3
Implementing the Peel-Harvey Estuary Protection Plan	0.8	1.3	1.3	1.3	0.4	4.2
Kalbarri Island Rock	- ^(a)	0.2	-	-	-	0.2
Kalgulup Regional Park	1.8	6.3	1.4	1.4	1.4	10.5
Karijini National Park Upgrades	0.8	1.0	13.3	1.0	-	15.3
Kimberley Wilderness Walk, Wunaamin Miliwundi Ranges	0.2	0.3	0.3	0.2	-	0.7
Managing Western Australia's Natural Resources: Supporting Community Involvement	- ^(a)	0.1	-	-	-	0.1
Marine Parks Management	0.7	0.5	0.5	-	-	1.1
Murujuga Joint Management	1.1	1.1	1.1	1.1	1.0	4.2
Murujuga National Park (Conzinc Bay)	0.1	2.7	2.2	-	-	4.9
Natural Resource Management Program	7.8	7.3	6.6	6.3	6.2	26.4
Ngari Capes Marine Park	1.4	1.2	1.2	1.2	1.2	4.6
Ningaloo Coastal Reserve	1.8	1.8	1.3	1.3	1.3	5.7
Northern Native Seed Initiative	0.4	2.2	0.9	0.6	0.4	4.0
Peel Harvey Estuary	0.1	0.1	0.1	0.1	0.1	0.5
Pilbara Hydrogen Hub	-	17.7	17.7	17.7	16.9	70.0
Plan for Our Parks – Indigenous Land Use Agreement	2.9	2.2	-	-	-	2.2
Renewable Hydrogen Strategy	0.7	4.4	-	-	-	4.4
Rural Water Planning	2.3	3.1	2.5	2.5	-	8.2
Tordirrup National Park, The Gap	0.2	0.3	2.9	-	-	3.2
Watering Western Australia	0.5	0.5	-	-	-	0.5
William Bay National Park Infrastructure Project	0.5	0.2	-	-	-	0.2
Yawuru Conservation Park	0.2	1.8	1.3	1.3	-	4.3
Yawuru Joint Management	1.1	1.1	1.1	1.1	1.1	4.5
TOTAL – INVESTING IN OUR ENVIRONMENT	44.8	83.3	76.2	49.8	38.3	247.7
ADMINISTRATION AND ADMINISTERED ITEMS						
Administration ^(b)	86.3	90.9	85.2	86.5	86.8	349.5
Administered Items ^(c)	-	42.4	39.6	54.1	50.3	186.4
TOTAL – ADMINISTRATION AND ADMINISTERED ITEMS	86.3	133.3	124.8	140.6	137.2	535.9
Underspend Provision	-143.7	-78.8	-	-	-	-78.8
TOTAL ROYALTIES FOR REGIONS FUND	1,003.7	1,256.1	1,140.0	947.4	872.6	4,216.1
Regional Reform Fund Special Purpose Account Transfer ^(d)	-	4.0	15.0	7.5	4.5	31.0

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

(b) Funding for costs associated with the administration of the Royalties for Regions Fund.

(c) Funding mainly for initiatives where further planning is required to deliver these proposals.

(d) Total Royalties for Regions contributions to the Fund are forecast to be \$150 million.

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

Source: Department of Primary Industries and Regional Development.

Detailed Financial Projections

This appendix contains detailed financial projections for the various sectors of the total public sector defined by the Government Finance Statistics (GFS) framework. The tables in this section satisfy Uniform Presentation Framework (UPF) requirements applicable for all States, Territories and the Commonwealth, and are also consistent with Australian Accounting Standards, in particular, AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

Contents

	Page
Financial Projections	
General Government	
Table 1.1: Operating Statement	235
Table 1.2: Balance Sheet at 30 June	236
Table 1.3: Cash Flow Statement	237
Public Non-Financial Corporations	
Table 1.4: Operating Statement	238
Table 1.5: Balance Sheet at 30 June	239
Table 1.6: Cash Flow Statement	240
Total Non-Financial Public Sector	
Table 1.7: Operating Statement	241
Table 1.8: Balance Sheet at 30 June	242
Table 1.9: Cash Flow Statement	243
Public Financial Corporations	
Table 1.10: Operating Statement	244
Table 1.11: Balance Sheet at 30 June	245
Table 1.12: Cash Flow Statement	246
Total Public Sector	
Table 1.13: Operating Statement	247
Table 1.14: Balance Sheet at 30 June	248
Table 1.15: Cash Flow Statement	249
Notes to the Financial Projections	
Note 1: Statement of Compliance	250
Note 2: Summary of Significant Accounting Policies	250
Note 3: General Government Operating Revenue	250
Note 4: General Government Revenue from Public Corporations	251
Note 5: General Government Transfer Expenses	252
Note 6: Classification of the Functions of Government	253
Note 7: Convergence Differences	254
Note 8: Composition of Sectors	255

Table 1.1

GENERAL GOVERNMENT Operating Statement

	Note	2020-21 Actual \$m	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
<i>Results from Transactions</i>							
REVENUE							
Taxation		10,153	11,476	11,111	11,014	11,304	11,744
Current grants and subsidies		9,421	11,835	11,850	12,779	12,926	13,351
Capital grants		1,131	1,832	2,285	1,997	1,411	1,095
Sales of goods and services		2,821	3,058	3,050	3,074	3,013	3,089
Interest income		110	118	133	131	133	124
Revenue from public corporations							
Dividends from other sector entities		1,362	617	1,476	1,527	1,635	1,689
Tax equivalent income		956	686	779	834	855	877
Royalty income		12,181	11,490	7,093	6,328	6,427	6,573
Other		2,015	778	652	891	738	602
Total	3	40,151	41,890	38,428	38,578	38,443	39,145
EXPENSES							
Salaries		13,469	14,097	14,713	14,980	15,502	16,015
Superannuation							
Concurrent costs		1,323	1,469	1,569	1,665	1,809	1,959
Superannuation interest cost		60	154	181	169	166	169
Other employee costs		422	342	348	347	351	354
Depreciation and amortisation		1,741	1,864	1,978	2,003	2,044	2,030
Services and contracts		2,686	3,589	3,502	3,172	3,190	3,146
Other gross operating expenses		5,602	6,086	5,952	5,616	5,791	5,886
Interest							
Interest on leases		134	132	127	126	124	120
Other interest		654	635	636	646	648	648
Current transfers	5	7,458	6,726	7,092	5,901	5,738	5,595
Capital transfers	5	763	1,121	737	410	320	215
Total	6	34,313	36,214	36,836	35,036	35,683	36,138
NET OPERATING BALANCE		5,838	5,676	1,592	3,541	2,760	3,007
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		-173	-184	-112	-73	-78	-24
Provision for doubtful debts		-51	-17	-17	-17	-17	-17
Changes in accounting policy/adjustment of prior periods		9	-	-	-	-	-
Total other economic flows		-215	-200	-129	-89	-94	-41
OPERATING RESULT		5,623	5,475	1,463	3,452	2,665	2,966
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		1,827	4,178	1,615	1,202	1,088	968
Net actuarial gains/-loss - superannuation		1,072	780	-111	-170	-167	-161
Gains recognised directly in equity		2	-43	-43	-43	-44	-44
Change in net worth of the public corporations sectors		1,620	1,383	765	282	210	41
All other		-	-	-	-	-	-
Total all other movements in equity		4,520	6,298	2,226	1,272	1,086	805
TOTAL CHANGE IN NET WORTH		10,144	11,773	3,690	4,724	3,752	3,772
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE		5,838	5,676	1,592	3,541	2,760	3,007
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets	6	2,614	3,157	3,623	3,694	4,117	3,457
Changes in inventories		70	365	-297	-	-	-
Other movement in non-financial assets		1,337	40	4	246	136	-
Less:							
Sales of non-financial assets		90	180	68	76	70	80
Depreciation		1,741	1,864	1,978	2,003	2,044	2,030
Total net acquisition of non-financial assets		2,189	1,518	1,284	1,861	2,139	1,347
NET LENDING/-BORROWING		3,649	4,157	308	1,681	621	1,660

Note: Columns may not add due to rounding.

Table 1.2

GENERAL GOVERNMENT
Balance Sheet at 30 June

	2021	2022	2023	2024	2025	2026
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	5,230	7,011	5,338	4,216	3,328	3,156
Advances paid	729	713	760	897	911	914
Investments, loans and placements	2,105	4,599	4,134	3,405	2,646	2,808
Receivables	5,942	5,125	3,597	3,625	3,591	3,611
Shares and other equity						
Investments in other public sector entities - equity method	42,581	43,964	44,729	45,012	45,221	45,263
Investments in other public sector entities - direct injections	11,751	12,877	14,962	17,577	19,329	20,447
Investments in other entities	30	30	30	30	30	30
Other financial assets	8	9	9	9	10	10
<i>Total financial assets</i>	<i>68,376</i>	<i>74,327</i>	<i>73,560</i>	<i>74,771</i>	<i>75,065</i>	<i>76,239</i>
<i>Non-financial assets</i>						
Land	37,821	38,613	39,982	41,097	42,001	42,737
Property, plant and equipment	47,428	52,374	54,560	56,721	59,221	61,024
Right-of-use assets	2,394	2,389	2,226	2,235	2,245	2,175
Service concession assets	798	775	749	732	703	686
Biological assets	54	54	54	54	54	54
Inventories						
Land inventories	-	-	-	-	-	-
Other inventories	179	544	247	247	247	247
Intangibles	586	605	611	644	674	705
Non-current assets held for sale	107	72	72	72	72	72
Investment property	7	7	7	7	7	7
Other	352	313	318	321	321	318
<i>Total non-financial assets</i>	<i>89,726</i>	<i>95,745</i>	<i>98,825</i>	<i>102,131</i>	<i>105,546</i>	<i>108,025</i>
TOTAL ASSETS	158,102	170,072	172,385	176,902	180,611	184,264
LIABILITIES						
Deposits held	1,333	3,014	3,159	2,948	2,992	2,952
Advances received	309	291	328	457	465	463
Borrowings						
Lease liabilities	2,753	2,768	2,614	2,631	2,649	2,591
Service concession liabilities	5	5	5	5	5	5
Other borrowings	26,451	25,867	24,675	24,656	24,635	24,630
Unfunded superannuation	5,516	4,575	4,570	4,603	4,640	4,730
Other employee benefits	3,875	3,970	4,021	4,052	4,101	4,189
Payables	2,537	2,638	2,593	2,539	2,467	2,390
Other liabilities	2,740	2,588	2,375	2,242	2,136	2,023
TOTAL LIABILITIES	45,520	45,717	44,340	44,133	44,090	43,972
NET ASSETS	112,582	124,355	128,045	132,769	136,521	140,292
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	14,298	22,506	23,820	27,059	29,515	32,277
Other reserves	98,284	101,849	104,225	105,709	107,006	108,015
NET WORTH	112,582	124,355	128,045	132,769	136,521	140,292
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>22,856</i>	<i>28,610</i>	<i>29,220</i>	<i>30,638</i>	<i>30,975</i>	<i>32,267</i>
<i>Net financial liabilities</i>	<i>31,476</i>	<i>28,231</i>	<i>30,472</i>	<i>31,951</i>	<i>33,575</i>	<i>33,443</i>
<i>Net debt</i>						
Gross debt liabilities	30,851	31,945	30,781	30,698	30,746	30,641
Less : liquid financial assets	8,063	12,323	10,232	8,518	6,885	6,879
<i>Net debt</i>	<i>22,788</i>	<i>19,622</i>	<i>20,549</i>	<i>22,180</i>	<i>23,861</i>	<i>23,763</i>

Note: Columns may not add due to rounding.

Table 1.3

GENERAL GOVERNMENT **Cash Flow Statement**

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	\$m	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	9,847	11,496	11,128	11,031	11,321	11,760
Grants and subsidies received	12,167	15,799	16,087	17,080	16,731	16,843
Receipts from sales of goods and services	2,858	3,009	2,983	3,051	2,971	3,031
Interest receipts	88	114	130	131	133	124
Dividends and tax equivalents	2,331	1,497	2,298	2,365	2,566	2,617
Other receipts	12,694	14,417	10,497	8,157	8,241	8,379
Total cash received	39,985	46,332	43,123	41,815	41,964	42,755
<i>Cash Paid</i>						
Wages, salaries and supplements, and superannuation	-14,851	-15,855	-16,539	-16,930	-17,569	-18,132
Payments for goods and services	-8,904	-10,517	-9,624	-9,238	-9,377	-9,422
Interest paid	-803	-748	-730	-749	-760	-755
Grants and subsidies paid	-8,456	-9,617	-9,416	-8,261	-8,111	-7,853
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-1,828	-1,709	-1,686	-1,635	-1,697	-1,727
Total cash paid	-34,842	-38,447	-37,995	-36,814	-37,514	-37,889
NET CASH FLOWS FROM OPERATING ACTIVITIES	5,143	7,885	5,127	5,001	4,450	4,866
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-2,614	-3,157	-3,623	-3,694	-4,117	-3,457
Sales of non-financial assets	90	180	68	76	70	80
Total cash flows from investments in non-financial assets	-2,524	-2,976	-3,555	-3,618	-4,047	-3,377
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	14	10	10	10	10	10
For liquidity purposes	86	65	44	12	10	8
<i>Cash paid</i>						
For policy purposes	-1,210	-1,377	-2,257	-2,670	-1,738	-1,089
For liquidity purposes	-94	-7	-1	-3	-25	-40
Total cash flows from investments in financial assets	-1,205	-1,309	-2,203	-2,651	-1,742	-1,112
NET CASH FLOWS FROM INVESTING ACTIVITIES	-3,728	-4,285	-5,758	-6,269	-5,790	-4,489
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	18	18	18	18	25	34
Borrowings	198	130	127	101	98	112
Deposits received	-	-	-	-	-	-
Other financing receipts	233	15	20	6	7	4
Total cash receipts from financing activities	449	163	165	124	130	150
<i>Cash paid</i>						
Advances paid	-17	-18	-18	-18	-25	-34
Borrowings repaid	-45	-707	-1,310	-109	-109	-106
Deposits paid	-	-	-	-	-	-
Other financing payments	-503	-410	-459	-369	-347	-357
Total payments for financing activities	-566	-1,135	-1,787	-496	-481	-497
NET CASH FLOWS FROM FINANCING ACTIVITIES	-117	-972	-1,622	-372	-351	-347
Net increase in cash and cash equivalents	1,298	2,628	-2,252	-1,640	-1,690	30
Cash and cash equivalents at the beginning of the year	5,645	6,943	9,571	7,319	5,679	3,989
Cash and cash equivalents at the end of the year	6,943	9,571	7,319	5,679	3,989	4,019
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	5,143	7,885	5,127	5,001	4,450	4,866
Net cash flows from investing in non-financial assets	-2,524	-2,976	-3,555	-3,618	-4,047	-3,377
Cash surplus/-deficit	2,620	4,909	1,573	1,383	403	1,489

Note: Columns may not add due to rounding.

Table 1.4

PUBLIC NON-FINANCIAL CORPORATIONS
Operating Statement

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget			
	\$m	\$m	Year	Outyear	Outyear	Outyear
			\$m	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Current grants and subsidies	3,344	2,924	3,394	2,679	2,521	2,485
Capital grants	97	218	269	210	146	78
Sales of goods and services	37,404	35,804	36,710	38,515	40,365	42,118
Interest income	88	73	79	115	138	153
Other	601	494	493	500	529	538
<i>Total</i>	<i>41,535</i>	<i>39,513</i>	<i>40,945</i>	<i>42,019</i>	<i>43,700</i>	<i>45,371</i>
EXPENSES						
Salaries	1,142	1,348	1,400	1,393	1,412	1,418
Superannuation						
Concurrent costs	125	140	149	155	165	173
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	59	30	32	33	33	33
Depreciation and amortisation	2,488	2,561	2,637	2,723	2,752	2,816
Services and contracts	851	969	944	837	794	786
Other gross operating expenses	33,009	31,183	31,811	33,272	34,932	36,576
Interest						
Interest on leases	75	82	77	71	64	58
Other interest	451	422	426	485	526	564
Tax equivalents	637	653	745	795	815	839
Current transfers	1,854	1,239	1,652	1,220	1,188	1,211
Capital transfers	63	26	34	-	-	-
<i>Total</i>	<i>40,754</i>	<i>38,652</i>	<i>39,907</i>	<i>40,984</i>	<i>42,681</i>	<i>44,475</i>
NET OPERATING BALANCE	780	861	1,037	1,035	1,019	896
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-210	-57	-56	21	31	29
Provision for doubtful debts	-13	-45	-33	-33	-42	-40
Changes in accounting policy/adjustment of prior periods	-112	524	-	-	-	-
<i>Total other economic flows</i>	<i>-335</i>	<i>421</i>	<i>-89</i>	<i>-12</i>	<i>-11</i>	<i>-11</i>
OPERATING RESULT	445	1,283	949	1,023	1,008	885
<i>Other non-owner movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	1,422	662	1,096	624	661	658
Net actuarial gains/loss - superannuation	-2	24	3	1	1	1
Gains recognised directly in equity	-21	11	-1	-1	-1	-1
All other	-	-	-	-	-	-
<i>Total other non-owner movements in equity</i>	<i>1,399</i>	<i>697</i>	<i>1,098</i>	<i>624</i>	<i>661</i>	<i>658</i>
<i>Movements in owner equity</i>						
Dividends	-1,341	-28	-1,395	-1,446	-1,551	-1,603
Capital injections	1,114	1,127	2,086	2,616	1,753	1,119
<i>Total movements in owner equity</i>	<i>-227</i>	<i>1,099</i>	<i>691</i>	<i>1,171</i>	<i>201</i>	<i>-483</i>
TOTAL CHANGE IN NET WORTH	1,618	3,079	2,738	2,818	1,870	1,060
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	780	861	1,037	1,035	1,019	896
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	3,224	3,965	5,251	5,167	4,630	3,981
Changes in inventories	-400	132	41	91	136	2
Other movement in non-financial assets	66	139	152	124	129	130
<i>Less:</i>						
Sales of non-financial assets	434	469	470	614	579	662
Depreciation	2,488	2,561	2,637	2,723	2,752	2,816
<i>Total net acquisition of non-financial assets</i>	<i>-32</i>	<i>1,205</i>	<i>2,338</i>	<i>2,045</i>	<i>1,565</i>	<i>635</i>
NET LENDING/BORROWING	813	-344	-1,300	-1,010	-546	261

Note: Columns may not add due to rounding.

Table 1.5

PUBLIC NON-FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2021	2022	2023	2024	2025	2026
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	\$m	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	2,961	3,035	2,660	2,683	3,015	3,254
Advances paid	-	-	-	-	-	-
Investments, loans and placements	5,860	5,313	5,617	6,018	6,454	6,934
Receivables	1,646	1,520	1,538	1,478	1,480	1,495
Shares and other equity						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	29	26	23	21	18	18
Other financial assets	484	378	225	161	133	96
<i>Total financial assets</i>	<i>10,980</i>	<i>10,271</i>	<i>10,063</i>	<i>10,360</i>	<i>11,101</i>	<i>11,796</i>
<i>Non-financial assets</i>						
Land	8,195	7,081	7,437	7,438	7,514	7,590
Property, plant and equipment	58,068	59,677	62,516	65,164	67,337	68,763
Right-of-use assets	442	596	542	486	441	389
Service concession assets	207	1,995	1,977	1,958	1,939	1,920
Biological assets	210	209	215	228	239	251
Inventories						
Land inventories	1,566	1,530	1,610	1,637	1,566	1,690
Other inventories	5,925	6,057	6,098	6,189	6,325	6,327
Intangibles	504	467	479	508	576	528
Non-current assets held for sale	5	5	5	5	5	5
Investment property	21	16	16	16	16	16
Other	170	194	189	204	201	185
<i>Total non-financial assets</i>	<i>75,312</i>	<i>77,826</i>	<i>81,083</i>	<i>83,833</i>	<i>86,157</i>	<i>87,663</i>
TOTAL ASSETS	86,292	88,097	91,146	94,193	97,258	99,459
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	309	291	328	457	465	463
Borrowings						
Lease liabilities	768	917	841	773	698	620
Service concession liabilities	343	334	327	319	312	304
Other borrowings	23,299	22,227	22,629	22,759	23,924	25,161
Unfunded superannuation	82	60	62	67	78	95
Other employee benefits	453	431	435	438	441	442
Payables	7,609	7,404	7,431	7,611	7,716	7,707
Other liabilities	2,027	1,951	1,873	1,730	1,718	1,700
TOTAL LIABILITIES	34,889	33,615	33,927	34,155	35,351	36,492
NET ASSETS	51,403	54,482	57,220	60,037	61,908	62,967
<i>Of which:</i>						
Contributed equity	12,001	13,129	15,215	17,831	19,584	20,703
Accumulated surplus	16,658	19,071	18,589	18,138	17,561	16,808
Other reserves	22,743	22,282	23,416	24,068	24,763	25,457
NET WORTH	51,403	54,482	57,220	60,037	61,908	62,967
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-23,909</i>	<i>-23,345</i>	<i>-23,863</i>	<i>-23,795</i>	<i>-24,250</i>	<i>-24,695</i>
<i>Net debt</i>						
Gross debt liabilities	24,719	23,769	24,125	24,309	25,398	26,549
Less : liquid financial assets	8,821	8,348	8,277	8,700	9,469	10,187
<i>Net debt</i>	<i>15,898</i>	<i>15,422</i>	<i>15,847</i>	<i>15,608</i>	<i>15,929</i>	<i>16,362</i>

Note: Columns may not add due to rounding.

Table 1.6

PUBLIC NON-FINANCIAL CORPORATIONS
Cash Flow Statement

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Grants and subsidies received	3,491	3,099	3,684	2,901	2,670	2,568
Receipts from sales of goods and services	26,107	25,155	25,485	26,671	27,796	28,832
Interest receipts	83	70	78	114	138	153
Dividends and tax equivalents	63	156	129	101	97	105
Other receipts	1,457	1,522	1,478	1,493	1,432	1,477
Total cash received	31,200	30,001	30,854	31,281	32,133	33,134
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-1,257	-1,491	-1,544	-1,541	-1,560	-1,570
Payments for goods and services	-20,397	-19,763	-20,146	-20,648	-21,461	-22,604
Interest paid	-576	-474	-478	-506	-541	-590
Grants and subsidies paid	-706	-766	-808	-767	-729	-733
Tax equivalents	-683	-684	-722	-757	-850	-848
Other payments	-4,210	-3,985	-3,721	-3,467	-3,399	-3,389
Total cash paid	-27,829	-27,162	-27,419	-27,687	-28,541	-29,733
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,371	2,839	3,435	3,594	3,592	3,401
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-3,224	-3,965	-5,251	-5,167	-4,630	-3,981
Sales of non-financial assets	434	469	470	614	579	662
Total cash flows from investments in non-financial assets	-2,790	-3,495	-4,781	-4,553	-4,052	-3,319
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	3	47	59	66	72	44
<i>Cash paid</i>						
For policy purposes	-18	-1	-14	-	-	-
For liquidity purposes	-100	-77	-69	-73	-65	-48
Total cash flows from investments in financial assets	-114	-31	-23	-7	7	-4
NET CASH FLOWS FROM INVESTING ACTIVITIES	-2,904	-3,526	-4,804	-4,560	-4,044	-3,323
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	54	147	33	33
Borrowings	4,322	2,287	4,886	4,923	5,714	5,269
Deposits received	-	-	-	-	-	-
Other financing receipts	1,305	1,474	2,400	2,724	1,755	1,117
Total cash received	5,627	3,761	7,340	7,795	7,503	6,418
<i>Cash paid</i>						
Advances paid	-17	-18	-18	-18	-25	-34
Borrowings repaid	-4,365	-2,890	-4,774	-5,156	-4,953	-4,434
Deposits paid	-	-	-	-	-	-
Other financing payments	-230	-167	-195	-193	-187	-187
Dividends paid	-1,341	-28	-1,395	-1,446	-1,551	-1,603
Total cash paid	-5,954	-3,103	-6,382	-6,813	-6,717	-6,257
NET CASH FLOWS FROM FINANCING ACTIVITIES	-327	658	958	982	786	161
Net increase in cash and cash equivalents	140	-29	-411	15	333	239
Cash and cash equivalents at the beginning of the year	3,233	3,373	3,344	2,933	2,948	3,282
Cash and cash equivalents at the end of the year	3,373	3,344	2,933	2,948	3,282	3,521
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	3,371	2,839	3,435	3,594	3,592	3,401
Net cash flows from investing in non-financial assets	-2,790	-3,495	-4,781	-4,553	-4,052	-3,319
Dividends paid	-1,341	-28	-1,395	-1,446	-1,551	-1,603
Cash surplus/-deficit	-760	-684	-2,741	-2,404	-2,011	-1,520

Note: Columns may not add due to rounding.

Table 1.7

TOTAL NON-FINANCIAL PUBLIC SECTOR
Operating Statement

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Taxation	9,610	10,906	10,552	10,449	10,727	11,152
Current grants and subsidies	9,421	11,835	11,850	12,779	12,926	13,351
Capital grants	1,131	1,832	2,285	1,997	1,411	1,095
Sales of goods and services	39,633	38,069	39,030	40,922	42,737	44,607
Interest income	179	175	196	231	256	262
Royalty income	12,181	11,490	7,093	6,328	6,427	6,573
Dividend and tax equivalents	496	751	215	217	228	238
Other	2,415	1,092	999	1,251	1,119	984
Total	75,067	76,149	72,220	74,175	75,831	78,263
EXPENSES						
Salaries	14,611	15,445	16,113	16,373	16,914	17,433
Superannuation						
Concurrent costs	1,448	1,609	1,718	1,820	1,974	2,132
Superannuation interest cost	60	154	181	169	166	169
Other employee costs	403	283	289	289	292	295
Depreciation and amortisation	4,227	4,422	4,613	4,724	4,794	4,843
Services and contracts	3,537	4,564	4,454	4,016	3,991	3,940
Other gross operating expenses	37,849	36,295	36,879	38,065	39,916	41,691
Interest						
Interest on leases	208	213	204	196	188	178
Other interest	1,087	1,043	1,047	1,116	1,160	1,197
Current transfers	5,629	4,682	4,984	4,075	4,034	3,943
Capital transfers	728	928	502	200	174	137
Total	69,786	69,638	70,983	71,042	73,601	75,959
NET OPERATING BALANCE	5,280	6,511	1,237	3,133	2,230	2,304
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-383	-241	-168	-51	-47	5
Provision for doubtful debts	-64	-62	-50	-50	-59	-57
Changes in accounting policy/adjustment of prior periods	-174	524	-	-	-	-
Total other economic flows	-621	221	-217	-101	-105	-52
OPERATING RESULT	4,660	6,732	1,020	3,032	2,125	2,252
<i>All other movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	3,248	4,842	2,712	1,828	1,750	1,628
Net actuarial gains/-loss - superannuation	1,070	804	-108	-169	-166	-160
Gains recognised directly in equity	-21	-34	-46	-46	-47	-47
Change in net worth of the PFC sector	1,187	-571	112	79	90	99
All other	-	-	-	-	-	-
Total all other movements in equity	5,484	5,041	2,670	1,692	1,627	1,520
TOTAL CHANGE IN NET WORTH	10,144	11,773	3,690	4,724	3,752	3,772
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	5,280	6,511	1,237	3,133	2,230	2,304
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	5,812	6,973	8,873	8,861	8,747	7,437
Changes in inventories	-330	497	-256	91	136	2
Other movement in non-financial assets	1,403	179	157	369	265	130
<i>Less:</i>						
Sales of non-financial assets	499	501	538	690	648	741
Depreciation	4,227	4,422	4,613	4,724	4,794	4,843
Total net acquisition of non-financial assets	2,160	2,726	3,623	3,908	3,706	1,985
NET LENDING/-BORROWING	3,121	3,786	-2,387	-775	-1,476	319

Note: Columns may not add due to rounding.

Table 1.8

TOTAL NON-FINANCIAL PUBLIC SECTOR
Balance Sheet at 30 June

	2021	2022	2023	2024	2025	2026
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	6,875	7,047	5,155	4,166	3,467	3,477
Advances paid	420	422	433	440	446	451
Investments, loans and placements	7,892	9,840	9,678	9,350	9,027	9,669
Receivables	7,472	6,508	4,980	4,909	4,916	4,959
Shares and other equity						
Investments in other public sector entities - equity method	2,929	2,359	2,472	2,552	2,643	2,743
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	59	56	53	51	48	48
Other financial assets	8	9	9	9	10	10
Total financial assets	25,655	26,240	22,780	21,476	20,557	21,358
<i>Non-financial assets</i>						
Land	46,015	45,694	47,419	48,536	49,514	50,327
Property, plant and equipment	105,496	112,051	117,077	121,885	126,559	129,786
Right-of-use assets	2,836	2,992	2,776	2,727	2,697	2,578
Service concession assets	1,005	2,771	2,725	2,689	2,642	2,606
Biological assets	264	262	269	282	293	305
Inventories						
Land inventories	1,566	1,530	1,610	1,637	1,566	1,690
Other inventories	6,104	6,601	6,345	6,437	6,572	6,574
Intangibles	1,091	1,071	1,090	1,152	1,250	1,232
Non-current assets held for sale	112	77	77	77	77	77
Investment property	28	22	22	22	22	22
Other	519	504	504	522	519	500
Total non-financial assets	165,035	173,576	179,914	185,967	191,711	195,699
TOTAL ASSETS	190,690	199,815	202,693	207,443	212,269	217,057
LIABILITIES						
Deposits held	16	14	314	214	116	18
Advances received	309	291	328	457	465	463
Borrowings						
Lease liabilities	3,449	3,620	3,392	3,338	3,285	3,153
Service concession liabilities	348	254	247	240	232	232
Other borrowings	50,098	48,179	47,390	47,501	48,644	49,868
Unfunded superannuation	5,598	4,635	4,632	4,670	4,718	4,824
Other employee benefits	4,327	4,401	4,456	4,490	4,542	4,631
Payables	10,031	9,906	9,870	9,956	10,028	9,950
Other liabilities	3,931	4,159	4,020	3,808	3,718	3,624
TOTAL LIABILITIES	78,108	75,460	74,648	74,675	75,748	76,764
NET ASSETS	112,582	124,355	128,045	132,769	136,521	140,292
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	30,964	41,584	42,416	45,205	47,083	49,092
Other reserves	81,618	82,771	85,629	87,564	89,437	91,201
NET WORTH	112,582	124,355	128,045	132,769	136,521	140,292
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-52,453</i>	<i>-49,220</i>	<i>-51,869</i>	<i>-53,198</i>	<i>-55,191</i>	<i>-55,407</i>
<i>Net financial liabilities</i>	<i>55,382</i>	<i>51,579</i>	<i>54,340</i>	<i>55,750</i>	<i>57,834</i>	<i>58,149</i>
<i>Net debt</i>						
Gross debt liabilities	54,221	52,359	51,670	51,750	52,742	53,735
Less : liquid financial assets	15,186	17,308	15,266	13,956	12,941	13,598
Net debt	39,035	35,050	36,404	37,794	39,801	40,137

Note: Columns may not add due to rounding.

