

Part 9

Transport

Introduction

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

Summary of Recurrent and Asset Investment Expenditure

Agency	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000
Transport		
– Total Cost of Services	631,398	715,019
– Asset Investment Program	52,573	63,010
Commissioner of Main Roads		
– Total Cost of Services	2,004,239	2,149,159
– Asset Investment Program	2,164,342	2,286,205
Public Transport Authority of Western Australia		
– Total Cost of Services	1,961,713	1,961,990
– Asset Investment Program	2,227,455	3,279,954
Provision for METRONET Projects Under Development		
– Asset Investment Program	-	100,503
Fremantle Port Authority		
– Asset Investment Program	82,563	95,300

Agency	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000
Kimberley Ports Authority		
– Asset Investment Program	2,700	61,226
Mid West Ports Authority		
– Asset Investment Program	26,050	91,954
Pilbara Ports Authority		
– Asset Investment Program	173,757	291,563
Southern Ports Authority		
– Asset Investment Program	33,780	62,081

Ministerial Responsibilities

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

Division 38 **Transport**

Part 9 Transport

Appropriations, Expenses and Cash Assets

	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
DELIVERY OF SERVICES							
Item 81 Net amount appropriated to deliver services	84,557	123,893	138,539	153,240	86,538	75,744	78,868
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975	896	899	899	901	924	947	970
Total appropriations provided to deliver services.....	85,453	124,792	139,438	154,141	87,462	76,691	79,838
ADMINISTERED TRANSACTIONS							
Item 82 Western Australian Coastal Shipping Commission.....	100	100	100	100	100	100	100
CAPITAL							
Item 146 Capital Appropriation.....	425,904	39,818	29,857	35,920	41,176	47,154	21,860
TOTAL APPROPRIATIONS	511,457	164,710	169,395	190,161	128,738	123,945	101,798
EXPENSES							
Total Cost of Services	480,298	647,713	631,398	715,019	600,981	614,724	520,384
Net Cost of Services ^(a)	134,455	222,286	276,104	315,428	169,955	173,570	145,512
CASH ASSETS ^(b)	718,305	588,748	621,384	479,476	363,610	335,157	377,968

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

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Department's Income Statement since presentation of the 2022-23 Budget to Parliament on 12 May 2022, are outlined below:

	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
Election Commitments					
Cycling Package					
Geraldton	400	293	-	-	-
Mullaloo-Ocean Reef ^(a)	-	(1,200)	-	-	-
Regional Airfare Zone Cap	4,677	16,013	-	-	-
New Initiatives					
Climate Action Fund - Climate Adaptation - Study into Remote Aboriginal					
Community Airstrips	-	750	-	-	-
Digital Capability Fund - Log On/Log Off Marine Safety Mobile Application...	-	1,268	170	-	-
Implementation of One-Month Motor Vehicle Licence Renewal	(293)	-	-	-	-
Infringement Management Reform Program	-	300	200	200	-
Queen Elizabeth II Medical Centre Access and Mobility Incentives	226	524	-	-	-
Towing Industry Reform	808	2,922	3,023	687	-
Transfer to Main Roads - Warmun Airstrip Upgrade	-	2,300	-	-	-
Transfer to Public Transport Authority - Electric Buses and Depot Modifications	-	22,000	-	-	-
Ongoing Initiatives					
Armada Line Shutdown - Active Transport	60	778	-	-	-
Australind Jetty Repairs and Maintenance	3,000	-	-	-	-
Building for Tomorrow	4,393	3,874	-	-	-
Coast Capture Western Australia	-	2,366	2,500	3,000	-
Contribution to Office of National Rail Safety Regulator	-	545	559	573	587
Country Age Pension Fuel Card	2,000	2,500	3,000	3,500	-
Derby-Broome Regular Passenger Transport Air Service	-	450	450	450	-
Digital Capability Fund - ServiceWA App Digital Program	1,059	1,886	-	-	-
Driving Access and Equity Program	-	1,500	-	-	-
Ex-Tropical Cyclone Ellie - Derby-Broome Air Services	336	-	-	-	-
Kalgoorlie Rail Realignment Project	(1,500)	-	-	-	-
Kununurra-Halls Creek-Balgo Regular Passenger Transport Air Service	-	200	200	200	200
METRONET - Program Coordination	2,567	3,862	1,676	-	(1,676)
Regional Workers Incentives Allowance	(39)	(39)	(39)	(39)	212
Transfer from Planning, Lands and Heritage - Coastal Projects and Zone					
Management	-	1,595	1,500	1,160	-
Transforming Bunbury's Waterfront Stage Three Phase One	100	-	-	-	-
Warmun Airstrip Studies	450	-	-	-	-
Western Australian Bicycle Network (including Principal Shared Path Program)	5,470	-	-	-	-
Westport					
Business Case	8,464	9,657	3,574	179	-
Enabling Works	516	7,381	2,666	-	-
Feasibility Studies	350	150	-	-	-
Other					
2023-24 Tariffs, Fees and Charges	3,000	22,704	14,110	15,714	23,305
Government Office Accommodation	(89)	(134)	(387)	(645)	(654)
ICT Support Services Update	-	(503)	(503)	(503)	(503)
Indian Ocean Territories Service Delivery Agreement	105	105	105	105	105
Leave Liability	1,300	1,300	1,300	1,300	-
Public Sector Wages Policy	9,489	7,938	10,255	12,619	12,619
Salaries and Allowances Tribunal	-	-	21	44	67

(a) These cycle path works are now funded by the Commonwealth Government, who are providing the funding directly to the local government.

Significant Issues Impacting the Agency

WA Jobs Plan

1. The Driving Access and Equity Program is assisting people in the regions to overcome individual and systemic barriers to obtain a driver's licence and improve their employment opportunities. The Department will spend \$5.8 million, including \$1.5 million funded from Western Australia's Road Trauma Trust Account, to continue the program in 2023-24, bringing the total funding commitment to more than \$11 million.
2. The Transport portfolio has a target to achieve a total spend of \$700 million on procurement, contracts and jobs with Aboriginal businesses, and provide 3.5 million hours of employment to Aboriginal people over the period 1 July 2021 to 30 June 2026. The Department is delivering its contribution to this target across a range of projects and procurement of goods and services.

Safe, Strong and Fair Communities

3. The Department is improving on water safety through community education, marine patrols and legislative changes to encourage safer behaviours related to the use of safety equipment for vessels, windsurfers, kiteboards and paddle craft.
4. A new team will be established in the Department to support reforms to the towing industry and protect people involved in crashes from predatory practices by a small minority of operators in the industry. Legislation is also being drafted.
5. In response to recent cyber attacks on third parties where driver's licence information was exposed, the Department is continuing to work with the relevant State and Commonwealth agencies to minimise impacts on licence holders.
6. Reliable and affordable air services, particularly between Perth and regional centres, are critical for connecting with family, business travel, access to specialist healthcare, workforce movement and regional tourism. Since commencing in July 2022, the Regional Airfare Zone Cap initiative, which offers cheaper airfares for regional residents in partnership with five supporting airlines, has seen significant demand from regional communities across Western Australia. A further \$20.7 million will be spent on the scheme over 2022-23 and 2023-24. The Department is also supporting improved air service connectivity by expanding the Inter-Regional Flight Network.
7. In partnership with Main Roads and local governments, the Department is enabling \$310 million of investment over the next four years to build more than 221 km of cycling infrastructure for healthy, active and sustainable connections in communities State-wide, and to create jobs.
8. With funding from the Digital Capability Fund, the Department is continuing to progress its major reform of the Taxi User Subsidy Scheme (TUSS) in developing a digital solution to replace paper vouchers for more than 14,000 Scheme participants and passenger transport drivers across the State.

Investing in Western Australia's Future

9. The Westport Office is delivering a business case for the design of a new, efficient, sustainable, and modern terminal in the Outer Harbour in Kwinana to meet the State's growing trade needs and, through the Westport Special Purpose Account, is funding a range of land acquisitions.
10. Efficient, safe and resilient supply chains are essential for the State's continued growth and development. The Department works with State and Commonwealth agencies, and industry, to respond to supply chain disruptions. The Department also identifies and realises opportunities to invest in the development of Western Australia's strategic supply chains for improved efficiency, safety and resilience.
11. The Department is contributing to Government initiatives to address the impact of climate change by developing the transport sector's Emissions Reduction Strategy and encouraging the uptake of zero and low emission light vehicles through the Clean Energy Car Fund.
12. The Department partners with other agencies and local governments to provide expertise and funding for coastal protection. The Department is delivering a growing portfolio of maritime infrastructure projects across the State to meet the growing needs of the community.

13. The Department is also implementing several key priorities and initiatives identified in the State's Digital Strategy and Digital Inclusion in WA Blueprint, including the design and delivery of verifiable credentials such as the Recreational Skipper's Ticket and Recreational Fishing Licence, which will be accessible via the ServiceWA app.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

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

Service Summary

Expense	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
1. Strategic Transport Policy and Integrated Planning ^(a)	115,899	241,949	209,475	274,462	161,641	191,569	95,363
2. Driver and Vehicle Services.....	229,443	265,287	272,470	290,447	288,102	271,537	273,745
3. Maritime.....	109,392	108,344	117,857	120,512	122,398	122,640	122,515
4. On-demand Transport.....	25,564	32,133	31,596	29,598	28,840	28,978	28,761
Total Cost of Services	480,298	647,713	631,398	715,019	600,981	614,724	520,384

- (a) The lower Total Cost of Service in the outyears relative to the 2023-24 Budget Year is due to the 2023-24 Budget including expenditure on the Regional Airfare Zone Cap; payments to the Public Transport Authority for the new electric Central Area Transit (CAT) buses (including the installation of associated charging infrastructure at Elizabeth Quay Bus Station); and higher costs associated with the Westport business case and enabling works.

Outcomes and Key Effectiveness Indicators ^(a)

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
Outcome: Integrated transport systems that facilitate economic development:					
Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle Port.....	20.9%	20%	20.1%	20%	
Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth.....	91.4%	91.4%	91.4%	91.4%	
Outcome: Vehicles and road users that meet established vehicle standards, driver competencies and identity requirements to deliver safe vehicles, safe drivers and secure identities:					
Percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles).....	99.5%	100%	99.5%	100%	
Percentage of driver's licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers)	98%	100%	99.3%	100%	
Percentage of identity credentials compliant with the required standard of biometric quality	98.8%	93%	99.8%	99.8%	
Outcome: An accessible and safe transport system:					
Percentage of wheelchair accessible vehicle taxi journeys carrying passengers in wheelchairs which meet the waiting time standard	98.6%	95%	98.6%	95%	
Percentage of time maritime infrastructure is fit for purpose when required	97%	99.9%	96.7%	100%	
Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels.....	9.6	11.6	9.7	9	
Percentage of audited authorised on-demand booking services compliant with safety requirements.....	56%	60%	57.5%	60%	

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

Services and Key Efficiency Indicators

1. Strategic Transport Policy and Integrated Planning

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

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

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	115,899	241,949	209,475	274,462	1,2
Less Income	56,188	146,629	71,636	107,072	1,2
Net Cost of Service	59,711	95,320	137,839	167,390	
Employees (Full-Time Equivalents)	197	209	201	203	
Efficiency Indicators					
Average cost per hour for strategic policy development and integrated transport planning.....	\$121	\$160	\$164	\$157	

Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service and income between the 2022-23 Estimated Actual and 2023-24 Budget Target is mainly due to the deferral of Western Australian Agricultural Supply Chain Improvements Program income and expenditure from 2022-23; a forecast increase in Regional Airfare Zone Cap expenditure; the funding of 18 electric CAT buses and the installation of the associated charging infrastructure at Elizabeth Quay Bus Station (funding provided to the Public Transport Authority); and increased costs associated with the Westport business case and enabling works.
2. The decrease in Total Cost of Service and income between the 2022-23 Budget and 2022-23 Estimated Actual is mainly due to the deferral of Western Australian Agricultural Supply Chain Improvements Program expenditure to 2023-24, partially offset by an increase in Regional Airfare Zone Cap expenditure.

2. Driver and Vehicle Services

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

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

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	229,443	265,287	272,470	290,447	
Less Income	207,465	206,073	209,797	217,059	
Net Cost of Service	21,978	59,214	62,673	73,388	
Employees (Full-Time Equivalents)	995	1,095	1,110	1,073	1
Efficiency Indicators					
Average cost per vehicle and driver transaction	\$18	\$20	\$20	\$21	
Average cost per vehicle inspection performed by vehicle examination centres	\$170	\$211	\$181	\$173	2
Average cost per vehicle inspection delivered through authorised inspection stations	\$157	\$186	\$176	\$195	3
Average cost per driver assessment	\$106	\$121	\$117	\$128	

Explanation of Significant Movements

(Notes)

1. The reduction in the 2023-24 Budget Target compared to the 2022-23 Budget and the 2022-23 Estimated Actual is due to closure of the COVID-19 information call centre on 31 January 2023.
2. The decrease in the 2022-23 Estimated Actual compared to the 2022-23 Budget is mainly due to increased volumes of new and unlicensed vehicle inspections undertaken by the Department, thereby lowering the average cost.
3. The increase in the 2023-24 Budget Target compared to the 2022-23 Estimated Actual is mainly due to increased commissions charged by the authorised inspection stations (which are undertaken by external parties).

3. Maritime

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

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

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
Total Cost of Service.....	\$'000 109,392	\$'000 108,344	\$'000 117,857	\$'000 120,512	
Less Income	76,050	66,280	67,416	68,280	
Net Cost of Service	33,342	42,064	50,441	52,232	
Employees (Full-Time Equivalents)	241	247	251	257	
Efficiency Indicators					
Average cost per day for planning, delivery, and management of a maritime asset.....	\$104	\$81	\$86	\$85	
Average cost of managing waterways, safety and compliance per registered recreational vessel	\$153	\$183	\$176	\$180	
Cost to maintain marine pollution response preparedness per registered vessel	\$33	\$48	\$47	\$45	

4. On-Demand Transport

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

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

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
Total Cost of Service.....	\$'000 25,564	\$'000 32,133	\$'000 31,596	\$'000 29,598	1
Less Income	6,140	6,445	6,445	7,180	2
Net Cost of Service	19,424	25,688	25,151	22,418	
Employees (Full-Time Equivalents)	46	61	60	58	
Efficiency Indicators					
Cost per on-demand transport authorisation.....	\$161	\$221	\$178	\$133	3

Explanation of Significant Movements

(Notes)

1. The decrease in the Total Cost of Service in the 2023-24 Budget Target compared to the 2022-23 Budget and the 2022-23 Estimated Actual is mainly due to the integration of on-demand transport functions within Driver and Vehicle Services.
2. The increase in income in the 2023-24 Budget Target compared to the 2022-23 Estimated Actual is mainly due to increased volumes of Passenger Transport Vehicle and Passenger Transport Driver authorisations.
3. The decrease in the 2023-24 Budget Target and the 2022-23 Estimated Actual compared to the 2022-23 Budget is mainly due to forecast increased volumes of Passenger Transport Vehicle and Passenger Transport Driver authorisations, thereby lowering the average cost.

Asset Investment Program

Election Commitment

Broome Boating Facility

1. The Department has progressed the planning and design work required before constructing a new boating facility at Broome's Entrance Point, which will improve marine infrastructure and safety. The Government continues to provision \$36.3 million for the project over 2023-24 to 2025-26, pending confirmation of a third-party contribution for the remaining funding. Planning work has continued during 2022-23 to address heritage concerns, seek approvals and for peer review of the design.

COVID-19 Response

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

2. The Department is responsible for providing and maintaining both medium and low-voltage electrical infrastructure within the Fremantle Fishing Boat Harbour. This infrastructure currently supplies all public areas and facilities as well as the commercial tenancies. This project will replace the ageing electrical infrastructure, resulting in a more robust and reliable electricity supply in addition to enhanced safety provisions. Throughout 2022-23, the Department has continued stakeholder engagement and commenced detailed design and early procurement activities. The majority of the construction works are scheduled to occur in off-peak periods (winter), commencing in mid-2023 with completion expected in 2024.

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

3. As part of an ongoing program of metropolitan jetty replacements, the Department is replacing the last original remaining floating jetties at Hillarys Boat Harbour (Jetties F, G, H and J). The existing jetties will be progressively replaced with modern floating pens of a standard similar to other recently completed jetty replacements at the harbour. Construction is underway with the replacement of the jetties expected to be completed in 2023-24 and installation of a dedicated fire main expected to be completed in 2024-25.

Redevelopment of Woodman Point Jetty

4. This project involves the replacement of the deteriorated recreational jetty located at Woodman Point, which is now over 80 years old. A new jetty concept has been selected at the existing site to enable continued safe recreational use for fishing, diving, swimming, walking and non-motorised vessels. Throughout 2022-23, detailed design continued and a development application was approved. Stakeholder consultation continues to guide detailed design, which includes ongoing value engineering.

Batavia Coast Marina - Floating Jetty/Pens

5. The Department will deliver a new floating jetty and pens to cater for 25 metre charter vessels in Batavia Coast Marina. Planning for these works is underway, and delivery is expected to be completed in 2023-24.

Other

Albany (Emu Point) Maritime Facility - Jetty B

6. Jetty B at the Emu Point Maritime Facility in Albany was originally constructed in 1971 and has been in service for over 50 years. In the 2021-22 Budget, the Department was funded to undertake a \$1 million refurbishment of the jetty to restore full access to it and the mooring facilities. The project has been delayed to 2023-24 due to supply constraints impacting the construction industry. A concept design has been prepared and stakeholder consultation and approvals are underway.

Transforming Bunbury's Waterfront Stage Three Phase One

7. The Department continues to work closely with the South West Development Commission to deliver the next phase of Transforming Bunbury's Waterfront. Stage Three Phase One comprises dredging, a new breakwater, serviced lease sites for the marine industry, and upgraded public boating infrastructure in Casuarina Boat Harbour. Breakwaters and dredging are in detailed design with construction scheduled to commence in early 2024. Civil works design is being tendered with construction to be staged between 2023 and 2025.

Onslow Community Boating Precinct

8. Together with the Shire of Ashburton, the Department is delivering a new community boating precinct within the Onslow (Beadon Creek) Maritime Facility. The project includes a new relocated two-lane boat ramp, dredged basin, rock revetments and minor landside works, which will greatly improve the boat launching experience in Onslow. The project was largely completed in 2021-22, with the final parcel of works - car park asphaltting, kerbing, line marking, landscaping, toilets and fish cleaning station - currently underway and expected for completion by June 2023.

Maritime Facilities Program

9. This program comprises asset replacement and additional public maritime infrastructure throughout the State to meet current and future boating requirements. Significant projects being delivered in 2023-24 include the Fremantle Fishing Boat Harbour amenities building and services upgrade and the Jurien Boat Harbour high voltage electrical upgrade.

Navigational Aids Program

10. The Department is responsible for managing over 1,400 navigational aids throughout State waters and has an annual program to install, replace or upgrade end-of-life assets to maintain boating navigational safety. During 2022-23, 11 navigational beacons in various bays of Rottnest Island were replaced, and in 2023-24, ageing navigational aids in Dawesville Channel, Tantabiddi, Coral Bay and Hopetoun will be replaced.

Marine Oil Pollution Response Equipment

11. The Department has an ongoing program to procure new and replacement oil spill response equipment which is deployed at several of the Department's facilities around Western Australia. During 2023-24, three new skimmer trailers and a replacement resupply sea container will be sourced, and the outboard motor on the Stabicraft boat will be replaced.

Vessel and Vehicle Replacement Program

12. In order to maintain waterways compliance operations, the Department has an ongoing program to replace and refit end-of-life maritime vessels, vehicles, motors and trailers associated with its non-leased patrol vessel fleet. During 2022-23 three vessels were refitted and several new outboard motors purchased. During 2023-24 several vessels are planned for replacement or refitting, including with new engines. In addition, new satellite phones will be installed on eight vessels based across multiple metropolitan and regional locations.

Albany Waterfront Marina

13. As part of the 2020-21 Budget, funding was allocated for minor upgrades to lighting and services along Toll Place within the Albany Waterfront Marina. These upgrades, which will cost \$603,000, are intended to improve facilities and enable commercial developments to the area. Works are expected to be completed by the end of 2022-23.

Carnarvon Fascine

14. \$2.9 million in capital funding is currently allocated to resolve access issues at the Carnarvon Fascine, including entrance dredging and spit stabilisation works. Construction of new floating pens within the Carnarvon Boat Harbour to relocate vessels from the Carnarvon Fascine and upgrades to the harbour's firefighting infrastructure, which service these pens, were completed in August 2022.

Information and Communication Infrastructure Technology

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

Driver and Vehicle Services Reform Program

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

On-demand Transport - TUSS Reform Program

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

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-23 \$'000	2022-23 Estimated Expenditure \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
WORKS IN PROGRESS							
COVID-19 Response							
Maritime							
Fremantle Fishing Boat Harbour and Commercial							
Precinct - Replacement of Electrical Infrastructure	7,800	1,117	634	6,678	5	-	-
Hillarys Boat Harbour - Jetties F, G, H, and J.....	7,350	3,723	3,500	3,127	500	-	-
Redevelopment of Woodman Point Jetty	9,690	1,695	686	316	-	7,679	-
Other Works in Progress							
Business Information Systems							
Information and Communications Infrastructure -							
2022-23 Program.....	9,159	7,659	7,659	500	1,000	-	-
Driver and Vehicle Services							
Driver and Vehicle Services Reform Program - 2022-23							
Program	7,213	5,213	5,213	1,000	1,000	-	-
Maritime							
Maritime Facilities Program - 2022-23 Program	17,443	15,763	15,763	1,680	-	-	-
Maritime - Transforming Bunbury's Waterfront							
Stage Three	78,100	3,039	2,420	17,955	40,516	16,590	-
On-demand Transport - TUSS Reform Program.....	8,778	3,626	3,626	5,152	-	-	-
COMPLETED WORKS							
COVID-19 Response							
Maritime							
Albany Waterfront Marina.....	603	603	450	-	-	-	-
Carnarvon Fascine Entrance	2,857	2,857	1,138	-	-	-	-
Other Completed Works							
Corporate							
Accommodation and Refurbishment - 2022-23 Program	1,808	1,808	1,808	-	-	-	-
Driver and Vehicle Services							
Driver and Vehicle Services Reform Program -							
Infringement Management Reform Program	1,400	1,400	1,400	-	-	-	-
Maritime							
Marine Oil Pollution Response Equipment - 2022-23							
Program	287	287	287	-	-	-	-
Navigational Aids Program - 2022-23 Program	1,976	1,976	1,976	-	-	-	-
Onslow Community Boating Precinct.....	13,223	13,223	4,286	-	-	-	-
Vessel and Vehicle Replacement Program - 2022-23							
Program	1,090	1,090	1,090	-	-	-	-
Minor Works							
2022-23 Program	637	637	637	-	-	-	-
NEW WORKS							
Election Commitments							
Maritime - Broome Boating Facility.....	36,306	-	-	596	16,218	19,492	-
COVID-19 Response							
Maritime - Batavia Coast Marina - Floating Jetty/Pens.....	400	-	-	400	-	-	-
Other New Works							
Business Information Systems							
Information and Communications Infrastructure							
2023-24 Program.....	5,825	-	-	5,825	-	-	-
2024-25 Program.....	6,525	-	-	-	6,525	-	-
2025-26 Program.....	6,525	-	-	-	-	6,525	-
2026-27 Program.....	6,525	-	-	-	-	-	6,525
Corporate							
Accommodation and Refurbishment							
2023-24 Program.....	818	-	-	818	-	-	-
2024-25 Program.....	818	-	-	-	818	-	-
2025-26 Program.....	818	-	-	-	-	818	-
2026-27 Program.....	818	-	-	-	-	-	818

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-23 \$'000	2022-23 Estimated Expenditure \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
Driver and Vehicle Services							
Driver and Vehicle Services Reform Program							
2023-24 Program.....	5,200	-	-	5,200	-	-	-
2024-25 Program.....	3,200	-	-	-	3,200	-	-
2025-26 Program.....	3,200	-	-	-	-	3,200	-
2026-27 Program.....	3,200	-	-	-	-	-	3,200
Infringement Processing System (Infringement Management Reform)	1,200	-	-	1,200	-	-	-
Maritime							
Albany (Emu Point) Maritime Facility - Jetty B.....	1,038	-	-	1,038	-	-	-
Marine Oil Pollution Response Equipment							
2023-24 Program.....	150	-	-	150	-	-	-
2024-25 Program.....	200	-	-	-	200	-	-
2025-26 Program.....	200	-	-	-	-	200	-
2026-27 Program.....	200	-	-	-	-	-	200
Maritime Facilities Program							
2023-24 Program.....	9,030	-	-	9,030	-	-	-
2024-25 Program.....	9,180	-	-	-	9,180	-	-
2025-26 Program.....	9,180	-	-	-	-	9,180	-
2026-27 Program.....	9,180	-	-	-	-	-	9,180
Navigational Aids Program							
2023-24 Program.....	431	-	-	431	-	-	-
2024-25 Program.....	912	-	-	-	912	-	-
2025-26 Program.....	912	-	-	-	-	912	-
2026-27 Program.....	912	-	-	-	-	-	912
Vessel and Vehicle Replacement Program							
2023-24 Program.....	1,506	-	-	1,506	-	-	-
2024-25 Program.....	2,044	-	-	-	2,044	-	-
2025-26 Program.....	580	-	-	-	-	580	-
2026-27 Program.....	580	-	-	-	-	-	580
Minor Works							
2023-24 Program.....	408	-	-	408	-	-	-
2024-25 Program.....	408	-	-	-	408	-	-
2025-26 Program.....	408	-	-	-	-	408	-
2026-27 Program.....	408	-	-	-	-	-	408
Towing Industry Reform Program.....	130	-	-	-	130	-	-
Total Cost of Asset Investment Program.....	298,789	65,716	52,573	63,010	82,656	65,584	21,823
FUNDED BY							
Capital Appropriation			29,818	35,881	41,140	47,115	21,823
Internal Funds and Balances.....			14,432	1,784	1,000	1,879	-
Major Special Purpose Account(s)							
Drawdown from Digital Capability Fund			3,626	5,152	-	-	-
Drawdown from Royalties for Regions Fund			1,704	18,993	40,516	16,590	-
Other			628	1,000	(200)	(200)	-
Other Grants and Subsidies			2,365	200	200	200	-
Total Funding			52,573	63,010	82,656	65,584	21,823

Financial Statements

Income Statement

Expenses

1. Total Cost of Services is estimated to increase by \$83.6 million in the 2023-24 Budget Year compared to the 2022-23 Estimated Actual. This is mainly due to the deferral of expenditure associated with the Western Australian Agricultural Supply Chain Improvements Program and Kenwick Intermodal Terminal from 2022-23; the provision of funding for 18 electric CAT buses and the installation of the associated charging infrastructure at Elizabeth Quay Bus Station to the Public Transport Authority; additional spending for the Regional Airfare Zone Cap; and costs associated with the Westport business case and enabling works.

Income

2. Total grants and subsidies is estimated to decrease by \$73.2 million in the 2022-23 Estimated Actual compared to the 2022-23 Budget. This is mainly due to removal of Commonwealth funding contributions for the Causeway Cyclist and Pedestrian Bridge, which will now be received by Main Roads, and retiming of Commonwealth revenue associated with the Western Australian Agricultural Supply Chain Improvements Program (to later years).

Statement of Financial Position

3. Total current assets are expected to decrease by \$141.1 million between the 2022-23 Estimated Actual and the 2023-24 Budget Year. This largely reflects allocations from the Westport Special Purpose Account, to Main Roads for land acquisitions.

