



Western Australia State Budget

2023-24

Budget Paper No. 3
Economic and Fiscal Outlook

2023-24 Budget Paper set includes:

Budget Paper No. 1 – Treasurer's Speech

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

Budget Paper No. 3 – Economic and Fiscal Outlook

Budget Overview

Reader's Guide to the 2023-24 Budget Statements (available in digital format from www.ourstatebudget.wa.gov.au)



2023-24 B U D G E T

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

Budget Paper No. 3

**PRESENTED TO THE LEGISLATIVE ASSEMBLY
ON 11 MAY 2023**

2023-24 Economic and Fiscal Outlook
(Budget Paper No. 3)
© Government of Western Australia

Acknowledgement of Country

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

Cover images courtesy of Horizon Power, Department of Education and METRONET.

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

For further information please contact:

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

Published May 2023

ISSN 1448-2630

2023-24 BUDGET

ECONOMIC AND FISCAL OUTLOOK

TABLE OF CONTENTS

	Page
UNDER TREASURER'S CERTIFICATION.....	i
CHAPTER 1: OVERVIEW	1
Economic and Fiscal Outlook.....	2
<i>Feature Box: Key Initiatives in the 2023-24 Budget</i>	<i>4</i>
<i>Feature Box: Cost of Living Package</i>	<i>7</i>
CHAPTER 2: ECONOMIC OUTLOOK.....	9
Western Australia.....	10
Gross State Product.....	10
Global Outlook	19
Advanced Economies	20
China.....	21
Global Risks	22
Commodity Markets	23
CHAPTER 3: FISCAL OUTLOOK AND STRATEGY	29
Fiscal Outlook	30
General Government Sector	30
<i>Summary.....</i>	<i>30</i>
<i>Operating Statement.....</i>	<i>31</i>
<i>Balance Sheet.....</i>	<i>36</i>
<i>Cashflow Statement.....</i>	<i>37</i>
Total Public Sector	38
<i>Operating Statement.....</i>	<i>38</i>
<i>Asset Investment Program</i>	<i>40</i>
<i>Balance Sheet.....</i>	<i>42</i>
<i>Cashflow Statement.....</i>	<i>42</i>
Net Debt	43
Government Financial Strategy Statement	46
Financial Targets	46
Statement of Risks.....	51
Revenue Estimates	51
Spending Risks	55
Contingent Assets and Liabilities	58

	Page
CHAPTER 4: GENERAL GOVERNMENT REVENUE	61
Introduction	62
Revenue Measures.....	63
Taxation Revenue	64
Summary.....	64
Detail.....	65
Royalty Income.....	69
Summary.....	69
Iron Ore Royalty Income	70
Other Royalty Income	70
Commonwealth Grants.....	71
GST Revenue	73
Forecast of GST Grant.....	73
<i>Feature Box: GST Distribution Reforms</i>	75
North West Shelf Grants	78
Tied Grants	78
Other Revenue.....	81
Sales of Goods and Services	81
Interest Income	82
Revenue from Public Corporations.....	82
Other Income	82
CHAPTER 5: GENERAL GOVERNMENT EXPENSES	85
Introduction	86
<i>Feature Box: Health and Mental Health.....</i>	87
Major Expense Changes	92
Summary.....	92
Parliament.....	93
Government Administration	94
Financial Administration.....	99
Jobs and Economic Development	102
Health.....	113
Education and Training.....	119
Community Safety.....	123
Community Services	132
Transport.....	138
Environment.....	143
Planning and Land Use.....	148
Utilities.....	151
Provisions.....	153

	Page
CHAPTER 6: ASSET INVESTMENT	157
Introduction	158
<i>Feature Box: METRONET</i>	<i>160</i>
<i>Feature Box: New Women and Babies Hospital.....</i>	<i>164</i>
<i>Feature Box: Decarbonisation of the South West Electricity System.....</i>	<i>166</i>
Major Infrastructure Spending Changes	168
Summary.....	168
Parliament.....	169
Government Administration	170
Financial Administration.....	171
Jobs and Economic Development	172
Health.....	173
Education and Training.....	177
Community Safety.....	179
Community Services	181
Transport.....	184
Environment.....	190
Planning and Land Use.....	191
Utilities.....	193
Provisions.....	196
CHAPTER 7: INVESTING IN REGIONAL WESTERN AUSTRALIA	199
APPENDIX 1: DETAILED FINANCIAL PROJECTIONS	217
APPENDIX 2: GENERAL GOVERNMENT OPERATING REVENUE.....	243
APPENDIX 3: 2022-23 GENERAL GOVERNMENT OPERATING REVENUE.....	247
APPENDIX 4: THE CONSOLIDATED ACCOUNT AND THE TREASURER'S ADVANCE	251
APPENDIX 5: SPECIAL PURPOSE ACCOUNTS.....	269
APPENDIX 6: STATE GOVERNMENT SOCIAL CONCESSIONS EXPENDITURE STATEMENT	281
APPENDIX 7: ASSET INVESTMENT PROGRAM - SUMMARY OF EXPENDITURE AND SOURCE OF FUNDS.....	291
APPENDIX 8: PUBLIC CORPORATIONS AND MAJOR TARIFFS, FEES AND CHARGES	297
APPENDIX 9: WESTERN AUSTRALIAN TREASURY CORPORATION BORROWINGS.....	321
APPENDIX 10: TAX AND ROYALTY EXPENDITURE STATEMENT	327
APPENDIX 11: WESTERN AUSTRALIA'S NET CONTRIBUTION TO THE FEDERATION	335
APPENDIX 12: COMMONWEALTH TIED GRANTS.....	339

Under Treasurer's Certification

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

For the purposes of these GFRA requirements:

- the Government Financial Strategy Statement and associated financial targets disclosures are detailed in Chapter 3: *Fiscal Outlook and Strategy* in this Budget Paper;
- Chapters 1 to 7 and Appendix 1 in this Budget Paper, and the Government's summary Budget strategy detailed in Budget Paper No 1: *Treasurer's Speech*, together form the 2023-24 Government Financial Projections Statement required by sections 12(1) and (2) of the GFRA. In particular:
 - Appendix 1 details the projections required by section 12(2)(a) of the GFRA;
 - Chapters 1, 2 and 3 detail the economic and other assumptions underlying the Budget projections (section 12(2)(b));
 - Chapter 3 details the compliance of the projections with the Government's financial targets (section 12(2)(c)); and
 - the Statement of Risks in Chapter 3 details the sensitivity of the projections to various economic and financial assumptions and other risks (sections 12(2)(d) and (e)); and
- this certification gives effect to the requirements of sections 12(2)(f) and 12(8).

The Government Financial Projections Statement presented in this Budget is based upon Government decisions that I was aware of or that were made available to me by the Treasurer, together with other relevant information known to Treasury, on or before the Budget planning cut-off date of 11 April 2023 and which have a material effect on the State's financial projections.

2023–24 Economic and Fiscal Outlook

It has been prepared in accordance with applicable Australian Accounting Standards and Government Finance Statistics principles, and is based on the economic forecasts and assumptions outlined in Chapter 1: *Overview*, Chapter 2: *Economic Outlook* and Chapter 3: *Fiscal Outlook and Strategy*. These assumptions were finalised by Treasury, under my direction, on 11 April 2023.

Forecasts for 2022-23 to 2026-27 included in this Budget are based on estimates prepared by agencies. Final outcomes for 2022-23 will be available in the *Annual Report on State Finances*, to be released by 28 September 2023.



Michael Barnes PSM
UNDER TREASURER

11 May 2023

Overview

HIGHLIGHTS

- Despite global economic headwinds and the impact of higher interest rates, growth in Western Australia's economy has been revised up to 4.25% in 2022-23, the strongest growth in nine years, supported by strong export performance.
- A sixth consecutive operating surplus is projected to be achieved in 2023-24 of \$3.3 billion, down from an estimated \$4.2 billion surplus in 2022-23. Operating surpluses are expected to be maintained over the forward estimates.
- The Government has utilised the State's continued strong financial position in this Budget to address a range of high priority initiatives, including:
 - a \$715 million cost of living package that provides at least \$400 in assistance to every Western Australian household, with targeted electricity support totalling \$826 for households that are most in need;
 - a record \$2.7 billion additional investment in our health and mental health systems, bringing total investment since the 2021-22 Budget to \$10 billion, further boosting system capacity, with more beds, more nurses and more doctors, while easing pressure on emergency departments;
 - \$3 billion to take action on climate change including delivering on the Government's plan to decarbonise the State's main electricity grid to reduce carbon emissions, boost system security and economic capacity, and keep electricity bills affordable;
 - a \$750 million additional investment to boost housing supply and housing choice, with a \$450 million top-up to the Social Housing Investment Fund, increasing the Government's commitment to deliver an additional 4,000 social houses; and
 - an extra \$463 million in economic infrastructure and diversification initiatives to set up our State for the long-term and create jobs now and into the future.
- The State's net debt level is forecast to fall for a fourth consecutive year in 2022-23 to \$27.9 billion, almost \$16 billion lower than projected when the Government came to office. Net debt is expected to rise moderately over the forward estimates, consistent with the Budget's conservative iron ore price assumptions and a record \$39 billion Asset Investment Program.

Economic and Fiscal Outlook

The Western Australian economy remains strong, with Gross State Product (GSP) expected to grow by 4.25% in 2022-23 – the strongest rate of growth since 2013-14. Despite challenging conditions in the global economy, economic growth is being boosted by a lift in exports across a range of mining commodities, along with agricultural exports following a record harvest.

Economic growth is expected to ease to 2.25% in 2023-24 and average 1.75% per annum across the outyears, as household spending slows in response to higher interest rates and as exports (both goods and services exports) return to more typical rates of growth.

The number of Western Australians employed has stabilised at record levels, with employment in March 2023 reaching an all-time high of 1.53 million people. The unemployment rate is forecast to gradually rise from 3.5% in 2022-23 to 4.5% by 2025-26 (still well below the long-run average of 6.1%), as labour demand is outpaced by additions to the working age population.

Population growth is being supported by strong migration to the State since the re-opening of international borders, with the State's population now expected to grow by 2% (around 56,000 people) in 2022-23 – above long-run average growth of 1.7%.

Consumer price inflation remains elevated but appears to have peaked in the December 2022 quarter, and is projected to ease to 3.5% by the June 2024 quarter as supply chain constraints continue to improve, weaker consumer demand cools inflation for goods, growth in the price of new housing moderates, and travel prices normalise.

Input constraints (including labour) and cost pressures are impacting both investment activity and housing build times. This Budget includes a number of measures to assist the construction sector, including visa subsidies of up to \$10,000 for skilled migrants, incentives for apprentices and trainees in the construction industry, and extension and expansion of the existing off-the-plan transfer duty rebate.

The Budget also includes additional investment of \$463 million to further diversify the State's economy, including initiatives to accelerate critical minerals discoveries, expand the State's invest and trade initiatives, and further boost tourism and business events (see feature box later in this chapter).

The economic assumptions underpinning the 2023-24 Budget are outlined in the following table.

Table 1

KEY BUDGET ASSUMPTIONS**Western Australia**

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated Actual	Budget Year	Outyear	Outyear	Outyear
Real Gross State Product growth (%) ^(a)	3.1	4.25	2.25	1.75	2.0	1.5
Real State Final Demand growth (%) ^(a)	5.6	3.25	3.0	2.5	2.75	2.5
Employment growth (%)	5.8	1.75	1.0	1.25	1.25	1.5
Unemployment rate (%) ^(b)	3.7	3.5	4.0	4.25	4.5	4.5
Wage Price Index growth (%)	2.2	3.75	4.0	3.75	3.25	3.0
Perth Consumer Price Index growth (%) ^(c)	5.1	5.75	3.5	2.75	2.5	2.5
Iron ore price, \$US/t, CFR ^{(b)(d)}	138.2	112.3	74.1	66.0	66.0	66.0
Iron ore volumes (million tonnes)	845	861	865	885	898	890
Crude oil price (\$US per barrel) ^(b)	90.3	88.2	79.6	74.9	71.6	69.0
Exchange rate (US cents) ^(b)	72.6	67.4	67.7	69.5	71.4	72.3
Population growth (%)	1.2	2.0	1.8	1.7	1.6	1.6
Interest rate assumptions (%) ^(b)						
– Public Bank Account interest earnings	0.8	2.6	3.0	3.7	3.8	3.8
– Consolidated Account borrowings	2.3	3.3	3.3	3.1	3.1	3.1

(a) Based on 2021-22 annual State Accounts data, updated with the latest State Final Demand and Balance of Payments data for the December 2022 quarter.

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

(c) The CPI growth rates from 2021-22 onwards are based on the total index excluding the electricity sub-index as a result of the successive Household Electricity Credits provided across the State. Forecasts from 2022-23 are expressed in year-ended terms.

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

The general government operating surplus for 2022-23 is now estimated at \$4.2 billion. This is \$2.4 billion higher than forecast in the 2022-23 Mid-year Review and primarily reflects a higher iron ore price assumption (\$US112.3 per tonne) compared to that included in the Mid-year Review (\$US87.4 per tonne). An operating surplus of \$3.3 billion is forecast for 2023-24, with surpluses also expected across the remainder of the forward estimates period.

The improvement in fiscal capacity has enabled the Government to address a number of current and emerging priorities in this Budget. These include cost of living support for all households and small businesses, a substantial investment in decarbonisation of the State's main electricity grid, a further record spend on health and mental health, new social housing investment, and further repayment of debt (see feature box for more detail).

The 2023-24 Budget also contains a substantial increase in the Asset Investment Program (AIP), which is forecast to total a record \$39 billion over the four-year Budget period. This includes significant investment in new works, such as decarbonisation projects and the new Women and Babies Hospital, as well as additional expenditure for cost escalation on existing projects due to ongoing capacity constraints in the construction sector.

Total public sector net debt is expected to fall to \$27.9 billion at 30 June 2023, the fourth consecutive annual decline in net debt. It is projected to increase over the forward estimates to \$35.9 billion by 30 June 2027, reflecting an expected moderation in revenue growth from 2023-24 and the record AIP included in this Budget. Nonetheless, Western Australia's net debt trajectory remains considerably flatter than other States, and as a share of the economy (GSP), is expected to reach just 9.7% in 2026-27.

The table below outlines the key fiscal aggregates for the 2023-24 Budget.

KEY BUDGET AGGREGATES
Western Australia

Table 2

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated Actual	Budget Year	Outyear	Outyear	Outyear
GENERAL GOVERNMENT SECTOR						
Net Operating Balance (\$m)	6,019	4,226	3,293	2,367	2,540	2,883
Revenue (\$m)	41,658	43,102	43,218	40,567	40,678	41,525
Revenue Growth (%)	3.8	3.5	0.3	-6.1	0.3	2.1
Expenses (\$m)	35,638	38,875	39,925	38,200	38,138	38,642
Expense Growth (%)	3.9	9.1	2.7	-4.3	-0.2	1.3
TOTAL PUBLIC SECTOR						
Net Debt at 30 June (\$m)	29,206	27,879	29,389	32,732	35,232	35,912
Net Debt as a Share of GSP (%)	7.2	6.3	7.7	9.0	9.6	9.7
Asset Investment Program (\$m)	7,181	8,234	10,405	10,431	9,834	8,334
Cash Surplus/Deficit (\$m)	4,655	1,377	-1,155	-2,941	-2,211	-396

KEY INITIATIVES IN THE 2023-24 BUDGET

The 2023-24 Budget includes additional expenditure on a range of high priority initiatives. These include:

- **\$715 million for cost of living assistance** for all Western Australian households and small businesses, including a minimum \$400 Household Electricity Credit for every household, \$826 in assistance for households most in need, which are eligible for the Energy Assistance Payment, and a \$650 electricity credit for small businesses (see the feature box later in this chapter for further details);
- **\$3 billion to take action on climate change** delivering on the Government's plan to decarbonise the State's main electricity grid including investments in renewable energy generation, battery storage and network upgrades to reduce emissions from the South West Interconnected System. This investment also includes \$196 million for a range of other climate action initiatives such as enabling works for the Alkimos Seawater Desalination Plant;
- record additional spending on **health and mental health totalling \$2.7 billion**, bringing total new investment since the 2021-22 Budget to \$10 billion, including \$841 million for hospital services, \$219 million for Stage 1 of the Graylands Hospital expansion, \$157 million for the Electronic Medical Records Program and other digital initiatives, plus \$544 million to commence construction of the new Women and Babies Hospital;

- **\$1.6 billion of additional spending to support stronger communities**, including additional contributions of \$1.3 billion to the National Disability Insurance Scheme to support an increase in State participants, additional funding to meet the cost of providing child protection services and to extend the trial of the Target 120 program, and additional spending on a range of Family and Domestic Violence (FDV) initiatives, including FDV Hubs in Broome, Mirrabooka and Kalgoorlie;
- an extra **\$965 million for education and training**, including to meet costs associated with increased student enrolments in public and non-government schools, spending on school upgrades and new education support facilities, including \$100 million for major upgrades at Rockingham and Safety Bay Senior High Schools, as well as a range of training initiatives to support the building and construction industry, boost the State's skilled workforce in the regions, and assist minority groups to enter training and employment;
- a **\$750 million boost for housing and homelessness**, with a particular focus on supporting those most in need, including a \$450 million top-up of the Social Housing Investment Fund increasing the Government's total commitment to deliver an additional 4,000 social housing dwellings by 2026-27, including \$49 million for a Regional Supportive Landlord Model. Funding is provided to facilitate an urban infill development project in Bentley and infill sewerage to unlock development of sites across Perth, extending the existing off-the-plan transfer duty rebate to 30 June 2025, and increasing the Regional Development Assistance Program to boost regional housing and land supply;
- the **repayment of a further \$500 million of existing Consolidated Account borrowings**, resulting in interest savings of \$83 million over the forward estimates;
- additional funding of \$463 million across a range of **economic diversification initiatives**, including further significant investments in road and port infrastructure, a \$40 million Sustainable Geoscience Investments package to accelerate critical minerals discoveries, a \$35 million top-up of the Industrial Land Development Fund to support private sector investment, and a host of measures to support the State's invest and trade initiatives, secure additional major tourism and business events, and support the continued recovery of the international education sector;
- \$322 million (partly funded by the Commonwealth) has been allocated to **disaster recovery initiatives associated with Ex-Tropical Cyclone Ellie**, including emergency road recovery work, a Freight Assistance Package to reduce freight costs for flood-affected Kimberley businesses, and erecting temporary medium-term accommodation for flood-affected families in Fitzroy Crossing and Derby; and
- the establishment of a **new \$250 million Asset Maintenance Fund** to fund priority maintenance works on State-owned assets, including schools, hospitals, and cultural and entertainment venues.

2023-24 Economic and Fiscal Outlook

These investments lift Western Australia's spending on infrastructure to a record \$39 billion over the next four years, including major hospital expansions, the new Women and Babies Hospital, the transformational METRONET program, road investments, decarbonisation projects and much more.

Estimated expense growth in 2022-23 (9.1%) is consistent with the Mid-year Review forecast (9%), but is significantly higher than 2021-22 expense growth (3.9%). This reflects the Government's record injection of additional funding in the health system, the public sector wages policy, measures to reconnect Western Australia with the rest of the world following the re-opening of international borders, and general cost pressures in the current economic environment. However, it also reflects a number of significant one-off items in 2022-23, including the \$3,000 cost of living payment under the public sector wages policy, a number of time-limited grants in relation to COVID-19, and immediate disaster response following Ex-Tropical Cyclone Ellie. Excluding these factors, underlying expense growth in 2022-23 is estimated at 5.3%.

COST OF LIVING PACKAGE

The Budget includes a \$715 million cost of living package to support all Western Australian households and small businesses deal with rising costs.

Support under this package comprises:

- \$566 million in energy bill relief commencing from July 2023, of which \$450 million is funded by the State Government and \$116 million is funded by the Commonwealth (under the Energy Bill Relief Fund), with:
 - all Western Australian households to receive a minimum \$400 Household Electricity Credit;
 - around 350,000 households most in need of support and that are eligible for the Energy Assistance Payment to receive a \$500 Household Electricity Credit; and
 - small businesses with annual electricity consumption of less than 50 Megawatt hours receiving a \$650 credit;
- \$89 million in existing Energy Assistance Payments, bringing total assistance for eligible households to \$826;
- \$39 million over the forward estimates to limit increases in government tariffs, fees and charges for the 'representative' household basket to just 2.4% in 2023-24, well below both current and forecast inflation;
- \$16 million across the forward estimates to increase the Seniors' Cost of Living Rebate in line with the Consumer Price Index, boosting the 2023-24 rebate to \$104 for singles and \$156 for couples;
- \$3 million over the forward estimates to increase the maximum grant under the Hardship Utilities Grant Scheme from \$580 to \$640 (below the 26th parallel) and from \$960 to \$1,060 (above the 26th parallel), to support households experiencing financial hardship in paying their utility bills; and
- an additional \$2 million for Fare Free Sunday Sessions to provide free public transport for all SmartRider users on the first Sunday of each month.

This package builds on the \$400 Household Electricity Credit provided in the 2022-23 Budget and the \$600 credit provided in the 2020-21 Budget, with this unprecedented level of cost of living support only made possible by the State's strong financial position.

More details on these and other measures are provided elsewhere in this Budget Paper.

Economic Outlook

HIGHLIGHTS

- Western Australia's economy (as measured by Gross State Product) is forecast to grow by 4.25% in 2022-23 – the strongest rate of growth since 2013-14 – before moderating to 2.25% growth in 2023-24 as household consumption continues to slow in response to higher interest rates.
- Despite challenging conditions in the global economy, the State's export performance has been strong, with goods exports reaching a record \$272 billion over the year to March 2023 (representing 44.7% of national exports).
- Conditions in the State's labour market remain strong, with employment in March 2023 reaching a record 1.53 million people and wages growing at their fastest rate in almost a decade. The unemployment rate is forecast to gradually rise from 3.5% in 2022-23 (the lowest annual rate in 15 years) to 4.5% by 2025-26, as labour demand is outpaced by additions to the working age population.
- Population growth is being supported by strong migration to the State since the re-opening of international borders, with the State's population now expected to grow by 2% (around 56,000 people) in 2022-23 – above long-run average growth of 1.7%.
- Consumer price inflation remains elevated, but appears to have peaked in the December 2022 quarter, and is forecast to ease to 3.5% by the June 2024 quarter as supply chain pressures continue to reduce.

Western Australia

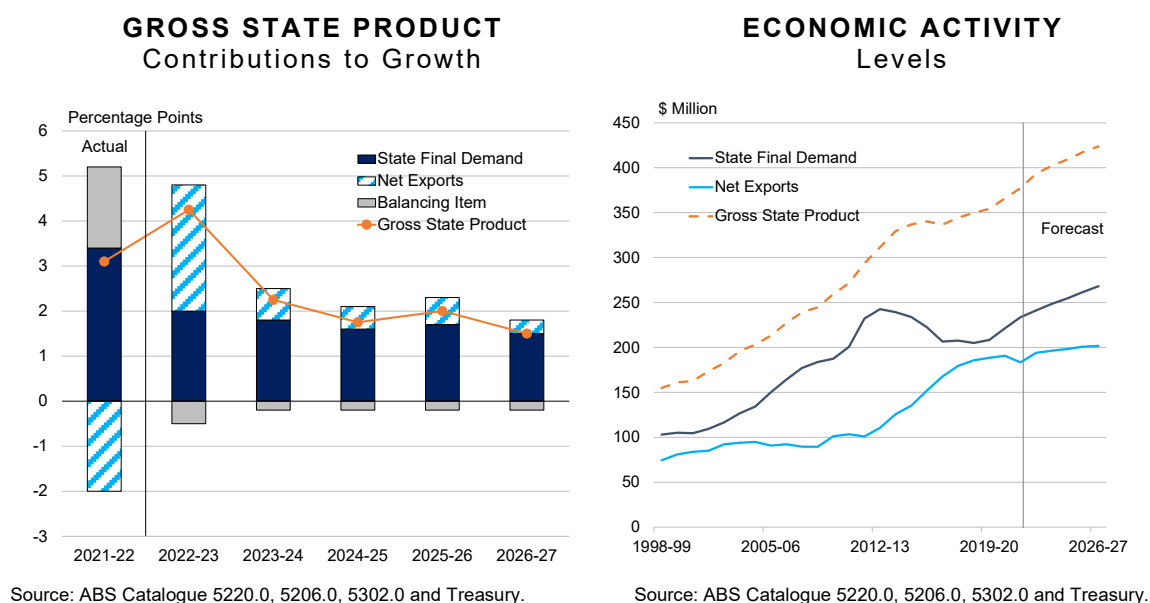
Gross State Product

Western Australia's economy remains robust, with economic growth (**Gross State Product**, GSP) estimated at 4.25% in 2022-23 – the strongest since 2013-14. This is supported by a lift in exports across a range of mining commodities, along with agricultural exports following a record harvest.

GSP growth is set to moderate to 2.25% in 2023-24 and around 1.75% per annum in the outyears. Growth in the domestic economy (**State Final Demand**, SFD) is projected to ease from 5.6% in 2021-22 to 3.25% in 2022-23 and 2.5% by 2024-25. This is primarily due to an easing in household spending as consumers pull back on non-essential purchases given rising mortgage interest rates and elevated prices.

Capacity constraints within the economy are also impacting on current investment activity. Houses under construction are taking longer to complete due to labour shortages in the finishing trades, while new demand has also been impacted by elevated costs and rising interest rates. At the same time, some major business investments are proceeding more slowly than originally expected as a result of equipment delays and labour shortages.

Figure 1



Growth in the international trade sector is also forecast to moderate and provide a smaller contribution to economic growth from 2023-24 onwards. This reflects a stabilisation in export volumes, given that most new projects sustain rather than lift output, and a return to pre-pandemic international travel patterns (where Western Australians traditionally spend more on overseas holidays than international tourists and students spend in the State).

Despite these challenges in the current economic climate, growth is still expected to continue over the forecast period. Higher levels of migration to the State along with decade-high wages growth are expected to support household consumption, while the volume of work in both housing construction and resources investment in the near-term remains solid. The State Government is also contributing to growth through its investment in large-scale road, rail and utilities projects.

ECONOMIC FORECASTS
Western Australia, Annual Growth (%)

Table 1

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated Actual	Budget Year	Outyear	Outyear	Outyear
Demand and Output ^(a)						
Household Consumption	5.6	3.25	1.5	2.25	2.5	2.5
Dwelling Investment	2.3	-1.75	6.5	-7.75	7.75	2.0
Business Investment	4.0	3.0	6.75	5.25	4.25	0.75
Government Consumption	5.4	5.0	1.25	1.75	2.0	2.75
Government Investment	12.2	6.25	13.0	6.0	0.25	1.75
State Final Demand	5.6	3.25	3.0	2.5	2.75	2.5
Goods Exports	-3.1	6.0	2.0	1.75	1.5	0.75
Goods Imports	-2.0	4.25	2.75	2.75	2.5	1.5
Net Exports ^(b)	-3.9	5.75	1.25	1.0	1.25	0.5
Gross State Product ^(c)	3.1	4.25	2.25	1.75	2.0	1.5
Labour Market						
Employment	5.8	1.75	1.0	1.25	1.25	1.5
Unemployment Rate ^(d)	3.7	3.5	4.0	4.25	4.5	4.5
Participation Rate ^(d)	69.4	69.1	68.7	68.4	68.2	68.0
Population						
Population	1.2	2.0	1.8	1.7	1.6	1.6
Working Age Population (15+)	1.5	2.1	2.1	1.9	1.9	1.8
Prices						
Consumer Price Index ^(e)	5.1	5.75	3.5	2.75	2.5	2.5
Wage Price Index	2.2	3.75	4.0	3.75	3.25	3.0
Perth Median House Price	3.6	2.4	2.3	2.1	2.9	0.2
Other Key Parameters ^(d)						
Exchange Rate \$US/\$A (US cents)	72.6	67.4	67.7	69.5	71.4	72.3
Iron Ore Price (\$US per tonne) Cost and Freight Inclusive (CFR)	138.2	112.3	74.1	66.0	66.0	66.0
Crude Oil Price (\$US/barrel)	90.3	88.2	79.6	74.9	71.6	69.0

(a) Based on 2021-22 annual State Accounts data, updated with the latest State Final Demand and Balance of Payments data for the December 2022 quarter.

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

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

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

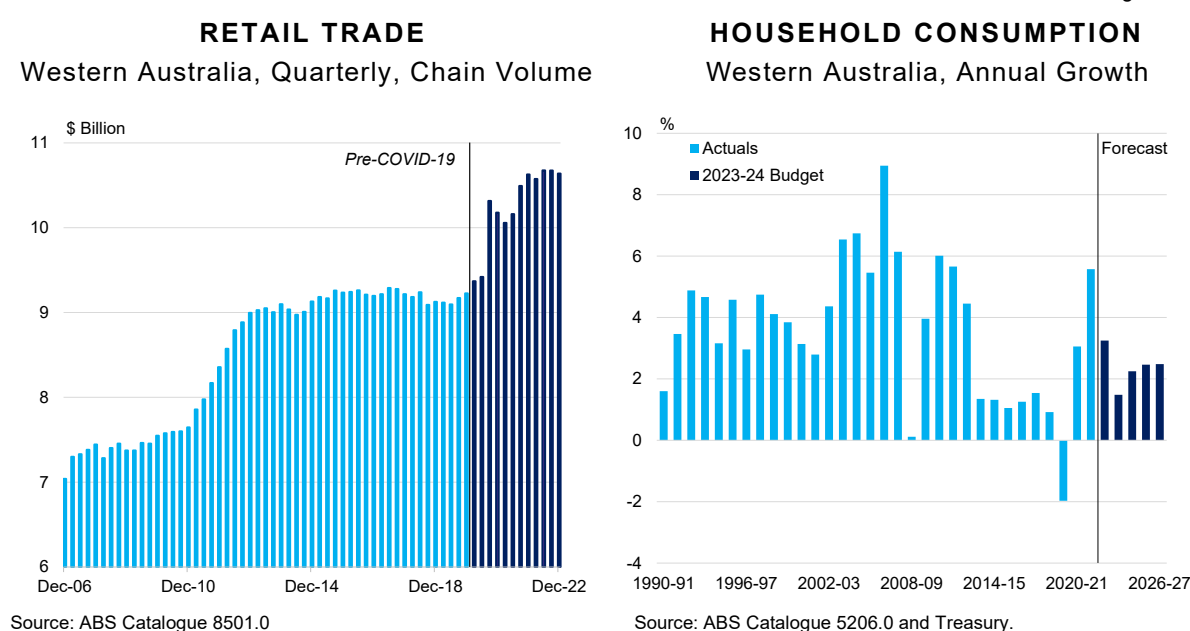
(e) The CPI growth rates from 2021-22 onwards are based on the total index excluding the electricity sub-index as a result of the successive Household Electricity Credits provided across the State. Forecasts from 2022-23 are expressed in year-ended terms.

Household consumption grew by 4.7% in the 2022 calendar year, easing from growth of 5.6% in 2021-22, as consumers started to pull back on spending in response to elevated prices and rising interest rates. While the pace of growth has slowed, spending remains strong as indicated by the latest retail trade data (see figure below, left-hand panel), supported by strong labour market conditions.

Growth is expected to ease further to 3.25% in 2022-23 and to 1.5% in 2023-24 reflecting the full effect of higher interest rates. This is likely to further weaken non-essential spending, with households also expected to spend less on some one-off items (such as vehicles and furnishings) following record levels of spending on these items over the past two years. Weaker household consumption across a number of discretionary items will be partly offset by a spending recovery in both domestic and international travel. Higher migration levels to the State will also support household spending.

Over the outyears, growth in household spending is anticipated to strengthen to 2.5% per annum, supported by rising incomes and population growth.

Figure 2



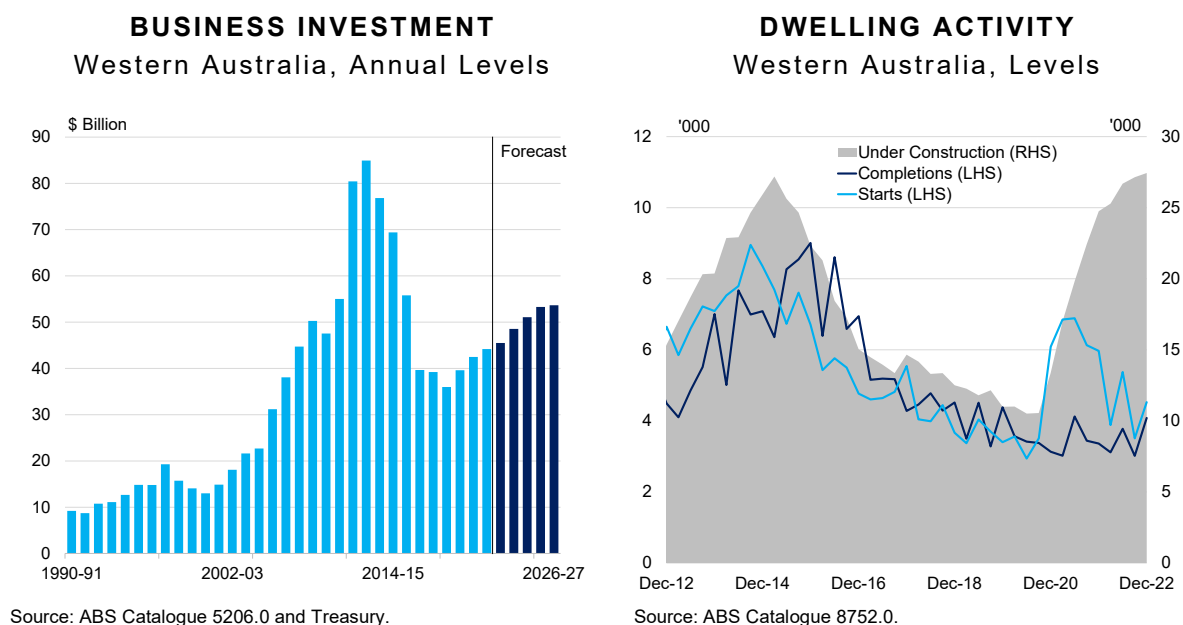
Business investment growth eased to just 0.3% in the 2022 calendar year, with activity constrained by labour availability and delays in sourcing equipment. In addition, higher interest rates and cost pressures are causing some companies to re-evaluate or delay their investment plans.

Nonetheless, a solid pipeline of current and committed mining projects across commodities including LNG, iron ore and critical minerals is expected to support investment levels over the forecast period. Construction of major LNG projects such as Scarborough and Crux are expected to continue ramping up, lifting growth in business investment to 3% in 2022-23 and 6.75% in 2023-24.

Growth is projected to remain solid to 2025-26, supported by work on major projects (such as Jansz-lo and Western Range), along with a substantial lift in decarbonisation investment. Investment over the forecast period will also be supported by capital expenditure to sustain current operations in the resources sector, as companies look to maintain and incrementally add to current high levels of production.

Overall, business investment is expected to rise by more than a fifth over the forecast period to reach \$53.7 billion by 2026-27, its highest level in more than a decade.

Figure 3



Dwelling investment contracted by 8.1% in the 2022 calendar year, with ongoing labour shortages continuing to hamper delivery of the record level of dwellings under construction. Dwelling investment is expected to increase in 2023-24 (by 6.5%) as this large pipeline of work is steadily completed.

In 2024-25, expenditure is anticipated to decline by 7.75%, in line with recent declines in building approvals and first home owner grants, which are lead indicators of new residential construction. This reflects the impact of the record pace of increases in interest rates since May 2022 on new construction work, at a time when the current backlog of work is expected to be largely completed. Nevertheless, investment is forecast to recover in the final two years of the Budget period, supported by growth in the State's population.

Government consumption is estimated to increase by 5% in 2022-23, in line with Government initiatives across a range of key focus areas (such as public sector wages policy, including the \$3,000 cost of living payment, and health services). Growth in Government consumption is expected to moderate to 1.25% in 2023-24 as the impact of these support measures unwinds, before averaging around 2.25% per annum from 2024-25.

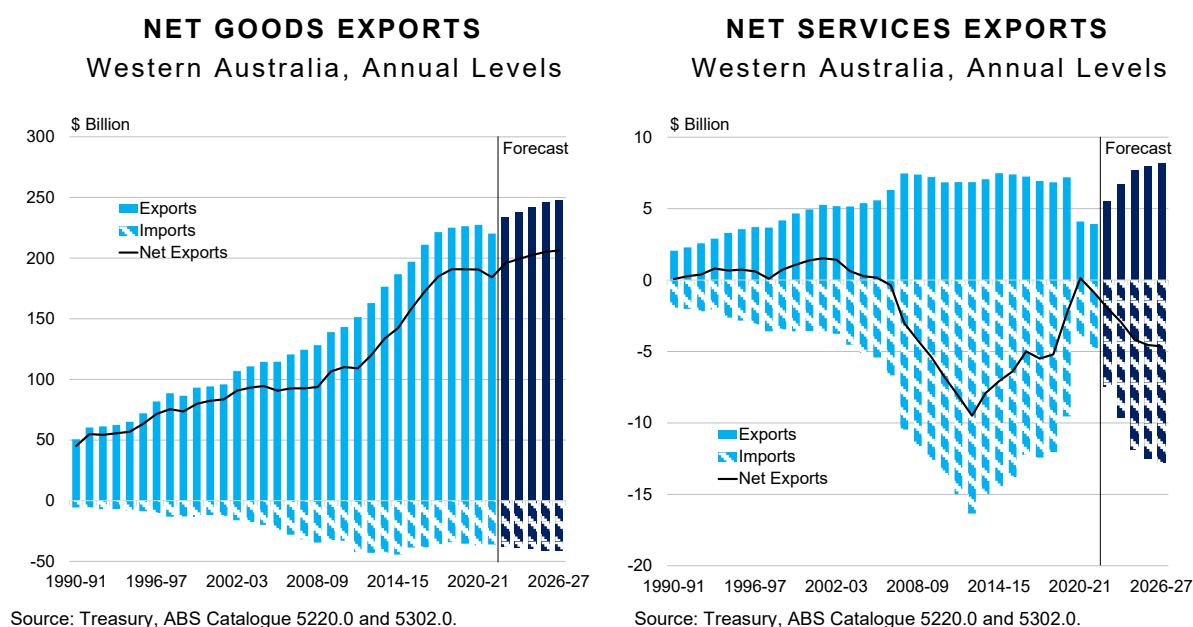
In line with the State Government's record Asset Investment Program, **Government investment** is forecast to expand by 6.25% in 2022-23, followed by forecast growth of 13% in 2023-24, and a further increase of 6% in 2024-25. Growth is then projected to average 1% per annum in 2025-26 and 2026-27 as investment levels normalise.

Goods exports have been very strong, reaching a record \$272 billion over the year to March 2023 (representing 44.7% of national exports). In volume terms, goods exports are expected to grow by 6% in 2022-23, the strongest growth in six years, underpinned by a lift in exports across a range of commodities including iron ore, LNG and lithium, as well as wheat and canola.

Growth in goods exports is then projected to moderate to 2% in 2023-24 and 0.75% by 2026-27, with key producers operating at close to capacity (see figure below, left-hand panel). Iron ore is forecast to continue to underpin growth, with production ramping up at some mines through the period, including Gudai-Darri, Eliwana and South Flank in the near term, and Iron Bridge and Onslow Iron in the outyears.

Growth will also be supported by agriculture, with expected expansions to grains storage and shipping capacity, and increased production of critical minerals such as lithium, reflecting elevated global demand for battery metals. The Scarborough and Crux LNG projects are expected to commence production and support growth from 2026-27.

Figure 4



Goods imports are estimated to grow by 4.25% in 2022-23 and 2.75% in 2023-24, reflecting higher imports of consumer and capital goods (underpinned by stronger business investment). Growth is expected to moderate over the outyears to 1.5% by 2026-27 in line with more moderate growth in business investment.