Table 1.9

TOTAL NON-FINANCIAL PUBLIC SECTOR
Cash Flow Statement

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget			
	\$m	\$m	Year	Outyear	Outyear	Outyear
			\$m	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	9,298	10,922	10,574	10,465	10,742	11,167
Grants and subsidies received	12,167	15,799	16,087	17,080	16,731	16,843
Receipts from sales of goods and services	28,323	27,324	27,681	28,999	30,070	31,207
Interest receipts	152	168	193	229	257	262
Dividends and tax equivalents	369	941	310	264	262	272
Other receipts	13,739	15,520	11,584	9,265	9,276	9,451
Total cash received	64,048	70,675	66,429	66,302	67,337	69,203
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-16,108	-17,346	-18,083	-18,472	-19,129	-19,702
Payments for goods and services	-28,335	-29,118	-28,687	-28,872	-29,837	-31,058
Interest paid	-1,360	-1,207	-1,193	-1,239	-1,286	-1,331
Grants and subsidies paid	-5,633	-7,255	-6,512	-6,100	-6,144	-5,991
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-5,485	-5,119	-4,852	-4,536	-4,517	-4,522
Total cash paid	-56,921	-60,045	-59,328	-59,219	-60,913	-62,604
NET CASH FLOWS FROM OPERATING ACTIVITIES	7,127	10,630	7,101	7,083	6,424	6,598
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-5,812	-6,973	-8,873	-8,861	-8,747	-7,437
Sales of non-financial assets	499	501	538	690	648	741
Total cash flows from investments in non-financial assets	-5,313	-6,472	-8,336	-8,171	-8,099	-6,696
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	14	10	10	10	10	10
For liquidity purposes	89	112	103	75	57	11
<i>Cash paid</i>						
For policy purposes	-17	-10	-60	-110	-110	-110
For liquidity purposes	-194	-84	-69	-73	-65	-48
Total cash flows from investments in financial assets	-109	28	-15	-98	-107	-136
NET CASH FLOWS FROM INVESTING ACTIVITIES	-5,422	-6,443	-8,351	-8,269	-8,206	-6,832
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	54	147	33	33
Borrowings	4,520	2,418	5,013	5,024	5,812	5,381
Deposits received	-	-	-	-	-	-
Other financing receipts	232	14	56	106	107	104
Total cash received	4,752	2,432	5,123	5,277	5,952	5,517
<i>Cash paid</i>						
Advances paid	-17	-18	-18	-18	-25	-34
Borrowings repaid	-4,410	-3,597	-6,084	-5,265	-5,062	-4,540
Deposits paid	-	-	-	-	-	-
Other financing payments	-592	-404	-435	-432	-439	-439
Total cash paid	-5,019	-4,019	-6,537	-5,715	-5,526	-5,013
NET CASH FLOWS FROM FINANCING ACTIVITIES	-267	-1,587	-1,414	-438	425	504
Net increase in cash and cash equivalents	1,438	2,599	-2,663	-1,624	-1,357	270
Cash and cash equivalents at the beginning of the year	8,876	10,315	12,914	10,251	8,626	7,270
Cash and cash equivalents at the end of the year	10,315	12,914	10,251	8,626	7,270	7,539
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	7,127	10,630	7,101	7,083	6,424	6,598
Net cash flows from investing in non-financial assets	-5,313	-6,472	-8,336	-8,171	-8,099	-6,696
Cash surplus/-deficit	1,813	4,159	-1,234	-1,088	-1,675	-97

Note: Columns may not add due to rounding.

Table 1.10

PUBLIC FINANCIAL CORPORATIONS
Operating Statement

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	\$m	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Current grants and subsidies	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Sales of goods and services	1,965	1,356	1,366	1,418	1,477	1,541
Interest income	1,368	1,243	1,281	1,364	1,404	1,441
Other	162	112	133	151	162	173
<i>Total</i>	<i>3,495</i>	<i>2,711</i>	<i>2,780</i>	<i>2,933</i>	<i>3,043</i>	<i>3,154</i>
EXPENSES						
Salaries	64	67	70	72	73	74
Superannuation						
Concurrent costs	6	7	7	8	9	9
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	1	232	252	263	279	292
Depreciation and amortisation	8	8	9	10	10	10
Services and contracts	12	13	13	13	14	14
Other gross operating expenses	1,534	1,159	1,169	1,263	1,322	1,391
Interest						
Interest on leases	1	1	-	-	-	-
Other interest	1,099	1,025	1,061	1,140	1,172	1,202
Tax equivalents	319	33	34	39	40	39
Current transfers	4	4	5	5	5	5
Capital transfers	13	3	8	9	10	10
<i>Total</i>	<i>3,062</i>	<i>2,553</i>	<i>2,628</i>	<i>2,821</i>	<i>2,933</i>	<i>3,045</i>
NET OPERATING BALANCE	434	158	152	112	109	109
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	855	157	200	226	242	259
Provision for doubtful debts	-	-	-	-	-	-
Changes in accounting policy/adjustment of prior periods	5	-	-	-	-	-
<i>Total other economic flows</i>	<i>859</i>	<i>157</i>	<i>200</i>	<i>226</i>	<i>242</i>	<i>259</i>
OPERATING RESULT	1,293	316	352	338	352	368
<i>Other non-owner movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	3	-167	-57	-79	-71	-68
Net actuarial gains/-loss - superannuation	1	1	-	-	-	-
Gains recognised directly in equity	-3	-	-	-	-	-
All other	-	-	-	-	-	-
<i>Total other non-owner movements in equity</i>	<i>-</i>	<i>-167</i>	<i>-57</i>	<i>-79</i>	<i>-71</i>	<i>-68</i>
<i>Movements in owner equity</i>						
Dividends	-177	-718	-182	-179	-188	-199
Capital injections	35	-1	-1	-1	-1	-1
<i>Total movements in owner equity</i>	<i>-142</i>	<i>-719</i>	<i>-183</i>	<i>-179</i>	<i>-189</i>	<i>-200</i>
TOTAL CHANGE IN NET WORTH	1,151	-570	113	80	91	100
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	434	158	152	112	109	109
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	4	7	7	7	7	7
Changes in inventories	-	-	-	-	-	-
Other movement in non-financial assets	-	-	-	-	-	-
<i>Less:</i>						
Sales of non-financial assets	-	-	-	-	-	-
Depreciation	8	8	9	10	10	10
<i>Total net acquisition of non-financial assets</i>	<i>-5</i>	<i>-1</i>	<i>-2</i>	<i>-4</i>	<i>-3</i>	<i>-3</i>
NET LENDING/-BORROWING	438	159	154	116	112	112

Note: Columns may not add due to rounding.

Table 1.11

PUBLIC FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2021	2022	2023	2024	2025	2026
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	Actual	Year	\$m	\$m	\$m
		\$m	\$m			
ASSETS						
<i>Financial assets</i>						
Cash and deposits	241	142	147	145	147	154
Advances paid	5,204	4,856	5,099	5,471	5,890	6,340
Investments, loans and placements	66,077	61,733	61,291	61,711	63,174	64,732
Receivables	694	704	689	666	642	625
Shares and other equity						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	2,718	2,648	2,817	3,012	3,212	3,419
Other financial assets	-	-	-	-	-	-
Total financial assets	74,934	70,083	70,044	71,006	73,065	75,271
<i>Non-financial assets</i>						
Land	-	-	-	-	-	-
Property, plant and equipment	5	6	6	6	7	7
Right-of-use assets	20	16	13	9	5	2
Service concession assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Inventories						
Land inventories	-	-	-	-	-	-
Other inventories	-	-	-	-	-	-
Intangibles	6	8	9	9	10	10
Non-current assets held for sale	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
Other	3	3	3	3	3	3
Total non-financial assets	34	33	32	28	25	22
TOTAL ASSETS	74,968	70,116	70,076	71,033	73,090	75,293
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	3	3	3	3	3	2
Borrowings						
Lease liabilities	25	20	16	12	7	4
Service concession liabilities	-	-	-	-	-	-
Other borrowings	66,290	61,606	61,219	61,742	63,334	65,011
Unfunded superannuation	4	4	4	4	4	5
Other employee benefits	16	16	17	18	18	19
Payables	213	250	189	187	177	204
Other liabilities	5,488	5,857	6,157	6,518	6,905	7,306
TOTAL LIABILITIES	72,039	67,757	67,604	68,482	70,448	72,550
NET ASSETS	2,929	2,359	2,472	2,552	2,643	2,743
<i>Of which:</i>						
Contributed equity	-251	-252	-253	-254	-255	-255
Accumulated surplus	3,154	2,724	2,852	2,977	3,104	3,233
Other reserves	26	-113	-128	-172	-206	-235
NET WORTH	2,929	2,359	2,472	2,552	2,643	2,743
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>2,895</i>	<i>2,326</i>	<i>2,440</i>	<i>2,524</i>	<i>2,618</i>	<i>2,721</i>
<i>Net debt</i>						
Gross debt liabilities	66,318	61,629	61,238	61,756	63,343	65,018
Less: liquid financial assets	71,522	66,730	66,537	67,328	69,211	71,226
Net debt	-5,204	-5,101	-5,299	-5,572	-5,868	-6,209

Note: Columns may not add due to rounding.

Table 1.12

PUBLIC FINANCIAL CORPORATIONS
Cash Flow Statement

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Grants and subsidies received	2	5	5	5	5	5
Receipts from sales of goods and services	2,016	1,467	1,523	1,667	1,743	1,817
Interest receipts	1,436	1,243	1,281	1,364	1,404	1,441
Dividends and tax equivalents	-	-	-	-	-	-
Other receipts	175	194	188	198	208	217
<i>Total cash received</i>	<i>3,629</i>	<i>2,909</i>	<i>2,997</i>	<i>3,235</i>	<i>3,359</i>	<i>3,480</i>
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-68	-73	-77	-79	-81	-82
Payments for goods and services	-929	-1,024	-1,137	-1,211	-1,281	-1,345
Interest paid	-1,450	-1,027	-1,061	-1,140	-1,172	-1,202
Grants and subsidies paid	-	-	-	-	-	-
Tax equivalents	-285	-196	-101	-81	-82	-81
Other payments	-168	-184	-197	-207	-216	-226
<i>Total cash paid</i>	<i>-2,901</i>	<i>-2,505</i>	<i>-2,574</i>	<i>-2,719</i>	<i>-2,832</i>	<i>-2,935</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	728	404	424	516	528	544
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-4	-7	-7	-7	-7	-7
Sales of non-financial assets	-	-	-	-	-	-
<i>Total cash flows from investments in non-financial assets</i>	<i>-4</i>	<i>-7</i>	<i>-7</i>	<i>-6</i>	<i>-7</i>	<i>-6</i>
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	12,685	9,165	8,275	8,248	8,277	8,503
<i>Cash paid</i>						
For policy purposes	-	-1	-1	-1	-1	-1
For liquidity purposes	-12,422	-8,473	-8,764	-8,945	-9,022	-9,249
<i>Total cash flows from investments in financial assets</i>	<i>263</i>	<i>691</i>	<i>-489</i>	<i>-699</i>	<i>-746</i>	<i>-747</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	259	683	-496	-705	-753	-754
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	33,890	23,402	25,658	26,634	27,641	27,447
Deposits received	-	-	-	-	-	-
Other financing receipts	36	-	-	-	-	-
<i>Total cash received</i>	<i>33,926</i>	<i>23,402</i>	<i>25,658</i>	<i>26,634</i>	<i>27,641</i>	<i>27,447</i>
<i>Cash paid</i>						
Advances paid	-	-	-	-	-	-
Borrowings repaid	-34,656	-23,889	-25,371	-26,267	-27,237	-27,043
Deposits paid	-	-	-	-	-	-
Other financing payments	-4	-5	-4	-5	-5	-4
Dividends paid	-84	-745	-209	-183	-180	-191
<i>Total cash paid</i>	<i>-34,745</i>	<i>-24,638</i>	<i>-25,584</i>	<i>-26,455</i>	<i>-27,422</i>	<i>-27,238</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	-819	-1,236	74	179	219	209
Net increase in cash and cash equivalents	168	-148	1	-10	-6	-
Cash and cash equivalents at the beginning of the year	2,119	2,287	2,139	2,140	2,129	2,123
Cash and cash equivalents at the end of the year	2,287	2,139	2,140	2,129	2,123	2,123
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	728	404	424	516	528	544
Net cash flows from investing in non-financial assets	-4	-7	-7	-6	-7	-6
Dividends paid	-84	-745	-209	-183	-180	-191
Cash surplus/-deficit	641	-348	207	327	340	347

Note: Columns may not add due to rounding.

Table 1.13

TOTAL PUBLIC SECTOR
Operating Statement

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	Actual	Year	\$m	\$m	\$m
		\$m	\$m			
<i>Results from Transactions</i>						
REVENUE						
Taxation	9,606	10,902	10,547	10,444	10,722	11,147
Current grants and subsidies	9,421	11,835	11,850	12,779	12,926	13,351
Capital grants	1,131	1,832	2,285	1,997	1,411	1,095
Sales of goods and services	41,172	39,008	39,934	41,855	43,705	45,614
Interest income	478	388	391	374	404	439
Royalty income	12,181	11,490	7,093	6,328	6,427	6,573
Other	2,556	1,193	1,132	1,402	1,279	1,156
<i>Total</i>	<i>76,545</i>	<i>76,648</i>	<i>73,230</i>	<i>75,179</i>	<i>76,874</i>	<i>79,375</i>
EXPENSES						
Salaries	14,676	15,512	16,183	16,445	16,987	17,507
Superannuation						
Concurrent costs	1,454	1,616	1,726	1,828	1,982	2,141
Superannuation interest cost	60	154	181	169	166	169
Other employee costs	404	515	541	551	571	586
Depreciation and amortisation	4,235	4,430	4,622	4,735	4,804	4,852
Services and contracts	3,549	4,564	4,454	4,016	3,991	3,940
Other gross operating expenses	38,936	37,040	37,598	38,855	40,742	42,561
Interest						
Interest on leases	209	214	204	196	188	178
Other interest	1,116	1,038	1,022	1,034	1,075	1,135
Current transfers	5,629	4,682	4,984	4,075	4,034	3,943
Capital transfers	741	931	510	209	184	147
<i>Total</i>	<i>71,008</i>	<i>70,696</i>	<i>72,024</i>	<i>72,113</i>	<i>74,723</i>	<i>77,161</i>
NET OPERATING BALANCE	5,537	5,952	1,206	3,066	2,151	2,214
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	471	-84	33	175	196	264
Provision for doubtful debts	-64	-62	-50	-50	-59	-57
Changes in accounting policy/adjustment of prior periods	-98	524	-	-	-	-
<i>Total other economic flows</i>	<i>309</i>	<i>378</i>	<i>-17</i>	<i>125</i>	<i>137</i>	<i>207</i>
OPERATING RESULT	5,846	6,330	1,190	3,191	2,288	2,421
<i>All other movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	3,251	4,672	2,654	1,747	1,678	1,558
Net actuarial gains/-loss - superannuation	1,071	804	-108	-169	-166	-160
Gains recognised directly in equity	-24	-34	-46	-46	-47	-47
All other	-	-	-	-	-	-
<i>Total all other movements in equity</i>	<i>4,298</i>	<i>5,443</i>	<i>2,500</i>	<i>1,532</i>	<i>1,464</i>	<i>1,351</i>
TOTAL CHANGE IN NET WORTH	10,144	11,773	3,690	4,724	3,752	3,772
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	5,537	5,952	1,206	3,066	2,151	2,214
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	5,816	6,980	8,880	8,867	8,754	7,444
Changes in inventories	-330	497	-256	91	136	2
Other movement in non-financial assets	1,403	179	157	369	265	130
<i>Less:</i>						
Sales of non-financial assets	499	501	538	690	648	742
Depreciation	4,235	4,430	4,622	4,735	4,804	4,852
<i>Total net acquisition of non-financial assets</i>	<i>2,155</i>	<i>2,725</i>	<i>3,621</i>	<i>3,904</i>	<i>3,703</i>	<i>1,982</i>
NET LENDING/-BORROWING	3,382	3,227	-2,415	-838	-1,552	232

Note: Columns may not add due to rounding.

Table 1.14

TOTAL PUBLIC SECTOR
Balance Sheet at 30 June

	2021	2022	2023	2024	2025	2026
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	7,113	7,187	5,300	4,310	3,611	3,625
Advances paid	5,621	5,275	5,529	5,909	6,333	6,789
Investments, loans and placements	19,670	19,424	19,310	18,905	18,481	19,034
Receivables	7,480	6,569	5,111	5,055	5,081	5,139
Equity - Investments in other entities	2,776	2,703	2,871	3,062	3,260	3,468
Other financial assets	9	9	9	10	10	10
<i>Total financial assets</i>	<i>42,669</i>	<i>41,167</i>	<i>38,130</i>	<i>37,251</i>	<i>36,778</i>	<i>38,065</i>
<i>Non-financial assets</i>						
Land	46,015	45,694	47,419	48,536	49,514	50,327
Property, plant and equipment	105,501	112,056	117,083	121,892	126,565	129,793
Right-of-use assets	2,856	3,008	2,789	2,736	2,702	2,580
Service concession assets	1,005	2,771	2,725	2,689	2,642	2,606
Biological assets	264	262	269	282	293	305
Inventories						
Land inventories	1,566	1,530	1,610	1,637	1,566	1,690
Other inventories	6,104	6,601	6,345	6,437	6,572	6,574
Intangibles	1,097	1,080	1,099	1,162	1,260	1,243
Non-current assets held for sale	112	77	77	77	77	77
Investment property	28	22	22	22	22	22
Other	523	508	507	525	522	503
<i>Total non-financial assets</i>	<i>165,069</i>	<i>173,609</i>	<i>179,945</i>	<i>185,995</i>	<i>191,736</i>	<i>195,721</i>
TOTAL ASSETS	207,738	214,776	218,075	223,246	228,514	233,786
LIABILITIES						
Deposits held	13	12	312	212	112	12
Advances received	309	291	328	457	465	463
Borrowings						
Lease liabilities	3,474	3,641	3,408	3,350	3,292	3,157
Service concession liabilities	348	340	332	325	317	310
Other borrowings	61,741	57,551	56,864	57,001	58,173	59,434
Unfunded superannuation	5,602	4,639	4,636	4,674	4,722	4,829
Other employee benefits	4,343	4,418	4,473	4,508	4,561	4,649
Payables	10,021	9,924	9,858	9,942	10,018	9,972
Other liabilities	9,304	9,604	9,819	10,008	10,333	10,667
TOTAL LIABILITIES	95,156	90,421	90,030	90,477	91,993	93,493
NET ASSETS	112,582	124,355	128,045	132,769	136,521	140,292
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	34,118	44,308	45,268	48,182	50,187	52,325
Other reserves	78,464	80,047	82,777	84,587	86,334	87,968
NET WORTH	112,582	124,355	128,045	132,769	136,521	140,292
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-52,487</i>	<i>-49,254</i>	<i>-51,900</i>	<i>-53,226</i>	<i>-55,216</i>	<i>-55,429</i>
<i>Net financial liabilities</i>	<i>52,487</i>	<i>49,254</i>	<i>51,900</i>	<i>53,226</i>	<i>55,216</i>	<i>55,429</i>
<i>Net debt</i>						
Gross debt liabilities	65,885	61,835	61,244	61,346	62,359	63,376
Less: liquid financial assets	32,404	31,886	30,139	29,124	28,426	29,448
<i>Net debt</i>	<i>33,482</i>	<i>29,949</i>	<i>31,105</i>	<i>32,222</i>	<i>33,933</i>	<i>33,928</i>

Note: Columns may not add due to rounding.

Table 1.15

TOTAL PUBLIC SECTOR Cash Flow Statement

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	Actual	Year	\$m	\$m	\$m
		\$m	\$m			
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	9,294	10,913	10,565	10,455	10,732	11,157
Grants and subsidies received	12,167	15,799	16,087	17,080	16,731	16,843
Receipts from sales of goods and services	29,970	28,381	28,742	30,181	31,304	32,492
Interest receipts	466	377	395	397	423	445
Dividends and tax equivalents	-	-	-	-	-	-
Other	13,901	15,696	11,771	9,462	9,483	9,667
Total cash received	65,797	71,166	67,560	67,575	68,673	70,605
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-16,177	-17,420	-18,161	-18,551	-19,210	-19,784
Payments for goods and services	-28,895	-29,732	-29,363	-29,598	-30,609	-31,871
Interest paid	-1,688	-1,200	-1,176	-1,183	-1,221	-1,275
Grants and subsidies paid	-5,632	-7,250	-6,507	-6,095	-6,139	-5,986
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-5,635	-5,275	-5,039	-4,732	-4,723	-4,737
Total cash paid	-58,026	-60,876	-60,245	-60,159	-61,902	-63,653
NET CASH FLOWS FROM OPERATING ACTIVITIES	7,771	10,290	7,316	7,416	6,772	6,951
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-5,816	-6,980	-8,880	-8,867	-8,754	-7,444
Sales of non-financial assets	499	501	538	690	648	742
Total cash flows from investments in non-financial assets	-5,317	-6,479	-8,342	-8,177	-8,106	-6,702
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	14	10	10	10	10	10
For liquidity purposes	12,774	9,277	8,378	8,323	8,334	8,514
<i>Cash paid</i>						
For policy purposes	-17	-10	-60	-110	-110	-110
For liquidity purposes	-12,616	-8,557	-8,832	-9,018	-9,086	-9,297
Total cash flows from investments in financial assets	154	720	-504	-796	-852	-883
NET CASH FLOWS FROM INVESTING ACTIVITIES	-5,162	-5,759	-8,846	-8,973	-8,958	-7,585
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	54	147	33	33
Borrowings	29,482	19,808	19,576	21,371	22,576	22,909
Deposits received	-	-	-	-	-	-
Other financing receipts	232	13	55	105	106	103
Total cash received	29,714	19,820	19,685	21,623	22,715	23,044
<i>Cash paid</i>						
Advances paid	-17	-18	-18	-18	-25	-34
Borrowings repaid	-30,138	-21,473	-20,360	-21,246	-21,422	-21,664
Deposits paid	-	-	-	-	-	-
Other financing payments	-560	-409	-439	-436	-444	-443
Total cash paid	-30,716	-21,900	-20,817	-21,700	-21,892	-22,141
NET CASH FLOWS FROM FINANCING ACTIVITIES	-1,002	-2,080	-1,132	-78	824	903
Net increase in cash and cash equivalents	1,607	2,451	-2,662	-1,634	-1,363	270
Cash and cash equivalents at the beginning of the year	10,994	12,600	15,051	12,389	10,754	9,391
Cash and cash equivalents at the end of the year	12,600	15,051	12,389	10,754	9,391	9,661
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	7,771	10,290	7,316	7,416	6,772	6,951
Net cash flows from investing in non-financial assets	-5,317	-6,479	-8,342	-8,177	-8,106	-6,702
Cash surplus/-deficit	2,454	3,811	-1,027	-761	-1,334	249

Note: Columns may not add due to rounding.

NOTE 1: STATEMENT OF COMPLIANCE

The projected public sector financial statements presented in this appendix have been prepared in accordance with Australian Accounting Standards and the Australian Bureau of Statistics' (ABS) *Government Finance Statistics Concepts, Sources and Methods 2015*.

The presentation in this appendix is consistent with AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements constitute general purpose financial reports for the total public sector (also known as the whole-of-government), general government sector, and each of the subsidiary public corporations sectors. The financial projections of the consolidated general government (centrally funded agencies such as the Department of Education and WA Health) and the public non-financial corporations (such as the water and electricity utilities, and the ports) are also presented as the total non-financial public sector.

The financial projections are a requirement of the *Government Financial Responsibility Act 2000*.

(a) The reporting entity

The reporting entity is the Government of Western Australia (the public sector) and includes entities under its control.

(b) Basis of preparation

These financial projections do not include all the notes of the type normally included in an annual financial report. The accounting policies adopted in this publication are consistent with those outlined in the 2020-21 *Annual Report on State Finances* (ARSF), which are described in detail in Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2020-21 ARSF.

The projections are presented in Australian dollars and all amounts are rounded to the nearest million dollars (\$m).

(c) Unaudited data

These financial projections are not audited.

(d) Comparative figures

Comparative information has been restated where necessary to match changes in classification advised by the Australian Bureau of Statistics and for changes to applicable Australian Accounting Standards.

NOTE 3: GENERAL GOVERNMENT OPERATING REVENUE

A detailed dissection of general government revenue (which includes the UPF taxation disclosure) is included at Appendix 2: *General Government Operating Revenue*.

NOTE 4: GENERAL GOVERNMENT REVENUE FROM PUBLIC CORPORATIONS

The following table provides detail of general government revenue from public corporations (dividend and income tax equivalent income) in line with UPF disclosure requirements. A detailed disclosure by agency is included at Appendix 8: *Public Corporations and Major Tariffs, Fees and Charges*.

GENERAL GOVERNMENT REVENUE FROM PUBLIC CORPORATIONS						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
<i>Dividends</i>						
From public non-financial corporations	1,341	28	1,395	1,446	1,551	1,603
From public financial corporations	21	589	81	82	83	86
<i>Total dividends</i>	<i>1,362</i>	<i>617</i>	<i>1,476</i>	<i>1,527</i>	<i>1,635</i>	<i>1,689</i>
<i>Tax equivalent income</i>						
From public non-financial corporations	637	653	745	795	815	839
From public financial corporations	319	33	34	39	40	39
<i>Total tax equivalent income</i>	<i>956</i>	<i>686</i>	<i>779</i>	<i>834</i>	<i>855</i>	<i>877</i>
Total revenue from public corporations	2,319	1,302	2,255	2,361	2,489	2,566

Note: Columns may not add due to rounding.

NOTE 5: GENERAL GOVERNMENT TRANSFER EXPENSES

Transfer expenses are defined as the provision of something of value for no specific return or consideration and include items such as grants, subsidies, donations, and transfers of assets free of charge.

The following table provides detail of current and capital transfer expenses of the general government sector, in line with UPF disclosure requirements.

TRANSFER EXPENSES ^(a)						
General Government						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget			
	\$m	\$m	Year	Outyear	Outyear	Outyear
			\$m	\$m	\$m	
CURRENT TRANSFERS						
Local government	302	506	366	367	405	327
Local government on-passing	-	-	-	-	-	-
Private and not-for-profit sector	2,868	2,233	2,321	1,807	1,744	1,679
Private and not-for-profit sector on-passing	-	-	-	-	-	-
Other sectors of government	4,288	3,988	4,405	3,728	3,589	3,589
Total Current Transfers	7,458	6,726	7,092	5,901	5,738	5,595
CAPITAL TRANSFERS						
Local government	138	72	172	78	30	30
Local government on-passing	-	-	-	-	-	-
Private and not-for-profit sector	527	830	296	121	144	107
Private and not-for-profit sector on-passing	-	-	-	-	-	-
Other sectors of government	97	218	269	210	146	78
Total Capital Transfers	763	1,121	737	410	320	215

(a) Includes grants, subsidies and other transfer expenses.

Note: Columns may not add due to rounding.

NOTE 6: CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT

The following allocation of general government expenses and purchases of non-financial assets is consistent with the Classification of the Functions of Government (COFOG) which forms part of the GFS framework.

CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT (a)

General Government						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	\$m	\$m	\$m	\$m
<i>Expenses</i>						
General public services	1,453	1,550	1,576	1,395	1,435	1,468
Public order and safety	3,881	4,221	4,164	4,063	4,132	4,184
Economic affairs	2,186	1,890	2,337	1,591	1,439	1,330
Environmental protection	415	492	563	511	486	471
Housing and community amenities	2,887	2,162	1,895	1,512	1,442	1,330
Health	10,357	11,704	11,496	11,128	11,523	11,941
Recreation, culture and religion	871	1,022	1,030	886	850	851
Education	6,912	7,105	7,365	7,490	7,680	7,801
Social protection	2,693	3,042	2,891	2,829	2,872	2,972
Transport	2,657	2,991	3,229	3,221	3,211	3,024
Provisions not allocated ^(b)	-	36	288	410	611	766
Total General Government Expenses	34,313	36,214	36,836	35,036	35,683	36,138
<i>Purchases of new non-financial assets</i>						
General public services	97	125	103	108	90	85
Public order and safety	194	225	259	216	141	90
Economic affairs	27	45	76	73	75	64
Environmental protection	59	92	132	98	86	44
Housing and community amenities	119	158	139	97	79	73
Health	253	486	677	499	267	159
Recreation, culture and religion	69	135	136	160	93	32
Education	407	501	692	596	390	234
Social protection	6	7	8	7	4	3
Transport	1,383	1,682	2,079	2,097	1,735	1,433
Provisions not allocated ^(b)	-	-300	-679	-256	1,157	1,240
Total Purchases of Non-financial Assets	2,614	3,157	3,623	3,694	4,117	3,457

(a) Data in this table are for consolidated general government aggregates and exclude internal transactions within the sector. In relation to purchases of non-financial assets, the information in this table represents spending by function on fixed assets by general government agencies, which may be classified differently to agency totals in the Asset Investment Program.

(b) Includes provisions not allocated by COFOG.

Note: Columns may not add due to rounding.

NOTE 7: CONVERGENCE DIFFERENCES

Where possible, AASB 1049 harmonises GFS and accounting concepts into a single presentation. Where harmonisation cannot be achieved as a result of differences in definition, recognition, measurement, classification and consolidation principles and rules, a convergence difference arises.

Full convergence on GFS and Generally Accepted Accounting Principles (GAAP) has not been achieved. This means that there are some differences between AASB 1049 aggregates in this report and the GFS information that the ABS reports.

The following outlines the key convergence differences.

- GFS recognises dividends to owners by the PNFC and PFC sectors as a GFS expense, whereas under GAAP they are treated as a distribution to owners and therefore a direct reduction of accumulated funds. This difference does not flow through to the total public sector as internal dividend transfers are eliminated on consolidation.
- GFS does not recognise an allowance for doubtful debts as the statistical framework only recognises bad debts when they are written off. Under GAAP, an allowance for doubtful debts is recognised in the balance sheet and doubtful debts are recognised in the Operating Statement as 'other economic flows'.
- Transactions with owners as owners (such as equity injections) are excluded from the 'total change in net worth'. However, these transactions are included in the movement in GFS net worth. These types of transactions result in a convergence difference as the total change in net worth under GAAP is disclosed before such transactions, while under GFS, these transactions are included in the movement in GFS net worth.