INCOME STATEMENT ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	155,353	180,341	190,310	194,212	194,737	191,323	194,328
Grants and subsidies ^(c)	126,091	178,293	178,170	215,512	126,895	130,056	113,009
Supplies and services	102,390	194,657	161,324	199,019	175,965	190,236	107,307
Accommodation	26,202	26,681	26,725	28,196	30,726	33,580	34,010
Depreciation and amortisation	24,049	26,368	23,277	28,351	30,617	31,863	32,917
Finance and interest costs	119	118	146	197	163	120	103
Other expenses	46,094	41,255	51,446	49,532	41,878	37,546	38,710
TOTAL COST OF SERVICES	480,298	647,713	631,398	715,019	600,981	614,724	520,384
Income							
Sale of goods and services	30,761	32,385	32,385	36,163	37,346	38,532	39,761
Regulatory fees and fines	179,402	184,973	184,680	192,550	196,053	197,629	200,761
Grants and subsidies	8,977	89,144	15,951	48,138	69,664	74,225	1,258
Taxation	91,829	90,029	94,029	92,942	96,947	100,041	102,306
Other revenue	34,874	28,896	28,249	29,798	31,016	30,727	30,786
Total Income	345,843	425,427	355,294	399,591	431,026	441,154	374,872
NET COST OF SERVICES	134,455	222,286	276,104	315,428	169,955	173,570	145,512
INCOME FROM GOVERNMENT							
Service appropriations	85,453	124,792	139,438	154,141	87,462	76,691	79,838
Resources received free of charge	2,022	1,989	1,989	1,989	1,989	1,989	1,989
Special Purpose Account(s) ^(d)							
Climate Action Fund	-	1,597	-	-	-	-	-
Digital Capability Fund	-	11,836	-	-	-	-	-
Royalties for Regions Fund							
Regional Community Services Fund	31,782	37,816	52,284	60,763	43,182	43,412	30,912
Other revenues	69,845	73,897	90,198	69,130	73,911	73,364	72,623
TOTAL INCOME FROM GOVERNMENT	189,102	251,927	283,909	286,023	206,544	195,456	185,362
SURPLUS/(DEFICIENCY) FOR THE PERIOD	54,647	29,641	7,805	(29,405)	36,589	21,886	39,850

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

(b) The full-time equivalents for 2021-22 Actual, 2022-23 Estimated Actual and 2023-24 Budget Year are 1,479, 1,622 and 1,591 respectively.

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

(d) Forecast recurrent drawdowns of funding from some Treasurer's Special Purpose Accounts (TSPAs) included in the 2022-23 Budget were subsequently reclassified to capital contributions for agencies subject to the *Financial Management Act 2006* (i.e. no overall change to forecast agency cash receipts, see Statement of Cashflows). This reflects the approved purpose of the original appropriation of funding to the TSPAs was capital in nature.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Active Traffic Management.....	2,250	2,250	2,250	2,250	2,250	2,250	2,250
Aviation (Public Air Route) Subsidies	699	746	2,074	3,450	1,150	1,150	700
Bicycle Boulevards (Safe Active Streets Program)	1,313	-	2,080	-	-	-	-
Clean Energy Car Fund - Purchase Rebates...	-	7,963	4,963	14,462	15,575	-	-
Coastal Projects and Zone Management.....	3,645	3,057	6,220	3,652	4,057	2,797	1,637
Community Police	3,075	2,100	3,100	2,100	2,100	2,100	2,100
Country Age Pension Fuel Card Scheme	28,069	27,612	29,284	29,653	30,071	30,489	27,563
Driving Access and Equity.....	1,178	5,300	3,450	4,800	-	-	-
Fare Subsidies (Pensioners)	812	1,589	1,589	1,589	1,589	1,589	1,589
Fremantle Container Rail Subsidy	6,682	8,569	10,069	8,709	8,956	8,956	8,956
Inner City Projects - CBD Transport Plan	9,021	19,715	15,838	15,775	-	-	-
Inter-Regional Flight Network Expansion.....	-	1,800	1,800	900	900	450	-
Kenwick Intermodal Terminal Development.....	-	10,000	-	10,000	-	-	-
Marine Communications	703	730	730	745	670	670	670
Multi-purpose Taxi - Vehicle Modification Grant...	165	720	720	720	720	720	720
National Partnership Agreement for Recreational Fishing and Camping Facilities	-	795	795	357	-	-	-
National Transport Reforms	328	345	345	354	354	354	354
Other Grants and Subsidies	187	361	230	1,114	1,001	967	869
Port of Wyndham	659	-	-	-	-	-	-
Public Transport Authority							
CAT Bus Services.....	18,536	21,255	20,295	20,275	18,292	18,292	18,292
Electric Buses and Depot Modifications	-	-	-	22,000	-	-	-
Tunnel Monitoring System	1,561	4,320	3,440	3,349	250	200	200
Recreational Boat Facilities	3,126	1,500	1,500	1,500	2,352	1,500	1,500
Regional Airfare Zone Cap	-	6,245	17,143	22,248	-	-	-
Regional Airport Development Scheme	1,007	1,935	4,860	1,935	1,935	1,935	1,935
Student Fare Concessions	839	1,241	1,241	1,241	1,241	1,241	1,241
Taxi User Co-payment	3,576	1,959	1,959	1,959	1,959	1,959	1,959
TUSS	10,845	10,826	10,826	10,826	10,826	10,826	10,826
Western Australian Bicycle Network (including Principal Shared Path Program)	27,065	24,860	24,681	26,987	20,647	41,611	29,648
Westport							
Fremantle Port Authority - Feasibility Studies.....	-	9,000	5,500	2,000	-	-	-
Future of Fremantle	750	1,500	1,188	562	-	-	-
TOTAL	126,091	178,293	178,170	215,512	126,895	130,056	113,009

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets	120,214	79,259	97,667	97,157	90,961	72,352	71,114
Restricted cash	594,495	505,498	519,611	377,733	267,585	257,176	300,626
Holding Account receivables	-	-	1,300	2,600	3,900	5,200	5,200
Receivables	27,673	10,759	27,673	27,673	27,673	27,673	27,673
Other.....	4,958	6,707	4,958	4,958	4,958	4,958	4,958
Assets held for sale ^(b)	-	21,180	-	-	-	-	-
Total current assets	747,340	623,403	651,209	510,121	395,077	367,359	409,571
NON-CURRENT ASSETS							
Holding Account receivables	321,577	342,678	339,451	362,550	388,970	416,624	445,313
Property, plant and equipment.....	447,818	467,679	481,728	520,002	573,543	609,050	600,362
Intangibles	47,559	45,305	46,646	45,733	44,820	43,907	42,994
Restricted cash	3,596	3,991	4,106	4,586	5,064	5,629	6,228
Total non-current assets	820,550	859,653	871,931	932,871	1,012,397	1,075,210	1,094,897
TOTAL ASSETS	1,567,890	1,483,056	1,523,140	1,442,992	1,407,474	1,442,569	1,504,468
CURRENT LIABILITIES							
Employee provisions	27,460	28,206	29,116	30,772	32,428	34,084	34,440
Payables	13,901	14,257	13,901	13,901	13,901	13,901	13,901
Borrowings and leases	12,014	2,130	2,176	2,169	2,199	2,154	2,179
Other.....	5,072	750	2,072	2,072	2,072	2,072	2,072
Total current liabilities	58,447	45,343	47,265	48,914	50,600	52,211	52,592
NON-CURRENT LIABILITIES							
Employee provisions	6,317	6,885	6,317	6,317	6,317	6,317	6,317
Borrowings and leases	3,089	4,252	4,259	4,412	3,442	2,718	2,525
Total non-current liabilities	9,406	11,137	10,576	10,729	9,759	9,035	8,842
TOTAL LIABILITIES.....	67,853	56,480	57,841	59,643	60,359	61,246	61,434
EQUITY							
Contributed equity	973,689	907,161	931,146	878,602	805,778	818,101	839,961
Accumulated surplus/(deficit).....	519,887	514,361	527,692	498,287	534,876	556,762	596,612
Reserves.....	6,461	5,054	6,461	6,460	6,461	6,460	6,461
Total equity	1,500,037	1,426,576	1,465,299	1,383,349	1,347,115	1,381,323	1,443,034
TOTAL LIABILITIES AND EQUITY	1,567,890	1,483,056	1,523,140	1,442,992	1,407,474	1,442,569	1,504,468

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

(b) The decrease of \$21.2 million in the 2022-23 Estimated Actual for assets held for sale is due to the sale of Welshpool Vehicle Examination Centre (\$7.7 million) and transfer of assets for the Wyndham Port (\$13.5 million). This transfer of assets was part of the second phase of the Ports Governance Review enabled by the *Ports Legislation Amendment Act 2019*.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM GOVERNMENT							
Service appropriations.....	64,933	103,691	120,264	129,742	59,742	47,737	51,149
Capital appropriation	425,904	39,818	29,857	35,920	41,176	47,154	21,860
Special Purpose Account(s)							
Climate Action Fund	-	1,597	1,906	1,608	407	-	-
Digital Capability Fund	-	17,935	16,521	17,271	5,357	1,079	-
Royalties for Regions Fund							
Regional Community Services Fund.....	35,276	37,816	52,284	60,763	43,182	43,412	30,912
Regional Infrastructure and Headworks							
Fund.....	1,335	4,858	1,704	18,993	40,516	16,590	-
Receipts paid into Consolidated Account.....	-	(60)	(60)	(307)	(280)	-	-
Other.....	52,842	73,897	90,146	69,972	74,575	73,364	72,623
Net cash provided by Government	580,290	279,552	312,622	333,962	264,675	229,336	176,544
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(155,117)	(179,985)	(188,654)	(192,556)	(193,081)	(189,667)	(193,972)
Grants and subsidies.....	(124,948)	(178,293)	(178,170)	(215,512)	(126,895)	(130,056)	(113,009)
Supplies and services	(98,361)	(190,956)	(157,753)	(195,350)	(172,295)	(186,601)	(103,671)
Accommodation	(25,723)	(26,681)	(26,725)	(28,196)	(30,726)	(33,580)	(34,010)
GST payments	(31,415)	(26,706)	(26,706)	(26,706)	(26,706)	(26,706)	(26,706)
Finance and interest costs.....	-	(118)	(146)	(197)	(163)	(120)	(103)
Other payments.....	(45,041)	(42,967)	(53,028)	(51,212)	(43,558)	(39,192)	(40,358)
Receipts ^(b)							
Regulatory fees and fines.....	180,725	183,273	186,980	192,550	196,053	197,629	200,761
Grants and subsidies.....	8,977	89,144	15,951	48,138	69,664	74,225	1,258
Sale of goods and services.....	30,256	32,385	32,437	35,321	36,681	38,532	39,761
Taxation.....	91,772	90,029	90,029	92,942	96,947	100,041	102,306
GST receipts	29,111	26,706	26,706	26,706	26,706	26,706	26,706
Other receipts	31,351	27,575	26,928	29,731	30,889	30,727	30,787
Net cash from operating activities	(108,413)	(196,594)	(252,151)	(284,341)	(136,484)	(138,062)	(110,250)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(29,965)	(53,691)	(52,573)	(63,010)	(82,656)	(65,584)	(21,823)
Proceeds from sale of non-current assets.....	37	60	60	307	280	-	-
Net cash from investing activities.....	(29,928)	(53,631)	(52,513)	(62,703)	(82,376)	(65,584)	(21,823)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases.....	(3,010)	(12,233)	(12,408)	(2,797)	(1,681)	(1,643)	(1,660)
Other payments.....	-	(55,800)	(70,000)	(108,500)	(150,000)	(52,500)	-
Proceeds from borrowings.....	9,460	-	-	-	-	-	-
Net cash from financing activities.....	6,450	(68,033)	(82,408)	(111,297)	(151,681)	(54,143)	(1,660)
NET INCREASE/(DECREASE) IN CASH HELD	448,399	(38,706)	(74,450)	(124,379)	(105,866)	(28,453)	42,811
Cash assets at the beginning of the reporting period	273,400	659,025	718,305	621,384	479,476	363,610	335,157
Net cash transferred to/from other agencies	(3,494)	(31,571)	(22,471)	(17,529)	(10,000)	-	-
Cash assets at the end of the reporting period	718,305	588,748	621,384	479,476	363,610	335,157	377,968

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

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

NET APPROPRIATION DETERMINATION (a)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
Regulatory Fees and Fines							
Boat Registration Fees	22,292	23,495	23,471	25,321	26,832	28,291	29,284
Jetty Licences and Coastal Facility Fees	12,407	12,007	13,748	13,129	14,128	14,736	15,295
Motor Drivers Licence Fees	76,533	78,318	78,318	82,481	88,344	85,451	84,521
Motor Vehicle Recording Fee	56,156	57,370	57,077	58,495	52,634	54,168	55,719
On-Demand Transport Fees	6,089	6,383	6,383	7,115	7,707	8,369	9,102
Other Driver and Vehicle Services Fees	4,200	4,189	4,189	4,626	4,987	5,163	5,343
Other Marine Safety Fees	3,048	1,511	3,794	1,383	1,421	1,451	1,497
Grants and Subsidies							
Grants and Contributions Received	20,969	124,698	64,785	80,897	105,340	107,789	32,477
Sale of Goods and Services							
Commissions	28,199	29,265	29,213	31,800	33,453	34,326	35,930
Motor Vehicle Inspection Fees	30,256	32,385	32,437	35,321	36,681	38,532	39,761
Sale of Goods and Services	498	630	630	655	680	706	706
Taxation							
Motor Vehicle Plate Fees	25,841	19,793	19,793	21,222	21,794	22,403	23,021
Motor Vehicle Transfer Fees	11,394	11,768	11,768	11,801	12,094	12,383	12,670
Perth Parking Levy	54,537	58,468	58,468	59,919	63,059	65,255	66,615
GST Receipts							
GST Input Credits	19,634	18,825	18,825	18,825	18,825	18,825	18,825
GST Receipts on Sales	9,477	7,881	7,881	7,881	7,881	7,881	7,881
Other Receipts							
Interest Revenue	110	296	296	296	296	296	296
Other Revenue	15,173	11,079	13,453	11,241	11,929	11,277	10,834
Rents and Leases	17,411	17,137	17,137	19,159	19,637	20,129	20,632
Service Delivery Agreement	10,810	7,511	7,511	3,793	3,793	3,793	3,793
Special Purpose Account	-	19,532	18,427	18,879	5,764	1,079	-
TOTAL	425,034	542,541	487,604	514,239	537,279	542,303	474,202

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

DETAILS OF ADMINISTERED TRANSACTIONS

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
INCOME							
Taxation							
Motor Vehicle Licence Fees	1,120,357	1,169,227	1,196,696	1,262,971	1,318,644	1,377,211	1,438,379
On-demand Transport Levy	37,867	-	-	-	-	-	-
Fines							
Final Demand Fees	2,738	2,757	2,757	2,757	2,757	2,757	2,757
Other Fines	20,363	23,028	23,028	23,028	23,028	23,028	23,028
Plate and Transfer Infringements	8,461	8,303	8,303	8,688	8,878	9,073	9,274
Speed and Red Light Fines	95,675	79,605	94,605	80,607	83,677	83,742	83,807
Other							
Appropriation	100	100	100	100	100	100	100
Off-road Vehicle Fees	120	138	137	183	274	274	274
TOTAL ADMINISTERED INCOME	1,285,681	1,283,158	1,325,626	1,378,334	1,437,358	1,496,185	1,557,619
EXPENSES							
Statutory Authorities							
Western Australian Coastal Shipping							
Commission	100	100	100	100	100	100	100
Other							
All Other Expenses	5,263	-	-	-	-	-	-
Payments to Consolidated Account	1,770,033	1,203,315	1,230,784	1,297,444	1,353,307	1,412,069	1,473,438
Payments to Off-road Vehicle Trust Account	120	138	137	183	274	274	274
Payments to Road Trauma Trust Account	95,675	79,605	94,605	80,607	83,677	83,742	83,807
TOTAL ADMINISTERED EXPENSES	1,871,191	1,283,158	1,325,626	1,378,334	1,437,358	1,496,185	1,557,619

Division 39 Commissioner of Main Roads

Part 9 Transport

Appropriations, Expenses and Cash Assets

	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
DELIVERY OF SERVICES							
Item 83 Net amount appropriated to deliver services	404,042	444,704	460,970	582,788	548,168	533,958	556,758
Amount Authorised by Other Statutes							
- Road Traffic (Administration) Act 2008.....	839,779	771,717	883,109	832,534	922,235	1,068,621	1,186,714
- Salaries and Allowances Act 1975.....	426	427	427	428	439	450	461
Total appropriations provided to deliver services.....	1,244,247	1,216,848	1,344,506	1,415,750	1,470,842	1,603,029	1,743,933
CAPITAL							
Item 147 Capital Appropriation.....	138,587	78,053	280,351	238,950	120,186	118,501	122,662
Road Traffic (Administration) Act 2008.....	291,028	405,010	321,086	437,938	403,909	316,090	259,165
TOTAL APPROPRIATIONS	1,673,862	1,699,911	1,945,943	2,092,638	1,994,937	2,037,620	2,125,760
EXPENSES							
Total Cost of Services	1,565,499	1,713,561	2,004,239	2,149,159	1,811,215	1,664,745	1,582,353
Net Cost of Services ^{(a)(b)}	475,955	268,967	560,771	127,022	377,229	714,380	1,174,061
CASH ASSETS ^(c)	276,319	334,846	152,994	182,374	78,079	297,498	525,826

- (a) Represents Total Cost of Services (expenses) less retained revenues applied to Main Roads' services. Reconciliation to the total appropriations provided to deliver services includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (b) As the Net Cost of Services includes all sources of non-government receipts, the value of both road assets transferred in and Commonwealth funding is included as an offset to the Total Cost of Services. This can result in a negative Net Cost of Services in some years.
- (c) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on Main Roads' Income Statement since presentation of the 2022-23 Budget to Parliament on 12 May 2022, are outlined below:

	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
New Initiatives					
Election Commitments					
Brookton Highway/Hill Street	-	120	-	-	-
Constance Street and Morley Drive, Yokine.....	-	250	-	-	-
Scarborough Beach Road/Main Street/Brady Street/Green Street Upgrade ..	-	12,500	-	-	-
Ex-Tropical Cyclone Ellie - Roads Recovery.....	80,000	-	-	-	-
High Voltage Event - Traffic Management	-	1,000	-	-	-
Metropolitan Intersections Low Cost Treatment Program.....	(1,800)	-	-	-	-
Munjina Road Over Rail Bridge.....	13,000	-	-	-	-
Oakajee Strategic Industrial Area Access Road.....	250	-	-	-	-
Queen Elizabeth II Medical Centre Access and Mobility Initiatives	50	350	-	-	-
Shepperton Road Bus Lane Improvements	-	2,000	-	-	-
Wanneroo Raceway - Bus Facilities	1,500	4,000	-	-	-
Warmun Airstrip Upgrade.....	-	2,300	-	-	-
Ongoing Initiatives					
Bridges Renewal Program	4,056	6,143	4,414	2,529	-
Disaster Recovery Funding Arrangements Western Australia Update.....	52,926	5,430	-	-	-
Heavy Vehicle Safety and Productivity Program.....	3,012	6,428	4,666	-	-
Motor Vehicle Licence Fee Revenue Update.....	-	6,756	5,625	4,461	3,507
National Land Transport Network Maintenance Update	2,677	2,677	2,677	2,677	2,677
Royalties for Regions - District Allowance Update	66	66	66	66	66
Other					
Depreciation Update	-	123,266	78,284	75,051	75,586
Public Sector Wages Policy	9,271	9,093	13,127	18,536	18,536
Salaries and Allowances Tribunal.....	-	-	10	21	32

Significant Issues Impacting the Agency

1. Continuing the trend from previous years, supply constraints have continued to impact Main Roads' construction and maintenance costs and its ability to deliver projects in the current market. In particular, difficulties accessing skilled labour, combined with the price and availability of materials (e.g. steel, concrete, asphalt and fuel), has been challenging. Main Roads is continuing its sustainable pipeline of infrastructure investments using a very strong consultative framework with the civil construction industry to assist in managing these supply and cost pressures. Main Roads' collaborative approach with industry and training partners continues to develop employment, training and new capabilities to build confidence within the construction sector, encourage its growth, and create permanent jobs.
2. Main Roads is at the forefront of implementing the Government's Aboriginal Empowerment Strategy 2021-2029 and commitments under the National Agreement on Closing the Gap. There are tangible increases in the number of Aboriginal employment and business opportunities across the civil construction industry. In 2021-22, Main Roads spent \$107 million with Aboriginal businesses, and over 600,000 hours were worked by Aboriginal people. Over the next five years, and aligned to the Government's Aboriginal Procurement Policy, targets have been set by Government to award \$700 million of contracts to Aboriginal businesses, as well as having 3.5 million work hours completed by Aboriginal workers on State transport infrastructure programs which includes Main Roads' projects. Main Roads is focusing on sustainable and long-term opportunities for the civil construction industry to ensure Aboriginal businesses can support an ongoing program of works for skilled Aboriginal workers.
3. While it is understood that vehicle automation has the potential to significantly reduce the level of road trauma in the long-term, the benefits will not be seen until there is a significant take up of the technology in the vehicle fleet. Therefore, the most significant improvements to road safety over the next seven years will come from infrastructure investment and behaviour management. Road-related deaths and serious injuries need to be reduced by 50% to achieve the 2030 targets set by national and State strategies.

4. Main Roads' accelerated delivery of the Regional Road Safety Program will significantly contribute to a reduction in the number of people killed and seriously injured on regional highways and roads due to single vehicle 'run off road' and 'head-on' type crashes. This program commenced in 2020-21 and has greatly contributed to the current downward trend in killed or serious injury (KSI) crashes of around 25% between 2021 and 2022. A further \$175 million has been allocated in 2024-25, allowing the program to continue rolling out the sealing of shoulders and installation of audible warning lines, which are proven treatments to reduce single vehicle run off road crashes.
5. Perth is a vibrant city, with a growing population and many new infrastructure projects underway. People are travelling further, meaning more vehicles on the road network at peak times. Like all prosperous cities, it faces challenges that come with growth. Congestion has a significant impact on the State's productivity, safety, health, and environment and affects all road users, including private vehicles, buses, pedestrians, cyclists, and the movement of freight. Main Roads' Road Network Operations Centre collects performance data to improve planning and real time operations, supporting informed decision-making. Through initiatives such as Smart Freeways, deployment of new technology, smarter operations and targeted works, the focus remains on reducing the impact of congestion by optimising the use of road corridors, revisiting asset designs and improving the use of the transport network.
6. Main Roads has commenced bringing road maintenance delivery, some minor capital works, and incident response services in-house as current contracts conclude. This transition, to be completed by January 2026, will see up to 660 permanent jobs created within Main Roads, with some 490 of these positions to be located across regional Western Australia. The change will enable Main Roads to offer more regional training and employment opportunities whilst boosting regional economic growth.
7. The Government has committed to reduce greenhouse gas emissions by State agencies by 80% on 2020 levels by 2030 to achieve an aspirational target of net zero by 2050. A plan is being developed by Main Roads, in conjunction with its Transport portfolio partners, to develop a reduction pathway focusing on operations and infrastructure investments and to consider impacts from the use of the road network.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

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

Total Cost of Services - Reconciliation to Service Summary Table

Expense	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
Total Cost of Services	1,565,499	1,713,561	2,004,239	2,149,159	1,811,215	1,664,745	1,582,353
<i>Add:</i>							
Road Infrastructure Capital Works ^(a)	1,765,454	2,021,148	2,164,342	2,286,205	1,857,968	1,418,575	922,715
<i>Less:</i>							
Local Government Network Expenditure							
State Road Funds to Local Government Agreement	(224,071)	(233,845)	(239,339)	(252,594)	(263,729)	(275,442)	(287,676)
Non-cash Expenditure							
Road Infrastructure Depreciation ^(b)	(450,214)	(487,193)	(487,330)	(632,897)	(607,492)	(610,844)	(611,387)
Road Transfers and Retirements ^(c)	(66,185)	(111,047)	(111,047)	(172,974)	(60,684)	(91,844)	(24,913)
Adjusted Total Cost of Services	2,590,483	2,902,624	3,330,865	3,376,899	2,737,278	2,105,190	1,581,092

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

(b) Road Infrastructure Depreciation includes amortisation of intangibles.

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

Service Summary

Expense	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
1. Infrastructure for State Development ^(a)	524,262	523,127	497,335	578,202	778,337	574,791	321,248
2. Road Network Maintenance ^(b)	467,680	453,704	562,625	421,266	385,167	351,493	337,237
3. Road Safety ^(c)	333,814	368,828	412,880	343,711	349,988	156,230	142,353
4. Infrastructure for Community Access	143,984	218,518	234,260	192,745	143,448	94,029	166,919
5. Road System Management	164,498	172,161	196,663	233,063	180,187	201,997	167,523
6. Road Efficiency Improvements ^(d)	956,245	1,166,286	1,427,102	1,607,912	900,151	726,650	445,812
Total Cost of Services	2,590,483	2,902,624	3,330,865	3,376,899	2,737,278	2,105,190	1,581,092

(a) The reduction in Infrastructure for State Development between the 2025-26 and 2026-27 Outyears is mainly due to the forecast completion of a number of major projects including the Manuwarra Red Dog Highway, and Reid Highway - Altone Road and Daviot Road/Drumpellier Drive grade separations projects in 2026.

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

(c) Road Safety expenditure over 2021-22 to 2024-25 includes the Commonwealth and State-funded Regional Road Safety Program, including assumed funding for the program's continuation in 2024-25.

(d) The increase in Road Efficiency Improvements in the 2023-24 Budget Year is mainly due to the construction of the Bunbury Outer Ring Road, which is scheduled for completion in late 2024.

Outcomes and Key Effectiveness Indicators ^(a)

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
Outcome: Facilitate economic and regional development:					
Return on construction expenditure.....	2.91	2.6	2.8	1.6	1
Outcome: A well-maintained road network:					
Smooth travel exposure	n.a.	97%	97%	n.a.	2
Community satisfaction with road maintenance	85%	90%	90%	90%	
Preventative maintenance indicator.....	86%	85%	86%	85%	
Outcome: A safe road environment:					
Community satisfaction with road safety.....	91%	90%	90%	90%	
Black spot location indicator.....	7.28	7.03	7.24	7.2	
Outcome: Improved community access and roadside amenity:					
Percentage of the year that 100% of Main Roads' State road network is available.....	87%	95%	80%	95%	3
Community satisfaction with cycleways and pedestrian facilities.....	88%	90%	90%	90%	
Outcome: Reliable and efficient movement of people and goods:					
Community satisfaction	89%	90%	90%	90%	
Road network permitted for use by heavy freight vehicles:					
B-Doubles 27.5 m.....	98%	97%	98%	97%	
Double road trains 27.5 m	98%	97%	97%	97%	
Double road trains 36.5 m	82%	80%	81%	80%	
Triple road trains 53.5 m.....	44%	45%	44%	45%	
Network configuration					
Roads	94%	93%	94%	94%	
Bridges					
Strength.....	94%	94%	94%	94%	
Width.....	96%	96%	96%	96%	

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

Explanation of Significant Movements

(Notes)

1. The lower 2023-24 Budget Target of 1.6 for return on construction expenditure reflects the costs of completing a number of significant projects, including Tonkin Gap, and Mitchell Freeway-Hodges Drive to Hepburn Avenue Widening Southbound. Returns on newly developed projects are being impacted by significant escalation in materials and construction prices.
2. This indicator is based on the percentage of travel undertaken on the State road network meeting specific roughness criteria. In 2011, it was agreed to only capture data used for this reporting on a biennial basis.
3. The 2022-23 Estimated Actual is lower than the 2022-23 Budget primarily due to the impact of ex-Tropical Cyclone Ellie and other natural disasters and bushfires that have occurred during 2022-23.

Services and Key Efficiency Indicators

1. Infrastructure for State Development

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

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	524,262	523,127	497,335	578,202	1
Less Income	332,257	271,722	214,068	198,035	
Net Cost of Service	192,005	251,405	283,267	380,167	
Employees (Full-Time Equivalents)	136	138	141	146	
Efficiency Indicators					
Percentage of projects completed on time	100%	90%	90%	90%	
Percentage of projects completed on budget	100%	90%	90%	90%	

Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Services between the 2022-23 Estimated Actual and 2023-24 Budget Target is mainly due to METRONET road-related works.

2. Road Network Maintenance

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

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	467,680	453,704	562,625	421,266	1
Less Income	120,196	118,127	145,864	115,523	
Net Cost of Service	347,484	335,577	416,761	305,743	
Employees (Full-Time Equivalents)	169	307	312	732	2
Efficiency Indicators					
Average cost of road network maintenance per lane kilometre of network	\$8,373	\$8,600	\$10,400	\$8,400	1

Explanation of Significant Movements

(Notes)

1. The increases in Total Cost of Services and average cost of road network maintenance per lane kilometre of network between the 2022-23 Budget and the 2022-23 Estimated Actual is primarily due to ex-Tropical Cyclone Ellie, third party funded works, and bridge works.
2. The increase in full-time equivalents is due to returning road maintenance staff in-house to Main Roads.