Services exports are expected to continue to recover to pre-pandemic levels (as students return to the State and international arrivals pick up). After falling by 4.4% in 2021-22, services exports are now anticipated to rise by 40.75% in 2022-23 and by a further 21.5% in 2023-24, supported initially by a large influx of overseas students and a continued recovery of international travel. Services exports are projected to exceed pre-COVID levels in 2024-25, and to revert to more moderate rates of growth in the last two outyears.

Services imports are projected to grow by 56.75% in 2022-23 and to exceed pre-pandemic levels in 2024-25. As travel by Western Australians (including tourism, business, and education) accounts for around half of all services imports, the trajectory for the recovery is predicated on improved aviation capacity and a desire of households to spend on travel given restrictions in recent years. Services imports growth is forecast to moderate in the last two outyears as outbound travel returns to historical trends.

Total net exports are expected to increase by 5.75% in 2022-23 (in line with strength in goods exports), with growth easing to 1% by 2024-25 in line with the recovery in international travel (which detracts from growth, as Western Australians spend more overseas than tourists and international students spend in the State). In the last two outyears, growth in total net exports is forecast to remain modest as conditions stabilise across both goods and services trade.

Housing Market

Activity in the established housing market has eased through 2022-23 in response to the significant rise in interest rates, but remains strong by historical standards. Unlike the capital cities on the east coast of Australia, house prices in Perth have remained resilient since rate rises began in May 2022, supported by strong population growth and relative affordability.

The median house price in Perth is forecast to grow by 2.4% in 2022-23, after increasing by 3.6% in 2021-22. While the supply of housing is expected to expand through 2023-24, as the large number of homes under construction are completed, modest house price growth is still expected over the forecast period as population growth supports a lift in housing demand.

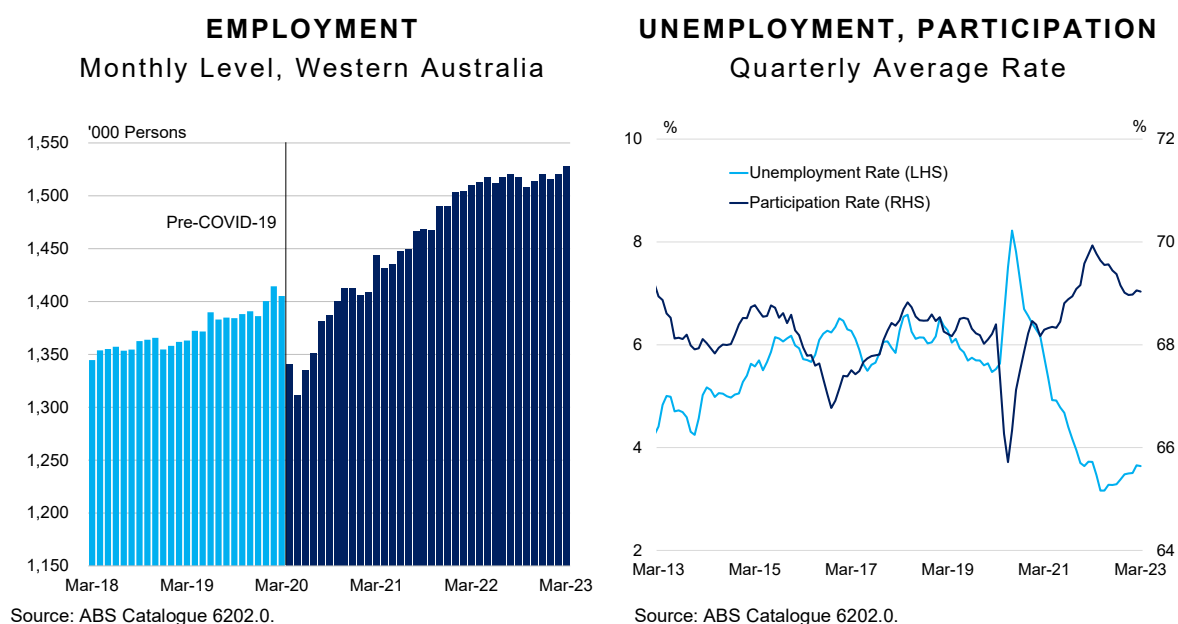
Labour Market

Western Australia's labour market was operating at capacity in the 2022 calendar year, and while conditions have stabilised more recently, they remain strong. Employment reached a record level of 1.53 million people in March 2023. Job vacancies have eased only slightly from a historic peak in June 2022. Unemployment has risen slightly in recent months but remains historically low. While workforce participation has trended down from a record 70.1% in February 2022, it remains above pre-pandemic rates and well above other States.

Employment grew by 3% in annual average terms in March 2023, easing from a peak of 6.5% in March 2022. Notwithstanding this, there has been a compositional shift in employment towards full-time, with full-time jobs increasing by 6.8% in annual average terms in March 2023, while part-time jobs fell by 4.6%. As a result, total hours worked are near record levels in March 2023. Growth in full-time employment for women has been particularly strong, at 10% over the year to March 2023.

Employment growth is forecast to moderate to 1.75% in 2022-23 and 1% in 2023-24, in line with slower growth in the domestic economy. While the projected rates of growth are relatively modest, they build on exceptionally strong jobs growth over the last two years, with 121,632 jobs added since January 2021 (representing 97.3% of the Government's target for an additional 125,000 jobs by 2025-26). Employment is anticipated to increase further in the outyears at a pace of around 1.3% per annum.

Figure 5



As employment growth moderates and labour market conditions gradually ease, the **unemployment rate** is forecast to rise from 3.5% in 2022-23 – the lowest annual rate in 15 years – to 4% in 2023-24. The unemployment rate is projected to gradually rise over the forecast period to 4.5% by 2025-26 as labour demand is outpaced by additions to labour supply from rising overseas migration. Nonetheless, this remains well below the long-run average unemployment rate of 6.1%.

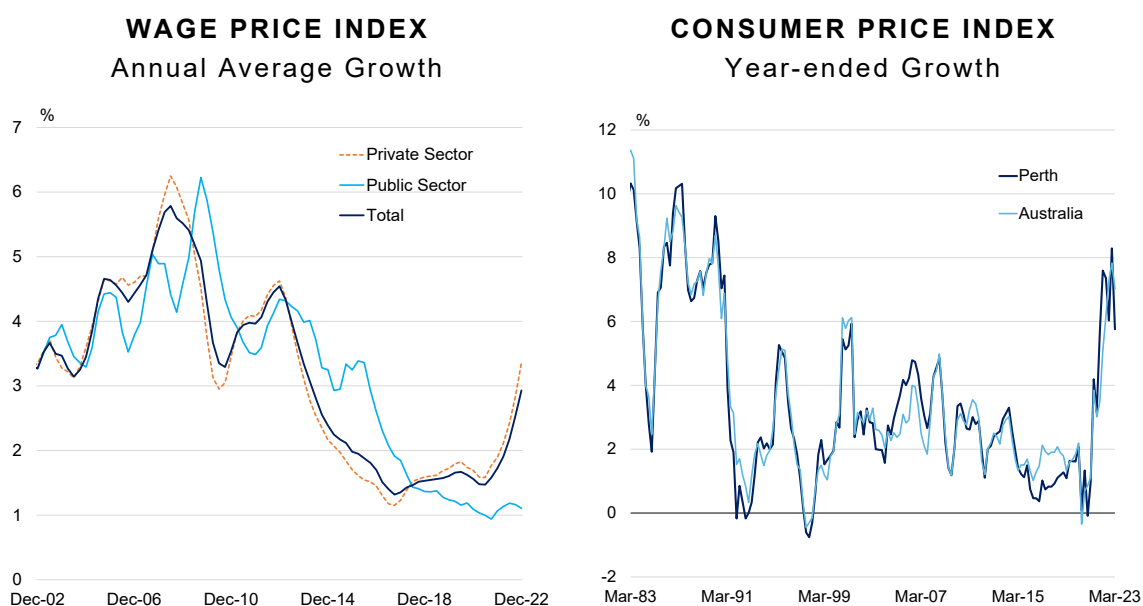
Consistent with stronger than expected population growth and easing labour market conditions, the **participation rate** is forecast to average 68.7% in 2023-24. This is a moderation from an estimated participation rate of 69.1% in 2022-23, following a record 69.4% in 2021-22, as exceptionally strong hiring conditions encouraged a greater share of women, youth and older cohorts to join the workforce. An ageing population is anticipated to put downward pressure on participation over the forecast period, with the participation rate forecast to fall to 68% by 2026-27.

Wages, Prices and Population

Western Australian wages (as measured by the **Wage Price Index**, WPI) grew by 2.9% in 2022, up from growth of 2.2% recorded in 2021-22. While sustained labour demand in a tight labour market has supported the lift in base wages, businesses continue to use non-base wage means, such as bonuses and one-off payments, which are not captured in the headline WPI data.

Wages are set to gather pace over the near term as firms aim to attract and retain staff in a competitive market, with growth picking up to 3.75% over 2022-23 and 4% in 2023-24. The pace of WPI growth is forecast to slow from 2024-25, as labour demand eases and labour supply is supported by rising overseas migration.

Figure 6



Source: ABS Catalogue 6345.0.

Source: ABS Catalogue 6401.0.

Consumer price inflation, as measured by growth in Perth's **Consumer Price Index** (CPI¹), remains elevated, underpinned by new-dwelling costs, rents and travel costs. Housing costs are expected to remain a driver of inflation in the near term, given the strength of population growth and supply constraints in the housing market.

Inflation appears to have peaked in the December 2022 quarter and is projected to ease to 5.75% by the June 2023 quarter and 3.5% by June 2024, reflecting improved global supply chains, slower growth in consumer demand (as a result of higher interest rates) easing inflation for goods, more moderate growth in the price of new housing, and a normalisation of travel prices as additional flight capacity is brought online.

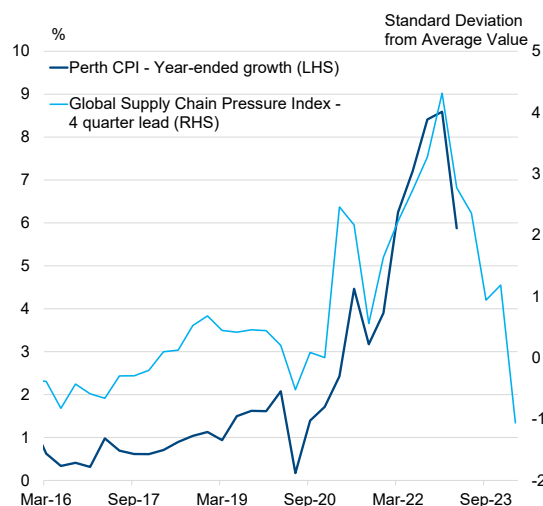
The projected moderation in inflation is supported by the decline in annual growth in the national monthly CPI indicator from 8.4% in December 2022 to 6.3% in March 2023. It is also consistent with the Federal Reserve's global supply chain pressure index which has declined from a peak in December 2021, and is now below pre-pandemic levels. Shipping container costs from China have also fallen by around 80% from the peak in January 2022. In addition, the rate of producer price inflation for new houses has eased from 6.4% per quarter in the first half of 2022 to 1.1% per quarter in the following three quarters.

From 2024-25, CPI growth is expected to return to being within the Reserve Bank of Australia's target band of 2% to 3%.

¹ References to CPI in 2022 and beyond refer to the CPI excluding the electricity subindex. This reflects that the successive Household Electricity Credits have resulted in significant volatility in the headline CPI for Perth.

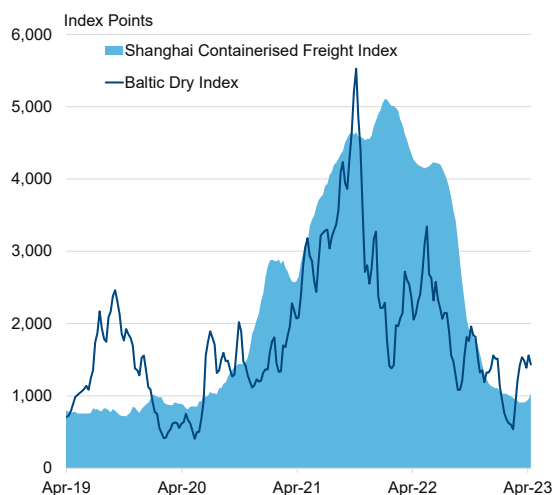
Figure 7

PERTH CPI AND GLOBAL SUPPLY CHAIN PRESSURE INDEX



Source: ABS Catalogue 6401.0 and Federal Reserve Bank of New York.

FREIGHT COSTS INDEXES



Source: Macrobond.

Western Australia's **population growth** has rebounded, supported by strong migration to the State since the removal of border restrictions in early 2022. After falling to a recent low of 1.1% in 2021, the State's population growth has picked up to 1.4% in the year to September 2022 (latest data available) and is estimated to reach 2% (around 56,000 people) in 2022-23 – above long-run average growth of 1.7%.

The sharp recovery reflects the combined effect of strong inflows of overseas migration, primarily driven by a large influx of overseas students, and fewer temporary migrant departures. It also reflects a strong net inflow of interstate migrants to Western Australia. Population growth is then projected to gradually ease to 1.6% over the forecast period as overseas migration flows return to normal levels and net interstate migration eases in line with moderating labour market conditions.

Risks

The challenges facing the national and global economies mean that the risks to the State's economic outlook remain elevated.

The Reserve Bank of Australia has increased the cash rate by a cumulative 375 basis points since May 2022. The full effect of this substantial increase in interest rates (and hence borrowing costs) is yet to be fully felt. This presents some risk to the outlook for household spending, though many households have been able to build a savings buffer or pay down debt during the pandemic.

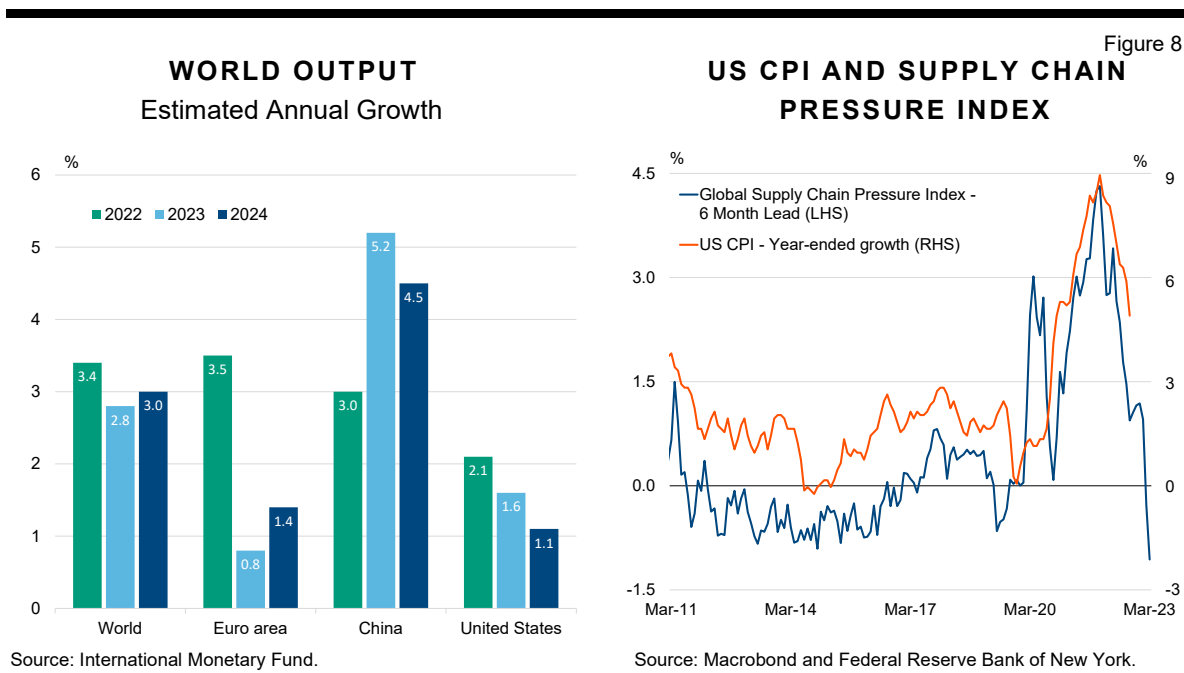
The impact of higher rates for borrowers with floating rate loans, who have predominantly felt the impact of higher rates to date (albeit with a lag of around three months between increases in the cash rate and higher payments), will be accompanied by a large number of expiring fixed rate mortgages. Fixed rate loans account for around a third of all loans in Australia, and more than 50% of fixed rate home loans in Western Australia are scheduled to roll-over in 2023.

The State is also facing continued challenges that could impact the near-term outlook. Labour shortages, input constraints and cost pressures have impacted recent investment activity in both the residential and business sectors. There is a risk that this could continue over the short term, although this Budget contains a number of initiatives to assist the construction sector and mitigate this risk, including visa subsidies for skilled migrants and incentives for apprentices and trainees.

Global Outlook

Global economic growth is estimated to have slowed from 6.3% in 2021 to 3.4% in 2022. The slower rate of growth in 2022 reflects the impact of major headwinds throughout the year, such as continued COVID lockdowns in China, Russia's invasion of Ukraine causing instability in energy and financial markets, surging inflation and an associated tightening of global monetary policy by central banks. Notwithstanding these challenges, global supply chain pressures eased as COVID restrictions outside China were relaxed (as shown in the figure below, right-hand panel), Europe's energy demands were lower than normal (reflecting a milder winter), and household consumption and investment in the US were stronger than anticipated.

In its April 2023 World Economic Outlook, the International Monetary Fund (IMF) forecasts the global economy to grow by 2.8% in 2023 and 3% in 2024 (figure below, left-hand panel). The slowdown in global growth from 2022 reflects the lagged impacts of the rapid increase in interest rates over 2022 and early 2023. The IMF notes that in early 2023 there were tentative signs that the global economy would stabilise, but this now appears less likely due to stickiness in underlying inflation and recent stresses in the financial sector.



The IMF forecasts growth in **advanced economies** to see a pronounced slowdown from 2.7% in 2022 to 1.3% in 2023, reflecting the rise in interest rates needed to control inflation, and the recent instability in the financial sector. **Emerging and developing economies** are expected to only slow marginally, from 4% in 2022 to 3.9% in 2023.

Advanced Economies

Growth in the **US** economy slowed from 5.9% in 2021 to 2.1% in 2022 but still performed stronger than expected. This strength has been attributed to consumers continuing to spend from their stock of savings, unemployment being near historic lows and plentiful job opportunities. Headline US CPI has been falling since the middle of 2022. This largely reflects falling energy costs and the easing of supply chain pressures which flow through to CPI with an approximately 6-month lead (figure above, right-hand panel). Growth in 2023 and 2024 is expected to slow to 1.6% and 1.1% respectively, reflecting the lagged contractionary impacts on consumer demand from the rapid increase in interest rates during 2022 and early 2023.

Growth in the **euro area** slowed from 5.4% in 2021 to 3.5% in 2022. The euro area has performed better than expected in the face of its energy crisis as the 2022-23 winter was relatively mild and Europe was able to build up sufficient gas storage to manage immediate pressures. As a result, energy prices have fallen sharply from their peaks. At the same time, household consumption and investment have been supported by government measures and the continued boost from the reopening post COVID. The positive impact of these supporting factors is expected to fade into 2023.

In 2023 the IMF expects growth in the euro area to slow to just 0.8%, reflecting the contractionary effects of interest rate hikes by the European Central Bank and the erosion of real incomes. The lagged effects of increased interest rates are expected to flow into 2024, when growth is expected to remain at a below-average 1.4%.

China

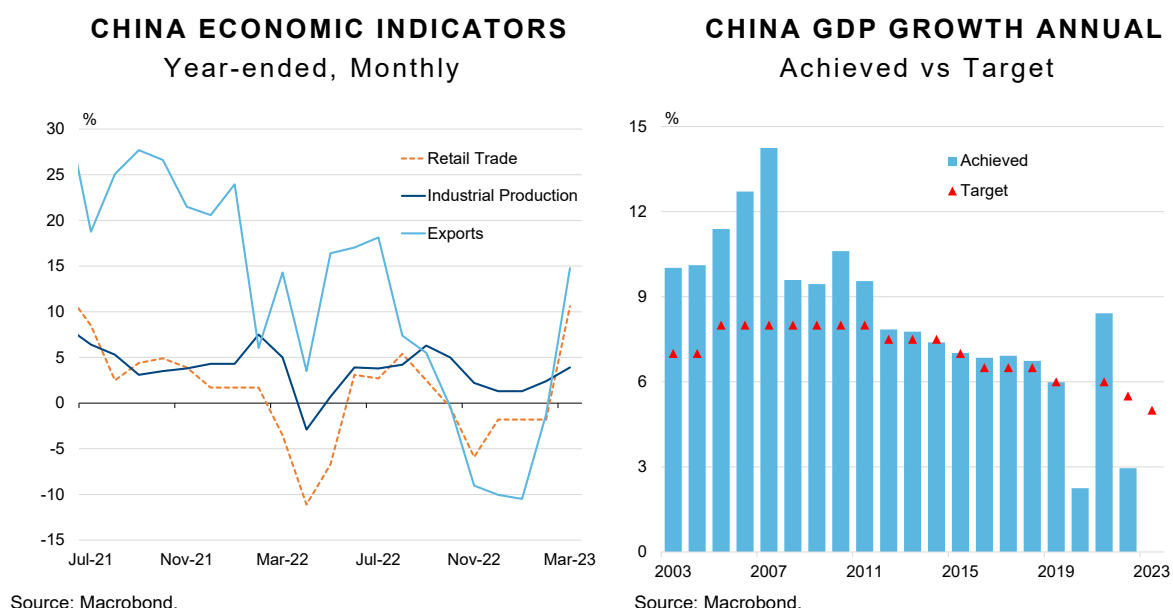
Growth in **China's** economy slowed from 8.5% in 2021 to 3% in 2022, primarily due to continued COVID lockdowns in major cities which hindered both consumption and industrial activity. This was coupled with continued weakness in China's property sector, where developers had already been in financial stress due to a range of measures aimed at reigning in debt, compounded by homebuyers losing confidence in the market. This impeded the ability of developers to work through their large backlog in unfinished houses.

However, China's economy is showing some early signs of recovery after dropping its zero-COVID policy in December 2022. Most notably, industrial production is now expanding at a slightly faster pace than in mid-2022 and growth in exports and retail trade have rebounded (see figure below, left-hand panel). Mobility data also suggests that a degree of economic normality returned in February and March following the Chinese New Year holidays. The Chinese Government has set modest economic targets during key planning meetings in March 2023, including GDP growth of around 5% in 2023, which is well below historical standards, signalling that authorities will prioritise more sustainable development (see figure below, right-hand panel).

The IMF expects growth in China to increase from 3% in 2022 to 5.2% in 2023, before easing to 4.5% in 2024. Much of the growth for 2023 is expected to occur early in the year as households satisfy pent-up demand and run-down savings built up during the pandemic. However, as external demand from advanced economies is expected to soften this year, strong growth in domestic demand and improving conditions within its property sector will be key drivers in stabilising the economy in 2023 (see *Iron Ore* discussion below).

In contrast to most economies around the world, China has found itself in a position of low inflation, with its latest reading for the year to March coming in at just 0.7%. Expectations are that inflation will continue to be muted and below target levels. This gives the Government scope to stimulate the economy through fiscal and/or monetary policy if needed.

Figure 9



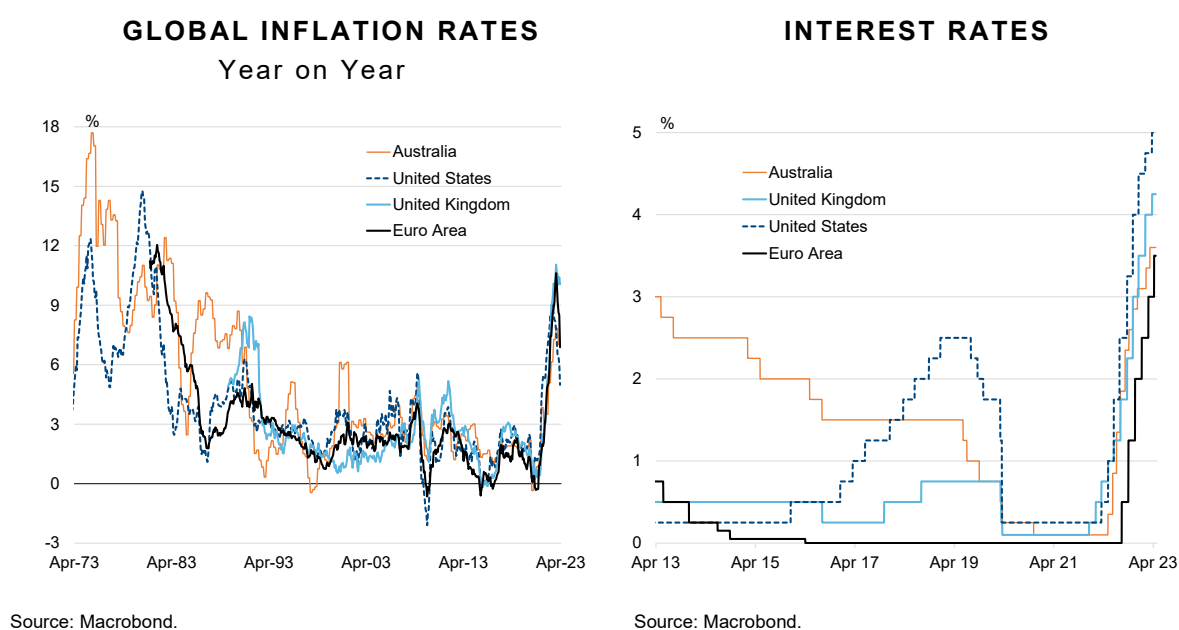
Global Risks

Global risks have increased and remain tilted towards the downside, with recession concerns gaining prominence. These risks include difficulties controlling core inflation, how economies react to higher interest rates, the continuing effects of Russia's invasion of Ukraine, and recent instability in the global financial sector.

Inflation has been at levels unseen for several decades (figure below, left-hand panel). There are signs emerging that headline inflation has peaked and is falling in the US, the euro area and Australia. However, core inflation rates which exclude food and energy prices, remain elevated, and there is a risk that inflationary pressures may remain stronger for longer than currently projected. To control inflation there has been a rapid rise in interest rates (figure below, right-hand panel).

In early March 2023, several banks in the US collapsed following a run on their deposits, most notably Silicon Valley Bank and shortly after, Credit Suisse had liquidity issues and was bought out by competitor UBS. This generated concern in the markets as to whether there would be another banking crisis, but as of Budget cut-off date, it appears issues have been contained. The IMF notes that there is a significant risk that the recent turbulence in the banking system will result in a sharper and more persistent tightening of global financial conditions. Also, to the extent that banks are now less willing to lend and instead seek to protect their balance sheets, this could lead to a further slowing of growth.

Figure 10



Commodity Markets

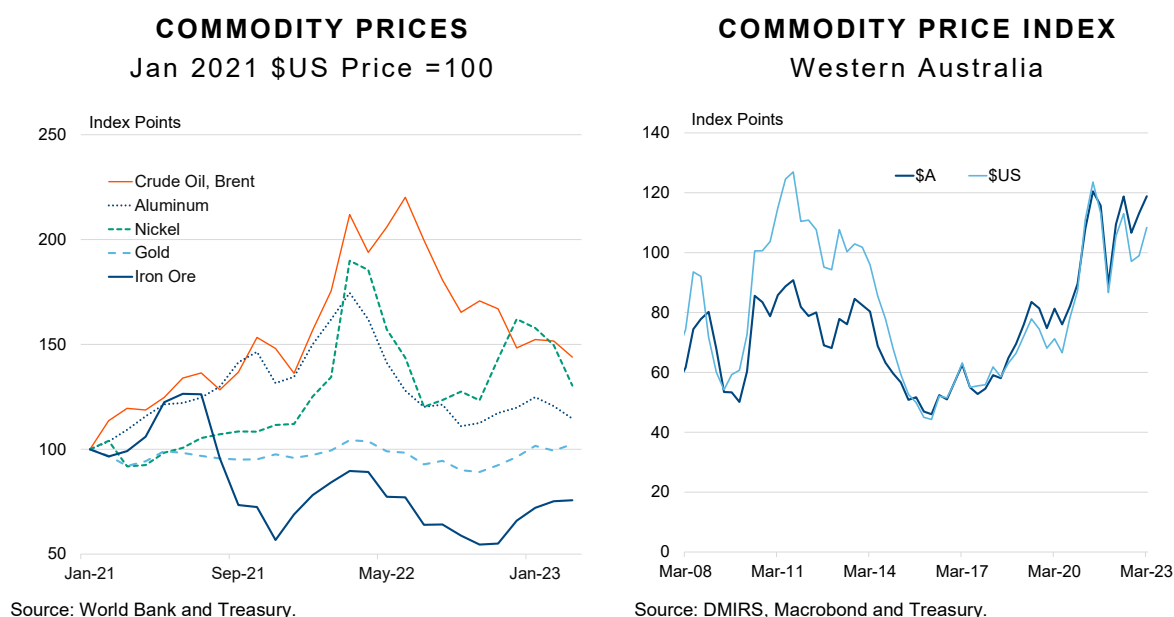
Global commodity markets tightened significantly through early 2022 due to a combination of strong demand as countries exited from the COVID pandemic and interruptions to supply from Russia's invasion of Ukraine. Conditions subsequently started to ease during the second half of 2022 as prices for energy commodities fell in response to a slowing global economy, Europe's mild winter and the realignment of trade flows. Most commodity prices have returned to levels around or below those that prevailed prior to the Russian invasion of Ukraine. However, prices are still elevated compared to 2020-21 (figure below, left side panel). A notable exception is the iron ore price, which has been well below its peak of May 2021 as it is heavily influenced by Chinese demand (see *Iron Ore* section below).

The Western Australian Commodity Price Index² has remained elevated since its recent peak in 2020-21 (figure below, right side panel). The recent depreciation of the \$A/\$US has resulted in commodity prices in Australian dollar terms falling less than the prices in US dollar terms.

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

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

Figure 11

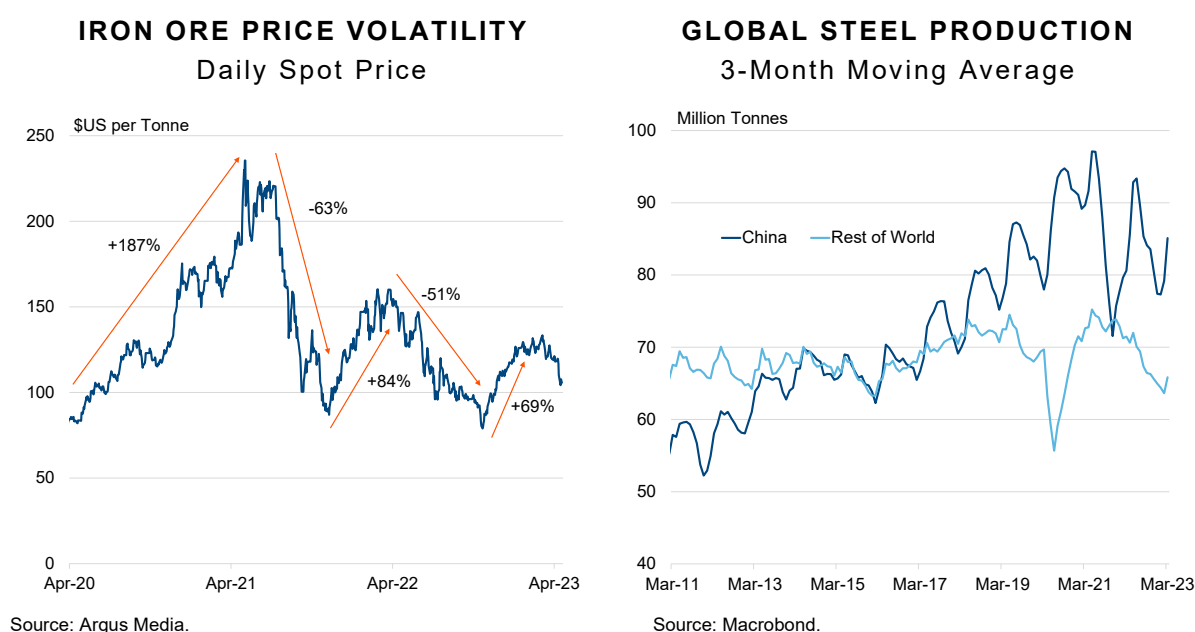


Iron Ore

Iron ore prices have been highly volatile in recent years due to significant fluctuations in Chinese demand and unresponsive seaborne supply. After recovering to \$US160 per tonne in April 2022 (from a sharp decline between May and November 2021), the benchmark iron ore price fell by more than 50% to a three-year low of \$US79 per tonne in late-October 2022, before rebounding nearly 70% to \$US133 per tonne in mid-March. Prices have since eased to \$US119 per tonne at Budget cut-off (11 April 2023, see figure below, left-hand panel), with further falls post-cut-off.

The fall in iron ore prices in the second half of 2022 was mainly due to weaker steel demand in China, as frequent COVID-19 lockdowns and an ongoing downturn in the country's property market constrained activity. At the same time, steel production in the rest of the world fell sharply, as a result of high energy prices due to the ongoing effects of the war in Ukraine (see figure below, right-hand panel). Iron ore prices began to recover from November 2022 after the Chinese Government dropped its zero-COVID policy and pledged further support for its property sector, leading to an improved outlook for iron ore and steel demand.

Figure 12



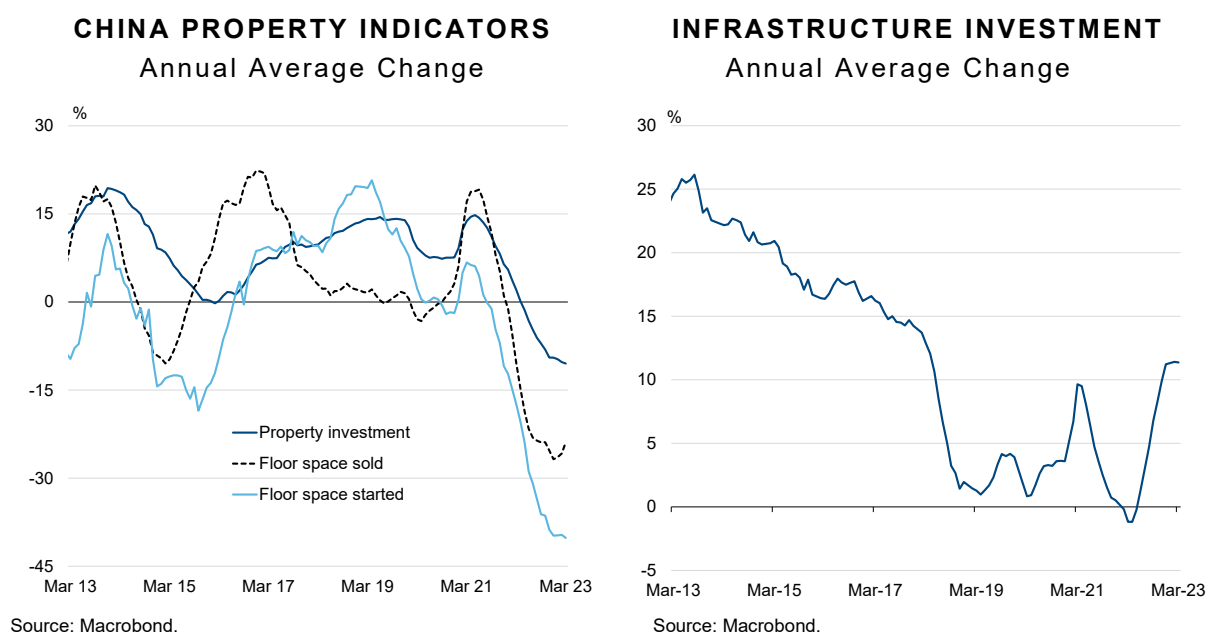
China's property sector, which accounts for about 25-35% of the country's steel demand, is on track for a soft recovery in 2023 after the Government announced a number of measures to support activity in November 2022. Policymakers focussed on addressing the reasonable financing needs of property developers, who faced increased public criticism in 2022 due to a large stock of unfinished homes. In China, homes are often paid for before construction commences.

A number of property market indicators have already started responding to policy support, with recent data suggesting that the pace of contraction in the market may be bottoming (see figure below, left-hand panel). However, given the Government's focus on completing unfinished projects (less steel-intensive) rather than new construction starts (more steel-intensive), steel demand from the property sector is not expected to increase significantly.

Activity in China's infrastructure sector, which accounts for about 30% of Chinese steel demand, is expected to remain the key driver of steel demand growth in 2023. Authorities have allocated RMB3.8 trillion (US\$552 billion) of local government special bonds for major infrastructure projects in 2023, with more than half expected to be front-loaded in the first half of the year. This follows a record issuance of RMB4 trillion (US\$586 billion) in 2022, which contributed to a notable rise in infrastructure investment (see figure below, right-hand panel), with the effects of this stimulus still flowing through the economy.

The combined effect of an infrastructure boost and a soft recovery in the property sector suggests a relatively steady outlook for steel demand in 2023. However, risks are skewed to the downside, with several reports suggesting that China is considering cutting annual steel output by 2.5% in 2023 in order to control carbon emissions.

Figure 13



Seaborne iron ore supply remains tight. While shipments from Australia increased by 1.7% or 16 million tonnes in 2022, this was more than offset by lower shipments from Brazil (down 1.4%), India (down 57%), South Africa (down 20%) and Ukraine (down 76%). Overall, global exports of iron ore declined by 2.7% (or 44 million tonnes) in 2022. Shipments from Brazil, the world's second largest iron ore producer behind Australia, continue to be impacted by adverse weather conditions and environmental concerns.

Global supply is expected to increase by 2.3% in 2023, reflecting rising supply from Australia and Brazil, and a return of Indian iron ore shipments after the Government there scrapped export tariffs in November. However, there are ongoing issues in Ukraine, Russia and South Africa.

Iron ore production in Western Australia is expected to rise from around 861 million tonnes in 2022-23 to 898 million tonnes by 2025-26, with the ramp-up in production at new mines from the three majors, as well as new production coming online from Iron Bridge and Onslow. However, production is expected to ease slightly (to 890 million tonnes) in 2026-27 as some smaller mines are depleted.

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

Other Commodities

Like iron ore, **lithium** prices have been primarily driven by changes in demand in a supply-constrained environment. With around 80% of global lithium being used for batteries in electric vehicles (EV), demand is particularly driven by trends in EV sales in China, which accounts for almost 60% of global EV sales.

EV sales in China reached record levels over the second half of 2022 as there was a boost in purchases of EVs prior to the expiration of subsidies at the end of 2022. Sales subsequently fell swiftly in January 2023. Reflecting these market conditions, lithium prices rose rapidly in 2022, peaking in late 2022 and have since fallen sharply with weakening demand from China. Notwithstanding this, lithium prices are still elevated compared to prices prior to 2022, as global demand continues to exceed global supply.