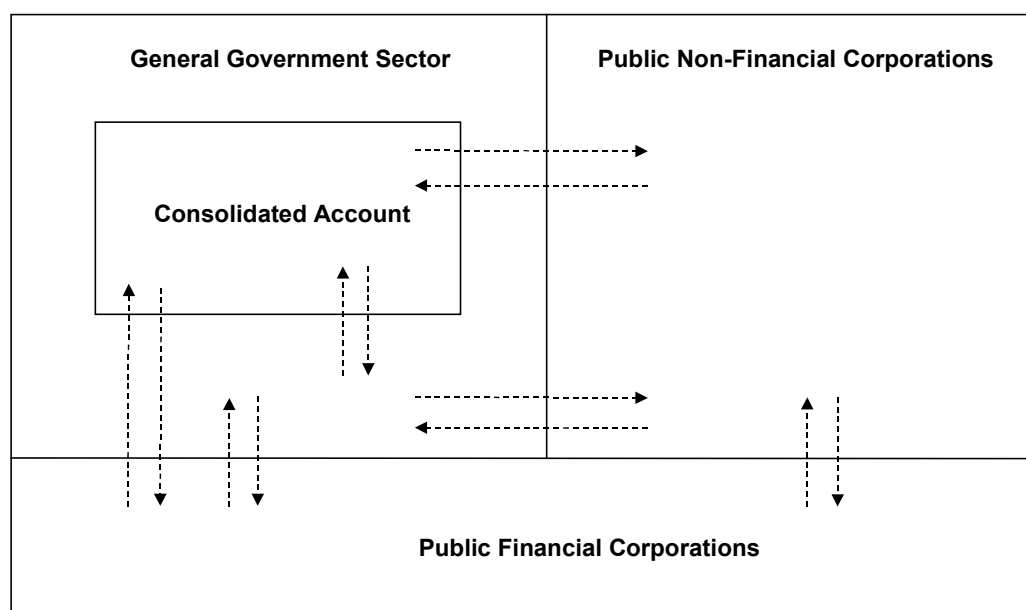
These convergence differences do not present material variations in the presentation of Western Australia's data under GAAP and GFS.

With the adoption of AASB 16: *Leases* from 2019-20, the distinction between operating leases and finance leases under previous accounting standards disappears. Accordingly, convergence differences for net debt aggregates produced in this Budget (which includes all leases in the calculation of net debt) and GFS concepts (which excludes leases previously classified as operating leases from GFS net debt) is not currently available.

NOTE 8: COMPOSITION OF SECTORS

The following diagram shows the sectors within which public sector agencies are classified by the Government Finance Statistics framework, and which are all included in the consolidated whole-of-government.

TOTAL PUBLIC SECTOR



All public sector controlled agencies, regardless of funding source or sector classification, have been included in these financial projections. Corporatised agencies (known as Government Trading Enterprises) include agencies in each of the sub-sectors of the total public sector.

The agencies included within each sector are listed below. This list may differ from the portfolio list that appears in Budget Paper No. 2: *Budget Statements* which includes only those agencies that receive appropriations and/or have an Asset Investment Program.

General Government

Agricultural Produce Commission
Building and Construction Industry Training Board
Botanical Gardens and Parks Authority
Central Regional TAFE
Chemistry Centre (WA)
Child and Adolescent Health Service
Combat Sports Commission
Commissioner for Children and Young People
Commissioner of Main Roads
Corruption and Crime Commission
Department of Biodiversity, Conservation and Attractions
Department of Communities
Department of Education
Department of Finance
Department of Fire and Emergency Services
Department of Health (including public hospitals)
Department of Jobs, Tourism, Science and Innovation
Department of Justice
Department of Local Government, Sport and Cultural Industries
Department of Mines, Industry Regulation and Safety
Department of Planning, Lands and Heritage
Department of Primary Industries and Regional Development
Department of Training and Workforce Development
Department of Transport
Department of Treasury
Department of the Legislative Assembly
Department of the Legislative Council
Department of the Premier and Cabinet
Department of the Registrar, Western Australian Industrial Relations Commission
Department of Water and Environmental Regulation
East Metropolitan Health Service
Economic Regulation Authority
Gascoyne Development Commission
Gaming and Wagering Commission of Western Australia
Goldfields Development Commission
Governor's Establishment
Great Southern Development Commission
Health and Disability Services Complaints Office
Health Support Services
Heritage Council of Western Australia
Infrastructure WA
Keep Australia Beautiful Council (W.A.)
Kimberley Development Commission
Law Reform Commission of Western Australia
Legal Aid Commission of Western Australia
Legal Costs Committee
Local Health Authorities Analytical Committee
Mental Health Commission
Mid West Development Commission
Minerals Research Institute of Western Australia
North Metropolitan TAFE
North Metropolitan Health Service
North Regional TAFE
Office of the Auditor General
Office of the Director of Public Prosecutions
Office of the Information Commissioner
Office of the Inspector of Custodial Services
Office of the Parliamentary Inspector of the Corruption and Crime Commission
Parliamentary Commissioner for Administrative Investigations
Parliamentary Services Department
Peel Development Commission
Perth Theatre Trust
Pilbara Development Commission
Professional Standards Council
Public Sector Commission
Quadriplegic Centre Board
Racing Penalties Appeal Tribunal of Western Australia
Rural Business Development Corporation
Salaries and Allowances Tribunal
School Curriculum and Standards Authority
ScreenWest Inc.
Small Business Development Corporation
South Metropolitan TAFE
South Metropolitan Health Service
South Regional TAFE
South West Development Commission
State Solicitor's Office
The Aboriginal Affairs Planning Authority
The ANZAC Day Trust
The Board of the Art Gallery of Western Australia
The Burswood Park Board
The Coal Miners' Welfare Board of Western Australia
The Library Board of Western Australia
The National Trust of Australia (W.A.)
The Queen Elizabeth II Medical Centre Trust
The Western Australian Museum
Trustees of the Public Education Endowment
Western Australia Police Force
Western Australian Country Health Service
Western Australian Building Management Authority
Western Australian Electoral Commission
Western Australian Energy Disputes Arbitrator
Western Australian Greyhound Racing Association
Western Australian Health Promotion Foundation
Western Australian Institute of Sport
Western Australian Land Information Authority
Western Australian Meat Industry Authority
Western Australian Planning Commission
Western Australian Sports Centre Trust
WorkCover Western Australia Authority
Wheatbelt Development Commission
Zoological Parks Authority

Public Non-Financial Corporations

Animal Resources Authority	Mid West Ports Authority
Bunbury Water Corporation	Pilbara Ports Authority
Busselton Water Corporation	Public Transport Authority of Western Australia
Department of Communities (Housing Authority)	Racing and Wagering Western Australia
DevelopmentWA	Regional Power Corporation (Horizon Power)
Electricity Networks Corporation (Western Power)	Rottneest Island Authority
Electricity Generation and Retail Corporation (Synergy)	Southern Ports Authority
Forest Products Commission	Water Corporation
Fremantle Port Authority	Western Australian Coastal Shipping Commission
Gold Corporation and its subsidiaries	
Kimberly Ports Authority	
Lotteries Commission	
Metropolitan Cemeteries Board	

Public Financial Corporations

Country Housing Authority	RiskCover
Insurance Commission of Western Australia	Western Australian Treasury Corporation
Keystart Housing Scheme, comprising	
Keystart Bonds Ltd	
Keystart Loans Ltd	
Keystart Support Pty Ltd	
Keystart Support (Subsidiary) Pty Ltd	
Keystart Housing Scheme Trust	
Keystart Support Trust	

Agencies Outside the State's Public Sector

Some State agencies are not covered in the whole-of-government reporting framework as defined under Australian Accounting Standards and/or the GFS framework. The entities listed below, which administer superannuation and like funds and/or hold private funds in trust or fidelity type funds, are examples of such agencies not included in the definition of the public sector used in the Budget. This is because the assets are not available for the benefit of, and/or are not controlled by, the State.

Construction Industry Long Service Leave Payments Board	Legal Contribution Trust
Curtin University and its subsidiaries	Murdoch University and its subsidiaries
Edith Cowan University	Public Trustee
Fire and Emergency Services Superannuation Board	Parliamentary Superannuation Board
Government Employees Superannuation Board	The University of Western Australia and its subsidiaries

APPENDIX 2

General Government Operating Revenue

This appendix contains general government revenue estimates prepared on an accrual basis consistent with Australian Accounting Standards and Government Finance Statistics frameworks.

Table 2.1

OPERATING REVENUE
General Government

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	3,748	4,355	4,590	4,593	4,733	4,876
Property taxes						
<i>Land tax</i>	755	761	798	798	806	814
Transfer duty	1,860	2,263	1,940	1,780	1,786	1,934
Foreign Buyers surcharge	17	22	20	23	25	27
Landholder duty	222	311	118	118	118	118
<i>Total duty on transfers</i>	2,099	2,595	2,078	1,921	1,929	2,079
Metropolitan Region Improvement Tax	84	84	88	88	88	89
Perth Parking Levy	53	56	58	61	62	64
Emergency Services Levy	354	373	398	422	439	456
Loan Guarantee Fees	141	133	137	140	140	142
Building and Construction Industry Training Fund Levy	46	37	41	41	41	41
<i>Total other property taxes</i>	679	683	722	751	771	792
Taxes on provision of goods and services						
Lotteries Commission	191	199	178	181	190	195
Video lottery terminals	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)
Casino tax	55	52	53	54	54	54
Point of Consumption Tax	114	116	96	105	108	112
<i>Total taxes on gambling</i>	360	366	327	340	352	361
Insurance duty	727	818	808	832	856	881
Other	20	20	21	22	22	22
<i>Total taxes on insurance</i>	747	838	830	854	878	903
<i>On-demand Transport Levy</i>	44	38	-	-	-	-
Taxes on use of goods and performance of activities						
Vehicle licence duty	514	560	440	371	387	406
Permits - oversize vehicles and loads	10	8	8	8	8	8
Motor vehicle registrations	1,048	1,120	1,169	1,229	1,291	1,355
Other Vehicle Taxes	36	32	32	32	33	33
<i>Total motor vehicle taxes</i>	1,607	1,718	1,648	1,640	1,718	1,801
<i>Mining Rehabilitation Levy</i>	35	38	35	35	35	35
<i>Landfill Levy</i>	79	83	83	83	83	83
Total Taxation	10,153	11,476	11,111	11,014	11,304	11,744

(a) Amount less than \$500,000.

Note: Columns may not add due to rounding.

Table 2.1 (cont.)

OPERATING REVENUE
General Government

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST grants	3,006	3,369	5,872	6,133	6,881	7,383
Commonwealth-funded 70% floor	1,547	2,115	-	-	-	-
North West Shelf grants	425	880	885	702	598	500
Commonwealth compensation for changed crude oil excise arrangements	18	35	35	28	24	20
National Specific Purpose Payment Agreement Grants						
Skills and Workforce Development	163	165	168	171	174	176
National Disability Services	1	-	-	-	-	-
National Housing and Homelessness Agreement	172	175	178	172	174	177
National School Reform Agreement - Quality Schools	925	1,020	1,117	1,193	1,243	1,294
National Health Reform Agreement	2,418	2,663	2,820	2,984	3,159	3,333
National Partnerships/Other Grants						
Health	358	936	183	118	99	88
Transport	74	151	143	277	361	234
Disability Services	4	-	222	785	-	-
Other	309	327	227	217	214	144
Total Current Grants and Subsidies	9,421	11,835	11,850	12,779	12,926	13,351
CAPITAL GRANTS						
National Partnerships/Other Grants						
Transport	999	1,209	2,080	1,933	1,410	1,095
Other	133	623	205	64	1	-
Total Capital Grants	1,131	1,832	2,285	1,997	1,411	1,095

Note: Columns may not add due to rounding.

Table 2.1 (cont.)

OPERATING REVENUE
General Government

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
SALES OF GOODS AND SERVICES						
WA Health	844	850	840	862	867	884
Department of Transport	257	265	276	273	285	289
Department of Education	200	218	214	217	221	226
State Training Providers/TAFE Colleges	106	98	96	94	95	114
Department of Training and Workforce Development	23	20	20	26	33	37
Western Australian Land Information Authority	71	80	89	76	80	95
Department of Biodiversity, Conservation and Attractions	110	118	121	123	123	124
Department of Justice	150	158	156	170	174	177
Department of Mines, Industry Regulation and Safety	147	169	167	164	164	165
All Other	913	1,083	1,069	1,069	971	979
Total Sale of Goods and Services	2,821	3,058	3,050	3,074	3,013	3,089
INTEREST INCOME	110	118	133	131	133	124
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	1,362	617	1,476	1,527	1,635	1,689
Tax Equivalent Regime	956	686	779	834	855	877
Total Revenue from Public Corporations	2,319	1,302	2,255	2,361	2,489	2,566
ROYALTY INCOME	12,181	11,490	7,093	6,328	6,427	6,573
Iron Ore	11,355	10,290	5,645	4,903	5,090	5,275
Other	826	1,200	1,448	1,425	1,337	1,299
OTHER						
Lease rentals	132	176	143	143	143	143
Fines	204	222	213	213	214	214
Revenue not elsew here counted	1,679	380	296	535	380	245
Total Other	2,015	778	652	891	738	602
TOTAL REVENUE	40,151	41,890	38,428	38,578	38,443	39,145

Note: Columns may not add due to rounding.

2021-22 General Government Operating Revenue

This appendix contains general government revenue estimates for the 2021-22 financial year, comparing the original 2021-22 Budget estimates, 2021-22 Mid-year Review and the estimated outturn contained in this Budget.

The final, audited revenue outturn for 2021-22 will be available in the 2021-22 *Annual Report on State Finances*, due for release by 28 September 2022.

Table 3.1

2021-22 OPERATING REVENUE
General Government

	2021-22 Budget Year \$m	2021-22 Mid-year Revision \$m	2021-22 Estimated Actual \$m
TAXATION			
Taxes on employers' payroll and labour force			
<i>Payroll tax</i>	4,060	4,266	4,355
Property taxes			
<i>Land tax</i>	763	763	761
Transfer duty	1,579	2,194	2,263
Foreign Buyers surcharge	17	22	22
Landholder duty	154	159	311
<i>Total duty on transfers</i>	1,750	2,376	2,595
Metropolitan Region Improvement Tax	84	84	84
Perth Parking Levy	56	56	56
Emergency Services Levy	372	373	373
Loan guarantee fees	144	133	133
Building and Construction Industry Training Fund Levy	32	37	37
<i>Total other property taxes</i>	688	683	683
Taxes on provision of goods and services			
Lotteries Commission	170	170	199
Video lottery terminals	- ^(a)	- ^(a)	- ^(a)
Casino tax	52	52	52
Point of Consumption tax	83	116	116
<i>Total taxes on gambling</i>	304	337	366
Insurance duty	771	771	818
Other	20	20	20
<i>Total taxes on insurance</i>	791	791	838
<i>On-demand Transport Levy</i>	39	39	38
Taxes on use of goods and performance of activities			
Vehicle licence duty	397	446	560
Permits - oversize vehicles and loads	8	8	8
Motor vehicle registrations	1,090	1,090	1,120
Other vehicle taxes	28	28	32
<i>Total motor vehicle taxes</i>	1,522	1,572	1,718
<i>Mining Rehabilitation Levy</i>	35	35	38
<i>Landfill Levy</i>	83	83	83
Total Taxation	10,035	10,943	11,476

(a) Amount less than \$500,000.

Note: Columns may not add due to rounding.

2021-22 OPERATING REVENUE
General Government

Table 3.1 (cont.)

	2021-22 Budget Year \$m	2021-22 Mid-year Revision \$m	2021-22 Estimated Actual \$m
CURRENT GRANTS AND SUBSIDIES			
<i>General Purpose Grants</i>			
GST grants	3,304	3,328	3,369
Commonwealth-funded 70% floor	2,115	2,115	2,115
North West Shelf grants	664	750	880
Commonwealth compensation for changed crude oil excise arrangements	27	30	35
<i>National Specific Purpose Payment Agreement Grants</i>			
Skills and Workforce Development	164	164	165
National Disability Services	-	-	-
National Housing and Homelessness Agreement	174	174	175
<i>National School Reform Agreement - Quality Schools</i>	1,021	1,021	1,020
<i>National Health Reform</i>	2,661	2,661	2,663
<i>Other Grants/National Partnerships</i>			
Health	280	405	936
Transport	95	143	151
Disability Services	140	140	-
Other	250	320	327
Total Current Grants and Subsidies	10,894	11,251	11,835
CAPITAL GRANTS			
<i>Other Grants/National Partnerships</i>			
Transport	1,438	1,184	1,209
Other	687	698	623
Total Capital Grants	2,125	1,882	1,832

Note: Columns may not add due to rounding.

Table 3.1 (cont.)

2021-22 OPERATING REVENUE
General Government

	2021-22 Budget Year \$m	2021-22 Mid-year Revision \$m	2021-22 Estimated Actual \$m
SALES OF GOODS AND SERVICES			
WA Health	829	850	850
Department of Transport	261	264	265
Department of Education	218	219	218
State Training Providers/TAFE Colleges	96	98	98
Department of Training and Workforce Development	20	20	20
Western Australian Land Information Authority	74	80	80
Department of Biodiversity, Conservation and Attractions	117	118	118
Department of Justice	158	158	158
Department of Mines, Industry Regulation and Safety	156	168	169
All Other	1,100	1,151	1,083
Total Sale of Goods and Services	3,028	3,127	3,058
INTEREST INCOME	97	106	118
REVENUE FROM PUBLIC CORPORATIONS			
Dividends	587	589	617
Tax Equivalent Regime	700	690	686
Total Revenue from Public Corporations	1,287	1,279	1,302
ROYALTY INCOME	10,145	8,730	11,490
Iron Ore	9,193	7,685	10,290
Other	952	1,046	1,200
OTHER			
Lease rentals	115	158	176
Fines	204	204	222
Revenue not elsew here counted	368	391	380
Total Other	688	752	778
TOTAL REVENUE	38,297	38,071	41,890

Note: Columns may not add due to rounding.

The Consolidated Account and the Treasurer's Advance

The Consolidated Account

The *Constitution Act 1889* (the Act) requires that all revenue of the Crown that is not permanently appropriated by legislation to another entity, shall be credited to the Consolidated Account. The Act also requires that payments out of the Consolidated Account must be appropriated by the Parliament.

Accordingly, Consolidated Account revenue is not available for use by agencies that collect it, and such receipts must be paid directly to the credit of the Account. Expenditure is authorised by the Parliament, with both the amount and the expressed purpose of the associated appropriation clearly specified.

In cash terms, the Consolidated Account is forecast to be in a \$6.5 billion deficit position at 30 June 2023, a \$3.1 billion increase on the \$3.4 billion cash deficit balance at 30 June 2022.

State borrowings held by the Consolidated Account are estimated to total \$25 billion at 30 June 2023, and are projected to decline to \$23.8 billion by 30 June 2026 (reflecting the \$1.2 billion early repayment of debt – see Chapter 1: *Overview*). This remains below the \$34.5 billion cumulative limit approved by the *Loan Act 2017* and preceding Loan Acts¹.

¹ The *Loan Act 2017* received Royal Assent on 3 July 2017 and increased the cumulative loan limit under preceding Loan Acts from \$23.5 billion to \$34.5 billion. Consolidated Account borrowings cannot exceed the cumulative limit of these Loan Acts.

Table 4.1

CONSOLIDATED ACCOUNT TRANSACTIONS

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
REVENUE						
<i>Operating Activities</i>						
Taxation	7,905	9,348	8,957	8,766	8,966	9,315
Commonwealth Grants	5,165	7,198	7,951	8,449	8,040	8,292
Government Enterprises	2,334	1,497	2,298	2,365	2,566	2,617
Revenue from other agencies	12,029	14,081	10,197	7,952	8,095	8,289
Other	545	576	493	474	455	447
<i>Total Operating Activities</i>	<i>27,979</i>	<i>32,699</i>	<i>29,896</i>	<i>28,007</i>	<i>28,122</i>	<i>28,961</i>
<i>Financing Activities</i>						
Repayments of Recoverable Advances	_(a)	_(a)	_(a)	_(a)	_(a)	_(a)
Transfers from the Debt Reduction Account	1,547	2,115	-	-	-	-
Borrowings	150	-	-	-	-	-
Other Receipts	7	8	1	1	1	_(a)
<i>Total Financing Activities</i>	<i>1,704</i>	<i>2,123</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>_(a)</i>
TOTAL REVENUE	29,683	34,823	29,896	28,008	28,123	28,961
EXPENDITURE						
<i>Recurrent</i>						
Authorised by Other Statutes	2,491	2,670	2,429	2,505	2,649	2,785
Appropriation Act (No. 1)	22,536	23,322	25,159	23,320	23,609	23,826
Recurrent Expenditure under the Treasurer's Advance ^(b)	870	1,414	-	-	-	-
<i>Total Recurrent Expenditure</i>	<i>25,898</i>	<i>27,406</i>	<i>27,587</i>	<i>25,824</i>	<i>26,258</i>	<i>26,611</i>
<i>Investing Activities</i>						
Authorised by Other Statutes	358	291	405	440	404	316
Appropriation Act (No. 2)	2,311	6,461	5,170	4,099	2,776	1,619
Investing Expenditure under the Treasurer's Advance ^(b)	109	330	-	-	-	-
<i>Total Investing Activities</i>	<i>2,778</i>	<i>7,083</i>	<i>5,575</i>	<i>4,539</i>	<i>3,180</i>	<i>1,936</i>
<i>Financing Activities</i>						
Loan repayments	-	589	1,200	-	-	-
Appropriation Act (No. 2)	1,547	2,115	-	-	-	-
Other financing	6	7	-	-	-	-
<i>Total Financing Activities</i>	<i>1,553</i>	<i>2,711</i>	<i>1,200</i>	<i>-</i>	<i>-</i>	<i>-</i>
TOTAL EXPENDITURE	30,229	37,200	34,363	30,364	29,438	28,546
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-546	-2,377	-4,466	-2,356	-1,315	415
Consolidated Account Balance						
Opening balance at 1 July	-17,584	-18,130	-20,508	-24,974	-27,330	-28,645
Closing balance at 30 June	-18,130	-20,508	-24,974	-27,330	-28,645	-28,230
<i>Of which:</i>						
Appropriations payable	-15,667	-17,080	-18,458	-19,972	-21,566	-23,126
Cash balance at 30 June	-2,463	-3,427	-6,516	-7,359	-7,079	-5,103

(a) Amount less than \$500,000.

(b) Additional expenditure authorised under the Treasurer's Advance is charged to the Consolidated Account and appropriated accordingly under section 27(3) of the *Financial Management Act 2006* (FMA). This follows amendments to the FMA by the *Financial Legislation Amendment Act 2021* which came into effect on 21 September 2021.

Note: Columns may not add due to rounding.

The Treasurer's Advance

Under the *Financial Management Act 2006* (FMA), the Treasurer's Advance provides the Treasurer with authorisation to make short-term recoverable advances to agencies for the temporary financing of works and services. In addition, new or supplementary funding can be provided during the year for extraordinary or unforeseen matters (also known as 'excesses and new items'), up to an approved limit.

The authorised limit for the Treasurer's Advance in 2021-22 is \$2,320.5 million². At the 11 April 2022 cut-off date for this Budget, the total amount forecast to be drawn against recoverable advances, excesses and new items in 2021-22 is \$1,764.1 million, which is within the \$2,320.5 million limit.

The following table shows the forecast position of the Treasurer's Advance for the year ending 30 June 2022.

TREASURER'S ADVANCE AS AT 30 JUNE

Table 4.2

	2020-21 Actual ^(a)	2021-22 Projection ^(b)
	\$m	\$m
AUTHORISED LIMIT	1,438.8	2,320.5
<i>Total projected to be drawn against Treasurer's Advance authorisation</i>	<i>989.3</i>	<i>1,764.1</i>
Comprising:		
Net recoverable advances as at 30 June	9.7	20.0
Overdraw n Special Purpose Accounts	-	-
Excesses and New Items:		
- recurrent	870.2	1,414.0
- capital	109.3	330.1

(a) A total of \$1,438.8 million was authorised for 2020-21. The original \$688.8 million authority was increased by \$750 million through the passage of the *Treasurer's Advance Authorisation Act 2021*.

(b) The original \$820.5 million authority was increased by \$1,500 million through the passage of the *Treasurer's Advance Authorisation Act 2022*. Detailed disclosure of the final audited outcome for 2021-22 will be available in the 2021-22 *Annual Report on State Finances*, due to be released by 28 September 2022.

Note: Columns may not add due to rounding.

² Section 29 of the FMA authorises the Treasurer's Advance limit to be equivalent to 3% of the total amount appropriated for the previous year by the Appropriation Acts. For 2021-22, the original \$820.5 million limit, which is 3% of the total \$27 billion appropriated by Appropriation Bills 1 and 2 in the 2020-21 Budget, was increased by \$1,500 million to \$2,320.5 million by the *Treasurer's Advance Authorisation Act 2022*.

Transfers, Excesses and New Items

Table 4.3 details excesses and/or new items during 2021-22 and the impact of these on the Treasurer's Advance under the authority of section 27 of the FMA.

2021-22 TRANSFERS, EXCESSES AND NEW ITEMS							Table 4.3
Item	Treasurer's Advance					Revised Appropriation Limit \$m	Draw n against Treasurer's Advance to date ^(b) \$m
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Approved Excesses \$m			
Recurrent Appropriations							
Parliamentary Services							
Item 3: Delivery of Services	18.1	-	-	0.5	18.6	-	-
Parliamentary Commissioner for Administrative Investigations							
Item 4: Delivery of Services	7.5	-	-	0.2	7.6	-	-
Premier and Cabinet							
Item 5: Delivery of Services	172.1	-0.2	-	12.9	184.8	-	-
Item 6: Administered Grants, Subsidies and Other Transfer Payments	71.2	0.2	-	2.6	74.0	-	-
Public Sector Commission							
Item 7: Delivery of Services	26.2	-	-	0.2	26.4	-	-
Western Australian Electoral Commission							
Item 9: Delivery of Services	6.7	-	-	1.2	7.9	-	-
Treasury							
Item 15: Bunbury Water Corporation	0.8	-	-	0.1	0.9	-	-
Item 22: Southern Ports Authority	8.1	-	-	4.3	12.4	-	-
Item 23: Water Corporation	364.3	-	-	28.8	393.2	-	-
Item 24: Western Australian Land Authority	249.8	-	-	7.8	257.6	-	-
Item 37: All Other Grants, Subsidies and Transfer Payments	4.8	-	-	119.3	124.1	-	-
Finance							
Item 39: Delivery of Services	226.0	-	-	82.2	308.2	-	-
Jobs, Tourism, Science and Innovation							
Item 41: Delivery of Services	248.5	-	-	29.3	277.8	-	-
Small Business Development Corporation							
Item 47: Delivery of Services	16.5	-	-	0.8	17.3	-	-
Rural Business Development Corporation							
Item 48: Delivery of Services	0.2	-	-	0.1	0.3	-	-
WA Health							
Item 52: Delivery of Services	5,580.8	-	-	722.5	6,303.3	-	-
Mental Health Commission							
Item 53: Delivery of Services	819.1	-	-	2.3	821.4	-	-
Health and Disability Services Complaints Office							
Item 57: Delivery of Services	2.7	-	-	-(c)	2.7	-	-
Note: Columns/rows may not add due to rounding.							

Table 4.3 (cont.)

2021-22 TRANSFERS, EXCESSES AND NEW ITEMS

Item	Budget \$m	Transfers \$m	New Items \$m	Treasurer's Advance		Drawn against Treasurer's Advance to date ^(b) \$m
				Approved Excesses \$m	Revised Appropriation Limit \$m	
Education						
Item 58: Delivery of Services	4,266.7	-	-	106.8	4,373.5	-
Item 59: Administered Grants, Subsidies and Other Transfer Payments	447.6	-	-	4.7	452.3	-
Western Australia Police Force						
Item 61: Delivery of Services	1,478.4	-	-	47.9	1,526.3	-
State Solicitor's Office						
Item 63: Delivery of Services	29.2	0.1	-	2.3	31.7	-
Fire and Emergency Services						
Item 64: Delivery of Services	53.8	-	-	9.2	63.0	-
Item 65: Administered Grants, Subsidies and Other Transfer Payments	167.0	-	-	10.0	177.0	-
Office of the Director of Public Prosecutions						
Item 66: Delivery of Services	42.8	-0.1	-	2.5	45.2	-
Communities						
Item 71: Delivery of Services	1,955.1	-	-	179.2	2,134.3	-
Local Government, Sport and Cultural Industries						
Item 73: Administered Grants, Subsidies and Other Transfer Payments	84.6	-	-	3.5	88.0	-
Item 74: Art Gallery of Western Australia	8.5	-	-	0.1	8.6	-
Item 76: Library Board of Western Australia	27.9	-	-	0.1	28.0	-
Item 77: Perth Theatre Trust	9.5	-	-	0.4	9.9	-
Western Australian Sports Centre Trust						
Item 79: Delivery of Services	102.2	-	-	17.4	119.7	-
Commissioner of Main Roads						
Item 82: Delivery of Services	404.0	-	-	10.8	414.8	-
Planning, Lands and Heritage						
Item 85: Delivery of Services	105.5	-	-	3.3	108.7	-
Western Australian Land Information Authority						
Item 87: Delivery of Services	39.5	-	-	0.7	40.2	-
Total Recurrent		-	-	1,414.0		-

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

Table 4.3 (cont.)

2021-22 TRANSFERS, EXCESSES AND NEW ITEMS

Item	Treasurer's Advance					Revised Appropriation Limit	Draw n against Treasurer's Advance to date ^(b)
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Excesses \$m		\$m	\$m
Capital Appropriations							
Public Sector Commission							
Item 95: Capital Appropriation	— ^(c)	-	-	— ^(c)	— ^(c)	-	-
Treasury							
<i>Government Equity Contributions</i>							
Item 103: Electricity Networks Corporation (Western Power)	170.1	-	-	6.3	176.5	-	-
Item 109: WA Health	27.0	-	-	57.9	84.9	-	-
New Item: Water Corporation	-	-	22.9	-	22.9	-	-
New Item: Bunbury Water Corporation	-	-	10.2	-	10.2	10.2	-
New Item: Mid West Ports Authority	-	-	3.0	-	3.0	-	-
New Item: Forest Products Commission	-	-	14.3	-	14.3	-	-
Finance							
Item 118: Capital Appropriation	6.2	-	-	1.9	8.1	-	-
WA Health							
Item 124: Capital Appropriation	257.9	-	-	59.4	317.3	-	-
Education							
Item 127: Capital Appropriation	351.8	-	-	5.6	357.3	-	-
Western Australia Police Force							
Item 129: Capital Appropriation	64.4	-	-	13.6	78.0	-	-
Justice							
Item 130: Capital Appropriation	95.2	-	-	1.0	96.2	-	-
Fire and Emergency Services							
Item 132: Capital Appropriation	6.9	-	-	0.4	7.3	-	-
Local Government, Sport and Cultural Industries							
Item 139: Art Gallery of Western Australia	0.5	-	-	2.1	2.6	2.1	-
Western Australian Sports Centre Trust							
Item 140: Capital Appropriation	28.9	-	-	0.9	29.8	-	-
Commissioner of Main Roads							
Item 142: Capital Appropriation	107.9	-	-	31.1	139.0	-	-
Public Transport Authority of Western Australia							
Item 143: Capital Appropriation	591.3	-	-	99.5	690.7	-	-
Total Capital		-	50.3	279.7			12.3
TOTAL		-	50.3	1,693.8			12.3

(a) Authorised under section 25 of the FMA.

(b) Budget cut-off date, 11 April 2022.