3. Road Safety

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

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	333,814	368,828	412,880	343,711	1
Less Income	216,377	232,348	312,142	234,858	1
Net Cost of Service	117,437	136,480	100,738	108,853	
Employees (Full-Time Equivalents)	60	61	62	65	
Efficiency Indicators					
Percentage of projects completed on budget.....	97%	90%	95%	90%	2
Percentage of projects completed on time	72%	90%	85%	90%	

Explanation of Significant Movements

(Notes)

1. The increase in both Total Cost of Service and income between the 2022-23 Budget and 2022-23 Estimated Actual is mainly due to a carryover of works from 2021-22, which also explains the reduction in the 2023-24 Budget Target.
2. The reduction in percentage of projects completed on time between the 2022-23 Budget and the 2022-23 Estimated Actual is mainly due to inclement weather conditions.

4. Infrastructure for Community Access

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

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	143,984	218,518	234,260	192,745	1
Less Income	111,384	138,313	194,853	155,540	1
Net Cost of Service	32,600	80,205	39,407	37,205	
Employees (Full-Time Equivalents)	33	34	34	36	
Efficiency Indicators					
Percentage of projects completed on time.....	46%	90%	85%	90%	2
Percentage of projects completed on budget.....	85%	90%	90%	90%	

Explanation of Significant Movements

(Notes)

1. The reduction in both Total Cost of Services and income between the 2022-23 Estimated Actual and the 2023-24 Budget is mainly due to METRONET road-related works.
2. The lower result for the 2021-22 Actual is mainly due to a small number of contracts requiring additional time due to scope adjustments.

5. Road System Management

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

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	164,498	172,161	196,663	233,063	1
Less Income	2,408	2,250	12,898	48,864	1
Net Cost of Service	162,090	169,911	183,765	184,199	
Employees (Full-Time Equivalents)	662	674	687	713	
Efficiency Indicators					
Average cost of network management per million vehicle kilometres travelled	\$6,701	\$6,800	\$6,300	\$6,700	

Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service and income between the 2022-23 Estimated Actual and the 2023-24 Budget is mainly due to Great Eastern Highway - Covalent Lithium Mine Access Road Construct, Seal and Widening to Moorine Rocks.

6. Road Efficiency Improvements

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

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	956,245	1,166,286	1,427,102	1,607,912	1,2
Less Income	556,392	830,762	787,360	807,391	
Net Cost of Service	399,853	335,524	639,742	800,521	
Employees (Full-Time Equivalents)	110	112	114	118	
Efficiency Indicators					
Percentage of projects completed on time.....	68%	90%	70%	90%	3,4
Percentage of projects completed on budget.....	91%	90%	95%	90%	

Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service between the 2022-23 Budget and 2022-23 Estimated Actual is mainly due to construction of Great Northern Highway Bindoon and Bunbury Outer Ring Road.
2. The increase in Total Cost of Service between the 2022-23 Estimated Actual and 2023-24 Budget Target is mainly due to construction of Bunbury Outer Ring Road and the Mandurah Estuary Bridge Duplication.
3. The lower result for the 2021-22 Actual is mainly a result of delays in the finalisation of a number of projects due to inclement weather or to align projects with other works.
4. The lower result for the 2022-23 Estimated Actual is largely the result of a number of projects experiencing delays due to supply chain and resourcing issues, and inclement weather.

Asset Investment Program

1. Investment to ensure the strategic preservation and expansion of the State's largest asset, the road network, is crucial to meet the needs of the community, industry, and stakeholders. Main Roads continues to collaborate with its Transport portfolio partners to deliver multi-modal transport solutions that improve safety and efficiency, create new jobs, and support the growth of the Western Australian economy.
2. Main Roads is forecast to spend \$2.3 billion in 2023-24. Significant road infrastructure works are detailed below.

Bunbury Outer Ring Road

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

Regional Road Safety Program

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

Mandurah Estuary Bridge Duplication

6. The Mandurah Estuary Bridge Duplication project will provide two lanes for traffic, with the capacity to increase to three lanes in the future, and will connect cyclists and pedestrians to the southern area of Mandurah. The existing three-lane bridge is 12.74 metres wide and 383 metres long. The additional bridge is proposed to have similar overall dimensions.
7. The project will provide a new bridge that will complement the current two-lane dual carriageway road configuration on either side of the Mandurah Estuary and will help to reduce crashes associated with merging/diverging and congestion.

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

8. The Tonkin Highway Gap project addresses a bottleneck where Tonkin Highway currently reduces from three lanes to two lanes in Bayswater and Redcliffe, significantly impacting travel times and safety. The project includes the construction of new bridges over the Swan River, Dunstone Road, Guildford Road, and Railway Parade. Improvements will also be made to access and connectivity for road users, pedestrians, and cyclists within the area.

9. The Tonkin Highway Gap project will widen Tonkin Highway to provide new lanes in each direction from Dunreath Drive to Collier Road, as well as new roads linking Guildford Road and Great Eastern Highway. The project will also include rail-enabling works, such as the protection of existing piers within the Tonkin Highway median and creating new underpasses and dive structures for trains to enter and exit the Tonkin Highway median at Bayswater and Malaga.
10. The Tonkin Highway Corridor Upgrade includes the grade separation of the intersections at Hale Road, Welshpool Road, and Kelvin Road, and widening this section of highway from four to six lanes. This will improve safety and reduce delays along this section of the corridor, which currently experiences significant congestion. Addressing this will support industrial development in the Maddington-Kenwick area.
11. Tonkin Highway Extension Stage Three will see the highway extended from Thomas Road to South Western Highway near Mundijong. Connections will also be provided at Orton Road, Bishop Road and Mundijong Road. The completion of the Tonkin Highway Corridor will support long-term transport and infrastructure planning, facilitating development along Perth's eastern road corridor.

Stephenson Avenue

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

Albany Highway - Albany Ring Road

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

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-23 \$'000	2022-23 Estimated Expenditure \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
WORKS IN PROGRESS							
Election Commitments							
Albany Highway - Albany Ring Road.....	215,000	155,000	34,997	60,000	-	-	-
Bunbury Outer Ring Road.....	1,352,000	659,000	330,138	453,000	226,000	14,000	-
Karratha to Tom Price - Manuwarra Red Dog Highway.....	380,000	152,300	44,064	13,800	109,840	104,060	-
Leach Highway - Fifth Avenue Rossmoyne.....	5,000	1,000	912	4,000	-	-	-
Morley Drive and Bath Road Intersection Upgrade.....	6,000	3,550	3,550	2,450	-	-	-
Old Coast Road - Mandurah Estuary Bridge Duplication.....	110,000	9,400	7,491	88,600	12,000	-	-
Regional Road Safety Program - Regional Black Spot Program.....	23,099	12,166	9,862	10,933	-	-	-
COVID-19 Response							
Albany Highway - Olga Road - Albany Highway and Kelvin Road Intersection Upgrade.....	6,000	600	227	-	-	5,400	-
Department of Transport - Principal Shared Path Causeway Cyclist and Pedestrian Bridge.....	100,000	30,442	24,759	49,558	20,000	-	-
Great Eastern Highway - Great Eastern Highway - Eastlink - Planning.....	20,000	15,000	3,235	5,000	-	-	-
Intersection Upgrades - Intersection Upgrades - Main and Royal Streets.....	3,000	300	127	2,700	-	-	-
Metropolitan Amenity Walls.....	3,000	2,750	634	250	-	-	-
Stock Road - Stock Road Bridge Replacement.....	7,000	1,000	788	100	100	5,800	-
Other Works in Progress							
Albany Highway - Kelmscott to Williams Pavement Rehabilitation and Hotham River Bridge Replacement.....	31,000	25,000	6,642	6,000	-	-	-
Armadale Rail Line.....	10,304	3,304	3,304	7,000	-	-	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-23 \$'000	2022-23 Estimated Expenditure \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
Bridges Renewal Program - Bridges Renewal Program....	13,623	10,812	4,432	2,811	-	-	-
Broome Cape-Leveque and Community Access Roads Upgrades	25,938	22,938	7,951	3,000	-	-	-
Burrup Road - Perdamam Project	25,000	10,000	7,978	15,000	-	-	-
Bussell Highway - Bussell Highway Duplication Stage One and Stage Two	115,000	76,346	30,889	35,654	3,000	-	-
Chidlow-York Road and Forrest Street Intersection Upgrade	10,000	800	800	2,400	6,800	-	-
Department of Transport - Principal Shared Path Program	161,736	86,786	28,262	2,860	16,100	34,000	21,990
East Perth Power Station Footbridge	38,980	965	965	18,015	20,000	-	-
Forrest Highway - Forrest Highway - Vittoria Road - New Intersection and Road Connection	20,000	700	700	4,300	15,000	-	-
Freight Vehicle Productivity Improvements Program	50,000	21,000	14,608	10,000	10,000	9,000	-
Gibb River Road - Derby - Gibb River - Wyndham Improve Formation and Gravel	141,923	103,727	3,567	10,049	10,049	9,049	9,049
Goldfields Highway - Wiluna to Meekatharra Construct and Seal Priority Sections	20,000	10,095	8,881	5,000	4,905	-	-
Graham Farmer Freeway - Orrong Road Expressway - Graham Farmer Freeway to Leach Highway Planning ...	20,000	3,100	1,868	5,800	5,800	5,300	-
Great Eastern Highway Coates Gully Bridges Walgoolan to Southern Cross	40,500	34,080	22,691	6,420	-	-	-
Coates Gully, Walgoolan to Southern Cross and Ghooli to Benari	250,000	30,700	27,617	36,000	42,000	60,000	41,300
Great Northern Highway Bindoon Bypass - Construct New Alignment	275,000	80,200	19,671	36,100	50,000	87,500	21,200
Marble Bar Road Upgrade	120,000	3,000	1,671	60,000	52,000	5,000	-
Nellie Springs to Sally Downs Well and Arthur Creek	60,000	5,000	4,771	5,000	10,000	15,000	15,000
Newman to Katherine Corridor - Broome to Kununurra Upgrade Stage One	35,800	20,800	7,744	13,000	2,000	-	-
Newman to Port Hedland Overtaking Lanes	50,000	7,000	6,660	12,500	12,500	12,500	5,500
Port Hedland Airport Deviation	76,000	48,421	43,927	27,579	-	-	-
Heavy Vehicle Safety and Productivity Program - Commonwealth	21,494	15,893	12,026	3,439	2,162	-	-
Indian Ocean Drive - Indian Ocean Drive - Jurien Bay to Brand Highway	55,000	7,500	6,644	33,500	14,000	-	-
Leach Highway Leach Highway and Welshpool Road Grade Separated Interchange	152,000	143,314	42,524	8,686	-	-	-
Stock Road Grade Separation - Planning and Project Development	10,000	700	700	5,000	4,300	-	-
METRONET - Caledonian Avenue Level Crossing Closure	15,000	4,840	3,687	5,660	4,500	-	-
Mitchell Freeway Hester Avenue to Romeo Road - Extension	232,000	227,300	92,965	4,000	700	-	-
Stephenson Avenue	155,267	66,094	49,096	69,120	20,053	-	-
Nicholson Road and Garden Street Grade Separation Planning and Construction	80,000	1,360	1,360	1,640	35,500	40,000	1,500
Northern Australia Roads and Beef Roads Programs - Great Northern Highway - Ord River	113,140	69,046	5,201	26,494	17,600	-	-
Perth Airport Precinct - Northern Access	28,460	3,000	752	8,000	10,000	1,000	6,460
Pinjarra Heavy Haulage Deviation - Pinjarra Heavy Haulage Deviation - Stage One and Stage Two	250,000	3,400	2,089	2,000	10,000	10,000	100,000
Queen Victoria Street - Swan River Crossings (Fremantle Road and Rail Bridge) - Construct New Bridge	280,000	57,000	26,115	50,000	88,000	68,000	17,000
Rail Crossing Program - Rail Crossing Program	35,000	15,000	5,000	5,000	5,000	5,000	5,000
Regional Road Safety Program - Road Safety Program ...	882,500	532,500	182,536	175,000	175,000	-	-
Reid Highway Altone Road and Daviot Road/Drumpellier Drive Grade Separations	225,000	6,000	4,032	15,000	90,000	90,000	24,000
Erindale Road - Project Development for Grade Separation ...	2,500	1,760	891	740	-	-	-
West Swan and Reid Highway Interchange	175,000	2,174	1,000	1,000	726	2,100	18,000
Reseal Program - Capitalisation of Reseal Program	928,235	629,371	75,626	74,716	74,716	74,716	74,716
Road Safety Commission LED School Zone Lights	73,929	56,929	3,383	5,000	4,000	4,000	4,000
Metropolitan Intersections Crash Program	111,396	69,096	9,341	12,300	10,000	10,000	10,000
Regional Road Safety Improvements	229,259	189,259	-	-	-	20,000	20,000
Roe Highway - Great Eastern Highway Bypass Including Abermethyl Road	205,950	114,008	47,893	40,000	38,500	13,442	-
Safer Roads and Bridges Program - Safer Roads and Bridges Program	554,797	392,469	37,172	40,582	40,582	30,582	50,582
Smart Freeways Hodges Drive to Hepburn Avenue Widening Southbound	141,300	103,300	56,901	38,000	-	-	-
Transforming Freeways - Mitchell Freeway Corridor	140,000	86,000	68,623	54,000	-	-	-
Thomas and Anketell Roads Freight Upgrade - Stages One and Two Planning	105,000	73,214	71,160	31,000	786	-	-
Thomas Road Kwinana Freeway to Nicholson Road Upgrade	43,000	33,000	20,673	10,000	-	-	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-23 \$'000	2022-23 Estimated Expenditure \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
METRONET - Byford Rail Extension - Thomas Road							
Bridge.....	69,000	60,000	18,722	9,000	-	-	-
Nicholson Road Oakford - Intersection Upgrade	31,000	18,000	8,422	13,000	-	-	-
Southwestern Highway to Tonkin Highway Dual Carriageway	290,000	1,500	1,344	5,500	50,000	100,000	80,000
Tonkin Highway Corridor Upgrades							
North Ellenbrook Interchange	100,000	1,000	1,000	1,000	1,000	11,000	86,000
Tonkin Highway Gap - Grade Separations at Hale, Welshpool and Kelvin Roads, and Stage Three Extension.....	1,882,368	659,047	280,940	303,421	343,900	414,000	162,000
Toodyay Road Upgrade - Dryandra to Toodyay.....	80,000	12,780	12,042	25,000	20,500	19,720	2,000
Wanneroo Road - Wanneroo Road Duplication - Dunstan Road to Romeo Road.....	35,200	2,300	1,025	16,300	16,600	-	-
Wheatbelt Timber Bridge Replacement	14,000	7,000	4,976	6,000	1,000	-	-
COMPLETED WORKS							
Election Commitments							
Armada Road - Armada Road and North Lake Road Flyover Bridge	259,000	259,000	4,722	-	-	-	-
Bob Hawke Pedestrian Crossing	600	600	520	-	-	-	-
Coolgardie - Esperance Highway - Coolgardie-Esperance Highway Widening, Overlay and Reconstruction (Emu Rocks).....	52,000	52,000	7,966	-	-	-	-
Leach Highway - Carrington Street to Stirling Highway	76,000	76,000	3,997	-	-	-	-
Reid Highway - Altone Road to West Swan Road - Construction of Dual Carriageway	70,000	70,000	4,285	-	-	-	-
Roe Highway - Roe Highway and Kalamunda Road - Grade Separated Interchange	86,000	86,000	16,594	-	-	-	-
Wanneroo Road - Wanneroo Road and Ocean Reef Road Grade Separation	73,400	73,400	2,471	-	-	-	-
COVID-19 Response							
Great Northern Highway - Bidadanga Internal Roads.....	1,901	1,901	234	-	-	-	-
Kwinana Beach Road - Patterson Road to CBH Group Terminal - Pavement Reconstruction	5,000	5,000	17	-	-	-	-
Metropolitan Amenity Walls	9,100	9,100	2,289	-	-	-	-
Mitchell Freeway - Hepburn Avenue to Warwick Road - Amenity Wall and Principal Shared Path.....	6,000	6,000	5,988	-	-	-	-
Other Completed Works							
Armada Road - Anstey Road to Tapper Road.....	3,700	3,700	3,700	-	-	-	-
Brand Highway - Muchea to Gingin Pavement Rehabilitation and Widening	25,000	25,000	18,632	-	-	-	-
Buildings and Equipment - 2022-23 Program	50,866	50,866	50,866	-	-	-	-
Capitalised Operational Costs - 2022-23 Program	88,088	88,088	88,088	-	-	-	-
Exmouth Roads Package - Minilya to Exmouth	14,000	14,000	5,449	-	-	-	-
Great Eastern Highway - Old Northam Road Upgrade.....	14,375	14,375	2,989	-	-	-	-
Great Northern Highway - Apple Street Intersection Upgrade	18,600	18,600	5,668	-	-	-	-
Minor Works (Includes Black Spot and Urgent Minor Works) - 2022-23 Program	62,228	62,228	62,228	-	-	-	-
Regional State Road Safety Improvement Program.....	121,500	121,500	1,500	-	-	-	-
Road Safety Commission - Rural Intersection Advanced Warning Signs.....	1,211	1,211	695	-	-	-	-
Toodyay Road - Jingaling Brook - Toodyay Road Widening....	13,103	13,103	3,200	-	-	-	-
NEW WORKS							
Buildings and Equipment							
2023-24 Program	28,435	-	-	28,435	-	-	-
2024-25 Program	30,262	-	-	-	30,262	-	-
2025-26 Program	21,660	-	-	-	-	21,660	-
2026-27 Program	30,672	-	-	-	-	-	30,672
Capitalised Operational Costs							
2023-24 Program	88,969	-	-	88,969	-	-	-
2024-25 Program	90,062	-	-	-	90,062	-	-
2025-26 Program	90,062	-	-	-	-	90,062	-
2026-27 Program	90,062	-	-	-	-	-	90,062
Kwinana Fwy - Mount Henry Bridge to Cranford Avenue - Amenity Wall	5,000	-	-	5,000	-	-	-
Menang Drive and Chester Pass Road - Grade Separation	37,000	-	-	25,000	12,000	-	-
Minor Works (Includes Black Spot and Urgent Minor Works)							
2023-24 Program	24,824	-	-	24,824	-	-	-
2024-25 Program	18,425	-	-	-	18,425	-	-
2025-26 Program	26,684	-	-	-	-	26,684	-
2026-27 Program	26,684	-	-	-	-	-	26,684
Total Cost of Asset Investment Program.....	13,228,171	6,364,108	2,164,342	2,286,205	1,857,968	1,418,575	922,715

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-23 \$'000	2022-23 Estimated Expenditure \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
FUNDED BY							
Capital Appropriation			601,437	676,888	524,095	434,591	381,827
Commonwealth Grants			1,159,409	1,455,460	985,025	754,952	240,630
Internal Funds and Balances ^(a)			130,096	(73,384)	216,547	119,609	210,957
Major Special Purpose Account(s)							
Drawdown from Royalties for Regions Fund			25,568	101,282	37,080	38,084	32,460
Other			214,413	88,659	61,221	37,339	22,841
Other Grants and Subsidies			33,419	37,300	34,000	34,000	34,000
Total Funding			2,164,342	2,286,205	1,857,968	1,418,575	922,715

(a) Negative figures in the 2023-24 Budget Year reflects revenue being received in advance of project schedules.

Financial Statements

Income Statement

Expenses

1. The movement in employee benefits reflects the public sector wages policy, including the one-off cost of living payment, and the in-housing of road maintenance staff.
2. The movement in grants and subsidies is mainly due to METRONET road-related works.
3. The movement in other expenses reflects the value of retired non-current fixed assets and road transfers.
4. The movement in supplies and services is due to additional funding under the Disaster Recovery Funding Arrangements Western Australia and as a result of the works required in 2022-23 following ex-Tropical Cyclone Ellie.

Income

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

Statement of Financial Position

8. The movement in cash assets is mainly due to the reflow of expenditure for the Karratha Tom Price - Manuwarra Red Dog Highway, Mitchell Freeway Extension, and Tonkin Highway Gap Widening - Guildford Road to Great Eastern Highway projects.
9. The movement in restricted cash is mainly due to METRONET road-related works.

INCOME STATEMENT (a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	80,849	90,510	99,847	125,303	148,892	180,177	184,757
Grants and subsidies ^(c)	384,279	449,318	471,982	530,001	472,172	250,046	280,624
Supplies and services	527,917	537,714	796,221	649,560	483,146	492,499	441,292
Accommodation	19,944	19,652	19,652	19,928	20,158	20,455	20,455
Depreciation and amortisation	450,214	487,193	487,330	632,897	607,492	610,844	611,387
Finance and interest costs.....	283	301	334	445	430	407	452
Other expenses.....	102,013	128,873	128,873	191,025	78,925	110,317	43,386
TOTAL COST OF SERVICES	1,565,499	1,713,561	2,004,239	2,149,159	1,811,215	1,664,745	1,582,353
Income							
Sale of goods and services.....	69,750	76,388	40,663	56,033	50,236	26,056	21,214
Grants and subsidies.....	940,906	1,344,061	1,378,660	1,674,956	1,235,203	911,383	375,652
Other revenue.....	78,888	24,145	24,145	291,148	148,547	12,926	11,426
Total Income.....	1,089,544	1,444,594	1,443,468	2,022,137	1,433,986	950,365	408,292
NET COST OF SERVICES	475,955	268,967	560,771	127,022	377,229	714,380	1,174,061
INCOME FROM GOVERNMENT							
Service appropriations.....	1,244,247	1,216,848	1,344,506	1,415,750	1,470,842	1,603,029	1,743,933
Resources received free of charge	-	2,700	2,700	2,700	2,700	2,700	2,700
Special Purpose Account(s)							
Royalties for Regions Fund							
Regional Community Services Fund.....	13,745	25,175	86,021	9,141	15,085	2,136	12,391
Regional Infrastructure and Headworks							
Fund.....	14,055	1,000	7,000	5,000	200	4,000	9,000
Other appropriations.....	-	-	9,253	9,069	13,092	18,487	-
Other revenues	247,609	163,594	257,098	168,348	51,736	74,486	62,476
TOTAL INCOME FROM GOVERNMENT ^(d)....	1,519,656	1,409,317	1,706,578	1,610,008	1,553,655	1,704,838	1,830,500
SURPLUS/(DEFICIENCY) FOR THE PERIOD.....	1,043,701	1,140,350	1,145,807	1,482,986	1,176,426	990,458	656,439

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

(b) The full-time equivalents for 2021-22 Actual, 2022-23 Estimated Actual and 2023-24 Budget Year are 1,170, 1,350 and 1,810 respectively.

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

(d) Total income differs to total income for services primarily due to the transfer of local roads to the State.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bridges Renewal Program	5,531	-	2,000	-	-	-	-
Building for Tomorrow	1,234	-	2,197	1,937	-	-	-
Department of Transport Cycling Grants	5,340	5,340	5,340	5,340	5,340	5,340	5,340
Election Commitments	-	25,750	25,750	15,370	-	-	-
Heavy Vehicle Safety and Productivity Program	2,797	-	2,000	-	-	-	-
Local Road Grants and Subsidies	224,472	160,012	165,512	174,074	178,907	185,100	197,334
METRONET-Related Works.....	120,542	209,185	198,748	279,930	228,516	26,573	57,570
Other	1,502	380	380	380	380	380	380
Principal Shared Paths.....	15,129	30,905	30,905	12,556	20,000	20,000	20,000
Road Assets Transferred	6,432	4,106	4,106	-	-	-	-
Wheatbelt Secondary Freight Routes.....	1,300	13,640	35,044	40,414	39,029	12,653	-
TOTAL	384,279	449,318	471,982	530,001	472,172	250,046	280,624

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
CURRENT ASSETS							
Cash assets	64,578	223,250	1,723	103,328	986	1,453	4,660
Restricted cash	211,741	111,596	151,271	79,046	77,093	296,045	521,166
Receivables	110,242	105,152	109,536	109,830	110,124	110,418	110,712
Other.....	246,075	247,726	246,075	226,075	226,075	226,075	226,075
Assets held for sale.....	1,495	7,869	1,495	1,495	1,495	1,495	1,495
Total current assets	634,131	695,593	510,100	519,774	415,773	635,486	864,108
NON-CURRENT ASSETS							
Holding Account receivables	3,879,023	4,297,245	4,286,661	4,840,533	5,368,999	5,900,818	6,433,180
Property, plant and equipment.....	55,113,415	54,980,783	57,976,509	61,201,226	63,514,062	65,686,602	67,361,941
Receivables	226	66	226	226	226	226	226
Intangibles	6,602	14,125	6,688	7,450	6,889	6,243	15
Other.....	15,344	12,836	15,344	15,344	15,344	15,344	15,344
Total non-current assets	59,014,610	59,305,055	62,285,428	66,064,779	68,905,520	71,609,233	73,810,706
TOTAL ASSETS	59,648,741	60,000,648	62,795,528	66,584,553	69,321,293	72,244,719	74,674,814
CURRENT LIABILITIES							
Employee provisions	40,482	46,515	46,382	46,382	46,382	46,382	43,501
Payables	10,619	14,329	11,672	12,725	13,778	14,831	15,884
Borrowings and leases	2,603	3,152	3,618	3,683	3,684	3,437	3,332
Other.....	625,104	645,461	636,939	650,424	652,259	654,094	655,929
Total current liabilities	678,808	709,457	698,611	713,214	716,103	718,744	718,646
NON-CURRENT LIABILITIES							
Employee provisions	6,042	8,352	8,499	10,680	12,619	15,723	18,827
Borrowings and leases	5,534	5,248	6,079	5,069	3,797	3,192	3,794
Other.....	69	94	69	69	69	69	69
Total non-current liabilities	11,645	13,694	14,647	15,818	16,485	18,984	22,690
TOTAL LIABILITIES.....	690,453	723,151	713,258	729,032	732,588	737,728	741,336
EQUITY							
Contributed equity	6,659,987	7,269,826	7,379,463	8,205,162	8,775,337	9,247,012	9,638,299
Accumulated surplus/(deficit).....	19,078,761	20,314,479	20,224,568	21,707,554	22,883,980	23,874,438	24,530,877
Reserves.....	33,219,540	31,693,192	34,478,239	35,942,805	36,929,388	38,385,541	39,764,302
Total equity	58,958,288	59,277,497	62,082,270	65,855,521	68,588,705	71,506,991	73,933,478
TOTAL LIABILITIES AND EQUITY	59,648,741	60,000,648	62,795,528	66,584,553	69,321,293	72,244,719	74,674,814

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM GOVERNMENT							
Service appropriations.....	876,527	809,430	936,868	861,878	942,376	1,071,210	1,211,571
Capital appropriation	429,615	483,063	601,437	676,888	524,095	434,591	381,827
Special Purpose Account(s)							
Royalties for Regions Fund							
Regional Community Services Fund.....	13,745	25,175	86,021	9,141	15,085	2,136	12,391
Regional Infrastructure and Headworks							
Fund.....	75,147	64,121	32,568	106,282	37,280	42,084	41,460
Other.....	255,271	164,486	257,990	172,240	51,628	74,378	62,368
Administered appropriations	-	-	9,253	9,069	13,092	18,487	-
Net cash provided by Government	1,650,305	1,546,275	1,924,137	1,835,498	1,583,556	1,642,886	1,709,617
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(79,546)	(82,153)	(91,490)	(123,122)	(146,953)	(177,073)	(184,534)
Grants and subsidies.....	(358,673)	(445,212)	(467,876)	(534,001)	(472,172)	(250,046)	(280,624)
Supplies and services	(539,979)	(552,332)	(805,439)	(610,506)	(473,902)	(482,335)	(433,888)
Accommodation	(19,105)	(23,652)	(23,652)	(23,983)	(24,213)	(24,510)	(24,510)
GST payments	(252,406)	(147,054)	(147,054)	(147,054)	(147,054)	(147,054)	(147,054)
Finance and interest costs.....	-	(301)	(334)	(445)	(430)	(407)	(452)
Other payments.....	(44,936)	(15,610)	(15,610)	(15,802)	(15,992)	(16,224)	(16,224)
Receipts							
Grants and subsidies.....	979,528	1,344,061	1,378,660	1,674,956	1,235,203	911,383	375,652
Sale of goods and services.....	58,299	73,757	38,032	53,402	47,605	23,425	18,583
GST receipts	254,087	146,808	146,808	146,808	146,808	146,808	146,808
Other receipts	22,599	15,607	15,607	15,607	15,607	15,607	14,107
Net cash from operating activities	19,868	313,919	27,652	435,860	164,507	(426)	(532,136)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(1,770,127)	(2,021,148)	(2,164,342)	(2,286,205)	(1,857,968)	(1,418,575)	(922,715)
Other payments.....	-	(500)	-	-	(1,000)	(1,000)	(23,000)
Proceeds from sale of non-current assets.....	4,673	-	-	-	-	-	-
Net cash from investing activities.....	(1,765,454)	(2,021,648)	(2,164,342)	(2,286,205)	(1,858,968)	(1,419,575)	(945,715)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases.....	(3,946)	(3,048)	(3,243)	(3,302)	(3,390)	(3,466)	(3,438)
Other proceeds ^(b)	-	-	70,000	30,000	-	-	-
Net cash from financing activities.....	(3,946)	(3,048)	66,757	26,698	(3,390)	(3,466)	(3,438)
NET INCREASE/(DECREASE) IN CASH HELD	(99,227)	(164,502)	(145,796)	11,851	(114,295)	219,419	228,328
Cash assets at the beginning of the reporting period	377,092	467,777	276,319	152,994	182,374	78,079	297,498
Net cash transferred to/from other agencies	(1,546)	31,571	22,471	17,529	10,000	-	-
Cash assets at the end of the reporting period	276,319	334,846	152,994	182,374	78,079	297,498	525,826

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

(b) This represents the Westport Land Acquisitions.