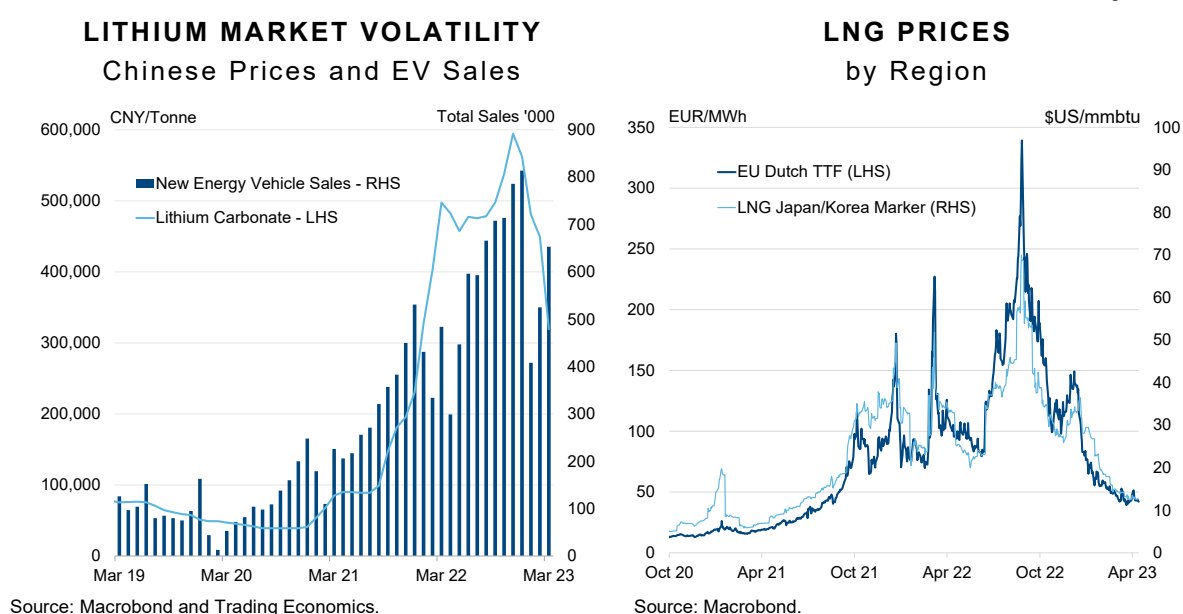
Demand for lithium is expected to continue increasing at a rapid pace, supported by policies in many advanced economies. This includes initiatives in the US *Inflation Reduction Act 2022* which contains several initiatives to promote clean energy usage including incentives for EV purchases.

The oil price peaked around the Russian invasion of Ukraine and has since fallen with weakening demand as global growth has slowed. However, OPEC+ has restricted oil supply to limit downward pressure on prices. Oil prices are important for Western Australia as they represent a major input cost for business and through the linkage between LNG and oil prices, a major determinant of export income.

Global spot prices for **LNG** reached record highs during 2022, as Europe sought to replace Russian pipeline gas. This positively impacted Western Australia's export income as the State's producers sell some volumes on the spot market. Prices have since fallen with lower demand, as Europe has been able to keep gas storage levels above corresponding levels of previous years through demand mitigation strategies and by benefiting from a mild winter.

By March 2023, LNG prices in Europe had dropped by more than 80% from their peak (figure below, right hand side). Nevertheless, they are still above historic levels and are forecast to remain elevated over the medium-term, reflecting higher demand from Europe as it replaces Russian pipeline gas.

Figure 14



2023–24 Economic and Fiscal Outlook

Gold prices averaged \$US1,802 per ounce in 2022, broadly unchanged from the 2021 average price of \$US1,800 per ounce. Even though the gold price started to rally at the beginning of 2022 due to rising inflation and uncertainty, prices then fell because of a lack of appetite for gold as a safe haven asset compared to US dollar-denominated assets amidst aggressive interest rate hikes by the US Federal Reserve. Gold prices rose over March 2023 as the recent banking collapses (while contained in terms of broader impact) have lowered expectations of further US interest rate rises.

Base metal prices, such as nickel, which increased at the start of 2022 due to supply disruptions from Russia, have since eased with falling global demand. Nickel prices over the medium term are expected to be supported by the growing demand for battery-related materials with the global move towards decarbonisation.

Fiscal Outlook and Strategy

HIGHLIGHTS

- A sixth consecutive operating surplus is projected to be achieved in 2023-24 of \$3.3 billion, down from an estimated \$4.2 billion surplus in 2022-23. Operating surpluses are expected to be maintained over the remainder of the forward estimates.
- The Government has applied this fiscal capacity to a range of high priority initiatives in this Budget, including:
 - further cost of living relief for all Western Australian households (\$715 million);
 - \$3 billion to take action on climate change, including delivering on the Government's plan to decarbonise the State's main electricity grid;
 - an additional \$2.7 billion investment in the State's health and mental health systems;
 - \$750 million to boost housing supply, including increasing the Government's commitment to deliver an additional 4,000 social houses; and
 - \$463 million in economic infrastructure and diversification initiatives.
- A record \$39 billion investment in infrastructure is planned over the next four years, with general government operating surpluses providing an important source of non-debt funding.
- Net debt is expected to decline for a fourth straight year to \$27.9 billion in 2022-23. This is almost \$16 billion lower than projected when the Government came to office, reducing interest payments by around \$4.3 billion over this period.
- Consistent with the Budget's conservative iron ore price assumptions and record Asset Investment Program, net debt is expected to rise to \$35.9 billion by the end of the forward estimates period. This remains a much flatter net debt profile than other jurisdictions, and as a share of the State's economy (Gross State Product), is just 9.7%.

Fiscal Outlook

General Government Sector

Summary

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

Table 1

GENERAL GOVERNMENT Summary Financial Statements						
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
OPERATING STATEMENT						
Revenue	41,658	43,102	43,218	40,567	40,678	41,525
Growth (%)	3.8	3.5	0.3	-6.1	0.3	2.1
Expenses	35,638	38,875	39,925	38,200	38,138	38,642
Growth (%)	3.9	9.1	2.7	-4.3	-0.2	1.3
Net Operating Balance	6,019	4,226	3,293	2,367	2,540	2,883
BALANCE SHEET						
Assets	176,863	182,225	189,149	194,550	198,813	202,560
Liabilities	44,879	43,476	44,333	46,411	46,812	46,225
Net Worth	131,984	138,749	144,817	148,139	152,002	156,335
STATEMENT OF CASHFLOWS						
Net Cash Flows from Operating Activities	8,439	6,280	6,272	4,115	4,546	4,931
Asset Investment Program	3,308	3,244	3,189	4,182	4,231	3,973
Sales of Non-financial Assets	110	89	119	77	66	66
Cash Surplus/Deficit	5,240	3,125	3,202	9	381	1,024
Net Debt at 30 June	19,269	19,085	22,060	25,527	26,704	27,073

A general government operating surplus of \$4.2 billion is expected for 2022-23. This is \$2.4 billion higher than forecast in the 2022-23 Mid-year Review, mainly reflecting a higher than previously assumed iron ore price.

An operating surplus of \$3.3 billion is forecast for 2023-24, \$1 billion lower than the Mid-year Review forecast. This primarily reflects additional expenditure approved as part of this Budget, including the \$715 million cost of living package and additional investment in front-line service delivery (particularly health, education and disability services).

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

Operating Statement

Changes to the outlook for general government revenue and expenses since the Mid-year Review was finalised on 28 November 2022 are summarised in the following table.

Table 2

SUMMARY OF GENERAL GOVERNMENT REVENUE AND EXPENSE VARIATIONS SINCE THE 2022-23 MID-YEAR REVIEW						
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	Total \$m
2022-23 MID-YEAR REVIEW - NET OPERATING BALANCE	1,844	4,338	3,092	3,078		
Revenue						
<i>Taxation</i>	171	100	73	100		443
- Off-the-Plan Transfer Duty Concession	-	-14	-19	-27		-60
- Other changes in duty on transfers	110	59	65	71		305
- Payroll tax	-45	-47	-49	-50		-191
- Land tax	-	56	56	57		169
- Motor vehicle taxes	35	54	10	35		134
- Insurance duty	29	5	5	6		45
- Other taxes	41	-14	4	9		41
<i>Commonwealth grants</i>	-82	1,384	309	-288		1,324
- Transport grants	-149	1,040	247	145		1,284
- GST grants	2	2	2	-513		-506
- Disaster Recovery Funding Arrangements Western Australia	-13	8	63	84		142
- Commonwealth's contribution - household electricity credits	-	116	-	-		116
- North West Shelf/condensate compensation	279	-59	-76	-63		82
- Health grants	28	11	30	18		86
- HomeBuilder grants	-54	5	-	-		-49
- Coastal and Estuarine Risk Mitigation	19	-	-	-		19
- Disability services grants	-222	222	-	-		-
- Other Commonwealth grants	29	39	43	41		151
<i>Royalty income</i>	2,050	1,068	408	471		3,996
- Iron ore	2,138	770	67	19		2,994
- Lithium	-43	275	287	353		872
- Other royalties	-46	23	54	99		130
Revenue from public corporations	149	-51	154	291		543
Interest	57	10	-13	-64		-9
Sales of goods and services	66	108	127	110		410
All other	9	27	1	15		52
TOTAL REVENUE	2,420	2,646	1,059	635		6,760

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

Table 2 (cont.)

SUMMARY OF GENERAL GOVERNMENT REVENUE AND EXPENSE VARIATIONS SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Expenses						
WA Health						
- Hospital Services	264	373	165	79		881
- Non-Hospital Services	49	156	78	64		348
- All Other	-9	237	52	32		312
Communities						
- NDIS Contributions	-	317	242	205		764
- Provision for NDIS contributions indexation	-	-	75	124		199
- Child Protection Services	35	23	29	7		95
- Ex-Tropical Cyclone Ellie Recovery	9	24	- ^(a)	-		34
- All Other	-22	92	53	46		170
Main Roads						
- Depreciation Updates	-	123	78	75		277
- Delivering METRONET	84	125	116	-23		301
- Wheatbelt Freight Network Upgrades	21	15	-49	13		-
- Ex-Tropical Cyclone Ellie Recovery	80	-	-	-		80
- All Other	10	37	16	13		77
Education						
- Revision to School Enrolments	53	71	78	69		271
- Regional Housing	11	12	12	13		49
- All Other	57	25	20	19		121
Western Australia Police Force	1	55	42	28		125
Justice	36	90	28	15		169
Primary Industries and Regional Development						
- Ex-Tropical Cyclone Ellie Recovery	30	12	-	-		43
- All Other	-53	110	36	19		112
Transport	12	101	22	19		154
Jobs, Tourism, Science and Innovation	-237	209	112	24		109
Fire and Emergency Services						
- Ex-Tropical Cyclone Ellie Recovery	17	49	42	8		116
- All Other	-59	38	22	26		27
Operating subsidies ^(b)						
- Synergy	4	567	7	-4		574
- Water Corporation	88	99	117	127		430
- Public Transport Authority	39	74	64	68		245
- Horizon	-	21	1	- ^(a)		22
- All Other	-91	26	79	18		31
Asset Maintenance Fund	-	100	150	-		250
WACA /Aquatic Centre	-	66	13	1		80
Superannuation interest	-37	-34	-29	-25		-126
Lower interest costs from additional \$500m debt repayment	-	-21	-21	-21		-63
All Other	-355	497	135	134		412
TOTAL EXPENSES	38	3,691	1,784	1,173		6,686
TOTAL VARIANCE	2,382	-1,045	-725	-538		74
2023-24 BUDGET - NET OPERATING BALANCE	4,226	3,293	2,367	2,540	2,883	

(a) Amount less than \$500,000.

(b) Represented in general government expenses as grants and subsidies paid through the Department of Treasury.

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

2022-23 Estimated Actual

A general government operating surplus of \$4.2 billion is now expected for 2022-23, \$2.4 billion higher than forecast in the Mid-year Review. This increase is mainly due to:

- higher iron ore royalties (up \$2.1 billion), due to a stronger than expected iron ore price, which is now estimated to average \$US112.3 per tonne over 2022-23 compared to the \$US87.4 assumption at the time of the Mid-year Review; and
- higher taxation revenue (up \$171 million), mainly due to higher collections from total duty on transfers¹ (up \$110 million), reflecting stronger than expected activity in the residential property market and a number of unanticipated large commercial property transactions.

Final outcomes for the financial year ending 30 June 2023 will be detailed in the *2022-23 Annual Report on State Finances* (to be released by 28 September 2023).

2023-24 and Beyond

An operating surplus of \$3.3 billion is forecast for 2023-24. Operating surpluses are also expected in each of the outyears, albeit slightly lower than forecast at the time of the Mid-year Review.

Revenue

After growing by an estimated 3.5% in 2022-23, general government revenue is forecast to increase only slightly (0.3%) in 2023-24 to \$43.2 billion. One-off increases in Commonwealth transport and disability service grants and a return to the payment of dividends by public corporations are largely offset by weaker taxation collections and lower royalty income (due to an assumed reversion in the iron ore price to its long-run average of \$US66 per tonne from November 2023).

General government revenue estimates for the period 2023-24 to 2025-26 have been revised up by \$4.3 billion since the Mid-year Review. This is mainly due to:

- higher royalty income (up \$1.9 billion), including:
 - higher lithium royalties (up \$915 million), largely due to revisions to assumed prices in line with movements in the spot price since the Mid-year Review and updated forecasts from Consensus Economics; and
 - higher iron ore royalties (up \$856 million), due to an upward revision in the iron ore price in 2023-24 (to \$US74.1 per tonne) and higher forecast production volumes;
- higher taxation revenue (up \$272 million), primarily reflecting the flow-through impact of higher than expected land tax² collections in 2023-24 (up \$187 million) and total duty on transfers (up \$135 million), partially offset by lower payroll tax (down \$146 million);

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

² Includes revenue from land tax and the Metropolitan Region Improvement Tax.

- a net increase in Commonwealth funding (up \$1.4 billion), including:
 - higher transport grants (up \$1.4 billion)³, largely reflecting additional funding to meet cost increases across a number of existing METRONET and road projects (\$950 million) and funding for new road and rail projects, including electric bus infrastructure (\$100 million) and continuation of the Regional Road Safety Program in 2024-25 (\$140 million);
 - lower GST grants (down \$508 million), due to lower estimates of Western Australia's share of national GST revenue in 2025-26, as a result of the Commonwealth Grants Commission's 2023 Update and higher royalty forecasts (noted above);
 - lower North West Shelf grants and condensate compensation (down \$198 million), largely due to lower forecast production volumes and lower oil and gas prices;
 - the Commonwealth's \$116 million contribution to the National Energy Bill Relief Scheme (see *Cost of Living Package* feature box in Chapter 1); and
 - higher Health funding (\$58 million), contributing to the establishment of the Bentley Health Services Surgicentre and Graylands Hospital reconfiguration; and
- higher goods and services revenue (up \$344 million), largely as a result of:
 - higher revenue for the Western Australian Sports Centre Trust (up \$91 million), reflecting increased levels of activity at Optus Stadium, RAC Arena and other venues, and changes in major events public transport charging arrangements;
 - higher fees and charges for the Department of Planning, Lands and Heritage (up \$86 million) associated with the *Aboriginal Cultural Heritage Act 2021* (the Act), reflecting expected cost recovery for administration of the Act and to fund Local Aboriginal Cultural Heritage Services; and
 - higher revenue for Main Roads (up \$85 million)⁴, reflecting upgrade works on the Kwinana and Mitchell freeway barriers, and the Stirling Bus Interchange project, partially offset by the re-timing of cashflows for other projects.

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

³ Details of this funding were still being negotiated with the Commonwealth at the time of the 11 April 2023 cut-off date for this Budget.

⁴ Main Roads collects goods and services revenue from third parties in other sectors, including the Public Transport Authority (a public corporation), local governments and other external contributors.

Expenses

General government expenses are forecast to be \$39.9 billion in 2023-24, an increase of 2.7% or \$1 billion on 2022-23. This follows growth of 9.1% in 2022-23 (or 5.3% in underlying terms⁵). Across the outyears, and reflecting the easing of COVID-19 and Ex-Tropical Cyclone Ellie related expenditure, as well as the one-off nature of the Household and Small Business Electricity Credits in 2023-24, expenses are forecast to decline by 4.3% in 2024-25 and 0.2% in 2025-26, before a return to modest growth in 2026-27.

General government expenses have been revised up by \$6.6 billion over the period 2023-24 to 2025-26 since the Mid-year Review. Material expense changes to address high priority issues include:

- a \$616 million increase for hospital services, including maintaining additional bed capacity, and a further \$298 million for non-hospital services to enable WA Health to meet contractual obligations, address various cost and demand pressures, and continue priority programs;
- \$566 million to provide electricity credits of at least \$400 for every Western Australian household and \$650 for small businesses;
- \$963 million (to 2025-26) for the State's cost of additional participants in the National Disability Insurance Scheme;
- higher expenses in the Education sector (up \$320 million), mainly due to revisions to student enrolments and cost parameters (\$218 million), upward revisions to Government Regional Officer Housing (GROH) costs (\$38 million), increased student wellbeing spending under the National Student Wellbeing Program, and adoption and adaptation of the updated national curriculum in Western Australian schools;
- an increase in spending by the Western Australia Police Force (up \$125 million), largely reflecting additional road safety spending, higher GROH costs, project and network support costs for the Emergency Services Radio Network project, and higher spending to address service priorities over 2023-24 and 2024-25, like Operation Regional Shield;
- an increase in spending by the Department of Jobs, Tourism, Science and Innovation (up \$345 million), primarily due to new investment to support the State's investment and trade network, international education initiatives, event tourism, an extension of the 'It's Like No Other' global marketing campaign, and expenditure deferred from 2022-23;
- higher spending by the Department of Justice (up \$133 million), including increased payments to victims of crime, extension of youth programs and additional youth custodial officers at Banksia Hill Detention Centre, ongoing support for Community Legal Centres, and expansion of the Kimberley Juvenile Justice Strategy;

⁵ Excluding a number of significant one-off items in 2022-23, such as the \$3,000 cost of living payment under the public sector wages policy, a number of time-limited grants in relation to COVID-19, and immediate disaster response following Ex-Tropical Cyclone Ellie, underlying expense growth in 2022-23 is estimated at 5.3%.

- an additional \$250 million of maintenance expenditure on State-owned assets through the new Asset Maintenance Fund established as part of this Budget;
- an increase in spending by the Department of Primary Industries and Regional Development (up \$165 million), largely driven by costs carried over from 2022-23, implementation of the Sheep and Goat Electronic Identification system, an Industry Support and Transition Package and operational funding following the creation of the Buccaneer Archipelago Marine Parks, and extension of the Commonwealth's Future Drought Fund Program;
- \$144 million over 2023-24 to 2025-26 to help impacted communities in the Kimberley recover from Ex-Tropical Cyclone Ellie (part of the \$322 million in approved recovery expenditure funded in this Budget); and
- additional grant funding for the Western Australian Cricket Association ground improvement project and aquatic facility (\$80 million, partly funded by a \$25 million contribution from the City of Perth).

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

Balance Sheet

General government sector net worth (i.e. the value of the sector's assets less the value of its liabilities) is forecast to increase from an estimated \$138.8 billion at 30 June 2023 to \$156.3 billion by 30 June 2027.

Assets are projected to increase by \$20.3 billion over the four years to 30 June 2027, mainly reflecting the net impact of:

- an increase in non-financial assets (up \$14.4 billion), driven by rises in property, plant and equipment (up \$10 billion) and land (up \$4.8 billion), as a result of general government infrastructure spending;
- a \$12.6 billion increase in the net worth of public corporations⁶, reflecting increased holdings of physical assets by non-financial public corporations due to high levels of infrastructure investment, and operating surpluses in both the financial and non-financial public corporations sectors over the forward estimates period; and
- a \$5.2 billion reduction in liquid financial assets (cash and deposits, advances paid and investments, loans and placements), reflecting the use of cash and other liquid investments over the outyears to fund infrastructure and other investments.

⁶ The net worth of public corporations sectors is included as an asset on the general government balance sheet. This represents the ownership interest of central government in the net value of public sector businesses outside the general government sector.

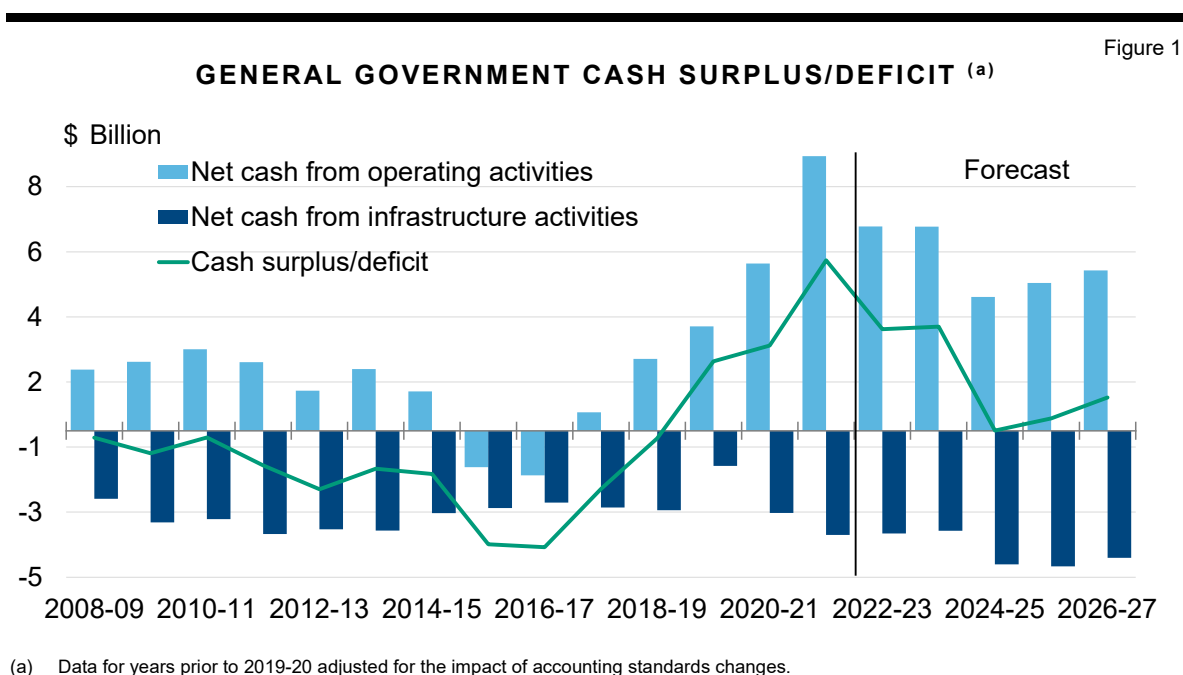
General government liabilities are forecast to be \$46.2 billion at 30 June 2027, a \$2.7 billion increase on the estimated outturn for 30 June 2023. This largely reflects an increase in deposits held (reflecting the impact of Government Trading Enterprise (GTE) reform legislation, which will result in GTEs banking through the Public Bank Account).

Cashflow Statement

A general government sector cash surplus of \$3.2 billion is forecast for 2023-24, which follows an estimated cash surplus of \$3.1 billion in 2022-23. These projections reflect the strong operating outlook detailed earlier, and continue the trend of sustained surplus outcomes that have been recorded since 2019-20.

More moderate cash surpluses are forecast over the three outyears, with surplus operating cash being applied to ongoing record levels of infrastructure investment planned over this period.

Asset investment is discussed in more detail later in this chapter.



Total Public Sector⁷

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

TOTAL PUBLIC SECTOR Summary Financial Statements						
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	\$m	\$m	\$m	\$m
OPERATING STATEMENT						
Revenue	73,776	77,918	80,108	78,126	78,508	79,618
Expenses	67,357	73,515	77,585	76,582	77,034	77,971
Net Operating Balance	6,419	4,403	2,523	1,544	1,474	1,647
BALANCE SHEET AT 30 JUNE						
Assets	218,280	222,043	228,918	233,700	240,388	245,640
Liabilities	86,296	83,294	84,102	85,561	88,386	89,306
Net Worth	131,984	138,749	144,817	148,139	152,002	156,335
STATEMENT OF CASHFLOWS						
Net Cash Flow s from Operating Activities	11,307	9,180	8,789	6,823	6,906	7,397
Asset Investment Program	7,181	8,234	10,405	10,431	9,834	8,334
Sales of Non-financial Assets	529	430	462	667	716	542
Cash Surplus/Deficit	4,655	1,377	-1,155	-2,941	-2,211	-396
Net Debt at 30 June	29,206	27,879	29,389	32,732	35,232	35,912

Note: Columns may not add due to rounding.

Operating Statement

A total public sector operating surplus of \$2.5 billion is forecast for 2023-24, and surpluses are also projected in each year of the forward estimates period. This largely reflects the general government operating surpluses detailed earlier.

Both the public non-financial corporation (PNFC) and public financial corporation (PFC) sectors are also forecasting operating surpluses in each year of the forward estimates period.

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

⁷ The total public sector (also known as the whole-of-government) consolidates the general government sector (discussed earlier in this chapter), the public non-financial corporations sector (which includes entities operating on a predominantly cost-recovery basis like the State's ports and the electricity and water utilities), and the public financial corporations sector (which includes agencies mainly engaged in financial activities, such as the Western Australian Treasury Corporation, the Insurance Commission of Western Australia, and Keystart).

Table 4

TOTAL PUBLIC SECTOR OPERATING BALANCE**By Sector**

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
Net Operating Balance						
General government sector	6,019	4,226	3,293	2,367	2,540	2,883
Public non-financial corporations sector	714	231	608	785	647	592
Public financial corporations sector	437	161	82	32	29	19
<i>less</i>						
General government dividend revenue	612	161	1,423	1,592	1,690	1,791
Public non-financial corporations dividend revenue ^(a)	142	56	39	50	54	60
Agency depreciation costs on right of use assets leased from other government sectors ^(b)	-3	-2	-2	-2	-3	-2
Total public sector net operating balance	6,419	4,403	2,523	1,544	1,474	1,647

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

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

Note: Columns may not add due to rounding.

Public Non-Financial Corporations

An operating surplus of \$608 million is forecast for the PNFC sector in 2023-24, with broadly similar magnitude surpluses also expected in the outyears. In aggregate terms, PNFC operating surpluses have increased by a total \$774 million over the four-year period to 2025-26 since the Mid-year Review. This largely reflects:

- higher revenue for the Water Corporation, primarily due to an increase in the value of the Country Water Pricing Subsidy driven by CPI-based cost escalation, partially offset by higher Income Tax Equivalent expenses and upward revisions to depreciation expenses;
- higher revenue for the Public Transport Authority, mainly increased capital grant funding to support public transport projects (particularly for joint State and Commonwealth-funded METRONET works) and higher operating subsidies as a result of changes to forecast costs of delivering public transport services;
- higher revenue and expenses for Synergy, primarily due to:
 - operating subsidies that will facilitate the Household and Small Business Electricity Credits that form part of the \$715 million cost of living package included in this Budget (see feature box in Chapter 1);
 - higher forecast demand from residential and commercial customers; and
 - increased maintenance costs to ensure the ongoing safety and reliability of Synergy's electricity generation assets;

2023-24 Economic and Fiscal Outlook

- higher expenses for Western Power, largely reflecting increased depreciation costs as a result of higher asset investment over the forward estimates period, partially offset by higher revenue from customer capital contributions and network tariffs;
- a higher operating balance for DevelopmentWA, mainly due to an increase in rental revenue, a top-up of the Industrial Land Development Fund to support strategically important industrial development projects, additional funding for the Regional Development Assistance Program and capital funding to facilitate the Bentley Residential Development project; and
- higher revenue for Southern Ports Authority, reflecting increases in port fees to recover costs and fund improvements to common-use infrastructure, partly offset by higher Income Tax Equivalent expenses.

Public Financial Corporations

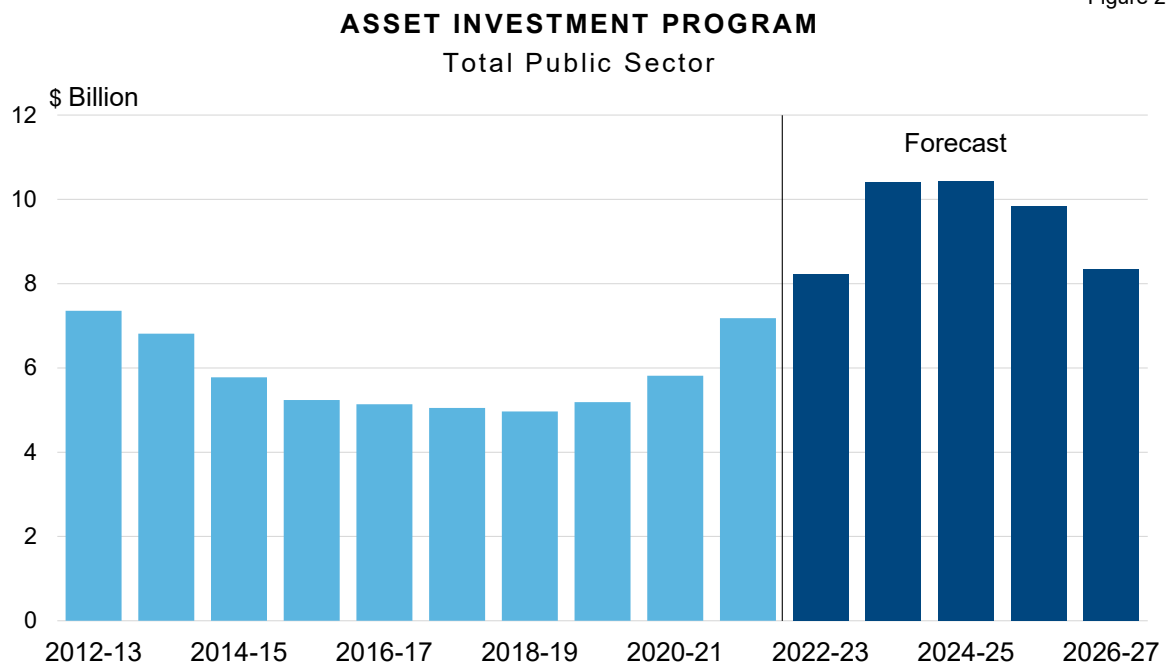
In aggregate terms, the operating outlook for the PFC sector remains largely unchanged from the Mid-year Review (up \$7 million over the four-year period to 2025-26). An operating surplus of \$82 million is now forecast for 2023-24, with slightly smaller surpluses expected across the outyears. This mainly reflects the net impact of:

- a stronger operating outlook for the Insurance Commission of Western Australia, mainly reflecting higher projected investment income, partly offset by higher forecasts for motor injury insurance claims expenses;
- higher Keystart expenses, driven by increases in interest rates applied to agency borrowing costs, lower bad debts expense (due to a smaller forecast volume of outstanding loans), and lower interest revenue (due to lower projected loan volumes and associated interest receipts from customers); and
- higher claims expenses for the RiskCover Fund, mainly due to an increase in the number and average size of new claims in the workers' compensation and other liability classes of insurance, partly offset by higher premium collections from agencies.

Asset Investment Program

A record \$39 billion Asset Investment Program is forecast over 2023-24 to 2026-27. General government sector investment represents \$15.6 billion (or 39.9% of the total program), while the public non-financial corporations sector is projected to spend the remaining \$23.5 billion. Significant areas of investment across the forward estimates continue to be road, rail and transport (\$13.6 billion), electricity (\$4.9 billion), water (\$3.5 billion), housing and land development (\$3.4 billion), health (\$2.5 billion), ports (\$1.9 billion) and education (\$1.5 billion).

Figure 2



Asset investment spending has increased by a net \$3.9 billion over the period 2022-23 to 2025-26 since the Mid-year Review. Key changes include:

- a \$2.7 billion spending provision established for Synergy to undertake projects that will facilitate the decarbonisation of the South West electricity system, including up to 210 megawatts (MW) of new wind generation and 700 MW of battery storage (a further \$126 million will be invested by Western Power, discussed below, bringing the total value of this new decarbonisation investment to \$2.8 billion in this Budget);
- an additional \$1.6 billion for public transport projects, mainly to meet cost pressures for joint State and Commonwealth-funded transport projects and for new investment in electric buses;
- a \$636 million increase in spending by WA Health, primarily relating to the new Women and Babies Hospital (\$302 million to 2025-26), progressing the first stage of the Graylands Reconfiguration and Forensic Taskforce project (\$168 million), progressing the next stage of the Digital/Electronic Medical Records program (\$99 million) and the construction of the Bentley Health Services Surgicentre (\$66 million);
- a \$532 million increase in spending by Western Power, mainly in response to the Economic Regulation Authority's Draft Decision on the need to maintain network assets, facilitate customer connections, transition the electricity network and replace ICT equipment for the period 2022-23 to 2026-27, and the State's decarbonisation commitments (as noted above);

- an additional \$529 million for road projects, mainly reflecting the impact of cost pressures associated with joint State and Commonwealth-funded works (\$259 million), the next stage of the Regional Road Safety Program (\$155 million), and land acquisition in support of the Westport project (\$50 million);
- a \$491 million increase in spending by the Department of Communities, primarily for the construction and spot purchase of new social housing dwellings (\$338 million), the refurbishment of existing social housing dwellings (\$78 million), a boost to baseline investment in new GROH dwellings (\$42 million), and refurbishment of existing GROH properties (\$12 million);
- a \$207 million increase in spending by the Water Corporation, primarily for the relocation and expansion of network access across the metropolitan area (\$85 million), earthworks at the Alkimos Seawater Desalination Plant (\$65 million), and cost increases on the regularisation of water and wastewater service provision in seven remote Aboriginal communities and 16 town-based communities (\$38 million);
- a \$203 million increase in spending by the Department of Education, mainly for the redevelopment of Safety Bay and Rockingham Senior High Schools (\$77 million), investment for the Transportable Classroom Program (\$41 million), safety and compliance works (\$26 million), and new education support facilities (\$21 million); and
- a \$177 million increase in expenditure by the Department of Local Government, Sport and Cultural Industries, mainly related to the redevelopment of the State Hockey Centre following Western Australia's successful bid to host the Hockey Australia High Performance Program and Centre of Excellence (\$102 million) and the redevelopment of the Perth Concert Hall (\$71 million).

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

Balance Sheet

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

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

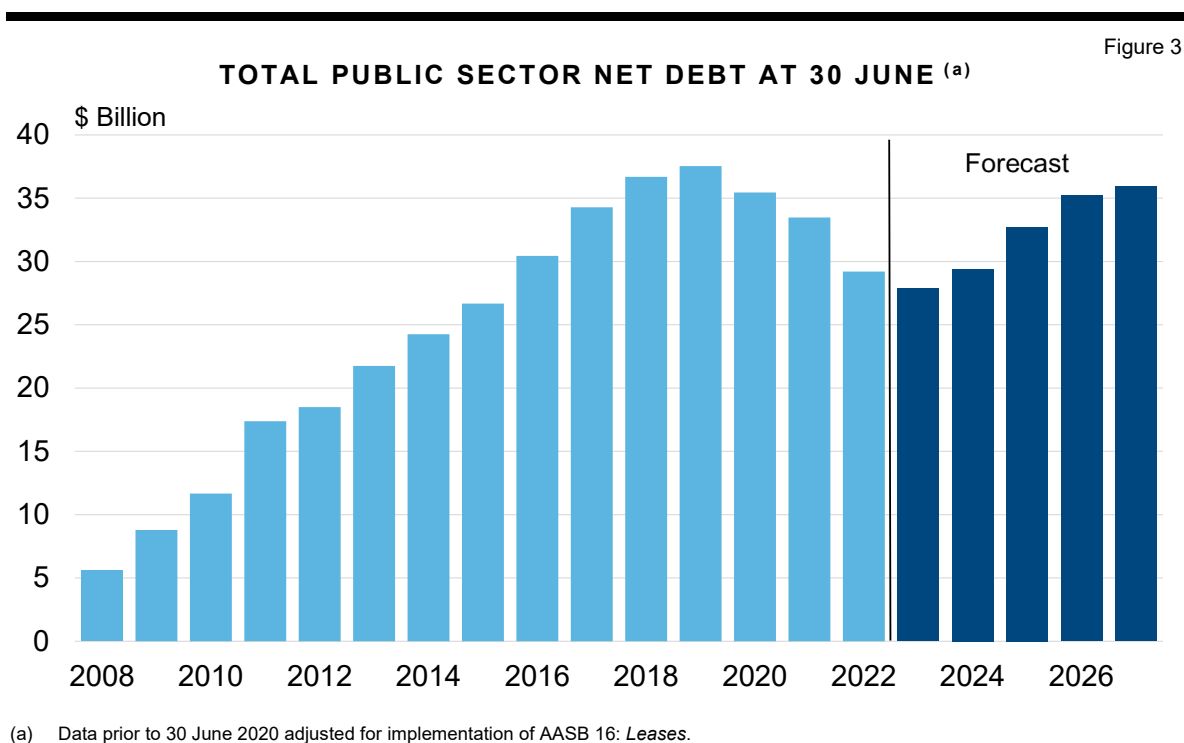
Cashflow Statement

A cash surplus of \$1.4 billion is estimated for the total public sector in 2022-23, substantially stronger than the \$306 million cash deficit that was forecast at Mid-year Review. This largely reflects the stronger general government operating outlook discussed earlier.

Consistent with the Mid-year Review, cash deficits are projected over the forward estimates. A cash deficit of \$1.2 billion is forecast for 2023-24, with projected deficits peaking at \$2.9 billion in 2024-25, before slowly reducing to a cash deficit of \$396 million by 2026-27. The outyear projections are consistent with the Budget's conservative iron ore price assumptions and the continued rollout of the Government's record Asset Investment Program.

Net Debt

Total public sector net debt is estimated to be \$27.9 billion at 30 June 2023. This represents the fourth consecutive year of declining net debt levels. As illustrated in the chart below, net debt levels are forecast to rise across the forward estimates period due to the Government's record Asset Investment Program and lower forecast operating surpluses on the back of conservative revenue assumptions (see discussion earlier in this chapter).



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

Table 5

NET DEBT OF THE TOTAL PUBLIC SECTOR AT 30 JUNE					
	2023 \$m	2024 \$m	2025 \$m	2026 \$m	2027 \$m
2022-23 Mid-year Review - Total Public Sector Net Debt	29,560	30,047	31,718	32,213	
<i>Less</i> change in net cash flows from operating activities and dividends paid					
- general government	960	287	-772	-502	
- public non-financial corporations	131	236	511	395	
- public financial corporations	10	3	23	15	
<i>Total public sector</i>	<i>1,101</i>	<i>525</i>	<i>-238</i>	<i>-92</i>	
<i>Plus</i> purchases of non-financial assets ^{(a) (b)}					
Asset investment Program Smoothing ^(c) :					
- Reverse Mid-year Review provision	1,750	1,550	-1,050	-2,400	
- 2023-24 Budget provision	-1,750	-4,000	-	3,000	
Provision for Decarbonisation initiatives (Synergy)	369	1,732	586	-	
Road, Rail and Transport	-50	1,051	883	170	
WA Health	-228	253	291	321	
Western Power	-112	184	213	246	
Communities	-30	164	170	187	
Water Corporation	32	129	38	8	
Education	-23	62	102	61	
Local Government, Sports and Cultural Industries	-18	24	44	126	
DevelopmentWA	-37	66	86	23	
All other	-582	148	25	80	
<i>Total purchase of non-financial assets</i>	<i>-678</i>	<i>1,363</i>	<i>1,389</i>	<i>1,823</i>	
<i>Less</i> proceeds from sale of non-financial assets	-71	-147	9	-25	
<i>Plus</i> all other financing ^(d)	27	37	53	65	
<i>Cumulative impact on net debt at 30 June</i>	<i>-1,680</i>	<i>-658</i>	<i>1,014</i>	<i>3,018</i>	
2023-24 Budget - Total Public Sector Net Debt	27,879	29,389	32,732	35,232	35,912

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

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

(c) The Budget and Mid-year Review include a provision to recognise the likely emergence of yet-to-be identified delays with the delivery of agency Asset Investment Programs. The 2023-24 Budget provision retimes spending from 2022-23 and 2023-24 to the last two years of the forward estimates (with a neutral impact on net debt to 30 June 2027).