(c) Amount less than \$50,000.

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

Transfers

Section 25 of the FMA allows appropriations originally allocated in the 2021-22 Budget to be transferred to other agencies for the provision of an appropriation-funded service that is now to be delivered by the other agency. These transfers have no impact on the Treasurer's Advance.

- \$0.1 million from the Office of the Director of Public Prosecutions (ODPP) to the State Solicitor's Office (SSO) following the proclamation of the *High-Risk Serious Offenders Act 2020* and the SSO becoming responsible for the administration of the Act from 1 January 2021, including responsibilities that were previously assumed by the ODPP; and
- \$0.2 million from the Department of the Premier and Cabinet's service appropriation to its appropriation for administered grants and transfer payments to align the treatment of the Gibson Desert Nature Reserve Agreement Settlement Package with that of other Native Title Settlements.

Excess and New Items

Parliamentary Services

Item 3: **Delivery of Services** (\$0.5 million), due to an increase to depreciation and amortisation expenses associated with an increase in the Parliamentary Services Department's Asset Investment Program.

Parliamentary Commissioner for Administrative Investigations

Item 4: **Delivery of Services** (\$0.2 million), reflecting the requirement for the Parliamentary Commissioner for Administrative Investigations to undertake the legislative monitoring functions under the *Criminal Law (Unlawful Consorting and Identified Organisation Insignia) Act 2021*.

Premier and Cabinet

Item 5: **Delivery of Services** (\$12.9 million), comprising funding for:

- community assistance, including donations made to:
 - Telethon, including the State's annual contribution to the WA Child Research Fund (\$6 million), and
 - the Australian Red Cross Queensland and New South Wales Floods Appeal (\$2 million);
- costs associated with the expansion of the 'Build a Life in WA' Campaign as part of the Reconnect WA initiative (\$3.5 million);
- COVID-19 initiatives, including the establishment of a multi-agency project team to investigate alternative quarantine arrangements in Western Australia (\$1.4 million); and
- Aboriginal Engagement matters, including additional funding for the development and implementation of the *Aboriginal Cultural Heritage Act 2021* (\$134,000).

The funding requirements have been partly offset by lower office accommodation costs in 2021-22 (\$87,000).

Item 6: **Administered Grants, Subsidies and Other Transfer Payments** (\$2.6 million) for additional funding for updates to indexation applied to various payments for Native Title matters, including the South West Native Title Settlement (\$2.3 million), the Yamatji Nation Settlement (\$245,000) and the Gibson Desert Nature Reserve Compensation Settlement (\$4,000).

Public Sector Commissioner

Item 7: **Delivery of Services** (\$0.2 million) for additional funding for increased information and communication technology expenses.

Item 95: **Capital Appropriation** (\$1,000) for the revised AASB 16: *Leases* impacts on motor vehicles leasing costs based on State Fleet modelling.

Western Australian Electoral Commission

Item 9: **Delivery of Services** (\$1.2 million). An additional \$1.2 million was spent in 2021-22 to meet the State's annual contribution towards the cost of maintaining the electoral roll under the Joint Roll Arrangement with the Australian Electoral Commission (\$415,000), unavoidable cost pressures relating to the non-voter and technology assisted voting projects (\$164,000), finalisation of State General Election 2021 expenses (\$346,000), and undertaking the State General Election 2021 Review (\$280,000). These increases were partially offset by a net decrease in State Fleet expenses (\$8,000).

Treasury

Item 15: **Bunbury Water Corporation** (\$0.1 million), reflecting an operating subsidy increase of \$58,000 required to meet higher than expected concessions. Outcomes for these concessions are not known with certainty until final accounts for the financial year become available after 30 June each year.

Item 22: **Southern Ports Authority** (\$4.3 million) for an increase in the operating subsidy for the Government Support Package for Koolyanobbing Iron Ore to recognise revised costs to support the package, including an increase in forecast expenditure on iron ore loading and cleaning.

Item 23: **Water Corporation** (\$28.8 million) for subsidised services provided by the Corporation in 2021-22 (including \$19.4 million due to the Corporation reclassifying cloud-based ICT projects from capital expenditure to operating expenditure).

Item 24: **Western Australian Land Authority** (\$7.8 million), largely reflecting additional operating subsidies to facilitate the development of residential and industrial land in regional areas, construct the required infrastructure at the Australian Marine Complex, and meet transaction costs associated with the Housing Authority Machinery of Government reform, partly offset by the retiming of operating subsidies over the forward estimates period in line with forecast development expenditure across various projects.

Item 37: **All Other Grants, Subsidies and Transfer Payments** (\$119.3 million), primarily for financial assistance in 2021-22 that is to be made available to businesses adversely affected by the implementation of Level 1 and Level 2 Public Health and Social Measures and increasing spread of COVID-19.

Item 103: **Electricity Networks Corporation (Western Power)** (\$6.3 million), reflecting an increase to its equity contribution to offset higher than expected tax liability on residential capital contributions, and to offset dividends paid on land sales in 2021-22.

Item 109: **WA Health** (\$57.9 million), primarily for funding allocated to the construction of four 30-bed inpatient long stay modular units at Osborne Park Hospital, Rockingham General Hospital, Bunbury Regional Hospital and Bentley Health Service, partially offset by the deferral of other investment expenditure from 2021-22.

New Item: **Water Corporation** (\$22.9 million), to partially fund Burrup Seawater Supply Scheme infrastructure upgrades (\$21.8 million) and associated financing costs (\$1.2 million).

New Item: **Bunbury Water Corporation** (\$10.2 million), reflecting an equity contribution of \$10.2 million to fund a cost increase in the Bunbury Water Resource Recovery Scheme (\$9.6 million) and planning for fluoridation of the Corporation's water network (\$0.6 million).

New Item: **Mid West Ports Authority** (\$3 million), reflecting the transfer of funding for the Batavia Coast Marina High Speed Jetty from the Department of Transport.

New Item: **Forest Products Commission** (\$14.3 million) for an equity injection of \$14.3 million in 2021-22 to offset declining native forest revenue and maintain sufficient working capital to ensure the Commission is able to meet its commitments.

Finance

Item 39: **Delivery of Services** (\$82.2 million) for increased funding for the purchase, storage and distribution of Rapid Antigen Tests and N95 masks (\$82.4 million) in response to the COVID-19 pandemic, increased lease costs for office accommodation in Midland (\$3.7 million) and administration of royalties (\$0.4 million), partially offset by various minor carryovers (\$2 million), reclassification of funding from recurrent to capital for the stabilisation of the RevenueWA's revenue collection system (\$1.6 million), and government office accommodation savings (\$0.7 million).

Item 118: **Capital Appropriation** (\$1.9 million), reflecting the reclassification of funding from recurrent to capital for the stabilisation of the RevenueWA's revenue collection system (\$1.6 million) and additional funding for fit-out costs for office accommodation in Midland (\$0.3 million).

Jobs, Tourism, Science and Innovation

Item 41: **Delivery of Services** (\$29.3 million), largely for payments associated with the Reconnect WA and Safe Transition Industry Support Packages (totalling \$79 million), partially offset by a change to the timing of spending on economic diversification (\$27.9 million) and tourism (\$22.4 million) initiatives.

Small Business Development Corporation

Item 47: **Delivery of Services** (\$0.8 million), reflecting additional funding provided for the management and administration of the Tenant Rent Relief Scheme, the Landlord Rent Relief Incentive and the Small Business Hardship Grants Program which were approved under Levels 1 and 2 of the COVID-19 Business Assistance Packages.

Rural Business Development Corporation

Item 48: **Delivery of Services** (\$0.1 million) for an increase in funding required to meet the operational costs of the Rural Business Development Corporation following a reduction to interest revenue.

WA Health

Item 52: **Delivery of Services** (\$722.5 million), primarily relating to COVID-19 expenditure (\$585.1 million) including Rapid Antigen Test procurement, the home monitoring telehealth program, vaccination delivery, testing, contact tracing, personal protective equipment, hotel quarantine, State Health Incident Coordination Centre operations, viability payments for private hospitals, and operating costs for additional hospital beds, as well as additional expenditure on hospital services (\$102.3 million).

Item 124: **Capital Appropriation** (\$59.4 million), mainly due to the provision of additional hospital beds, including initial costs for the construction of four 30-bed modular units (see also Item 109) and continue the Vaccinate WA application as part of the Government's response to COVID-19.

Mental Health Commission

Item 53: **Delivery of Services** (\$2.3 million), comprises increased funding of \$3.3 million for the delivery of mental health hospital services, partially offset by a recashflow of \$956,000 in appropriation from 2021-22 to 2022-23 due to the delayed commencement of the Transitional Care Unit, which was repurposed to support the delivery of eight community-based mental health beds for long-stay patients exiting hospital and transitioning into long term accommodation.

Health and Disability Services Complaints Office

Item 57: **Delivery of Services** (\$11,000) mainly for expenditure associated with the *Voluntary Assisted Dying Act 2019*.

Education

Item 58: **Delivery of Services** (\$106.8 million) for expenditure associated with an increase in the Department's leave liability balances (\$68.1 million), historical public sector casual long service leave liabilities (\$29.4 million), COVID-19 ventilation improvements in schools (\$20.5 million), COVID-19 school cleaning (\$19.1 million), increased depreciation expense (\$10.7 million), personal protective equipment in schools (\$7.3 million), COVID-19 administrative support (\$5 million), the school camps assistance package (\$3.5 million), and establishment of the Premier's Reading Challenge (\$1.1 million). This increase was partially offset by the funding substitution of Commonwealth monies received under the National Partnership for COVID-19 response (\$40.1 million), revisions to student enrolments and cost parameters (\$16.7 million), and a re-profiling of funding for the Specialist Learning Programs (\$3.4 million).

Item 59: **Administered Grants, Subsidies and Other Transfer Payments** (\$4.7 million), relating to an increase in grants for non-government schools due to higher than forecast enrolments.

Item 127: **Capital Appropriation** (\$5.6 million), reflecting up to date project cash flows across the Asset Investment Program (\$4.4 million), an increase in asset investment for the primary schools science election commitment (\$600,000), and market driven project cost pressures (\$347,000).

Western Australia Police Force

Item 61: **Delivery of Services** (\$47.9 million), mainly due to the continued COVID-19 emergency management response (\$38.8 million).

Item 129: **Capital Appropriation** (\$13.6 million), largely for a bring forward of funding for the Armadale Courthouse and Police Complex (\$12 million), in line with construction timing for the project.

State Solicitor's Office

Item 63: **Delivery of Services** (\$2.3 million), reflecting funding for additional costs associated with legal proceedings.

Fire and Emergency Services

Item 64: **Delivery of Services** (\$9.2 million), largely reflects additional funding to enable the Department to lease and fit-out two new helicopters (and one uncrewed back-up helicopter) to continue to provide the Emergency Rescue Helicopter Service for the Perth Metropolitan and South West regions (\$4.9 million). Funding was also provided to accelerate delivery of the State Natural Disasters Recovery packages following the Wooroloo bushfire and Severe Tropical Cyclone Seroja natural disasters (\$2.2 million) and to assist with the implementation of the Bushfire Framework Review (\$243,000).

Item 65: **Administered Grants, Subsidies and Other Transfer Payments** (\$10 million), to provide temporary accommodation for workers assisting with the recovery of Kalbarri and surrounding Shires impacted by the Severe Tropical Cyclone Seroja natural disaster.

Item 132: **Capital Appropriation** (\$0.4 million), for the cost of office fit-out associated with the employment of 18 finite resources to address backlog issues associated with processing claims and to accelerate payment of recovery packages following the Wooroloo bushfire and Severe Tropical Cyclone Seroja natural disasters.

Office of the Director of Public Prosecutions

Item 66: **Delivery of Services** (\$2.5 million) for growth in demand for prosecution services and ICT-related cost pressures.

Communities

Item 71: **Delivery of Services** (\$179.2 million), largely reflecting higher than budgeted National Disability Insurance Scheme payments to the Commonwealth (\$78.5 million), additional funding in response to the COVID-19 pandemic (\$48.4 million) and subsidising a shortfall in Commonwealth revenue for the cost of delivering Supported Independent Living services (\$15.6 million). Additional funding is also provided to supplement social housing rent receipts (\$21.9 million) and to meet the cost of office accommodation leases (\$12 million).

Local Government, Sport and Cultural Industries

Item 73: **Administered Grants, Subsidies and Other Transfer Payments** (\$3.5 million), mainly due to an increase in funding to meet the payment of tax rebates linked to increased Lotterywest games turnover (\$6.3 million), partially offset by the reallocation of funding previously allocated to COVID-19 recovery initiatives (\$2.8 million) to other COVID-19 related initiatives.

Item 74: **Art Gallery of Western Australia (AGWA)** (\$0.1 million) for increased maintenance costs associated with the new AGWA rooftop development.

Item 76: **Library Board of Western Australia** (\$0.1 million) to meet security costs for the State Library.

Item 77: **Perth Theatre Trust (PTT)** (\$0.4 million), mainly to meet increased security costs associated with the PTT's management of the Perth Cultural Centre precinct.

Item 139: **Art Gallery of Western Australia** (\$2.1 million), to meet additional costs for the completion of the new AGWA rooftop development.

Western Australian Sports Centre Trust

Item 79: **Delivery of Services** (\$17.4 million), primarily due to the requirement for additional funding for a number of Western Australian Sports Centre Trust venues as a result of the ongoing impact of COVID-19 and associated restrictions on events and attendances (\$14.8 million), the Commercial Sporting Franchises Support Program (\$1.4 million), and to meet increased operating and lifecycle costs at Optus Stadium as a result of modifications to the Stadium design and other improvements at the venue (\$1.2 million).

Item 140: **Capital Appropriation** (\$0.9 million), reflecting funding provided for higher principal repayments on the Optus Stadium loan (following an update to current and forecast interest rates).

Commissioner of Main Roads

Item 82: **Delivery of Services** (\$10.8 million), largely to meet increased depreciation costs.

Item 142: **Capital Appropriation** (\$31.1 million), primarily reflecting funding provided for the construction of enabling road infrastructure to support a proposed urea project on the Burrup Peninsula.

Planning, Lands and Heritage

Item 85: **Delivery of Services** (\$3.3 million), reflecting \$2.4 million to offset pastoral rent revenue reductions associated with revised rate of return and land values for pastoral leases, \$622,000 for administration of the Market-led Proposal policy and Secretariat transferred to the Department in March 2022, \$196,000 to progress the Bushfire Framework Review and implement improvements to the Bushfire Practitioner Accreditation Framework, and \$17,000 associated with revisions to office accommodation requirements.

Western Australian Land Information Authority

Item 87: **Delivery of Services** (\$0.7 million), \$505,000 for planning, project management and transition activities associated with the implementation of accommodation options for Landgate at 1 Midland Square and \$240,000 for Landgate to jointly establish an entity (NECDS Co) with the other Australian States and Territories to manage the National Electronic Conveyancing Data Standards. The NECDS Co will own Intellectual Property rights and manage the licensing of electronic conveyancing data standards for the State and Territory governments.

Justice

Item 130: **Capital Appropriation** (\$1 million) for infrastructure upgrades to improve safety and security at Banksia Hill Detention Centre.

Public Transport Authority

Item 143: **Capital Appropriation** (\$99.5 million), largely to meet the State contribution towards joint State and Commonwealth funded rail infrastructure projects that were announced in the Commonwealth's 2022-23 Budget.

Special Purpose Accounts

Special Purpose Accounts (SPAs) are established under various sections of the *Financial Management Act 2006* or by specific legislation (e.g. the Royalties for Regions Fund). Accounts established by legislation are governed by the relevant provisions of the statute, while accounts that are established administratively are governed by a special purpose statement (operating accounts) or a trust statement (trust accounts) that outlines the purpose of the account.

This appendix contains information on key SPAs. It is not an exhaustive list of all SPAs, but covers major/material SPAs established to achieve priority policy outcomes. The forecast SPA balances (and transactions in and out of these accounts) form part of the overall consolidated projections for 2022-23 outlined elsewhere in this Budget.

Climate Action Fund

The Government has allocated an additional \$500 million to the Climate Action Fund as part of the 2022-23 Budget, increasing the total contribution to the Fund to \$1.25 billion.

Funds expected to be drawn in 2022-23 (\$88 million) primarily reflect \$52 million for the Native Forrest Just Transition Plan to assist workers and businesses in the South-West to transition out of the native timber logging industry (with a further \$27 million for the continued implementation of the Native Forrest Just Transition Plan to be drawn in 2023-24).

A further \$13 million will be drawn to fund various climate action initiatives across nine agencies. This includes the development of Sectoral Emissions Reduction Strategies, and increasing the capability to estimate, report and manage government emissions to assist in meeting the Government's emissions reduction target. The remaining spending in 2022-23 largely reflects provisions for further initiatives and will be released upon approval of future business cases.

Table 5.1

TREASURER'S CLIMATE ACTION FUND

	2021-22 \$m	2022-23 \$m
<i>Balance at 1 July</i>	-	164
Receipts	168	500
Payments	4	88
Closing Balance	164	576

Note: Columns may not add due to rounding.

Debt Reduction Account

In line with the Government's commitment to responsible financial management, a Debt Reduction Account was established in 2017-18 to apply windfall funds to reduce Consolidated Account borrowings.

A total of \$1.2 billion is expected to flow through the account in 2022-23. This reflects the Government's decision in this Budget to repay \$1.2 billion in existing Consolidated Account borrowings. This repayment will reduce ongoing interest costs by an estimated \$132 million across the forward estimates period.

Table 5.2

DEBT REDUCTION ACCOUNT

	2021-22 \$m	2022-23 \$m
<i>Balance at 1 July</i>	-	-
Receipts	2,704	1,200
Payments	2,704	1,200
Closing Balance	-	-

Note: Columns may not add due to rounding.

Digital Capability Fund

The Digital Capability Fund (DCF) was established in 2021-22 to hold funds for the upgrade of ICT systems to improve government service delivery, enhance cyber security and mitigate operational risks. Originally established with the receipt of \$500 million in the 2021-22 Budget, the DCF will receive a further \$400 million in 2022-23.

Payments totalling \$248 million in 2022-23 will be made to 21 agencies. The major recipients for ICT projects in 2022-23 are WA Health (\$113.1 million); the Western Australia Police Force (\$30.1 million); the Department of Transport (\$17.9 million); the Department of Mines, Industry Regulation and Safety (\$17 million); and the Office of Digital Government (\$15.4 million).

DIGITAL CAPABILITY FUND ACCOUNT

Table 5.3

	2021-22 \$m	2022-23 \$m
<i>Balance at 1 July</i>	-	421
Receipts	500	400
Payments	79	248
Closing Balance	421	573

Note: Columns may not add due to rounding.

METRONET Account

This SPA was established in August 2017 to support the delivery of METRONET transport infrastructure projects. Forecast receipts for 2022-23 reflect Commonwealth funding (\$717 million), State funding (\$637 million), funding provided through other agencies (\$180 million) and proceeds from land sales (\$7 million).

The funds are to be drawn down as works progress. Forecast payments in 2022-23 will support work on the Morley-Ellenbrook Line, Yanchep Rail Extension, Thornlie-Cockburn Link, Victoria Park-Canning Level Crossing Removal and Byford Rail Extension.

METRONET ACCOUNT

Table 5.4

	2021-22 \$m	2022-23 \$m
<i>Balance at 1 July</i>	431	221
Receipts	791	1,541
Payments	1,001	1,608
Closing Balance	221	153

Note: Columns may not add due to rounding.

METRONET Roads Account

This SPA was established in December 2018 to hold funds for METRONET road works, including road projects under development. Receipts in 2022-23 reflect funds transferred from Main Roads. Funds are to be drawn down as works progress. Forecast payments in 2022-23 include those for the Byford Rail Extension, Thornlie-Cockburn Link, Yanchep Rail Extension and Victoria Park-Canning Level Crossing Removal.

METRONET ROADS ACCOUNT

Table 5.5

	2021-22	2022-23
	\$m	\$m
<i>Balance at 1 July</i>	106	108
Receipts	125	142
Payments	123	218
Closing Balance	108	32

Note: Columns may not add due to rounding.

Metropolitan Region Improvement Fund

This account was established under the *Metropolitan Region Improvement Tax Act 1959* to hold funds for the management of the Metropolitan Region Scheme, including receipts from the Metropolitan Region Improvement Tax (MRIT).

Receipts in 2022-23 include MRIT collections (\$88 million), rent and interest income (\$10 million) and proceeds from the sale of land and buildings (\$5 million). Payments in 2022-23 mainly reflect a contribution towards the acquisition of land for transport infrastructure (\$25 million), the acquisition of land and buildings (\$59 million), service delivery costs (\$29 million), and works in progress on a range of smaller infrastructure projects (\$7 million).

METROPOLITAN REGION IMPROVEMENT FUND

Table 5.6

	2021-22	2022-23
	\$m	\$m
<i>Balance at 1 July</i>	443	409
Receipts	144	105
Payments	179	129
Closing Balance	409	384

Note: Columns may not add due to rounding.

Mining Rehabilitation Fund

The Mining Rehabilitation Fund was established in July 2013 to hold levy collections under the *Mining Rehabilitation Fund Act 2012*.

Receipts reflect forecast levy contributions from mining operators and interest earned on the account balance. Funds can be used to undertake rehabilitation activities where a tenement operator fails to meet rehabilitation obligations, and all other options available to recover funds from the operator have been exhausted. Interest earnings are used to support administration of the Fund and for rehabilitation works at abandoned mine sites.

MINING REHABILITATION FUND

Table 5.7

	2021-22	2022-23
	\$m	\$m
<i>Balance at 1 July</i>	219	253
Receipts	38	35
Payments	4	5
Closing Balance	253	283

Note: Columns may not add due to rounding.

National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account

This account was established in December 2018 to meet the cost of payments associated with the State's participation in the National Redress Scheme, and for civil litigation claims by survivors of institutional child sexual abuse.

Receipts in 2022-23 reflect the Government's decision to allocate \$185 million to this account. Forecast payments in 2022-23 are to meet scheme payments, civil litigation claims and administration costs.

NATIONAL REDRESS SCHEME AND CIVIL LITIGATION FOR SURVIVORS OF INSTITUTIONAL CHILD SEXUAL ABUSE ACCOUNT

Table 5.8

	2021-22	2022-23
	\$m	\$m
<i>Balance at 1 July</i>	77	3
Receipts	-	185
Payments	74	68
Closing Balance	3	120

Note: Columns may not add due to rounding.

New Women and Babies Hospital Account

This SPA was established to support the construction of a new Women and Babies Hospital at the Queen Elizabeth II Medical Centre campus. Forecast receipts for 2021-22 reflect funding sourced from the better than expected operating surplus for 2020-21.

A total of \$10.2 million has been allocated from the SPA across 2021-22 and 2022-23 to develop a joint Business Case and Project Definition Plan for the new hospital.

NEW WOMEN AND BABIES HOSPITAL ACCOUNT			Table 5.9
	2021-22 \$m	2022-23 \$m	
<i>Balance at 1 July</i>	-	1,785	
Receipts	1,787	-	
Payments	2	8	
Closing Balance	1,785	1,777	
Note: Columns may not add due to rounding.			

Perth Parking Licensing Account

This SPA was established in July 1999 to set aside funds to be used to encourage a balanced transport system and improve the amenity of the Perth city area. Receipts consist of licence fees, penalties and money appropriated by Parliament.

Funds drawn from the account are spent on the Central Area Transit (CAT) bus system, Free Transit Zone public transport services within central Perth, improving public transport access, enhancing the pedestrian environment, supporting bicycle access, improving the amenity and liveability of the Perth city area, and for administration of the *Perth Parking Management Act 1999*.

PERTH PARKING LICENSING ACCOUNT			Table 5.10
	2021-22 \$m	2022-23 \$m	
<i>Balance at 1 July</i>	165	167	
Receipts	56	58	
Payments	54	55	
Closing Balance	167	170	
Note: Columns may not add due to rounding.			

Remote Communities Fund

The Remote Communities Fund has been established as part of the 2022-23 Budget with a \$350 million State contribution to support essential infrastructure and services in remote Aboriginal communities in Western Australia.

It is anticipated the Fund will be used to invest in new and refurbished housing, improving water, electricity, and municipal services, and economic participation in remote Aboriginal communities.

A \$350 million global asset investment provision has been allocated over the forward estimates period pending Government consideration of specific investment proposals (see Chapter 6). It is estimated that \$50 million of this will be drawn from the Fund in 2022-23.

REMOTE COMMUNITIES FUND			Table 5.11
	2021-22 \$m	2022-23 \$m	
<i>Balance at 1 July</i>	-	-	
Receipts	-	350	
Payments	-	50	
Closing Balance	-	300	
Note: Columns may not add due to rounding			

Road Trauma Trust Account

This account was established to provide for road safety initiatives. Receipts reflect prescribed penalties paid during the year, other funds collected under the *Road Traffic (Administration) Act 2008*, and interest revenue earned on the account balance.

Drawdowns from the account in 2022-23 are mainly for:

- Main Roads' Regional Road Safety Improvements project (\$20 million);
- Camera Operations and Infringements by the Western Australia Police Force (\$17.7 million);
- Main Roads' Metropolitan Intersections project (\$14.3 million);
- continuation of the Impaired Driving Detection Program delivered by the Western Australia Police Force (\$10.4 million);
- the Road Safety Commission for policy, research and governance (\$8.9 million);
- the Community Education and Engagement program delivered by the Road Safety Commission (\$8.4 million); and
- the Road Safety Commission for the infringement management reform program (\$8.4 million).

ROAD TRAUMA TRUST ACCOUNT			Table 5.12
	2021-22 \$m	2022-23 \$m	
<i>Balance at 1 July</i>	43	50	
Receipts	106	104	
Payments	99	118	
Closing Balance	50	35	
Note: Columns may not add due to rounding.			

Royalties for Regions Fund

The Royalties for Regions (RfR) Fund was established in December 2008 to set aside a share of the State's annual royalty income to fund investment in regional Western Australia.

Receipts reflect interest on Fund balances, the return of unused funds by agencies, and the statutory funding for the program based on 25% of forecast royalty income at the time of the 2022-23 Budget, adjusted for the \$1 billion legislated cap on the Fund balance. Payments from the Fund include transfers to agencies that deliver RfR projects supporting infrastructure, business, economic development and other regional activities.

Details of the RfR program (and other regional spending) are available in Chapter 7: *Investing in Regional Western Australia*.

ROYALTIES FOR REGIONS FUND

Table 5.13

	2021-22 \$m	2022-23 \$m
<i>Balance at 1 July</i>	1,000	1,000
Receipts	980	1,227
Payments	980	1,227
Closing Balance	1,000	1,000

Note: Columns may not add due to rounding.

Royalties for Regions Regional Reform Fund

This SPA was approved as part of the 2015-16 Budget to receive \$150 million, transferred from the RfR Fund, commencing in June 2015. It funds strategic reforms in regional Western Australia, with a focus on regional Aboriginal reform initiatives.

Payments of \$34 million in 2022-23 will support the Kimberley on-country residential youth facilities, the Kimberley Schools project, the North West Aboriginal Housing initiative, the Jalbi Jiya (Your Home) program, improvements to essential and municipal services in remote Aboriginal communities, Leedal–Fitzroy Affordable Housing Project, and the East Kimberley and Hedland Transitional Housing projects.

ROYALTIES FOR REGIONS REGIONAL REFORM FUND

Table 5.14

	2021-22 \$m	2022-23 \$m
<i>Balance at 1 July</i>	58	41
Receipts	-	4
Payments	16	34
Closing Balance	41	11

Note: Columns may not add due to rounding.

Social Housing Investment Fund

The \$750 million Social Housing Investment Fund was established as part of the 2021-22 Budget to fund future dwelling construction projects and other initiatives that increase social housing supply. Receipts paid into the Fund were sourced from the better than expected operating surplus for 2020-21.

In 2022-23, \$111 million will be spent under the Government's Social Housing Strategy, including an additional \$31 million for the Department of Communities to increase spot purchases of established dwellings.

SOCIAL HOUSING INVESTMENT FUND

Table 5.15

	2021-22 \$m	2022-23 \$m
<i>Balance at 1 July</i>	-	627
Receipts	750	-
Payments	123	111
Closing Balance	627	516

Note: Columns may not add due to rounding.

Softwood Plantation Expansion Fund

This Fund was established in 2021-22 as part of the Government's Climate Action package, with \$350 million set aside to expand the State's softwood plantation estate and support the Western Australian timber and construction industries. At the same time, Fund investment will offset carbon dioxide production and support regional employment. Total payments of \$39.4 million are expected in 2022-23, comprising:

- \$31.7 million for the acquisition of land; and
- \$7.6 million for costs of establishing softwood plantations.

SOFTWOOD PLANTATION EXPANSION FUND

Table 5.16

	2021-22 \$m	2022-23 \$m
<i>Balance at 1 July</i>	-	339
Receipts	350	-
Payments	11	39
Closing Balance	339	299

Note: Columns may not add due to rounding.

Waste Avoidance and Resource Recovery Account

The Waste Avoidance and Resource Recovery Account was established in 2008 under section 79 of the *Waste Avoidance and Resource Recovery Act 2007* to hold revenue allocated from the waste levy. The purpose of the account is to fund nominated programs and other waste management initiatives approved by the Minister for Environment.

Lower forecast receipts in 2022-23 follow the receipt of a loan repayment in 2021-22.

Table 5.17

WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT		
	2021-22	2022-23
	\$m	\$m
<i>Balance at 1 July</i>	29	41
Receipts	33	22
Payments	21	36
Closing Balance	41	27

Note: Columns may not add due to rounding.

Western Australian Future Health Research and Innovation Fund

The Western Australian Future Fund was established under the *Western Australian Future Fund Act 2012*. The *Western Australian Future Fund Amendment (Future Health Research and Innovation Fund) Act 2020* discontinued the Future Fund and created the Western Australian Future Health Research and Innovation Fund, into which 1% of forecast annual royalties are to be paid each year. From 2020-21, this Act applies forecast annual investment income from the new Fund to a new account (administered by the Minister for Health) that provides long-term support for medical and health research, innovation and commercialisation activities in Western Australia.

Forecast receipts include 1% of the Budget-time forecast of royalty income (\$70.9 million) and interest earned on the account balance (\$32.3 million).

Table 5.18

WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH AND INNOVATION FUND		
	2021-22	2022-23
	\$m	\$m
<i>Balance at 1 July</i>	1,492	1,593
Receipts	134	103
Payments	32	32
Closing Balance	1,593	1,664

Note: Columns may not add due to rounding.

Payments from the Fund in 2022-23 (\$32.3 million) reflect the on-passing of the interest earnings to WA Health for medical and health research and innovation, and are held in the Western Australian Future Health Research and Innovation Account administered by the Minister for Health. Payments of \$36.4 million are forecast to be drawn in 2022-23 for a range of medical and health research and innovation programs and initiatives.

WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH AND INNOVATION ACCOUNT			Table 5.19
	2021-22 \$m	2022-23 \$m	
<i>Balance at 1 July</i>	15	16	
Receipts	32	32	
Payments	31	36	
Closing Balance	16	12	

Note: Columns may not add due to rounding.