DETAILS OF ADMINISTERED TRANSACTIONS

	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
INCOME							
Taxation							
Permits - Oversize Vehicles and Loads.....	10,453	7,500	7,500	7,500	7,500	7,500	7,500
TOTAL ADMINISTERED INCOME	10,453	7,500	7,500	7,500	7,500	7,500	7,500
EXPENSES							
Grants to Charitable and Other Public Bodies							
Receipts Paid into the Consolidated Account	10,453	7,500	7,500	7,500	7,500	7,500	7,500
TOTAL ADMINISTERED EXPENSES	10,453	7,500	7,500	7,500	7,500	7,500	7,500

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

Part 9 **Transport**

Appropriations, Expenses and Cash Assets

	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
DELIVERY OF SERVICES							
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975	360	361	361	362	371	380	390
Total appropriations provided to deliver services.....	360	361	361	362	371	380	390
CAPITAL							
Item 148 Capital Appropriation.....	589,674	1,542,968	1,307,303	2,883,118	1,519,002	324,903	209,317
Item 149 Capital Appropriation METRONET Projects Under Development.....	-	20,000	-	100,503	144,688	175,940	273,127
TOTAL APPROPRIATIONS	590,034	1,563,329	1,307,664	2,983,983	1,664,061	501,223	482,834
EXPENSES							
Total Cost of Services	1,856,410	1,878,650	1,961,713	1,961,990	2,052,755	2,092,999	2,121,787
Net Cost of Services ^(a)	1,647,269	1,638,687	1,728,963	1,739,761	1,767,548	1,806,120	1,834,908
CASH ASSETS ^(b)	349,548	245,802	87,000	64,057	62,537	62,537	62,537

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

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Authority's Income Statement since presentation of the 2022-23 Budget to Parliament on 12 May 2022, are outlined below:

	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
New Initiative					
METRONET - Lakelands Station Operating Costs.....	1,146	4,705	4,180	4,361	4,546
Ongoing Initiative					
METRONET - Update to Operating Costs	(8,086)	(9,768)	(10,759)	3,568	6,219
Other					
Cost and Funding Updates.....	658	61,457	54,088	43,258	33,656
Externally Funded Services and Works	17,354	(800)	(800)	(800)	(800)
Kalgoorlie Rail Realignment - Business Case.....	2,000	-	-	-	-
METRONET - Replacement Services for Armadale Rail Line Shutdown.....	-	-	23,049	-	-
Mid-Tier Transport Planning.....	-	350	-	-	-
Public Sector Wages Policy	15,567	14,370	20,203	25,241	31,307
Regional Workers Incentive Allowance Payments	5	5	5	5	5
Revised Interest Expenses.....	26,055	33,191	30,823	29,628	34,193
RiskCover Fund Insurance Premiums	3,560	2,393	2,519	2,600	3,581
Westport Business Case Development	159	163	-	-	-
Work Value Review.....	-	-	2,458	2,532	2,532

Significant Issues Impacting the Agency

1. With the opening of the Airport Line in October 2022 and the expected completion of the new Lakelands train station by mid-2023, the METRONET program continues to grow Perth's public transport network.
2. In 2023-24, the Authority will complete a strategy towards achieving net zero greenhouse gas emissions, with a focus on the transition to electric buses and the roll-out of the associated charging infrastructure. State funding of \$125 million, with a matching Commonwealth contribution, has been allocated in the Asset Investment Program to begin the transition of the fleet (which contains over 1,870 Transperth and TransRegional buses). The Authority will ensure that buses, regardless of engine type, are safe, efficient, and reliable. The current fleet's bus body and interior are manufactured in Perth and continue to support jobs for approximately 160 workers per annum throughout the supply chain. The Authority is working with its bus supplier to ensure this level of local content is maintained throughout the transition to electric buses.
3. Following the successful trial of electric buses on the Joondalup Central Area Transit (CAT) service, during 2023-24 the Authority will commence production of 18 electric buses to provide services on the Perth CAT routes and construct associated electric charging stations at the Elizabeth Quay Bus Station.
4. To further contribute to the Government's goal of net zero greenhouse gas emissions by 2050, the Authority will continue to install solar panels at bus and train stations and depots throughout the urban network. The Authority is also continuing the development and provision of electric vehicle charging infrastructure at selected train stations.
5. The delivery of the Victoria Park-Canning Level Crossing Removal and Byford Rail Extension projects will necessitate the closure of the Armadale rail line between Victoria Park and Armadale for 18 months from late 2023. The Authority has worked with Main Roads, Transport, impacted local governments and the community to identify suitable transport alternatives through this corridor during the closure. The planned initiatives include train replacement, express and improved bus services, interchanges throughout the corridor, and priority bus lanes and traffic management where possible and appropriate along the relevant routes. Additional buses have been purchased to deliver the replacement public transport services.
6. In 2023-24, the Yanchep Rail Extension will commence operations. This will support growth in the area, ease congestion and provide additional public transport options to Perth's northern suburbs. The southern concourse of the new Bayswater station will also open for Midland and Airport Line services in 2023-24, while construction continues on the northern concourse to accommodate the future Morley-Ellenbrook Line.
7. The urban rail network is currently serviced by 330 railcars. The Authority is procuring an additional 246 railcars - 102 for the METRONET expansion and an additional 144 new railcars to replace the A-Series fleet. The Railcar Manufacturing and Assembly Facility in Bellevue has been completed and the construction of the maintenance facility will commence during 2023-24. Production of the new C-Series train is continuing with the testing of the first and second six-car sets taking place during 2023-24. The first C-Series train is expected to enter passenger service before December 2023. The Authority has worked closely with the manufacturer to maximise local content, creating local jobs and strengthening the local economy.
8. The COVID-19 pandemic impacted patronage on public transport systems worldwide. Whilst the Authority's daily patronage dropped sharply in March 2020, the recovery has been the fastest of any public transport provider in Australia. Coupled with the two-zone fare cap introduction in January 2022 and the continued enhancement of the network, current patronage levels continue to improve. To encourage the continued use of public transport, the Government has established Fare Free Sunday Sessions - free public transport for SmartRider users on the first Sunday of every month, commencing June 2023.
9. Safe access to the Authority's many stations and bus ports is critical. The Authority directly employs more than 2,400 staff who ensure that appropriate systems, monitoring and communications are in place to safely assist and guide patrons. Further measures are in place to meet specific needs of the very large crowds that result from special events such as football games and concerts.
10. The provision of safe and cost-effective public transport services to regional Western Australia remains a priority for Government. More than 320,000 trips are expected to have been made on Transwa services in 2022-23, with further growth expected in 2023-24. Accordingly, the Authority continues to invest in Transwa services and to look for opportunities to enhance the service, including through the purchase of a new Australind railcar fleet and safety improvements along the rail stations in regional Western Australia.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

Government Goal	Desired Outcomes	Services
Investing in WA's Future: Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities.	Accessible, reliable and safe public transport system.	1. Metropolitan and Regional Passenger Services 2. Country Passenger Rail and Road Coach Services 3. Regional School Bus Services
	Protection of the long-term functionality of the rail corridor and railway infrastructure.	4. Rail Corridor and Residual Freight Issues Management

Service Summary

Expense	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
1. Metropolitan and Regional Passenger Services	1,450,223	1,483,521	1,580,741	1,579,698	1,688,472	1,745,110	1,774,271
2. Country Passenger Rail and Road Coach Services	51,122	54,801	53,720	56,688	58,600	60,311	60,630
3. Regional School Bus Services	133,810	131,072	131,206	140,637	142,941	144,416	147,972
4. Rail Corridor and Residual Freight Issues Management	221,255	209,256	196,046	184,967	162,742	143,162	138,914
Total Cost of Services	1,856,410	1,878,650	1,961,713	1,961,990	2,052,755	2,092,999	2,121,787

Outcomes and Key Effectiveness Indicators ^(a)

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
Outcome: Accessible, reliable and safe public transport system:					
Use of public transport - Passengers per service kilometre:					
Metropolitan bus services	0.84	0.91	0.93	0.88	
Metropolitan train services	2.03	4.38	3.97	4.92	1,2
Metropolitan ferry services	9.71	10.96	12.18	12.31	
Intra-town regional bus services	0.678	0.675	0.592	0.675	1
Country passenger rail services	0.139	0.163	0.167	0.148	
Country passenger road coach services	0.042	0.05	0.05	0.05	
Inter-town country bus services	0.012	0.013	0.015	0.015	
Accessible public transport - The proportion of street addresses within the Perth Public Transport Area which are within 500 metres of a Transperth stop providing an acceptable level of service	86%	85%	85%	85%	
Metropolitan and regional passenger services reliability:					
Bus services arriving within four minutes of scheduled time (first and last timing points - six minutes for interim points)	80%	87%	94%	94%	
Train arriving within four minutes of scheduled time	94%	95%	95%	95%	
Ferries arriving within four minutes of scheduled time	92%	98%	98%	98%	
Country passenger rail and road coach services reliability:					
Prospector arriving within 15 minutes of scheduled time	34%	80%	63%	80%	3
Australind arriving within 10 minutes of scheduled time	80%	90%	89%	90%	
MerredinLink arriving within 10 minutes of scheduled time	67%	90%	80%	90%	3
AvonLink arriving within 10 minutes of scheduled time	89%	90%	92%	90%	
Road coaches arriving within 10 minutes of scheduled time	98%	95%	96%	95%	
Satisfaction with school bus availability at arrival/departure time	100%	100%	100%	100%	
Level of overall customer satisfaction - Customer satisfaction index:					
Metropolitan bus services	93%	92%	93%	93%	
Metropolitan train services	96%	92%	96%	92%	
Metropolitan ferry services	99%	99%	99%	99%	
Country passenger rail and road coach services	90%	90%	90%	90%	
Customer perception of safety - Independent external surveys:					
Train station - Daytime	98%	96%	98%	96%	
On-board train - Daytime	98%	97%	98%	97%	
Train station - Night-time	73%	70%	75%	72%	
On-board train - Night-time	77%	76%	77%	76%	
Bus station - Daytime	98%	98%	98%	98%	
On-board bus - Daytime	98%	99%	98%	98%	
Bus station - Night-time	78%	78%	78%	78%	
On-board bus - Night-time	83%	84%	83%	83%	
Level of notifiable safety occurrences - Notifiable occurrences:					
Category A occurrences per million passenger boardings	0.44	0.40	1.01	0.82	4
Category A occurrences per million train kilometres	1.48	1.70	3.99	4.05	4
Category B occurrences per million passenger boardings	53.19	24.00	6.80	6.10	4
Category B occurrences per million train kilometres	177.52	104.00	27.00	30.02	4
Regional school bus services: notifiable occurrences (accidents) reported each school year	17	19	15	19	5
Return on construction expenditure	1.7	1.7	1.7	1.6	
Outcome: Protection of the long-term functionality of the rail corridor and railway infrastructure:					
Number of lease breaches	nil	nil	nil	nil	

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

Explanation of Significant Movements

(Notes)

1. The 2022-23 Estimated Actual is lower compared to the 2022-23 Budget due to the impacts of the COVID-19 pandemic continuing to suppress patronage.
2. The 2023-24 Budget Target is higher than the 2022-23 Estimated Actual due to the expected lower service kilometres from the 18-month closure of the Armadale Line between Victoria Park and Armadale Stations combined with the minimal impact anticipated on patronage.
3. The 2022-23 Estimated Actual is lower than the 2022-23 Budget for service reliability of the Prospector and MerredinLink services due to a number of delays associated with crossings and track-related issues as a result of maintenance work undertaken by Arc Infrastructure. The 2023-24 Budget Target is based on the assumption that minimal delays will be experienced.
4. The 2022-23 Estimated Actual and the 2023-24 Budget Target are based on a new definition, aligning the Category A and Category B occurrences to recently amended regulations enforced by the Office of the National Rail Safety Regulator.
5. The 2022-23 Estimated Actual is lower than the 2022-23 Budget due to the continued efforts of the Authority and school bus drivers in adopting a safe system approach to road safety.

Services and Key Efficiency Indicators

1. Metropolitan and Regional Passenger Services

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

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	1,450,223	1,483,521	1,580,741	1,579,698	1
Less Income	177,895	198,005	198,360	190,536	2
Net Cost of Service	1,272,328	1,285,516	1,382,381	1,389,162	
Employees (Full-Time Equivalents)	1,734	1,902	1,823	1,943	3
Efficiency Indicators					
Average cost per passenger kilometre:					
Transperth bus operations.....	\$1.74	\$1.63	\$1.59	\$1.79	4
Transperth train operations.....	\$1.00	\$0.88	\$0.99	\$1.02	
Transperth ferry operations	\$2.17	\$1.77	\$1.78	\$1.51	5
Average cost per 1,000 place kilometres - Intra-town regional bus services	\$89.76	\$85.58	\$82.35	\$86.51	

Explanation of Significant Movements

(Notes)

1. The 2023-24 Budget Target is forecast to decrease by \$1 million (0.1%) from the 2022-23 Estimated Actual largely due to reduced annual METRONET operating costs (\$95.7 million), a reduction in external works undertaken for third parties (\$39.1 million) and the Platform and Signalling Upgrade Program in 2022-23 (\$11.8 million), offset by increased costs as a result of revisions to forecast cost growth parameters (\$67.4 million), increased depreciation expense (\$45.5 million), the deferral of the C-Series railcar operating costs (\$17.8 million) and increased interest expense (\$15 million).
2. The 2023-24 Budget Target is forecast to decrease by \$7.8 million (3.9%) from the 2022-23 Estimated Actual, largely due to a reduction in revenues received for Optus Stadium services (\$8.8 million), for external works undertaken for third parties (\$7.8 million) and as a result of the Commonwealth funding receipts recognised for the Platform and Signalling Upgrade Program in 2022-23 (\$5.5 million). This is expected to be offset by increased Transperth fare revenue (\$10.4 million), Kewdale White Oil Pipeline revenue (\$2 million) and increased revenue from parking fees (\$1.7 million).

- The 2023-24 Budget is forecast to increase from the 2022-23 Estimated Actual due to the full-year staffing on the Airport Line and Lakelands train station, network growth and due to the recruitment of staff for the Yanchep Rail Extension.
- The 2023-24 Budget is forecast to increase from the 2022-23 Estimated Actual due to revisions to forecast cost growth parameters and as a result of the rail replacement bus services during the Armadale Line shutdown.
- The 2023-24 Budget is forecast to decrease from the 2022-23 Estimated Actual due to the maintenance overhaul that was undertaken on the ferries in 2021-22 and 2022-23.

2. Country Passenger Rail and Road Coach Services

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

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	51,122	54,801	53,720	56,688	1
Less Income	10,036	10,809	10,530	10,549	
Net Cost of Service	41,086	43,992	43,190	46,139	
Employees (Full-Time Equivalents)	164	164	164	166	
Efficiency Indicators					
Average cost per passenger kilometre:					
Transwa rail	\$0.65	\$0.65	\$0.58	\$0.68	2
Transwa road coaches	\$0.49	\$0.46	\$0.38	\$0.44	2
Average cost per 1,000 place kilometres - Inter-town country bus services.....	\$18.82	\$16.30	\$15.67	\$16.55	

Explanation of Significant Movements

(Notes)

- The 2023-24 Budget Target is forecast to increase by \$3 million (5.5%) from the 2022-23 Estimated Actual largely due to revisions to forecast cost growth parameters.
- The 2022-23 Estimated Actual is lower than the 2022-23 Budget as a result of higher than anticipated patronage.

3. Regional School Bus Services

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

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	133,810	131,072	131,206	140,637	1
Less Income	4	nil	nil	nil	
Net Cost of Service	133,806	131,072	131,206	140,637	
Employees (Full-Time Equivalents)	38	38	38	39	
Efficiency Indicators					
Average cost per contracted kilometre - School bus services	\$4.01	\$3.98	\$3.99	\$4.28	

Explanation of Significant Movements

(Notes)

- The 2023-24 Budget Target is forecast to increase by \$9.4 million (7.2%) from the 2022-23 Estimated Actual predominantly due to revisions to forecast cost growth parameters.

4. Rail Corridor and Residual Freight Issues Management

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

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	221,255	209,256	196,046	184,967	1
Less Income	21,206	31,149	23,860	21,144	2
Net Cost of Service	200,049	178,107	172,186	163,823	
Employees (Full-Time Equivalents)	18	27	15	9	3
Efficiency Indicators					
Total cost of managing the rail freight corridor and residual freight issues.....	221,255	209,256	196,046	184,967	

Explanation of Significant Movements

(Notes)

1. The 2023-24 Budget Target is forecast to decrease by \$11.1 million (5.7%) from the 2022-23 Estimated Actual largely due to decreased depreciation expense (\$12.5 million) and a reduction in external works undertaken for third parties (\$7.9 million), offset by upward revisions to forecast cost growth parameters (\$6.8 million) and a one-off impairment loss (\$2.6 million).
2. The 2023-24 Budget Target is forecast to decrease by \$2.7 million (11.4%) from the 2022-23 Estimated Actual largely due to a one-off receipt from the Commonwealth Government for the development of the Kalgoorlie Rail Realignment business case in 2022-23 (\$2 million).
3. The 2023-24 Budget Target is forecast to decrease from the 2022-23 Estimated Actual due to staff transitioning to capital projects in the asset replacement program.

Asset Investment Program

SmartRider System Asset Replacement and Technology Update

1. In 2023-24, the Authority will invest \$24.5 million to replace SmartRider system assets and update the technology used by the system. This investment will introduce new ticketing systems that will enable the use of contemporary contactless payment methods.

Stirling Bus Interchange

2. An expanded Stirling Bus Interchange over the Joondalup Line and the Mitchell Freeway at Stirling Station is being constructed. The construction contract was awarded in December 2020 and is expected to be completed by late 2023. In 2023-24, an estimated \$52.8 million will be expended on the project.

METRONET

Bayswater Station

3. The new Bayswater Station project will see the replacement of the existing station and rail bridge with two new elevated rail bridges over King William Street. Each rail bridge will have its own station concourse, with the southern platform to service the existing Midland and Airport Lines and the northern platform to service the Morley-Ellenbrook Line. In 2023-24, construction of the southern platform will be completed and it will be entered into passenger service.

Byford Rail Extension

4. The Armadale Line will be extended by 7.8 km from Armadale Station to Byford. The Byford Rail Extension will also remove seven level crossings and deliver a new elevated station at Armadale and an at-grade station at Byford. Following the commencement of the 18-month closure of the Armadale Line in late 2023, elevated main viaduct construction will commence with major precast concrete beam production to get underway, along with the construction of both the Byford precinct and Armadale Station.

Canning Bridge Bus Interchange

5. The Canning Bridge Bus Interchange will be relocated to an elevated platform above the freeway and train station, which will increase capacity, improve the safety of commuters and provide greater road capacity along Canning Highway. In 2023-24, \$2 million will be spent to continue project development.

Greenwood Station Multi-Storey Car Park

6. A 700-bay multi-storey car park will be provided at Greenwood Station. Contract award for the project is expected in mid-2023.

High Capacity Signalling Program of Works

7. The High Capacity Signalling Program of Works will replace the existing Transperth rail network signalling system with one that allows for increased service frequencies. The program of works includes the Radio Systems Replacement, the Public Transport Operations Control Centre and the Train Control and Signalling projects.

Lakelands Station

8. A new station will be built at Lakelands on the Mandurah Line, with works including a car park and bus-rail interchange facilities. With entry into passenger service expected in June 2023, \$20.3 million will be spent in 2023-24 on post-completion works and the close-out of the project.

Midland Station

9. A new Midland Station will be constructed between Helena and Cale Streets. The new station will provide better integration with the town centre, with much closer connections to the Midland Gate Shopping Centre and Midland Health Campus. Main construction works are expected to commence in mid-2023.

Midland Station Multi-Storey Car Park

10. An 800-bay multi-storey car park will be provided at the new Midland Station. Construction is expected to be completed in 2024.

Morley-Ellenbrook Line

11. Five new stations will be built at Morley, Noranda, Malaga, Whiteman Park and Ellenbrook as part of the 21 km Morley-Ellenbrook Line from Bayswater Station to Ellenbrook. Construction remains on schedule, with track laying underway, and the project is set for completion at the end of 2024.

Railcar Acquisition for METRONET and A-Series Railcar Replacement

12. A total of 246 new Transperth railcars will be procured to provide for METRONET projects (102 railcars) and to replace A-Series railcars (144 railcars). The new railcars will be six-car sets, which provide additional passenger capacity compared to those currently in operation. Following extensive testing, the first C-Series train will enter into passenger service on the Joondalup and Mandurah Lines.

Thornlie-Cockburn Line

13. The Thornlie-Cockburn Line will be extended to Cockburn Station on the Mandurah Line and will include the construction of two new stations at Nicholson Road and Ranford Road, with park and ride facilities and bus interchanges to be provided. Works at Cockburn Station will be completed in late 2023, with construction on the Canning River Rail Bridge expected to be finished in mid-2024.

Victoria Park-Canning Level Crossing Removal

14. Five level crossings will be removed at Mint Street, Oats Street, Welshpool Road, Hamilton Street and Wharf Street, and new elevated stations will be provided at Carlisle, Oats Street, Queens Park and Cannington. Further funds are allocated in the Provision for METRONET Projects Under Development for the removal of a sixth level crossing at William Street and for a fifth elevated station at Beckenham. The construction of the elevated viaduct structure, along with the concurrent construction of Carlisle Station, Oats Street Station, Queens Park Station, Cannington Station and Beckenham Station will begin following the commencement of the 18-month closure of the Armadale Line in late-2023.

Yanchep Rail Extension

15. The Joondalup Line will be extended by 14.5 km from Butler to Yanchep. Three new stations will be provided at Yanchep, Eglinton and Alkimos, with bus interchanges and park and ride facilities. In 2023-24, the bridge and station construction will be completed, and passenger services will begin.

Western Australia Agricultural Supply Chain Improvements

16. The Agricultural Supply Chain Improvements will increase freight capacities along key agricultural transport routes in the Wheatbelt, Great Southern, Mid West and Goldfields-Esperance regions. In 2023-24, \$46.4 million is estimated to be spent on agricultural freight transport corridor improvements.

Electronic Vehicle Recharging Infrastructure Trial at Stations

17. In 2023-24, the Government will invest \$3.9 million in electric vehicle charging infrastructure at selected train stations.

Electric Buses (E-Buses) and Depot Modifications

18. Contributing to the Government's goal of net zero greenhouse gas emissions by 2050, the Authority will purchase electric buses and install associated electric charging systems in bus depots and bus stations. In 2023-24, \$22 million is expected to be spent on electric charging systems at Elizabeth Quay Bus Station and to introduce 18 electric buses into the Perth CAT fleet.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-23 \$'000	2022-23 Estimated Expenditure \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
WORKS IN PROGRESS							
COVID-19 Response							
Rail Infrastructure Program - South West Main Line Level Crossings Safety Upgrade Opportunities	5,800	1,465	-	4,335	-	-	-
Rail Stations Program - Targeted Disability Access Station Upgrades - Cannington, Gosnells and Kelmscott Stations	7,944	5,944	-	2,000	-	-	-
Other Works in Progress							
Bus Infrastructure Program							
Bus Priority Projects in Progress	13,941	10,441	10,441	3,500	-	-	-
CAT Bus Infrastructure	2,100	971	692	1,129	-	-	-
Smartrider System Asset Replacement and Technology Update	57,821	33,347	10,187	24,474	-	-	-
Bus Replacement Program - New Bus Replacement Program in Progress	614,186	209,839	78,152	79,189	49,416	25,000	63,816
Freight Program							
Grain Freight Upgrades	22,000	9,980	9,980	12,020	-	-	-
Western Australian Agricultural Supply Chain Improvements..	177,173	1,500	1,500	34,391	59,616	81,666	-
Major Projects - Stirling Bus Interchange	90,000	37,203	32,075	52,797	-	-	-
METRONET							
Bayswater Station (Forrestfield-Airport Link Services and Morley-Ellenbrook Line Forward Works)	334,568	230,854	126,463	82,777	20,937	-	-
Byford Rail Extension	797,008	143,577	137,006	332,526	320,905	-	-
Canning Bridge Bus Interchange	202,000	3,315	1,702	2,010	2,000	50,000	112,570
Forrestfield-Airport Link	1,841,000	1,819,458	122,642	21,542	-	-	-
Greenwood Station Multi-Storey Car Park	38,000	5,020	4,872	22,996	9,984	-	-
High Capacity Signalling - Program of Works	577,028	177,504	121,249	186,507	122,528	76,478	14,011
Lakelands Station	72,000	51,667	25,748	20,333	-	-	-
Level Crossing Removal Program	133,908	132,908	11,207	1,000	-	-	-
Morley-Ellenbrook Line	1,651,296	682,380	448,287	620,844	348,072	-	-
Victoria Park-Canning Level Crossing Removal	1,047,001	228,137	168,621	466,815	350,476	1,573	-
New Midland Station	239,483	45,872	40,435	116,614	72,546	4,451	-
New Midland Station Multi-Storey Car Park	35,889	9,623	9,623	26,266	-	-	-
New Stations and Existing Stations Upgrades	82,246	52,316	12,153	17,686	12,244	-	-
Railcar Acquisition	461,259	177,754	43,007	82,612	107,950	64,724	4,042
Railcar Replacement	871,818	282,696	26,378	172,580	97,730	44,544	82,373
Thornlie-Cockburn Link	1,123,950	719,720	235,980	220,224	184,006	-	-
Yanchep Rail Extension	982,374	663,846	351,564	318,528	-	-	-
Operational Business Support Systems Program							
Business Support Upgrades in Progress	65,437	41,385	15,063	21,348	1,727	977	-
CCTV Program	14,454	5,488	3,610	8,758	208	-	-
Parking Facilities Program - Parking Facilities Upgrades	6,634	2,993	2,815	3,641	-	-	-
Rail Infrastructure Program							
Kwinana and Mitchell Freeway Barrier Upgrades	57,250	9,683	2,852	47,567	-	-	-
Rail Infrastructure in Progress	573,075	352,124	147,072	129,718	68,814	22,419	-
Resilience Package	59,877	51,623	503	8,254	-	-	-
Tunnel Monitoring System	8,000	4,801	3,142	3,149	50	-	-
Rail Stations Program							
Electronic Vehicle Recharging Infrastructure Trial	4,000	100	100	3,900	-	-	-
Lifts and Escalators Upgrades and Replacements	7,329	955	833	6,135	144	95	-
Railcar Program - Rail Futures Fund (Australind Railcar Replacement)	54,667	8,129	-	-	6,776	39,762	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-23 \$'000	2022-23 Estimated Expenditure \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
COMPLETED WORKS							
Bus Infrastructure Program							
Bus Priority Projects in Progress	750	750	750	-	-	-	-
CAT Bus Infrastructure	500	500	454	-	-	-	-
Common Infrastructure Program							
Minor Capital Works Program	16,847	16,847	7,890	-	-	-	-
Perth Station Forecourt Upgrade	2,500	2,500	521	-	-	-	-
Major Projects - Future Urban Railcar Procurement	254,377	254,377	3,043	-	-	-	-
METRONET							
Mandurah Station Multi-Storey Car Park	32,085	32,085	2,529	-	-	-	-
Rail Line Planning	117,289	117,289	422	-	-	-	-
Operational Business Support Systems Program -							
Business Support Upgrades in Progress	49,012	49,012	946	-	-	-	-
Rail Infrastructure Program - Rail Infrastructure Program	4,932	4,932	4,932	-	-	-	-
Rail Stations Program - Lifts and Escalators Upgrades and Replacements	8,384	8,384	14	-	-	-	-
NEW WORKS							
Bus Infrastructure Program - Electric Buses (E-Buses) and Depot Modifications	250,000	-	-	22,000	63,000	73,000	42,000
Common Infrastructure Program - Minor Capital Works Program	14,000	-	-	3,500	3,500	3,500	3,500
Freight Program - Freight Rail Upgrades	10,000	-	-	10,000	-	-	-
Mid-Tier Transport Planning	3,600	-	-	3,600	-	-	-
Operational Business Support Systems Program							
Business Support Upgrades	12,946	-	-	-	5,946	7,000	-
CCTV Program	19,251	-	-	3,000	9,451	-	3,800
Parking Facilities Program - Parking Facilities Upgrades	12,100	-	-	2,000	2,000	2,000	2,000
Rail Infrastructure Program - Rail Infrastructure	458,729	-	-	77,689	64,084	54,151	23,852
Total Cost of Asset Investment Program	13,599,818	6,701,294	2,227,455	3,279,954	1,984,110	551,340	351,964
Loans and Other Repayments			133,397	473,510	136,264	136,264	136,264
Total			2,360,852	3,753,464	2,120,374	687,604	488,228
FUNDED BY							
Borrowings			518,854	374,397	207,284	128,614	136,132
Capital Appropriation			640,734	1,122,430	943,086	209,819	154,317
Capital Appropriation - Other (Land Sales Proceeds)			1,975	2,661	11,996	10,084	-
Capital Appropriation - Sourced from Commonwealth			664,594	1,758,027	563,920	105,000	55,000
Drawdown from the Holding Account			90,410	124,998	39,759	30,000	43,209
Funding Included in Department of Treasury							
Administered Item			-	-	63,000	73,000	42,000
Internal Funds and Balances			228,410	18,491	1,520	-	-
Major Special Purpose Account(s)							
Drawdown from Digital Capability Fund			-	4,475	1,627	977	-
Drawdown from Royalties for Regions Fund			9,980	12,020	-	21,871	-
Other			(1,787)	30,368	56,616	81,666	-
Other Grants and Subsidies			207,682	305,597	231,566	26,573	57,570
Total Funding			2,360,852	3,753,464	2,120,374	687,604	488,228

Financial Statements

Income Statement

Expenses

1. The Total Cost of Services in the 2023-24 Budget Year is forecast to increase by \$0.3 million (0.01%) from the 2022-23 Estimated Actual. Increases in expenses include:
 - 1.1. revisions to forecast cost growth parameters (\$86.6 million);
 - 1.2. increased depreciation expense (\$33 million);
 - 1.3. the deferral of the C-Series railcar operating costs from 2022-23 (\$17.8 million);
 - 1.4. increased interest expense (\$15.7 million);
 - 1.5. a one-off impairment loss (\$2.6 million); and
 - 1.6. the Perth to Bunbury Faster Rail Corridor Investigation (\$1.1 million).
2. These increases are offset by decreases in expenses relating to:
 - 2.1. METRONET operating costs (\$95.7 million);
 - 2.2. external works undertaken for third parties (\$47 million);
 - 2.3. the Platform and Signalling Upgrade Program (\$11.8 million); and
 - 2.4. the Kalgoorlie Rail Realignment business case (a one-off expense of \$2 million in 2022-23).