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

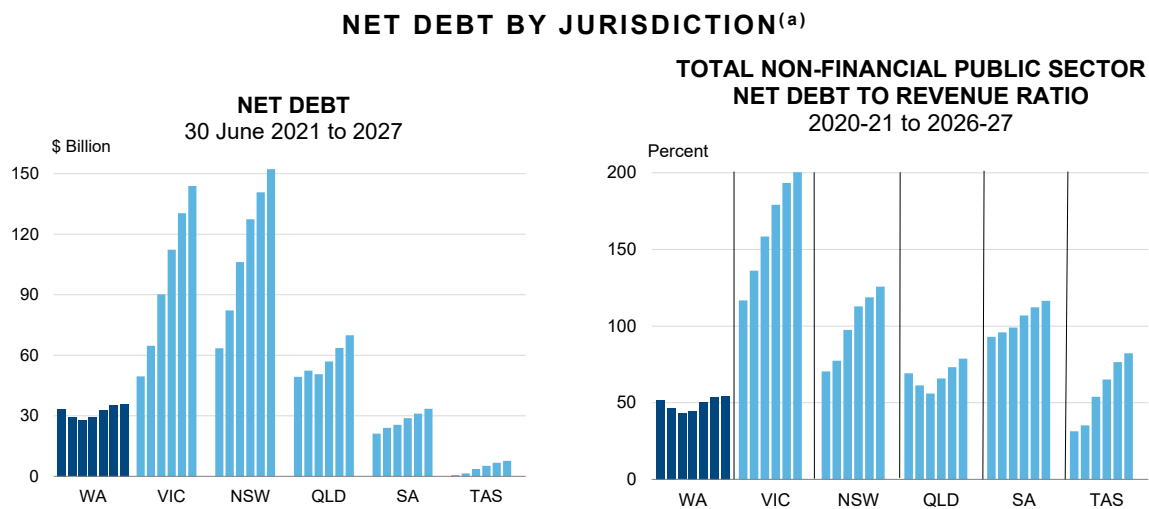
Note: Columns may not add due to rounding.

Net debt at 30 June 2026 is forecast to be \$35.2 billion – \$3 billion higher than forecast in the Mid-year Review. This primarily reflects additional infrastructure investment in this Budget (with asset investment \$3.9 billion higher across the four years to 2025-26 compared to Mid-year Review). In the short term, net debt estimates are lower than previously forecast, reflecting the upward revisions to revenue (largely iron ore royalties) outlined earlier in this chapter.

The Budget incorporates the Government's decision to repay a further \$500 million of existing Consolidated Account borrowings in 2022-23, using additional fiscal capacity from the better than expected operating surplus. This brings to \$2.1 billion the repayment of existing Consolidated Account debt in 2022-23, resulting in average interest savings of approximately \$80 million per annum from 2023-24 onwards.

Based on latest available projections for other States, Western Australia continues to be the only jurisdiction forecasting material operating surpluses in each year of the forward estimates. As illustrated in the figure below, this results in a much flatter and more sustainable net debt profile than the other States.

Figure 4



- (a) Data for other States from 2022-23 Mid-year Review publications. Total public sector net debt levels shown for New South Wales, Queensland and South Australia are total non-financial public sector net debt levels as total public sector data is not published (i.e. forecasts for these jurisdictions exclude the impact of public financial corporations).

Government Financial Strategy Statement

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

Financial Targets

The Government's financial targets are to:

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

With the exception of the expense management target in 2022-23, all of the Government's financial targets are forecast to be met across the entire period 2022-23 to 2026-27. Higher than budgeted expenses in 2022-23 reflects the implementation of the Government's revised public sector wages policy, cost increases associated with the current economic environment, and significant additional funding for the health and mental health systems.

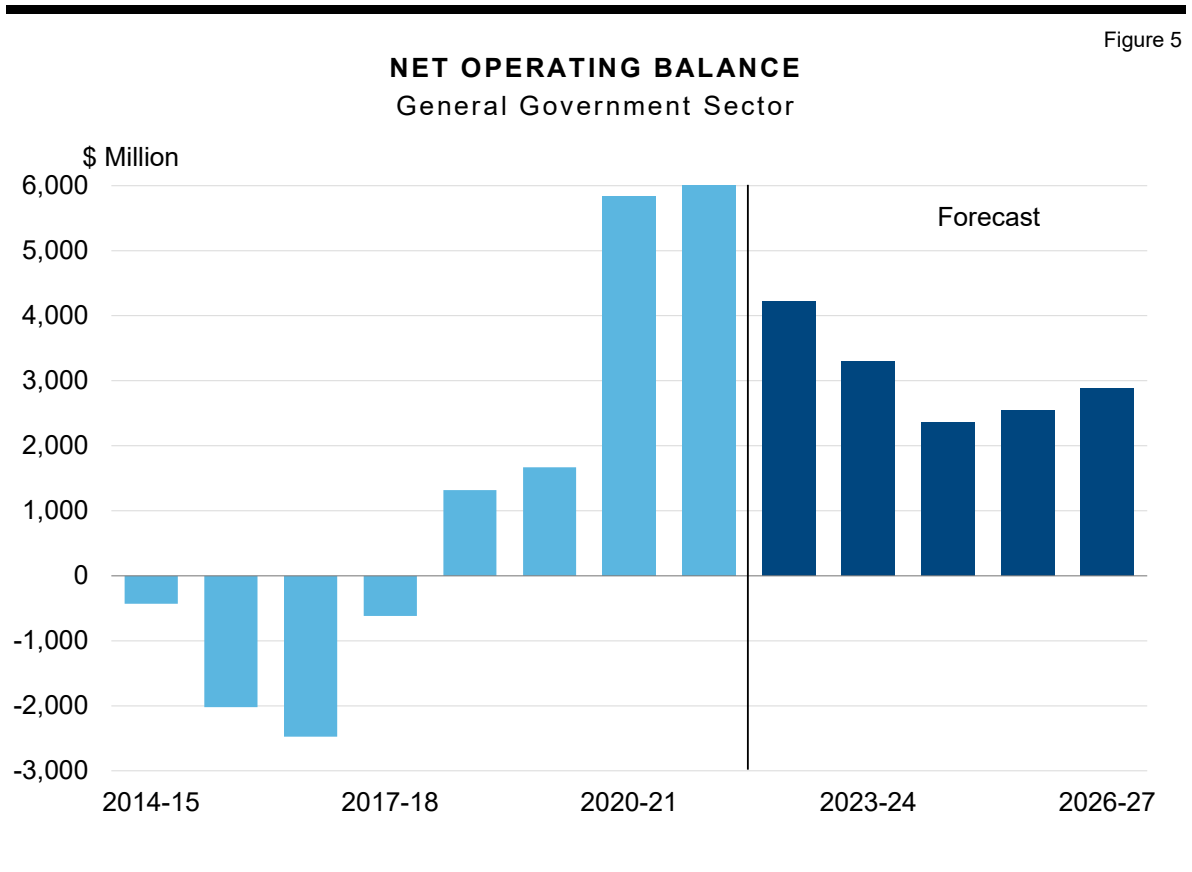
2023-24 BUDGET FINANCIAL TARGET COMPLIANCE					
	2022-23 Estimated Actual	2023-24 Budget Year	2024-25 Outyear	2025-26 Outyear	2026-27 Outyear
Maintain a net operating surplus for the general government sector on average over the forward estimates period					
- General government net operating balance (\$m)	4,226	3,293	2,367	2,540	2,883
- 2023-24 Budget compliance	Yes	Yes	Yes	Yes	Yes
Maintain disciplined general government expense management through:					
- delivering public sector wages outcomes in line with Government wages policy					
- 2023-24 Budget compliance	Yes	Yes	Yes	Yes	Yes
- ensuring key service delivery agency recurrent spending outcomes are in line with budgeted expense limits in Resource Agreements					
- 2023-24 Budget compliance	No	Yes	Yes	Yes	Yes
Maintain or increase net worth of the total public sector					
- Total public sector net worth (\$b)	138.7	144.8	148.1	152.0	156.3
- 2023-24 Budget compliance	Yes	Yes	Yes	Yes	Yes

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

This target is forecast to be met in 2022-23 and in each year of the forward estimates period.

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

An operating surplus of \$3.3 billion is forecast for 2023-24 (following a \$4.2 billion surplus in 2022-23), with operating surpluses ranging from \$2.4 billion to \$2.9 billion in prospect over 2024-25 to 2026-27. The general government sector has been in an operating surplus position since 2018-19, following four consecutive operating deficits over 2014-15 to 2017-18.



Maintain disciplined general government expense management

The Government's expense management target is measured by two criteria. The wages outcome component of the target was met in 2022-23 and is expected to be met again in 2023-24. The recurrent spending component of the target was not met in 2022-23, reflecting above-budget spending for several agencies. All agencies are expected to comply with their Resource Agreement targets for 2023-24.

Delivering public sector wages outcomes in line with Government wages policy

Wage outcomes are forecast to be in line with the Government's wages policy in 2023-24 and each of the outyears. At the 11 April 2023 cut-off date for this Budget, in-principle agreement had been reached for several expired agreements, with a number of others subject to ongoing negotiation, including those for registered nurses and police officers.

EXPIRING KEY INDUSTRIAL AGREEMENTS ^(a)				Table 7
Agreement	Employees	Expiry Date	Status	
2021-22				
Arts and Culture Trust Venues Management	319	31 Dec 2021	Under Negotiation	
Main Roads (CSA)	922	31 Jan 2022	Agreed in-principle	
Prison Officers	2,937	10 Jun 2022	Under Negotiation	
Insurance Commission (Government Officers)	429	12 Jun 2022	Agreed in-principle	
School Support Officers	4,537	12 Jun 2022	Agreed in-principle	
Disability Services Social Trainers	474	12 Jun 2022	Agreed in-principle	
AWU Miscellaneous Public Sector Employees	634	30 Jun 2022	Agreed in-principle	
WA Police	7,048	30 Jun 2022	Under Negotiation	
2022-23				
Registered Nurses	18,566	11 Oct 2022	Under Negotiation	
PTA Salaried Officers	1,052	26 Oct 2022	Under Negotiation	
WA Police Force Auxiliary Officers	358	1 Nov 2022	Under Negotiation	
PTA Railcar Drivers	365	16 Mar 2023	Under Negotiation	
Firefighters	1,234	8 Jun 2023	Under Negotiation	
2023-24				
PTA Transit Officers	314	6 Oct 2023	Upcoming Agreement	
School Teachers and Administrators	29,529	5 Dec 2023	Upcoming Agreement	
TAFE Lecturers	2,377	15 Dec 2023	Upcoming Agreement	
VenuesWest	518	31 Dec 2023	Upcoming Agreement	
Public Servants and Government Officers	32,438	12 June 2024	Upcoming Agreement	
WA Health PACTS (Health Salaried Officers)	18,748	30 Jun 2024	Upcoming Agreement	

(a) For materiality purposes, this table includes large key agreements only and not smaller agreements that cover less than 300 employees.

Significant increases in salaries costs in 2022-23 reflect negotiation of outcomes on industrial agreements during the year. This follows the Government's revision of its Wages Policy during 2022-23 (see feature box in the 2022-23 Mid-year Review). Industrial agreement outcomes in 2022-23 were in compliance with the Government's revised Wages Policy.

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

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

Above-budget outcomes in excess of 2% are expected to be recorded for several agencies in 2022-23⁸. As a result, it is anticipated that this target will not be met in this financial year. Details on the factors driving these outcomes will be available in the 2022-23 *Annual Report on State Finances*, to be released by 28 September 2023.

The 2023-24 expense limits for the 15 largest appropriation-funded agencies (applicable for this target) are shown in the following table, with progress against these limits to be reported in the 2023-24 Mid-year Review.

2023-24 AGENCY RESOURCE AGREEMENTS	
	2023-24 Budget Resource Agreement \$m
WA Health	11,782
Education	6,425
Communities	2,654
Commissioner of Main Roads	2,149
Public Transport Authority	1,962
Western Australia Police Force	1,893
Justice	1,890
Finance	1,689
Mental Health Commission	1,358
Training and Workforce Development	833
Transport	715
Local Government, Sport and Cultural Industries	675
Primary Industries and Regional Development	657
Jobs, Tourism, Science and Innovation	636
Biodiversity, Conservation and Attractions	566

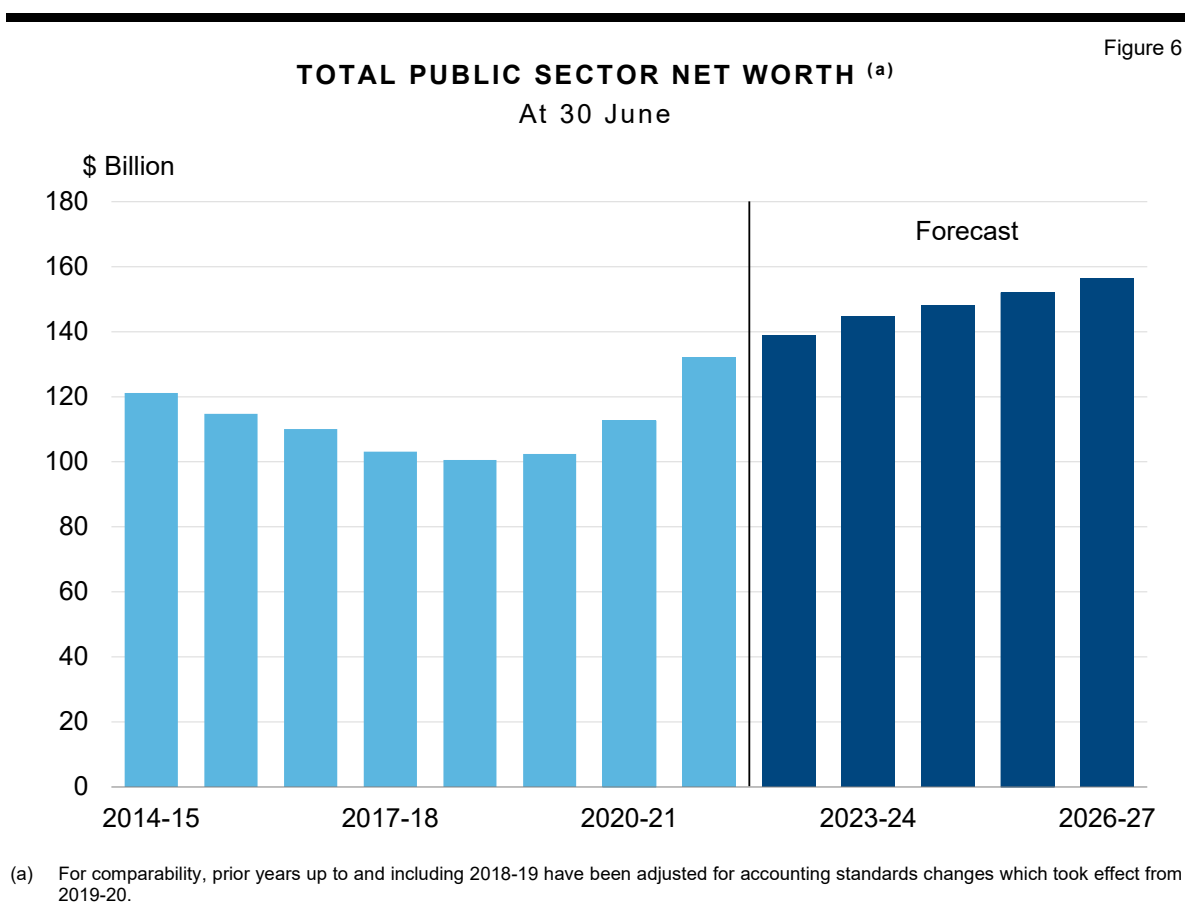
⁸ Agencies in excess of the 2% upper limit for the financial target in 2022-23 include Communities, the Commissioner of Main Roads, Justice, WA Health, Transport, the Western Australia Police Force, the Public Transport Authority and Education.

Maintain or increase net worth of the total public sector

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

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

Net worth is forecast to increase each year over the Budget period, reaching \$156.3 billion in 2026-27. The projected increase in net worth reflects the impact of operating surplus outcomes for the total public sector (particularly the general government operating surplus) and the forecast value of non-financial assets (reflecting the State's substantial Asset Investment Program).



Statement of Risks

The inherent uncertainties associated with producing forecasts for an approximately \$400 billion economy and a general government sector recurrent spending budget of around \$40 billion in 2023-24 mean that there will always be differences between the forecasts of key aggregates and the final audited results. This Statement of Risks provides an overview of the known issues that have the potential to materially affect the financial projections contained in this Budget.

Revenue Estimates

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

Table 9

APPROXIMATE PARAMETER SENSITIVITY OF REVENUE ESTIMATES
2023-24

	Variability (\$m)	Detail
Royalty income and North West Shelf grants	±126.9	For each US1 cent decrease/increase in the \$US/\$A exchange rate (royalty income is inversely related to the \$US/\$A exchange rate).
Iron ore royalties	±89.8	For each \$US1 per tonne increase/decrease in the price of iron ore.
Petroleum royalties and North West Shelf grants	±7.5	For each \$US1 increase/decrease in the price of a barrel of oil.
Payroll tax	±50	For each 1% increase/decrease in taxable wages or employment growth (i.e. the total wages bill).
Underlying transfer duty		
• Prices	±28	For each 1% increase/decrease in average property prices.
• Transactions	±20	For each 1% increase/decrease in transaction levels.

State Taxes

Payroll Tax

Of all industries, the mining industry is the largest contributor to payroll tax. Any material changes in activity and employment in this sector (e.g. as a result of changes in economic conditions for key trading partners like China) would substantially impact payroll tax collections.

Total Duty on Transfers

Residential property transactions are the largest contributor to total transfer duty. Both residential property transactions and prices are susceptible to fluctuations in market sentiment and are therefore inherently volatile and difficult to forecast. The possibility of interest rates being increased further if inflation persists (or being cut if conditions allow), and/or population growth being stronger than forecast, are two key risks that could impact property market activity and therefore transfer duty.

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

Foreign Buyer Transfer Duty and Foreign Landholder Duty

New South Wales has determined that its foreign purchaser surcharges are inconsistent with international tax treaties entered into by the Commonwealth Government with New Zealand, Finland, Germany and South Africa. New South Wales has announced that the surcharges will no longer be applied to individuals from the affected countries, with refunds provided to those who paid the surcharge from 1 July 2021. Western Australia is monitoring developments in other jurisdictions.

Royalty Income

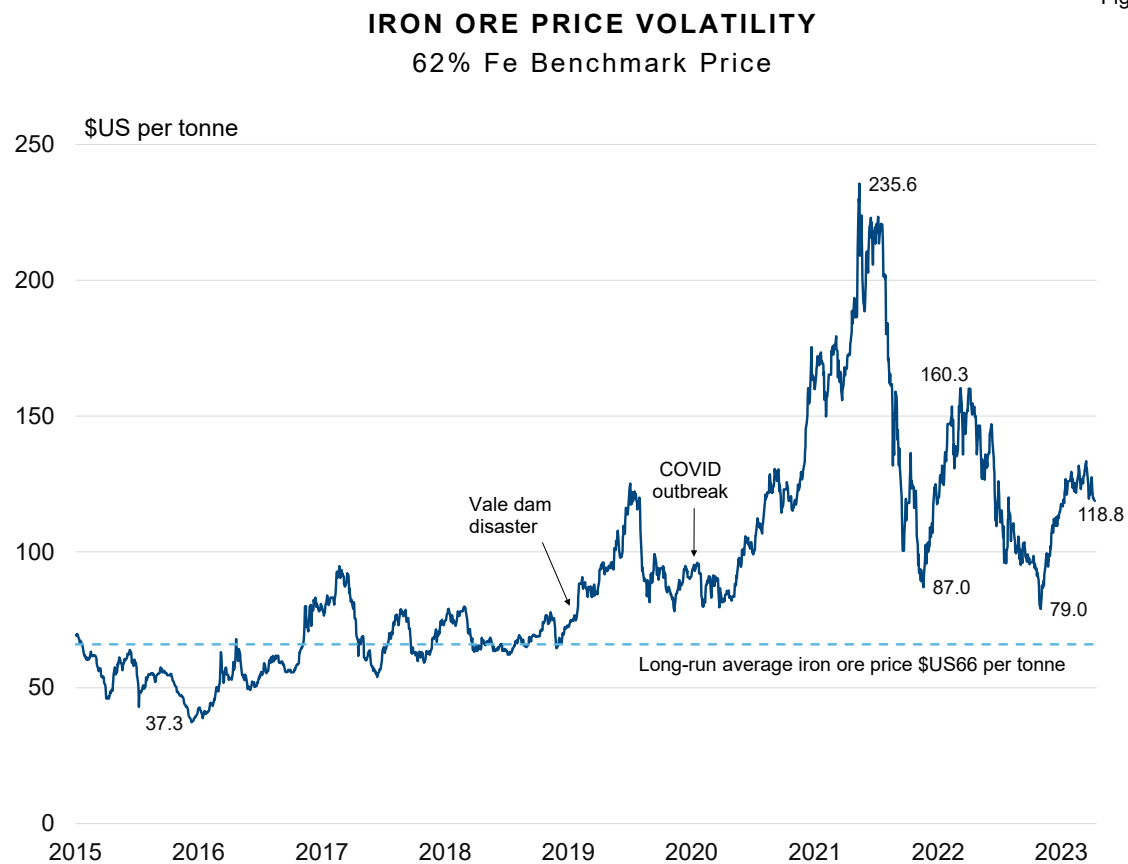
Movements in the iron ore price and \$US/\$A exchange rate represent the largest risks (both upside and downside) to general government revenue, as the majority of Western Australia's commodities are sold through international markets and are priced in US dollars.

The iron ore market is highly concentrated, with China accounting for around 70% of global imports, making it susceptible to changes in economic conditions and policies in one country. This has resulted in the inherent price volatility in recent years.

Following the 2022-23 Budget cut-off, when the iron ore price was \$US151 per tonne, the price fell to \$US79 per tonne in late-October 2022, impacted by COVID-19 lockdowns and a downturn in the property market in China. Prices recovered from November 2022 after the Chinese Government pledged support for the property sector and dropped its zero-COVID policy, reaching \$US119 per tonne by the 2023-24 Budget cut-off date. Post cut-off, however, prices have once again weakened.

To mitigate against this inherent volatility, this Budget continues the Government's conservative approach of assuming that the iron ore price will revert to its long-run average (of \$US66 per tonne) in six months' time (i.e. from November 2023).

Figure 7



Source: Argus Media.

Commonwealth Grants

The Commonwealth 2023-24 Budget was released after the 11 April 2023 Budget cut-off date. The State Budget may therefore reflect different assumptions from those of the Commonwealth in some areas.

GST Grants

Despite the GST floor introduced as part of the 2018 GST reforms, there is substantial scope for the State's GST grants to vary in response to variations in the national GST pool and the State's population share.

This Budget uses projections of the national GST pool and each State's population growth estimates from the October 2022 Commonwealth Budget. There is a risk that national GST collections could vary from those currently projected as they are dependent on national economic conditions.

From 2025-26, Western Australia's GST share is expected to be above the 75% floor and is dependent on the pre-reform relativities of New South Wales, Victoria, and Western Australia. Western Australia's GST share will be considerably less volatile than under the pre-reform GST distribution arrangements.

The Commonwealth Grants Commission is currently undertaking a review of its methods for calculating the recommended distribution of GST grants. This review will be completed in February 2025 and will apply from 2025-26 onwards. The review could alter Western Australia's GST grant share in either direction. However, it cannot change the protections provided by the 2018 GST reforms, which are out of scope of the review.

Expiring Commonwealth Tied Grants

The Budget includes funding for around 50 tied grant agreements with the Commonwealth Government that involve State Government policy responsibilities over the period 2022-23 to 2026-27. There is also a range of generally more prescriptive agreements in relation to Commonwealth own-purpose spending programs.

Agreements involving State policy responsibilities take the form of National Agreements (e.g. National Health Reform Agreement), Schedules to five overarching Federation Funding Agreements, and some bespoke arrangements. They provide funding for core services, delivery of specific projects, improvements in service delivery and reform.

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

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

Significant Agreements Under Negotiation in 2023-24

National Skills and Workforce Development Agreement

This Budget assumes that the ongoing and unconditional funding under the current National Agreement on Skills and Workforce Development (NASWD) continues over the forward estimates period, and also includes additional funding under a 12-month Skills Agreement for 2023. Commonwealth funding under the NASWD accounts for 22% of the Department of Training and Workforce Development's total expenditure over 2023-24 to 2026-27.

National Cabinet has endorsed a Vision Statement and Principles to guide the development of a new National Skills Agreement, which is intended to replace the NASWD from 2024. Negotiations for the new agreement are underway.

There is a risk that funding under the new agreement may differ materially from the existing Budget provision, or be linked to national policy settings.

National School Reform Agreement

The National School Reform Agreement (NSRA) is due to expire on 31 December 2023. Education Ministers have expressed an intention to extend the NSRA for a further year and this Budget assumes continuation of the NSRA over the forward estimates period. It is likely that negotiations to replace the NSRA will occur in 2023-24.

National Disability Insurance Scheme

Western Australia's transition agreement for the National Disability Insurance Scheme (NDIS) expires on 30 June 2023. Depending on outcomes from negotiations with the Commonwealth, this may result in changes to the current terms of the State's contributions to the NDIS. Negotiations are underway to extend the transition agreement.

National Housing and Homelessness Agreement

The Budget assumes that the funding provided under the National Housing and Homelessness Agreement (NHHA) will continue over the forward estimates period. The Commonwealth has proposed a one-year extension to the States' bilateral Schedules to the NHHA, which will continue funding to 30 June 2024.

Natural Disaster Recovery Funding Arrangements

To assist communities in the Kimberley recover from the impacts of Ex-Tropical Cyclone Ellie, the Budget assumes that the expenditure associated with the repair and rebuild of 121 flood-damaged houses in the Fitzroy Valley and repair of flood-affected internal community access roads will be 50% recovered from the Commonwealth under the Disaster Recovery Funding Arrangements.

Commonwealth Funding for Significant Transport Projects

This Budget assumes that the State will receive additional Commonwealth funding for market-driven cost increases across a range of jointly funded major transport projects and for continuation of the Regional Road Safety Program in 2024-25. Matched State funding contributions for all of these projects have also been budgeted for.

At the time of drafting, the State Government had not received formal written confirmation regarding the Commonwealth funding. However, given the projects are all existing joint commitments that are in delivery, and given discussions to date, the Commonwealth funding noted above has been assumed in the forward estimates. It is anticipated that this will be confirmed in the lead-up to the Commonwealth's 2023-24 *Mid-Year Economic and Fiscal Outlook*.

Spending Risks

Interest Rates

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

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

The table below provides a comparison of the interest rate outcomes under the 'expected' and 'high' interest rate paths. As indicated, average effective annual interest rates are between 11 and 72 basis points higher over 2023-24 to 2026-27, and annual Consolidated Account interest expenses are \$158 million per annum higher by 2026-27, under the 'high' scenario.

CONSOLIDATED ACCOUNT INTEREST RATE SCENARIOS				
	2023-24	2024-25	2025-26	2026-27
'Expected' (%)	3.26	3.13	3.07	3.06
'High' (%)	3.37	3.41	3.57	3.78
Variance (Basis Points)	11	28	50	72
Variance (\$m)	23	61	107	158

Table 10

Asset Investment Program (AIP)

The 2023-24 Budget includes an unprecedented \$39 billion AIP over the four year forward estimates period.

Delivery of the Government's record AIP is likely to continue to be affected by construction market capacity constraints in the short to medium term. A number of projects continue to face rising costs, including from labour and skills shortages, ongoing disruptions to supply chains, scarcity of construction materials and equipment delays. These challenging market conditions increase the risk of project delays and/or cost increases.

In recognition of the challenges being experienced across the construction sector, the Budget includes application of a global smoothing provision to reprofile some AIP spending from 2022-23 and 2023-24 into 2025-26 and 2026-27.

The Government will continue to work proactively with the construction industry to identify opportunities to tackle market challenges, increase productivity and improve the long-term sustainability of the State's infrastructure delivery processes.

Decarbonisation

In June 2022, the Government announced its plan for the gradual retirement of the State's coal-fired power stations by 2030 to meet the Government's net zero emissions target by 2050. A \$2.7 billion spending provision has been established in this Budget for Synergy to undertake investments into renewable generation and storage, as well as a further \$126 million investment by Western Power on its transmission network. Additional investment to support the remaining components of the plan will be considered as part of future Budget processes, and will be informed by updated market information including any changes in private electricity generation activity.

Investments by industry, including into new generation and storage, are also anticipated to increase as they manage their own transition towards lowering emissions from their operations. This may require supporting infrastructure investment by the State's electricity network operators, retailers and generators that will have an impact on the State's finances. The extent of the financial impact will be investigated on a project-by-project basis and will depend on a number of factors including the financing and cost-recovery arrangements pursued and the life of the assets.

RiskCover Premiums

Western Australian Government agencies contributing to the RiskCover Fund are provided with financial protection through self-insurance and reinsurance cover that is designed to meet the diverse needs of the public sector. The cover is designed to protect agencies against liabilities arising from the risk of injuries to employees, damage to property and legal liability arising from the wide range of activities and services delivered to the community.

Workers' compensation, property, liability and cyber premiums have increased over recent years due to the higher number of claims and quantum, increased scope and value of risks covered, and reinsurance costs. The workers' compensation claims pool has also been experiencing a sustained increase in the proportion of long-duration claims associated with increased severity of injury.

Agency funding requests for premium increases approved as part of this Budget have focused on immediate and unavoidable premium increases only (with funding only being approved for the 2023-24 financial year, in order to incentivise agencies to implement mitigation strategies).

In addition, an independent review of a selection of agencies will consider workplace injury management practices, and the impact on RiskCover Fund premiums. The review aims to drive improved agency performance and minimise premium increases going forward (particularly focusing on workers' compensation insurance), and will be undertaken in 2023-24.

Government Trading Enterprises (GTEs)

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

- *Western Power Access Arrangement* – The Economic Regulation Authority's (ERA) final determination on Western Power's fifth access arrangement was published on 31 March 2023 and sets the terms and conditions, including prices, for third parties seeking access to the Western Power electricity network over 2022-23 to 2026-27. As the final determination was made just prior to the Budget cut-off date, a decision was made to reflect the impact of the ERA's Draft Decision, released on 9 September 2022, on Western Power's revenue and expenditure over the forward estimates. The impact of the ERA's Final Decision, including flow-on implications for Synergy as a major user of the Western Power electricity network, is anticipated to be reflected in the 2023-24 Mid-year Review.

- *Western Power – Parkerville Proceedings* – On 23 July 2021, Western Power applied to the High Court for special leave to appeal the WA Supreme Court (Court of Appeal) judgement that found Western Power 50% liable for the Parkerville bushfire. Western Power's liability arose from not having an inspection system in relation to the consumer pole that failed and started the bushfire. The appeal was dismissed by the High Court on 7 December 2022. Western Power's payments to claimants were not impeded by the appeal process, and Western Power has continued to progress its private consumer pole inspection program since the Court of Appeal judgement was made. Western Power will continue to investigate any further financial implications of the Supreme Court judgement.

Contingent Assets and Liabilities

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

The disclosures below update previous contingent assets and liabilities disclosed over the last year. A more comprehensive update of contingencies will be disclosed in the 2022-23 *Annual Report on State Finances*, due for release by 28 September 2023.

Physical and Sexual Abuse Insurance Coverage for Non-Government Providers of Out-of-Home Care and Youth Accommodation Services

Since release of the Royal Commission into Institutional Responses to Child Sexual Abuse Report in 2017, and removal of the statutory limitation periods for victims of historical child sexual abuse in 2018, there has been a significant increase in claims against organisations for damages and compensation involving historical child sexual abuse. As a result of these increasing claims, several insurers have withdrawn, or indicated the intention to withdraw, physical and sexual abuse cover for non-government organisations that provide services to at-risk children, particularly out-of-home care and youth homelessness service providers.

The Government approved the provision of a temporary indemnity in late 2021, under which, to ensure delivery of essential services, a provider who cannot secure insurance can continue while a longer-term response is considered in consultation with other jurisdictions. Following consultation with the sector, indemnities for eligible providers were authorised by the Treasurer in November 2022. Implementation of this short-term response represents an unquantified liability to the State, for potential damages related to events which occur within the indemnity period, and which may arise at a future point in time. Any additional costs to the State will be assessed and funded on an emerging basis should any claims be made and settled.

Western Australian Stolen Wages Class Action

The Western Australian Government is party to a class action claim (Mervyn Street v State of Western Australia) lodged in the Federal Court in 2020 related to wages withheld from Aboriginal workers between 1936 and 1972 (Stolen Wages) and the 2012 Stolen Wages Repatriation Scheme. The Government is committed to working under Federal Court mediation with parties to reach a resolution on this claim. The final amount of any settlement is not yet known and subject to legal proceedings.

Synergy – Investigation by the Electricity Review Board

In November 2022, the Electricity Review Board (ERB) released a report finding that in 2016 and 2017 Synergy breached a provision in the Western Australian Wholesale Electricity Market rules. The rules prohibit a market participant that has market power from offering prices into the balancing market that are above its reasonable expectation of the short-run marginal cost of generating electricity.

Following a consultation period with the Economic Regulation Authority and Synergy, the ERB will deliberate on potential penalties to Synergy for the breaches.

Gold Corporation

Through its Depository program, the Gold Corporation enables investors from the United States of America (USA) to invest in precious metal assets that are securely stored by the Corporation. An investigation is currently underway regarding the extent to which the Corporation has not historically complied with obligations imposed under legislation enacted by certain States in the USA and the Corporation is in the process of engaging with the relevant regulators. It is not possible to quantify the potential financial effects, if any, of any non-compliance.

On 30 August 2022, the Australian Transaction Reports and Analysis Centre (AUSTRAC) ordered the appointment of an external auditor to the Corporation under section 162(2) of the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (AML/CTF Act). The external auditor was appointed by the Corporation and authorised by AUSTRAC to assess the consolidated entity's historical compliance with the AML/CTF Act and Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No.1). It is not possible to quantify the potential financial effects, if any, until after the completion of the audit, which is expected later in 2023.

Forest Products Commission – Forestry Contracts

The Forest Products Commission (FPC) has identified a potential shortfall of current pine resources that would be available to meet future contracted supply commitments. This is not expected to impact the Western Australian housing industry. At the time of finalising the financial forecasts in this Budget, there is a high degree of uncertainty regarding the likelihood, timing and amount of any potential shortfall, and the FPC is therefore unable to determine a reliable estimate of the magnitude of any potential obligation that may arise in the future.

2023-24 Economic and Fiscal Outlook

The Government's \$350 million investment in expanding the softwood estate (announced in the 2021-22 Budget) will help mitigate the risk of long-term pine supply constraints. The FPC is undertaking further analysis to develop and implement mitigation strategies if necessary and will continue to monitor the need for further disclosure, or a provision, at future reporting dates.

General Government Revenue

HIGHLIGHTS

- Following estimated growth of 3.5% in 2022-23, general government revenue is forecast to be relatively flat (0.3% growth) in 2023-24, and then decline by 6.1% in 2024-25.
- This mainly reflects lower royalty income as the iron ore price is assumed to revert to its long-run average (\$US66 per tonne) from November 2023, as well as a forecast decline in taxation revenue as growth in the State's domestic economy moderates. In addition, revenue from Commonwealth grants is forecast to decline in 2024-25 due to the expected timing of transport and disability service grants.
- The 2018 GST distribution reforms deliver Western Australia a fair share of the GST. Without these reforms, the State would have received an unprecedented and unsustainable 9.8% of its population share of national GST revenue in 2023-24. This Budget contains additional resourcing for the Department of Treasury to ensure the State is well-prepared for upcoming reviews of the GST distribution system.
- The existing transfer duty rebate for purchases of off-the-plan apartments, which was due to expire in October 2023, has been extended to 30 June 2025. In addition, the rebate is being converted to a legislated duty concession, and the property value thresholds are being increased – with a 100% duty concession applying to off-the-plan purchases of up to \$650,000, phasing down to a 50% duty concession for purchases over \$750,000 (capped at \$50,000).

Introduction

After growing by an estimated 3.5% in 2022-23, general government revenue is forecast to increase only slightly (0.3%) in 2023-24 to \$43.2 billion. Higher revenue from a one-off increase in Commonwealth transport and disability service grants and a return to the payment of dividends from public corporations is largely offset by weaker taxation collections and an assumed reversion in the iron ore price to its long-run average of \$US66 per tonne from November 2023.

General government revenue is projected to decline by 6.1% (or \$2.7 billion) in 2024-25 with a large fall in transport grants (\$1.6 billion) and the one-off receipt of funding from the Commonwealth's Disability Care Australia Fund in 2023-24 (\$1 billion).

In 2025-26 and 2026-27, general government revenue is anticipated to grow by an average of 1.2% per annum as increased GST grants and moderate taxation revenue growth are largely offset by lower North West Shelf grants and transport grants from the Commonwealth.

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

Table 1

GENERAL GOVERNMENT						
Operating Revenue						
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated Actual	Budget Year	Outyear	Outyear	Outyear
Level (\$m)						
Taxation	11,634	12,153	11,915	12,052	12,488	12,806
Commonwealth grants	13,461	14,819	16,743	14,838	14,537	15,234
Sales of goods and services	3,027	3,069	3,149	3,149	3,182	3,170
Interest income	127	279	265	250	247	260
Revenue from public corporations	1,518	894	2,208	2,481	2,629	2,771
Royalty income	11,091	11,158	7,982	7,046	6,968	6,671
Other	799	730	957	752	628	613
Total	41,658	43,102	43,218	40,567	40,678	41,525
Annual Growth (%)						
Taxation	14.6	4.5	-2.0	1.2	3.6	2.6
Commonwealth grants	27.6	10.1	13.0	-11.4	-2.0	4.8
Sales of goods and services	7.3	1.4	2.6	0.0	1.1	-0.4
Interest income	16.1	118.9	-5.1	-5.7	-1.1	5.2
Revenue from public corporations	-34.5	-41.1	147.1	12.4	6.0	5.4
Royalty income	-8.9	0.6	-28.5	-11.7	-1.1	-4.3
Other	-60.3	-8.6	31.0	-21.5	-16.5	-2.3
Total	3.8	3.5	0.3	-6.1	0.3	2.1

Note: Columns may not add due to rounding.

The remainder of this chapter focuses on new revenue measures implemented since the 2022-23 Mid-year Review, and the detailed basis for the estimates through to 2026-27 in each of the major revenue categories.

Revenue Measures

New measures implemented in the lead-up to, or as part of, the 2023-24 Budget are outlined below. In addition to these measures, a number of tariffs, fees and charges have been amended in this Budget. These are outlined in Appendix 8: *Public Corporations and Major Tariffs, Fees and Charges*.

Table 2

SUMMARY OF REVENUE MEASURES IN THE 2023-24 BUDGET

	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m	Total \$m
Revenue Measures						
Off-the-plan transfer duty concession	-	-13.8	-19.1	-26.9	-21.9	-81.7
Total	-	-13.8	-19.1	-26.9	-21.9	-81.7

Note: Columns may not add due to rounding.

Off-the-Plan Transfer Duty Concession

This Budget extends the Government's off-the-plan transfer duty assistance from 24 October 2023 to 30 June 2025.

The form of assistance is also changing, with the existing transfer duty rebate being converted to a transfer duty concession from 31 August 2023. This change will reduce transfer duty revenue by an estimated \$48.5 million across the forward estimates period, with a corresponding reduction in general government expenditure of \$48.5 million (see Chapter 5: *General Government Expenses*). Purchasers that have already received an off-the-plan transfer duty rebate will not be eligible to receive the off-the-plan transfer duty concession.