Westport Account

This SPA was established in the 2021-22 Budget to support the Westport project. Receipts in 2021-22 (\$400 million) reflect State funding sourced from a higher than expected operating surplus for 2020-21. The funds are to be drawn down upon approval of relevant Westport enabling works, such as strategic land acquisitions, environmental offsets and feasibility studies.

Drawdowns totalling \$13.1 million are forecast in 2022-23 for approved Westport enabling works packages, including the Future of Fremantle initiative, the development of feasibility studies on the Kwinana Rail Loop and the possible relocation of the bulk jetty, vehicle and livestock trades.

WESTPORT ACCOUNT			Table 5.20
	2021-22 \$m	2022-23 \$m	
<i>Balance at 1 July</i>	-	399	
Receipts	400	-	
Payments	1	13	
Closing Balance	399	386	

Note: Columns may not add due to rounding.

State Government Social Concessions Expenditure Statement

Introduction

The State Government provides social concessions in the form of rebates, discounts and waivers for services, and subsidies to help reduce the cost of living for individuals and families in need.

This appendix reports the entire range of social concessions provided by State Government agencies. The information provided reflects actual expenditure on each social concession by an agency in 2020-21, and estimated expenditure in 2021-22 and 2022-23.

The total value of State Government social concessions in 2022-23 is estimated at \$2.7 billion, including \$1.7 billion in operating subsidies for electricity, water, and public transport services¹. These concessions are ongoing, and in addition to the Government's \$400 Household Electricity Credit in 2022-23, which is estimated to cost \$445 million (see Appendix 8).

General Notes on the Statement

For the purposes of this appendix, social concessions are defined as:

- discounts, rebates and waivers for services, and subsidies to improve access to, and affordability of, a range of services based on eligibility criteria related to factors such as age, income and special needs or disadvantage; and
- concessional prices for services provided by public non-financial corporations where the price charged to all consumers is less than the full cost of service provision, and grants paid to private and State training providers to subsidise the cost of training services.

¹ Operating subsidies for social concessions purposes form the vast bulk of operating subsidies reported in Appendix 8: *Public Corporations and Major Tariffs, Fees and Charges*.

The information in this appendix is compiled from information provided by relevant agencies.

The method of estimating the value of concessions varies. In some cases, the estimate reflects the amount of a good or service consumed at the concessional price or fare and is the difference between the concession and the otherwise applicable price or fare. In others, such as those involving a fixed annual charge, the estimates reflect the rebate or subsidy paid.

The estimated number of recipients is recorded against each social concession. Where the number of unique recipients is not recorded, the number of occasions the concession has been accessed is used instead.

Table 6.1

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2020-21	2020-21	2021-22	2021-22	2022-23	2022-23
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	\$'000	Recipients	Year	Year
					\$'000	Recipients
BIODIVERSITY, CONSERVATION AND ATTRACTIONS						
Perth Zoo						
- Children Under Four – Free Entry	5,046	152,916	5,131	150,902	5,186	149,875
- Children's Discount	1,619	98,141	1,646	96,848	1,664	96,189
- Education Excursion Discount	729	35,609	750	35,140	758	34,901
- Seniors and Concession Card Discounts	403	57,534	397	56,776	400	56,390
- Carers – Free Entry	199	6,016	202	5,937	205	5,896
National Parks						
- Day Entrance Fee Concessions	629	49,471	681	53,547	681	53,547
- Annual Pass Concessions	146	3,571	143	3,500	143	3,500
- RAC Concession Passes	124	6,083	123	6,000	123	6,000
Geikie Gorge Boat Trip Concessions	27	1,960	22	1,600	22	1,600
Penguin Island Experience Concessions ^(a)	8	5,924	12	9,000	12	9,000
Camping Concessions	752	103,359	582	80,000	511	70,155
Valley of the Giants Tree Top Walk Concession ^(b)	59	11,822	45	9,000	68	13,677
Monkey Mia Conservation Park Entry Fee Concessions						
- Day Entry Pass Fee	44	9,631	54	12,000	54	12,000
- Monthly Entry Fee	16	3,527	14	3,000	14	3,000
Rottne Island						
- Bus/Bike/Pedal and Flipper Hire	11	1,661	9	1,325	12	1,790
- Tour Concessions (Wadjemup Lighthouse and Oliver Hill Gun and Tunnel)	2	1,030	2	1,070	6	2,840
Leeuwin-Naturaliste National Park	3	544	5	830	5	830
Yanchep National Park – Crystal Cave Concessions	3	745	4	1,000	4	1,000
Dryandra Woodland Barna Mia Night Tour Concession Fee	4	742	4	700	4	700
Sub Total	9,824		9,825		9,871	
BUNBURY WATER CORPORATION						
Pensioners and Seniors Consumption Rebate ^(c)	468	3,936	473	3,956	493	3,995
Pensioners and Seniors Supply Charge Rebate ^(c)	321	3,600	325	3,618	339	3,654
Ex-Gratia Water (Leak) Allowance	223	213	228	214	228	216
Sub Total	1,011		1,026		1,060	
BUSSELTON WATER CORPORATION						
Pensioners and Seniors Consumption Rebate ^(c)	304	3,048	324	3,115	313	3,146
Pensioners and Seniors Supply Charge Rebate ^(c)	354	3,683	375	3,720	375	3,757
Ex-Gratia Water (Leak) Allowance	41	61	48	70	48	70
Sub Total	699		747		736	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2020-21	2020-21	2021-22	2021-22	2022-23	2022-23
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	\$'000	Recipients	Year	Year
					\$'000	Recipients
COMMUNITIES						
Rental Subsidy	215,202	28,722	208,325	28,197	208,453	28,047
Seniors Cost of Living Rebate	24,762	310,146	25,415	312,500	27,456	331,000
Bond Assistance Loan Scheme – Interest Foregone ^(a)	193	15,109	173	15,500	193	16,304
Centenarian Initiative	94	12	89	10	92	12
Homes for Carers – Placement Support Subsidy ^(d)	4	2	38	5	-	-
Cash Assistance Grant	3	1	6	2	6	2
Rental Sales Scheme Subsidy	3	2	15	10	5	2
Sub Total	240,261		234,061		236,205	
EDUCATION						
Secondary Assistance Scheme						
- Education Program Allowance	8,082	33,304	8,254	35,142	8,454	35,993
- Clothing Allowance	3,830	33,304	4,041	35,142	4,139	35,993
- Abstudy Supplement	32	403	33	412	33	422
Boarding Away from Home Allowance						
- Isolated Children and Students in Respite	2,133	1,338	1,942	1,348	1,748	1,358
- Agriculture College – Special Subsidy	437	286	413	299	352	285
- Gifted and Talented Program	47	31	46	34	35	29
Sub Total	14,561		14,729		14,761	
FINANCE						
Seniors (25%) and Pensioners (50%) Rebates						
- Local Government Rates	105,537	241,533	113,184	243,224	121,505	245,170
- Emergency Services Levy	20,661	240,723	22,158	242,408	23,787	244,347
Energy Subsidies						
- Thermoregulatory Dysfunction	1,868	2,587	1,915	2,610	1,971	2,640
- Life Support Equipment	1,224	1,538	1,256	1,550	1,294	1,570
Energy Concession Extension Scheme ^(a)	2,223	6,598	2,165	6,650	2,222	6,710
Sub Total	131,513		140,678		150,779	
GOLD CORPORATION						
Perth Mint Admission Concessions ^(a)	5	2,255	9	4,315	9	4,315
Sub Total	5		9		9	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2020-21	2020-21	2021-22	2021-22	2022-23	2022-23
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	Actual	Actual	Year	Year
			\$'000	Recipients	\$'000	Recipients
HEALTH						
Ambulance Services for Seniors	54,351	153,982	55,462	156,137	56,294	158,323
Patient Assisted Travel Scheme						
- WA Country Health Service	32,628	36,228	37,481	37,139	38,043	37,696
- Peel Health Service	12	46	9	35	10	41
Subsidised Dental Care						
- Dental Health Services ^(a)	17,134	61,726	17,022	61,037	17,500	63,000
- Oral Health Centre of WA	14,540	13,905	14,537	13,905	14,988	13,905
Dental Subsidy Schemes						
- Country Patients	3,584	16,389	2,855	13,153	3,000	14,000
- Metropolitan Patients	536	2,354	1,004	4,104	1,010	4,000
Spectacle Subsidy Scheme	2,581	47,972	2,630	48,393	2,682	49,361
Child and Adolescent Health Service						
- Concession Parking ^(e)	407	20,675	407	20,525	415	20,935
- Patient Meal Vouchers	62	1,982	66	2,277	71	2,452
- Patient Pre-loaded SmartRiders	3	268	3	331	3	364
Patient Cabcharge ^(f)	373	7,480	378	7,341	392	7,395
Home Haemodialysis Subsidy	59	88	60	89	61	90
Regional Access Support Scheme – Voluntary Assisted Dying ^(g)	-	-	143	65	143	65
Community Pharmacies ^(h)	182	399	239	425	246	425
Sub Total	126,453		132,296		134,859	
HORIZON POWER						
Tariff Adjustment Payment ^(c)	6,817	36,256	2,709	34,716	1,018	36,854
Energy Assistance Payment ^(c)	2,133	9,114	2,105	7,192	2,120	7,076
- Energy Assistance Payment Boost ^{(c)(i)}	519	1,700	-	-	-	-
Air Conditioning Rebate – Electricity ^(c)	1,265	3,615	1,161	3,268	1,172	3,217
Dependent Child Rebate ^(c)	1,006	3,259	973	2,343	982	2,311
Power for Remote Water and Waste Water Services ^(c)	885	43	770	43	770	43
Tariff Migration (Caravan Park Subsidy) ^(c)	156	9	96	9	81	9
Feed-In Tariff ^{(c)(j)}	759	518	84	518	-	-
Sub Total	13,541		7,898		6,142	
INSURANCE COMMISSION OF WESTERN AUSTRALIA						
Farm Vehicles – 50% Insurance Premium Rebate	1,279	7,540	1,331	7,615	1,380	7,712
Voluntary Emergency Vehicles	143	853	148	854	154	866
Sub Total	1,422		1,479		1,534	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2020-21	2020-21	2021-22	2021-22	2022-23	2022-23
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	Actual	Actual	Year	Year
			\$'000	Recipients	\$'000	Recipients
JUSTICE						
Legal Aid Concessions	51,280	122,353	56,866	168,099	56,867	168,099
Court and Tribunal Concessions	4,819	16,394	4,466	15,861	4,575	15,971
Public Trustee Concessions	219	899	202	800	202	800
Registry of Births, Deaths and Marriages	58	425	63	414	63	422
Sub Total	56,376		61,597		61,707	
KEYSTART HOUSING SCHEME TRUST						
Hardship Program ^{(a)(c)(k)}	n/a	1,580	n/a	1,100	n/a	1,000
Sub Total	n/a		n/a		n/a	
LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES						
KidSport Financial Assistance Vouchers	4,165	25,833	5,531	27,000	6,000	28,000
Museum Concessions	295	39,886	648	106,722	652	109,550
Perth Theatre Trust Concessions ^(a)	33	3,640	29	3,281	36	4,004
Recreation Camp Fee Concessions	44	530	45	540	46	550
Sub Total	4,537		6,253		6,734	
MINES, INDUSTRY REGULATION AND SAFETY						
Building Commission – Complaint Fee Concessions	7	120	8	130	8	130
Sub Total	7		8		8	
NATIONAL TRUST OF AUSTRALIA (WA)						
Concession for Property Visitation ^(a)	6	2,095	7	2,199	7	2,309
Children's Discount for Property Visitation ^(a)	1	245	1	257	1	270
Sub Total	8		8		8	
PLANNING, LANDS AND HERITAGE						
Fremantle Prison Entry Concessions	467	39,027	617	47,520	503	40,034
Pension Protection Plan Fees and Charges <i>(Rebates & Deferrals Act 1992)</i>	3	1	3	1	3	1
Sub Total	470		620		506	
PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT						
Recreational Fishing Licence Fee Concessions						
- Fishing from a Boat	656	34,087	696	34,800	709	35,450
- Rock Lobster	292	12,718	324	12,950	329	13,150
- Net Fishing	108	4,729	121	4,830	123	4,920
- Abalone	75	3,199	82	3,300	86	3,450
- Marron	65	2,758	71	2,840	72	2,870
- South West Freshwater Angling	55	2,359	60	2,400	61	2,450
Sub Total	1,251		1,354		1,380	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS**Western Australia**

	2020-21	2020-21	2021-22	2021-22	2022-23	2022-23
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	\$'000	Recipients	Year	Year
	\$'000	Recipients	\$'000	Recipients	\$'000	Recipients
PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA						
Transperth						
- General Fare Subsidy ^(c)	745,841	60,635,917	754,310	69,600,350	807,843	72,856,081
- Concession Fares ^(c)	60,120	27,479,135	58,733	29,484,711	63,057	30,337,692
- Free Transit Zone ^(c)	15,363	9,137,342	17,752	9,950,000	20,296	10,447,500
- Pensioners, Seniors and Carers Free Travel ^(c)						
- Perth Stadium Special Events ^{(a) (c)}	16,076	4,523,014	16,328	5,161,868	17,253	5,307,168
	19,269	1,296,332	8,932	1,296,332	7,531	2,445,949
Regional Town Bus Services						
- General Fare Subsidy ^(c)	11,975	2,003,149	11,936	2,017,271	11,791	2,122,153
- Concession Fares ^(c)	3,869	1,772,357	3,912	1,819,089	4,240	1,913,539
- Pensioners, Seniors and Carers Free Travel ^(c)	467	176,493	452	145,231	473	152,875
Regional School Bus Services						
- General Fare Subsidy ^(c)	129,672	25,878	128,631	25,579	128,479	25,707
- Student Conveyance Allowance ^(c)	1,652	3,909	1,693	3,200	1,718	3,216
Transwa						
- General Fare Subsidy ^(c)	33,522	142,089	32,737	144,642	31,338	157,261
- Concession Fares ^(c)	3,195	147,485	3,093	150,536	3,564	165,641
- Annual Free Trip for Regional Pensioners ^(c)	2,420	20,070	1,990	16,713	2,241	18,378
Sub Total	1,043,441		1,040,499		1,099,824	
SYNERGY						
Energy Assistance Payment ^(c)	73,177	325,147	75,053	327,748	77,320	331,026
- Energy Assistance Payment Boost ^{(c) (i)}	7,440	27,783	-	-	-	-
Feed-In Tariff ^{(c) (i)}	31,045	66,134	-	-	-	-
Dependent Child Rebate ^(c)	21,909	74,449	22,471	75,045	23,263	75,795
Customer De-energisation ^(c)	891	15,613	690	15,738	620	15,895
Customer Re-energisation ^(c)	739	10,123	450	10,204	410	10,306
Paper Bill Fee Waiver ^(c)	1,682	250,763	1,695	252,769	1,712	255,297
Over the Counter Fee Waiver ^(c)	477	77,068	481	77,685	486	78,461
Account Establishment Fee Rebate ^(c)	1,013	26,319	897	26,530	862	26,795
Late Payment Waiver ^(c)	285	28,967	221	29,199	223	29,491
Air Conditioning Rebate – Electricity ^(c)	56	317	57	320	59	323
Sub Total	138,713		102,015		104,955	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2020-21	2020-21	2021-22	2021-22	2022-23	2022-23
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	Actual	Actual	Year	Year
			\$'000	Recipients	\$'000	Recipients
TRAINING AND WORKFORCE DEVELOPMENT						
Tuition Fees – Vocational Education and Training Courses						
- General Subsidy ^(m)	298,324	64,808	327,558	68,999	334,056	69,856
- Concession Card Holders (70% Course Fee Discount) ^(m)	7,672	15,750	7,067	16,388	6,998	16,567
- Severe Financial Hardship (100% Course Fee Waiver) ^(m)	1,488	1,844	1,023	1,625	1,040	1,664
South West Bus Service – Fare Concessions	173	76	132	58	125	55
Fee Relief for Displaced Apprentices and Trainees ⁽ⁿ⁾	1	241	-	-	-	-
Sub Total	307,658		335,780		342,219	
TRANSPORT						
Light Vehicle Licence Fee Concessions						
- Seniors (50% Discount)	33,188	211,444	35,379	217,127	37,721	222,963
- Pensioners (100% Discount)	12,250	39,022	12,901	39,588	13,589	40,162
Travel Subsidy Schemes						
- Permanently Disabled – Taxi Subsidy	13,481	13,446	13,785	14,027	13,785	14,027
- Remote Boarding Students	973	1,455	1,241	1,524	1,241	1,521
- Seniors – Annual Free Trip South	598	792	1,077	940	1,077	930
- Seniors – Inter Town Bus Services	209	8,689	350	10,500	350	10,500
- Seniors – Intra Town Bus Services	73	39,314	162	43,084	140	34,000
Drivers Licence Fee Concessions						
- Pensioners (100% Discount)	3,995	90,698	3,360	76,284	3,536	75,466
- Seniors (50% Discount)	2,010	69,082	2,028	69,705	1,957	64,166
Perth Parking Licence Fee – Social Exemptions	1,044	1,005	1,064	1,007	1,084	1,010
Sub Total	67,822		71,347		74,479	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2020-21	2020-21	2021-22	2021-22	2022-23	2022-23
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	\$'000	Recipients	Year	Year
					\$'000	Recipients
WATER CORPORATION						
Country Customer Equity Policies						
- Country Water Pricing Subsidy ^(c)	289,676	238,348	301,666	239,872	316,945	240,982
- Drainage Charge Exemption ^(c)	24,210	n/a	24,224	n/a	24,654	n/a
Service Charge Rebates						
- Pensioner or State Concession Card Holders (up to 50%) ^(c)	65,656	155,936	65,833	157,609	66,936	159,393
- Dual Commonwealth Seniors Health Card and WA Seniors Card Holders (up to 50%) ^(c)	9,935	22,463	9,975	22,704	10,240	22,961
- WA Seniors Card Holders (up to 25%) ^(c)	4,544	61,578	4,504	62,239	4,538	62,944
- Rebates for Retirement Properties (up to 25%) ^(c)	4	45	4	45	4	46
Pensioners Consumption Concessions ^(c)	25,477	195,265	25,562	197,360	27,196	199,594
Ex-Gratia Water (Leak) Allowance ^(c)	17,119	19,519	17,419	19,519	17,767	19,519
Pensioners Rate Deferral Policy – Interest Costs ^(c)	246	20,187	111	20,404	293	20,635
Medical Assist ^(c)	67	188	68	188	69	188
Sub Total	436,934		449,366		468,642	
WESTERN AUSTRALIAN SPORTS CENTRE TRUST – VENUESWEST						
Aquatic Centre Entry Concessions						
- Single-entry ^(a)	14	10,556	13	10,179	16	10,179
- Multi-entry (Aqua Card) ^(a)	13	844	13	898	18	898
Fitness Membership Concessions ^(a)	30	306	30	303	31	303
Sub Total	57		56		65	
Total	2,596,564		2,611,651		2,716,483	

- (a) This concession has been significantly affected by the COVID-19 pandemic, COVID-19 restrictions and related initiatives.
- (b) The Tree Top Walk has been temporarily closed from December 2021 to February 2022 to complete maintenance works.
- (c) Operating subsidies are reported in Appendix 8.
- (d) The pilot for this program ended in 2020-21.
- (e) The 2019-20 figure for concession parking of \$307,000 reported in the 2021-22 Budget Papers incorrectly excluded administration costs of \$92,000.
- (f) Includes cab charges associated with both the Child and Adolescent Health Service and East Metropolitan Health Service.
- (g) This is a new concession reported by the Service, following the introduction of voluntary assisted dying legislation in Western Australia. The Regional Access Support Scheme will provide support to regional patients living in rural or remote locations who do not have ready access to a local medical practitioner for assessments required under the Voluntary Assisted Dying Act 2019.
- (h) This is a new program in 2022-23 wherein the East Metropolitan Health Service pays out-of-pocket for drugs disbursed through community pharmacies.
- (i) The Energy Assistance Payment Boost was a temporary concession in response to the COVID-19 pandemic, which ceased in 2020-21.
- (j) Horizon Power's Feed-in Tariff scheme concluded in early 2021-22.
- (k) A value for the Hardship Program concession cannot be identified as this program assists borrowers with reduced payments for up to six months with further extension subject to a case-by-case assessment. When the client comes out of the Hardship Program, they generally resume making normal repayments.
- (l) Synergy's Feed-in Tariff ceased in 2020-21.
- (m) Changes in the cost of concessions and number of recipients over the reporting period largely reflect the impacts of the Lower Fees, Local Skills initiative and election commitments to increase training delivery.
- (n) This was a temporary concession provided in response to COVID-19 in 2020-21.

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values.

Asset Investment Program – Summary of Expenditure and Source of Funds

Overview

This appendix summarises asset investment expenditure by agencies within portfolio groups, and the sources of funds for the aggregate Asset Investment Program by year.

Table 7.1

ASSET INVESTMENT PROGRAM

	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
PARLIAMENT					
Legislative Council	-	-	-	-	-
Legislative Assembly	-	-	-	-	-
Parliamentary Services	2.8	1.5	1.5	1.5	1.5
Parliamentary Commissioner for Administrative Investigations	0.2	0.5	0.2	0.2	0.2
GOVERNMENT ADMINISTRATION					
Premier and Cabinet	3.1	0.8	0.3	0.3	0.1
Public Sector Commission	0.1	0.1	0.1	0.1	0.1
Governor's Establishment	2.9	0.4	0.1	0.1	0.1
Western Australian Electoral Commission	0.3	0.3	0.3	0.3	0.3
Salaries and Allowances Tribunal	-	-	-	-	-
Commissioner for Equal Opportunity	-	-	-	-	-
Commissioner for Children and Young People	-	-	-	-	-
Office of the Information Commissioner	- (a)	-	-	-	-
WorkCover WA Authority	0.8	1.0	0.8	0.7	0.7
Registrar, Western Australian Industrial Relations Commission	0.2	0.2	0.2	0.2	0.2
FINANCIAL ADMINISTRATION					
Treasury	0.6	0.4	0.4	0.4	0.4
Western Australian Treasury Corporation	0.8	0.5	0.3	1.3	0.4
Office of the Auditor General	1.3	3.8	1.8	0.7	0.7
Finance	112.0	93.8	99.0	84.6	81.5
Insurance Commission of Western Australia	4.5	5.0	5.3	5.0	5.1
Gold Corporation	43.8	18.0	10.4	8.2	5.6
JOBS AND ECONOMIC DEVELOPMENT					
Jobs, Tourism, Science and Innovation	1.0	3.0	3.0	3.0	3.0
Primary Industries and Regional Development	14.6	60.6	64.2	69.0	60.6
Mines, Industry Regulation and Safety ^(b)	10.4	6.2	5.7	4.6	1.3
Western Australian Meat Industry Authority	0.5	0.5	0.5	0.5	0.5
Small Business Development Corporation	0.1	0.1	0.1	0.1	0.1
Rural Business Development Corporation	-	-	-	-	-
Economic Regulation Authority	-	-	-	-	-
Infrastructure WA	-	-	-	-	-
Forest Products Commission	8.6	32.2	28.4	27.9	25.4
Racing and Wagering Western Australia	11.6	10.8	9.4	10.0	8.9
Western Australian Greyhound Racing Association	1.3	0.3	0.3	0.3	0.3
Burswood Park Board	4.7	1.3	0.3	0.3	0.3
Animal Resources Authority	0.2	0.2	-	-	-
HEALTH					
WA Health	484.3	657.9	473.3	261.5	159.4
Mental Health Commission	2.8	20.4	26.8	5.5	-
Health and Disability Services Complaints Office	- (a)	-	-	-	-

ASSET INVESTMENT PROGRAM

Table 7.1 (cont.)

	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
EDUCATION AND TRAINING					
Education	430.1	595.0	502.7	341.0	209.2
Training and Workforce Development	59.9	90.7	87.1	43.6	18.2
TAFE Colleges	13.3	10.5	9.2	7.2	7.2
Building and Construction Industry Training Board	0.5	1.1	-	-	-
COMMUNITY SAFETY					
Western Australia Police Force	110.8	102.5	110.6	58.5	20.8
Justice	78.6	102.6	72.2	27.6	16.8
State Solicitor's Office	-	1.4	-	-	-
Legal Aid Commission of Western Australia	1.2	4.2	1.4	1.2	1.8
Fire and Emergency Services	35.2	46.3	31.2	51.7	47.0
Office of the Director of Public Prosecutions	1.6	4.8	3.8	0.5	0.5
Corruption and Crime Commission	1.3	1.8	1.3	1.3	1.3
Chemistry Centre (WA)	2.5	2.5	2.5	2.5	2.5
Office of the Inspector of Custodial Services	-	-	-	-	-
Parliamentary Inspector of the Corruption and Crime Commission	-	-	-	-	-
COMMUNITY SERVICES					
Communities	350.1	471.4	353.5	153.9	135.6
Keystart Housing Scheme Trust	2.1	1.6	1.2	1.2	1.2
Local Government, Sport and Cultural Industries	55.7	82.1	128.1	61.5	1.6
Western Australian Sports Centre Trust	64.8	32.8	21.5	18.4	20.5
Western Australian Institute of Sport	0.1	0.1	0.1	0.1	0.1
Combat Sports Commission	-	-	-	-	-
Lotteries Commission	6.3	4.4	7.6	12.3	1.7
Metropolitan Cemeteries Board	8.3	11.0	10.9	10.0	8.1
TRANSPORT					
Transport	44.7	53.7	78.5	65.2	38.9
Commissioner of Main Roads	1,633.2	2,021.1	2,013.0	1,667.5	1,392.8
Public Transport Authority of Western Australia	1,380.4	2,328.1	2,378.7	1,225.3	425.7
Fremantle Port Authority	47.1	78.6	62.5	36.8	29.4
Kimberley Ports Authority	2.7	7.1	31.1	20.1	1.6
Mid West Ports Authority	34.8	103.8	154.2	94.3	31.6
Pilbara Ports Authority	159.9	339.4	219.3	38.5	24.6
Southern Ports Authority	25.2	59.4	14.4	10.8	10.4
ENVIRONMENT					
Water and Environmental Regulation	29.4	29.1	22.4	13.8	12.3
Biodiversity, Conservation and Attractions	88.7	140.6	106.8	99.1	47.2

Table 7.1 (cont.)

ASSET INVESTMENT PROGRAM

	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
PLANNING AND LAND USE					
Planning, Lands and Heritage	8.0	17.7	3.6	3.6	3.5
Western Australian Planning Commission	142.7	97.9	64.4	51.3	51.3
Western Australian Land Information Authority (Landgate)	6.8	7.2	8.4	8.4	8.4
DevelopmentWA	380.5	471.1	381.8	315.8	367.4
Heritage Council of Western Australia	-	-	-	-	-
National Trust of Australia (WA)	1.5	0.8	0.7	0.7	0.7
UTILITIES					
Synergy	165.6	143.4	56.3	40.3	35.8
Western Power	833.4	1,011.3	911.0	899.0	836.7
Horizon Power	130.7	100.1	50.0	45.2	46.1
Water Corporation	681.0	648.3	712.6	638.5	637.6
Bunbury Water Corporation	12.0	38.1	3.0	3.1	3.8
Busselton Water Corporation	3.8	4.4	4.6	4.7	4.7
PROVISIONS					
METRONET Projects Under Development	-	18.0	87.0	169.3	298.6
Provision for Underspend and Carryover	-600.0	-1,750.0	-1,000.0	1,300.0	1,650.0
Cost Escalation Provision	-	350.0	-	-	-
Film Studio Provision ^(c)	-	-	-	-	-
Provision for Digital Capability Fund	-	-	60.4	75.0	90.0
Provision for Westport Enabling Works	-	55.8	123.2	150.0	52.5
Provision for Climate Action Fund	-	4.0	10.0	245.0	245.0
Provision for Social Housing Investment Fund	-	-	163.1	163.1	163.1
Provision for Remote Communities Fund	-	50.0	100.0	100.0	100.0
Provision for Aluminium Composite Panel Cladding	-	11.4	24.9	36.7	27.8
Inter-agency Purchases	-168.1	-46.1	-56.0	-45.1	-44.5
TOTAL	6,980.0	8,880.3	8,867.3	8,754.4	7,443.8

ASSET INVESTMENT PROGRAM

Table 7.1 (cont.)

	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
<i>Funded by:</i>					
APPROPRIATIONS					
Capital Appropriation ^(d)	2,138.1	3,385.4	3,605.0	2,327.1	996.2
OTHER FUNDING					
Holding Account	179.0	266.3	153.8	113.8	134.6
Agency Borrowings	408.1	552.2	580.8	1,470.1	2,179.7
Royalties for Regions	215.2	265.3	302.4	137.7	152.3
Commonwealth Grants	967.1	1,245.1	1,157.6	857.6	739.2
Land and Property Sales	409.7	434.3	322.4	147.4	40.2
Internal Funds and Balances	2,590.4	2,458.5	2,316.3	3,057.1	2,576.2
Special Purpose Accounts ^(e)	72.4	273.2	429.0	643.6	625.4
TOTAL	6,980.0	8,880.3	8,867.3	8,754.4	7,443.8

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

(b) Energy Policy Western Australia and the Department of Mines, Industry Regulation and Safety were separate entities in 2021-22 but will be amalgamated from 1 July 2022. To ensure consistency of presentation across the period from 2021-22 to 2025-26, capital spending by Energy Policy Western Australia has been added to capital spending by the Department of Mines, Industry, Regulation and Safety for 2021-22.

(c) Commercial-in-confidence.

(d) Includes Commonwealth contributions to projects undertaken by agencies such as the Public Transport Authority and WA Health, which are paid to the agencies as capital appropriations. Includes METRONET and related projects.

(e) Funding held at the Department of Treasury for projects funded from Special Purpose Accounts and/or subject to business cases.

Note: Columns may not add due to rounding.

Public Corporations and Major Tariffs, Fees and Charges

Corporatised public enterprises (also known as Government Trading Enterprises or GTEs) are generally liable for income tax equivalent and dividend payments to the State. Several public corporations are also liable for local government rate equivalent payments. These payments are levied by the State to ensure competitive neutrality (i.e. a level playing field) between public and private sector business activities.

The Government also has a role in setting household tariffs, fees and charges to ensure an appropriate balance between cost recovery and impacts on households. Where the cost of providing a service is not fully recovered from customers, some public corporations receive operating subsidies. Some of these operating subsidies reflect lower than cost-reflective tariffs, fees and charges that benefit all households, while others are only targeted at certain groups such as pensioners, seniors, or consumers in regional areas.

The general government sector is expected to pay a net \$985 million to public corporations in 2022-23 (see following table), with subsidy payments to public corporations (around \$3.2 billion) expected to exceed tax equivalent and dividend revenue received from these corporations (almost \$2.3 billion). This includes operating subsidy payments to Synergy and Horizon Power for the \$400 Household Electricity Credit to be paid to all households from July 2022.