Income

3. Total income in the 2023-24 Budget Year is forecast to decrease by \$10.5 million (4.5%) from the 2022-23 Estimated Actual. Reduced revenues include:
 - 3.1. a reduction in revenue received for Optus Stadium services (\$8.8 million);
 - 3.2. external works undertaken for third parties (\$7.8 million); and
 - 3.3. the impact of revenue received in 2022-23 for the Platform and Signalling Upgrade Program (\$5.5 million of Commonwealth revenue), the Kalgoorlie Rail Realignment business case (\$2 million of Commonwealth revenue) and the Kenwick Rail Freight Facility Project (\$1.7 million from Arc Infrastructure).
4. This is offset by increases in:
 - 4.1. Transperth fare revenue (\$10.4 million);
 - 4.2. Kewdale White Oil Pipeline revenue (\$2 million);
 - 4.3. Transperth parking revenue (\$1.7 million); and
 - 4.4. revenue for the Perth to Bunbury Faster Rail Corridor Investigation (\$1 million).

Statement of Financial Position

5. The total equity in the 2023-24 Budget Year is forecast to increase by \$2.7 billion from the 2022-23 Estimated Actual. This comprises a projected increase in total assets of \$2.6 billion and a decrease in total liabilities of \$107 million.
6. The Authority's statement shows accumulated deficits across the outyears because accrual appropriation is not being provided to fund depreciation. It has been determined that there is no need to provide the significant accrual appropriation that would be required to fund depreciation.

Statement of Cashflows

7. Proceeds from borrowings in the 2022-23 Estimated Actual have increased by \$204.4 million from the 2022-23 Budget, which is predominantly attributable to a reduction in equity funding for capital expenditure within the outyears.

INCOME STATEMENT ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	231,628	268,513	281,300	302,628	318,776	329,301	334,980
Grants and subsidies ^(c)	564,254	556,088	529,856	600,162	627,176	589,303	612,164
Supplies and services	461,440	381,127	488,793	346,242	350,404	345,836	346,912
Accommodation	29,009	40,213	39,552	40,491	43,326	46,946	48,243
Depreciation and amortisation	455,745	509,050	468,190	503,542	541,579	606,431	598,358
Finance and interest costs	79,194	86,133	112,116	127,877	128,868	131,111	135,566
Other expenses	35,140	37,526	41,906	41,048	42,626	44,071	45,564
TOTAL COST OF SERVICES	1,856,410	1,878,650	1,961,713	1,961,990	2,052,755	2,092,999	2,121,787
Income							
Sale of goods and services	142,213	169,696	158,604	170,688	235,880	237,552	237,552
Regulatory fees and fines	3,273	4,420	4,420	4,420	4,420	4,420	4,420
Grants and subsidies	14,870	3,000	8,500	2,000	-	-	-
Other revenue	48,785	62,847	61,226	45,121	44,907	44,907	44,907
Total Income	209,141	239,963	232,750	222,229	285,207	286,879	286,879
NET COST OF SERVICES	1,647,269	1,638,687	1,728,963	1,739,761	1,767,548	1,806,120	1,834,908
INCOME FROM GOVERNMENT							
Service appropriations	360	361	361	362	371	380	390
Resources received free of charge	1,148	-	-	-	-	-	-
Special Purpose Account(s) ^(d)							
Climate Action Fund	-	199	-	-	-	-	-
Digital Capability Fund	-	193	-	-	-	-	-
Royalties for Regions Fund							
Regional Community Services Fund	79,940	79,935	79,940	79,940	79,940	79,940	79,940
Other appropriations	1,003,452	1,023,476	1,080,307	1,122,699	1,128,591	1,101,976	1,139,333
Other revenues	182,312	322,364	282,187	374,907	315,521	135,612	84,979
TOTAL INCOME FROM GOVERNMENT	1,267,212	1,426,528	1,442,795	1,577,908	1,524,423	1,317,908	1,304,642
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(380,057)	(212,159)	(286,168)	(161,853)	(243,125)	(488,212)	(530,266)

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

(b) The full-time equivalents for 2021-22 Actual, 2022-23 Estimated Actual and 2023-24 Budget Year are 1,954, 2,040 and 2,157 respectively.

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

(d) Forecast recurrent drawdowns of funding from some Treasurer's Special Purpose Accounts (TSPAs) included in the 2022-23 Budget were subsequently reclassified to capital contributions for agencies subject to the *Financial Management Act 2006* (i.e. no overall change to forecast agency cash receipts, see Statement of Cashflows). This reflects the approved purpose of the original appropriation of funding to the TSPAs was capital in nature.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
Country Passenger Services - Inter-town							
Country Bus Services	989	829	829	841	841	841	841
Local Government	550	-	-	-	-	-	-
METRONET							
Community Assets Program	544	9,000	1,650	4,648	8,850	-	-
Office Expenses	-	1,746	1,746	985	1,970	985	-
Metropolitan Services							
Bus Operators	415,493	405,936	386,488	448,568	469,227	439,670	458,695
Ferry Services	1,513	1,273	1,265	1,284	1,303	1,323	1,343
Intra-town Regional Bus Services	18,283	17,188	17,104	17,361	17,621	17,885	18,153
Regional School Bus Services							
Conveyance Allowance	1,640	1,718	1,718	1,774	1,818	1,864	1,910
School Bus Services	125,242	118,398	119,056	124,701	125,546	126,735	131,222
TOTAL	564,254	556,088	529,856	600,162	627,176	589,303	612,164

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
CURRENT ASSETS							
Cash assets	203,938	67,058	60,186	40,391	38,871	38,871	38,871
Restricted cash	143,810	177,182	25,014	21,866	21,866	21,866	21,866
Holding Account receivables	152,411	43,370	91,879	55,106	68,209	43,209	-
Receivables	41,756	41,543	41,756	41,756	41,756	41,756	41,756
Other	43,322	38,521	43,322	43,322	43,322	43,322	43,322
Total current assets	585,237	367,674	262,157	202,441	214,024	189,024	145,815
NON-CURRENT ASSETS							
Holding Account receivables	225,122	181,752	195,244	107,019	54,157	49,157	49,157
Property, plant and equipment	11,086,933	12,997,447	12,840,218	15,586,803	17,030,656	16,973,155	16,731,631
Intangibles	10,937	18,592	19,671	23,010	33,256	36,414	32,132
Restricted cash	1,800	1,562	1,800	1,800	1,800	1,800	1,800
Total non-current assets	11,324,792	13,199,353	13,056,933	15,718,632	17,119,869	17,060,526	16,814,720
TOTAL ASSETS	11,910,029	13,567,027	13,319,090	15,921,073	17,333,893	17,249,550	16,960,535
CURRENT LIABILITIES							
Employee provisions	61,794	56,326	61,794	61,794	61,794	61,794	61,794
Payables	133,211	129,457	133,211	133,211	133,211	133,211	133,211
Borrowings and leases	221,938	192,471	389,127	221,219	218,073	218,249	218,384
Other	82,417	26,128	82,417	82,417	82,417	82,417	82,417
Total current liabilities	499,360	404,382	666,549	498,641	495,495	495,671	495,806
NON-CURRENT LIABILITIES							
Employee provisions	12,203	11,735	12,203	12,203	12,203	12,203	12,203
Borrowings and leases	2,857,473	3,101,221	3,073,304	3,139,621	3,220,214	3,208,206	3,203,471
Other	153,076	149,934	147,610	142,144	136,678	131,212	125,746
Total non-current liabilities	3,022,752	3,262,890	3,233,117	3,293,968	3,369,095	3,351,621	3,341,420
TOTAL LIABILITIES	3,522,112	3,667,272	3,899,666	3,792,609	3,864,590	3,847,292	3,837,226
EQUITY							
Contributed equity	6,897,212	8,574,579	8,214,887	11,085,780	12,669,744	13,090,911	13,342,228
Accumulated surplus/(deficit)	(3,354,892)	(3,507,068)	(3,641,060)	(3,802,913)	(4,046,038)	(4,534,250)	(5,064,516)
Reserves	4,845,597	4,832,244	4,845,597	4,845,597	4,845,597	4,845,597	4,845,597
Total equity	8,387,917	9,899,755	9,419,424	12,128,464	13,469,303	13,402,258	13,123,309
TOTAL LIABILITIES AND EQUITY	11,910,029	13,567,027	13,319,090	15,921,073	17,333,893	17,249,550	16,960,535

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM GOVERNMENT							
Service appropriations.....	1,003,812	1,023,837	1,070,378	1,112,720	1,113,578	1,082,767	1,139,723
Capital appropriation	589,674	1,562,968	1,307,303	2,983,621	1,663,690	500,843	482,444
Administered equity contribution.....	-	-	-	-	63,000	73,000	42,000
Holding Account drawdowns	106,737	152,411	90,410	124,998	39,759	30,000	43,209
Special Purpose Account(s)							
Climate Action Fund	-	199	199	197	-	-	-
Digital Capability Fund.....	601	2,662	193	4,778	1,962	1,393	-
Royalties for Regions Fund							
Regional Community Services Fund.....	79,940	79,935	79,940	79,940	79,940	79,940	79,940
Regional Infrastructure and Headworks							
Fund.....	4,760	10,251	9,980	12,020	-	21,871	-
Receipts paid into Consolidated Account.....	-	-	-	(29,220)	-	-	-
Other.....	220,674	321,269	281,092	402,999	314,359	134,450	84,979
Administered appropriations	-	-	10,290	10,341	15,384	19,589	-
Net cash provided by Government	2,006,198	3,153,532	2,849,785	4,702,394	3,291,672	1,943,853	1,872,295
CASHFLOWS FROM OPERATING							
ACTIVITIES							
Payments							
Employee benefits.....	(226,118)	(268,905)	(281,692)	(303,018)	(319,170)	(329,698)	(334,980)
Grants and subsidies.....	(563,600)	(556,088)	(529,856)	(600,162)	(627,176)	(589,303)	(612,164)
Supplies and services	(464,056)	(381,127)	(488,793)	(346,242)	(350,404)	(345,836)	(346,912)
Accommodation	(28,645)	(40,213)	(39,552)	(40,491)	(43,326)	(46,946)	(48,243)
GST payments	(232,120)	(251,123)	(251,123)	(226,253)	(173,432)	(173,432)	(173,432)
Finance and interest costs.....	(76,502)	(86,125)	(112,108)	(127,869)	(128,868)	(131,111)	(135,566)
Other payments.....	(37,212)	(37,134)	(41,514)	(40,658)	(42,232)	(43,674)	(45,564)
Receipts							
Regulatory fees and fines.....	3,190	4,420	4,420	4,420	4,420	4,420	4,420
Grants and subsidies.....	14,087	3,000	8,500	2,000	-	-	-
Sale of goods and services.....	144,049	169,696	158,604	170,688	235,880	237,552	237,552
GST receipts	239,219	251,123	251,123	226,253	173,432	173,432	173,432
Other receipts	39,945	58,476	56,855	40,783	40,603	40,603	39,441
Net cash from operating activities	(1,187,763)	(1,134,000)	(1,265,136)	(1,240,549)	(1,230,273)	(1,203,993)	(1,242,016)
CASHFLOWS FROM INVESTING							
ACTIVITIES							
Purchase of non-current assets	(1,282,794)	(2,328,111)	(2,227,455)	(3,279,954)	(1,984,110)	(551,340)	(351,964)
Proceeds from sale of non-current assets.....	482	-	-	-	-	-	-
Net cash from investing activities.....	(1,282,312)	(2,328,111)	(2,227,455)	(3,279,954)	(1,984,110)	(551,340)	(351,964)
CASHFLOWS FROM FINANCING							
ACTIVITIES							
Repayment of borrowings and leases.....	(574,734)	(338,744)	(376,095)	(724,465)	(376,037)	(400,826)	(405,952)
Other payments.....	-	(17,500)	-	(100,503)	(144,688)	(175,940)	(273,127)
Proceeds from borrowings.....	733,632	551,958	756,353	620,134	441,916	388,246	400,764
Net cash from financing activities.....	158,898	195,714	380,258	(204,834)	(78,809)	(188,520)	(278,315)
NET INCREASE/(DECREASE) IN CASH							
HELD	(304,979)	(112,865)	(262,548)	(22,943)	(1,520)	-	-
Cash assets at the beginning of the reporting period	654,527	358,667	349,548	87,000	64,057	62,537	62,537
Cash assets at the end of the reporting period	349,548	245,802	87,000	64,057	62,537	62,537	62,537

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

METRONET Projects Under Development

Part 9 Transport

Asset Investment Program

1. A \$865.3 million provision is incorporated for various METRONET projects under development, including the High Capacity Signalling program of works, Morrison Road Level Crossing Removal, and the Victoria Park-Canning Level Crossing Removal. Funding will be allocated to specific projects upon completion of tender processes and final investment decisions.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-23 \$'000	2022-23 Estimated Expenditure \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
NEW WORKS							
METRONET Projects Under Development	865,258	-	-	100,503	145,688	176,940	296,127
Total Cost of Asset Investment Program.....	865,258	-	-	100,503	145,688	176,940	296,127
FUNDED BY							
Capital Appropriation			-	46,899	91,883	107,990	191,127
Capital Appropriation - Sourced from Commonwealth			-	53,604	52,805	67,950	82,000
Motor Vehicle Licence Fee Revenue			-	-	1,000	1,000	23,000
Total Funding			-	100,503	145,688	176,940	296,127

Fremantle Port Authority

Part 9 Transport

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

	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax.....	20,500	17,301	17,962	21,482	21,950	23,563	26,130
Local Government Rates Equivalent	848	698	698	865	873	882	891
Dividends ^{(a)(b)}	-	26,943	-	33,151	34,589	36,535	40,397
EXPENSES FROM GENERAL GOVERNMENT SECTOR							
Operating Subsidies	-	317	317	326	-	-	-
Other Subsidies	-	9,000	5,500	2,000	-	-	-
RATIOS							
Dividend Payout Ratio (%)	75	75	75	75	75	75	75
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	233,765	226,774	238,529	258,202	261,691	269,440	279,832
Revenue from Government	-	9,317	5,817	2,326	-	-	-
Total Expenses ^(c)	165,769	184,860	190,732	193,963	195,651	198,222	200,511
Total Borrowings ^(d)	147,104	195,912	167,912	209,645	216,517	207,992	197,434
NET PROFIT AFTER TAX.....	47,496	35,728	37,450	46,452	46,077	49,686	55,348
CASH ASSETS ^(e)	147,527	95,851	140,267	131,478	129,850	136,126	149,934

- (a) In determining the dividend payment to general government, Net Profit After Tax may be adjusted based on other factors as permitted by relevant legislation.
- (b) The Authority will retain 2022-23 dividend payments to instead contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise for further detail.
- (c) Excludes current tax expense, deferred tax expense and dividends.
- (d) Movements in borrowings are a result of revised Asset Investment Program (AIP) timings and general operating requirements of the Authority.
- (e) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Government Trading Enterprise's (GTE's) Income Statement since presentation of the 2022-23 Budget to Parliament on 12 May 2022, are outlined below:

	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
Key Adjustment					
Revenue, Expense and Asset Investment Update ^(a)	3,345	591	86	1,615	3,951
Other					
2022-23 Retained Dividend	(29,567)	-	-	-	-

- (a) Updated forecasts to reflect current business operations and economic environment, including a comprehensive review of trade forecasts, pricing assumptions, and infrastructure management and maintenance including a reassessment of AIP requirements.

Significant Issues Impacting the Government Trading Enterprise

Infrastructure Investment Supporting Government Objectives

1. The Authority is committed to investing in improvements to key infrastructure, the largest project of which is currently the upgrade to the Kwinana Bulk Terminal clinker import circuit. The majority of these works are expected to be completed by 2023-24.

Westport and Port Development Plan

2. The Authority will continue to actively support the Westport process through positive leadership and technical expertise with the aim of assisting it to deliver clear and robust outcomes. Parallel to the Westport process, the Authority is producing a port development plan that will articulate how the port will develop in the near future, to ensure business continuity while the broader planning work for the Government's Westport and Future of Fremantle projects is completed. The port development plan will ultimately integrate with Westport and Future of Fremantle to set out how the port and its transport linkages are expected to develop over the next 50 years.

Safety

3. Safety will continue to be a primary focus for the Authority. The Authority will continue to implement initiatives to improve safety across the port for its workers and contractors, developing its safety and incident reporting systems within the business so that they align with international standards for safety management.

Supply Chain Visibility

4. The Authority will support supply chain efficiency and performance by creating end-to-end supply chain transparency for partners and Western Australian importers and exporters, so they have the information they need to manage cargo flow reliably and efficiently.

Victoria Quay Waterfront Strategy

5. In partnership with Planning, Lands and Heritage, the Authority is committed to the continued activation of the Victoria Quay Waterfront area. The aim is to enhance the amenity of the area and create a destination that benefits the broader community, while ensuring no adverse impacts on port operations by avoiding incompatible land uses. Key areas of focus will include:
 - 5.1. a place improvement plan that identifies the short and medium-term place improvements for the western end of Victoria Quay Waterfront, with a focus on improving connections, amenities and activation, incorporating previous planning works; and
 - 5.2. continuing to work with other short, medium, and long-term Government initiatives for Victoria Quay Waterfront in the context of the planned future development of the Inner Harbour.

Sustainability

6. The Authority has a strong commitment to creating an environmentally sustainable port and supply chain with clear targets to embrace and support energy transition of its assets, business and infrastructure.

2022-23 Retained Dividend

7. The Authority will retain its forecast 2022-23 dividend payment together with the 2021-22 dividend payment, resulting in a total of \$97.6 million to fund future infrastructure investment. The funds will be quarantined pending approval of business cases for future strategic infrastructure requirements.

Statement of Corporate Intent

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

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

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

Government Goals	Strategic Objectives	Desired Outcomes
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	Achieve financial targets in line with Government expectations in accordance with prudent commercial principles.	1. Achieve financial targets
	Provide reliable and efficient and commercial services to meet customer needs and add value.	2. Highly efficient port operations that promote trade growth 3. High levels of customer satisfaction
Safe, Strong and Fair Communities: Supporting our local and regional communities to thrive.	Provide a safe and healthy environment for the community.	4. Achieve community satisfaction targets 5. Maintain safety and quality management systems in line with best practice

Outcomes and Key Performance Indicators

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
Outcome: Achieve financial targets:					
Earnings before interest, taxes, depreciation and amortisation (\$'000).....	90,995	78,390	80,086	97,227	1
Economic rate of return ^(a)	9.5%	7.2%	7.3%	8.3%	
Debt to equity ratio	47%	57%	47%	56%	
Outcome: Highly efficient port operations that promote trade growth:					
Total number vessel visits ^(b)	1,546	1,487	1,477	1,605	
Total port trade ('000 tonnes)	28,270	28,723	30,279	30,709	
Outcome: High levels of customer satisfaction:					
Customer satisfaction score ^(c)	60%	>85%	n.a.	n.a.	
Outcome: Achieve community satisfaction targets:					
Community satisfaction	59.5%	>75%	67%	67%	
Outcome: Maintain safety and quality management systems in line with best practice:					
Lost time injury frequency rate (LTIFR) ^(d)	6.2	nil or 10% reduction	4	nil or 10% reduction	
Number reportable environmental incidents.....	1	nil	2	nil	2

(a) Economic rate of return as calculated in accordance with the Department of Transport's Western Australia Port Authority - Rate of Return Calculation Methodology and Asset Valuation Policy.

(b) Number of vessels visits includes commercial, non-trading and fishing vessels (excludes naval).

(c) Fremantle Ports uses Net Promoter Score as the measure of customer satisfaction.

(d) The LTIFR is based on injuries 'occurring in the year' and 'million hours worked'. Target is for no lost time or a 10% reduction in lost time from the previous year.

Explanation of Significant Movements

(Notes)

1. The 2023-24 Budget Target increase in earnings before interest, taxes, depreciation and amortisation is due to the combined impact of revised trade expectations and cost mitigation strategies.
2. The reportable environmental incidents in the 2022-23 Estimated Actual relate to product spillage of less than 100 kg per event into the marine environment at the Kwinana Bulk Jetty.

Asset Investment Program

1. The Authority's AIP for 2023-24 to 2026-27 totals \$177.3 million, investing in projects across the Inner and Outer Harbour to support the economic growth of the State through the import and export of containers, motor vehicles, bulk commodities and other trades.

Expenditure in the Inner Harbour

2. A total of \$13.9 million in 2023-24 and \$19.2 million over the outyears is forecast to be spent on Inner Harbour berths upgrades, including continuing upgrades to certain berths in the Inner Harbour to accommodate larger vessels and to allow for heavy-duty use.
3. The Authority will spend \$22 million over 2022-23 and 2023-24 on land acquisitions and associated works in North Quay for port operations and buffer zones for port activities in the Inner Harbour.
4. Work continues on the Fremantle Waterfront Implementation Plan, including the Victoria Quay activation project to support the developments and land uses identified in the Fremantle Waterfront Masterplan for the western end of Victoria Quay, with expenditure of \$8.2 million planned in 2023-24.
5. The AIP also includes replacement of the Authority's ageing pilot boat fleet (floating plant), totalling \$11 million, to maintain required levels of service to customers.

Expenditure in the Outer Harbour

6. A total of \$10.3 million in 2023-24 and \$8.5 million over the outyears is forecast to be spent on the replacement and upgrade of assets at the Kwinana Bulk Terminal to facilitate the ongoing import and export of bulk materials for customers.
7. To support the projected volumes export and import of bulk commodities at the Kwinana Bulk Jetty, the Authority will spend an additional \$4 million in 2023-24 and \$9.5 million over the outyears to maintain product handling infrastructure and equipment.
8. The Authority will also spend \$57.3 million over 2022-23 to 2025-26 to upgrade the Kwinana Bulk Terminal's import and export facilities comprising:
 - 8.1. \$54.3 million to upgrade material handling import infrastructure; and
 - 8.2. \$3 million to concrete the export stockyard area.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-23 \$'000	2022-23 Estimated Expenditure \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
WORKS IN PROGRESS							
COVID-19 Response							
Outer Harbour							
Kwinana Bulk Terminal - Material Handling Infrastructure Renewal of Import System.....	56,400	27,083	25,012	29,317	-	-	-
Other Works in Progress							
Inner and Outer Harbour - Security Upgrades Stage Two....	3,724	3,184	-	540	-	-	-
Inner Harbour Infrastructure Refurbishment Program	36,263	3,100	3,100	13,936	9,857	7,818	1,552
North Quay - Land Acquisitions	22,150	18,900	18,740	3,250	-	-	-
Outer Harbour							
Kwinana Bulk Jetty - Export-Import Infrastructure	11,100	2,910	2,910	3,980	3,220	990	-
Kwinana Bulk Terminal - Infrastructure, Equipment Replacement and Upgrade	35,459	16,689	5,086	10,270	7,500	1,000	-
Plant and Equipment							
Replace Floating Plant	11,000	5,400	4,205	4,500	1,100	-	-
Replacement of Navigational Aids	5,683	2,023	-	-	840	420	400
Victoria Quay - Fremantle Waterfront Implementation Plan	10,938	10,221	5,404	717	-	-	-
COMPLETED WORKS							
Fremantle Waterfront Project - Commercial Precinct							
Access and Services	2,067	2,067	106	-	-	-	-
Inner Harbour - Photovoltaic System Passenger Terminal...	950	950	932	-	-	-	-
Minor Works - 2022-23 Program	10,962	10,962	10,962	-	-	-	-
Outer Harbour							
Kwinana Bulk Terminal - High Voltage (HV) Power System Upgrade	6,000	6,000	1,406	-	-	-	-
Victoria Quay - H Berth Fender Replacement.....	4,700	4,700	4,700	-	-	-	-
NEW WORKS							
COVID-19 Response							
Outer Harbour							
Kwinana Bulk Terminal - Export Stockyard Area Concreting	3,000	-	-	-	1,500	1,500	-
Other New Works							
Inner Harbour							
Provision of Alternative Vehicular Access	1,000	-	-	-	1,000	-	-
Replacement of HV Cable from Main Substation to Substation 4	550	-	-	550	-	-	-
Minor Works							
2023-24 Program	15,340	-	-	15,340	-	-	-
2024-25 Program	14,000	-	-	-	14,000	-	-
2025-26 Program	12,000	-	-	-	-	12,000	-
2026-27 Program	12,000	-	-	-	-	-	12,000
Outer Harbour							
Kwinana Bulk Jetty - Replacement of Conveyor Structures and Equipment	5,300	-	-	-	1,400	1,400	2,500
Kwinana Bulk Terminal - Direct Conveyor.....	5,400	-	-	5,400	-	-	-
Victoria Quay - Activation Stage One	7,500	-	-	7,500	-	-	-
Total Cost of Asset Investment Program.....	293,486	114,189	82,563	95,300	40,417	25,128	16,452
FUNDED BY							
Borrowings.....			32,000	53,000	18,000	2,000	-
Internal Funds and Balances.....			50,563	42,300	22,417	23,128	16,452
Total Funding			82,563	95,300	40,417	25,128	16,452

Financial Statements

Income Statement

Revenue

1. The Authority's revenue forecasts primarily reflect expectations on trade mix and growth, ships and shipping services, and rental revenue from port tenancies.
2. The Authority will receive Government funding over 2022-23 and 2023-24 to undertake feasibility studies on Westport enabling works and to provide technical expertise and support on the future Westport container port statutory requirements and other technical aspects of the program.