In addition, from 11 May 2023, a greater level of off-the-plan transfer duty assistance will be provided through increased property price thresholds for eligible contracts. Eligible contracts will receive transfer duty assistance (including any Foreign Transfer Duty) equal to 100% of the duty payable for properties valued up to \$650,000, phasing to 50% assistance for properties valued at or over \$750,000 (capped at \$50,000).

The combined impact of these changes will reduce transfer duty revenue by an estimated \$81.7 million across the forward estimates period, and increase net debt by \$33.2 million.

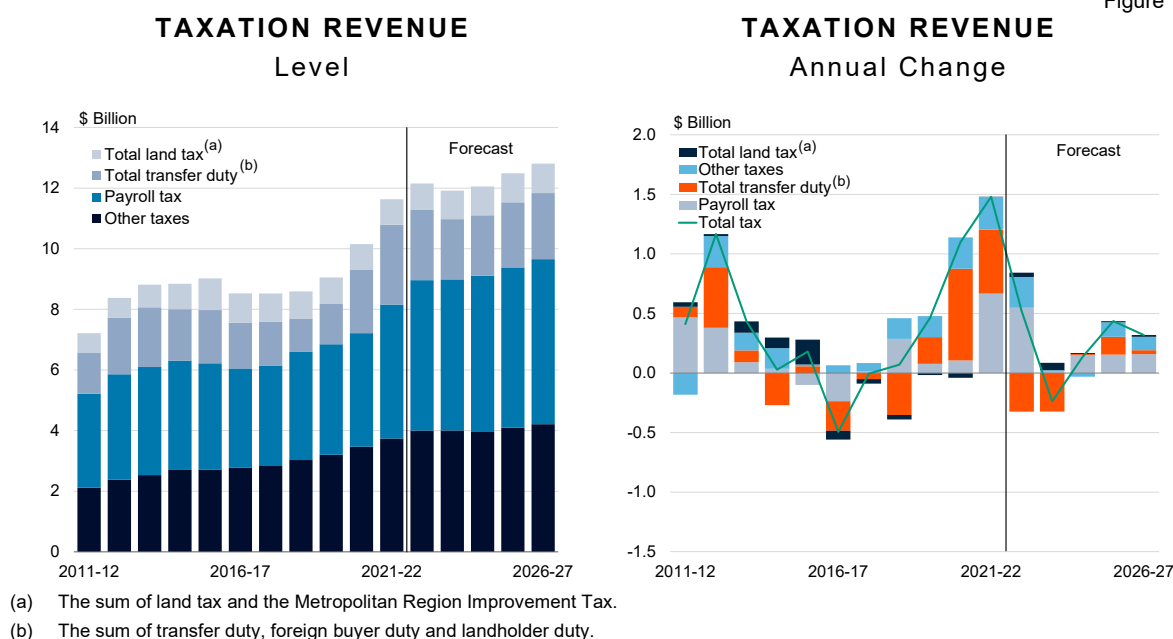
Taxation Revenue

Summary

Following estimated collections of \$12.2 billion in 2022-23, taxation revenue is anticipated to decline by \$238 million (or 2%) in 2023-24. This is largely due to an expected easing in property market conditions, including revenue from high value commercial property transactions returning to more typical levels, and a decline in vehicle licence duty reflecting an unwinding in demand for motor vehicles. The forecast decline in revenue from property and vehicle transfers is partially offset by a lift in land tax collections and an increase in revenue from annual vehicle registrations, given the stock of motor vehicles in use has increased significantly in recent years.

Over the three years to 2026-27, taxation revenue is forecast to grow by an average of 2.4% per annum, broadly in line with domestic economic conditions.

Figure 1



Detail

Payroll Tax

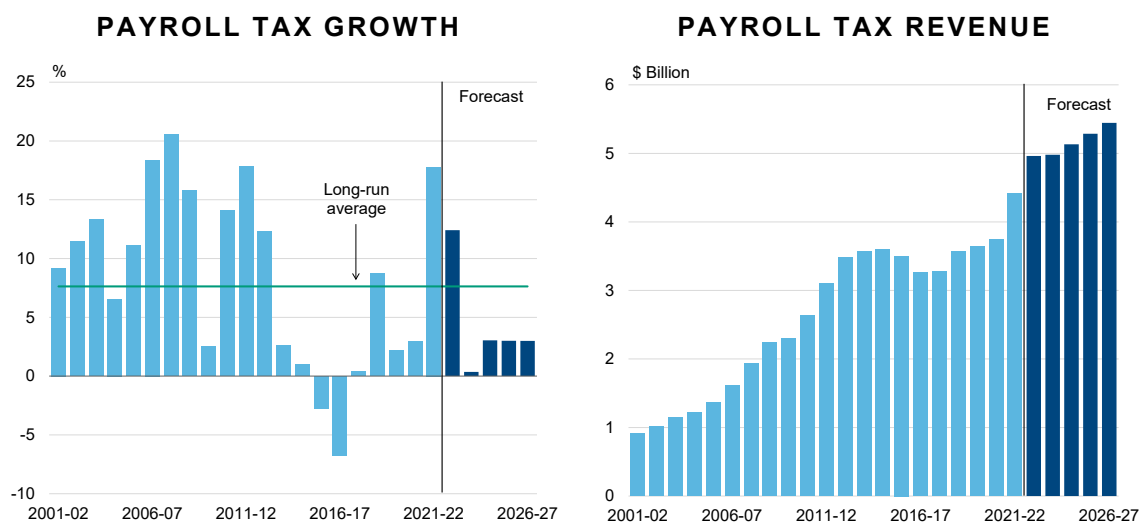
Growth in payroll tax collections is expected to moderate in 2022-23, reflecting that employment has steadied in recent months after a very strong increase in 2021-22. The rise in payroll tax in the resources sector has been notable, in line with especially strong growth in employment and hours worked.

Payroll tax collections are forecast to remain broadly flat in 2023-24, as a temporary tax scale change impacting companies with very high payrolls expires, largely offsetting underlying growth in collections. The 2017-18 Budget introduced a progressive payroll tax scale for a finite period of five years from 1 July 2018 to 30 June 2023. The policy requires Western Australian employers with an Australia-wide, annual taxable payroll exceeding \$100 million to pay a marginal tax rate of 6% (up from the current 5.5%) on the part of their payroll above \$100 million but less than or equal to \$1.5 billion, and a marginal tax rate of 6.5% on the part of their payroll exceeding \$1.5 billion.

This follows strong collections over the past two years, with payroll tax revenue growing by 17.8% in 2021-22 and an estimated 12.4% in 2022-23 (see figure below). The significant rise in payroll tax over this period partially reflects that growth in employment and hours worked has been strongest in the mining industry (which has the highest average wages in the State and is the largest contributor to payroll tax revenue). However, growth in payroll tax has been higher than usual in most industries.

Collections are projected to grow by 3% per annum in the outyears, in line with moderate employment growth and solid growth in private sector wages.

Figure 2



Taxes on Property

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

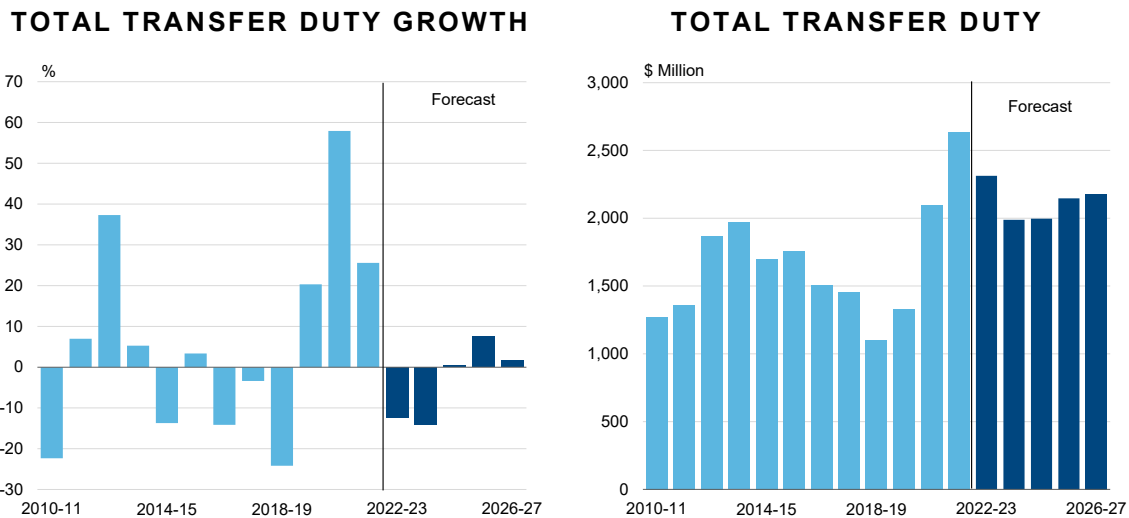
Total Transfer Duty¹

Total transfer duty is estimated to decline by 12.3% (or \$324 million) in 2022-23 to \$2.3 billion. This follows a record \$2.6 billion in 2021-22 when underlying duty (largely from residential property) reached a record level. In 2023-24, duty is expected to decline by a further 14% (or \$324 million). The decline in both years reflects the impact of higher interest rates on residential property market activity. In 2023-24, it also reflects revenue from high value commercial property transactions returning to a more typical level.

Total transfer duty is forecast to stabilise in 2024-25 and grow in the last two outyears, underpinned by a pick-up in underlying demand as the State's population grows (see figure below).

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

Figure 3



Total Land Tax²

Total land tax collections are forecast to increase by \$62 million (or 7.1%) to \$939 million in 2023-24, consistent with a lift in unimproved land values across a number of property sectors, including residential land. This follows an estimated increase of 4.3% in 2022-23.

Total land tax collections are forecast to grow by an average of 1.1% per annum in the outyears, in line with the outlook for unimproved land values across the State.

Other Taxes on Property

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

Other taxes on property are estimated to increase by 7% in 2022-23, largely reflecting higher revenue from the Emergency Services Levy (ESL). They are forecast to be relatively flat in 2023-24 (increasing by only \$2.8 million or 0.4%), mainly reflecting the decision to maintain the ESL at an affordable level for households and businesses.

In 2024-25 and beyond, other taxes on property are projected to grow by an average of 4.3% per annum.

Taxes on Gambling

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

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

Following an estimated decline of 2.9% in 2022-23, gambling taxes are expected to fall by a further 5.4% (or \$20 million) in 2023-24, in line with an anticipated softening in recreational disposable expenditure and an unwinding in gambling activity following a strong increase during the COVID-19 period.

Revenue from gambling is expected to recover in the final two outyears of the Budget period, growing by an average of 1.7% per annum.

Taxes on Insurance

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

Insurance duty is estimated to increase by 16.7% in 2022-23, following a rise of 13.2% in 2021-22. Robust collections over the two years aligns with above-average growth in insurance premiums, and also coincides with strong domestic economic conditions.

Growth in insurance duty collections is expected to ease to 3.6% in 2023-24 and to an average of 2.9% per annum over the outyears, consistent with steady growth in the State's economy. The level of duty is expected to remain elevated and reach \$1 billion for the first time in 2024-25.

Motor Vehicle Taxes

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

Vehicle licence duty in 2022-23 is estimated to lift by \$58 million (or 10%), following an increase of \$65 million (or 12.6%) in 2021-22. Growth in vehicle licence duty in both 2021-22 and 2022-23 has been supported by elevated light vehicle transactions. Since the onset of the COVID-19 pandemic, strong demand for vehicles, together with supply chain challenges, have resulted in significantly higher light vehicle prices, also contributing to higher vehicle licence duty.

Vehicle licence duty is projected to fall by 9.7% in 2023-24 and a further 27% in 2024-25, as the current bring-forward of purchases unwinds. In the remaining outyears, vehicle licence duty is forecast to stay relatively stable, reflecting a return to more normal market conditions.

Revenue from annual vehicle registrations is expected to increase by \$66 million (or 5.5%) in 2023-24. This incorporates increases in light motor vehicle registration fees and heavy vehicle registration fees. In the last three outyears, revenue from vehicle registrations and related fees is forecast to grow by an average of 4.4% per annum, consistent with sustained growth in the domestic economy and assumed fee increases.

Royalty Income

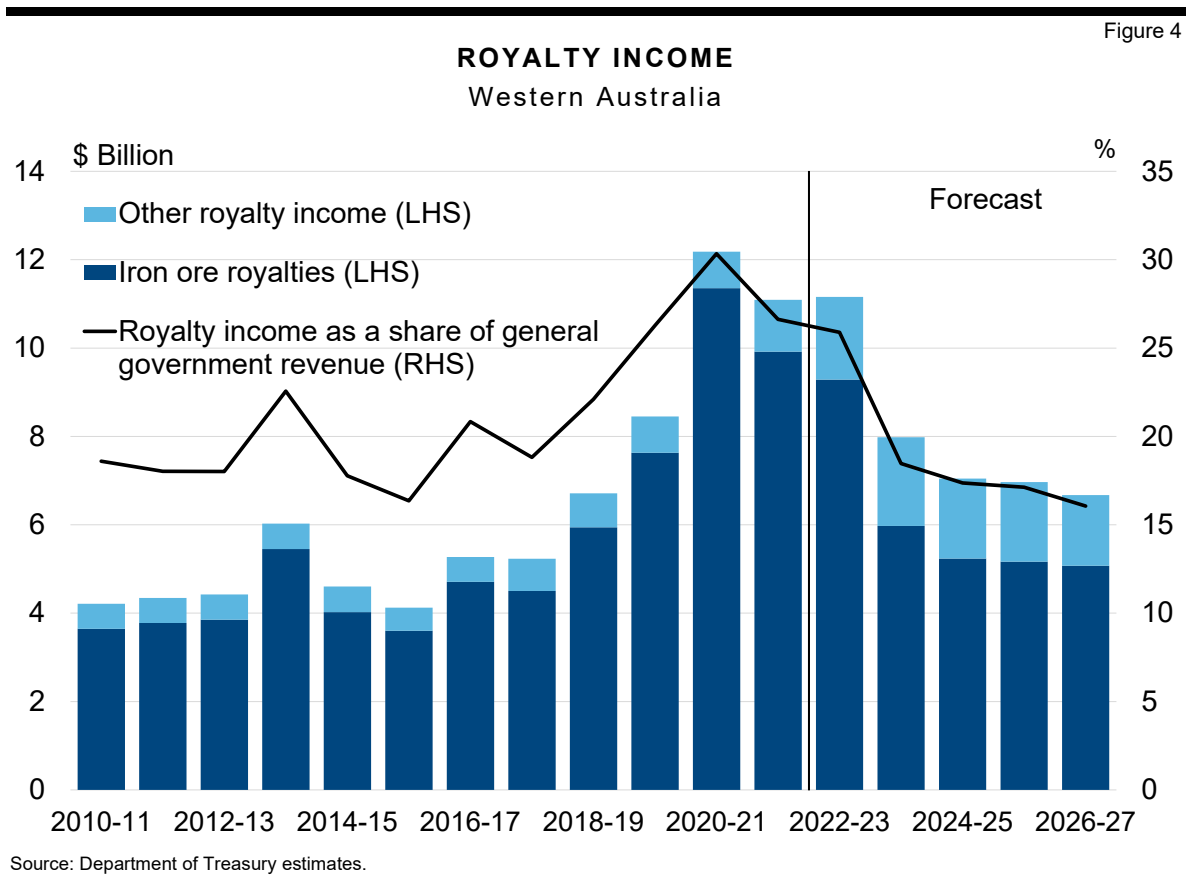
Summary

Royalty income is estimated at \$11.2 billion in 2022-23, largely unchanged from the \$11.1 billion in 2021-22. However, this masks a compositional change where a decline in iron ore royalties of \$633 million (largely due to lower prices) is offset by an increase in other royalties of \$700 million (largely due to higher lithium prices).

In 2023-24, royalty income is projected to decline by \$3.2 billion (or 28.5%). This is primarily due to lower iron ore royalties as the iron ore price is assumed to revert to its long-run average from November 2023. Royalty income is projected to decrease by a further \$936 million (or 11.7%) in 2024-25, largely because the iron ore price is assumed to remain at its long-run average price for the entire year.

Royalty income is then expected to decrease marginally in 2025-26 and 2026-27, primarily as a result of forecast rises in the \$A/\$US exchange rate (reducing the Australian dollar value of royalty payments).

Volatility in commodity prices (particularly the iron ore price) is a significant ongoing risk, as outlined in Chapter 3: *Fiscal Outlook and Strategy*.



Iron Ore Royalty Income

Trends in iron ore royalty income out to 2024-25 primarily reflect movements in the iron ore price, with only modest contributions from volumes, as production from recent iron ore projects is largely replacing production at depleting mines.

The iron ore price is assumed to decline from an estimated average of \$US112.3 per tonne in 2022-23 to its long-run average of \$US66 per tonne from November 2023. This conservative approach is consistent with recent practice – both in Western Australia's Budget and the Commonwealth's Budget – and reflects the highly volatile nature of the iron ore price. It is considered a prudent budgeting assumption.

The \$A/\$US exchange rate is projected to gradually rise over the forward estimates period, in line with the assumption in the 2022-23 Mid-year Review that it will return to its five-year average level (of 72.3 US cents) by June 2026. This results in further (more minor) forecast reductions in iron ore royalty income in 2025-26 and 2026-27.

Iron ore volumes have been revised up since the 2022-23 Mid-year Review, with volumes now forecast to grow to 898 million tonnes by 2025-26, before easing slightly to 890 million tonnes in 2026-27 as some smaller mines deplete and are not replaced (because of lower expected iron ore prices).

Iron ore royalty income is forecast to account for 83% of total royalty income in 2022-23, and to average around 75% of total royalty income from 2023-24 onwards.

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

Other Royalty Income

Royalty income from all other commodities (excluding iron ore) is estimated to rise by \$700 million (or 59.7%) in 2022-23, primarily due to higher lithium royalties (up \$649 million). The lithium price has risen sharply since 2021-22, underpinned by a rapid pick-up in demand due to growing sales of electric vehicles. Royalty revenue from nickel (another commodity used in batteries) is forecast to increase by \$35 million in 2022-23 as a result of higher nickel prices. Gold royalties are forecast to rise by \$43 million in 2022-23 with expanding production.

In 2023-24, royalty income from all other commodities (excluding iron ore) is projected to rise by a further \$136 million (or 7.3%), with gold royalties rising by a further \$75 million, lithium royalties by \$18 million and nickel royalties by \$20 million.

Royalty income from other commodities is then projected to decrease by \$198 million in 2024-25, \$11 million in 2025-26 and \$204 million in 2026-27. These falls reflect the combined impact of a forecast decline in lithium prices (as more supply comes online) and assumed declines in gold production.

Table 3

ROYALTY INCOME AND KEY ASSUMPTIONS
Western Australia

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated Actual	Budget Year	Outyear	Outyear	Outyear
Royalty Income (\$m)						
Iron ore	9,917	9,285	5,972	5,234	5,168	5,074
Lithium	261	910	928	707	698	562
Gold	426	469	544	545	492	429
Nickel	119	154	174	169	195	193
Alumina	111	104	115	120	119	120
Copper	90	62	58	49	71	63
Mineral Sands	49	46	49	63	57	57
Petroleum - State component	10	14	10	22	22	21
Other	108	114	131	136	148	152
Total Royalty Income	11,091	11,158	7,982	7,046	6,968	6,671
KEY ASSUMPTIONS						
Exchange rate \$US/\$A (US cents)	72.6	67.4	67.7	69.5	71.4	72.3
Iron ore price (CFR, \$US per tonne)	138.2	112.3	74.1	66.0	66.0	66.0
Iron ore volumes (million dry tonnes)	845	861	865	885	898	890
Crude oil price (\$US per barrel)	90.3	88.2	79.6	74.9	71.6	69.0

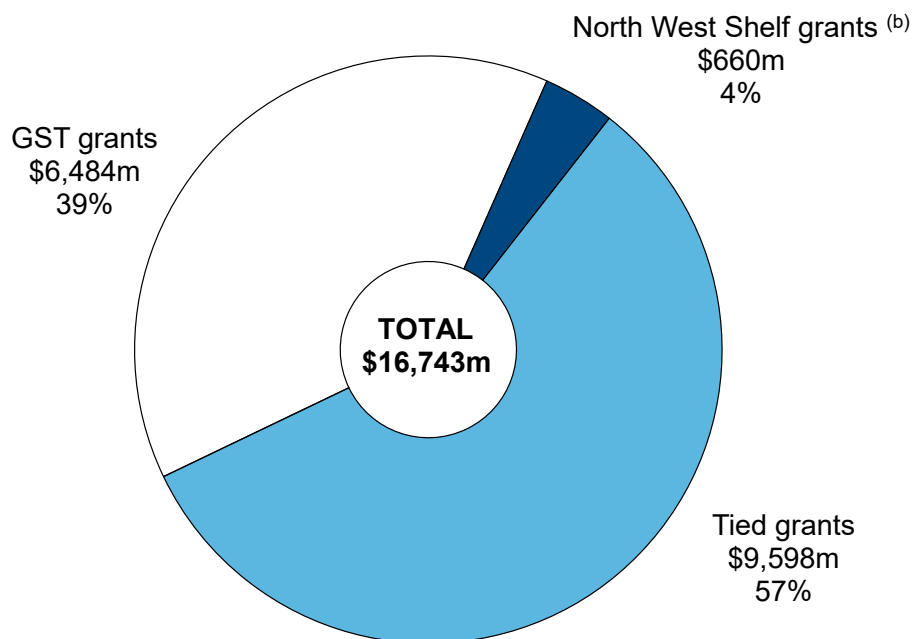
Note: Columns may not add due to rounding.

Commonwealth Grants

Commonwealth grants are estimated to total \$16.7 billion in 2023-24 and account for 39% of total general government revenue – the lowest proportion of all States and Territories. There are no restrictions on the spending of GST grants or North West Shelf grants. Other grants ('tied grants') are provided for specific activities (e.g. health, education, roads and social housing).

Figure 5

COMMONWEALTH GRANTS TO WESTERN AUSTRALIA ^(a)
2023-24



(a) Includes recurrent and capital grants.

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

Note: Segments may not add due to rounding.

Table 4

COMMONWEALTH GRANTS TO WESTERN AUSTRALIA

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated Actual	Budget Year	Outyear	Outyear	Outyear
General Purpose Grants						
GST-related grants (\$m) ^(a)	5,484	6,353	6,484	7,179	7,535	8,907
North West Shelf grants (\$m) ^(b)	1,056	1,376	660	500	387	286
Total General Purpose Grants (\$m)	6,540	7,729	7,144	7,679	7,922	9,193
Tied Grants (\$m) ^(c)	6,921	7,091	9,598	7,159	6,615	6,041
TOTAL COMMONWEALTH GRANTS (\$m)	13,461	14,819	16,743	14,838	14,537	15,234
Growth (%)	27.6	10.1	13.0	-11.4	-2.0	4.8

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

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

(c) Includes recurrent and capital grants.

Note: Columns may not add due to rounding.

Commonwealth grants are forecast to peak at \$16.7 billion in 2023-24, and then stabilise at around \$15 billion per annum. Grants in 2023-24 are impacted by a high level of transport infrastructure grants (over \$3 billion) and the one-off payment of Western Australia's allocation under the Commonwealth DisabilityCare Australia Fund (\$1 billion), which are only partly offset by a forecast decline in North West Shelf grants and the ending of the National Partnership on COVID-19 Response in 2022-23.

GST grants are forecast to continue growing across the outyears, while transport infrastructure grants are forecast to drop significantly (in line with the expected delivery of major road and rail projects over coming years).

GST Revenue

Western Australia's GST grant is expected to increase to \$6.5 billion in 2023-24, up marginally from \$6.4 billion in 2022-23. The increase is predominantly due to a larger national GST pool.

The 2018 GST distribution reforms provide that every State will receive a minimum 70% of its population share of the national GST pool (this proportionate share is known as the State's 'relativity', with the minimum relativity rising to 75% from 2024-25). Western Australia will receive this minimum 70% share in 2023-24.

If not for the reforms, Western Australia's relativity would have decreased to just 9.8% in 2023-24. This would have provided the State only \$0.9 billion from an estimated \$86 billion national GST pool, highlighting the critical nature of the 2018 GST distribution reforms (see feature box later in this chapter).

Forecast of GST Grant

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

- projections of GST relativities beyond 2023-24;
- GST pool projections from the October 2022 Commonwealth Budget; and
- projections of State shares of the national population.

In addition to the relativity floor outlined above, the 2018 GST distribution reforms include a transition over six years to a new equalisation benchmark, eventually ensuring no State's relativity will fall below the lower of New South Wales or Victoria. By 2025-26, Western Australia will be five sixths along that transition, and fully transitioned in 2026-27.

In line with the reforms, Western Australia's relativity will be raised to the 70% floor in 2023-24, and is expected to be increased to 75% in 2024-25. The Western Australian Treasury estimates the State's relativity to be just above this floor in 2025-26 and to rise to 85% in 2026-27, reflecting the transition to the new equalisation benchmark.

Table 5

WESTERN AUSTRALIA'S PROJECTED GST RELATIVITY AND GST SHARE

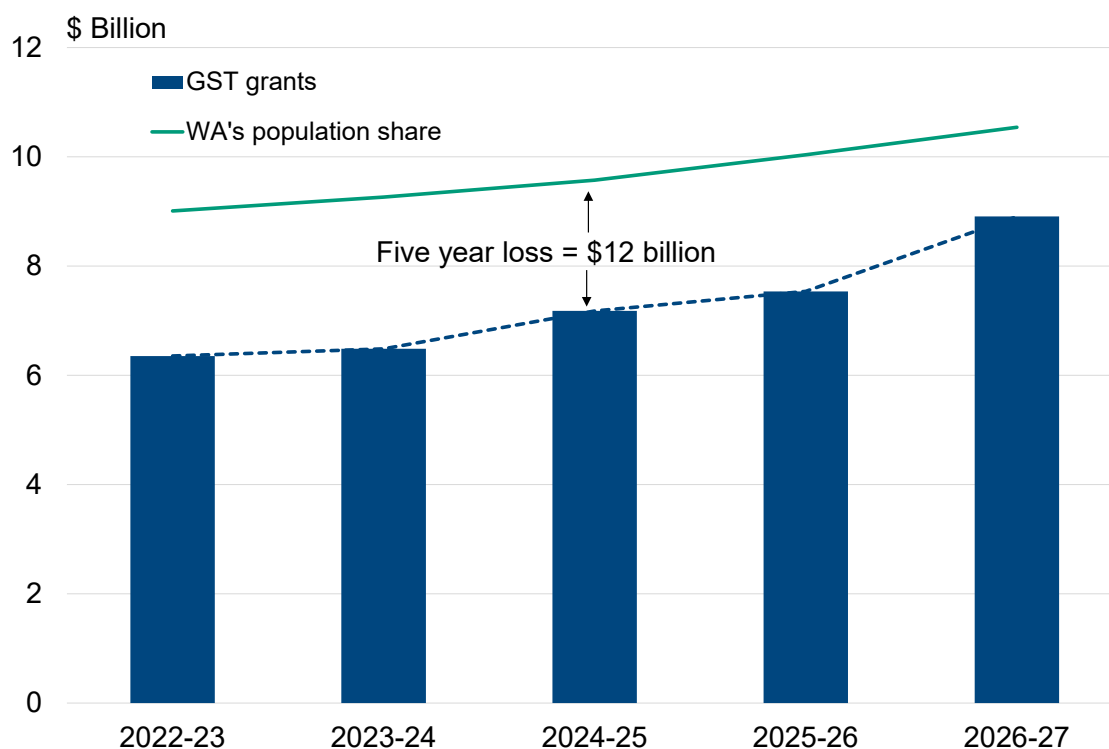
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated Actual	Budget Year	Outyear	Outyear	Outyear
WA GST relativity ^(a)	0.420	0.700	0.700	0.750	0.751	0.845
WA population share (%)	10.7	10.7	10.7	10.7	10.8	10.8
WA share of national GST pool (%) ^(b)	4.4	7.6	7.5	8.1	8.1	9.1

(a) This is the ratio of Western Australia's GST grant to Western Australia's population share of the national GST pool. These figures do not include the Commonwealth-funded GST floor in 2021-22, but do include the within-system GST floor from 2022-23.

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

Even with the reforms to the GST distribution, Western Australia will continue to receive far less GST than its population share. Over the five years from 2022-23 to 2026-27, Western Australia will receive \$12 billion less than its population share of the GST (see following figure) – effectively a GST subsidy from Western Australia to other States.

Figure 6

LOSS IN WESTERN AUSTRALIA'S GST GRANTS COMPARED TO POPULATION SHARE

Source: Western Australian Department of Treasury estimates.

Despite the size of this GST subsidy from Western Australia to the other States, it is just one part of the State's overall annual net contribution to the Australian Federation. For 2021-22 (the latest year of complete data), the Western Australian Treasury estimates the State's net contribution to be \$36.4 billion (see Appendix 11: *Western Australia's Net Contribution to the Federation*).

Every State, not just Western Australia, is benefiting from current high iron ore prices. Compared to the 2018 projections that were used to quantify the initial impact of the GST reforms, the other States can now expect to receive about \$22 billion extra GST over 2020-21 to 2026-27, because of the higher than expected iron ore prices to date.

Commonwealth Grants Commission (CGC) 2025 Methodology Review

The CGC updates GST relativities annually, and undertakes a major review of its methods every five or six years.

The Commonwealth Government issued terms of reference to the CGC on 9 February 2023 for a review of the methods the CGC uses to calculate the GST distribution. The CGC's 2025 Review will be based on the existing principle of horizontal fiscal equalisation (HFE), but will not consider the 2018 GST distribution reforms, which will be reviewed, as legislated, by the Productivity Commission in 2026.

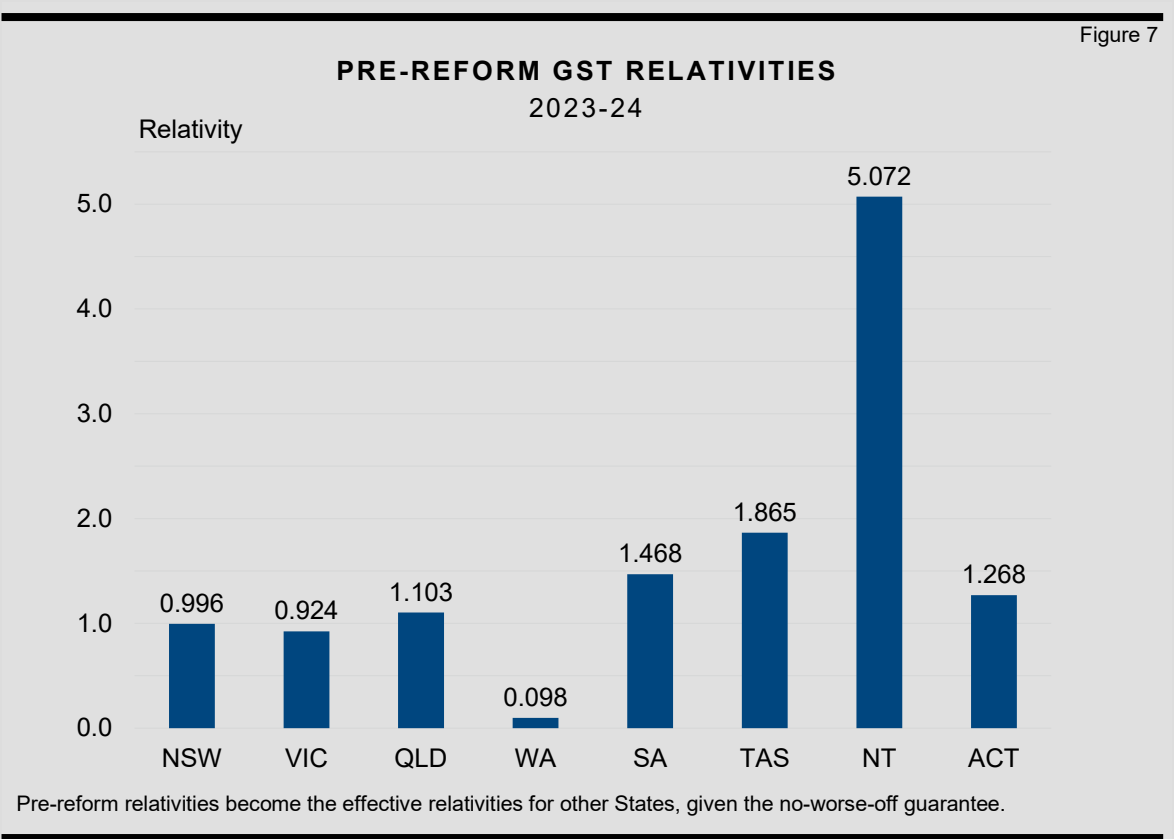
The terms of reference specify that the CGC should consult regularly with the Commonwealth and States and provide a draft report for consideration by the Commonwealth and State Treasurers in 2024. The final report for the review will be released publicly in March 2025.

GST DISTRIBUTION REFORMS

The 2018 GST distribution reforms provide that every State will receive a minimum 70% of its population share of the national GST pool (rising to 75% from 2024-25), and a transition over six years to a new equalisation benchmark, eventually ensuring no State's relativity will fall below the lower of New South Wales or Victoria. The Commonwealth also provides an annual top-up to the GST pool, and a no-worse-off guarantee that no State will receive less GST than they would have under the previous arrangements. This no-worse-off guarantee is in place until 30 June 2027.

Western Australia will receive 70% of its population share of GST in 2023-24, still by far the lowest of all States and Territories (States). The next lowest State (Victoria) will receive 92% of its population share (after the no-worse-off guarantee is paid), while New South Wales will receive almost its population share (99.6%). Queensland, a mining State like Western Australia, will receive more than its population share (110%). No other State has ever received a share of GST lower than 83%.

Without the reforms, Western Australia would have received just 9.8% of its population share in 2023-24. The Western Australian Treasury estimates that this would have fallen even further to 6.6% in 2024-25 – equating to just \$600 million from an \$88 billion national GST pool. Such low relativities are unprecedented and highlight how extreme and unsustainable the GST distribution system is in the absence of the reforms.



The 2018 reforms recognise that the way the GST was previously distributed among the States had many shortfalls, and put a limit on the amount of GST that can be redistributed away from any State or Territory in light of these. The underlying GST calculations penalise Western Australia for its different tax and royalty mix compared to other States. Under the previous system, this meant that Western Australia effectively lost 89% of its iron ore royalties through reduced GST, despite investing billions of dollars into developing its resources sector. Perversely, if Western Australia decided not to impose a royalty on iron ore, it would gain nearly all the lost revenue back in increased GST (which all other States would lose). This would remain the case even if Western Australia replaced the lost revenue with a tax common to all States, such as payroll tax.

Further, Queensland and Western Australia share many similarities. Both States are performing strongly in volatile resource markets, both are experiencing high mineral royalty revenue, and both have reported recent strong surpluses. However, the previous GST distribution system would see Western Australia effectively retain only 11% of its iron ore royalties, while Queensland would retain 36% of its coal royalties. High coal prices also benefit New South Wales, but this will have little impact on its GST share, with an effective retention of 89% of its coal royalties.

No State is currently worse off as a result of the GST reforms. States are protected through the legislated no-worse-off guarantee. All States also benefit from the Commonwealth's annual top-up to the GST pool. The Western Australian Treasury estimates this will grow to \$1.1 billion in 2027-28, after the no-worse-off guarantee is due to cease. States will receive the top-up in all years regardless of whether they are worse off from the reforms.

Every State, not just Western Australia, is benefiting from current high iron ore prices. Compared to the 2018 projections that were used to quantify the initial impact of the GST reforms, the other States can now expect to receive about \$22 billion extra GST over 2020-21 to 2026-27, because of the higher-than-expected iron ore prices to date.

Nevertheless, other States have asked for the no-worse-off guarantee to be extended in perpetuity. Western Australia supports this extension as long as all elements of the reforms, including the 75% relativity floor and equalisation to the stronger of New South Wales or Victoria, are maintained.

It is important that Western Australia's contribution to the Federal Budget is not taken for granted, and its strength as the powerhouse of the national economy is allowed to continue. If Western Australia had to go back to unsustainably low GST relativities, it could not sustain current levels of expenditure on economic development which drive economic growth supporting the nation as a whole. A strong Western Australian economy drives up Commonwealth company and personal income taxes, and the total GST pool distributed to all States.

The improvement in the Commonwealth's fiscal position driven by high iron ore prices far outweighs the increased reform costs. Other States are only worse off from the reforms (in the absence of the no-worse-off guarantee) when iron ore prices are high. When this happens, Commonwealth tax receipts go up by much more than the cost of the no-worse-off-guarantee. For instance, the three big iron ore mining companies (Rio Tinto, BHP and FMG) paid \$22.4 billion in company tax on their iron ore operations in 2021-22. This is nearly three times the \$8.2 billion paid in State royalties in the same year.

The Commonwealth Grants Commission's (CGC's) 2025 methodology review is an important opportunity for the CGC to improve its underlying GST distribution methods, including by addressing inherent inequities and perverse incentives. Although the CGC 2025 Review will not consider the GST reforms, an outcome from that review that includes more justified methods would result in a fairer overall system and reduce the cost of the reforms to the Commonwealth.

The CGC's review will also provide valuable input to the Productivity Commission's review of the GST reforms. The GST reform legislation requires the Productivity Commission to inquire on whether the reforms are operating efficiently, effectively and as intended, and their fiscal implications on States, by end-2026.

The Western Australian Government will continue to strongly advocate for better CGC methods and the continuation of the reforms. Given the importance of the GST distribution to the financial stability of the State, this Budget includes additional resources for the Western Australian Treasury for the period of the reviews. This is to support active engagement in both reviews with evidence-based submissions and representations to support improvement in the CGC's methodologies and retention of the reforms.

North West Shelf Grants

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

The Commonwealth also provides compensation to Western Australia for the loss of North West Shelf royalty revenue from a Commonwealth 2008-09 Budget decision to remove the exemption of condensate from crude oil excise, which increased royalty deductions.

In 2023-24, North West Shelf grants³ are expected to be \$660 million, a significant decrease from \$1.4 billion in 2022-23. This is mainly due to the strength in oil and gas prices during 2022-23, which are anticipated to decline in 2023-24.

Revenue from North West Shelf grants is projected to continue to decline to 2026-27. This is due to the combined impact of lower assumed oil and gas prices and a gradual decline in sales volumes, with the North West Shelf project forecast to process higher volumes of gas sourced from areas outside the revenue-sharing agreement.