Table 8.1

PUBLIC CORPORATIONS
Revenue to and Expenses from the General Government Sector ^(a)

	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m
Electricity Corporations		
Dividends, Tax Equivalents, and Local Government Rate Equivalents		
Horizon Power	3.0	9.2
Synergy	1.2	1.3
Western Power	112.7	416.2
<i>Subtotal</i>	<i>117.0</i>	<i>426.7</i>
Operating Subsidies		
Horizon Power	8.3	33.0
Synergy	432.5	761.0
Western Power	—	—
<i>Subtotal</i>	<i>440.8</i>	<i>794.0</i>
Other Subsidies		
Horizon Power	0.2	0.2
Synergy	7.9	7.9
Western Power	1.3	2.9
<i>Subtotal</i>	<i>9.4</i>	<i>11.0</i>
<i>Net Electricity Corporations</i>	<i>(333.2)</i>	<i>(378.3)</i>
Water Corporation		
Dividends, Tax Equivalents, and Local Government Rate Equivalents	374.8	1,142.0
Operating Subsidies	519.1	526.0
Other Subsidies	14.3	23.8
<i>Net Water Corporation</i>	<i>(158.6)</i>	<i>592.2</i>
Public Transport Authority ^(b)		
Operating Subsidies	1,043.7	1,103.8
Other Subsidies	25.8	26.6
<i>Net Public Transport Authority</i>	<i>(1,069.5)</i>	<i>(1,130.3)</i>
Other Public Corporations		
Dividends, Tax Equivalents, and Local Government Rate Equivalents	810.7	685.9
Operating Subsidies	274.7	280.3
Other Subsidies	479.1	474.4
<i>Net Other Public Corporations</i>	<i>57.0</i>	<i>(68.8)</i>
Total revenue from Public Corporations	1,302.5	2,254.6
Dividends	616.7	1,475.5
Income Tax Equivalents	660.2	752.5
Local Government Rate Equivalents	25.6	26.5
Total expense to Public Corporations	2,806.8	3,239.8
Operating Subsidies	2,278.4	2,704.3
Other Subsidies	528.3	535.5
Net impact on General Government Sector ^(c)	(1,504.3)	(985.3)

(a) Revenue includes dividends, tax equivalent payments and local government rate equivalents. Expenses include operating subsidies and grants funded from the Consolidated Account and other subsidies funded from other sources such as the Royalties for Regions Fund (capital appropriations to public corporations are not included).

(b) The Public Transport Authority does not pay dividends or tax equivalent payments.

(c) A positive total for the net impact on the general government sector means that the sector receives more revenue from public corporations than it pays out in subsidies, and vice versa for a negative total.

Note: Columns may not add due to rounding.

Revenue

General government sector revenue from public corporations in 2022-23 is estimated to total almost \$2.3 billion, comprising \$1.5 billion in dividend payments, \$753 million in income tax equivalent payments, and \$27 million in local government rate equivalent payments.

This is \$952 million (or 73%) higher than in 2021-22 and reflects GTEs making dividend payments in 2022-23 after being permitted to retain 2021-22 dividends for future investment.

A detailed list of revenue items from individual public corporations to the general government sector is provided in the following table.

Table 8.2

GENERAL GOVERNMENT REVENUE FROM PUBLIC CORPORATIONS

	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
Details of Revenue					
ELECTRICITY CORPORATIONS					
Horizon Power					
Income tax expense	2.3	2.8	4.2	6.7	9.6
Local government rates expense	0.7	0.7	0.7	0.7	0.8
Dividends	-	5.7	7.5	10.5	15.4
<i>Subtotal</i>	<i>3.0</i>	<i>9.2</i>	<i>12.4</i>	<i>18.0</i>	<i>25.7</i>
Synergy					
Local government rates expense	1.2	1.3	1.4	1.3	1.2
<i>Subtotal</i>	<i>1.2</i>	<i>1.3</i>	<i>1.4</i>	<i>1.3</i>	<i>1.2</i>
Western Power					
Income tax expense	110.9	113.5	127.0	110.2	98.3
Local government rates expense	1.8	1.7	1.7	1.7	1.8
Dividends	-	301.1	295.6	281.5	262.3
<i>Subtotal</i>	<i>112.7</i>	<i>416.2</i>	<i>424.3</i>	<i>393.5</i>	<i>362.4</i>
WATER CORPORATIONS					
Water Corporation					
Income tax expense	367.0	405.8	436.7	454.1	472.7
Local government rates expense	7.8	8.2	8.4	8.6	8.7
Dividends	-	728.0	782.2	840.8	884.5
<i>Subtotal</i>	<i>374.8</i>	<i>1,142.0</i>	<i>1,227.3</i>	<i>1,303.5</i>	<i>1,365.9</i>
Bunbury Water Corporation (Aqwest)					
Income tax expense	1.2	0.9	1.0	1.4	1.9
Local government rates expense	0.1	0.1	0.1	0.1	0.1
Dividends	-	0.9	1.1	1.3	1.8
<i>Subtotal</i>	<i>1.3</i>	<i>1.9</i>	<i>2.2</i>	<i>2.8</i>	<i>3.7</i>
Busselton Water Corporation					
Income tax expense	0.6	0.6	0.6	0.6	0.6
Local government rates expense	0.1	0.1	0.1	0.1	0.1
Dividends	-	0.4	0.3	0.5	0.4
<i>Subtotal</i>	<i>0.6</i>	<i>1.1</i>	<i>1.0</i>	<i>1.1</i>	<i>1.1</i>
PORT AUTHORITIES					
Fremantle Port Authority					
Income tax expense	17.7	17.3	21.8	22.0	22.9
Local government rates expense	0.7	0.7	0.7	0.7	0.7
Dividends	-	26.9	32.5	34.6	35.8
<i>Subtotal</i>	<i>18.4</i>	<i>44.9</i>	<i>55.0</i>	<i>57.4</i>	<i>59.4</i>
Kimberley Ports Authority					
Income tax expense	-	-	-	-	0.2
Local government rates expense	0.1	0.1	0.1	0.1	0.1
Dividends	-	-	-	-	0.3
<i>Subtotal</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.6</i>
Mid West Ports Authority					
Income tax expense	9.3	16.2	23.9	30.8	39.8
Local government rates expense	0.9	0.9	0.9	0.9	1.0
Dividends	-	25.3	38.5	50.9	65.7
<i>Subtotal</i>	<i>10.1</i>	<i>42.5</i>	<i>63.3</i>	<i>82.7</i>	<i>106.4</i>

Note: Columns may not add due to rounding.

Table 8.2 (cont.)

GENERAL GOVERNMENT REVENUE FROM PUBLIC CORPORATIONS					
	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
Details of Revenue					
Pilbara Ports Authority					
Income tax expense	79.5	115.1	97.8	108.4	110.9
Local government rates expense	3.0	3.1	3.1	3.2	3.3
Dividends	-	210.7	202.6	209.7	218.6
<i>Subtotal</i>	<i>82.5</i>	<i>328.9</i>	<i>303.5</i>	<i>321.3</i>	<i>332.8</i>
Southern Ports Authority					
Income tax expense	14.6	16.2	18.8	20.2	21.5
Local government rates expense	0.7	0.7	0.7	0.7	0.7
Dividends	-	27.6	31.7	34.7	37.0
<i>Subtotal</i>	<i>15.3</i>	<i>44.4</i>	<i>51.1</i>	<i>55.6</i>	<i>59.2</i>
OTHER AGENCIES					
DevelopmentWA					
Income tax expense	15.8	23.8	27.7	23.7	22.7
Local government rates expense	8.1	8.4	8.5	8.7	8.9
Dividends	27.9	54.2	41.6	73.4	66.5
<i>Subtotal</i>	<i>51.9</i>	<i>86.3</i>	<i>77.7</i>	<i>105.8</i>	<i>98.1</i>
Gold Corporation					
Income tax expense	8.1	6.8	7.2	7.6	7.8
Local government rates expense	0.2	0.2	0.2	0.2	0.2
Dividends	-	14.2	11.9	12.6	13.2
<i>Subtotal</i>	<i>8.3</i>	<i>21.2</i>	<i>19.4</i>	<i>20.4</i>	<i>21.3</i>
Western Australian Treasury Corporation					
Income tax expense	9.7	9.6	9.4	10.0	9.0
Dividends	16.7	17.0	16.7	16.4	17.5
<i>Subtotal</i>	<i>26.4</i>	<i>26.6</i>	<i>26.1</i>	<i>26.4</i>	<i>26.5</i>
Insurance Commission of Western Australia					
Income tax expense	23.4	24.0	29.2	30.0	29.6
Dividends	572.1	63.5	64.8	66.8	68.7
<i>Subtotal</i>	<i>595.5</i>	<i>87.6</i>	<i>94.0</i>	<i>96.8</i>	<i>98.2</i>
Forest Products Commission					
Income tax expense	-	-	1.5	1.2	2.4
Local government rates expense	0.3	0.4	0.5	0.7	0.2
Dividends	-	-	-	0.8	1.1
<i>Subtotal</i>	<i>0.3</i>	<i>0.4</i>	<i>2.1</i>	<i>2.7</i>	<i>3.7</i>
Subtotal Amounts					
Income tax expense ^(a)	660.2	752.5	806.8	827.0	849.7
Local government rates expense	25.6	26.5	27.3	27.8	27.8
Dividends	616.7	1,475.5	1,527.1	1,634.6	1,688.8
TOTAL	1,302.5	2,254.6	2,361.1	2,489.5	2,566.3

(a) Some general government sector agencies (e.g., the Western Australian Land Information Authority (Landgate)) are eligible to pay income tax equivalent payments. As these agencies are not in the public non-financial corporation or public financial corporation sectors, they are not reflected in this table.

Note: Columns may not add due to rounding.

Dividends

Dividend Payout Ratios

Public corporation dividend payout ratios are considered as part of the annual Budget process to determine appropriate returns to the Government as the sole shareholder of these entities. Currently approved payout ratios (reflected as a share of each corporation's net profit after tax) are reflected in the following table.

PUBLIC CORPORATION DIVIDEND PAYOUT RATIOS					
	2021-22	2022-23	2023-24	2024-25	2025-26
	%	%	%	%	%
Horizon Power	75	75	75	75	75
Synergy	75	75	75	75	75
Western Power	75	75	75	75	75
Water Corporation	85	85	85	85	85
Busselton Water Corporation	85	85	85	85	85
Bunbury Water Corporation	85	85	85	85	85
Fremantle Port Authority	75	75	75	75	75
Kimberley Ports Authority	75	75	75	75	75
Mid West Ports Authority	75	75	75	75	75
Pilbara Ports Authority	85	85	85	85	85
Southern Ports Authority	75	75	75	75	75
DevelopmentWA ^(a)	75	75	75	75	75
Gold Corporation	75	75	75	75	75
Western Australian Treasury Corporation	75	75	75	75	75
Insurance Commission of Western Australia ^(b)	75	75	75	75	75
Forest Products Commission	75	75	75	75	75

(a) DevelopmentWA's dividend arrangement consists of a net profit after tax payout ratio and several special dividends because of undertaking Government commitments.

(b) Annual ratio may be adjusted based on the need to maintain appropriate capital adequacy and any other factors or circumstances considered by the Board of the Insurance Commission of Western Australia.

Note: The Western Australian Land Information Authority (Landgate) is eligible to pay dividends to Government. However, as this agency is not in the public corporations sector, it is not included in this table.

Expenses

Total subsidies provided to public corporations in 2022-23 are estimated at \$3.2 billion, an increase of \$433 million (or 15%) from 2021-22. The general government sector is forecast to pay a total of \$10.4 billion across the four-year period to 2025-26 to subsidise services provided by public corporations and reduce cost pressures on consumers.

Amongst other factors, the size of the operating subsidies paid to public corporations is affected by the Government's decisions on the tariffs, fees and charges to be paid by consumers. The approved changes to tariffs, fees and charges in 2022-23 are outlined later in this appendix.

Public transport fares and water tariffs in regional areas remain well below the cost of service delivery. In this regard:

- the expected cost recovery rate for metropolitan public transport services is 22.7% in 2022-23; and
- the Water Corporation is expected to receive operating subsidies totalling \$526 million in 2022-23, a significant portion of which (\$338.6 million) is to support the provision of water, wastewater and drainage services to regional areas. These services will have a cost recovery rate of 61% in 2022-23.

The decision to increase the residential electricity tariff by 2.5% (less than forecast growth in the Consumer Price Index) in 2022-23 results in the tariff remaining below the cost of supply in 2022-23.

\$400 Household Electricity Credit

To alleviate cost of living pressures for households, \$435.5 million will be provided to Synergy and Horizon Power's residential customers via a one-off \$400 electricity credit from July 2022. A further \$9.8 million will be provided to the Department of Finance to facilitate payment of the \$400 credit to households that are not direct customers of Synergy or Horizon Power.

Synergy Financial Viability Subsidies

Synergy will continue to be provided operating subsidies to fund a range of revenue shortfalls, as reflected in the following table. The subsidies will ensure that Synergy is appropriately compensated for activities that it is required to undertake on behalf of the Government and include the System Security Transition Payment (SSTP). The SSTP is a subsidy that recognises Synergy is required to be the provider of last resort, in order to maintain the security and reliability of the energy market, despite the costs of operating its electricity generation fleet exceeding the benefits it receives from the market.

Table 8.4

SYNERGY FINANCIAL VIABILITY SUBSIDIES

	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	Total 2022-23 to 2025-26 \$m
Distributed Energy Buyback Scheme	6.8	5.3	12.1	1.9	6.3	25.6
Over the Counter and Paper-Bill Fee Recovery	2.2	2.2	2.2	2.3	2.3	9.0
Re- and De-energisation Fee Recovery	1.1	1.0	0.9	0.7	0.6	3.2
Renewable Energy Buyback Scheme	72.9	41.7	44.8	31.9	31.6	150.1
System Security Transition Payment	98.7	82.4	76.9	57.4	-	216.6
Tariff Equalisation Contribution Recovery	91.4	91.9	91.4	93.3	93.3	369.9
Wholesale Electricity Market Reform	4.4	4.7	4.3	-	-	9.0
TOTAL	277.5	229.1	232.6	187.5	134.1	783.3

Regional Utilities Pricing Subsidies

The provision of water and electricity services to regional areas, at the same or similar price levels to those in the metropolitan region, has a significant impact on the State's finances.

Water Corporation Country Water Pricing Subsidy

The Water Corporation's Country Water Pricing Subsidy totals \$1.3 billion over the forward estimates period. Of this, \$54 million is funded from the Royalties for Regions Fund, with the remaining \$1.2 billion funded from the Consolidated Account.

Regional Electricity Subsidies

Horizon Power receives the Tariff Equalisation Contribution (TEC) due to the Government's Uniform Tariff Policy, whereby all residential and small business customers pay the same regulated charges for electricity services.

The TEC funds the difference between the efficient costs of supply in the South West Interconnected System and Horizon Power's (higher regional) costs. The TEC is funded by Western Power's network distribution customers (Synergy and other electricity retailers).

In 2022-23, approximately 49% of the TEC will be funded by an operating subsidy provided to Synergy to compensate it for its residential tariffs under-recovering the cost of supply (which includes the TEC) and the remaining 51% by commercial customers (both Synergy and non-Synergy).

The value of the Country Water Pricing Subsidy and the TEC (provided to the Water Corporation and Horizon Power respectively) is outlined below.

Table 8.5

REGIONAL UTILITIES PRICING SUBSIDIES						
	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	Total 2022-23 to 2025-26 \$m
Country Water Pricing Subsidy	330.6	338.6	324.2	322.1	317.8	1,302.7
Tariff Equalisation Contribution	187.0	175.0	173.0	179.0	183.0	710.0
TOTAL	517.6	513.6	497.2	501.1	500.8	2,012.7

A detailed list of expenses to individual public corporations from the general government sector is provided in the following table.

Table 8.6

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS						
Details of Payment	Funding Department	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
ELECTRICITY CORPORATIONS						
Horizon Power						
<i>Operating Subsidies ^(a)</i>						
Cost of Living Support – \$400 Household Electricity Credit	Treasury	-	15.8	-	-	-
Continuity of Esperance Energy Supply – Long Term	Treasury	-	10.5	-	-	-
Continuity of Esperance Energy Supply – Short Term	Treasury	-	- ^(b)	- ^(b)	-	-
Air Conditioning Allowance	Treasury	1.2	1.2	1.2	1.2	1.3
Case Management	Treasury	0.4	0.4	0.4	0.4	0.4
Dependent Child Rebate	Treasury	1.0	1.0	1.0	1.0	1.0
Electric Vehicle Charging Network	Treasury	- ^(c)	0.2	0.3	0.3	0.3
Feed-In Tariff	Treasury	- ^(c)	-	-	-	-
Tariff Migration – Movement to L2 and A2 Tariff	Treasury	0.1	0.1	0.1	-	-
Tariff Adjustment Payment	Treasury	2.7	1.0	1.5	1.8	- ^(c)
Remote Communities Essential Services	Treasury	0.8	0.8	0.8	0.8	0.8
WA Government Energy Assistance Payment	Treasury	2.1	2.1	2.1	2.2	2.3
<i>Other Subsidies</i>						
Hardship Utility Grant Scheme	Communities ^(d)	0.2	0.2	0.2	0.2	0.2
Subtotal		8.5	33.2	7.6	7.9	6.3

Table 8.6 (cont.)

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS

	Funding Department	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
Details of Payment						
Synergy						
<i>Operating Subsidies</i> ^(a)						
COVID-19 Response – Smart Energy for Social Housing	Treasury	2.0	2.0	1.0	-	-
\$600 Household Electricity Credit	Treasury	27.5	-	-	-	-
Cost of Living Support – \$400 Household Electricity Credit	Treasury	-	419.7	-	-	-
Account Establishment Fee Rebate	Treasury	0.9	0.9	0.9	0.9	0.9
Aggregation and Orchestration Platform	Treasury	5.0	-	-	-	-
Air Conditioning Allowance	Treasury	0.1	0.1	0.1	0.1	0.1
Dependent Child Rebate	Treasury	22.5	23.3	24.2	25.1	26.1
Distributed Energy Buyback Scheme	Treasury	6.8	5.3	12.1	1.9	6.3
Electric Vehicle Charging Network	Treasury	0.2	0.1	0.1	0.1	-
Emergency Solar Management	Treasury	6.0	6.3	6.1	6.1	6.1
Hardship Response	Treasury	1.7	1.7	1.7	1.7	1.7
Late Payment Fee Waiver	Treasury	0.2	0.2	0.2	0.2	0.2
Over the Counter and Paper-Bill Fee Recovery	Treasury	2.2	2.2	2.2	2.3	2.3
Project Symphony	Treasury	8.4	-	-	-	-
Re- and De-energisation Fee Recovery	Treasury	1.1	1.0	0.9	0.7	0.6
Renewable Energy Buyback Scheme	Treasury	72.9	41.7	44.8	31.9	31.6
System Security Transition Payment	Treasury	98.7	82.4	76.9	57.4	-
Tariff Equalisation Contribution Recovery	Treasury	91.4	91.9	91.4	93.3	93.3
WA Government Energy Assistance Payment	Treasury	80.4	77.7	80.7	83.9	87.2
Wholesale Electricity Market Reform	Treasury	4.4	4.7	4.3	-	-
<i>Other Subsidies</i>						
Hardship Utility Grant Scheme	Communities ^(d)	7.9	7.9	7.9	7.9	7.9
<i>Subtotal</i> ^(a)		440.4	768.9	355.4	313.4	264.3
Western Power						
<i>Other Subsidies</i>						
State Underground Power Program	EPWA ^(e)	1.3	2.9	-	-	-
<i>Subtotal</i>		1.3	2.9	-	-	-

Table 8.6 (cont.)

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS						
Details of Payment	Funding Department	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
WATER CORPORATIONS						
Water Corporation						
<i>Operating Subsidies</i>						
Country Water Pricing Subsidy	Treasury	204.6	284.6	324.2	322.1	317.9
Country Water Pricing Subsidy – Royalties for Regions	Treasury	126.0	54.0	-	-	-
Concessional Lands ^(f)	Treasury	80.1	76.1	78.8	81.7	84.7
Metropolitan Operations	Treasury	2.5	2.1	-	-	-
Pensioner and Senior Concessions	Treasury	106.0	109.2	111.1	113.1	115.0
<i>Other Subsidies ^(a)</i>						
Burrup Water Supply System	JTSI ^(g)	11.1	11.4	11.7	-	-
Essential and Municipal Services Upgrade Program	Communities ^(d)	2.8	11.8	17.1	6.6	-
Hardship Utility Grant Scheme	Communities ^(d)	0.4	0.4	0.4	0.4	-
Metering Services	DWER ^(h)	-	0.2	0.2	0.2	0.2
Onslow Water Infrastructure Upgrade Project	JTSI ^(g)	- ⁽ⁱ⁾	- ⁽ⁱ⁾	- ⁽ⁱ⁾	-	-
<i>Subtotal</i>		<i>533.4</i>	<i>549.8</i>	<i>543.4</i>	<i>524.1</i>	<i>517.8</i>
Bunbury Water Corporation (Aqwest)						
<i>Operating Subsidies ^(a)</i>						
Pensioner and Senior Concessions	Treasury	0.9	0.8	0.9	0.9	0.9
Residential Tariff Subsidy	Treasury	-	0.4	0.8	1.3	1.8
<i>Subtotal</i>		<i>0.9</i>	<i>1.2</i>	<i>1.7</i>	<i>2.2</i>	<i>2.7</i>
Busselton Water Corporation						
<i>Operating Subsidies ^(a)</i>						
Pensioner and Senior Concessions	Treasury	0.8	0.7	0.7	0.7	0.7
<i>Subtotal</i>		<i>0.8</i>	<i>0.7</i>	<i>0.7</i>	<i>0.7</i>	<i>0.7</i>

Table 8.6 (cont.)

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS						
	Funding Department	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
Details of Payment						
PORT AUTHORITIES						
Fremantle Port Authority						
<i>Operating Subsidies</i> ^(a)						
Westport – Technical Input and Support	Treasury	-	0.3	0.3	-	-
<i>Other Subsidies</i>						
Westport Feasibility Study – Kwinana Bulk Jetty Relocation	Transport	-	5.5	2.0	-	-
Westport Feasibility Study – Vehicles Trade Relocation	Transport	-	3.5	1.5	-	-
<i>Subtotal</i>		-	9.3	3.8	-	-
Kimberley Ports Authority						
<i>Operating Subsidies</i> ^(a)						
COVID-19 Response – Maintenance Projects	Treasury	0.6	-	-	-	-
Transfer of Wyndham, Derby and Yampi Ports	Treasury	2.5	2.5	2.5	2.5	-
<i>Subtotal</i>		3.1	2.5	2.5	2.5	-
Pilbara Ports Authority						
<i>Other Subsidies</i>						
Dampier – Burrup Port Infrastructure	JTSI ^(g)	9.1	9.1	9.1	9.1	9.1
<i>Subtotal</i>		9.1	9.1	9.1	9.1	9.1
Southern Ports Authority						
<i>Operating Subsidies</i>						
Government Support Package – Koolyanobbing Iron Ore	Treasury	12.4	5.6	-	-	-
<i>Subtotal</i>		12.4	5.6	-	-	-

Table 8.6 (cont.)

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS						
Details of Payment	Funding Department	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
LAND AGENCIES						
DevelopmentWA						
<i>Operating Subsidies ^(a)</i>						
Election Commitment – Industrial Land Development Fund	Treasury	10.0	40.0	-	25.0	25.0
COVID-19 Response – Australian Marine Complex	Treasury	12.6	14.2	-	-	-
COVID-19 Response – Bentley Technology Park	Treasury	5.0	2.5	-	-	-
COVID-19 Response – Council of Australian Governments' Waste Export Ban	Treasury	-	5.0	-	-	-
COVID-19 Response – East Keralup Economic Activation	Treasury	0.5	4.6	-	-	-
COVID-19 Response – East Perth Redevelopment	Treasury	0.1	1.7	2.7	-	-
COVID-19 Response – Hamilton Senior High School Redevelopment	Treasury	1.6	-	-	-	-
COVID-19 Response – Kemerton General Industrial Area	Treasury	2.0	5.0	-	-	-
COVID-19 Response – Neerabup Automation and Robotics Park	Treasury	7.0	10.6	2.3	-	-
COVID-19 Response – Nyamba Buru Yawuru Broome Projects	Treasury	0.3	0.4	-	-	-
COVID-19 Response – Nyamba Buru Yawuru Health and Wellbeing Campus	Treasury	4.1	2.8	-	-	-
COVID-19 Response – Nyamba Buru Yawuru Bulky Goods Precinct	Treasury	0.6	6.4	-	-	-
Australian Marine Complex – Rate of Return Stages 1 and 2	Treasury	19.0	19.0	19.0	19.0	19.0
Australian Marine Complex – Infrastructure ⁽ⁱ⁾	Treasury	-	-	-	-	-
Australian Marine Complex – Technology Precinct	Treasury	1.7	1.7	1.7	1.7	1.2
Burrup Strategic Industrial Area	Treasury	1.1	1.5	1.8	2.0	1.6
Dixon Road Reserves	Treasury	0.5	-	-	-	-
East Perth Power Station	Treasury	22.7	29.4	13.3	1.9	-
Forrestdale Business Park West	Treasury	5.0	-	-	-	-
Kalgoorlie Heavy Industrial Development – Lot 350, Great Eastern Highway	Treasury	0.5	10.5	-	-	-
Kwinana Land – Holding Costs	Treasury	1.9	2.0	2.0	2.1	2.2
Land Agency Reform – Holding Costs	Treasury	12.8	7.3	7.3	7.3	7.3
Land Agency Reform – Transaction Costs	Treasury	7.8	-	-	-	-
Ocean Reef Marina	Treasury	4.0	13.9	13.0	-	-
Residential Land Development for Social and Affordable Housing – Holding Costs	Treasury	7.2	22.5	22.5	22.5	22.5
Residential Land Development for Social and Affordable Housing – Transaction Costs	Treasury	71.4	-	-	-	-
Regional Development Assistance Program	Treasury	4.0	4.0	4.0	4.0	4.0
Regional Residential Land Developments	Treasury	4.0	15.1	-	-	-
Subi East Precinct	Treasury	16.4	19.3	23.2	-	-
Sustainable Funding Model Principles	Treasury	16.0	15.9	15.5	15.5	15.5
Yagan Square	Treasury	3.9	3.2	-	-	-
Yamatji Nation Settlement	Treasury	5.6	-	-	2.4	-

Table 8.6 (cont.)

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS						
Details of Payment	Funding Department	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
DevelopmentWA						
<i>Other Subsidies</i>						
COVID-19 Response – Australian Marine Complex	JTSI ^(g)	31.9	-	-	-	-
Oakajee Access Road	JTSI ^(g)	1.0	6.5	-	-	-
Mardalup Park	Treasury	0.9	-	-	-	-
Royalties for Regions – Various Projects	Treasury	12.0	7.8	-	-	-
<i>Subtotal</i>		303.4	284.3	128.5	103.3	98.3
OTHER						
Racing and Wagering Western Australia						
<i>Other Subsidies</i>						
Direct Grants – Racing Bets Levy	GWC ^(k)	100.0	90.0	93.1	95.7	98.0
Point of Consumption Tax – Racing Funding	Treasury	24.3	26.6	29.2	30.1	27.8
<i>Subtotal</i>		124.3	116.6	122.3	125.8	125.8
Forest Products Commission						
<i>Operating Subsidies</i>						
Partial Compensation for Retention of a Portion of Gnangara Pines	Treasury	0.2	0.2	-	-	-
<i>Subtotal</i>		0.2	0.2	-	-	-

Table 8.6 (cont.)

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS						
Details of Payment	Funding Department	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
Public Transport Authority ⁽ⁱ⁾						
<i>Operating Subsidies ^(a)</i>						
Transperth and Regional Town Services						
General	Treasury	754.3	807.8	779.9	719.7	734.3
Concession Fares	Treasury	33.4	36.0	46.0	48.4	47.0
Pensioners, Seniors and Carers Free Travel	Treasury	16.3	17.3	21.8	23.6	23.5
School Children Fares	Treasury	25.3	27.1	30.2	32.2	32.6
Perth Stadium Special Events	Treasury	8.9	7.5	7.5	7.5	7.5
Regional Town Bus Services	Treasury	16.3	16.5	16.5	16.5	16.5
Regional School Bus Services	Treasury	123.4	123.2	125.9	129.1	131.4
Regional School Bus Conveyance Allowance	Treasury	1.7	1.7	1.8	1.8	1.8
Transwa						
General	Treasury	32.7	31.3	30.0	30.2	30.2
Concession Fares	Treasury	3.1	3.6	4.1	4.2	4.4
Annual Free Trip for Pensioners	Treasury	2.0	2.2	2.6	2.6	2.7
Freight Network – General	Treasury	26.2	29.5	28.4	23.9	25.3
<i>Other Subsidies</i>						
CCI – Apprenticeship Support Australia Grant	DTWD ^(m)	- ^(c)	- ^(c)	- ^(c)	- ^(c)	- ^(c)
Perth City Deal – Bus Stops Accessibility Upgrades	Transport ⁽ⁿ⁾	2.5	0.8	-	-	-
Royalties for Regions – District Allowance Payments	Treasury	- ^(c)	- ^(c)	- ^(c)	- ^(c)	- ^(c)
Regional School Bus Services – Intensive English Centres and Other Services	Education ^(o)	5.3	5.3	5.3	5.3	5.3
Transperth Free Transit Zone – Recurrent Grant	Transport ⁽ⁿ⁾	17.8	20.3	19.3	18.3	18.3
Tunnel Monitoring	Transport ⁽ⁿ⁾	0.2	0.2	0.2	0.2	0.2
Subtotal		1,069.5	1,130.3	1,119.5	1,063.5	1,081.0

Table 8.6 (cont.)