Expenses

3. Employee benefits reflect organisational changes following a comprehensive management review of organisational structure and competencies. The 2023-24 Budget includes roles identified, together with continued investment in the Authority's organisational capability to support future operations. Salary increases are aligned with enterprise agreements, or the public sector wages policy post agreement expiration.
4. The 2022-23 Estimated Actual for supplies and services reflects costs to support the development and implementation of new systems and ICT frameworks, including increased cyber security initiatives and a contemporary enterprise resource planning system to replace the Authority's legacy financial management system. The 2022-23 Estimated Actual and the 2023-24 Budget Year include expenditure for Westport enabling works.
5. Movements in depreciation and interest costs are driven by changes in the Authority's AIP.

Statement of Financial Position

6. The Authority's AIP is a major driver of movements in property, plant and equipment and, through AIP funding assumptions, movements in cash and borrowings balances.
7. Movements in cash assets relate to timing of dividend payments and AIP funding assumptions.

Statement of Cashflows

8. Payments for purchase of non-current assets reflect changes to the Authority's AIP resulting from an extensive review of priorities, timing and expenditure estimates.
9. Movements in net cash from financing activities are a result of revised AIP timings and general operating requirements. Financing activities include assumptions relating to the drawdown and repayment of a working capital facility held with the Western Australian Treasury Corporation.

INCOME STATEMENT ^(a)
(Controlled)

	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
REVENUE							
Revenue from operations							
Sale of goods and services.....	232,757	226,012	237,767	255,509	258,959	266,667	277,018
Other revenue	1,008	762	762	2,693	2,732	2,773	2,814
Revenue from Government							
Operating subsidies.....	-	317	317	326	-	-	-
Other subsidies	-	9,000	5,500	2,000	-	-	-
TOTAL REVENUE.....	233,765	236,091	244,346	260,528	261,691	269,440	279,832
Expenses							
Employee benefits ^(b)	51,549	56,160	60,666	61,681	61,818	61,773	61,766
Supplies and services	58,264	69,529	71,259	64,774	60,194	61,578	63,155
Accommodation ^(c)	6,245	6,197	6,197	6,466	6,595	6,727	6,862
Depreciation and amortisation	17,993	19,864	20,079	22,841	26,624	27,360	27,523
Finance and interest costs.....	5,006	7,296	6,393	7,821	8,046	7,779	7,407
Other expenses ^(d)	26,712	25,814	26,138	30,380	32,374	33,005	33,798
TOTAL EXPENSES.....	165,769	184,860	190,732	193,963	195,651	198,222	200,511
NET PROFIT/(LOSS) BEFORE TAX	67,996	51,231	53,614	66,565	66,040	71,218	79,321
National Tax Equivalent Regime							
Current tax equivalent expense	20,500	17,301	17,962	21,482	21,950	23,563	26,130
Deferred tax equivalent expense	-	(1,798)	(1,798)	(1,369)	(1,987)	(2,031)	(2,157)
NET PROFIT/(LOSS) AFTER TAX	47,496	35,728	37,450	46,452	46,077	49,686	55,348
Dividends	-	26,943	-	33,151	34,589	36,535	40,397

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

(b) The full-time equivalents for 2021-22 Actual, 2022-23 Estimated Actual and 2023-24 Budget Year are 333, 367 and 362 respectively.

(c) Accommodation includes the Authority's total operational electricity and water costs.

(d) Other expenses includes land tax, payroll tax, insurance premiums and other general and administration expenses.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets	79,932	32,119	42,700	33,911	32,283	38,559	52,367
Cash assets - Retained dividends.....	67,595	63,732	97,567	97,567	97,567	97,567	97,567
Receivables	29,728	26,471	28,924	27,939	29,848	30,744	31,958
Other.....	7,242	5,549	5,687	5,881	5,994	6,152	6,329
Total current assets	184,497	127,871	174,878	165,298	165,692	173,022	188,221
NON-CURRENT ASSETS							
Property, plant and equipment.....	431,691	525,588	495,791	570,854	585,311	585,470	576,141
Receivables	864	-	-	-	-	-	-
Other.....	26,714	30,354	28,249	29,905	31,633	33,664	35,822
Total non-current assets	459,269	555,942	524,040	600,759	616,944	619,134	611,963
TOTAL ASSETS	643,766	683,813	698,918	766,057	782,636	792,156	800,184
CURRENT LIABILITIES							
Employee provisions	15,021	14,377	15,593	16,161	16,552	16,848	17,078
Payables	13,467	12,111	11,749	21,360	19,997	23,480	26,560
Borrowings and leases	2,318	2,057	2,205	2,561	1,628	1,923	2,279
Other.....	13,352	8,082	11,284	11,657	11,695	11,761	11,821
Total current liabilities	44,158	36,627	40,831	51,739	49,872	54,012	57,738
NON-CURRENT LIABILITIES							
Employee provisions	9,938	11,723	10,115	10,423	10,733	11,048	11,370
Borrowings and leases	146,832	195,566	167,792	210,088	216,953	208,824	197,856
Other.....	3,900	3,774	3,792	4,118	3,901	3,944	3,941
Total non-current liabilities ^(b)	160,670	211,063	181,699	224,629	231,587	223,816	213,167
TOTAL LIABILITIES.....	204,828	247,690	222,530	276,368	281,459	277,828	270,905
NET ASSETS	438,938	436,123	476,388	489,689	501,177	514,328	529,279
EQUITY							
Contributed equity	105,059	105,059	105,059	105,059	105,059	105,059	105,059
Accumulated surplus/(deficit).....	333,879	331,141	371,329	384,630	396,118	409,269	424,220
Reserves.....	-	(77)	-	-	-	-	-
TOTAL EQUITY	438,938	436,123	476,388	489,689	501,177	514,328	529,279

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

(b) Movements in non-current liabilities primarily reflects borrowings assumptions for AIP and general operating requirements of the Authority.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Sale of goods and services.....	197,062	196,029	213,274	226,238	224,975	233,112	242,521
GST receipts	23,362	22,603	24,360	25,784	25,897	26,668	27,703
Other receipts ^(b)	36,179	31,408	31,413	34,479	34,799	35,453	36,120
Payments							
Employee benefits	(51,183)	(55,892)	(59,791)	(60,843)	(61,132)	(61,170)	(61,193)
Supplies and services	(58,264)	(69,529)	(71,259)	(64,774)	(60,194)	(61,578)	(63,155)
Accommodation ^(c)	(5,397)	(5,499)	(5,499)	(5,601)	(5,722)	(5,845)	(5,971)
GST payments	(23,468)	(22,822)	(24,830)	(25,480)	(25,531)	(26,528)	(27,648)
Finance and interest costs	(5,100)	(6,967)	(6,202)	(7,564)	(8,034)	(7,894)	(7,525)
Other payments	(26,256)	(26,166)	(29,613)	(32,884)	(32,648)	(32,499)	(33,241)
Net cash from operating activities	86,935	63,165	71,853	89,355	92,410	99,719	107,611
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from sale of non-current assets	42	-	-	-	-	-	-
Payments							
Purchase of non-current assets	(13,242)	(78,570)	(82,563)	(95,300)	(40,417)	(25,128)	(16,452)
Net cash from investing activities	(13,200)	(78,570)	(82,563)	(95,300)	(40,417)	(25,128)	(16,452)
CASHFLOWS FROM FINANCING ACTIVITIES							
Receipts							
Proceeds from borrowings	-	85,000	57,000	78,000	43,000	27,000	25,000
Other proceeds	880	959	959	864	-	-	-
Payments							
Repayment of borrowings and leases	(12,131)	(36,737)	(37,440)	(37,695)	(37,506)	(37,029)	(37,126)
Other payments ^(d)	-	(465)	(564)	(548)	(572)	(595)	(655)
Net cash from financing activities	(11,251)	48,757	19,955	40,621	4,922	(10,624)	(12,781)
CASHFLOWS FROM GOVERNMENT							
Receipts							
Operating subsidies	-	317	317	326	-	-	-
Other subsidies	-	9,000	5,500	2,000	-	-	-
Payments							
Dividends to Government	-	(26,944)	-	(33,151)	(34,589)	(36,535)	(40,397)
National Tax Equivalent Regime - Income Tax..	(22,435)	(16,623)	(21,624)	(11,775)	(23,081)	(20,274)	(23,282)
Local Government Rates Equivalent	(848)	(698)	(698)	(865)	(873)	(882)	(891)
Net cash provided to Government	23,283	34,948	16,505	43,465	58,543	57,691	64,570
NET INCREASE/(DECREASE) IN CASH HELD	39,201	(1,596)	(7,260)	(8,789)	(1,628)	6,276	13,808
Cash assets at the beginning of the reporting period	108,326	97,447	147,527	140,267	131,478	129,850	136,126
Cash assets at the end of the reporting period	147,527	95,851	140,267	131,478	129,850	136,126	149,934

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

(b) Rental revenues are included within sale of goods and services on the Income Statement, however within the Statement of Cashflows these receipts are recorded as other receipts.

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

(d) Other payments include land tax, payroll tax, insurance premiums and other general and administration expenses.

Kimberley Ports Authority

Part 9 Transport

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

	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax.....	-	-	951	855	907	1,124	1,538
Local Government Rates Equivalent	120	140	120	125	126	128	129
Dividends ^{(a)(b)}	-	-	-	2,782	2,604	2,887	3,656
EXPENSES FROM GENERAL GOVERNMENT SECTOR							
Operating Subsidies.....	3,100	2,500	2,500	2,500	2,500	-	-
EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR							
Equity Contribution.....	2,000	5,500	3,922	57,500	18,500	-	-
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	22,575	23,855	25,010	28,532	32,685	37,961	40,017
Revenue from Government	3,100	2,500	2,500	2,500	2,500	-	-
Total Expenses ^(c)	23,114	29,051	23,706	27,612	31,555	33,460	33,892
Total Borrowings.....	7,942	6,210	6,208	4,377	2,827	2,095	1,365
NET PROFIT AFTER TAX.....	2,561	(2,696)	2,853	2,565	2,723	3,377	4,587
CASH ASSETS ^(d)	12,173	2,730	19,249	18,063	20,149	22,848	26,240

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

(b) The Authority will retain 2022-23 dividend payments to instead contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise for further detail.

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

(d) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Government Trading Enterprise's (GTE's) Income Statement since presentation of the 2022-23 Budget to Parliament on 12 May 2022, are outlined below:

	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
Key Adjustments					
Revised 2023-24 Strategic Development Plan (SDP)	-	2,662	553	(543)	(35)
Wharf Facility Works (Port of Broome)	-	924	2,880	4,428	5,145
Other					
2022-23 Retained Dividend.....	(2,634)	-	-	-	-
Common User Works for the Supply Base.	-	-	-	(188)	(223)
Electrical Works					
Other Ports (Derby).....	-	-	(5)	(12)	(12)
Other Ports (Wyndham).....	-	-	(14)	(32)	(32)

Significant Issues Impacting the Government Trading Enterprise

Kimberley Ports Amalgamation

1. The Authority continues to work with port operators at the Ports of Wyndham and Derby to ensure Management and Lease Agreement obligations are being met and improved maintenance and asset planning is being undertaken.

Supply Base

2. The Authority will spend \$52 million to facilitate the development of a supply base and associated infrastructure. This comprises \$45 million for the supply base and \$7 million for the base infrastructure of a production chemical facility.
3. This project is subject to a final investment decision, and the long-term lease agreement and associated Construction Works Deed, which will be subject to Ministerial approval and the Treasurer's concurrence.
4. The \$45 million investment is to be repaid over a 20-year period with interest. The supply base is expected to have a significant positive impact on the financial position of the Authority.
5. The Government approved an additional \$8 million at the 2022-23 Mid-year Review to fund common user works (including roads) to provide access and services on land at Port Drive West, enabling construction of the supply base.

Kimberley Marine Support Base

6. The construction of the Kimberley Marine Support Base facility at the Port of Broome is a major project that will significantly change the way the Authority operates. It comprises of a floating marine offloading facility, along with associated onshore terminal facilities, and will provide complementary facilities for maritime trade and tourism.
7. A preferred operator has been selected, as has the preferred tenderer for the design and construction of the facility. Confirmation of finance for the project will be finalised when the model testing is completed, the design is reviewed, and contracts have been awarded.

Kimberley Mineral Sands Exports

8. To better accommodate bulk product exports the Authority will undertake works amounting to \$15 million on the Port of Broome wharf to relocate impediments to efficient vessel loading by relocating the wharf shed, repairing the exposed deck and constructing a transition space between the wharf and neck.

Trade Outlook (Commodities, Cargo and Cruise)

9. The Authority is positioned to take advantage of the growing exploration and development of the resource industry including oil and gas, minerals sands, iron ore, nickel, and potash. There is a growing food demand in Asia and a matching increasing focus on agriculture and aquaculture ventures in Australia.
10. Global demand for agricultural commodities (primarily cattle), resources such as mineral sands (for technological uses), general cargo, and oil and gas support services is expected to continue in 2023-24. Small cruise shipping has increased and large cruise shipping is slowly increasing due to the necessity for cruise lines to plan itineraries well in advance.
11. The Port of Yampi Sound's exports of high-grade iron ore remains consistent with prior years. Port of Wyndham trade remains similar to last year including iron ore exports.

2022-23 Dividend Retention

12. The Authority will retain its forecast 2022-23 dividend payment of \$2.6 million and will utilise \$1.8 million to upgrade and replace electrical systems at the Ports of Wyndham and Derby.

Statement of Corporate Intent

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

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

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

Government Goals	Strategic Objectives	Desired Outcomes
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	Achieve financial targets in line with Government expectations in accordance with prudent commercial principles.	1. Consistent with the <i>Port Authorities Act 1999</i> , facilitate trade, plan for future growth and development in a safe and efficient port 2. Achieve rate of return and profitability targets
Safe, Strong and Fair Communities: Supporting our local and regional communities to thrive.	Maintain our safety, environmental and quality management systems in line with best practice and our existing certifications.	3. Seek accreditation for ISO 45001:2018 <i>Occupational Health and Safety Management</i> and ISO 14001:2016 <i>Environmental Management Systems</i> at Port of Broome

Outcomes and Key Performance Indicators

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
Outcome: Consistent with the <i>Port Authorities Act 1999</i>, facilitate trade, plan for future growth and development in a safe and efficient port:					
Customer satisfaction with services ^(a)	75%	65%	75%	78%	
Employee satisfaction rating ^(b)	74%	75%	74%	76%	
Berthing availability ^(c)	56%	51%	59%	62%	
Trade growth tonnages ^{(c)(d)(e)}	2,335,309	2,028,000	2,200,000	2,466,000	
Number of ship visits ^(c)	1,662	1,442	1,218	1,637	
Outcome: Achieve rate of return and profitability targets:					
Earnings before interest, taxes, depreciation and amortisation ^(d)	\$7,230,000	\$7,459,000	\$8,375,679	\$8,195,035	1
Rate of return on assets ^(f)	-3%	-2%	-4%	-3%	
Economic rate of return ^(g)	-3%	-2%	-4%	-3%	
Debt to equity ratio	0.16	0.07	0.14	0.08	
Outcome: Seek accreditation for ISO 45001:2018 <i>Occupational Health and Safety Management</i> and ISO 14001:2016 <i>Environmental Management Systems</i> at Port of Broome:					
Environmental incidents	nil	nil	nil	nil	
Lost time injury frequency rate ^(h)	nil	nil	nil	nil	

(a) Customer satisfaction rating from 2022 and surveyed every two years.

(b) Employee satisfaction rating from 2021 and surveyed every two years.

(c) The performance measures are used to measure the operational performance of the Authority. They are used by the Authority to monitor service delivery, identify and respond to emerging trends in trade development, and capability for the future and plan for infrastructure development.

(d) As a result of the 1 July 2021 ports amalgamation, the 2021-22 Actual and 2022-23 Budget for these indicators vary from those reported previously.

(e) Trade tonnages includes all ports' cargo activities except for cruise vessel passenger numbers.

(f) The asset base includes current assets to calculate the return on assets.

(g) Rate of return as calculated in accordance with the Department of Transport's Western Australia Port Authority - Rate of Return Calculation Methodology and Asset Valuation Policy.

(h) Lost time injury frequency rate is based on injuries 'occurring in the year' and 'million hours worked'.

Explanation of Significant Movements

(Notes)

1. In 2022-23 Estimated Actual is higher compared to the 2022-23 Budget primarily due to increased trade including oil and gas activity at the Port of Broome, and the retention of the 2021-22 dividend.

Asset Investment Program

1. The Authority's Asset Investment Program (AIP) for 2023-24 to 2026-27 totals \$84.5 million, which will further support the continued economic growth of the Kimberley region. The Authority's 2023-24 AIP includes spending of:
 - 1.1. \$30 million allocated for the proposed supply base land infrastructure;
 - 1.2. \$15 million for Port of Broome wharf works to enable efficient loading of bulk product; and
 - 1.3. \$8 million for common user works to facilitate access to establish the Marine Supply Hub.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-23 \$'000	2022-23 Estimated Expenditure \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
WORKS IN PROGRESS							
Minor Works - 2022-23 Program	2,636	2,285	2,285	351	-	-	-
COMPLETED WORKS							
Major Port Infrastructure - Wharf Essential Works (Electrical Upgrade).....	1,844	1,844	415	-	-	-	-
NEW WORKS							
Major Port Infrastructure							
Chemical Facility Works	7,000	-	-	4,000	3,000	-	-
Common User Works	8,000	-	-	8,000	-	-	-
Supply Base.....	45,000	-	-	30,000	15,000	-	-
Wharf Facility Works (Port of Broome).....	15,000	-	-	15,000	-	-	-
Minor Works							
2023-24 Program	2,075	-	-	2,075	-	-	-
2024-25 Program	2,075	-	-	-	2,075	-	-
2025-26 Program	1,575	-	-	-	-	1,575	-
2026-27 Program	1,575	-	-	-	-	-	1,575
Electrical Works - Other Ports (Derby).....	500	-	-	500	-	-	-
Electrical Works - Other Ports (Wyndham).....	1,300	-	-	1,300	-	-	-
Total Cost of Asset Investment Program.....	88,580	4,129	2,700	61,226	20,075	1,575	1,575
FUNDED BY							
Funding Included in Department of Treasury Administered Item.....			500	57,500	18,500	-	-
Internal Funds and Balances.....			2,200	3,726	1,556	1,372	1,235
Other			-	-	19	203	340
Total Funding			2,700	61,226	20,075	1,575	1,575

Financial Statements

Income Statement

Revenue

1. The sale of goods and services increases between the 2022-23 Budget and 2022-23 Estimated Actual due to an increase in oil and gas trade and the return of large cruise vessels. The sale of goods and services will increase in the final quarter of 2023-24 due to the commencement of the Kimberley Mineral Sands bulk cargo trade which continues through the outyears to 2027-28. Other shipping increases are due to the increase in mid-to-large cruise vessel visits.
2. Lease and license revenue increases in 2024-25 (captured in other revenue) include the proposed Marine Supply Hub.
3. The ports amalgamation subsidy of \$2.5 million currently continues until 2024-25 for undertaking responsibilities for the Ports of Wyndham, Derby and Yampi Sound.

Expenses

4. Employee benefits increase in line with the public sector wages policy and the increase in full-time equivalents associated with the bulk cargo trade and projects increasing local job opportunities.
5. Supplies and services in 2022-23 Budget compared to the 2022-23 Estimated Actual previously included management fees for Port of Wyndham and the treatment of this expense changed due to accountancy advice.
6. Depreciation and amortisation expenses increase following capital expenditure from 2023-24 through to 2026-27 in the Ports of Broome, Wyndham and Derby.
7. Finance and interest costs decrease over the forward estimates period as Western Australian Treasury Corporation loans are repaid.

Statement of Financial Position

8. The Authority is expected to return to a cash-positive operation in 2023-24 with the commencement of bulk cargo trade over the forward estimates period.
9. Total assets are budgeted to increase by 60% in the 2023-24 Budget Year compared to the 2022-23 Estimated Actual and a further 12% in the 2024-25 Outyear, which is driven by major projects at the Port of Broome.
10. Total liabilities decreases by 10% in the 2023-24 Budget Year compared to the 2022-23 Estimated Actual and a further 8% in the 2024-25 Outyear due to the repayment of Western Australian Treasury Corporation loans over the period.

Statement of Cashflows

11. The increase in contributed equity in 2023-24 and 2024-25 comprises the funds to support the Authority's Asset Investment Program.

INCOME STATEMENT ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE							
Revenue from operations							
Sale of goods and services.....	21,664	18,611	24,333	27,706	31,360	36,603	38,651
Other revenue	911	5,244	677	826	1,325	1,358	1,366
Revenue from Government							
Operating subsidies.....	3,100	2,500	2,500	2,500	2,500	-	-
TOTAL REVENUE.....	25,675	26,355	27,510	31,032	35,185	37,961	40,017
Expenses							
Employee benefits ^(b)	8,964	9,501	10,747	12,937	15,836	17,259	17,452
Supplies and services	3,931	9,254	4,170	4,781	5,399	5,809	5,888
Accommodation	3,850	4,060	2,456	3,133	3,194	3,256	3,320
Depreciation and amortisation	4,227	3,950	4,072	4,309	4,811	4,895	4,981
Finance and interest costs.....	523	457	499	468	305	207	159
Other expenses.....	1,619	1,829	1,762	1,984	2,010	2,034	2,092
TOTAL EXPENSES.....	23,114	29,051	23,706	27,612	31,555	33,460	33,892
NET PROFIT/(LOSS) BEFORE TAX	2,561	(2,696)	3,804	3,420	3,630	4,501	6,125
National Tax Equivalent Regime - Current tax equivalent expense	-	-	951	855	907	1,124	1,538
NET PROFIT/(LOSS) AFTER TAX	2,561	(2,696)	2,853	2,565	2,723	3,377	4,587
Dividends	-	-	-	2,782	2,604	2,887	3,656

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

(b) The full-time equivalents for the 2021-22 Actual, 2022-23 Estimated Actual and 2023-24 Budget Year are 69, 76 and 84 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget ^(b)	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual ^(b)	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
CURRENT ASSETS							
Cash assets	12,173	2,730	16,615	17,229	19,301	21,968	25,328
Cash assets - Retained dividends.....	-	-	2,634	834	848	880	912
Receivables	3,329	6,179	3,272	3,405	3,535	1,838	2,452
Other.....	112	188	112	112	112	55	55
Total current assets	15,614	9,097	22,633	21,580	23,796	24,741	28,747
NON-CURRENT ASSETS							
Property, plant and equipment.....	72,976	76,292	71,676	128,825	144,330	143,577	140,514
Intangibles	590	(37)	590	589	589	927	971
Total non-current assets	73,566	76,255	72,266	129,414	144,919	144,504	141,485
TOTAL ASSETS	89,180	85,352	94,899	150,994	168,715	169,245	170,232
CURRENT LIABILITIES							
Employee provisions	1,922	2,219	2,702	3,434	4,180	4,960	5,746
Payables	1,419	1,353	1,371	1,282	1,188	1,139	1,139
Borrowings and leases	2,881	2,422	2,977	2,704	1,877	1,998	1,998
Other.....	493	447	439	439	439	499	499
Total current liabilities	6,715	6,441	7,489	7,859	7,684	8,596	9,382
NON-CURRENT LIABILITIES							
Employee provisions	69	77	69	69	69	50	50
Borrowings and leases	6,208	4,499	4,378	2,820	2,097	1,244	514
Total non-current liabilities	6,277	4,576	4,447	2,889	2,166	1,294	564
TOTAL LIABILITIES.....	12,992	11,017	11,936	10,748	9,850	9,890	9,946
NET ASSETS	76,188	74,335	82,963	140,246	158,865	159,355	160,286
EQUITY							
Contributed equity	75,010	81,808	78,932	136,432	154,932	154,932	154,932
Accumulated surplus/(deficit).....	(7,143)	(15,794)	(4,290)	(4,507)	(4,388)	(3,898)	(2,967)
Reserves.....	8,321	8,321	8,321	8,321	8,321	8,321	8,321
TOTAL EQUITY	76,188	74,335	82,963	140,246	158,865	159,355	160,286

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

(b) The initial budget for 2022-23 included the full expenses and revenue attributed to the Port of Wyndham. On advice from accountants this changed to a single entry recognising the profit, after tax, for the port's operations.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Sale of goods and services.....	18,884	15,838	21,465	24,848	28,466	31,791	32,041
Other receipts	5,673	8,017	3,545	3,696	4,222	6,044	7,842
Payments							
Employee benefits.....	(9,060)	(9,417)	(9,967)	(12,204)	(15,089)	(16,497)	(16,665)
Supplies and services	(4,731)	(9,601)	(4,096)	(5,132)	(5,754)	(6,672)	(6,756)
Accommodation ^(b)	(4,705)	(3,920)	(2,336)	(3,008)	(3,068)	(3,128)	(3,191)
GST payments	(136)	-	-	-	-	-	-
Finance and interest costs.....	(492)	(457)	(499)	(468)	(305)	(207)	(159)
Other payments.....	(1,645)	(1,829)	(1,831)	(1,978)	(2,002)	(2,178)	(2,082)
Net cash from operating activities	3,788	(1,369)	6,281	5,754	6,470	9,153	11,030
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from sale of non-current assets.....	278	-	-	-	-	-	-
Payments							
Purchase of non-current assets	(1,099)	(7,075)	(2,700)	(61,226)	(20,075)	(1,575)	(1,575)
Net cash from investing activities	(821)	(7,075)	(2,700)	(61,226)	(20,075)	(1,575)	(1,575)
CASHFLOWS FROM FINANCING ACTIVITIES							
Payments							
Repayment of borrowings and leases	(2,015)	(1,856)	(1,856)	(1,952)	(1,672)	(740)	(740)
Net cash from financing activities.....	(2,015)	(1,856)	(1,856)	(1,952)	(1,672)	(740)	(740)
CASHFLOWS FROM GOVERNMENT							
Receipts							
Operating subsidies.....	3,100	2,500	2,500	2,500	2,500	-	-
Equity contributions	2,000	5,500	3,922	57,500	18,500	-	-
Payments							
Dividends to Government.....	-	-	-	(2,782)	(2,604)	(2,887)	(3,656)
National Tax Equivalent Regime - Income Tax...	(11)	-	(951)	(855)	(907)	(1,124)	(1,538)
Local Government Rates Equivalent.....	(120)	(140)	(120)	(125)	(126)	(128)	(129)
Net cash provided to Government	(4,969)	(7,860)	(5,351)	(56,238)	(17,363)	4,139	5,323
NET INCREASE/(DECREASE) IN CASH HELD	5,921	(2,440)	7,076	(1,186)	2,086	2,699	3,392
Cash assets at the beginning of the reporting period	6,252	5,170	12,173	19,249	18,063	20,149	22,848
Cash assets at the end of the reporting period	12,173	2,730	19,249	18,063	20,149	22,848	26,240

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

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

Mid West Ports Authority

Part 9 Transport

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

	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax.....	10,644	16,221	11,092	19,137	24,501	37,756	40,360
Local Government Rates Equivalent	920	889	901	934	980	1,029	1,081
Dividends (a)(b)(c)	-	25,340	-	29,973	40,532	60,274	69,491
EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR							
Equity Contribution (d)	-	-	-	1,500	-	1,573	2,375
Special Purpose Accounts	-	4,000	8,000	8,551	1,449	-	-
RATIOS							
Dividend Payout Ratio (%)	75	75	75	75	75	75	75
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations (c)	96,674	118,645	102,745	141,113	169,473	220,361	247,014
Total Expenses (c)(e)	61,077	64,577	65,774	77,321	87,803	94,508	112,480
Total Borrowings (c)	6,820	77,029	11,653	43,759	171,270	310,158	293,187
NET PROFIT AFTER TAX.....	24,909	37,847	25,879	44,655	57,169	88,097	94,174
CASH ASSETS (f)	57,922	37,021	76,802	53,442	68,959	89,552	116,750

- (a) In determining the dividend payment to general government, Net Profit After Tax may be adjusted based on other factors as permitted by relevant legislation.
- (b) The Authority will retain 2022-23 dividend payments to instead contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise for further detail.
- (c) Includes the impact of the Geraldton Port Maximisation Project (PMaxP) from 2022-23.
- (d) Equity contributions in 2024-25 to 2026-27 reflect the impact of the PMaxP. Dividends on the capital recovery charges for the PMaxP are to be returned as an equity contribution.
- (e) Excludes current tax expense, deferred tax expense and dividends.
- (f) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Government Trading Enterprise's (GTE's) Income Statement since presentation of the 2022-23 Budget to Parliament on 12 May 2022, are outlined below:

	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
Key Adjustment					
Geraldton Port Maximisation Project	(2,887)	(18,370)	(42,962)	(50,105)	(55,145)
Other					
2022-23 Retained Dividend	(24,629)	-	-	-	-
Fishing Boat Harbour Boat Building Precinct	-	(62)	(239)	(238)	(2)
Public Sector Wages Policy	(1,253)	(1,359)	(1,614)	(1,981)	(2,347)
Replacement of Ring Main Units	-	-	(365)	(336)	(319)
Trade Throughput Revisions	(1,688)	6,580	28,715	45,501	39,049
Wastewater Treatment Plant	-	(90)	(202)	(226)	(233)

Significant Issues Impacting the Government Trading Enterprise

1. Trade throughput volumes continue to increase year-on-year, though the volatility in the iron ore price has impacted on junior miners' trade forecasts over the short to medium-term.
2. The Authority is seeing continued approaches from potential new customers on projects within the Mid West region, including mining projects and break-bulk cargoes, particularly wind turbines.
3. The PMaxP design and delivery is progressing well with significant work on the various sub-projects well underway. The project team is seeing market conditions tightening with regards to resources (labour and materials) and limited availability of suitable contractors.
4. Due to the increased activity within the Western Australian economy, current procurement processes are seeing a limited number of respondents to tenders and increased pricing pressures for (and availability of) labour and materials. This is expected to be further exacerbated by the infrastructure replacement in the Kimberley as a result of the recent floods (people, equipment and material shortages will become acute).
5. Operating activities are seeing increased cost pressures due to the current economic environment, particularly in respect of salaries, interest rates and fuel.
6. Attraction and retention of staff is presenting as a significant issue as the current demand for experienced and qualified staff is outstripped by the current supply, particularly in regional areas.
7. As the region is experiencing unprecedented growth, with new mines and other emerging industries such as hydrogen requiring a significant number of contractors, adequate worker accommodation within the Geraldton area is limited, which will have implications for the construction phase of PMaxP.
8. The Authority is responsible for the Fishing Boat Harbour (FBH) in Geraldton. A FBH Development Plan is being progressed. Phase One will focus on measures to address current inundation risks identified in the most recent environmental processes studies completed. The first stage of a boat building precinct at the FBH is underway.
9. Surge and swell within the harbour basin continue to impact the ability of the Authority to provide continuous operations throughout the year. Berths which are being developed as part of PMaxP will incorporate mitigation measures to ensure operability remains consistent with current harbour surge and swell limits. Further surge and swell mitigation studies will commence in 2023-24.
10. The Authority is undertaking a range of improvements to increase public and port user safety by addressing road access issues in the port precinct, improving utilisation of existing berth infrastructure to increase ship loading efficiencies, and acquiring land to ease operational bottlenecks.
11. The Authority will retain its forecast 2022-23 dividend payment of \$20.8 million to contribute to funding future infrastructure investment. This is in addition to \$28.1 million which was retained previously. Of these retained dividends, \$18 million has been allocated to the design of the PMaxP, \$5.4 million set aside for the replacement of ring main units, and \$1.8 million allocated to the construction of a wastewater treatment plant. The investment of remaining funds is pending approval of future business cases relating to the infrastructure requirements of the Authority.