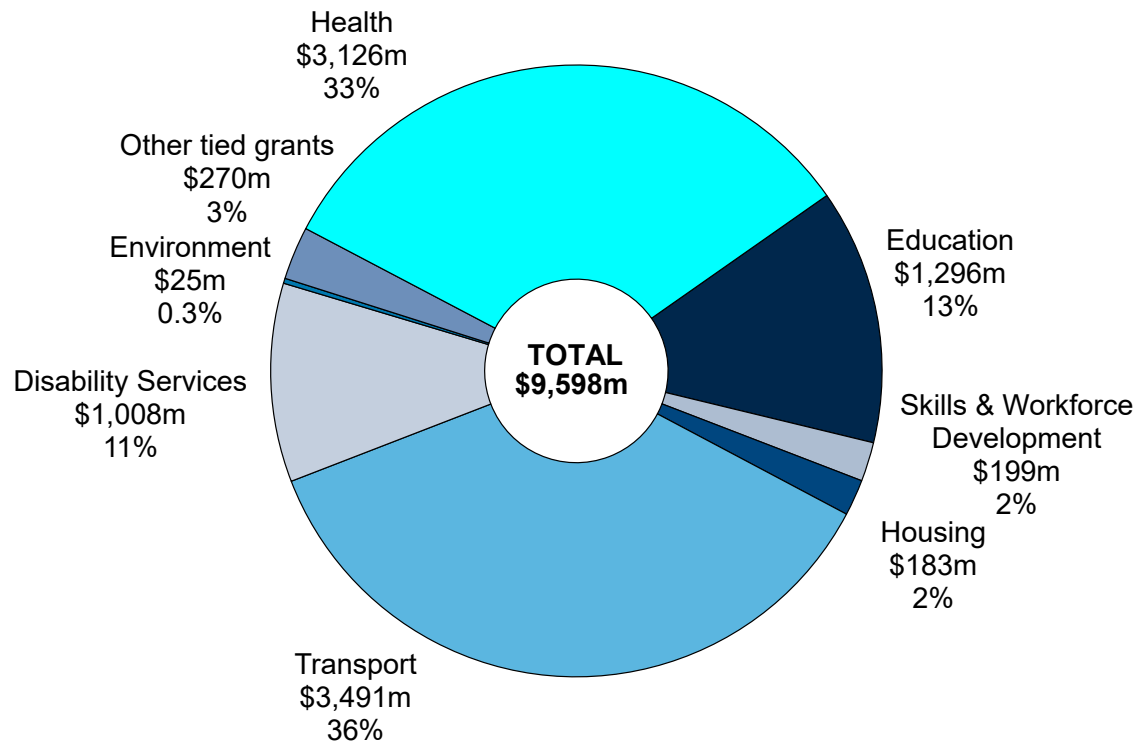
Tied Grants

A variety of Commonwealth-State agreements facilitate tied grants for specific services and infrastructure in areas such as health, education, roads and housing. Western Australia is estimated to receive \$9.6 billion in tied grants in 2023-24. This is \$2.3 billion more than in 2022-23, reflecting the timing of transport funding and the expected payment of the State's allocation from the Commonwealth's Disability Care Australia Fund.

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

³ Includes Commonwealth compensation for the removal of the exemption of condensate from crude oil excise.

Figure 8

TIED GRANTS FOR WESTERN AUSTRALIA
2023-24

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

Tied grants in 2023-24 comprise:

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

The NHRA is the largest single tied grant, and is estimated at \$3 billion in 2023-24 (\$263 million increase on the previous year). The NHRA provides funding to public hospitals on an activity basis. The increase in NHRA funding is partially offset by the expiry of the National Partnership on COVID-19 Response (\$94 million in 2022-23).

Funding for transport infrastructure projects is forecast to increase from \$2 billion in 2022-23 to \$3.5 billion in 2023-24, largely reflecting the expected payment profile of existing project commitments, but is subsequently expected to return to lower levels.

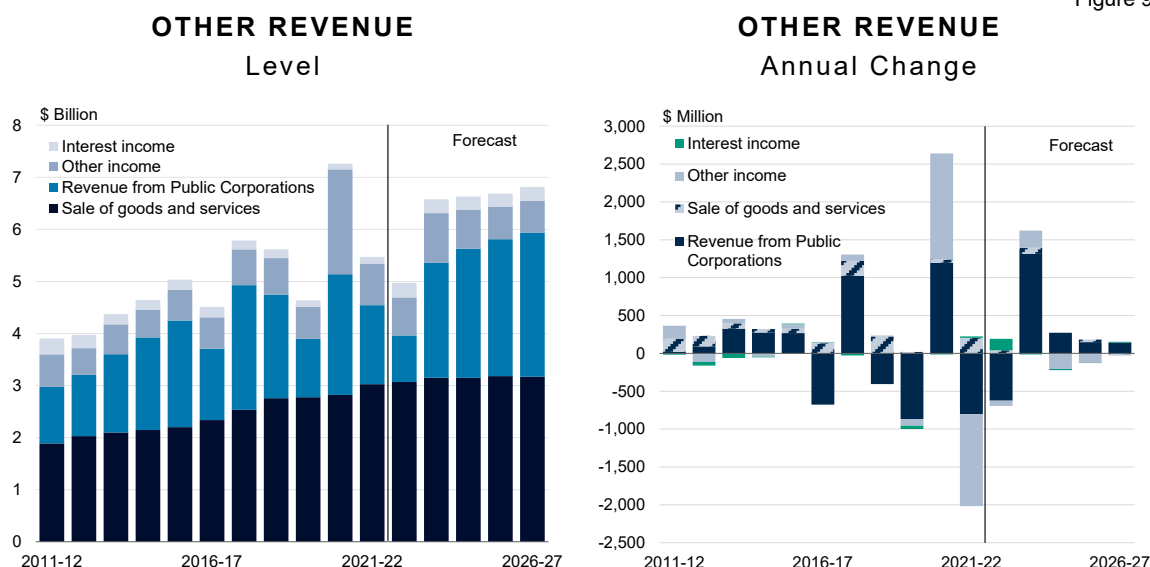
The Budget assumes payment of the State's allocation of funding from the Commonwealth's Disability Care Australia Fund (estimated at \$1 billion) in 2023-24.

A 12-month National Skills Agreement (signed in November 2022) secured an additional \$52.7 million in recurrent funding from the Commonwealth to enable Fee-Free training across 58 qualifications and 56 skill sets, as well as \$8.2 million in capital funding for three projects in Western Australia.

Other Revenue

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

Figure 9



Sales of Goods and Services

Revenue from the sale of goods and services is estimated to rise by 1.4% in 2022-23, following growth of 7.3% in 2021-22 (with this high growth reflecting a rebound for a number of agencies that had revenue collections negatively impacted by the COVID-19 pandemic in 2020-21).

In 2023-24, goods and services revenue is forecast to grow by 2.6%, to a total \$3.1 billion, and thereafter remain relatively flat across the outyears. Movements in this revenue item are currently heavily influenced by Main Roads, which is undertaking works on behalf of the Public Transport Authority (PTA), in particular for the Tonkin Gap Project and other works such as the Stirling Bus Interchange and barrier upgrades on the Kwinana and Mitchell Freeways. Abstracting from forecast revenue declines for Main Roads from the PTA (as these works draw to a close), goods and services revenue is projected to increase by 3.6% in 2022-23 and 3.3% in 2023-24.

Interest Income

The general government sector earns interest income from investments in cash and other liquid asset holdings. Interest revenue is estimated to total \$279 million in 2022-23, up a substantial \$152 million from 2021-22. This reflects both higher holdings of interest earning assets, and increases in interest rates. In 2023-24, interest income is forecast to decline marginally, to a total of \$265 million (reflecting a projected decline in cash and investment holdings partly offset by higher interest rates), and then stabilise at around \$250 million per annum across the outyears.

Revenue from Public Corporations

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

Revenue from public corporations is forecast to total \$2.2 billion in 2023-24.

- Relative to 2022-23, dividend income in 2023-24 is forecast to rise by \$1.3 billion following the Government's decision in the 2022-23 Mid-year Review for most Government Trading Enterprises to retain their 2022-23 dividends and apply this funding to future infrastructure investment.
- Tax equivalent revenue is forecast to total \$785 million in 2023-24. This is \$52 million (or 7.1%) higher than the 2022-23 estimated actual, largely reflecting increases in revenue from the Water Corporation and Western Power as a result of higher profitability.

Revenue from public corporations is expected to average \$2.6 billion across the three years to 2026-27, with annual dividend revenue averaging around \$1.7 billion.

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

Other Income

Revenue from all other sources (which includes fines for traffic infringements, court fines and penalties, penalty tax, donations and gifts from private organisations, asset transfers, and mining-related lease rental revenue) is forecast to increase from an estimated \$730 million in 2022-23 to \$957 million in 2023-24. Across the three outyears, 'other' revenue is projected to then decline to \$752 million in 2024-25 and around \$620 million on average thereafter. This 'lumpy' pattern is not unusual given the nature of transactions that are classified to this aggregate, in particular asset transfers such as roads and bridges, and private sector contributions to specific projects.

The forward estimates do not reflect any funding contributions from resource companies under the Resources Community Investment Initiative, launched in November 2022. Contributions will be brought to book as and when individual project agreements are finalised.

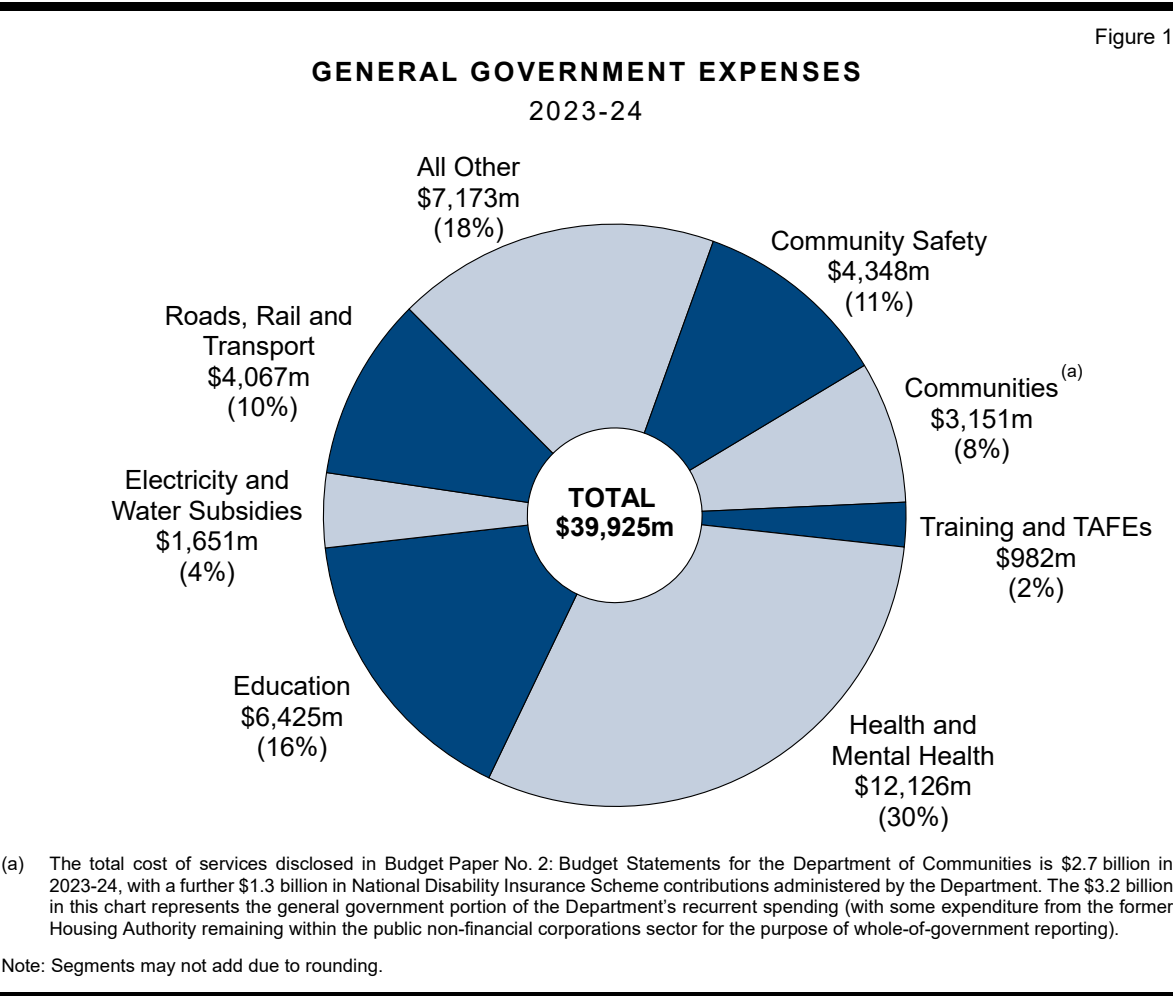
General Government Expenses

HIGHLIGHTS

- General government expenses are budgeted to total \$39.9 billion in 2023-24, an increase of \$1 billion (or 2.7%) on 2022-23.
- Health and mental health remain a major priority in this Budget, with additional spending including \$841 million for public hospital services, \$74.9 million for a range of targeted initiatives to alleviate pressure on emergency departments, \$35.5 million for youth mental health, and \$28.5 million to assist with workforce attraction and retention in the regions.
- Cost of living support is another major focus of the 2023-24 Budget, with a \$715 million package that includes electricity bill relief of \$826 for households eligible for the Energy Assistance Payment, \$400 for all other households, and \$650 for small businesses, as well as several other measures.
- The Budget also includes substantial additional investment to support the most vulnerable in our community, including \$1.3 billion for Western Australian participants in the National Disability Insurance Scheme, \$136.9 million for services delivered by the non-government human services sector, \$123.8 million for the child protection system and supporting services, and \$52.5 million for a range of Family and Domestic Violence initiatives.
- Recurrent spending initiatives to support the economy include measures to assist the construction sector, additional funding for tourism and business events, further support for the continued recovery of the international education sector, and expansion of the State's network of overseas trade offices.

Introduction

Recurrent spending by the general government sector is budgeted to increase by \$1 billion (or 2.7%) in 2023-24, to a total of \$39.9 billion. Health and mental health, education and training, and community safety account for \$23.9 billion or 60% of total spending (see figure below).



At \$12.1 billion or 30% of total recurrent spending in 2023-24, the State's health and mental health systems are once again a major area of focus in the 2023-24 Budget (see following feature box).

HEALTH AND MENTAL HEALTH

The 2023-24 Budget provides another record boost to health and mental health, with additional investment of \$2.7 billion over 2022-23 to 2026-27. This takes the Government's total new investment since the 2021-22 Budget to \$10 billion, with a key focus on the hospital system and safely transitioning to a post COVID-19 operating environment.

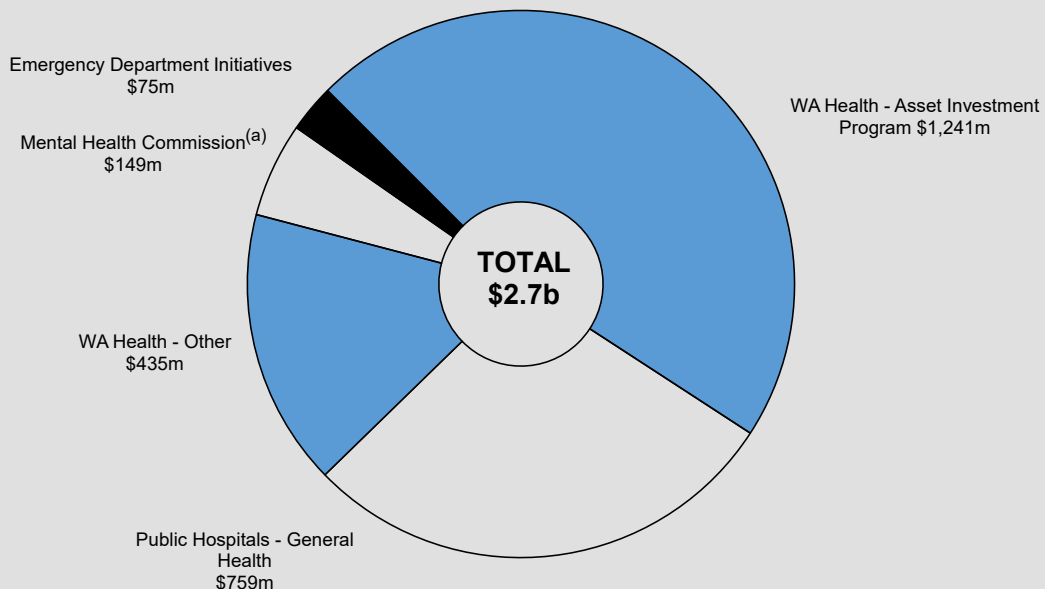
Between 2016-17 and 2023-24, investment in WA Health and Mental Health Commission services has increased by 33% and 57% respectively.

After adjusting for COVID-19 and other time-limited costs, this Budget provides recurrent spending growth for WA Health of 6.0% in 2022-23 and 6.6% in 2023-24.

The Government's recent record investment has already facilitated a 22% increase in WA Health's full-time equivalent (FTE) workforce in the three years to March 2023, including 1,784 nursing and 779 medical FTE.

Figure 2

\$2.7 BILLION ADDITIONAL HEALTH AND MENTAL HEALTH INVESTMENT 2023-24 Budget



(a) Total additional investment for Mental Health Commission is \$201 million when including \$52.3 million for mental health-related Emergency Department initiatives.

Hospital Services

The 2023-24 Budget includes additional spending of \$841 million on public hospital services over 2022-23 to 2026-27 (including \$83 million for mental health hospital services and maintaining additional bed capacity). Spending on hospital services (both health and mental health) is forecast to increase by 11.8% in 2022-23, with growth moderating from 2023-24 in line with cost and demand forecasts.

WA Health Asset Investment Program

The Government will spend an additional \$1.2 billion over 2022-23 to 2026-27 on health system infrastructure, to build additional capacity and improve the patient experience. This includes:

- \$544 million over the next four years to commence construction on the new Women and Babies Hospital within the Fiona Stanley Hospital precinct;
- \$218.9 million for the first stage of the Graylands Reconfiguration and Forensic Taskforce project, which will provide 53 additional forensic beds (including a children and adolescent unit);
- \$101.1 million for the construction of the Bentley Health Services Surgicentre (with an estimated total cost of \$150 million, to be jointly funded by the State and Commonwealth Governments);
- \$99.4 million to complete the first stage of the Electronic Medical Records (EMR) program. This includes finalising the rollout of Digital Medical Records and Single Sign-on functionality across the WA Health system, and implementing EMR at Intensive Care Units in the Perth Children's and Sir Charles Gairdner Hospitals;
- \$81.1 million to purchase the private patient facility at St John of God Midland Public Hospital, adding 60 in-patient beds and three operating rooms to public hospital capacity;
- \$39.2 million to deliver critical ICT programs to modernise WA Health's network support, support security controls and protect clinical systems and data; and
- \$38.4 million to deliver on the Government's 2021 election commitments to establish a Health Hub in Byford and expand the car park at Albany Health Campus.

The Government's infrastructure investment to date will result in the future addition of more than 600 hospital beds to the State's health system (excluding the new Women and Babies Hospital). This is on top of 547 beds delivered since the 2021-22 Budget, equivalent to a tertiary hospital.

Mental Health

This Budget includes further investment of \$201 million in mental health (including \$52.3 million for Emergency Department (ED) initiatives), contributing to a 7.2% increase in the Mental Health Commission's operational budget in 2023-24 (following an estimated 13.2% increase in 2022-23).

The Budget includes a further \$35.5 million to continue the Government's response to the Infants, Children and Adolescents (ICA) Taskforce report. This includes \$7.7 million to reconfigure Ward 5A at the Perth Children's Hospital, \$7.1 million for a 2.5 year ICA Mental Health Service Hub pilot in Bunbury, and \$5.8 million to employ ten Aboriginal mental health workers, bringing total investment in ICA initiatives to \$82.8 million since the 2022-23 Budget.

Emergency Department (ED) Reform Initiatives

To further address emergency department pressures, ambulance ramping, and improve patient flow and hospital capacity, the Government has invested an additional \$74.9 million in ED reform initiatives. This includes \$7 million for the first phase of the State Health Operations Centre (enabling better coordination of patient transport services and system-wide monitoring), \$24.4 million to continue the WA Country Health Service Mental Health Emergency Telehealth Service (enabling regional mental health patients to receive treatment in their community), and \$9.9 million for an extension of the Active Recovery Team pilot (providing community treatment following the most acute and complex mental health related ED presentations).

This brings the Government's investment in ED initiatives to \$452.7 million since the 2021-22 Budget.

Other Health System Supports

The 2023-24 Budget also provides for additional spending by WA Health across various programs and initiatives totalling \$435 million, including:

- additional COVID-19-related expenditure of \$77.9 million, which brings WA Health's total COVID-19 spending since the start of the pandemic to \$2.9 billion;
- \$28.5 million to assist with workforce attraction and retention in the regions, including \$4.2 million for a HECS-HELP debt relief initiative to incentivise newly qualified nurses and midwives to work in regional locations, with hard-to-staff sites to be prioritised; and
- additional spending on various non-hospital services, including boosting health support services and continuing priority programs such as regional renal and cancer services, and End of Life Choices.

A Stronger Western Australia

The 2023-24 Budget uses the State's strong financial position to continue the Government's major investments for the long-term benefit of Western Australians. This includes providing additional support for diversifying the economy, investing in frontline service delivery to ensure local and regional communities thrive, and taking climate action.

WA Jobs Plan – Economic Diversification and Support

The 2023-24 Budget provides an additional \$463 million across various initiatives focused on diversifying the Western Australian economy. Support for economic diversification includes further investments in road and port infrastructure, a \$40 million Sustainable Geoscience Investments package to accelerate critical minerals discoveries, a \$35 million top-up of the Industrial Land Development Fund to support private sector investment, and a host of measures to support the State's invest and trade initiatives, secure additional tourism and business events, and support the continued recovery of the international education sector.

In addition, to further support economic growth and employment, the Government is investing in a range of initiatives to boost the State's skilled workforce, including:

- \$26.9 million across the forward estimates to support employers of apprentices and trainees in the building and construction industry, with a 20% lift in the base employer grant under the Construction Industry Fund from \$10,000 to \$12,000 per eligible apprentice;
- \$11.5 million to provide visa subsidies of up to \$10,000 to attract skilled migrants to the construction sector; and
- \$4.2 million to encourage completion of apprenticeships and traineeships in the building and construction industry, through a \$2,000 completion payment and \$500 tool allowance.

A total of \$12.7 million over the forward estimates has also been allocated for scholarships for women in non-traditional occupations, expanding the Heavy Vehicle Driver training program to the Kimberley and Pilbara, additional support for regional Nursing Diploma students, increasing the travel allowance for regional apprentices, and extending support for Aboriginal jobseekers.

Safe, Strong and Fair Communities

The Government has made significant and immediate decisions to support the recovery from Ex-Tropical Cyclone Ellie, with a total approved spend of \$322.1 million up to Budget cut-off. This includes emergency road recovery works (\$80 million), a Freight Assistance Package (\$42 million), short-term accommodation (\$33 million) and a Clean-up Program (\$30 million).

In line with the Non-Government Human Services Sector (NGHSS) Indexation Policy, contract payments to community service organisations will be increased by \$136.9 million over the forward estimates period to reflect forecast growth in indexation rates on community services such as alcohol and other drug support, homelessness, and family and domestic violence (FDV).

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

- \$1.3 billion for additional contributions to the National Disability Insurance Scheme due to a higher number of participants, with around 7,700 additional participants (compared to previous expectations) being supported through the Scheme;
- an additional \$325.1 million over 2022-23 to 2026-27 for public schools and non-government schools as a result of stronger than estimated student enrolments. This includes \$137.6 million in additional support for students with learning difficulties and \$51.5 million for students who speak English as an Additional Language;
- \$123.8 million for the child protection system and supporting services to protect vulnerable children, at-risk youth and their families, including \$11.7 million to extend the Target 120 program across all locations to 30 June 2025; and
- \$52.5 million for the provision of FDV services in metropolitan and regional Western Australia, including \$16.3 million over 2023-24 to 2026-27 for the establishment and operation of a Broome FDV hub, and \$13.4 million to continue specialist FDV services at the Mirrabooka and Kalgoorlie FDV hubs.

Climate Action

The Government has made an unprecedented \$3 billion investment to take action on climate change and achieve net zero emissions by 2050. This includes a \$2.8 billion capital investment in the decarbonisation of the South West Interconnected System, partly funded by a \$500 million top-up of the Climate Action Fund (see Chapter 6 for further details). The Budget also includes investment in other climate action initiatives, including:

- \$38.9 million to fund priority climate adaptation initiatives across seven agencies;
- \$36 million in 2023-24 to commence implementation of the Forest Management Plan 2024-2033;
- \$22.5 million to accelerate the environmental approval process for green energy proposals;
- \$3.8 million to implement an Urban Greening Grants Program;
- \$3 million for renewable hydrogen planning activities; and
- \$1.3 million for studies to inform the Heavy Industry Sectoral Emissions Reduction Strategy.

Major Expense Changes

Summary

The following information provides details of major changes in general government expenses by agency since the 2022-23 Mid-year Review. Any timing changes and accounting adjustments that are broadly net debt neutral across the forward estimates period, and changes to depreciation expense, are not generally included in this chapter. Timing changes of a material nature are discussed in Chapter 3: *Fiscal Outlook and Strategy*.

A number of recurrent spending changes since the 2022-23 Mid-year Review are common to a number of agencies. These include incentive funding for smaller and low risk agencies under the Streamlined Budget Process¹ and Non-Government Human Services Sector Indexation.

The Government announced the enhanced Public Sector Wages Policy on 20 September 2022, and the 2022-23 Mid-year Review made provision for the increased costs of the policy. In this Budget a number of agencies (primarily those covered by the Public Sector CSA Agreement, WA Health HSUWA PACTS Industrial Agreement and WA Health System United Workers Union (WA) Hospital Support Workers) have drawn on that provisioned funding, and the associated increased agency spending is disclosed in the tables of this chapter.

Changes in total public sector infrastructure spending (i.e. the Asset Investment Program) since the 2022-23 Mid-year Review are outlined in Chapter 6.

¹ The Streamlined Budget Process (SBP) seeks to reduce the number of Budget bids put forward by smaller and low risk agencies through the provision of a financial incentive. For the 2023-24 Budget, incentive funding provided to agencies that opt-in to the SBP equates to a 2% increase in service appropriation in 2023-24, with eligible agencies limited to those with service appropriations of less than \$100 million.

PARLIAMENT

Table 1

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
LEGISLATIVE COUNCIL					
– Public Sector Wages Policy	0.2	0.3	0.3	0.4	0.5
– 2023-24 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
LEGISLATIVE ASSEMBLY					
– Public Sector Wages Policy	0.2	0.3	0.3	0.4	0.5
– 2023-24 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
PARLIAMENTARY SERVICES DEPARTMENT					
– Public Sector Wages Policy	0.7	0.6	0.8	0.9	1.3
– Security Full-Time Equivalent Uplift	-	0.5	0.5	0.5	0.6
– Parliamentary Reserve Accessibility Plan ^(a)	-	0.2	-	-	-
PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS (OMBUDSMAN)					
– Public Sector Wages Policy	0.5	0.5	0.6	0.8	1.1
– Additional Oversight and Reporting Functions	0.3	0.6	0.7	0.7	0.8
– 2023-24 Streamlined Budget Process Incentive Funding	-	0.2	-	-	-

(a) This item has both recurrent and capital expenditure, the majority of which is capital and is therefore detailed in Chapter 6.

Note: Rows may not add due to rounding.

Parliamentary Services Department

Security Full-Time Equivalent Uplift

Security services at 2 Parliament Place, West Perth, which will accommodate the Leader of the Opposition Parties, several electorate offices for Members and the three Parliamentary Departments, will cost \$2.1 million over 2023-24 to 2026-27.

Parliamentary Commissioner for Administrative Investigations (Ombudsman)

Additional Oversight and Reporting Functions

The Ombudsman will spend \$3.1 million over 2022-23 to 2026-27 to undertake additional oversight and reporting functions required under amendments to the *Liquor Control Act 1988*, which relates to the establishment of Protected Entertainment Precincts, and on the investigation and reporting functions required under the *Charitable Trusts Act 2022*. Capital investment of \$150,000 will also be spent in 2023-24 to develop a case management database, meeting the requirements of the *Charitable Trusts Act 2022*.

GOVERNMENT ADMINISTRATION

Table 2

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
PREMIER AND CABINET					
– Public Sector Wages Policy	5.5	5.1	6.5	8.0	10.6
– Griffin Coal – Financial Support	19.5	-	-	-	-
– Department Resourcing	-	-	2.8	2.8	2.8
– Aboriginal Community Controlled Organisation (ACCO) Peak Body	-	1.3	1.5	1.6	1.6
– Ex-Tropical Cyclone Ellie	3.8	1.2	-	-	-
– Digital Capability Fund – ServiceWA App	-	4.9	-	-	-
– Native Title Team Expansion	-	1.1	1.1	1.1	1.1
– Celebrate WA	-	1.2	1.2	-	-
– Digital Capability Fund – Public Sector Information and Communication Technology – Graduate Program	-	0.3	0.3	0.3	0.3
– Reconciliation WA – Peak Body	-	0.3	0.3	0.3	0.3
– Digital Capability Fund – Western Australia Public Safety Network Strategy	-	1.0	-	-	-
– Bidyadanga Project	-	0.7	-	-	-
– Interim Chief Data Officer	-	0.2	0.2	-	-
– Digital Capability Fund – Western Australia Police Force – Independent Assessment	-	0.3	-	-	-
– COVID-19 Coordination and Communications	-6.0	-	-	-	-
PUBLIC SECTOR COMMISSION					
– Agency Capability Review Program	-	2.1	2.2	2.2	2.3
– Public Sector Wages Policy	1.0	0.9	1.2	1.5	2.0
GOVERNOR'S ESTABLISHMENT					
– Public Sector Wages Policy	0.2	0.2	0.3	0.4	0.5
– Staffing for Governor's Program	-	0.4	0.5	0.3	0.3
– Government House Security	-	0.5	-	-	-
– Digital Capability Fund – Cyber Security Enhancements	– (a)	0.1	– (a)	– (a)	– (a)
WESTERN AUSTRALIAN ELECTORAL COMMISSION					
– State Government Election 2025	-	3.7	4.0	-	-
– Public Sector Wages Policy	0.3	0.3	0.7	0.4	0.6
– North West Central By-election	0.7	-	-	-	-
SALARIES AND ALLOWANCES TRIBUNAL					
– Public Sector Wages Policy	– (a)	– (a)	– (a)	– (a)	0.1
– 2023-24 Streamlined Budget Process Incentive Funding	-	– (a)	-	-	-
COMMISSIONER FOR CHILDREN AND YOUNG PEOPLE					
– Public Sector Wages Policy	0.1	0.1	0.1	0.1	0.2
– 2023-24 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
OFFICE OF THE INFORMATION COMMISSIONER					
– Additional Staffing	-	0.7	0.7	0.1	0.1
– Public Sector Wages Policy	0.1	0.1	0.1	0.1	0.2

Table 2 (cont.)

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
WORKCOVER WA AUTHORITY					
– Public Sector Wages Policy	0.9	0.8	1.1	1.4	1.4
REGISTRAR, WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION					
Election Commitments					
– Increased Jurisdictional Functions	-	0.3	0.3	0.3	0.3
Other Spending					
– Public Sector Wages Policy	0.3	0.2	0.3	0.3	0.5
– 2023-24 Streamlined Budget Process Incentive Funding	-	0.2	-	-	-

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

Note: Rows may not add due to rounding.

Department of the Premier and Cabinet***Griffin Coal – Financial Support***

The Government has approved additional funding of \$19.5 million in 2022-23 to provide financial support to the Griffin Coal receivers and managers to ensure continuity of coal supply in the short term. While further funding has been set aside by Government should it be required, the level of additional assistance is not disclosed at this time due to the commercial-in-confidence nature of ongoing negotiations.

Department Resourcing

The Government will spend an additional \$8.4 million over 2024-25 to 2026-27 to convert 20 temporary FTEs to permanent to ensure adequate resources are available to provide ongoing advice on a range of complex policy matters, including health reform, climate and energy, infrastructure and industry policy, and the Resources Community Investment Initiative.

Aboriginal Community Controlled Organisation (ACCO) Peak Body

The ACCO Peak Body will be established at a cost of \$6 million over the forward estimates. This body will provide a centralised point for interaction and collaboration between the Government, ACCOs and Aboriginal communities and support to increase ACCOs' capabilities as service providers to Aboriginal communities in Western Australia. This body will also assist in fulfilling Western Australia's commitments under the National Agreement on Closing the Gap and the forthcoming ACCO Strategy.

Ex-Tropical Cyclone Ellie

See Department of Fire and Emergency Services.

Digital Capability Fund – ServiceWA App

The Government will invest \$4.9 million in 2023-24 to continue operational support for whole of government technical platforms underpinning the ServiceWA App. This will enable the engagement of service providers to support the platforms, including assistance services for citizens using the App.

Native Title Team Expansion

To address the growing complexity of negotiations and management of Native Title issues the Department's Native Title Team will be expanded at an additional cost of \$4.4 million over the forward estimates.

Celebrate WA

Celebrate WA is a not-for-profit organisation responsible for promoting and organising the annual Western Australian Day celebrations and Western Australian of the Year Awards. The Government will continue its support for Celebrate WA through a \$1.2 million per annum contribution in 2023-24 and 2024-25 to deliver free events across the State, including drone light shows, live music, and culture and arts experiences and with an enhanced regional presence.

Digital Capability Fund – Public Sector Information and Communication Technology – Graduate Program

The Department will spend \$1.2 million over the four years to 2026-27 (and an additional \$300,000 in 2027-28) to establish, coordinate and manage a Public Sector ICT Graduate and Internship Program aimed at increasing ICT skills across the public sector.

Reconciliation WA – Peak Body

Government support for Reconciliation WA, a professional peak organisation responsible for the reconciliation movement in Western Australia, will continue through funding of \$1.2 million over the forward estimates.

Digital Capability Fund – Western Australia Public Safety Network Strategy

The Government will invest an additional \$1 million in 2023-24 to develop a Public Safety Communication Network Strategy focused on a ten-year period from 2025 to 2035. The Strategy will incorporate an assessment of government-owned radio communication networks, requirements of frontline agencies and financial analysis and recommendations to support a Technology Roadmap to inform future investment decisions.

Bidyadanga Project

An additional \$673,000 has been allocated in 2023-24 to complete stage one of the Bidyadanga Project. This is a partnership between the Government, community residents, leaseholders and native title holders to reform land tenure and deliver a sustainable future for Bidyadanga, which is Western Australia's largest remote Aboriginal community.

Interim Chief Data Officer

The Government's investment of \$168,000 in 2023-24 and \$169,000 in 2024-25 will support the establishment of the interim Chief Data Officer function within the Office of Digital Government to prepare public sector entities ahead of the implementation of responsible information-sharing reforms under the proposed Privacy and Responsible Information Sharing legislation.

Digital Capability Fund – Western Australia Police Force – Independent Assessment

To support delivery of the Western Australia Police Force's Technology Improvement Program, the Office of Digital Government will spend \$250,000 in 2023-24 to coordinate an independent assessment of the Western Australia Police Force's current ICT operations and foundation systems.

COVID-19 Coordination and Communications

The Department will underspend its 2022-23 Budget for COVID-19 communications by \$6 million, following the Government's effective management of the COVID-19 pandemic, resulting in greater public awareness and the easing of restrictions earlier than anticipated.

Public Sector Commission

Agency Capability Review Program

The Government will spend \$8.8 million over 2023-24 to 2026-27 to continue the Agency Capability Review Program, which is a sector-wide approach led by the Public Sector Commission aimed at continuously improving agencies' performance.

Governor's Establishment

Staffing for Governor's Program

The Government has allocated \$1.4 million in additional expenditure over the forward estimates period to fund the continuation of existing and new staff following the appointment of the new Governor in July 2022.

Government House Security

A further \$480,000 has been allocated in 2023-24 to maintain a staffed security presence at Government House.

Digital Capability Fund – Cyber Security Enhancements

To ensure compliance with the Western Australian Cyber Security Policy, \$228,000 will be invested over 2023-24 to 2026-27.

Western Australian Electoral Commission

State Government Election 2025

An additional \$7.7 million has been provided to help meet the expected cost of the 2025 election, bringing the total forecast cost to \$26.3 million (consistent with the 2021 election). The estimated costs include additional casual staff employed in polling places, facilitating early voting and processing centres, increased use of postal voting and additional leasing costs for early voting centres.

North West Central District By-election

In 2022-23, the Western Australian Electoral Commission spent an additional \$737,000 to conduct the North West Central District By-election.

Office of the Information Commissioner

Additional Staffing

The Government has approved additional expenditure of \$1.7 million over 2023-24 to 2026-27 for additional resources to address workload pressures. This includes reducing the backlog of external reviews under the *Freedom of Information Act 1992* and enhanced corporate services capability to ensure business continuity.

Registrar, Western Australian Industrial Relations Commission

Election Commitments

Increased Jurisdictional Functions

Following the commencement of the *Industrial Relations Legislation Amendment Act 2021 (WA)* in June 2022, the Government has allocated \$1.2 million over the forward estimates period to assist with the increased jurisdictional reach of the Department.

FINANCIAL ADMINISTRATION

Table 3

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
TREASURY					
– Public Sector Wages Policy	1.8	1.7	2.2	2.8	3.8
– Supporting Government Priorities	0.2	1.6	1.6	1.6	1.4
– Commercial Advisory Services	2.1	1.9	0.4	-	-
– Resourcing for GST Reviews	-	0.2	0.3	0.8	0.3
OFFICE OF THE AUDITOR GENERAL					
– Audit Services	-	2.1	4.9	5.5	5.8
– Public Sector Wages Policy	1.3	1.3	1.7	2.2	2.1
– 2023-24 Streamlined Budget Process Incentive Funding	-	0.2	-	-	-
FINANCE					
– Public Sector Wages Policy	7.6	6.3	8.3	10.3	14.1
– State Fleet – Vehicle Acquisition Program ^(a)	1.9	10.2	1.4	1.8	2.2
– Household and Small Business Electricity Credits (Administered)	-	11.9	-	-	-
– Parliamentary Precinct Project – Level 3 Expansion ^(a)	-	1.0	1.4	1.5	1.5
– Digital Capability Fund – Asbestos Containing Materials Register	-	3.3	0.4	0.4	0.4
– Kununurra Office Accommodation Fit-out Project ^(a)	-	-	1.4	1.4	1.4
– Implementation of the State Commissioning Strategy	-	1.0	1.0	1.0	1.0
– Household and Small Business Electricity Credits	-	2.4	-	-	-
– GovNext Common Use Arrangement	-	0.7	0.7	-	-
– Off-the-plan Duty Concession – Systems Enhancement ^(a)	-	-	- ^(b)	- ^(b)	- ^(b)
– First Home Owner Grant Scheme (administered)	-1.6	-5.9	-5.3	-3.8	-6.9
– Off-The-Plan Duty Rebate Scheme (administered)	-	-13.8	-18.1	-15.9	-0.6

(a) This item has both recurrent and capital expenditure, the majority of which is capital and is therefore detailed in Chapter 6.

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

Note: Rows may not add due to rounding.

Treasury

Supporting Government Priorities

An additional \$6.3 million over 2022-23 to 2026-27 has been approved to support the delivery of Government priorities, including improved financial management capability across the public sector, economic diversification and industry development initiatives, increased oversight of the Health and Mental Health portfolios, advice on decarbonisation initiatives, and support for the management of native title issues and the Resources Community Investment Initiative (in conjunction with the Department of the Premier and Cabinet).

Commercial Advisory Services

An additional \$4.3 million has been provided over 2022-23 to 2024-25 for Treasury to undertake reviews into agencies and projects with a significant commercial exposure for the State. To assist the Government in its consideration of emerging priorities, Treasury will commence an independent analysis of options to reduce the State's risks in relation to the Gold Corporation, assist in negotiations around the supply of coal in the short to medium term, and undertake due diligence on potential changes to Keystart's governance arrangements.

Resourcing for GST Reviews

Reflecting the critical importance of a fair share of national GST revenue to the State's financial position, the Government has approved an additional \$1.6 million over 2023-24 to 2026-27 to ensure effective engagement in the Commonwealth Grants Commission review into the methodologies for distributing the GST (due for completion in early 2025), and the Productivity Commission review into the 2018 GST distribution reforms (due in late 2026).

Office of the Auditor General

Audit Services

The Office will spend up to an additional \$18.3 million over the forward estimates on auditing services that are fully recoverable from State and local government entities. This includes audit contract cost increases and the implementation of new Auditing Standards.

Finance

Household and Small Business Electricity Credits (Administered)

A \$715 million cost of living package that provides at least \$400 in assistance to every Western Australian household, with targeted electricity support totalling \$826 for households that are most in need. See Synergy for further information.