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS

	Funding Department	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m
Details of Payment						
Department of Communities, Housing Services						
<i>Other Subsidies</i>						
Geraldton Alternative Settlement Agreement	Treasury	-	0.6	0.5	0.9	-
National Rental Affordability Scheme	Treasury	13.3	11.5	11.1	9.0	9.0
North West Aboriginal Housing Fund – Royalties for Regions	DPIRD ^(p)	5.1	12.9	7.9	5.7	4.2
Regional Renewal – Royalties for Regions	Treasury	1.2	4.0	2.9	-	-
Remote Communities – Royalties for Regions	Treasury	95.1	138.8	132.3	119.2	124.2
Social Housing Investment Fund	Treasury	123.3	74.3	19.6	4.9	1.9
Social Housing Operational	Treasury	43.5	44.1	31.2	59.5	59.5
Social Housing Economic Recovery Package	Treasury	-	17.5	27.4	4.7	4.7
South West Native Title	Treasury	0.6	2.7	2.2	2.2	2.2
Various	Various	17.6	18.7	2.0	1.9	1.8
Subtotal		299.7	325.2	237.1	207.9	207.4
Total		2,807.8	3,239.8	2,531.5	2,360.4	2,313.5

- (a) Details of operating and other subsidies contained in this appendix may differ to those disclosed in Budget Paper No. 2: *Budget Statements*. Details contained in this appendix are accrual in nature, while appropriations detailed in Budget Paper No. 2 are on a cash basis. Funding is from the Consolidated Account and other general government agencies. A further breakdown of some of these operating and other subsidies is contained as part of Appendix 6: *State Government Social Concessions Expenditure Statement*.
- (b) Over 2022-23 to 2023-24, Horizon Power have negotiated a short-term gas supply agreement in Esperance until March 2023. The amount of funding is not disclosed to avoid prejudicing the State's position.
- (c) Amount less than \$50,000.
- (d) Department of Communities.
- (e) Energy Policy WA.
- (f) Includes concessions provided for non-rated and exempt properties.
- (g) Department of Jobs, Tourism, Science, and Innovation.
- (h) Department of Water and Environmental Regulation
- (i) The upgrades will be funded by Chevron Australia, and details of the project are subject to scope clarification and a competitive tender process. The value of the subsidy is not reflected in the Water Corporation's subtotal or the totals of Tables 8.1 or 8.6.
- (j) Not disclosed due to commercial negotiations.
- (k) Gaming and Wagering Commission.
- (l) Includes service appropriations authorised under the *Salaries and Allowances Act 1975*.
- (m) Department of Training and Workforce Development.
- (n) Department of Transport.
- (o) Department of Education.
- (p) Department of Primary Industries and Regional Development.
- (q) In 2021-22, Synergy returned amounts to the Consolidated Account totalling \$16.6 million after completing year-end 2020-21 reconciliations for the operating subsidies received in relation to the Re- and De-energisation Fee Recovery (\$9 million), Feed-in Tariff (\$4.8 million), Over the Counter and Paper-Bill Fee Recovery (\$2.4 million), and a range of other rebates and concessions (\$413,000).

Note: Columns may not add due to rounding.

Household Tariffs, Fees and Charges

For a number of years, the Department of Treasury has produced a model that estimates the costs of tariffs, fees and charges incurred by a 'representative' household through the consumption of certain Government goods and services.

Calculating the effects of changes in Government tariffs, fees and charges for a single 'representative' household can never entirely capture the diversity in household structures or the widely differing patterns of usage of public sector goods and services.

Nonetheless, the model seeks to highlight the impact of changes in major tariffs, fees and charges on a particular hypothetical household reflecting current average electricity and water consumption, an assumed level of public transport use, and specified consumption of a range of other public sector goods and services (including some specific taxes).

For the 2022-23 household model, Treasury performed a review of the assumptions underpinning the 'representative' household and has incorporated a slight decrease in the average electricity consumption level (reflected in the following table).

Results

The impact of changes in tariffs, fees and charges in 2022-23 on the 'representative' household is shown in the table below.

ESTIMATED IMPACT ON THE 'REPRESENTATIVE' HOUSEHOLD

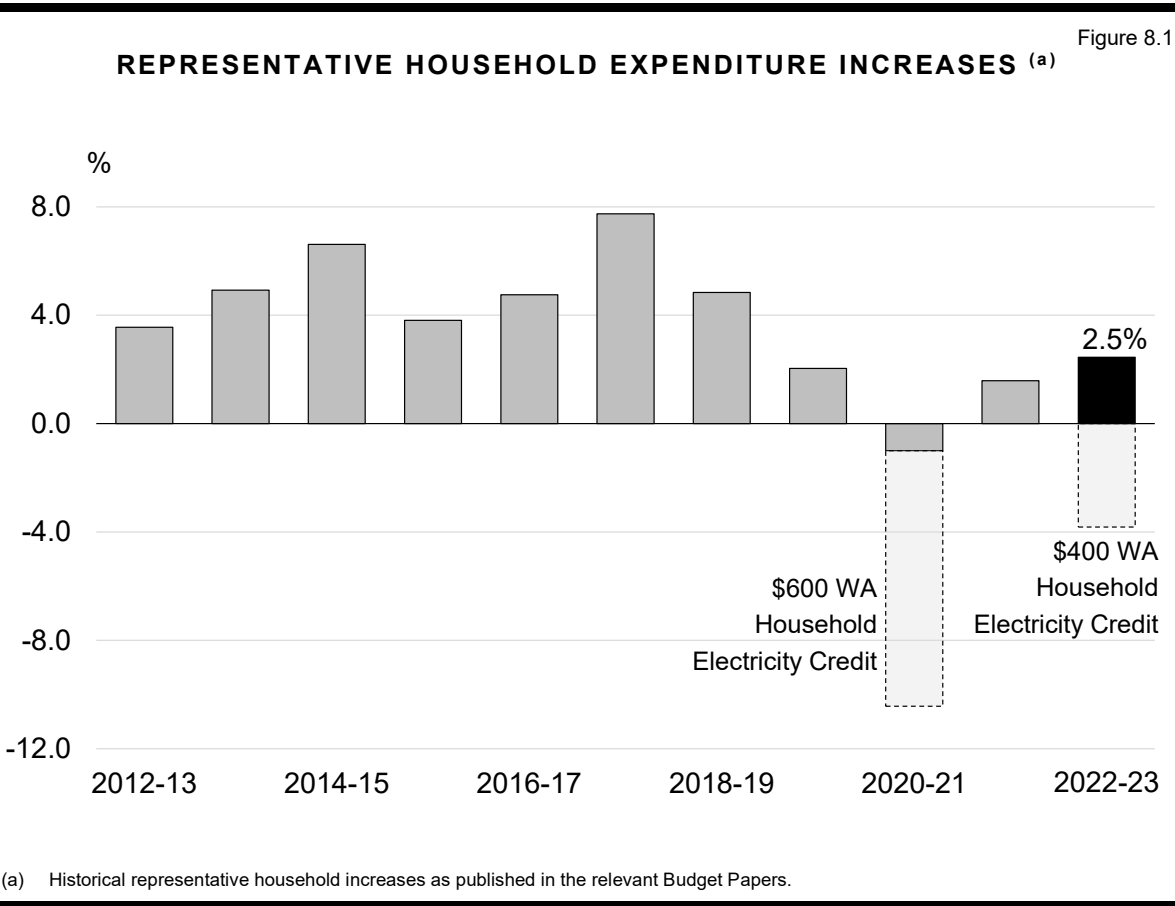
Table 8.7

	2021-22 \$ level	% change	\$ change	2022-23 \$ level
Motor Vehicles ^(a)				
Vehicle licence charge	399.56	3.8	15.36	414.92
Recording fee	10.30	—	—	10.30
Driver's licence	88.10	6.4	5.60	93.70
Motor Injury Insurance (MII)	416.00	2.4	10.10	426.10
Total	913.96	3.4	31.06	945.02
Utility Charges ^(b)				
Electricity ^(c)	1,768.30	2.5	44.22	1,812.52
\$400 Household Electricity Credit ^(d)	n/a	n/a	-400.00	-400.00
Water, wastewater, and drainage ^{(e)(f)}	1,759.79	2.5	43.92	1,803.71
Total	3,528.09	-8.8	-311.86	3,216.23
Public Transport ^(g)				
Student fares ^(h)	280.00	—	—	280.00
Standard fares ⁽ⁱ⁾	1,128.96	2.0	23.04	1,152.00
Total	1,408.96	1.6	23.04	1,432.00
Emergency Services Levy (ESL) ^(f)	283.09	5.0	14.17	297.26
Stamp Duty ^(j)				
Stamp duty on general insurance ^(k)	203.50	—	—	203.50
Stamp duty on MII	42.61	—	—	42.61
Total	246.11	—	—	246.11
Total Expenditure	6,380.21	-3.8	-243.59	6,136.62

- (a) Based on a household with two drivers and owning one car (a sedan with tare weight of 1,600 kg – relevant for the purpose of determining the appropriate level of vehicle licence charge).
- (b) Assumes no access to concessions, rebates, or hardship packages.
- (c) Consumes 4,721 kWh of electricity per annum based on the current average consumption level for a household, revised down from 4,758 kWh due to the uptake of rooftop solar. Electricity charges in 2021-22 have been calculated using the 2022-23 average consumption to isolate the price impact.
- (d) Reflects the Government's decision to deliver relief to households in the form of a one-off \$400 Household Electricity Credit to be applied on each residential electricity customer's bill.
- (e) Consumes 230 kL of water per annum.
- (f) Owns and occupies a property that has an average gross rental value (for calculation of wastewater, drainage, and ESL charges).
- (g) Transperth fares are assumed to be purchased using the lowest cost means available (i.e., SmartRider Autoload) and rounded to the nearest 10 cents.
- (h) Purchases 10 Transperth student fares in 40 weeks of the year. Reflects travel on student fares occurs only during the school term.
- (i) Purchases six standard two zone Transperth fares in 48 weeks per annum. Reflects travel to attend work three days per week and accounts for annual leave provisions.
- (j) Stamp duty in 2021-22 has been estimated using 2022-23 insurance premiums to isolate the price impact.
- (k) The 'representative' household pays average home and contents and motor vehicle insurance, based on information from the insurance industry.

Note: Columns may not add due to rounding.

Total tariffs, fees and charges by the ‘representative’ household on this basket of public sector goods and services in 2022-23 is \$6,136.62. This represents a decrease of \$243.59 (or 3.8%) relative to 2021-22. This is the third year in a row that the Government has kept household tariffs, fees and charges to below projected inflation.



Electricity Tariffs

Approved electricity tariff changes for 2022-23 and assumed changes for Budget planning purposes from 2023-24 onwards, are outlined below.

2022-23 BUDGET ELECTRICITY TARIFF PRICE PATH				
	2022-23 %	2023-24 %	2024-25 %	2025-26 %
NON-CONTESTABLE TARIFFS				
Residential (A1/A2)	2.50	2.50	2.50	2.50
Residential Hot Water (B1)	2.50	2.50	2.50	2.50
Community and Charitable Organisations (C1/C2)	2.50	2.50	2.50	2.50
Charitable Organisation Providing Residential Accommodation (D1/D2)	2.50	2.50	2.50	2.50
Combined Residential/Business (K1/K2)	2.50	2.50	2.50	2.50
Small Business (L1/L2)	2.50	2.50	2.50	2.50
Small Business Time of Use (R1)	2.50	2.50	2.50	2.50
Unmetered Supply (UMS) ^(a)	2.31	2.31	2.31	2.31
Traffic Lighting (W1/W2) ^(a)	2.60	2.60	2.60	2.60
Street Lighting (Z) – South West Interconnected System ^(a)	2.81	2.81	2.81	2.81
Street Lighting (Z) – Horizon Power service area ^(a)	5.90	5.90	5.90	5.90
CONTESTABLE TARIFFS ^(a)				
Medium Business (L3/L4)	(3.03)	(3.03)	(3.03)	(3.03)
Medium Business Time of Use (R3)	(1.21)	(1.21)	(1.21)	(1.21)

(a) These regulated tariffs approximate cost-reflective levels and have been smoothed over the forward estimates period to minimise large year-on-year movements in price.

Electricity tariffs for residential, community, charitable organisations and small business customers will increase below forecast inflation in 2022-23, and in line with forecast inflation thereafter. All other tariffs have been adjusted to achieve or maintain cost-reflectivity on a smoothed basis across the Budget period.

The approved streetlight price path in Horizon Power's service area differs from the streetlight price path in the South West Interconnected System (SWIS). This will result in recovery of a greater proportion of costs in Horizon Power's service area and reduce cross-subsidisation by SWIS customers.

Water Tariffs

The Government has approved a 2.5% increase to water consumption (fixed and variable), wastewater, and drainage tariffs for metropolitan and country customers in 2022-23, which is below forecast inflation of 2.75%.

A selection of key tariff changes from 2021-22 to 2022-23 is provided in the following table.

Table 8.9

WATER CORPORATION'S 2022-23 TARIFF CHANGES			
	2021-22	2022-23	% Change
METROPOLITAN RESIDENTIAL TARIFFS			
Water			
Standard fixed service charge (\$)	268.98	275.70	2.5
Consumption charges (c/kL) ^(a)			
0-150 kL	185.9	190.5	2.5
151-500 kL	247.7	253.9	2.5
Over 500 kL	463.3	474.9	2.5
Wastewater (c in \$GRV) ^{(b)(c)}			
First \$16,400 Gross Rental Value (GRV)	5.135	n/a	2.5
Over \$16,400 GRV	3.791	n/a	2.5
Drainage			
Drainage charge (c/\$ of GRV) ^{(c)(d)}	0.646	n/a	2.5
METROPOLITAN NON-RESIDENTIAL TARIFFS			
Water			
Standard fixed service charge (\$)	285.82	292.97	2.5
Minimum charge (15 or 20 mm) ^(e)	285.82	292.97	2.5
Consumption charges (c/kL) ^(f)	264.6	271.2	2.5
Wastewater ^(g)			
First fixture (\$)	1,072.88	1,099.70	2.5
Volumetric charge (c/kL)	394.2	404.1	2.5
Drainage			
Drainage charge (c/\$ of GRV) ^{(c)(d)}	0.363	n/a	2.5

(a) Country residential water consumption charges are no more than metropolitan charges for the first 300 kL.

(b) Country residential wastewater charges are subject to minimum and maximum charges.

(c) 2.5% increase is based on effective absolute revenue impact, not rate directly. 2022-23 GRV-based tariffs will be determined in May 2022 once GRV data is available.

(d) Drainage is not charged outside the metropolitan region.

(e) The charge varies depending upon the size of the meter.

(f) Country non-residential water consumption charges are based on the cost of delivering services.

(g) Non-residential wastewater charges are uniform across the State.

For the 'representative' household that pays a fixed service charge, consumes 230 kL and owns and occupies a property that has an average gross rental value, this will result in an overall 2.5% increase.

For Budget planning purposes, it has been assumed that household water, wastewater and drainage tariffs will increase by 2.5% in line with current inflation forecasts over the forward estimates period.

Public Transport Fares

Transperth standard cash fares will also rise by less than projected inflation in 2022-23, with an approved increase of 2.5%. Most fares will increase by 2% given the impact of rounding fares to the nearest 10 cents.

There are no changes to the 70-cent school student fare, SmartRider discounts (which will remain at 20% for Autoload and 10% for Other reload) or the \$2 per day parking fee.

Passengers will continue to benefit from the two-zone fare cap that was implemented on 1 January 2022. Seniors, disability and age pensioner cardholders, and carers will continue to be eligible for free travel on weekdays before 6am, between 9am and 3:30pm and after 7pm, and anytime on weekends and public holidays.

The Public Transport Authority's Budget projections assume standard Transperth fares will also increase by 2.5% per annum over the period 2023-24 to 2025-26, and that concession fares will increase – as a proportion of standard fares – by 1% per annum from 2023-24, which continues the Government's policy (set in the 2017-18 Budget) to increase concession fares to 50% of standard fares over a 10-year period.

The following table details the revised cash fares for various journey lengths in 2022-23.

TRANSPERTH FARES 2022-23

Table 8.10

	1 January – 30 June 2022	\$ increase ^(a)	% increase	2022-23
Standard Cash Fare ^(b)				
2 sections	\$2.20	\$0.10	4.5	\$2.30
1 zone	\$3.20	\$0.10	3.1	\$3.30
2 – 9 zones	\$4.90	\$0.10	2.0	\$5.00
Day Rider	\$9.80	\$0.20	2.0	\$10.00
Family Rider	\$9.80	\$0.20	2.0	\$10.00
Student	\$0.70	-	-	\$0.70

(a) Fare increases are rounded to 10 cent increments and are based on the 1 January 2022 fare calculated before rounding.

(b) Concession fares are 44% of the full standard fare subject to rounding.

Western Australian Treasury Corporation Borrowings

Introduction

The Western Australian Treasury Corporation (WATC) is the State's central borrowing authority and primary provider of debt finance for Western Australia's public sector. Each Australian State and Territory has a central borrowing authority similar to WATC to fund its debt.

The Treasurer borrows from WATC on behalf of the State for general public purposes. Borrowings for general public purposes are authorised by the *Loan Act 2017* and preceding Loan Acts. The proceeds of all loans raised under the Loan Acts are paid into the Consolidated Account. The funds are then appropriated to agencies by Parliament in accordance with the State Budget.

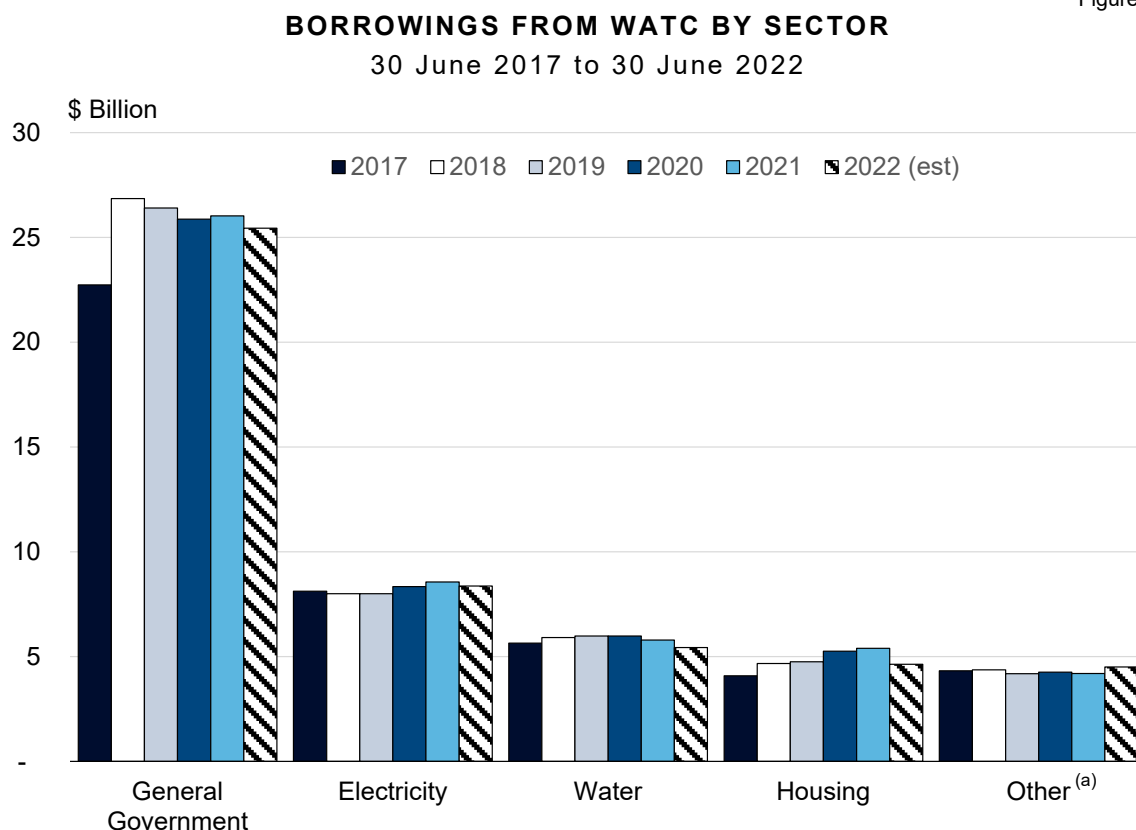
Individual agencies with borrowing powers in their enabling legislation also borrow from WATC. These include Government Trading Enterprises, some general government statutory authorities, public universities and local government.

The aggregation of the borrowing requirements for each of these entities across the total public sector¹ results in the total debt portfolio that WATC is required to manage. For 30 June 2022, total borrowings from WATC are estimated to be \$48.4 billion. A breakdown of this portfolio by broad industry/sector, and its evolution since 30 June 2017, is shown in the figure below.

The borrowing requirement for Western Australian public sector agencies in any particular year is determined as an outcome of the annual Budget and Mid-year Review processes. It reflects the consideration of government revenue less recurrent and capital expenditure, plus movements in the liquid assets of the sector.

¹ While funded by WATC, for the purposes of whole-of-government financial disclosures reflected in this Budget, and in line with treatment under applicable accounting standards, local governments and public universities are not classified as total public sector agencies of the State of Western Australia in the balance sheet disclosures elsewhere in the Budget Papers.

Figure 9.1



(a) Ports, transport, public universities, local governments and all other public entity borrowings from WATC.

Central banks around the world have commenced tightening monetary policy to combat higher inflation. Several central banks, including the US Federal Reserve, have ended their quantitative easing bond buying programs and started to lift interest rates.

Expectations of higher interest rates, the removal of central bank support for the bond market and higher inflation expectations, have resulted in a sharp lift in global bond yields.

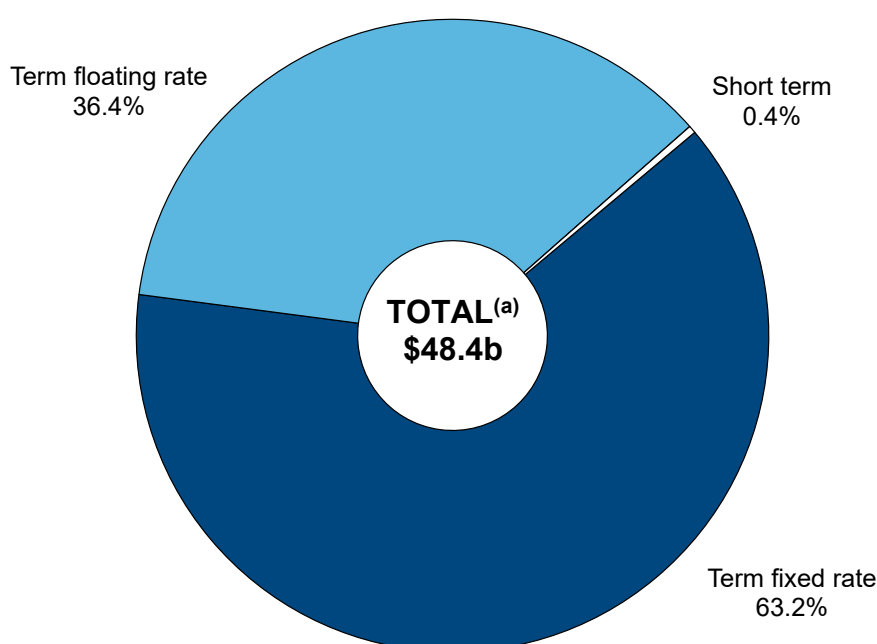
At home, the Reserve Bank of Australia (RBA) ended its quantitative easing program in February 2022, but did not raise the cash rate target from its record low of 0.10%. However, rising expectations for RBA cash rate hikes have seen sharp increases in money market interest rates and bond yields.

Total Borrowings from WATC

As at 30 June 2022, total agency borrowings from WATC are estimated to be \$48.4 billion, allocated over WATC's loan products as shown below, at an average portfolio interest rate of 2.04%.

ALLOCATION OF LOAN PRODUCTS AT 30 JUNE 2022

Figure 9.2



(a) Estimated allocation as at 30 June 2022.

Total borrowings from WATC are projected to rise moderately to \$50.4 billion by the end of 2025-26.

Consolidated Account Borrowings

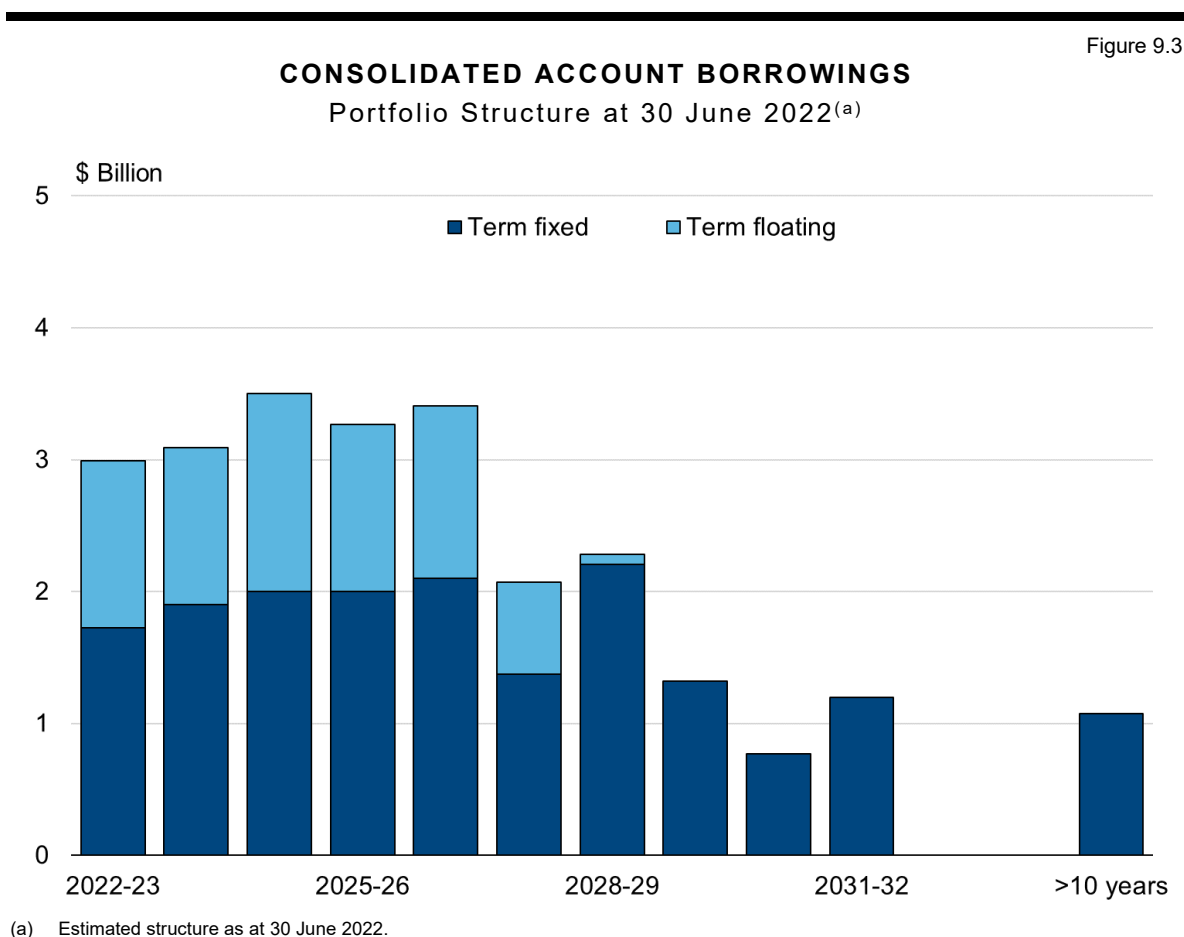
Consolidated Account borrowings (i.e. borrowings for general public purposes) are estimated to represent 51.6% of WATC lending at 30 June 2022.

The *Loan Act 2017* authorised the estimated borrowing requirements of the Consolidated Account up to 30 June 2021, based on the 2016-17 *Pre-election Financial Projections Statement*. As at 30 June 2022, authorisation for an estimated \$6.9 billion in new borrowings remains available under the *Loan Act 2017*.

The Department of Treasury is responsible for administering Loan Acts on behalf of the Treasurer. The actual function of borrowing through debt capital markets is undertaken and managed by WATC and then on-lent to the Consolidated Account in accordance with a Debt Management Strategy that is agreed to by both parties.

The primary objective is for WATC to manage interest rate risk by maintaining a diversified portfolio of fixed and floating rate debt. This borrowing strategy is informed by financial modelling performed by WATC and prevailing market conditions. Practical implementation involves Treasury and WATC agreeing a target floating and fixed rate debt and maturity allocation to be achieved within each financial year to meet new borrowing and refinancing requirements. WATC has discretion as to the component products and maturity structure of individual advances, provided they are within the agreed allocation limits. Deviation from target allocations between fixed and floating rate debt is permitted over the short term.

The expected structure of the Consolidated Account borrowing profile at 30 June 2022 is shown below. This reflects the outcome of borrowing activity undertaken by WATC to achieve the interest rate risk management objective within the context of its responsiveness to market demand.



At 30 June 2022, Consolidated Account borrowings are estimated to total \$25 billion at an average interest rate of 2.26% across a portfolio of term fixed rate and term floating rate loans, and are expected to be \$23.8 billion by 30 June 2023.

The Government has approved a \$1.2 billion repayment of Consolidated Account borrowings for 2022-23. As a result, expected net new borrowings are now \$1.2 billion lower over the period 2021-22 to 2024-25 relative to last year's Budget (see table below). No new borrowings have been forecast for the Consolidated Account over the next four years.

Table 9.1

CONSOLIDATED ACCOUNT BORROWING PROGRAM					
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
2021-22 BUDGET					
– New Borrowing	-	-	-	-	n/a
– Repayments	587	-	2	18	n/a
Net New Borrowing	-587	-	-2	-18	n/a
2022-23 BUDGET					
– New Borrowing	-	-	-	-	-
– Repayments	589	1,200	-	-	-
Net New Borrowing	-589	-1,200	-	-	-

All Other Borrowings from WATC

WATC also undertakes all other borrowings required by individual agencies with borrowing powers in their enabling legislation. This involves borrowing through debt capital markets and then on-lending to each agency in accordance with the agreed Debt Management Strategies adopted by these agencies.

Agencies with this authority mostly include the public corporations, public universities and local government.

At 30 June 2022, all other borrowings from WATC (i.e. excluding the Consolidated Account) are expected to total \$23.7 billion, at an average portfolio interest rate of 1.79%. This is forecast to increase to \$24.9 billion over 2022-23.

How WATC Raises Funds

WATC raises funds to finance Western Australia's debt requirements through issuing a range of debt securities on the Australian and international debt markets.

- **Benchmark Bonds** - fixed coupon bonds, which are expected to have a face value of \$38.8 billion outstanding at 30 June 2022, with eleven annual bond maturities from 2022 to 2034.
- **Non-Benchmark Bonds** - fixed coupon bonds with insufficient volume on issue to be considered Benchmark Bonds are expected to have a face value of \$0.7 billion outstanding at 30 June 2022, with a maturity in 2041.
- **Floating Rate Notes (FRNs)** - with coupon rates that change every three months, which are expected to have a face value of \$8 billion outstanding at 30 June 2022, with five maturities from 2023 to 2027.

- Short Term Inscribed Stock (STIS) - domestically issued short term paper with maturities out to one year, which are expected to have a face value of \$3.5 billion outstanding at 30 June 2022.
- Euro Commercial Paper (ECP) - short term paper issued in a range of currencies offshore, out to one-year maturities, which are expected to have no issuance outstanding at 30 June 2022. All proceeds are swapped back into Australian dollars so that no currency risk exists.
- Euro Medium Term Notes (EMTN) - bonds issued offshore in a range of currencies, hedged back into Australian dollars such that no currency risk exists. This market is only used when pricing advantages exist relative to benchmark bonds. There is currently no issuance under this program, but it remains an important funding option.
- Other Borrowings - these include retail bonds (smaller parcels of bonds issued in conjunction with migrant schemes) and other smaller programs.

RBA holdings of WATC bonds are expected to be approximately 19% of outstandings at 30 June 2022. It is estimated that about 53% of WATC bonds and FRNs are currently held by Australian banks² to meet regulatory requirements for their Tier 1 High Quality Liquid Asset portfolios³. It is also estimated that between 20% and 25% of WATC bonds are held by offshore investors. Currently, approximately 60% of WATC's offshore investors come from North Asia, with the balance primarily from Europe.