Statement of Corporate Intent

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

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

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

Government Goals	Strategic Objectives	Desired Outcomes
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	Facilitate, protect and grow efficient trade and tourism.	1. Improve revenue diversification and growth 2. Improve underlying profit 3. Improve long-term business value
Safe, Strong and Fair Communities: Supporting our local and regional communities to thrive.	Operate as an exemplary corporate citizen.	4. To be a sustainable port 5. To provide a safe workplace 6. Operate in harmony with our stakeholders

Outcomes and Key Performance Indicators

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
Outcome: Improve revenue diversification and growth:					
Return on assets.....	16.5%	17.7%	14.5%	20.4%	
Earnings before interest, tax, depreciation and amortisation (\$'000)	\$42,705	\$64,453	\$46,269	\$76,389	1
Total port trade (metric ton).....	16.4	20.96	17.4	21.3	2
Number of vessel visits	389	502	416	535	2
Outcome: Improve underlying profit:					
Economic rate of return ^(a)	4.9%	21.4%	3.8%	9%	3
Outcome: Improve long-term business value:					
Concept design and business case preparation - Berth 1 and Berth 8 construction.....	n.a.	n.a.	n.a.	100%	
Outcome: To be a sustainable port:					
Number of reportable environmental incidents.....	7	<10	nil	<10	
Annual Global Real Estate Sustainability Benchmark assessment	n.a.	n.a.	n.a.	2 stars	
Outcome: To provide a safe workplace:					
Loss time injury frequency rate.....	3.9	nil	nil	nil	
Outcome: Operate in harmony with our stakeholders:					
All stakeholders satisfaction survey score ^(b)	65%	n.a.	n.a.	>80%	

(a) Economic rate of return as calculated in accordance with the Department of Transport's Western Australia Port Authority - Rate of Return Calculation Methodology and Asset Valuation Policy.

(b) No result is reported for 2022-23 as the survey is conducted every two years rather than annually.

Explanation of Significant Movements

(Notes)

1. Earnings before interest, tax, depreciation and amortisation for 2022-23 have been impacted by the decrease in iron ore throughput directly related to the drop in price in the October 2022 to February 2023 period.
2. Total port trade and number of vessel visits reflect reduced throughput due to two iron ore producers halting production due to the fall in \$US price during the October 2022 to February 2023 period.
3. Economic rate of return is reducing due to the revaluation of assets, resulting in a significant increase in asset value.

Asset Investment Program

1. The Authority's 2023-24 Asset Investment Program totals \$92 million and includes spending for:
 - 1.1. the PMaxP to expand the capacity of the Port of Geraldton;
 - 1.2. a port-wide firefighting system to provide fully compliant fire systems across the port that meet standards and regulatory compliance requirements;
 - 1.3. a boat building precinct in FBH to facilitate PMaxP and support the local industry;
 - 1.4. a new wastewater treatment plant;
 - 1.5. the replacement of electrical ring main units to improve safety and environmental impact outcomes;
 - 1.6. the construction of the Eastern Breakwater Jetty to facilitate tourism to the Abrolhos Islands; and
 - 1.7. minor works projects to improve services, upgrade existing civil infrastructure, security, environmental systems, computer systems and replacement of equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-23 \$'000	2022-23 Estimated Expenditure \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
WORKS IN PROGRESS							
Eastern Breakwater Jetty	4,500	1,146	995	3,354	-	-	-
Port Maximisation Project	350,000	9,004	8,573	49,746	136,250	155,000	-
Port-Wide Firefighting System	13,500	1,128	934	12,372	-	-	-
COMPLETED WORKS							
COVID-19 Response							
Fishing Boat Harbour - Replacement of Southern Walkways	643	643	452	-	-	-	-
Wharf 4 Deck Strengthening and Rail Replacement	13,427	13,427	45	-	-	-	-
Other Completed Works							
Minor Works - 2022-23 Program	7,114	7,114	7,114	-	-	-	-
Land Acquisition and Road Improvements	8,000	8,000	7,937	-	-	-	-
NEW WORKS							
Fishing Boat Harbour – Boat Building Precinct	10,000	-	-	8,551	1,449	-	-
Minor Works							
2023-24 Program	11,274	-	-	11,274	-	-	-
2024-25 Program	4,500	-	-	-	4,500	-	-
2025-26 Program	5,500	-	-	-	-	5,500	-
2026-27 Program	5,500	-	-	-	-	-	5,500
Replacement of Ring Main Units	5,424	-	-	4,882	542	-	-
Wastewater Treatment Plant	1,775	-	-	1,775	-	-	-
Total Cost of Asset Investment Program	441,157	40,462	26,050	91,954	142,741	160,500	5,500
FUNDED BY							
Borrowings			5,769	34,550	136,250	155,000	-
Funding Included in Department of Treasury Administered Item			-	1,500	-	-	-
Internal Funds and Balances			12,281	47,353	5,042	5,500	5,500
Drawdown from Royalties for Regions Fund			8,000	8,551	1,449	-	-
Total Funding			26,050	91,954	142,741	160,500	5,500

Financial Statements

Income Statement

Revenue

1. Increases in the sale of goods and services over the forward estimates period are due to additional and new product throughput which will be enabled by the PMaxP. The reduction in the Authority's 2022-23 Estimated Actual revenue forecast (relative to 2022-23 Budget) is largely attributable to lower iron ore production due to a fall in iron ore prices.
2. Other revenue over the forward estimates period represents capital recovery and operational fees of new infrastructure provided by the PMaxP.

Expenses

3. Depreciation costs significantly increase as new infrastructure is commissioned and operational.
4. Finance and interest cost increases are due to additional borrowings to fund the PMaxP.

Statement of Financial Position

5. The Statement of Financial Position is materially affected by the timing of PMaxP. Refer to footnotes.

Statement of Cashflows

6. The Statement of Cashflows is materially affected by the timing of PMaxP. Refer to footnotes.

INCOME STATEMENT ^(a)
(Controlled)

	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
REVENUE							
Revenue from operations							
Sale of goods and services.....	93,786	118,171	101,107	139,816	164,034	214,196	202,924
Other revenue	2,888	474	1,638	1,297	5,439	6,165	44,090
TOTAL REVENUE.....	96,674	118,645	102,745	141,113	169,473	220,361	247,014
Expenses							
Employee benefits ^(b)	24,977	25,661	28,746	30,664	31,568	32,690	34,389
Supplies and services	18,034	17,319	17,365	22,200	21,272	18,419	19,601
Accommodation	2,051	2,288	1,557	2,293	3,039	3,502	3,848
Depreciation and amortisation	7,173	8,047	8,710	10,237	12,427	12,610	24,424
Finance and interest costs	276	2,336	586	2,360	9,367	17,032	16,171
Other expenses	8,566	8,926	8,810	9,567	10,130	10,255	14,047
TOTAL EXPENSES.....	61,077	64,577	65,774	77,321	87,803	94,508	112,480
NET PROFIT/(LOSS) BEFORE TAX	35,597	54,068	36,971	63,792	81,670	125,853	134,534
National Tax Equivalent Regime							
Current tax equivalent expense	10,644	16,221	11,092	19,137	24,501	37,756	40,360
Deferred tax equivalent expense	44	-	-	-	-	-	-
NET PROFIT/(LOSS) AFTER TAX	24,909	37,847	25,879	44,655	57,169	88,097	94,174
Dividends	-	25,340	-	29,973	40,532	60,274	69,491

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

(b) The full-time equivalents for 2021-22 Actual, 2022-23 Estimated Actual and 2023-24 Budget Year are 157, 161 and 163 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets ^(b)	30,034	26,702	38,481	28,974	45,033	65,626	92,824
Cash assets - Retained dividends.....	27,888	10,319	38,321	24,468	23,926	23,926	23,926
Receivables	14,466	12,489	14,271	14,508	14,327	14,313	14,357
Other.....	2,318	1,876	2,318	2,318	2,318	2,318	2,318
Total current assets	74,706	51,386	93,391	70,268	85,604	106,183	133,425
NON-CURRENT ASSETS							
Property, plant and equipment ^(b)	139,310	252,503	157,959	239,817	370,203	518,551	500,302
Other.....	3,015	2,858	3,015	3,015	3,015	3,015	3,015
Total non-current assets	142,325	255,361	160,974	242,832	373,218	521,566	503,317
TOTAL ASSETS	217,031	306,747	254,365	313,100	458,822	627,749	636,742
CURRENT LIABILITIES							
Employee provisions	5,484	4,681	5,484	5,484	5,484	5,484	5,484
Payables.....	10,362	13,088	8,132	10,386	10,930	11,514	10,146
Borrowings and leases ^(b)	961	12,849	2,936	9,228	16,436	17,307	18,274
Other.....	26	655	13	13	13	13	13
Total current liabilities	16,833	31,273	16,565	25,111	32,863	34,318	33,917
NON-CURRENT LIABILITIES							
Employee provisions	3,249	3,531	3,249	3,249	3,249	3,249	3,249
Borrowings and leases ^(b)	6,452	64,586	10,214	35,670	155,554	293,630	275,966
Other.....	1,464	1,221	1,464	1,464	1,464	1,464	1,464
Total non-current liabilities	11,165	69,338	14,927	40,383	160,267	298,343	280,679
TOTAL LIABILITIES	27,998	100,611	31,492	65,494	193,130	332,661	314,596
NET ASSETS	189,033	206,136	222,873	247,606	265,692	295,088	322,146
EQUITY							
Contributed equity ^(b)	79,857	87,857	87,857	97,908	99,357	100,930	103,305
Accumulated surplus/(deficit) ^(b)	108,388	117,491	134,267	148,949	165,586	193,409	218,092
Reserves.....	788	788	749	749	749	749	749
TOTAL EQUITY	189,033	206,136	222,873	247,606	265,692	295,088	322,146

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

(b) The PMaxP materially impacts the Authority's Statement of Financial Position. PMaxP will facilitate additional throughput, thereby increasing cash assets. The project will result in a significant increase in property, plant and equipment, funded by borrowings. Dividends on a proposed capital recovery charge will be refunded to the Authority via equity contributions.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Sale of goods and services ^(b)	91,925	112,771	95,423	134,133	157,967	207,747	195,830
GST receipts ^(b)	9,809	11,857	10,150	19,946	17,700	21,952	24,618
Other receipts ^(b)	9,238	5,874	7,322	6,980	11,506	12,614	51,184
Payments							
Employee benefits	(24,206)	(25,661)	(28,746)	(30,665)	(31,569)	(32,690)	(34,388)
Supplies and services	(18,034)	(17,319)	(17,365)	(22,200)	(21,272)	(18,419)	(19,601)
Accommodation ^(c)	(4,402)	(1,399)	(656)	(1,359)	(2,059)	(2,473)	(2,767)
GST payments ^(b)	(9,767)	(11,627)	(9,783)	(19,948)	(17,353)	(21,514)	(24,444)
Finance and interest costs ^(b)	(281)	(2,336)	(574)	(2,318)	(9,335)	(16,998)	(16,133)
Other payments	(10,391)	(8,924)	(8,811)	(9,567)	(10,129)	(10,255)	(14,047)
Net cash from operating activities	43,891	63,236	46,960	75,002	95,456	139,964	160,252
CASHFLOWS FROM INVESTING ACTIVITIES							
Payments							
Purchase of non-current assets ^(b)	(16,097)	(103,782)	(26,050)	(91,954)	(142,741)	(160,500)	(5,500)
Net cash from investing activities	(16,097)	(103,782)	(26,050)	(91,954)	(142,741)	(160,500)	(5,500)
CASHFLOWS FROM FINANCING ACTIVITIES							
Receipts							
Proceeds from borrowings ^(b)	-	74,967	5,769	34,550	136,250	155,000	-
Payments							
Repayment of borrowings and leases ^(b)	(1,553)	(5,066)	(1,412)	(2,985)	(9,263)	(16,545)	(17,409)
Net cash from financing activities	(1,553)	69,901	4,357	31,565	126,987	138,455	(17,409)
CASHFLOWS FROM GOVERNMENT ACTIVITIES							
Receipts							
Equity contributions ^(b)	-	-	-	1,500	-	1,573	2,375
Special Purpose Account(s)							
Royalties for Regions							
Regional Infrastructure and Headworks Fund	-	4,000	8,000	8,551	1,449	-	-
Payments							
Dividends to Government ^(b)	-	(25,340)	-	(29,973)	(40,532)	(60,274)	(69,491)
National Tax Equivalent Regime - Income Tax ^(b)	(8,890)	(11,234)	(13,486)	(17,117)	(24,122)	(37,596)	(41,948)
Local Government Rates Equivalent	(912)	(889)	(901)	(934)	(980)	(1,029)	(1,081)
Net cash provided to Government	9,802	33,463	6,387	37,973	64,185	97,326	110,145
NET INCREASE/(DECREASE) IN CASH HELD	16,439	(4,108)	18,880	(23,360)	15,517	20,593	27,198
Cash assets at the beginning of the reporting period	41,483	41,129	57,922	76,802	53,442	68,959	89,552
Cash assets at the end of the reporting period	57,922	37,021	76,802	53,442	68,959	89,552	116,750

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

(b) The PMaxP materially impacts the Authority's Statement of Cashflows. Increased receipts are due to an increase in throughput, facilitated by PMaxP infrastructure. The project investment, funded by borrowings, will increase payments on GST and purchase of non-current assets, increase proceeds from and repayments of borrowings and subsequent interest payments. Increase in profitability will lead to an increase in dividends and taxes paid to Government. Dividends on a proposed capital recovery charge will be refunded to the Authority via equity contributions.

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

Pilbara Ports Authority

Part 9 Transport

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

	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax.....	85,499	115,121	103,041	115,702	113,645	118,948	110,413
Local Government Rates Equivalent	3,138	3,057	3,131	3,210	3,290	3,372	3,456
Dividends ^{(a)(b)}	-	210,681	-	209,664	214,050	220,832	211,265
EXPENSES FROM GENERAL GOVERNMENT SECTOR							
Other Subsidies	6,848	9,110	8,699	8,699	8,699	8,699	8,699
EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR							
Equity Contribution.....	16,716	41,459	58,469	21,671	57,331	25,565	19,792
Special Purpose Accounts	31,972	6,050	6,050	26,178	-	-	-
RATIOS							
Dividend Payout Ratio (%)	85	85	85	85	85	85	85
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	582,264	707,026	643,865	736,409	713,395	737,670	728,120
Revenue from Government	6,848	9,110	8,699	8,699	8,699	8,699	8,699
Total Expenses ^(c)	316,952	332,398	321,090	376,894	359,155	366,491	384,444
Total Borrowings	142,199	146,973	148,573	176,724	140,639	102,303	81,701
NET PROFIT AFTER TAX.....	186,661	268,617	228,433	252,512	249,294	260,930	241,962
CASH ASSETS ^(d)	609,088	568,547	832,458	715,756	820,704	917,297	1,029,891

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

(b) The Authority will retain 2022-23 dividend payments to instead contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise for further detail.

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

(d) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Government Trading Enterprise's (GTE's) Income Statement since presentation of the 2022-23 Budget to Parliament on 12 May 2022, are outlined below:

	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
Key Adjustments					
Port Hedland Tug Haven Revetment Wall Upgrades - Cost Increase.....	-	-	-	11,216	2,172
Price Increases.....	-	11,573	9,343	3,933	(1,931)
Staffing Increases.....	7,758	(2,617)	(6,544)	(6,745)	(6,971)
Other					
2022-23 Retained Dividend.....	(181,675)	-	-	-	-
Dampier Cargo Wharf Extension Reforecast.....	-	-	-	(3,518)	(13,031)
Lumsden Point General Cargo Facility and Logistics Hub Reforecast.....	(48,506)	38,837	9,669	-	-
Port Hedland Voluntary Buy-back Scheme Reforecast.....	-	-	-	-	21,851
Revenue and Expense Update.....	6,224	(9,065)	(7,801)	(4,110)	(16,294)
Utah Point Volume Update.....	(6,488)	(18,641)	(3,029)	-	-
Utah Rise and Fall Pricing.....	-	4,943	8,011	9,599	11,006

Significant Issues Impacting the Government Trading Enterprise

Port Hedland Revetment Works

1. Two projects are underway at the Port of Port Hedland to sustain and improve port capacity:
 - 1.1. The Tug Haven Revetment Wall Upgrade project (\$72.5 million) will repair the harbour revetments and provide storm shelter for the modern tugs operating at the port. The project scope includes the construction of a combi-pile wall to support the existing revetments and the replacement of the existing sheet pile wall.
 - 1.2. The Inner Harbour revetment works project (\$20 million) will repair and upgrade the existing revetments that have been degraded over many years by cyclonic storms, tidal action and shipping activity. The project scope includes the remediation of revetment slopes under Berth 3 and refurbishment of the piles that lie within the revetment zone.

Port Hedland Spoilbank Marina

2. In June 2020, the Government announced that the Authority would be the lead agency for the construction of the Spoilbank Marina in Port Hedland and would be the owner and operator of the marina once it is complete. The project is being delivered in two key stages.
 - 2.1. Stage one was delivered by Main Roads on behalf of Transport and involved the construction of the truck haulage road which reached practical completion at the end of March 2021.
 - 2.2. The Authority has progressed delivering stage two, which is comprised of: bulk earthworks, revetments and breakwaters; dredging and reclamation works; marina structures; and land-side civil works. Completion of stage two works is expected in 2023-24.

Port Hedland Voluntary Buy-back Scheme

3. In June 2020, the Government announced a voluntary buy-back scheme for parts of Port Hedland's West End and that the scheme would be delivered by the Authority. There are 404 eligible properties. The offer and acceptance process to date has confirmed the rate of property acquisition is in line with assumptions in the original scheme modelling.

2022-23 Dividend Retention

- The Authority will retain its forecast 2022-23 dividend payment of \$185.3 million to contribute to funding future infrastructure investment. This will give a total retained dividend of \$440.2 million after \$254.9 million was retained previously. Of the dividends retained, \$29.8 million has been allocated to the Spoilbank Marina project and \$36.4 million to the Dampier Cargo Wharf Extension. The remaining funds will be quarantined pending approval of business cases for the strategic infrastructure requirements of the Authority as part of future budgets.

Dampier Cargo Wharf Extension

- The Dampier Cargo Wharf Extension and Landside Redevelopment Project includes development of a new land-backed wharf that will initially support the bulk export of urea from a proposed industrial project in the region and redundancy for ageing infrastructure at the Port of Dampier. The new land-backed wharf will be a multi-user, multi-product facility capable of accommodating bulk carriers, cruise ships and general cargo vessels, as well as vessels supporting the offshore oil and gas industry.

Lumsden Point

- An amount of \$93.1 million was previously approved in the 2022-23 Budget for construction of seawalls and bund walls (\$66.1 million), construction of a causeway (\$12 million), and inner harbour dredging (\$15 million) at Lumsden Point. An additional \$36 million will be used for roads, corridor and the Great Northern Highway intersection. This expenditure will facilitate the future development of additional general cargo facilities and a logistics hub at Port Hedland.

Statement of Corporate Intent

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

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

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

Government Goals	Strategic Objectives	Desired Outcomes
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	Appropriate financial returns to the State.	1. Optimise capital structure of the Authority, including consideration of debt and equity funding of major value accretive capital investments
Investing in WA's Future: Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities.	Regional prosperity and development.	2. Maximise regional benefits through management of existing and future ports

Outcomes and Key Performance Indicators

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
Outcome: Optimise capital structure of the Authority, including consideration of debt and equity funding of major value accretive capital investments:					
Rate of return on assets	9.9%	11.9%	11.7%	10.8%	1
Economic rate of return ^(a)	10.3%	12%	12.4%	11.3%	1
Debt to equity ratio.....	0.33	0.38	0.30	0.29	
Outcome: Maximise regional benefits through management of existing and future ports: ^(b)					
Port of Port Hedland					
Ship revenue earned per visit	\$140,992	\$154,605	\$148,208	\$158,178	2
Port trade ('000 tonnes).....	561,089	580,435	565,801	578,185	
Number of vessel visits.....	3,281	3,357	3,309	3,381	
Port of Dampier					
Ship revenue earned per visit	\$18,003	\$19,431	\$17,717	\$18,484	
Port trade ('000 tonnes).....	161,886	170,676	170,176	170,195	
Number of vessel visits.....	3,161	3,011	3,323	3,323	

(a) Economic rate of return as calculated in accordance with the Department of Transport's Western Australia Port Authority - Rate of Return Calculation Methodology and Asset Valuation Policy.

(b) Port of Ashburton and Port of Varanus Island information is not included for reasons of commercial-in-confidence.

Explanation of Significant Movements

(Notes)

1. The increases in rate of return on assets and economic rate of return from the 2021-22 Actual to 2022-23 Budget and 2022-23 Estimated Actual is mainly due to an increase in adjusted earnings before interest and tax, primarily arising from increased revenue due to price increases and increased throughput. This was partially offset by an increase in assets.
2. The increase in the rate of ship revenue earned per visit at the Port of Port Hedland from 2021-22 Actual to 2022-23 Budget and to 2022-23 Estimated Actual is primarily due to budgeted price increases including a 12% increase in tonnage charges.

Asset Investment Program

1. The Authority's 2023-24 Asset Investment Program totals \$291.6 million and includes:
 - 1.1. revetment upgrades at the Port of Port Hedland;
 - 1.2. property purchases by Hedland Maritime Initiative; and
 - 1.3. construction of the Port Hedland Spoilbank Marina, the Lumsden Point General Cargo Facility and Logistics Hub, the Dampier Cargo Wharf Extension, and port infrastructure at the Port of Ashburton.
2. Chevron's handover of the Port of Ashburton infrastructure was completed in 2018-19. Works to support future development of the multi-user facilities at the port are forecast to cost \$4.9 million in 2023-24 and \$14 million in the outyears.
3. The construction of the Port Hedland Spoilbank Marina is forecast to cost \$64.5 million in 2023-24. The expenditure will be funded from Royalties for Regions, other State contributions and retained dividends.
4. Following Severe Tropical Cyclone Veronica in March 2019, work was undertaken to assess the extent of damage caused to the Port Hedland Inner Harbour. The cyclone was analysed as being a one in 50-year event. Four revetment locations were identified as requiring immediate upgrade. The Port Hedland Inner Harbour revetment project has forecast expenditure of \$7.9 million in 2023-24 and the Tug Haven Revetment Wall Upgrades project has forecast expenditure of \$38.5 million in 2023-24.
5. The minor works program totals \$18.9 million in 2023-24 and \$61 million in the outyears. The program provides for replacement of mobile plant and office equipment, upgrades to safety, ICT, electrical and other equipment, and infrastructure (civil and marine). An amount of \$6.4 million previously budgeted for the minor works program has been reallocated for the Tug Haven Revetment Wall Upgrades project in 2023-24.
6. The Hedland Maritime Initiative is the special purpose vehicle established to administer the Government's Port Hedland Voluntary Buy-back Scheme and facilitate the planning and development of a Maritime Precinct. The Hedland Maritime Initiative acquisition of residential properties is forecast to be \$51.3 million in 2023-24.
7. An extension to the Dampier Cargo Wharf will provide an additional 200 metre length of berth in Dampier for the export of bulk solids as well as import/export of general cargoes and other commodities. The expenditure is forecast to be \$21.4 million in 2023-24 and a total of \$173.4 million in the outyears. The Marine Offloading Facility road culvert works of \$2.5 million in 2023-24 are in support of this project.
8. The Lumsden Point General Cargo Facility and Logistics Hub will meet the demand for existing and new trade growth through the Pilbara region. Expenditure is forecast to be \$81.7 million in 2023-24 and \$36 million in 2024-25.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-23 \$'000	2022-23 Estimated Expenditure \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
WORKS IN PROGRESS							
COVID-19 Response							
Port of Port Hedland							
Inner Harbour Revetment Upgrades	20,000	12,068	-	7,932	-	-	-
Tug Haven Revetment Wall Upgrades	72,536	34,065	20,813	38,471	-	-	-
Other Works in Progress							
Port of Ashburton - Port Infrastructure Construction							
Project	32,400	13,473	4,000	4,927	8,500	5,500	-
Port of Port Hedland							
Election Commitment - Spoilbank Marina	159,960	95,435	65,317	64,525	-	-	-
Hedland Maritime Initiative	175,299	124,014	48,211	51,285	-	-	-
Lumsden Point General Cargo Facility and Logistics Hub	129,095	11,416	11,416	81,684	35,995	-	-
COMPLETED WORKS							
Minor Works - 2022-23 Program	42,625	42,625	24,000	-	-	-	-
NEW WORKS							
Dampier Cargo Wharf Extension	194,810	-	-	21,379	73,136	76,087	24,208
Marine Offloading Facility Road Culvert	2,500	-	-	2,500	-	-	-
Minor Works							
2023-24 Program	18,860	-	-	18,860	-	-	-
2024-25 Program	20,323	-	-	-	20,323	-	-
2025-26 Program	20,323	-	-	-	-	20,323	-
2026-27 Program	20,323	-	-	-	-	-	20,323
Total Cost of Asset Investment Program	909,054	333,096	173,757	291,563	137,954	101,910	44,531
FUNDED BY							
Borrowings			-	21,379	73,136	63,400	-
Funding Included in Department of Treasury Administered Item			49,403	-	-	-	-
Internal Funds and Balances			118,304	244,006	64,818	38,510	44,531
Drawdown from Royalties for Regions Fund			6,050	26,178	-	-	-
Total Funding			173,757	291,563	137,954	101,910	44,531

Financial Statements

Income Statement

Revenue

- Revenue growth is attributable to the receipt of a \$65 million contribution from port users for the development of the Port of Port Hedland in 2023-24 (originally budgeted for 2022-23), increased throughput, and approved price increases.