Digital Capability Fund – Asbestos Containing Materials Register

Funding of \$4.4 million has been allocated to deliver a contemporary, secure, digital Asbestos Containing Materials Register for government non-residential buildings.

Implementation of the State Commissioning Strategy

To deliver more efficient and effective community services and support existing Government initiatives (e.g. Closing the Gap, Aboriginal Empowerment Strategy), \$4.1 million will be spent over 2023-24 to 2026-27 on the implementation of the State Commissioning Strategy.

Household and Small Business Electricity Credits

See above.

GovNext Common Use Arrangement

Finance will spend \$1.4 million over 2023-24 and 2024-25 to lead and manage the phasing out of the whole-of-government GovNext Common Use Arrangement.

First Home Owner Grant Scheme (Administered)

First Home Owner Grants expenditure has been revised down by \$23.6 million over 2022-23 to 2026-27, reflecting the impact of rising interest rates on first home buyer demand for new homes.

Off-The-Plan Duty Rebate Scheme (Administered)

The off-the-plan transfer duty assistance scheme has been extended from 24 October 2023 to 30 June 2025 (see Chapter 4: *General Government Revenue*). At the same time, the form of assistance is changing, with the existing transfer duty rebate (an expenditure item) being converted to a transfer duty concession. This change will reduce general government expenses by an estimated \$48.5 million across the forward estimates period, with a corresponding reduction in general government revenue.

JOBS AND ECONOMIC DEVELOPMENT

Table 4

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
JOBS, TOURISM, SCIENCE, AND INNOVATION					
– Edith Cowan University Inner City Campus ^(a)	15.0	-	15.0	19.0	-
– Invest and Trade Western Australia ^(b)	-	7.3	7.0	6.9	7.0
– International Education	-	8.9	3.4	0.4	0.4
– Public Sector Wages Policy	2.6	2.4	3.0	3.8	1.3
– Major Events Fund	-	10.0	-	-	-
– New Industries Fund ^(b)	-	4.5	4.6	-	-
– Global Marketing Campaign	-	6.0	-	-	-
– Kimberley Flood Tourism Recovery Package ^(b)	5.9	-	-	-	-
– Business Events Perth	-	-	5.0	-	-
– Science Research Grants	-0.2	0.4	1.3	1.2	1.4
– Climate Action Fund – Green Energy Approvals	0.3	0.9	0.9	1.0	1.0
– Financial Assistance to Ozgene ARC Pty Ltd (Administered)	3.5	-	-	-	-
– Scitech Discovery Centre	-	0.8	0.8	0.9	0.9
– Climate Action Fund – Climate Adaptation	-	1.7	1.6	-	-
– Affordable Airfares Program ^(b)	-	3.0	-	-	-
– Climate Action Fund – Renewable Hydrogen	-	1.0	2.0	-	-
– Attracting Skilled Migrants ^(b)	1.0	1.0	0.2	0.1	0.1
– LNG Jobs Taskforce	-	1.0	1.0	-	-
– Future Battery and Critical Minerals Industries Strategy ^(b)	-	1.7	-	-	-
– Intellectual Property Policy	-	0.4	0.4	0.3	0.3
– Climate Action Fund – Decarbonisation of Heavy Industry	-	1.3	-	-	-
– Biodiscovery Bill	-	0.3	0.3	-	-
– Digital Economy Strategy ^(b)	-	0.3	0.2	-	-

Table 4 (cont.)

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT					
Election Commitments					
– Waroona Town Centre Revitalisation Project	-	2.4	-	-	-
– Food Technology Facility Project	2.2	-	-	-	-
– Animal Welfare Grant Program	-	0.6	0.6	-	-
– Augusta Childcare Centre	-	0.2	-	-	-
Other Spending					
– Public Sector Wages Policy	10.8	10.0	13.0	15.4	15.5
– Ex-Tropical Cyclone Ellie					
Freight Assistance Package	30.0	12.0	-	-	-
Community and Industry Recovery Officer Program	0.2	0.5	-	-	-
– Buccaneer Archipelago Marine Parks	-	9.5	7.3	3.4	3.5
– Sheep and Goat Electronic Identification System	-	12.2	9.4	0.6	-
– Future Drought Fund Program Extension	-	15.6	4.4	0.2	-
– Emergency Animal Disease Preparedness	-	2.0	2.3	2.0	1.5
– Climate Action Fund – Climate Adaptation					
Southern Rangelands Revitalisation Project					
Extension	-	1.9	1.8	1.7	1.5
Watersmart Farms – Phase 2 Industry Growth	-	0.9	1.1	1.6	1.4
Sectoral Adaptation Plan	-	-	0.4	0.4	-
– Ord-East Kimberley Expansion Project	-	2.0	1.9	1.8	-
– Aquaculture Development Plan for Western Australia – Implementation ^(b)	-	1.6	1.5	1.2	1.2
– Government Regional Officer Housing Update	0.9	0.8	1.0	0.8	1.5
– Yerriminup Agribusiness Precinct Activation	4.0	-	-	-	-
– Collie Industry and Attraction Fund – Green Steel WA					
Collie Electric Arc Furnace Steel Mill Feasibility Study	-	2.7	-	-	-
– Declared Pest Account	-	0.3	0.3	0.3	1.5
– Digital Capability Fund – Fisheries Digital Transformation Project	-	1.4	-	-	-
– Northern Australian Coordination Network	0.8	0.5	-	-	-
– Rural, Regional and Remote Network	-	0.3	0.2	0.2	0.1
– Digital Capability Fund – Shark Notification and Response System Update ^(c)	-	0.6	-	-	-

Table 4 (cont.)

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
MINES, INDUSTRY REGULATION AND SAFETY					
– Public Sector Wages Policy	11.4	9.7	13.0	16.2	22.0
– Sustainable Geoscience Investments	-	7.1	8.6	8.7	8.7
– Building Engineers Registration	-	0.6	1.2	1.5	1.6
– Tenancy Advocacy and Education Services	-	2.4	2.5	-	-
– Work Health and Safety Act 2020	-	1.5	1.0	1.0	1.0
– Decarbonisation Support	-	2.0	0.8	0.8	0.8
– Increased Scope of Plumbing Regulation	-	0.7	0.9	1.0	1.0
– Occupational Licensing	-	2.7	-	-	-
– Climate Action Fund – Green Energy Approvals	– (d)	0.1	0.2	0.2	0.2
– Government Support Package for Koolyanobbing Iron Ore (Administered)	-6.2	-	-	-	-
MINERALS RESEARCH INSTITUTE OF WESTERN AUSTRALIA					
– Grant Funding	-	1.0	1.0	1.0	1.0
WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY					
– Public Sector Wages Policy	0.1	0.1	0.2	0.2	0.3
SMALL BUSINESS DEVELOPMENT CORPORATION					
– Public Sector Wages Policy	0.4	0.3	0.5	0.6	0.2
– Digital Capability Fund – Service WA for Business	-	0.5	0.5	-	-
– Government Grants Management Solution	-	0.7	-	-	-
ECONOMIC REGULATION AUTHORITY					
– Energy Markets Function	-	1.1	1.1	1.2	1.2
INFRASTRUCTURE WA					
– Public Sector Wages Policy	0.1	0.1	0.2	0.2	0.3
– 2023-24 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
WESTERN AUSTRALIAN GREYHOUND RACING ASSOCIATION					
– Public Sector Wages Policy	0.2	0.3	0.4	0.5	0.7
BURSWOOD PARK BOARD					
– Park Maintenance	-	0.5	0.5	-	-
– Public Sector Wages Policy	0.1	0.1	0.1	0.1	0.1

(a) Transferred from Treasury Administered Transactions (authorised under section 25(4) of the *Financial Management Act 2006*).

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

(c) This item has both recurrent and capital expenditure, the majority of which is capital and is therefore detailed in Chapter 6.

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

Note: Rows may not add due to rounding.

Jobs, Tourism, Science and Innovation***Edith Cowan University (ECU) Inner City Campus***

The Government has committed a total of \$199 million in grants and land towards the \$853 million ECU inner city campus project. In addition to a \$100 million grant that was provided to ECU in 2021, the Department will spend \$49 million over 2022-23 to 2025-26 on grant payments to ECU (as the State's contribution towards higher project costs). This spending was transferred from Treasury to the Department following execution of a variation to the funding agreement between the State and ECU.

Invest and Trade Western Australia

This Budget includes additional spending of \$28.2 million over the forward estimates on the State's network of invest and trade overseas offices, including establishment of a new Americas invest and trade 'hub' office in Texas.

International Education

To support the ongoing recovery of the international education sector, an additional \$13.1 million will be spent over the forward estimates on various targeted support measures. This includes extending the International Student Accommodation Subsidy, the English Language Intensive Courses for Overseas Students Bursary, and a marketing campaign to attract international students.

Major Events Fund

To secure additional blockbuster events, the Government has increased its Major Events Fund by \$10 million in 2023-24, bringing the Fund to \$30 million. Attracting large scale events to the State is a mechanism to motivate domestic and international tourists to visit Western Australia.

New Industries Fund

An allocation of \$9.1 million over 2023-24 and 2024-25 has been made from the Investment Attraction Fund to expand the New Industries Fund. This allocation aims to boost innovation and entrepreneurship in the State, through providing additional grants and increasing access to seed funding.

Global Marketing Campaign

The Department will spend \$6 million in 2023-24 to continue the 'It's Like No Other' global marketing campaign for a further twelve months. This campaign promotes Western Australia as an ideal place to visit, study, invest and work.

Kimberley Flood Tourism Recovery Package

See Department of Fire and Emergency Services.

Business Events Perth

Tourism WA will provide an additional \$5 million to Business Events Perth in 2024-25 to continue annual funding at \$10.5 million per annum. This spending will help Perth to secure additional national and international business events, such as conferences, meetings, exhibitions and tradeshow.

Science Research Grants

Both the Western Australian Biodiversity Science Institute and the Western Australian Marine Science Institution conduct high-quality collaborative scientific research to support the sustainable management of the State's biodiversity and marine environments. To further support the research efforts of these organisations, the Government has approved additional expenditure totalling \$5.6 million over the period 2023-24 to 2027-28.

Climate Action Fund – Green Energy Approvals

See Department of Water and Environmental Regulation.

Financial Assistance to Ozgene ARC Pty Ltd (Ozgene)

Under the *Industry and Technology Development Act 1998*, financial assistance of up to \$7 million will be provided to Ozgene. This assistance is in relation to the transition of the Animal Resources Authority's functions to Ozgene. Of this amount, the Department will expense \$3.5 million in 2022-23, with the remaining assistance provided as a repayable loan.

Scitech Discovery Centre

The Government has approved a 10% uplift in grant funding to the Scitech Discovery Centre, at a cost of \$3.4 million over the forward estimates.

Climate Action Fund – Climate Adaptation

See Department of Water and Environmental Regulation.

Affordable Airfares Program

Tourism WA will spend \$3 million in 2023-24, funded from the Aviation Recovery Fund, to extend the Affordable Airfares Program for a further twelve months. Under this program, the State will subsidise the cost of over 34,000 airfares from Perth to Exmouth, Broome and Kununurra to stimulate visitation to the regions.

Climate Action Fund – Renewable Hydrogen

Renewable hydrogen was identified as a targeted diversification opportunity in the Government's Future State: Accelerating Diversify WA Strategy. To further support the growth of this industry, \$3 million will be spent over 2023-24 and 2024-25 on various activities such as planning for large scale renewable energy zones, and developing business cases.

Attracting Skilled Migrants

The Department will spend an additional \$2.4 million over 2022-23 to 2026-27 to attract skilled migrants to Western Australia to assist with addressing the labour challenges faced by the construction industry. This includes expanding the 'It's Like No Other' global marketing campaign and providing migration advice via the London overseas invest and trade office.

LNG Jobs Taskforce

The LNG Jobs Taskforce provides a forum for the Government to work with industry on opportunities and challenges relating to the LNG sector. Expenditure of \$2 million over 2023-24 and 2024-25 has been approved to continue the LNG Jobs Taskforce for a further two years.

Future Battery and Critical Minerals Industries Strategy

The Government has approved expenditure of \$1.7 million in 2023-24, funded from the Investment Attraction Fund, to implement priority activities relating to the Future Batteries and Critical Minerals Industries Strategy. This includes developing business cases to support the development of the downstream battery industry, research to identify investment barriers for the sector, and hosting an international Battery and Critical Minerals Summit.

Intellectual Property Policy

An amount of \$1.4 million will be spent over the forward estimates to implement the updated Western Australian Government Intellectual Property Policy. This includes developing an online training and resource hub, and establishing a panel of commercialisation experts that agencies can consult for advice.

Climate Action Fund – Decarbonisation of Heavy Industry

The Government has approved expenditure of \$1.3 million in 2023-24 to undertake four studies to inform the Department's development of the Heavy Industry Sectoral Emissions Reduction Strategy.

Biodiscovery Bill

The Biodiscovery Bill aims to establish a framework for accessing and commercialising Western Australia's genetic plant and animal resources. The Government has committed \$600,000 over 2023-24 and 2024-25 to meet the costs of consultation with industry stakeholders, researchers, and Aboriginal people, and to engage a consultant to finalise the technical aspects of the Bill's regulations and guidelines.

Digital Economy Strategy

The Department will spend \$500,000 over 2023-24 and 2024-25 to develop a Digital Economy Strategy. This strategy will aim to enhance the State's capabilities in the emerging digital sector, including artificial intelligence.

Primary Industries and Regional Development

Election Commitments

Waroona Town Centre Revitalisation Project

The Waroona Town Centre Revitalisation Project aims to utilise land in the town centre to provide an inclusive community precinct, and an additional \$2.4 million will be spent in 2023-24 on the project.

Food Technology Facility (FTF) Project

An additional \$2.2 million will be spent in 2022-23 to enable the fit-out of the FTF Project in the Peel Business Park. The FTF Project is being delivered in partnership with the Future Food Systems Cooperative Research Centre and Murdoch University and will provide 1,000 m² of manufacturing space to facilitate value adding of Western Australian produce.

Animal Welfare Grant Program

Additional funding of \$600,000 per annum in 2023-24 and 2024-25 has been approved for the Animal Welfare Grant Program, which provides grants to charities and non-government organisations to encourage responsible pet ownership and provide animal welfare services.

Augusta Childcare Centre

The Department will spend an additional \$200,000 in 2023-24 towards required refurbishment works on a property identified for a 24-place childcare facility in Augusta.

Other Spending

Ex-Tropical Cyclone Ellie

See Department of Fire and Emergency Services.

Buccaneer Archipelago Marine Parks

The Government has allocated \$23.8 million over 2023-24 to 2026-27 following the creation of the Buccaneer Archipelago Marine Parks. This includes \$10 million for an Industry Support and Transition Package, and \$13.8 million for the Department's compliance, education, research and monitoring, and fisheries management responsibilities. An additional \$7.5 million in capital expenditure over 2023-24 to 2024-25 will be invested to support operational activities and includes the purchase of a 20-metre purpose-built vessel to undertake long range sea patrols across the marine park and for two amphibious vessels to patrol shallower waters.

Sheep and Goat Electronic Identification (eID) System

To support the implementation of a mandatory eID system for sheep and goats in Western Australia by 1 January 2025 and enable the State to meet National Livestock Traceability Performance Standards, an additional \$22.2 million will be spent over 2023-24 to 2025-26. The new eID system will support whole-of-life traceability, enable the rapid response and management of any emergency animal disease incursion, and support continued market access.

Future Drought Fund Program Extension

The Commonwealth Future Drought Fund programs, Farm Business Resilience and Regional Drought Resilience Planning, will be extended by three years with an additional \$20.2 million allocated to the programs over 2023-24 to 2025-26. These programs are jointly funded with the Commonwealth on a 50:50 basis.

Emergency Animal Disease (EAD) Preparedness

Western Australia's capability and capacity to respond to an EAD outbreak will be strengthened with an additional \$7.9 million over 2023-24 to 2026-27 for a range of biosecurity measures. Capital investment of \$2.6 million over 2023-24 to 2025-26 for diagnostic and laboratory management infrastructure has also been approved for EAD preparedness.

Climate Action Fund – Climate Adaptation

See Department of Water and Environmental Regulation.

Ord-East Kimberley Expansion Project

To meet residual contractual, environmental and legal obligations for the Ord-East Kimberley Expansion Project, additional spending of \$5.7 million has been approved over 2023-24 to 2025-26. A further \$3 million in capital expenditure in 2024-25 has also been approved for land acquisition for environmental offsets as part of this initiative.

Aquaculture Development Plan for Western Australia – Implementation

In 2020, the State Government announced the Aquaculture Development Plan to build Western Australia's aquaculture industry and assist local operators in taking advantage of the rising global demand for quality seafood. Expenditure of \$5.5 million over 2023-24 to 2026-27 has been approved to further progress the Plan, including initiatives to reduce barriers to entry and increase site availability. Capital investment of \$1 million over 2023-24 to 2026-27 has also been approved for the Plan.

Yerriminup Agribusiness Precinct Activation

The Government has approved \$4 million in 2022-23 towards activation of the Yerriminup Agribusiness Precinct, located near Mount Barker, which will support regional development and jobs growth. The spending will assist with the delivery of common-user service infrastructure, including water, power and road requirements at the Precinct.

Collie Industry and Attraction Fund – Green Steel WA Collie Electric Arc Furnace Steel Mill Feasibility Study

An allocation of \$2.7 million in 2023-24 from the Collie Industry and Attraction Fund has been approved to enable Green Steel WA to undertake a Collie Electric Arc Furnace Steel Mill Feasibility Study.

Declared Pest Account

To meet the State's funding obligations under the *Biosecurity and Agriculture Management Act 2007*, additional expenditure of \$2.5 million over 2023-24 to 2026-27 has been approved.

Digital Capability Fund – Fisheries Digital Transformation Project (FDTP)

The Department is undertaking the FDTP with the objective of transforming the digital management, compliance and assessment of the State's fisheries resources. Spending of \$1.4 million in 2023-24 has been approved for Stage 1 of the FTDP, including the establishment of project governance, upgrades to the current licensing and entitlement system and upgrades to technology infrastructure supporting FishEye data capture.

Northern Australian Coordination Network

Under the Commonwealth's Northern Australian Coordination Network, the Department will spend \$1.3 million over 2022-23 and 2023-24 on emergency animal disease preparedness in the north of the State.

Rural, Regional and Remote Network

An additional \$700,000 will be provided over 2023-24 to 2026-27 to continue the Rural, Regional and Remote Network for women in regional Western Australia.

Mines, Industry Regulation and Safety

Sustainable Geoscience Investments

As part of a \$40 million package to accelerate the search for critical mineral and energy discoveries, the Department will spend an additional \$33.1 million on a range of sustainable geoscience initiatives and support measures, including increased workforce capacity and capability and ICT enhancements to improve online Mineral Titles services. A further \$3.3 million in capital investment has been allocated for the Carlisle Core Library laboratory and storage facilities.

Building Engineers Registration

The Department will spend an additional \$4.9 million over 2023-24 to 2026-27 to implement, administer and enforce the Amendment Regulations (Building Services) Regulations 2022 associated with the establishment of a building engineers registration scheme.

Tenancy Advocacy and Education Services (TAES)

An additional \$4.9 million will be spent over 2023-24 and 2024-25 to provide a temporary uplift in the capacity of the TAES network to meet increased demand for its tenancy assistance services and programs.

Work Health and Safety Act 2020 (WHS Act)

An additional \$4.5 million will be spent over 2023-24 to 2026-27 to ensure continuity of service delivery and provide ongoing education and reinforcement of the WHS Act and accompanying regulations.

Decarbonisation Support

As part of the Government's commitment to decarbonisation, the Department will spend \$4.4 million over the forward estimates to investigate legislative and regulatory changes that will support the State's electricity networks to transition to a greater use of low emissions electricity generation.

Increased Scope of Plumbing Regulation

To meet the expanded scope of regulatory functions arising from amendments to the Plumbers Licensing and Plumbing Standards Regulations 2020, \$3.6 million will be spent over the forward estimates to address projected increases in notifiable plumbing works inspections and investigation activities.

Occupational Licensing

As part of a broader package of Government initiatives to assist the construction industry, an additional \$2.7 million will be spent in 2023-24 to extend existing temporary resourcing across the Department's licence processing functions, as well as provide an increase to the processing capacity of the Collie Licensing Hub.

Climate Adaptation – Green Energy Approvals

See Department of Water and Environmental Regulation.

Government Support Package for Koolyanobbing Iron Ore (Administered)

The estimated royalty rebate paid to Mineral Resources Limited for continuation of iron ore mining at Koolyanobbing has been revised down by \$6.2 million in 2022-23 largely due to the impact on royalties of lower prices received on sales. The lower rebate has no net debt impact as it is fully offset by lower royalty collections.

Minerals Research Institute of Western Australia (MRIWA)

Grant Funding

As part of the Government's \$40 million Sustainable Geoscience Investments package, MRIWA will spend an additional \$4 million over the forward estimates to expand research and innovation in net zero and waste reduction projects.

Small Business Development Corporation

Digital Capability Fund – Service WA for Business

The Corporation will spend a total of \$1.1 million over 2023-24 and 2024-25 to design an effective interface to engage with small and medium businesses to ensure appropriate alignment and integration with the Service WA App, in partnership with the Office of Digital Government.

Government Grants Management Solution

The Corporation will invest \$677,000 in 2023-24 to design an enhanced whole-of-government grants management solution and develop a business case in partnership with the Office of Digital Government.

Economic Regulation Authority

Energy Markets Function

The Government has approved expenditure of \$4.6 million over 2023-24 to 2026-27 for additional industry-funded staff to undertake the additional responsibilities under the new design of the Wholesale Electricity Market that commences in October 2023. The additional responsibilities include new functions related to market modelling, market-power mitigation and market development and reviews.

Burswood Park Board

Park Maintenance

The Burswood Park Board will spend an additional \$540,000 per annum in 2023-24 and 2024-25, reflecting increased labour and park maintenance costs, for a two-year extension of the landscaping and park maintenance contract.

HEALTH

Table 5

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
WA HEALTH					
– Public Sector Wages Policy	168.4	121.6	159.9	192.0	222.6
– General Health Hospital Services	255.1	349.0	143.7	61.3	-50.3
– Non-Hospital Services Expenditure	49.5	156.5	77.6	64.3	58.3
– COVID-19 Response	49.8	24.0	6.7	-	-
– Non-Government Human Services Sector Indexation	-	6.1	10.7	14.3	38.3
– Commonwealth Agreements	17.9	15.2	-	-	-
– Emergency Department Reform Initiatives	1.0	16.4	4.1	-	-
– South West Aboriginal Medical Service Health Hub	-	10.0	8.3	-	-
– Digital Capability Fund – Cyber Security and Critical Health ICT Infrastructure Program ^(a)	-	3.1	4.4	4.4	3.9
– Workforce Attraction and Retention	4.7	6.0	1.4	1.4	-
– Peel Health Campus Transformation Transition Costs	-	6.5	-	-	-
– Digital Capability Fund – Outpatient Reform Smart Referrals ^(b)	-	0.2	1.1	1.1	1.5
MENTAL HEALTH COMMISSION					
– Mental Health Hospital Services	9.3	24.3	20.8	17.4	10.9
– Emergency Department Reform Initiatives	-	23.7	6.0	6.2	6.3
– Infants, Children and Adolescents (ICA) Taskforce					
Bunbury ICA Mental Health Service Hub Pilot	-	1.9	2.6	2.7	-
Child and Adolescent Mental Health Services Uplift ^(b)	-	0.9	1.8	1.9	1.9
Aboriginal Mental Health Workers	-	1.2	1.6	1.5	1.5
Touchstone Service Expansion	-	0.7	1.4	1.4	1.4
East Metropolitan Acute Care Response Team Pilot ^(b)	-	0.7	1.4	1.5	-
– Non-Government Human Services Sector Indexation	-	2.2	3.8	4.9	12.3
– Public Sector Wages Policy	2.4	2.3	3.1	4.5	6.0
– Suicide Prevention	-	-	9.8	-	-
– Commitment to Aboriginal Youth Wellbeing - East Kimberley Psychiatric Services	-	1.3	1.3	1.4	1.4
– Community Contracts Uplift	-	4.7	-	-	-
– Criminal Law (Mental Impairment) Reforms	-	3.0	-	-	-
HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE					
– Public Sector Wages Policy	0.1	0.1	0.2	0.2	0.3

(a) This item has both recurrent and capital expenditure, the majority of which is capital and is therefore detailed in Chapter 6.

(b) This expenditure is also included within the Emergency Department Reform Package of initiatives totalling \$74.9 million across the Health and Mental Health portfolios.

Note: Rows may not add due to rounding.

WA Health

General Health Hospital Services

The Government will spend an additional \$841.4 million over 2022-23 to 2026-27 on hospital services (of which \$758.8 million relates to general health and \$82.6 million to mental health). This uplift reflects:

- maintaining additional bed capacity to support better patient flow and reduce bed block; and
- additional resourcing for regional services, largely pertaining to workforce, improved conditions negotiated under settled industrial agreements and higher Superannuation Guarantee contributions, and COVID-19 related costs (including infection prevention and control within the hospital system and enhanced cleaning).

Non-Hospital Services Expenditure

Spending on non-hospital services will increase by \$406.1 million over 2022-23 to 2026-27, to enable WA Health to meet its contractual obligations, address various cost and demand pressures, and continue the provision of expiring priority programs. Increased non-hospital services expenditure includes:

- \$239.5 million over 2022-23 to 2026-27 to meet contractual obligations and additional contract management costs, including the new, modernised five-year ambulance services contract with St John WA;
- \$73.6 million for updated cost and demand indexation, increased RiskCover premiums, conditions negotiated under settled EBAs, and additional COVID-19 related costs;
- \$38.4 million to meet additional operational costs of HealthNext, due to increased complexity and growth in ICT infrastructure and data consumption requirements associated with health system growth;
- \$28.3 million in 2023-24 to continue the provision of uplifted health system support services (i.e. ICT, human resources, procurement and supply services); and
- \$26.3 million for other key recurrent initiatives, including \$13 million for specialist regional services, and \$7.1 million for End of Life Choices.

COVID-19 Response

The Government has approved additional spending of \$77.9 million over 2022-23 to 2024-25 (\$80.4 million recurrent spending partially offset by a \$2.5 million reduction in inventory purchases) on residual costs related to WA Health's response to COVID-19. This includes:

- \$48.6 million for direct COVID-19 costs in 2022-23 including vaccination delivery, pathology testing, and infection, prevention and control measures;
- \$17 million over 2023-24 and 2024-25 for the continuation of uplifted public health resourcing (in 2023-24) and ICT systems to manage and ensure adequate preparedness for future pandemics and health disease threats (with \$10.5 million to be funded from the Digital Capability Fund); and
- \$12.3 million for additional warehousing costs (for Rapid Antigen Tests and personal protective equipment) over 2022-23 and 2023-24.

Commonwealth Agreements

Under various Commonwealth funding agreements, an additional \$33.1 million will be spent over 2022-23 and 2023-24. This includes \$13.1 million for the Commonwealth Home Support Program, \$12.2 million related to the cost of blood and blood products under the National Blood Agreement, \$6.7 million for the Disability Support to Older Australians expansion and \$1 million for the expansion of the BreastScreen Australia Program.

Emergency Department Reform Initiatives

The Government will spend an additional \$74.9 million on Emergency Department (ED) initiatives across the Health and Mental Health portfolios over 2022-23 to 2026-27, of which \$10.1 million forms part of the Infants, Children and Adolescents Taskforce response. This includes (see also Mental Health Commission):

- the continuation of reform work undertaken as part of the Emergency Access Response program, at a cost of \$8.2 million over 2023-24 and 2024-25;
- \$6 million (recurrent) in 2023-24 to progress towards the establishment of a State Health Operations Centre (SHOC). A further \$1 million has also been approved for Computer Aided Dispatch and Fit-out capital costs;
- \$3.9 million across 2022-23 and 2023-24 for an extension of Integrated Older Adults Models of Care services at the North Metropolitan Health Service, including the Geriatric Assessment Team, ED Care Navigator, and Geriatric Residential Outreach program; and
- \$3.4 million in 2023-24 to extend the Community Health in a Virtual Environment (Co HIVE) Residential Aged Care Facilities program.

South West Aboriginal Medical Service Health Hub

The Government will contribute \$18.3 million over 2023-24 and 2024-25 to match Commonwealth funding to support the construction of a new South West Aboriginal Health Hub in Bunbury. This Health Hub will provide additional mental health programs and other health services to address the rising demand for Aboriginal medical services in the South West.

Workforce Attraction and Retention

To assist with workforce attraction and retention (particularly in the regions), the Government is investing a further \$28.5 million on the following:

- a targeted payment of up to \$12,000 over three years for HECS-HELP debt relief for up to 350 newly qualified nurses and midwives commencing employment in regional Western Australia in 2023-24, with priority given to hard-to-staff sites (\$4.2 million over 2023-24 to 2025-26);
- \$3.6 million in 2023-24 for Health Service Providers to further support an increased intake of graduate nurses and midwives;
- \$4.7 million in additional funding to continue temporary employee incentives across 75 hard-to-staff regional locations in 2023 (taking total spending on these temporary regional incentives to \$12.9 million);
- \$1 million in 2023-24 to continue WA Health's *Belong* advertising and recruitment campaign; and
- a further \$15 million provisioned in 2023-24 for the highest priority health and mental health related Temporary Regional Incentives (see Global Provisions later in this chapter).

Peel Health Campus Transformation Transition Costs

To support the transition of privately run health services at the Peel Health Campus back into public hands, an additional \$6.5 million will be spent in 2023-24 reflecting the one year extension to the transition date.

Mental Health Commission

Mental Health Hospital Services

See WA Health – General Health Hospital Services.

Emergency Department Reform Initiatives

The Government will invest in the following initiatives as part of \$74.9 million in new ED reform investment in the 2023-24 Budget across the Health and Mental Health portfolios (see also Health), of which \$10.1 million forms part of the Infants, Children and Adolescents Taskforce response:

- WA Country Health Service (WACHS) Mental Health Emergency Telehealth Service – \$24.4 million over 2023-24 to 2026-27 to continue the Mental Health Emergency Telehealth Service delivered by WACHS. Currently available at 90 sites across all regions, this service ensures regional mental health patients can receive treatment in their community;
- Active Recovery Team Pilot Extension – \$9.9 million to continue the Active Recovery Team Pilot in 2023-24. These multi-disciplinary teams currently operate across eight sites and provide coordinated and tailored mental health treatment in the community for acute and complex presentations over a 90-day period; and
- Community Treatment Uplift – \$8 million in 2023-24 to continue a 5% uplift in mental health community treatment services, to provide enhanced support.

Infants, Children and Adolescents Taskforce

Continuing the Government's response to the Infants, Children and Adolescents (ICA) Taskforce report, an additional \$35.5 million will be invested over 2022-23 to 2026-27. This includes \$7.7 million in capital spending to reconfigure Perth Children's Hospital Ward 5A (see Chapter 6 – WA Health).

The following initiatives form part of the Government's 2023-24 Budget response:

- Bunbury ICA Mental Health Service Hub Pilot – \$7.1 million for a 2.5-year pilot of a multidisciplinary team in Bunbury, providing a single front door for infants, children and adolescents requiring more intensive support than is available in a primary care setting;
- Aboriginal Mental Health Workers – \$5.8 million over 2023-24 to 2026-27 for 10 FTEs to provide culturally safe and responsive care to Aboriginal children and families, and support access and engagement with ICA mental health services;
- Touchstone Service – \$4.8 million over 2023-24 to 2026-27 to expand this specialised intensive treatment service for children aged 12 to 17 years with complex personality disorders; and
- also forming part of ED reform initiatives:
 - Child and Adolescent Mental Health Services Uplift – \$6.4 million over 2023-24 to 2026-27 to continue a 9.5 FTE uplift which has improved wait times and increased patient satisfaction; and

- East Metropolitan Acute Care Response Team Pilot – \$3.6 million for a 2.5-year pilot at the East Metropolitan Health Service for a mobile team to provide urgent outreach in a home setting to de-escalate and prevent ED presentations and provide crisis stabilisation following discharge from an ED.

Suicide Prevention

To ensure the continued delivery of vital suicide prevention services across the State (covering prevention/early intervention, support/aftercare, postvention, and services for Aboriginal people), an additional \$9.8 million will be invested in 2024-25.

Commitment to Aboriginal Youth Wellbeing – East Kimberley Psychiatric Services

Recognising the importance of mental health service provision in the East Kimberley, additional spending of \$5.4 million over 2023-24 to 2026-27 has been allocated to continue psychiatry and staff educator positions funded under the Commitment to Aboriginal Youth Wellbeing.

Community Contracts Uplift

The Government will spend an additional \$4.7 million in 2023-24 to support the continuation of critical mental health and alcohol and other drug community services.

Criminal Law (Mental Impairment) Reforms

See Department of Justice.

EDUCATION AND TRAINING

Table 6

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
EDUCATION					
– Revision to School Enrolments	34.3	56.8	59.2	49.9	36.2
– Public Sector Wages Policy ^(a)	67.1	39.1	47.8	47.3	-
– Grants to Non-Government Schools	4.1	10.7	14.0	13.4	46.5
– National Student Wellbeing Program	7.7	7.7	7.7	7.7	7.7
– Australian Curriculum Review	-	3.8	9.6	8.4	2.5
– Non-Government Human Services Sector Indexation	-	0.3	0.5	0.7	1.7
– Preventative Maintenance ^(b)	-	1.7	-	-	-
– Inner City Primary School	0.5	0.2	0.2	0.2	0.2
– Independent Review of Western Australia's University Sector ^(a)	0.6	0.4	-	-	-
TRAINING AND WORKFORCE DEVELOPMENT					
– National Agreement on Skills and Workforce Development Revenue Update	-	4.0	8.8	9.6	-
– Public Sector Wages Policy	2.9	2.6	3.3	4.2	-
– Work Placement Stipend and Travel Assistance for Regional Diploma of Nursing Students ^(a)	-	0.9	1.3	0.7	-
– TAFE Scholarships for Women in Non-traditional Occupations ^(a)	-	0.4	0.8	0.8	0.8
– Travel and Accommodation for Regional Students ^(a)	-	1.3	1.3	-	-
– Heavy Vehicle Driver Training Program Expansion ^(a)	-	0.3	0.7	0.7	0.7
– Support Program for Aboriginal Jobseekers ^(a)	-	0.4	0.8	0.4	-
– Non-Government Human Services Sector Indexation	-	0.1	0.1	0.2	0.4
– Visa Subsidies Program	-	0.5	-	-	-
TAFE COLLEGES					
– Public Sector Wages Policy	8.2	6.5	8.8	11.2	-
– International Student Enrolment Forecasts	2.5	1.3	-	-	-
– TAFE Colleges Temporary Regional Attraction and Retention Allowance	0.7	2.2	-	-	-
– Kimberley Juvenile Justice Strategy ^(a)	-	1.3	1.4	-	-
BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD					
– 2023-24 Operational Plan and New Initiatives	-0.6	14.1	11.6	13.4	14.8

(a) Initiative either partially or fully funded from internally reprioritised expenditure.

(b) This item has both recurrent and capital expenditure, the majority of which is capital and is therefore detailed in Chapter 6.

Note: Rows may not add due to rounding.

Education

Revision to School Enrolments

Spending on public schools has been revised up by \$236.4 million over 2022-23 to 2026-27, driven by an upward revision in mainstream student enrolment projections, as well as an increase in the number of students with a disability and eligible students with English as an additional language or dialect.

Grants to Non-Government Schools

Grants to non-government schools have been revised up by \$88.8 million over 2022-23 to 2026-27 mostly due to higher than forecast enrolments in Semester 1, 2023.

National Student Wellbeing Program

The Government signed the National Student Wellbeing Program in December 2022, resulting in additional spending of \$38.6 million over 2022-23 to 2026-27 funded by the Commonwealth to support student wellbeing through pastoral care services and student support strategies.

Australian Curriculum Review

In April 2022, State and Territory Education Ministers endorsed version 9.0 of the Australian Curriculum. To support adopting and adapting the updated curriculum across seven learning areas, general capabilities and cross-curriculum priorities for implementation by Western Australian schools, an additional \$24.3 million will be spent over 2023-24 to 2026-27. This includes updating the syllabus, developing teaching and assessment materials and training teachers for classroom delivery of the new curriculum.

Inner City Primary School

The Government has allocated \$1.3 million over 2022-23 to 2026-27 towards the completion of a Business Case for a new Inner City Primary School in East Perth, including expenditure associated with site investigations and project resourcing. The preferred site in East Perth will be finalised pending completion of the business case and negotiations with the City of Perth.

Independent Review of Western Australia's University Sector

As part of the Government's independent review into the structure of the State's public university sector, \$991,000 will be spent by the Department over 2022-23 and 2023-24 to support the review.

Training and Workforce Development

National Agreement on Skills and Workforce Development Revenue Update

The Department will spend an additional \$22.5 million over 2023-24 to 2025-26 on services supporting training delivery, reflecting an update to Commonwealth funding estimates under the National Agreement on Skills and Workforce Development.

Work Placement Stipend and Travel Assistance for Regional Diploma of Nursing Students

To ease cost pressures for regional students undertaking a Diploma of Nursing, \$2.9 million will be spent over 2023-24 to 2025-26 to introduce a stipend of \$350 per week and a travel allowance for students who need to travel to complete their practical work placements.

TAFE Scholarships for Women in Non-traditional Occupations

To increase female workforce participation in traditionally male-orientated sectors, the Government will spend \$2.6 million (and a further \$400,000 beyond the forward estimates) on a scholarship program and associated supports for women in non-traditional trade and technical occupations (capped at 400 places).

Travel and Accommodation for Regional Students

The Government will increase travel and accommodation allowances for apprentices and trainees who travel long distances for off-the-job training, at a cost of \$2.5 million over 2023-24 and 2024-25.

Heavy Vehicle Driver Training Program Expansion

In response to ongoing demand for heavy vehicle drivers, the Government will spend \$2.3 million from 2023-24 to 2026-27, (and a further \$333,000 beyond the forward estimates), to expand the Heavy Vehicle Driver Training Program to the Kimberley and Pilbara. A further \$820,000 in asset investment in 2023-24 has been allocated to purchase two vehicles to support this expansion.

Support Program for Aboriginal Jobseekers

The Government will spend \$1.6 million over 2023-24 to 2025-26 to extend an existing pilot program providing targeted support services to Aboriginal jobseekers.

Visa Subsidies Program

The Department will spend \$450,000 in 2023-24 to administer the Visa Subsidies Program to attract skilled migrants to the residential and commercial construction sector. This program aims to attract around 1,100 skilled migrants by providing visa subsidies of up to \$10,000. A provision of \$11 million in 2023-24 has been allocated for this initiative – see Provisions later in this chapter.

TAFE Colleges

International Student Enrolment Forecasts

Reflecting updated estimates of international student enrolments undertaking training over 2023 and 2024, spending across the TAFE colleges has been increased by \$3.7 million over 2022-23 and 2023-24.

TAFE Colleges Temporary Regional Attraction and Retention Allowance

To support training delivery in targeted regional locations, the Government will spend \$2.9 million in 2023 on a temporary regional attraction and retention incentive at hard to staff locations within North Regional TAFE and Central Regional TAFE.

Kimberley Juvenile Justice Strategy

See Department of Justice.

Building and Construction Industry Training Board

2023-24 Operational Plan and New Initiatives

Consistent with its operational plan, the Building and Construction Industry Training Board will increase spending by \$53.3 million over 2022-23 to 2026-27 on initiatives to support training in the construction sector.

2023–24 Economic and Fiscal Outlook

New initiatives include the introduction of a completion bonus and tool allowance to encourage construction apprentices to complete their qualifications (\$4.2 million), and an increase in the base employer grant for all third and fourth year apprentices from \$10,000 to \$12,000 (\$26.9 million).