By comparison, the Commonwealth has approximately 49% of its investors offshore, and it is estimated other large Australian State issuers have 25% to 35% of their investors offshore.

² The holders of WATC paper are difficult to identify with precision, as about 24% is held in nominee company names with some investors preferring to remain anonymous. This is similar for central borrowing authorities in other States.

³ Only cash, deposits at the RBA, and Commonwealth and State-issued paper are currently eligible to meet this requirement from the Australian Prudential Regulation Authority.

Tax and Royalty Expenditure Statement

Purpose

The purpose of this tax and royalty expenditure statement is to provide information about the cost or value of tax and royalty concessions that would not otherwise be reported in the Budget Papers in the years after the concessions were introduced.

What is a tax or royalty expenditure?

Tax and royalty expenditures include revenue forgone by the Government, and financial benefits to taxpayers, from exemptions and other concessions that depart from the general tax or royalty treatment. They are 'expenditures' in the sense that their impact on the Budget is similar to direct outlays, and they can be used to achieve specific goals.

Labelling an exemption or concession as a tax or royalty expenditure does not necessarily imply any judgement about its appropriateness. Rather, it makes the amount of the exemption or concession explicit, and thereby facilitates scrutiny as part of the annual Budget process (including review of whether the exemption or concession is still effective in achieving any specific objective originally intended).

Measuring tax and royalty expenditures

Measuring a tax or royalty expenditure requires identification of:

- a benchmark tax or royalty base and rate; and
- concessionary tax or royalty treatment of components of the benchmark tax or royalty base (e.g. a concession or exemption for a particular industry, activity or class of taxpayer).

Identification of benchmark revenue bases and rates requires a degree of judgement. Furthermore, data limitations mean that the tax and royalty expenditures identified in this statement are only approximations. Data sources and methods used for estimating these expenditures are also subject to review each year (such that time series estimates may not be fully comparable).

Estimates of the expenditures have been derived from a range of sources, including unpublished data from relevant government departments, Public Sector Commission ‘State of the Sector’ statistical bulletins, and Australian Prudential Regulation Authority reports. However, the statement is not exhaustive. For example, some exemptions and concessions have not been included due to data limitations. Very small exemptions or concessions are also excluded.

This year’s statement includes estimated actual expenditures for 2020-21 and 2021-22.

Table 10.1

SUMMARY OF MAJOR TAX AND ROYALTY EXPENDITURES

Western Australia

	2020-21 Estimated Actual \$m	2021-22 Estimated Actual \$m
PAYROLL TAX		
Tax-free threshold	1,822.3	1,655.6
State government departments exemption ^{(a)(b)}	310.5	316.8
Public hospitals exemption ^(a)	280.6	299.4
Schools/colleges exemption ^(a)	263.7	277.0
Charitable bodies exemption	268.9	290.1
Local governments exemption	86.1	92.7
Apprentices and trainees exemption	35.9	32.5
Progressive payroll tax scales	-214.0	-248.7
LAND TAX AND METROPOLITAN REGION IMPROVEMENT TAX (MRIT)		
Principal place of residence exemption	421.5	443.5
Tax-free threshold	491.6	488.3
Primary production exemption	129.6	150.3
MRIT not applied State-wide	40.4	40.1
Religious bodies exemption	25.4	26.4
Educational institutions exemption ^(a)	27.2	29.6
Public charitable or benevolent institutions exemption	17.7	18.7
Land value growth cap	14.8	13.6
Developers concession	14.5	10.8
Retirement villages exemption	9.7	10.4
Club or sporting associations exemption/concession	7.1	8.1
Aged care facilities exemption	7.0	8.5
Caravan parks exemption	3.7	4.5
Public or religious hospitals exemption ^(a)	2.0	2.9
TRANSFER DUTY (INCLUDING LANDHOLDER DUTY)		
Connected entities restructure exemption	463.4	243.3
First home owners' exemption/concession	189.3	150.7
Family farms exemption	11.5	9.7
INSURANCE DUTY		
Health insurance policies exemption	291.9	302.6
Workers' compensation insurance exemption	76.1	81.5
Reinsurance exemption	7.8	8.0
Marine hulls exemption	6.9	7.4
VEHICLE LICENCE FEES		
Pensioners and seniors vehicle concession	45.9	47.0
Primary producers vehicle concession	13.3	13.6
VEHICLE LICENCE DUTY		
Heavy vehicles concession	31.1	33.9
Caravans and camper trailers exemption	34.6	42.1
MINING ROYALTIES		
Subsidised gold royalty rate	203.5	218.6
Subsidised alumina royalty rate	115.6	144.9
Gold royalty-free threshold	8.6	8.4
Salt State Agreement Acts concession	4.9	4.2
TOTAL	5,570.4	5,287.1

(a) While any removal of these concessions could lead to an increase in relevant budget appropriations, these tax expenditures have been reported to provide an indication of the total support provided by the Government. They also illustrate where tax concessions could change the 'relative price' faced by government departments.

(b) Excludes the value of separately reported tax expenditures for public hospitals and schools.

Major Tax and Royalty Expenditures

Payroll Tax

Tax-free threshold

Since 1 July 2020, businesses operating in Western Australia with taxable, Australia-wide wages of less than \$1 million are not subject to payroll tax.

State Government departments exemption

The wages paid by all State Government departments listed on *Pay-roll Tax Assessment Regulations 2003* – Schedule 1 are exempt from payroll tax. This item excludes public hospitals and public schools, which are reported separately.

Public hospitals exemption

The wages of employers or contractors of a health service provider, as defined in the *Health Services Act 2016*, are exempt from payroll tax.

Schools/colleges exemption

A school or college (other than a vocational education and training college) that is carried on by a not-for-profit organisation and provides education at or below, but not above, the secondary level of education is exempt from payroll tax.

Charitable bodies exemption

A charitable body or organisation performing relevant charitable work may apply to the Commissioner of State Revenue for a payroll tax exemption.

Local governments exemption

Local governments, regional local governments and the Western Australian Local Government Association are exempt from payroll tax.

Apprentices and trainees exemption

The wages of all apprentices who are undertaking training under an approved training contract are exempt from payroll tax.

The payroll tax exemption for new employee trainees earning up to \$100,000 per annum will continue to apply for the nominal duration of training contracts that were registered with the Department of Training and Workforce Development before 1 July 2019.

Progressive payroll tax scales

A diminishing exemption threshold was introduced from 1 July 2015 such that the tax-free threshold progressively reduces in value for entities that report Australia-wide wages between the tax-free threshold and \$7.5 million.

From 1 July 2018, higher payroll tax rates apply for larger taxpayers, with a marginal rate of 6% applying to the component of an entity's Australia-wide payrolls exceeding \$100 million and a marginal rate of 6.5% applying to wages exceeding \$1.5 billion. This scale will remain in place up to and including 2022-23.

The application of a progressive payroll tax scale results in a negative tax expenditure to the extent that this scale reflects higher payroll tax rates than the benchmark tax rate.

Land Tax and Metropolitan Region Improvement Tax (MRIT)

Principal place of residence exemption

Generally, land used by the owner as their primary residence at midnight 30 June is exempt from land tax and MRIT for the following assessment year.

Tax-free threshold

Land owners that have aggregated, assessable unimproved land values of less than \$300,000 are not liable for land tax nor are they subject to the MRIT if they own land within the Perth Metropolitan Area.

Primary production exemption

Land used in carrying out certain primary production businesses on a commercial basis is exempt from land tax and MRIT (where applicable) if all relevant conditions are met.

MRIT not applied State-wide

Land that is subject to land tax but is not located within the Perth Metropolitan Area is not subject to the MRIT.

Religious bodies exemption

Land owned by, or held in trust for, a religious body is exempt from land tax and MRIT provided that the land is used for religious, public worship or educational purposes, or for the residence of a minister of the religious body.

Educational institutions exemption

Land owned by, or held in trust for, a university or educational institution in Western Australia is exempt from land tax and MRIT provided that it is used solely for the purposes of the institution.

Public charitable or benevolent institutions exemption

Land owned by, or held in trust for, a public charitable or benevolent institution is exempt from land tax and MRIT if it is used solely for the public charitable or benevolent purposes for which the institution was established.

Land value growth cap

A 50% cap on growth in land values applies for the purpose of assessing land tax and MRIT to help reduce the volatility and unpredictability of growth in individual land tax and MRIT liabilities.

Developers concession

Land tax and MRIT is only paid on the un-subdivided (or ‘englobo’) value of land holdings at midnight 30 June, rather than the full subdivided value of lots, for one year after the creation of the lots.

Retirement villages exemption

Land used for a retirement village within the meaning of the *Retirement Villages Act 1992* is exempt from land tax and MRIT.

Club or sporting associations exemption/concession

Land owned by sporting or other not-for-profit associations used to provide facilities necessary for or conducive to meeting the objects of the association is exempt from land tax and MRIT. Not-for-profit facilities that are commercially available to the public may be eligible for a 50% concession if at least half of the land is being used to meet the objects of the association.

Aged care facilities exemption

Land used for the purposes of providing a residential care service that is certified under the Commonwealth *Aged Care Act 1997* is exempt from land tax and MRIT.

Caravan parks exemption

Land used as caravan parks, park home sites or camping grounds is exempt from land tax and MRIT.

Public or religious hospitals exemption

Land used solely for the purposes of a public hospital, or a hospital conducted by or on behalf of a religious body, is exempt from land tax and MRIT.

Transfer Duty (including Landholder Duty)

Connected entities restructure exemption

Certain transactions between related corporations or unit trust schemes are exempt from transfer duty.

First home owners' exemption/concession

First home buyers may be entitled to a concessional rate of transfer duty if the value of the dutiable property is below \$530,000 for the house and land, or below \$400,000 for vacant land. No duty is payable if the house and land value is below \$430,000, or the vacant land value is below \$300,000.

Family farms exemption

A transfer of farming land in Western Australia to a family member is exempt from transfer duty, subject to certain conditions being satisfied.

Insurance Duty

Health insurance policies exemption

Health insurance issued by a private health insurer (as defined in the Commonwealth *Private Health Insurance Act 2007*) is exempt from insurance duty.

Workers' compensation insurance exemption

Insurance against an employer's liability to pay compensation under the *Workers' Compensation and Injury Management Act 1981* is exempt from insurance duty.

Reinsurance exemption

The indemnification of one party by another against a liability or payment arising under an insurance or reinsurance contract is exempt from insurance duty.

Marine hulls exemption

Insurance in respect of marine hulls used mainly for commercial purposes is exempt from insurance duty.

Vehicle Licence Fees

Pensioners and Seniors vehicle concession

A 50% concession on vehicle licence fees is available to holders of a Centrelink Pensioner Concession Card or Veterans' Affairs Pensioner Concession Card, and seniors who hold both a State Seniors Card and a Commonwealth Seniors Health Card.

Primary producers vehicle concession

Vehicles used by farmers or graziers principally on their farm, and vehicles used by beekeepers, kangaroo hunters, prospectors and sandalwood pullers solely or principally in the course of their occupation, are entitled to a 50% vehicle licence fee concession.

Vehicle Licence Duty

Heavy vehicles concession

Transfers of heavy vehicle licences are subject to a single flat duty rate (currently 3%) and a maximum duty amount (of \$12,000) rather than the uncapped, progressive rate scale that applies to light vehicles.

Caravans and camper trailers exemption

Caravans and camper trailers that are permanently fitted for human habitation are exempt from vehicle licence duty.

Mining Royalties

Subsidised gold royalty rate

The 2015 Mineral Royalty Rate Analysis recommended that a royalty rate of 3.75% be applied to gold. This expenditure represents the difference between that royalty rate (as a benchmark) and the legislated 2.5% rate.

Subsidised alumina royalty rate

The Mineral Royalty Rate Analysis recommended that a royalty rate of 3.75% be applied to alumina. This expenditure represents the difference between that royalty rate (as a benchmark) and the 1.65% rate applied under State Agreement Acts.

Gold royalty-free threshold

The first 2,500 ounces of gold metal produced each year is exempt from mineral royalties.

Salt State Agreement Acts concession

The effective average 2020-21 rate paid by salt projects covered by the various salt State Agreement Acts was around 34 cents per tonne, compared to the 2020-21 salt royalty rate prescribed under the Mining Regulations 1981 of 73 cents per tonne. The effective average 2021-22 rate was also around 38 cents per tonne.

Western Australia's Net Contribution to the Federation

Even with the GST distribution reforms, Western Australia will still receive the lowest per capita amount of GST (including Commonwealth-funded floor payments) of all States and Territories, and well below its contribution to the national GST pool. Moreover, this is only one part of Western Australia's total support for other States.

The Western Australian Department of Treasury annually estimates the net redistribution across States that occurs through Commonwealth revenue raising from each State not matching Commonwealth spending for each State.

For each State, the redistribution is measured as the difference between the Commonwealth revenues generated in that State (including GST collections) and the Commonwealth expenditures for the benefit of that State (including GST grants).

For example, States with higher incomes and business profits contribute more to total Commonwealth taxes, and those with younger and healthier populations, or stronger economic conditions, draw less on health and social security benefits and business support programs.

Using the latest available data, Western Australia is estimated to have contributed a net \$30.8 billion to the Federation (or \$11,541 per person) in 2020-21 alone.

Results for all States are shown in the following table (a positive figure for a State indicates that it makes a net contribution to the Federation, while a negative figure indicates that it receives a net subsidy).

In 2020-21, Western Australia's estimated contribution to the Federation was much greater than that of New South Wales, the only other net contributor. On a per capita basis, Western Australia's net contribution was more than 14 times that of New South Wales.

NET CONTRIBUTION OF EACH STATE TO THE FEDERATION^(a)

Table 11.1

2020-21

	Total Commonwealth Budget	
	\$m	\$ per capita
New South Wales	6,641	813
Victoria	-9,714	-1,458
Queensland	-16,116	-3,102
Western Australia	30,840	11,541
South Australia	-4,179	-2,359
Tasmania	-3,596	-6,647
Northern Territory	-3,876	-15,736
Total	0	n.a.

(a) All Commonwealth outlays and revenues relating to the Australian Capital Territory (ACT) are allocated to the other States according to population shares. This recognises that the ACT would be unlikely to exist as a separate entity if the Federation dissolved.

Source: Western Australian Department of Treasury estimates, using a range of data sources including the Commonwealth Final Budget Outcome and Australian Bureau of Statistics publications. Results are based on the latest available data. Some data has been proxied by escalating earlier data using relevant economic indicators.

The following table shows a breakdown of Western Australia's estimated net contribution in 2020-21 compared with the previous two years. The figures indicate the extent to which Western Australia contributes more than its population share to Commonwealth revenues, or receives less than its population share of overall Commonwealth expenses.

Western Australia's large net contribution to the Federation is mainly driven by:

- the high level of Commonwealth company tax and personal income tax derived from Western Australia;
- the low level of Commonwealth spending in Western Australia on personal benefit payments and services;
- Western Australia's low GST grant share compared to other States; and
- Western Australia's low share of Commonwealth business support program spending in response to COVID-19.

Overall, in 2020-21 it is estimated that the Commonwealth derived \$75.8 billion in revenue from Western Australia, while expenditure for the benefit of the State (less the State's share of the Commonwealth deficit) totalled \$44.9 billion, yielding a net contribution to the Federation of \$30.8 billion, or \$11,541 per capita.

Table 11.2

COMPONENTS OF WESTERN AUSTRALIA'S NET CONTRIBUTION
Relative to Western Australia's Population Share

	2018-19 ^(a)	2019-20 ^(a)	2020-21 (Preliminary)
	\$m	\$m	\$m
Personal income tax	2,927	3,495	3,479
Company tax	10,265	12,514	18,004
Fuel excise (net of rebates)	304	121	-151
Taxes and royalties on mineral extraction ^(b)	759	599	554
Commonwealth services ^(c)	1,076	1,077	1,088
Personal benefit payments	1,360	1,277	1,636
Net impact of GST	2,434	1,641	2,349
Other grants to State and local governments ^(d)	160	-31	261
Other ^(e)	-182	1,842	3,619
Total	19,103	22,536	30,840

(a) Figures are revised compared to past publications as some data has been revised and some data was not available at the time.

(b) Net of North West Shelf royalties passed on as grants to Western Australia by the Commonwealth.

(c) Commonwealth gross operating expenses, including defence.

(d) Includes grants to universities. Excludes North West Shelf royalties paid as grants to Western Australia.

(e) Includes the impact of Commonwealth business support programs and the Commonwealth Budget deficit amongst other things.

Source: Western Australian Department of Treasury estimates, using a range of data sources including the Commonwealth Final Budget Outcome and Australian Bureau of Statistics publications. Results are based on the latest available data. Some data has been proxied by escalating earlier data using relevant economic indicators.

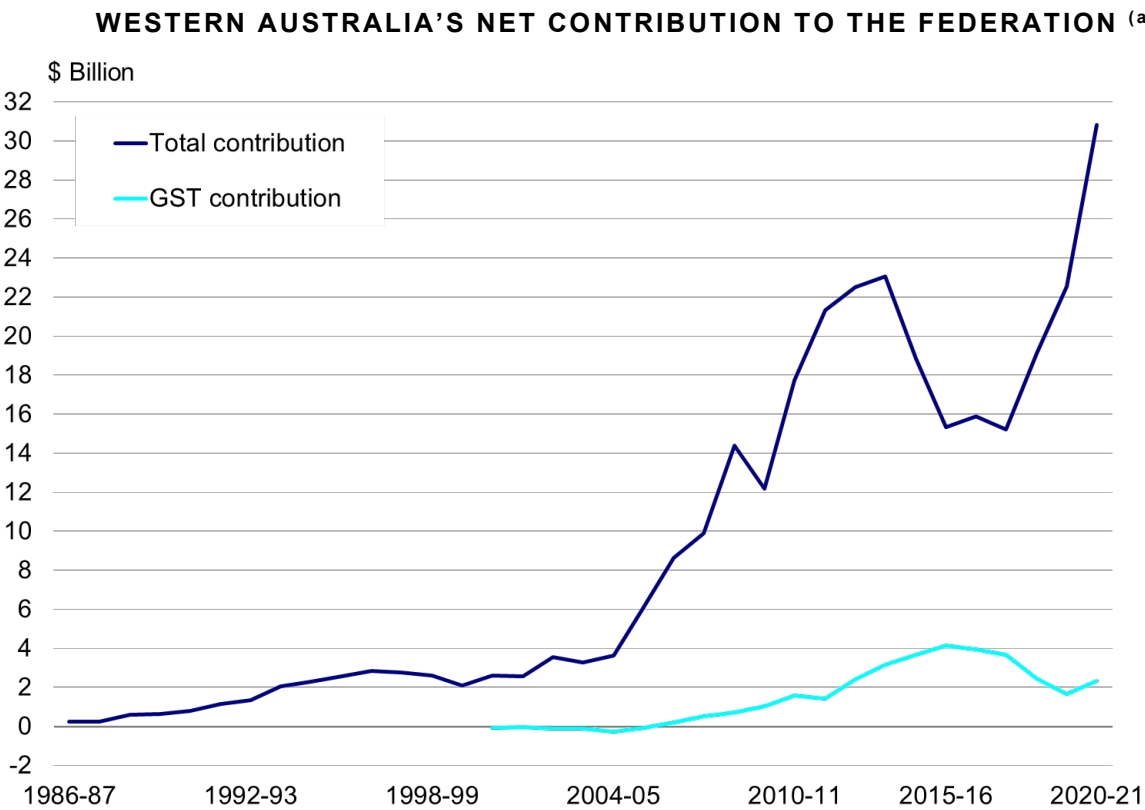
Note: Columns may not add due to rounding.

The figure below shows that Western Australia's net contribution has grown strongly over time, and that the annual net contributions by Western Australia are substantially larger than the contributions attributable to the GST alone¹.

Over the period 1986-87 to 2020-21, Western Australia's net contributions to the Federation have totalled \$311 billion (of which \$289 billion is since 2000-01, when the GST was introduced).

¹ Reflecting the difference between GST generated in Western Australia and GST paid to Western Australia (including Commonwealth-funded floor payments).

Figure 11.1



(a) Data to calculate Western Australia's total contribution are currently only available to 2020-21.

Source: Western Australian Department of Treasury estimates.

Commonwealth Tied Grants

This appendix lists all Commonwealth tied grants (e.g. for health, education, housing and transport) that are included in the State Budget and characterised as such in the Commonwealth Budget¹.

The figures in this appendix may differ from the Commonwealth's due to differing assumptions in relation to timing, parameters and (occasionally) the continuation of an agreement.

¹ While not reported in this appendix, the State Budget also includes Commonwealth grants that the Commonwealth characterises as its own-purpose expenditures (e.g. fee-for-service arrangements and funding provided under competitive tenders open to the private sector). Examples are grants for the provision of hospital services to veterans and for the provision of services to the Cocos Keeling Islands.

Table 12.1

COMMONWEALTH TIED GRANTS (a)(b)(c)

	Terms of the Latest Agreement			Estimated Commonwealth Funding to Western Australia					
	Funding Start Year	Funding Expiry Year	Estimated Average Annual Commonwealth Contribution ^(d) \$m	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	Total Five Years \$m
HEALTH									
National Health Reform Agreement - Addendum	2020-21	2024-25	2,991.8	2,662.8	2,819.8	2,984.2	3,159.0	3,333.2	14,958.9
COVID-19 Response	2019-20	n/a	n/a	732.2	33.7	-	-	-	766.0
Community Health and Hospitals Program WA Initiatives	2019-20	2024-25	19.8	20.3	41.8	33.4	7.3	-	102.7
Public Dental Services for Adults	2016-17	2021-22	9.7	9.7	9.7	-	-	-	19.4
WA Children's Hospice	2021-22	2021-22	7.5	7.5	-	-	-	-	7.5
Essential Vaccines (excluding free of charge resources)	2017-18	2022-23	2.5	2.0	2.1	2.1	2.1	-	8.3
Improving Trachoma Control Services	2021-22	2024-25	1.6	1.5	1.5	1.6	1.6	-	6.2
Comprehensive Palliative Care in Aged Care	2019-20	2023-24	1.1	1.1	1.2	1.3	-	-	3.6
National Bowel Cancer Screening Program	2018-19	2021-22	0.9	1.0	0.9	0.9	-	-	2.8
Encouraging More Clinical Trials in Australia	2021-22	2024-25	0.2	0.2	0.2	0.2	0.2	-	0.9
Rheumatic Fever Strategy	2021-22	2021-22	0.8	0.8	-	-	-	-	0.8
Specialist Dementia Care - Phase One	2019-20	2022-23	0.3	0.3	0.3	0.3	-	-	0.8
OzFoodNet Program	2020-21	2023-24	0.2	0.2	0.2	0.2	-	-	0.7
Lymphoedema Compression Garments	2019-20	2023-24	0.2	0.2	0.2	0.2	-	-	0.6
Vaccine Preventable Diseases Surveillance Program	2020-21	2023-24	0.1	0.1	0.1	0.1	-	-	0.3
TOTAL HEALTH				3,440.1	2,911.7	3,024.4	3,170.2	3,333.2	15,879.6

COMMONWEALTH TIED GRANTS (a)(b)(c)

Table 12.1 (cont.)

	Terms of the Latest Agreement			Estimated Commonwealth Funding to Western Australia					
	Funding Start Year	Funding Expiry Year	Estimated Average Annual Commonwealth Contribution ^(d) \$m	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	Total Five Years \$m
EDUCATION									
National School Reform Agreement - <i>Quality Schools</i>	2018	2023	1,173.3	1,019.9	1,116.9	1,192.7	1,242.8	1,294.4	5,866.7
National Preschool Reform Agreement	2022	2025	46.9	22.4	47.0	46.8	47.4	25.8	189.5
Universal Access to Early Childhood Education 2018 - 2021	2018	2021	46.5	26.8	4.3	3.4	1.2	0.0	35.8
National School Chaplaincy Program	2019	2022	7.7	7.7	-	-	-	-	7.7
School Pathways Programs	2020-21	2021-22	0.6	0.6	-	-	-	-	0.6
TOTAL EDUCATION				1,077.5	1,168.2	1,242.9	1,291.5	1,320.2	6,100.3
TRAINING AND WORKFORCE DEVELOPMENT									
National Skills and Workforce Development	2008-09	n/a	170.8	164.7	168.2	171.0	173.8	176.4	854.1
JobTrainer Fund	2020-21	2022-23	34.5	51.8	-	-	-	-	51.8
Skilling Australians Fund	2018-19	2021-22	29.8	29.7	-	-	-	-	29.7
Revitalising TAFE Campuses across Australia	2020-21	2021-22	2.0	2.0	-	-	-	-	2.0
TOTAL TRAINING AND WORKFORCE DEVELOPMENT				248.2	168.2	171.0	173.8	176.4	937.6

Table 12.1 (cont.)

COMMONWEALTH TIED GRANTS (a)(b)(c)

	Terms of the Latest Agreement			Estimated Commonwealth Funding to Western Australia					
	Funding Start Year	Funding Expiry Year	Estimated Average Annual Commonwealth Contribution ^(d)	2021-22	2022-23	2023-24	2024-25	2025-26	Total
				Estimated Actual	Budget Year	Outyear	Outyear	Outyear	Five Years
			\$m	\$m	\$m	\$m	\$m	\$m	\$m
AFFORDABLE HOUSING									
National Housing and Homelessness Agreement	2018-19	n/a	175.0	174.5	178.1	171.5	174.2	176.7	875.0
HomeBuilder	2020-21	2022-23	144.1	364.4	68.0	-	-	-	432.4
TOTAL AFFORDABLE HOUSING				538.9	246.1	171.5	174.2	176.7	1,307.3
COMMUNITY SERVICES									
DisabilityCare Australia Fund	n/a	n/a	n/a	-	222.4	785.3	-	-	1,007.7
TOTAL COMMUNITY SERVICES				-	222.4	785.3	-	-	1,007.7
TRANSPORT INFRASTRUCTURE									
Land Transport Infrastructure Projects	2019-20	2023-24	1,769.0	1,346.3	2,209.6	2,201.4	1,759.7	1,328.0	8,845.0
TOTAL TRANSPORT INFRASTRUCTURE				1,346.3	2,209.6	2,201.4	1,759.7	1,328.0	8,845.0

COMMONWEALTH TIED GRANTS (a)(b)(c)

Table 12.1 (cont.)

	Terms of the Latest Agreement			Estimated Commonwealth Funding to Western Australia					
	Funding Start Year	Funding Expiry Year	Estimated Average Annual Commonwealth Contribution ^(d) \$m	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	Total Five Years \$m
ENVIRONMENT									
National Water Grid Fund	2021-22	n/a	n/a	5.0	56.7	51.7	46.7	-	160.0
Recycling Infrastructure	2020-21	2023-24	8.8	17.5	16.5	1.0	-	-	35.0
Disaster Risk Reduction	2019-20	2023-24	2.5	2.5	2.5	2.5	-	-	7.5
Digital Environment (Online) Assessment Program	2020-21	2021-22	4.5	6.6	-	-	-	-	6.6
COVID-19 World and National Heritage Management	2020-21	2020-21	5.1	3.5	-	-	-	-	3.5
Future Drought Fund - Farm Business Resilience and Regional Drought	2020-21	2020-21	3.6	3.6	-	-	-	-	3.6
Horticultural Netting Program	2020-21	2020-21	2.2	2.6	-	-	-	-	2.6
Pest and Disease Preparedness and Response Programs	2018-19	n/a	0.8	0.5	0.4	-	-	-	0.9
World Heritage Management	2018-19	2022-23	0.4	0.4	0.4	-	-	-	0.8
National Water Inf. Dev. Fund - Southern Forests Irrigation Scheme	2019-20	2020-21	0.5	0.4	0.3	-	-	-	0.7
National Flood Mitigation Infrastructure Program	2020-21	2020-21	0.7	0.7	-	-	-	-	0.7
National Plant Health Surveillance Program	2021-22	2024-25	0.1	0.1	0.1	0.1	0.1	-	0.5
Farm Forestry, Private Native Forestry and Indigenous Forestry	2021-22	2021-22	0.5	0.5	-	-	-	-	0.5
Enhancing National Pest Animal and Weed Management	2020-21	2022-23	0.2	0.1	0.1	0.2	-	-	0.4
Ehrlichia Canis Control Program	2021-22	2022-23	0.1	0.1	0.1	-	-	-	0.2
WA Energy and Emissions Reduction Deal	2020-21	2021-22	14.3	-	-	-	-	-	-
TOTAL ENVIRONMENT				44.2	77.1	55.5	46.8	-	223.6

Table 12.1 (cont.)

COMMONWEALTH TIED GRANTS (a)(b)(c)

	Terms of the Latest Agreement			Estimated Commonwealth Funding to Western Australia					
	Funding Start Year	Funding Expiry Year	Estimated Average Annual Commonwealth Contribution ^(d) \$m	2021-22 Estimated Actual \$m	2022-23 Budget Year \$m	2023-24 Outyear \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	Total Five Years \$m
OTHER									
National Legal Assistance Partnership	2020-21	2024-25	61.2	58.8	60.8	61.6	62.3	62.3	305.9
Natural Disaster Relief and Recovery Arrangements	2018-19	n/a	n/a	176.8	77.7	30.4	-	-	284.9
Perth City Deal ^(e)	2020-21	2024-25	14.5	19.4	18.2	24.6	10.0	-	72.3
Small Business Regulatory Reform	2018-19	2020-21	10.5	20.4	-	-	-	-	20.4
Tourism Icon Package - Upgrade of Tourist Facilities on Rottnest Island	2019-20	2021-22	4.3	10.8	1.7	-	-	-	12.5
Provision of Fire Services - Memorandum of Understanding	2017-18	2021-22	1.6	1.7	1.7	1.7	1.7	1.7	8.3
Family, Domestic and Sexual Violence	2021-22	2021-22	7.5	7.5	-	-	-	-	7.5
Regional Recovery Partnerships	2020-21	2021-22	4.9	6.2	-	-	-	-	6.2
Recreational Fishing and Camping Facilities	2020-21	2022-23	1.1	1.6	-	-	-	-	1.6
Business Support Payments	2021-22	2021-22	n/a	0.9	-	-	-	-	0.9
Family Law Information Sharing - Schedule A - Child Protection	2019-20	2021-22	0.3	0.3	-	-	-	-	0.3
TOTAL OTHER				304.4	160.1	118.3	74.0	64.0	720.7
TOTAL COMMONWEALTH TIED GRANTS				6,999.5	7,163.5	7,770.3	6,690.2	6,398.4	35,021.9

(a) The timing of funding in the Western Australian Budget can be influenced by delays in Commonwealth payments or the requirement that payments be matched to the delivery of projects or services.

(b) The table excludes grants that the Commonwealth characterises as its own-purpose expenditures.

(c) Includes funding under expected agreements and continuations of agreements.

(d) The 'Average Annual Commonwealth Contribution' reflects average estimated funding over the period 2021-22 to 2025-26 for agreements expected to continue; otherwise, average estimated funding in the agreement over the agreement term (or if not available, average funding expected over the agreement term).

(e) Commonwealth funding includes \$294 million which will be paid directly to Edith Cowan University and is not reflected in the Western Australian Treasury estimate.

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