Expenses

- Operating expenses are expected to rise from 2022-23 due to:
 - changes to the workforce plan;
 - increased depreciation due to higher asset valuations;
 - a \$21.9 million provision for a payment that may be required for land activation in relation to the Hedland Maritime Initiative;
 - higher interest costs; and
 - higher general expenditure due to the current economic environment.

INCOME STATEMENT ^(a) (Controlled)

	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
REVENUE							
Revenue from operations							
Sale of goods and services.....	564,678	687,745	603,462	710,597	690,629	714,612	704,763
Other revenue.....	17,586	19,281	40,403	25,812	22,766	23,058	23,357
Revenue from Government							
Other subsidies.....	6,848	9,110	8,699	8,699	8,699	8,699	8,699
TOTAL REVENUE.....	589,112	716,136	652,564	745,108	722,094	746,369	736,819
Expenses							
Employee benefits ^(b)	57,685	64,554	64,452	72,085	73,904	75,389	77,266
Grants and subsidies.....	-	7,000	-	21,854	-	-	-
Supplies and services.....	82,158	79,473	67,626	84,278	84,905	88,533	89,948
Accommodation.....	37,584	45,099	42,844	46,531	46,776	47,945	49,143
Depreciation and amortisation.....	108,830	101,308	107,651	110,477	114,660	116,252	127,674
Finance and interest costs.....	4,754	4,714	6,802	8,697	6,915	5,286	6,503
Other expenses.....	25,941	30,250	31,715	32,972	31,995	33,086	33,910
TOTAL EXPENSES.....	316,952	332,398	321,090	376,894	359,155	366,491	384,444
NET PROFIT/(LOSS) BEFORE TAX.....	272,160	383,738	331,474	368,214	362,939	379,878	352,375
National Tax Equivalent Regime - Current tax equivalent expense.....	85,499	115,121	103,041	115,702	113,645	118,948	110,413
NET PROFIT/(LOSS) AFTER TAX.....	186,661	268,617	228,433	252,512	249,294	260,930	241,962
Dividends.....	-	210,681	-	209,664	214,050	220,832	211,265

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

(b) The full-time equivalents for 2021-22 Actual, 2022-23 Estimated Actual and 2023-24 Budget Year are 294, 355 and 355 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets	205,239	327,637	346,972	288,574	402,022	516,802	655,427
Cash assets - Retained dividends.....	254,282	194,382	416,724	410,464	410,464	397,777	374,464
Restricted cash	149,567	46,528	68,762	16,718	8,218	2,718	-
Receivables	80,597	88,896	85,628	98,812	96,037	98,842	97,472
Other.....	15,115	13,268	15,431	16,630	16,378	16,633	16,509
Total current assets	704,800	670,711	933,517	831,198	933,119	1,032,772	1,143,872
NON-CURRENT ASSETS							
Property, plant and equipment.....	2,801,356	3,158,375	2,867,514	3,048,697	3,072,091	3,057,850	2,974,812
Intangibles	1,789	952	2,347	2,325	2,303	1,884	1,884
Other investments	280	302	280	280	280	280	280
Other.....	96,071	80,392	96,071	96,071	96,071	96,071	96,071
Total non-current assets	2,899,496	3,240,021	2,966,212	3,147,373	3,170,745	3,156,085	3,073,047
TOTAL ASSETS	3,604,296	3,910,732	3,899,729	3,978,571	4,103,864	4,188,857	4,216,919
CURRENT LIABILITIES							
Employee provisions	11,868	11,200	11,447	11,447	11,447	11,447	11,447
Payables	25,483	26,450	20,294	18,501	20,435	20,562	19,875
Borrowings and leases	58,807	16,776	19,006	19,242	19,493	19,759	19,759
Other.....	16,919	25,620	19,004	19,004	19,004	19,004	19,004
Total current liabilities	113,077	80,046	69,751	68,194	70,379	70,772	70,085
NON-CURRENT LIABILITIES							
Employee provisions	1,199	1,568	1,193	1,193	1,193	1,192	1,191
Borrowings and leases	124,280	224,387	170,432	219,727	256,531	281,329	259,587
Other.....	665,075	766,226	664,856	605,262	598,991	593,131	593,131
Total non-current liabilities	790,554	992,181	836,481	826,182	856,715	875,652	853,909
TOTAL LIABILITIES.....	903,631	1,072,227	906,232	894,376	927,094	946,424	923,994
NET ASSETS	2,700,665	2,838,505	2,993,497	3,084,195	3,176,770	3,242,433	3,292,925
EQUITY							
Contributed equity	421,184	502,646	485,703	533,552	590,883	616,448	636,241
Accumulated surplus/(deficit).....	699,573	756,420	928,007	970,856	1,006,100	1,046,198	1,076,897
Reserves.....	1,579,908	1,579,439	1,579,787	1,579,787	1,579,787	1,579,787	1,579,787
TOTAL EQUITY	2,700,665	2,838,505	2,993,497	3,084,195	3,176,770	3,242,433	3,292,925

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Sale of goods and services.....	523,078	689,722	622,133	775,918	711,476	731,474	721,038
GST receipts	61,634	-	-	-	-	-	-
Other receipts	54,563	2,361	24,506	10,180	10,180	10,180	10,180
Payments							
Employee benefits.....	(56,698)	(64,239)	(64,449)	(72,084)	(73,903)	(75,389)	(77,265)
Supplies and services	(77,659)	(75,514)	(63,034)	(79,524)	(80,032)	(83,539)	(84,829)
Accommodation ^(b)	(34,446)	(42,042)	(39,713)	(43,321)	(43,486)	(44,573)	(45,687)
GST payments	(25,159)	-	-	-	-	-	-
Finance and interest costs.....	(4,581)	(3,521)	(7,844)	(9,647)	(7,889)	(6,284)	(7,526)
Other payments.....	(92,177)	(41,700)	(42,415)	(122,783)	(41,207)	(43,809)	(39,714)
Net cash from operating activities	348,555	465,067	429,184	458,739	475,139	488,060	476,197
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from sale of non-current assets.....	5	-	-	-	-	-	-
Payments							
Purchase of non-current assets	(132,936)	(339,366)	(173,757)	(291,563)	(137,954)	(101,910)	(44,531)
Net cash from investing activities.....	(132,931)	(339,366)	(173,757)	(291,563)	(137,954)	(101,910)	(44,531)
CASHFLOWS FROM FINANCING ACTIVITIES							
Receipts							
Proceeds from borrowings.....	40,000	62,459	10,000	53,380	73,140	63,400	-
Payments							
Repayment of borrowings and leases	(19,472)	(3,625)	(9,103)	(65,230)	(40,422)	(44,069)	(22,429)
Net cash from financing activities.....	20,528	58,834	897	(11,850)	32,718	19,331	(22,429)
CASHFLOWS FROM GOVERNMENT							
Receipts							
Equity contributions.....	16,716	41,459	58,469	21,671	57,331	25,565	19,792
Special Purpose Account(s)							
Royalties for Regions							
Regional Infrastructure and Headworks							
Fund.....	31,972	6,050	6,050	26,178	-	-	-
Other subsidies	6,848	9,110	8,699	8,699	8,699	8,699	8,699
Payments							
Dividends to Government	-	(210,681)	-	(209,664)	(214,050)	(220,832)	(211,265)
National Tax Equivalent Regime - Income Tax..	(102,279)	(114,297)	(103,041)	(115,702)	(113,645)	(118,948)	(110,413)
Local Government Rates Equivalent.....	(3,138)	(3,057)	(3,131)	(3,210)	(3,290)	(3,372)	(3,456)
Net cash provided to Government	49,881	271,416	32,954	272,028	264,955	308,888	296,643
NET INCREASE/(DECREASE) IN CASH HELD	186,271	(86,881)	223,370	(116,702)	104,948	96,593	112,594
Cash assets at the beginning of the reporting period	422,817	655,428	609,088	832,458	715,756	820,704	917,297
Cash assets at the end of the reporting period	609,088	568,547	832,458	715,756	820,704	917,297	1,029,891

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

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

Southern Ports Authority

Part 9 Transport

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

	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax.....	15,707	16,154	17,051	14,849	31,248	35,786	36,420
Local Government Rates Equivalent	945	690	690	855	718	732	750
Dividends ^{(a)(b)}	-	27,593	-	26,948	51,557	60,640	63,458
EXPENSES FROM GENERAL GOVERNMENT SECTOR							
Operating Subsidies.....	12,372	5,565	10,010	-	-	-	-
EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR							
Special Purpose Accounts	-	13,653	3,767	8,525	8,178	-	-
RATIOS							
Dividend Payout Ratio (%)	75	75	75	75	75	75	75
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	150,011	168,123	168,123	183,602	227,329	246,399	250,450
Revenue from Government	12,372	5,565	10,010	-	-	-	-
Total Expenses ^(c)	108,850	119,838	121,294	134,106	123,171	127,113	129,046
Total Borrowings	6,194	4,805	4,805	3,334	1,949	539	-
NET PROFIT AFTER TAX.....	37,826	37,696	39,788	34,647	72,910	83,500	84,984
CASH ASSETS ^(d)	105,487	53,438	109,256	74,360	73,401	100,630	129,387

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

(b) The Authority will retain 2022-23 dividend payments to instead contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise for further detail.

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

(d) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Government Trading Enterprise's (GTE's) Income Statement since presentation of the 2022-23 Budget to Parliament on 12 May 2022, are outlined below:

	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
Key Adjustments					
Conveyor Widening Berth 8 - Port of Bunbury	-	-	914	1,019	890
Crane Repairs.....	-	-	(747)	(888)	(888)
Electrical Infrastructure - Albany and Bunbury	-	-	-	-	(305)
Operational Technology Renewals - All Southern Ports.....	-	-	-	(1,290)	(1,535)
Port Roads Upgrade Esperance (Stage One).....	-	-	(128)	(153)	(153)
Other					
2022-23 Retained Dividend.....	(28,770)	-	-	-	-
Government Support Package Adjustment ^(a)	(1,361)	583	-	-	-
Iron Ore Shed 3 Recladding - Recashflow Esperance ^(b)	-	(981)	(1,167)	(186)	-
Trade and Operating Expenditure Revisions ^(c)	(1,010)	(8,114)	29,038	39,465	40,507

(a) Government support package adjustment related to iron ore volume movements through to support package expiry in 2022-23.

(b) Updated forecast on completion of iron ore shed recladding project to 2024-25.

(c) Trade and operating expenditure revisions are driven by pricing and trade projections.

Significant Issues Impacting the Government Trading Enterprise

Trade Development

1. The Authority will continue to provide latent capacity to accommodate third party access to its ports. Its focus is on remaining agile to meet changing market conditions of commodities to mitigate the risk of reliance on any one commodity. The Authority continues to facilitate the optimisation of supply links for its customers and the State across all three of its ports and to create a pipeline of trade opportunities across various commodities.

Port Development

2. A key strategic tool has been the recent development of Port Master Plans which consider current and future trade opportunities and how these could influence development within each port. A key priority is the ongoing development of long-term asset management plans, funding of major maintenance, and asset renewal plans necessary to sustain existing capacity and capability necessary to facilitate trade.

Sustainability

3. The Authority continues to pursue sustainability in its operations, building a solid reputation with customers and local communities for creating long-term value through the protection of the environment and heritage assets, while achieving strong economic and regional development for current and future generations. The Authority will also incorporate the State's goal of achieving 80% net zero greenhouse gas emissions reductions by 2030.

Innovation

4. The Authority is focused on transitioning to a digital organisation by 2025 and has its 'Future Ports' strategy implemented to bring the right technologies and innovation to the Authority and its customers. This includes improving digital reporting capability to enable more efficient decision-making.

2022-23 Dividend Retention

5. The Authority is retaining its 2021-22 and 2022-23 dividend payment of \$66.7 million and \$29.5 million respectively to fund future infrastructure investment. Of the retained dividend, \$54.8 million will be used to fund the Sustaining Capital Works program from 2023-27, at a cost of \$16.7 million, along with two new projects, Crane Refurbishment and Esperance Port Roads Upgrades, at a combined cost of \$13.9 million.

Statement of Corporate Intent

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

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

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

Government Goals	Strategic Objectives	Desired Outcomes
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	Financially sustainable.	1. Maximise opportunities to create value for the State
WA Jobs Plan: Diversifying the WA economy, creating local jobs for the future.	Strong regional jobs.	2. Maintain a flexible and nimble organisational structure with clear accountabilities for competent and knowledgeable personnel
Investing in WA's Future: Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities.	Environmental compliance.	3. Maintain a solid reputation with customers and the community for creating long-term value which protects the environment and heritage assets

Outcomes and Key Performance Indicators

	2021-22 Actual	2022-23 Budget	2022-23 Estimated Actual	2023-24 Budget Target	Note
Outcome: Maximise opportunities to create value for the State:					
Return on assets.....	12.5%	11.3%	11.1%	9.3%	1
Earnings before interest, taxes, depreciation and amortisation (\$'000).....	64,289	66,856	69,848	62,196	1
Economic rate of return ^(a)	7.8%	7.3%	7.8%	6.2%	1
Debt to equity ratio.....	0.1	0.09	0.09	0.08	
Outcome: Maintain a flexible and nimble organisational structure with clear accountabilities for competent and knowledgeable personnel:					
Customer satisfaction score - Corporate index score.....	Survey not conducted	>65	73	>65	
Loss time injury frequency rate.....	4.6	nil or 10% reduction	2.4	nil or 10% reduction	
Cultural entropy score ^(b)	33	n.a.	n.a.	<30	2
Total number of vessel visits	791	724	724	784	3
Total port trade tonnes (Kt)	36,065	32,652	32,652	36,520	4
Outcome: Maintain a solid reputation with customers and the community for creating long-term value which protects the environment and heritage assets:					
Number of reportable environment incidents	nil	nil or 10% reduction	nil	nil or 10% reduction	

(a) Economic rate of return as calculated in accordance with the Department of Transport's Western Australia Port Authority - Rate of Return Calculation Methodology and Asset Valuation Policy.

(b) The cultural entropy score is measured by a staff culture survey and represents the gap between three factors: employees' personal values, the perceived values of the organisation, and the desired values of the organisation.

Explanation of Significant Movements

(Notes)

1. The lower return on assets forecast for the 2023-24 Budget Target is due to a reduction in earnings before interest, taxes, depreciation and amortisation from a one-off transfer of assets on termination of lease arrangements in 2022-23 of \$18.2 million, end of the Government support package for Koolyanobbing iron ore subsidy during 2022-23 of \$10 million, and net operating revenue changes increasing \$20.5 million.
2. The cultural entropy score survey is completed biannually and is out of cycle in 2022-23.
3. The increase in vessel visits forecast in the 2023-24 Budget Target correlates with increased total port trade tonnes.
4. The Authority consults with port users to obtain current trade forecasts, with the main movement in year-on-year trade increasing due to revised grain, spodumene and iron ore volumes in the 2023-24 Budget Target.

Asset Investment Program

1. The Authority's Asset Investment Program for 2023-24 to 2026-27 totals \$129.9 million, investing in projects to support the regional development and economic growth of the State through the import and export of various commodities.

New Projects

2. The Authority will spend \$43.8 million over 2023-24 to 2026-27 on the following infrastructure projects:
 - 2.1. \$17.4 million on operational technology across the three ports to reduce the risk of operational down-time, device failure and security risks;
 - 2.2. \$7.4 million to upgrade the Esperance port access road to provide safe and functional heavy vehicle access, supporting recent growth in non-iron ore trade transported by road;
 - 2.3. \$6.8 million on electrical infrastructure upgrades in Albany and Bunbury to meet minimum compliance requirements and mitigate critical electricity reliability and fire risk issues;
 - 2.4. \$6.5 million for crane refurbishment to sustain continuing operation; and
 - 2.5. \$5.7 million for Bunbury conveyor widening on Berth 8, increasing capacity to support current and future export growth.

Existing Projects and Minor Works

3. The Authority will spend \$23.8 million in 2023-24 on the following existing projects:
 - 3.1. \$9 million of minor works across its three ports for the replacement of plant and equipment, improvements to port infrastructure and other civil works;
 - 3.2. \$8.6 million on the Sustaining Capital Works program to ensure all major assets are in suitable condition to facilitate trade across all three ports;
 - 3.3. \$2.8 million on the Bunbury Pilot Launch replacement to ensure safe transfer of pilots in all weather conditions;
 - 3.4. \$1.6 million on the Bunbury Berth 8 Precinct Fire Ring Main to complete the Berth 8 fire protection system;
 - 3.5. \$1 million on Bunbury Berth 8 capacity upgrades to facilitate trade; and
 - 3.6. \$0.8 million on Esperance Iron Ore Shed Recladding to maintain storage capacity and trade opportunities.

COVID-19 Response

4. The Authority will spend \$9 million in 2023-24 on the following infrastructure projects:
 - 4.1. \$8.5 million on the design and construction of a new public access road and bridge to Turkey Point at the Port of Bunbury; and
 - 4.2. \$0.5 million at the Port of Esperance for the Berth 2 Hardstand and Stormwater System.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-23 \$'000	2022-23 Estimated Expenditure \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
WORKS IN PROGRESS							
COVID-19 Response							
Port of Bunbury - Inner Harbour Access Bridge	20,470	3,767	3,279	8,525	8,178	-	-
Other Works in Progress							
Infrastructure - Sustaining Capital Works.....	16,652	2,814	2,814	8,580	1,783	1,379	2,096
Port of Bunbury							
Berth 8 Capacity Upgrade	8,882	7,843	45	1,039	-	-	-
Berth 8 Precinct Fire Ring Main (Stage Two)	3,230	1,630	1,630	1,600	-	-	-
Pilot Launch Replacement.....	3,577	750	750	2,827	-	-	-
Port of Esperance							
Berth 2 Hardstand and Stormwater System (Stage Two)	5,640	5,140	5,140	500	-	-	-
Iron Ore Shed 3 Recladding	14,580	946	750	750	12,884	-	-
COMPLETED WORKS							
COVID-19 Response							
Port of Bunbury - Berth 8 Substation Replacement.....	1,500	1,500	1,277	-	-	-	-
Port of Esperance							
Additional Container Hardstand	2,000	2,000	430	-	-	-	-
Berth 2 Hardstand and Stormwater System	5,000	5,000	4,728	-	-	-	-
Sealing Internal Port Roads	1,500	1,500	257	-	-	-	-
Other Completed Works							
Minor Works - 2022-23 Program	21483	21,483	12,680	-	-	-	-
NEW WORKS							
Infrastructure							
Electrical Infrastructure - Albany and Bunbury	6,800	-	-	2,000	3,200	1,600	-
Operational Technology Renewals - All Southern Ports	17,400	-	-	9,200	8,200	-	-
Minor Works							
2023-24 Program	9,000	-	-	9,000	-	-	-
2024-25 Program	9,000	-	-	-	9,000	-	-
2025-26 Program	18,000	-	-	-	-	9,000	9,000
Port of Bunbury - CV13 Widening Berth 8	5,700	-	-	4,200	1,500	-	-
Port of Esperance							
Crane Repairs	6,460	-	-	6,460	-	-	-
Port Roads Upgrade (Stage One).....	7,400	-	-	7,400	-	-	-
Total Cost of Asset Investment Program.....	184,274	54,373	33,780	62,081	44,745	11,979	11,096
FUNDED BY							
Internal Funds and Balances.....			30,013	53,556	36,567	11,979	11,096
Drawdown from Royalties for Regions Fund.....			3,767	8,525	8,178	-	-
Total Funding			33,780	62,081	44,745	11,979	11,096

Financial Statements

Income Statement

Revenue

1. Revenue from operations has been revised for the 2022-23 Estimated Actual and 2023-24 Budget Year to align with current expectations of reduced throughput. While some reductions in revenue forecasts to reflect trade forecasts for 2024-25 to 2026-27 are anticipated, these will be considered for update once impacts are better understood. Other revenue in the 2022-23 Estimated Actual includes \$18.2 million income realised on transfer of assets on expiration of contractual arrangements.
2. The operating subsidy ceased during 2022-23. The Authority previously received an operating subsidy to facilitate the ongoing operation of the Koolyanobbing mine following Mineral Resources Limited's acquisition of this mine from the outgoing Cleveland-Cliffs in 2018.

Expenses

3. A significant portion of the increasing supplies and services in the 2023-24 Budget Year are costs to support the development and implementation of an Enterprise Resource Planning system to replace the Authority's legacy financial management system.
4. Total expenses have been revised for the 2022-23 Estimated Actual and 2023-24 Budget Year to reflect expected increases in budgeted expenditure. While some increases in expenditure (primarily relating to maintenance costs, supplies and services) relative to current trade forecasts are expected for 2024-25 to 2026-27, these will be considered for update once the full impacts are better understood.

Statement of Financial Position

5. Movements in cash assets relate to timing of dividend payments and Asset Investment Program funding assumptions.
6. The Authority has a loan agreement with the Western Australian Treasury Corporation that was utilised for the construction of various assets at Esperance Port. This loan is due to expire in 2027. The Authority has a capital user charge agreement (non-current receivable) in place with respect to these assets.

INCOME STATEMENT ^(a)
(Controlled)

	2021-22 Actual \$'000	2022-23 Budget \$'000	2022-23 Estimated Actual \$'000	2023-24 Budget Year \$'000	2024-25 Outyear \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000
REVENUE							
Revenue from operations							
Sale of goods and services.....	147,663	138,025	138,025	175,041	212,247	231,055	234,726
Other revenue ^(b)	2,348	30,098	30,098	8,561	15,082	15,344	15,724
Revenue from Government							
Operating subsidies.....	12,372	5,565	10,010	-	-	-	-
TOTAL REVENUE.....	162,383	173,688	178,133	183,602	227,329	246,399	250,450
Expenses							
Employee benefits ^(c)	39,632	46,184	47,570	47,676	49,693	50,748	50,838
Supplies and services	37,922	43,464	43,464	52,696	39,972	40,702	41,802
Accommodation	10,296	9,045	9,045	9,826	9,905	10,082	10,334
Depreciation and amortisation	10,432	12,808	12,808	13,648	15,020	16,912	17,255
Finance and interest costs.....	497	351	351	264	179	93	95
Other expenses.....	10,071	7,986	8,056	9,996	8,402	8,576	8,722
TOTAL EXPENSES.....	108,850	119,838	121,294	134,106	123,171	127,113	129,046
NET PROFIT/(LOSS) BEFORE TAX	53,533	53,850	56,839	49,496	104,158	119,286	121,404
National Tax Equivalent Regime - Current tax equivalent expense	15,707	16,154	17,051	14,849	31,248	35,786	36,420
NET PROFIT/(LOSS) AFTER TAX	37,826	37,696	39,788	34,647	72,910	83,500	84,984
Dividends	-	27,593	-	26,948	51,557	60,640	63,458

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

(b) Other revenue includes \$18.2 million that relates to the end of the Mineral Resources Limited's agreement, part of which includes the recognition of assets in 2022-23.

(c) The full-time equivalents for 2021-22 Actual, 2022-23 Estimated Actual and 2023-24 Budget Year are 250, 259 and 278 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets	38,799	71	22,682	5,204	9,228	37,836	68,689
Cash assets - Retained dividends.....	66,688	53,367	86,574	69,156	64,173	62,794	60,698
Receivables	19,945	27,524	21,012	24,272	25,289	26,579	24,825
Other.....	7,088	5,082	7,406	7,745	7,837	7,930	7,930
Total current assets	132,520	86,044	137,674	106,377	106,527	135,139	162,142
NON-CURRENT ASSETS							
Property, plant and equipment.....	173,461	243,985	212,715	261,148	291,156	286,120	280,104
Receivables	6,403	4,949	4,949	3,402	1,754	1	1
Other.....	9,210	9,110	9,382	9,566	9,615	9,665	9,665
Total non-current assets	189,074	258,044	227,046	274,116	302,525	295,786	289,770
TOTAL ASSETS	321,594	344,088	364,720	380,493	409,052	430,925	451,912
CURRENT LIABILITIES							
Employee provisions	8,901	8,139	9,053	9,714	9,872	10,034	10,034
Payables	4,123	7,879	4,232	4,327	4,521	4,721	4,721
Borrowings and leases	1,782	1,473	1,866	1,778	1,803	932	393
Other.....	3,377	2,041	4,001	4,187	4,220	4,254	4,254
Total current liabilities	18,183	19,532	19,152	20,006	20,416	19,941	19,402
NON-CURRENT LIABILITIES							
Employee provisions	1,052	1,399	1,127	1,207	1,235	1,264	1,264
Borrowings and leases	5,319	3,513	3,846	2,461	1,051	510	510
Other.....	4,465	5,227	4,465	4,465	4,465	4,465	4,465
Total non-current liabilities	10,836	10,139	9,438	8,133	6,751	6,239	6,239
TOTAL LIABILITIES.....	29,019	29,671	28,590	28,139	27,167	26,180	25,641
NET ASSETS	292,575	314,417	336,130	352,354	381,885	404,745	426,271
EQUITY							
Contributed equity	94,899	110,399	98,666	107,191	115,369	115,369	115,369
Accumulated surplus/(deficit).....	182,861	189,203	222,649	230,348	251,701	274,561	296,087
Reserves.....	14,815	14,815	14,815	14,815	14,815	14,815	14,815
TOTAL EQUITY	292,575	314,417	336,130	352,354	381,885	404,745	426,271

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Sale of goods and services.....	132,990	119,846	123,682	158,049	196,655	212,715	217,143
GST receipts	15,622	16,350	16,350	18,137	19,019	19,601	19,601
Other receipts ^(b)	18,387	25,311	25,311	22,387	29,757	32,498	33,307
Payments							
Employee benefits.....	(38,896)	(46,004)	(47,390)	(46,949)	(49,506)	(50,557)	(50,838)
Supplies and services	(39,565)	(43,386)	(43,103)	(53,701)	(40,041)	(40,380)	(41,802)
Accommodation ^(c)	(9,351)	(8,355)	(8,355)	(8,971)	(9,187)	(9,350)	(9,584)
GST payments	(15,751)	(16,350)	(16,350)	(18,136)	(19,019)	(19,600)	(19,600)
Finance and interest costs.....	(478)	(348)	(348)	(264)	(176)	(90)	(92)
Other payments.....	(11,034)	(7,986)	(8,056)	(9,049)	(8,402)	(8,577)	(8,726)
Net cash from operating activities	51,924	39,078	41,741	61,503	119,100	136,260	139,409
CASHFLOWS FROM INVESTING ACTIVITIES							
Payments							
Purchase of non-current assets	(18,055)	(59,388)	(33,780)	(62,081)	(44,745)	(11,979)	(11,096)
Net cash from investing activities.....	(18,055)	(59,388)	(33,780)	(62,081)	(44,745)	(11,979)	(11,096)
CASHFLOWS FROM FINANCING ACTIVITIES							
Receipts							
Other proceeds	1,283	1,366	1,366	1,454	1,548	1,648	1,754
Payments							
Repayment of borrowings and leases.....	(1,857)	(1,521)	(1,521)	(1,645)	(1,517)	(1,542)	(682)
Net cash from financing activities.....	(574)	(155)	(155)	(191)	31	106	1,072
CASHFLOWS FROM GOVERNMENT ACTIVITIES							
Receipts							
Operating subsidies.....	12,372	5,565	10,010	-	-	-	-
Special Purpose Accounts							
Royalties for Regions							
Regional Infrastructure and Headworks Fund.....	-	13,653	3,767	8,525	8,178	-	-
Payments							
Dividends to Government.....	-	(27,593)	-	(26,948)	(51,557)	(60,640)	(63,458)
National Tax Equivalent Regime - Income Tax..	(18,645)	(16,227)	(17,124)	(14,849)	(31,248)	(35,786)	(36,420)
Local Government Rates Equivalent.....	(945)	(690)	(690)	(855)	(718)	(732)	(750)
Net cash provided to Government	7,218	25,292	4,037	34,127	75,345	97,158	100,628
NET INCREASE/(DECREASE) IN CASH HELD	26,077	(45,757)	3,769	(34,896)	(959)	27,229	28,757
Cash assets at the beginning of the reporting period	79,410	99,195	105,487	109,256	74,360	73,401	100,630
Cash assets at the end of the reporting period	105,487	53,438	109,256	74,360	73,401	100,630	129,387

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

(b) Other receipts mainly include rentals, leases and recoupments of rental related expenses.

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