COMMUNITY SAFETY

Table 7

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
WESTERN AUSTRALIA POLICE FORCE					
Election Commitments					
– Criminal Law (Mental Impairment) Reforms	-	0.6	-	-	-
Other Spending					
– Public Sector Wages Policy	58.7	53.8	72.8	105.7	139.2
– Road Trauma Trust Account – Road Safety Programs and Initiatives	-	4.4	5.3	5.4	5.4
– Road Trauma Trust Account – Safety Cameras	-	4.9	5.5	4.8	4.6
– Police Services Expenditure	-	4.7	13.4	-	-
– Digital Capability Fund – Technology Improvement Program ^(a)	-	12.5	-	-	-
– Operation Regional Shield	-	11.7	-	-	-
– Emergency Services Radio Network ^(a)	1.4	4.4	2.1	0.2	0.2
– Firearms Amendment Bill 2023	1.0	1.4	2.6	-	-
JUSTICE					
Election Commitments					
– Casuarina Prison Alcohol and Other Drug Unit	-	6.0	-	-	-
– Criminal Law (Mental Impairment) Reforms	-	1.9	-	-	-
Other Spending					
– Public Sector Wages Policy	43.8	35.1	47.3	60.3	72.4
– RiskCover Fund Insurance Premiums	-	55.6	-	-	-
– Criminal Injuries Compensation Payments	33.3	-	-	-	-
– Banksia Hill Detention Centre	1.4	6.2	6.4	3.7	3.8
– Community Legal Services Demand	-	4.7	4.8	-	-
– Kimberley Juvenile Justice Strategy	-	3.7	5.4	-	-
– Non-Government Human Services Sector Indexation	-	0.5	0.9	1.1	2.9
– Digital Capability Fund – Office of the Public Advocate Customer Relationship Management System	-	1.5	1.3	0.8	0.7
– Interim Privacy Commissioner Function	-	1.0	0.5	-	-
– South West Young Driver Training Program Extension	-	0.2	0.2	0.2	0.2
– Ex-Tropical Cyclone Ellie – Community and Industry Recovery Officer Program	0.1	0.3	0.2	-	-
STATE SOLICITOR'S OFFICE					
Election Commitments					
– Criminal Law (Mental Impairment) Reforms	-	0.2	-	-	-
Other Spending					
– Public Sector Wages Policy	1.9	1.8	2.2	3.2	4.1
– Demand for Legal Services	2.5	5.8	1.7	-	-
LEGAL AID COMMISSION OF WESTERN AUSTRALIA					
Election Commitments					
– Criminal Law (Mental Impairment) Reforms	-	0.3	-	-	-
Other Spending					
– Public Sector Wages Policy	2.7	2.3	3.2	4.6	5.4
– Legal Aid Private Practitioner Rate	-	2.0	2.4	2.5	2.6
– Digital Capability Fund – Digital Transformation Program	-	3.1	2.3	1.1	0.6

Table 7 (cont.)

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
FIRE AND EMERGENCY SERVICES					
Ex-Tropical Cyclone Ellie					
– Recovery Taskforce	2.2	6.9	4.1	0.1	0.1
– Clean-up Program	11.0	19.0	-	-	-
– Community and Industry Recovery Officer Program	1.5	3.1	2.1	-	-
Other Spending					
– State Disaster Recovery Capability	-	6.3	5.9	5.9	6.0
– Public Sector Wages Policy	3.6	3.2	4.2	5.2	6.5
– Cardup Career Fire Rescue Service Station - Operational Costs	-	1.3	4.4	6.5	6.5
– Coastal and Estuarine Risk Mitigation Program	10.7	0.5	0.6	-	-
– Community Benefit Fund and Resilience Grant Program	-	9.2	-	-	-
– Australian Fire Danger Rating System	-	0.5	0.5	0.5	0.5
– Digital Capability Fund – Marine Rescue Log On- Log Off Application ^(a)	-	0.3	0.8	0.3	0.3
– RiskCover Insurance Premiums	-	1.5	-	-	-
– Local Government Fire and Emergency Services Fleet	1.3	-	-	-	-
– Consolidated Emergency Services Act	-	1.1	-	-	-
– Digital Capability Fund – Western Australian Emergency Services Digital Strategy	-	0.9	-	-	-
– Emergency Services Radio Network ^(a)	0.3	-	-	-	-
– Severe Tropical Cyclone Seroja	-64.9	-5.0	-	-	-
OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS					
Election Commitments					
– Criminal Law (Mental Impairment) Reforms	-	0.3	-	-	-
Other Spending					
– Public Sector Wages Policy	2.1	2.0	2.8	4.1	1.3
– Demand for Prosecution Services	0.2	- ^(b)	0.3	0.8	1.3
– Digital Capability Fund – Strategic ICT Program ^(a)	-	0.4	0.4	0.2	0.2
CORRUPTION AND CRIME COMMISSION					
– Public Sector Wages Policy	0.9	0.8	1.0	1.3	1.9
– 2023-24 Streamlined Budget Process Incentive Funding	-	0.6	-	-	-
CHEMISTRY CENTRE (WA)					
– Public Sector Wages Policy	0.9	0.8	1.1	1.4	1.9
– 2023-24 Streamlined Budget Process Incentive Funding	-	0.2	-	-	-
OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES					
– Public Sector Wages Policy	0.1	0.1	0.1	0.2	0.2
– 2023-24 Streamlined Budget Process Incentive Funding	-	0.1	-	-	-
PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION					
– Public Sector Wages Policy	-	- ^(b)	-	-	-
– 2023-24 Streamlined Budget Process Incentive Funding	- ^(b)	- ^(b)	(b)	- ^(b)	- ^(b)

(a) This item has both recurrent and capital expenditure, the majority of which is capital and is therefore detailed in Chapter 6.

(b) Amounts under \$50,000.

Note: Rows may not add due to rounding.

Western Australia Police Force

Election Commitments

Criminal Law (Mental Impairment) Reforms

See Department of Justice.

Other Spending

Road Trauma Trust Account – Road Safety Programs and Initiatives

To address community-based road safety issues, the Road Safety Commission will spend an additional \$20.5 million over the forward estimates to deliver expanded education partnerships and campaigns, and to increase post-crash support services and local safe street programs.

A further \$1.5 million in 2023-24 has been allocated to the Department of Transport's Driving Access and Equity program to help disadvantaged learner drivers to obtain a driver's licence.

Road Trauma Trust Account – Safety Cameras

The Government has approved an allocation of \$19.7 million from the Road Trauma Trust Account over 2023-24 to 2026-27 to procure and operate additional safety cameras, which will include six new mobile point-to-point multi-offence cameras.

Police Services Expenditure

To address operating cost pressures and service priorities, the Western Australia Police Force will spend an additional \$18.2 million over 2023-24 and 2024-25 on the continuation of Operation Heat Shield in 2023-24, police officer medical expenses, ICT and building lease costs, other contractual expenses, and police officer attraction and retention incentives.

Operation Regional Shield

The Western Australia Police Force will spend \$11.7 million in 2023-24 on the continuation of Operation Regional Shield, a targeted operation focused on reducing youth crime in the regions.

Firearms Amendment Bill 2023

To support reform of the State's firearms legislation, the Government will spend \$5.1 million over 2022-23 to 2024-25 to transition existing licenses to the new regime, including implementation of a buyback scheme for high calibre firearms.

Justice

Election Commitments

Casuarina Prison Alcohol and Other Drug Unit

To support the treatment and rehabilitation of male offenders at Casuarina Prison, an additional \$6 million will be spent in 2023-24 to extend the Alcohol and Other Drug program.

Criminal Law (Mental Impairment) Reforms

The Government has committed \$6.7 million in 2023-24 to prepare for the implementation of the Criminal Law (Mental Impairment) reforms. This includes:

- \$2.8 million for the Mental Health Commission, State Forensic Mental Health Service, Mental Health Advocacy Service and Office of the Chief Psychiatrist for preparation and transition costs; and
- \$1.9 million for the Department to coordinate and prepare for the new legislation.

A further \$2.1 million will be spent in 2023-24 on preparation activities for the Department of Communities (\$752,000), the Western Australia Police Force (\$589,000), the Office of the Director of Public Prosecutions (\$293,000), the Legal Aid Commission (\$265,000) and the State Solicitor's Office (\$169,000).

Other Spending

RiskCover Fund Insurance Premiums

To meet higher than budgeted RiskCover Fund insurance premiums, the Department will spend an additional \$55.6 million in 2023-24, primarily driven by historical workers' compensation claims.

Criminal Injuries Compensation Payments

To cover compensation payments to victims of crime under the *Criminal Injuries Compensation Act 2003*, the Government has allocated an additional \$33.3 million in 2022-23. The increased payments are attributed to a higher volume of applications following improved community awareness.

Banksia Hill Detention Centre

Following the Government's decision at the 2022-23 Mid-year Review to establish a provision for a new service model, \$15.9 million will be allocated to the Department of Justice to fund an additional 38 Youth Custodial Officers at Banksia Hill Detention Centre.

A further \$5.6 million will be spent over 2023-24 and 2024-25 to extend support programs and activities for detainees.

Community Legal Services Demand

In response to continued demand for legal assistance services, the Government will provide an additional \$9.5 million over 2023-24 and 2024-25 to maintain service levels for Community Legal Centres across the State.

Kimberley Juvenile Justice Strategy

To address youth crime and support at-risk youth in the Kimberley, the Government has approved additional spending of \$11.8 million over 2023-24 and 2024-25 for the Kimberley Juvenile Justice Strategy, comprising:

- \$5.1 million to continue current initiatives, including the existing night patrols, structured activities and youth engagement program;
- \$4 million to pilot a new Immediate Response Safe Space initiative in Broome; and
- \$2.7 million to continue the North Regional TAFE learning program in Broome and Kununurra.

Digital Capability Fund – Office of the Public Advocate Customer Relationship Management System

The Government has allocated \$4.3 million over the forward estimates period to replace the Office of the Public Advocate's customer relationship management system. The new system will improve the efficiency and standard of service delivery for Western Australians with decision-making disabilities.

Interim Privacy Commissioner Function

As part of establishing an interim Privacy Commissioner function for the sector, an additional \$1.4 million will be spent over 2023-24 and 2024-25 on resources to provide legal advice and commence planning and preparation activities associated with the Privacy and Responsible Information Sharing Bill.

South West Young Driver Training Program Extension

To continue the South West End-to-End Young Driver Training Program in Bunbury and Collie, the Government has allocated an additional \$810,000 over the forward estimates period. The program supports young people at risk of entering the criminal justice system to learn to drive and obtain their driver's licence.

Ex-Tropical Cyclone Ellie – Community and Industry Recovery Officer Program

See Department of Fire and Emergency Services.

State Solicitor's Office

Election Commitments

Criminal Law (Mental Impairment) Reforms

See Department of Justice.

Other Spending

Demand for Legal Services

To meet growing demand for legal services and manage high-priority court actions, the State Solicitor's Office will spend an additional \$10 million over 2022-23 to 2024-25 on resourcing, external counsel and other litigation costs.

Legal Aid Commission of Western Australia

Election Commitments

Criminal Law (Mental Impairment) Reforms

See Department of Justice.

Other Spending

Legal Aid Private Practitioner Rate

The Government has committed \$9.4 million over 2023-24 to 2026-27 to lift the standard hourly rate for private practitioners engaged by the Commission to align Western Australia's private practitioner rate with the national average.

Digital Capability Fund – Digital Transformation Program

To improve the delivery and accessibility of legal information and advice, an additional \$7 million will be spent over the forward estimates period to redesign the Commission's website to enable integrated digital services targeted to clients' legal needs, including across multiple communication channels (call centre, face-to-face, mobile and online).

Fire and Emergency Services (DFES)

Ex-Tropical Cyclone Ellie

The Government has made a number of major investments totalling \$322.1 million to assist communities in the Kimberley recover from the impacts associated with Ex-Tropical Cyclone Ellie (funding for some items can only be disclosed following negotiations with the Commonwealth Government). The spending initiatives include the following jointly funded State and Commonwealth projects:

- \$80 million in 2022-23 for Main Roads to complete emergency road recovery work, such as reconnecting the Great Northern Highway at Fitzroy Crossing, new temporary low-level crossings, implementation of a barge system across the Fitzroy River, Gibb River Road reinstatement works and permanent road repairs at Willare and Fitzroy Crossing;
- \$42 million over 2022-23 and 2023-24 for the Department of Primary Industries and Regional Development (DPIRD) for the Freight Assistance Package to offset the impact of increased freight costs for flood-affected Kimberley businesses;
- \$33 million over 2022-23 and 2023-24 for the Department of Communities (Communities) to stand-up temporary accommodation in the short-medium term for flood affected families in Fitzroy Crossing and Derby, while their damaged homes are being repaired or rebuilt;
- \$30 million over 2022-23 and 2023-24 for the Clean-up Program delivered by DFES and the Shire of Derby West Kimberley, for the immediate clean up and debris removal from residences and local communities, the disposal of debris to landfill and management of hazardous waste; and
- \$9.2 million over 2022-23 to 2024-25 for the Community and Industry Recovery Officer Program delivered jointly by DFES, Communities, DPIRD and the Department of Justice, to coordinate welfare support, provide referrals to services, legal and technical advice in relation to environmental planning and business financial counselling advice to support the community's recovery.

The Kimberley Recovery Housing and Community Roads Package, delivered jointly by Communities, Department of Planning, Lands and Heritage and Main Roads, is still being negotiated with the Commonwealth. This initiative includes repair and rebuild of 121 flood damaged houses in the Fitzroy Valley and repair flood-affected internal community access roads.

In addition, the State Government will fund and deliver:

- \$13.4 million over 2022-23 to 2026-27 for DFES to fund the Recovery Taskforce. The taskforce will comprise 20 FTEs for two years while a further 12 FTEs will be employed for the initial 12 months to manage and support recovery in the Kimberley;

- the Tourism Flood Recovery Package, which includes additional tourism marketing, 19,000 discount airfares to Broome and Kununurra and a tourism voucher program at a cost of \$5.9 million in 2022-23;
- a total of \$5 million over 2022-23 and 2023-24 for the Lord Mayor's Distress Relief Fund for the Kimberley Floods appeal and to fund the Premier's Relief Payment of \$1,000 to eligible Kimberley residents to replace damaged personal items; and
- \$336,000 in 2022-23 to meet the additional demand for flights between Derby and Broome in the wake of the floods.

Other Spending

State Disaster Recovery Capability

To enhance the Department's ability to provide support following natural disasters, the Government has committed \$24.1 million over 2023-24 to 2026-27 to create an additional 29 positions to establish a sustainable State disaster recovery capability. In addition, \$284,000 will be spent on office accommodation for the new employees.

Cardup Career Fire Rescue Service (CFRS) Station – Operational Costs

Staffing and operating the new Cardup CFRS Station, which is expected to be operational by 2024-25, will cost an additional \$18.7 million over 2023-24 to 2026-27.

Coastal and Estuarine Risk Mitigation Program

An additional \$19.7 million will be spent over 2022-23 to 2024-25 on eight projects to assist communities in mitigating disasters relating to coastal hazards with \$19.2 million being funded by the Commonwealth under the Coastal and Estuarine Risk Mitigation Program National Partnership Agreement. DFES is responsible for administering the projects with seven projects to be delivered by local government (\$11.8 million), and the Coast Capture WA project to be delivered by the Department of Transport (\$7.9 million).

Community Benefit Fund and Resilience Grant Program

To meet existing recovery needs, the Government will spend \$9.2 million in 2023-24 to provide grants to 16 local governments affected by Tropical Cyclone Seroja. Eligible local governments can access the grant program in order to deliver local recovery priorities and to improve the resilience of evacuation facilities and other essential community infrastructure.

Emergency Services Radio Network

See Western Australia Police Force in Chapter 6.

Australian Fire Danger Rating System (AFDRS)

To ensure ongoing support for the new AFDRS the Department will spend \$2 million over 2023-24 to 2026-27 on ongoing system maintenance, including user support, live data analysis and governance arrangements and reporting.

Digital Capability Fund – Marine Rescue Log On – Log Off Application

See Department of Transport in Chapter 6.

Local Government Fire and Emergency Services Fleet

An additional \$1.3 million will be spent in 2022-23 to meet estimated cost increases associated with grants paid to local governments in respect of the Volunteer Brigades and Units fleet replacement program, administered by DFES, reflective of the global economic impacts on the supply of raw materials, fuel and freight.

Consolidated Emergency Services (CES) Act

To continue the consolidation of existing emergency services legislation into the CES Act, which will remove ambiguities and inconsistencies, and better reflecting current emergency services practices, an additional \$1.1 million will be spent in 2023-24.

Digital Capability Fund – Western Australian Emergency Services Digital Strategy

The Department will develop the Western Australian Emergency Services Digital Strategy – a roadmap for investment in digital technology to increase the effectiveness and efficiency of the State's emergency management by multiple agencies across Western Australia, at a cost of \$864,000 in 2023-24.

Severe Tropical Cyclone Seroja

Spending on initiatives related to the recovery from Severe Tropical Cyclone Seroja, which were expected to be delivered under the Disaster Recovery Funding Arrangements (DRFA) has been revised down. This is largely attributable to greater than expected levels of insurance held by individuals and small businesses.

The Government has reprioritised the majority of the State's portion of the lower than expected spending to fund the State Disaster Recovery Capability, the Community Benefit Fund and the Resilience Grants Program, to assist communities impacted by Severe Tropical Cyclone Seroja and ensure preparedness for future natural disasters.

Office of the Director of Public Prosecutions

Election Commitments

Criminal Law (Mental Impairment) Reforms

See Department of Justice.

Other Spending

Demand for Prosecution Services

To meet projected growth in the demand for prosecution services, an additional \$2.6 million will be spent over 2022-23 to 2026-27, including legal brief-out costs and ICT costs associated with storing digital evidence.

COMMUNITY SERVICES

Table 8

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
COMMUNITIES					
Election Commitments					
– Seniors' Safety and Security Rebate	-	0.4	0.4	-	-
Other Spending					
– National Disability Insurance Scheme Contributions	-	284.0	242.0	205.0	162.0
– Public Sector Wages Policy	48.8	42.1	55.2	71.1	73.8
– Investment in Child Protection Services	35.1	23.1	29.0	7.4	29.2
– Investment in Family and Domestic Violence Services	0.2	13.9	12.5	12.9	13.0
– Non-Government Human Services Sector Indexation	-	3.4	5.4	7.4	18.6
– Ex-tropical Cyclone Ellie					
– Temporary Accommodation	9.2	23.8	-	-	-
– Kimberley Recovery Housing and Community Roads Package ^(a)	-	-	-	-	-
– Community and Industry Recovery Officer Program	0.2	0.6	0.4	-	-
– Aboriginal Community Connectors Program	-	7.5	7.7	7.9	8.1
– Investment in Homelessness Services	4.5	2.5	4.8	5.6	7.1
– Seniors' Cost of Living Rebate	-	1.2	2.9	4.8	6.7
– RiskCover Fund Insurance Premiums	1.5	9.5	-	-	-
– Digital Capability Fund – National Disability Data Asset	-	-	3.8	-	-
– Increase to Hardship Utilities Grant Limits	0.3	0.7	0.7	0.8	0.8
– State Seniors Strategy	-	0.6	0.9	0.3	0.3
– Criminal Law (Mental Impairment) Reforms	-	0.7	-	-	-
LOCAL GOVERNMENT, SPORT, AND CULTURAL INDUSTRIES					
– WACA Ground Improvements and Aquatic Centre	-	66.2	12.5	1.0	-
– Public Sector Wages Policy	5.8	4.9	6.5	8.2	11.1
– Community Sporting and Recreation Facilities Fund	-	7.5	7.5	-	-
– Banned Drinkers Register/Takeaway Alcohol Management System	0.1	5.0	4.5	0.8	-
– Community Capital Works Fund	-	3.0	3.0	-	-
– Shire of Serpentine-Jarrahdale – Keirnan Park Recreation Precinct Development	2.0	-	-	-	-
– Regulatory Reform Program	-	1.7	-	-	-
– State Hockey Centre ^(b)	-	0.3	0.4	0.4	0.4
– Casino Reform – Implementation	-	1.4	-	-	-
– Strengthening the WA Economy Through Diverse Communities	-	0.3	0.2	0.3	0.2
– Digital Capability Fund – Online Central Registration System ^(b)	-	0.2	0.2	0.2	0.2
– Financial Assistance for Pet Rescue Organisations	-	0.2	0.2	0.2	0.2
– Climate Action Fund – Climate Adaptation – Climate Change Adaptation Modelling	-	0.5	-	-	-
– Humanitarian Aid for the Chin Community (Myanmar)	0.5	-	-	-	-
– Albany Entertainment Centre	-	0.4	-	-	-
– Art Gallery of WA – Business Case	-	0.2	-	-	-

Table 8 (cont.)

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
WESTERN AUSTRALIAN SPORTS CENTRE TRUST					
– Revised Financial Forecasts	-	30.5	32.2	33.8	35.2
– Optus Stadium Design, Build, Finance and Maintain Contract – Update	0.1	4.5	7.8	14.5	-0.1
– Optus Stadium Loan Interest Rate – Update	0.4	7.3	4.7	3.3	3.3
– Public Sector Wages Policy	1.8	1.6	2.1	2.5	5.6
– State Football Centre	1.1	-	-	-	-

(a) Confidential – subject to ongoing negotiations with the Commonwealth.

(b) This item has both recurrent and capital expenditure, the majority of which is capital and is therefore detailed in Chapter 6.

Note: Rows may not add due to rounding.

Communities

Election Commitments

Seniors' Safety and Security Rebate

As part of the Government's 2021 election commitment to deliver a \$12 million Seniors' Safety and Security Rebate Scheme, a further \$710,000 will be spent over 2023-24 and 2024-25 on additional resourcing to ensure timely processing of applications.

Other Spending

National Disability Insurance Scheme Contributions

The State's contribution to the National Disability Insurance Scheme (NDIS) is forecast to increase by \$893 million over the forward estimates period, reflecting higher than expected growth in participants joining the Scheme. A further \$374 million has been provisioned in the Budget for indexation pending the outcomes of negotiations with the Commonwealth (see Provisions later in this chapter). In 2022-23, the State's NDIS payments to the Commonwealth are forecast to total \$1.1 billion.

Investment in Child Protection Services

This Budget invests a further \$123.8 million into the child protection system and supporting services to protect vulnerable children and at-risk youth, and their families. This includes:

- \$106 million over the forward estimates period to meet the increasing costs of delivering child protection services;
- \$6.1 million in 2023-24 for a six-month extension, and a contract uplift, of existing out-of-home care (OOHC) service contracts to ensure the continuation of critical care services for children and young people whilst the OOHC recommissioning process is finalised. A further \$13.5 million will be spent over 2022-23 and 2023-24 to purchase new dwellings to support progress towards implementing the OOHC reforms (see Chapter 6); and

- \$11.7 million over 2023-24 and 2024-25 to extend service delivery at all 20 sites of the Target 120 program to 30 June 2025 so at-risk youth continue to receive culturally appropriate supports to reduce the incidence of reoffending.

Investment in Family and Domestic Violence (FDV) Services

As part of this Budget, an additional \$52.5 million has been invested in the provision of FDV services in metropolitan and regional Western Australia, including:

- \$18.3 million over 2023-24 to 2026-27 to support contracted services for FDV refuges and safe houses;
- \$16.3 million over 2023-24 to 2026-27 for the establishment and operation of a Broome FDV hub, designed to respond to FDV and support Aboriginal family safety;
- \$13.4 million to continue specialist FDV services at the Mirrabooka and Kalgoorlie one-stop FDV hubs, while expanding the footprint of the hub in Mirrabooka to incorporate a dedicated space for children and upgrading the client management system; and
- \$3.4 million in 2023-24 for a one-year extension of specialist non-government FDV support services to support the Government's Enhanced FDV Response Team model.

Ex-Tropical Cyclone Ellie

See Department of Fire and Emergency Services.

Aboriginal Community Connectors Programs

The Government has committed \$31.1 million over 2023-24 to 2026-27 to continue the Aboriginal Community Connectors Program in 13 locations across the State. The program aims to connect vulnerable people with culturally responsive crisis supports including mediation and engagement services and safe transport options to support personal and community safety.

Investment in Homelessness Services

This Budget invests an additional \$107 million over the forward estimates period to support the continuation of homelessness services and respond to ongoing homelessness issues. The total package includes:

- a \$49 million provision for a Regional Supportive Landlord Model, largely funded from a \$46 million draw down from the Social Housing Investment Fund;
- a \$36.9 million upward revision as a result of the Commonwealth's population adjustment for the National Housing and Homelessness Agreement (NHHA);
- \$8.3 million to support the operation and maintenance of the Geraldton Aboriginal Short Stay Accommodation facilities;
- \$6.9 million to provide wrap-around support and tenancy services at the East Perth Common Ground facility;

- \$3.9 million to boost resourcing for the Office of Homelessness to support the delivery of All Paths Lead to Home: Western Australia's 10-year Strategy on Homelessness; and
- \$1.9 million to extend the Koort Boodja service and for Perth homelessness services.

Seniors' Cost of Living Rebate

As part of the Government's \$715 million cost of living package, expenditure on Seniors' Cost of Living Rebate payments will be increased by \$15.6 million over 2023-24 to 2026-27, reflecting increased population forecasts and movements in the Consumer Price Index. As a result, the payment will increase from \$100.71 for singles and \$151.03 for couples in 2022-23 to \$111.98 for singles and \$167.93 for couples in 2026-27.

RiskCover Fund Insurance Premiums

The Department will spend \$11 million in 2022-23 and 2023-24 due to unavoidable increases in RiskCover Fund insurance premiums, primarily relating to claims against the State for historical abuse in care settings.

Digital Capability Fund – National Disability Data Asset

To support Western Australia's participation in the National Disability Data Asset project, a total of \$3.8 million in 2024-25 is being provisioned in the Digital Capability Fund for Western Australia's future contributions to the project, with release of the funds subject to confirmation of the project terms and conditions.

Increase to the Hardship Utilities Grant Limits

To assist with the cost of living, the Government will provide a 10% increase to the maximum annual grant limit, with grants of up to \$640 per household, or \$1,060 for households above the 26th parallel, resulting in additional expenditure of \$3.3 million between 2022-23 and 2026-27. This measure forms part of the Government's \$715 million cost of living package implemented in this Budget.

State Seniors Strategy

To support the State's inaugural 10-year Seniors Strategy, \$2 million has been provided over the forward estimates period to implement the Strategy's first five-year action plan to support better outcomes for Western Australian seniors.

Criminal Law (Mental Impairment) Reforms

See Department of Justice.

Local Government, Sport, and Cultural Industries

WACA Ground Improvements and Aquatic Centre

The State Government has approved additional expenditure of \$79.7 million (inclusive of a \$25 million contribution from the City of Perth) over 2023-24 to 2025-26 for the WACA ground redevelopment and a community aquatic facility. The additional expenditure will meet cost pressures and recognise the State's contribution to the aquatic facility.

Community Sporting and Recreation Facilities Fund (CSRFF)

The CSRFF provides financial assistance to community clubs and local governments, contributing to the cost of sport and recreation infrastructure. An additional \$15 million has been added to the Fund, which will be spent over 2023-24 and 2024-25, bringing the total committed under the Fund to \$20 million each year.

Banned Drinkers Register/Takeaway Alcohol Management System

To support the extension and enhancement of the Banned Drinkers Register and Takeaway Alcohol Management System trial across the Pilbara, Kimberley, Goldfields and Carnarvon regions, an additional \$10.4 million will be spent over 2022-23 to 2025-26.

Community Capital Works Fund

A total of \$6 million will be provided over 2023-24 and 2024-25 to provide capital works grants to culturally and linguistically diverse (CaLD) communities. The grants will assist CaLD community associations to undertake refurbishments, maintenance and other minor capital works.

Shire of Serpentine Jarrahdale – Keirnan Park Recreation Precinct Development

The State's total contribution to stage 1A of the Keirnan Park Recreational Precinct will increase to \$22 million, through an additional grant of \$2 million provided to the Shire of Serpentine Jarrahdale.

Regulatory Reform Program

An additional \$1.7 million will be spent in 2023-24 to extend the activities of the temporary regulatory reform team, that is developing and improving priority regulatory reforms across the liquor and local government portfolios.

Casino Reform – Implementation

To support the implementation of reforms in line with the Government's response to the recommendations of the Perth Casino Royal Commission Final Report, a further \$1.4 million will be spent in 2023-24. The reforms include the establishment of the Office of the Independent Monitor, strengthening of the regulatory framework including the operations of the Gaming and Wagering Commission, and the introduction of betting limits on electronic gaming machines.

Strengthening the WA Economy through Diverse Communities

Grants totalling \$1 million over the forward estimates will be provided to facilitate an expansion of the Department's funding of annual business and multicultural festivals.

Financial Assistance for Pet Rescue Organisations

Additional expenditure of \$200,000 per year over the forward estimates has been approved to allow for an uplift in funding to support pet rescue organisations.

Climate Action Fund – Climate Adaptation – Climate Change Adaptation Modelling

See Department of Water and Environmental Regulation.

Humanitarian Aid for the Chin Community (Myanmar)

Humanitarian aid of \$500,000 was provided in 2022-23 to support relief efforts for minority groups in Myanmar.

Albany Entertainment Centre

To support Government's future consideration of essential remediation works to the Albany Entertainment Centre, a project definition plan will be developed at a cost of \$400,000 in 2023-24.

Art Gallery of Western Australia – Business Case

Options for possible upgrades and storage solutions for the Art Gallery of Western Australia will be detailed in an updated business case at a cost of \$200,000 in 2023-24.

Western Australian Sports Centre Trust (VenuesWest)

Revised Financial Forecasts

Largely due to the combined impact of increased activity across venues and inflation on salaries costs, and other operating expenses such as cleaning and security services, an additional \$131.7 million will be spent over 2023-24 to 2026-27, partly offset by an increase in revenue (\$99 million).

Optus Stadium Design, Build, Finance and Maintain (DBFM) Contract – Update

Additional expenditure of \$26.9 million over 2022-23 to 2026-27 has been approved following an update to operating cost requirements under the 25-year Optus Stadium DBFM contract with Weststadium. Under the DBFM, a monthly service payment is provided to Weststadium, with a component of costs linked to CPI, to maintain the Stadium in good operating order, including the scheduled replacement of property, plant fittings and equipment as required.

Optus Stadium Loan Interest Rate – Update

Following an update to interest rate projections, additional expenditure of \$19 million has been approved over 2022-23 to 2026-27 to meet higher financing costs under the Optus Stadium loan arrangement.

State Football Centre

VenuesWest will spend \$1.1 million in 2022-23 on pre-opening and transition expenses to ensure the venue is ready for the FIFA Women's World Cup, bringing total investment in the project to \$47 million, including \$16.3 million of Commonwealth funding.

TRANSPORT

Table 9

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
TRANSPORT					
Election Commitments					
– Regional Airfare Zone Cap	4.7	16.0	-	-	-
– Digital Capability Fund – Log On / Log Off Marine Safety Mobile Application	-	1.3	0.2	-	-
Other Spending					
– Public Sector Wages Policy	9.5	7.9	10.3	12.6	12.6
– Westport Business Case	8.5	9.7	3.6	0.2	-
– Westport Enabling Works	0.5	7.4	2.7	-	-
– Coast Capture WA	-	2.4	2.5	3.0	-
– METRONET Program Coordination	2.6	3.9	1.7	-	-1.7
– Towing Industry Reform	-	2.0	2.2	-	-
– Driving Access and Equity Program	-	1.5	-	-	-
– Kununurra-Halls Creek-Balgo Regular Passenger Transport Air Service	-	0.2	0.2	0.2	0.2
– Climate Action Fund – Climate Adaptation – Study into Remote Aboriginal Community Airstrips	-	0.8	-	-	-
– Queen Elizabeth II Medical Centre (QEIMC) Access and Mobility Incentives	0.2	0.5	-	-	-
– Ex-Tropical Cyclone Ellie Disaster Package – Derby-Broome Air Services	0.3	-	-	-	-
– Infringement Management Reform Project ^(a)	-	0.1	-	-	-
COMMISSIONER OF MAIN ROADS					
Election Commitments					
– Cost Increases – Local Government Road Projects	-	12.9	-	-	-
Other Spending					
– Ex-Tropical Cyclone Ellie – Roads Recovery	80.0	-	-	-	-
– Public Sector Wages Policy	9.3	9.1	13.1	18.5	-
– State Road Funds to Local Government Agreement	-	6.8	5.6	4.5	3.5
– Cost Increase – Munjina Road over Rail Bridge	13.0	-	-	-	-
– Bridges Renewal Program	-	1.9	4.1	2.5	-
– Wanneroo Raceway – Bus Facilities	1.5	4.0	-	-	-
– Warmun Airstrip Upgrade	-	2.3	-	-	-
– Shepperton Road Bus Lane Improvements	-	2.0	-	-	-
– High Voltage Event – Traffic Management	-	1.0	-	-	-
– QEIMC Access and Mobility Initiatives	-	0.1	0.4	-	-
– Ex-Tropical Cyclone Ellie – Kimberley Recovery Housing and Community Roads Package ^(b)	-	-	-	-	-
PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA ^(c)					
– Cost and Funding Updates	-	60.1	52.7	41.9	32.0
– Public Transport Patronage	11.1	46.2	-	-	-
– Charging for Transport Services for Commercial Events at Optus Stadium	-	8.8	8.8	8.8	8.8
– Fare Free Sunday Sessions	-	0.9	0.9	-	-
– Mid-Tier Transport Planning ^(a)	-	0.4	-	-	-
– METRONET – Update to Operating Costs	-17.8	-11.7	-6.9	7.5	8.5

(a) This item has both recurrent and capital expenditure, the majority of which is capital and is therefore detailed in Chapter 6.

(b) Confidential – subject to ongoing negotiations with the Commonwealth.

(c) Represented in general government expenses as grants and subsidies, sourced from the Consolidated Account or a Treasurer's Special Purpose Account and paid through the Department of Treasury.

Note: Rows may not add due to rounding.

Transport

Election Commitments

Regional Airfare Zone Cap

Demand for regional capped airfares has greatly increased following the introduction of the scheme in July 2022. Under the scheme, residents of regional communities less than 1,000 km driving distance from Perth pay no more than \$199 one-way and those over 1,000 km driving distance a maximum of \$299 one way. To meet this increased demand, an additional \$20.7 million will be spent over 2022-23 and 2023-24.

Digital Capability Fund – Log On / Log Off Marine Safety Mobile Application

The Government will invest \$1.4 million over 2023-24 and 2024-25 to develop a new Log on / Log off Marine Safety mobile phone application. The app will allow users to log their maritime vessel trips with marine rescue teams and improve the safety of boaters heading out to sea. Further funding of \$1.7 million will be provided for the ongoing operational management of the app over 2023-24 to 2026-27 (see Department of Fire and Emergency Services).

Other Spending

Westport Business Case

An additional \$21.9 million has been allocated over 2022-23 to 2025-26 to complete the Westport business case.

Westport Enabling Works

The Westport Office will spend \$10.6 million over 2022-23 to 2024-25 to commence complex works with long lead times, including seeking environmental approvals and undertaking geotechnical investigations.

Coast Capture WA

Commonwealth funding totalling \$7.9 million received under the Coastal and Estuarine Risk Mitigation Program National Partnership Agreement will be spent across 2023-24 to 2025-26 to collect aerial imagery of coastal landforms and seabeds in order to improve coastal planning and management outcomes.

METRONET Program Coordination

Increased operating funding of \$6.4 million has been allocated over 2022-23 and 2023-24 for the METRONET Office to coordinate the continued delivery of the METRONET program of works, including procuring independent commercial advice and technical advisory services.

Towing Industry Reform

To implement the Government's towing industry reforms that address concerns about price gouging and predatory and unscrupulous behaviour, a Towing Governance and Regulation Team will be established at a cost of \$4.3 million over 2023-24 and 2024-25. A further \$130,000 will be spent on interim IT costs in 2024-25 to deliver the reforms.

Driving Access and Equity Program

The Driving Access and Equity Program trial, which helps disadvantaged learner drivers (particularly those in regional Western Australia) obtain their driver's licence, will be extended for another year, with a further \$1.5 million (funded from the Road Trust Trauma Account) to be spent in 2023-24, bringing the total to \$5.8 million.

Kununurra-Halls Creek-Balgo Regular Passenger Transport Air Service

The Government will establish a permanent third weekly air service for the Kununurra-Halls Creek-Balgo Regular Passenger Transport air route through an annual subsidy of \$200,000.

Climate Action Fund – Climate Adaptation – Study into Remote Aboriginal Community Airstrips

See Department of Water and Environmental Regulation.

Queen Elizabeth II Medical Centre (QEIMC) Access and Mobility Initiatives

The Department will spend \$750,000 across 2022-23 and 2023-24 on initiatives to improve transport access to the QEIMC, including active mobility road network improvements and the management of mobility and parking programs. A further \$800,000 will be spent on related initiatives by Main Roads (external road network improvements to increase mobility and access, \$400,000) and the Department of Health (parking and mobility programs, \$400,000).

Ex-Tropical Cyclone Ellie Disaster Package – Derby-Broome Air Services

See Department of Fire and Emergency Services.

Commissioner of Main Roads

Ex-Tropical Cyclone Ellie – Roads Recovery

See Department of Fire and Emergency Services.

State Road Funds to Local Government Agreement

As a result of a forecast increase in motor vehicle licence fee revenue, Main Roads' expenditure on local road projects under the State Road Funds to Local Government Agreement will increase by \$20.3 million over the period 2023-24 to 2026-27.

Bridges Renewal Program

An amount of \$8.5 million will be spent over 2023-24 to 2025-26 to replace two single lane bridges with new dual lane structures on Carlton Hill Road near Kununurra and to replace the Nangetty-Walkaway Road Bridge over the Greenough River, which will improve access for local communities. The local governments (the Shire of Wyndham-East Kimberley and the City of Greater Geraldton, respectively) will also contribute to the projects.

Wanneroo Raceway – Bus Facilities

To facilitate faster and more efficient public transport services for V8 Supercars events, \$5.5 million has been allocated to Main Roads over 2022-23 and 2023-24 to improve the bus station facilities that service the raceway.

Warmun Airstrip Upgrade

To allow for all weather landing conditions and improve safety for aircraft, \$2.3 million will be spent in 2023-24 to seal the Warmun airstrip. The sealing of the airstrip will enable year-round access for essential services into the remote Aboriginal community of Warmun.

Shepperton Road Bus Lane Improvements

As part of upgrade works to support the management of traffic during the upcoming shutdown of the Armadale rail line, an additional \$2 million will be spent in 2023-24 to relocate service utilities assets along Shepperton Road.

High Voltage Event – Traffic Management

To support the 2023 High Voltage event in Fremantle, Main Roads will spend \$1 million on traffic management activities, including for event planning and managing the movement of cars and buses.

QEII MC Access and Mobility Initiatives

See Department of Transport.

Ex-Tropical Cyclone Ellie – Kimberley Recovery Housing and Community Roads Package

See Department of Fire and Emergency Services.

Public Transport Authority

Cost and Funding Updates

As a result of changes to economic growth parameters and other cost input drivers (such as the forecast Consumer Price Index and fuel costs), an additional \$186.9 million is forecast to be spent by the Authority on delivering public transport services over 2023-24 to 2026-27.

Public Transport Patronage

While public transport patronage has recovered strongly following the COVID-19 pandemic, the operating subsidy paid to the Authority will increase by \$57.2 million over 2022-23 and 2023-24 to offset lower-than-forecast fare revenue (relative to 2022-23 Budget settings) from Transperth and Transwa services.

Charging for Transport Services for Commercial Events at Optus Stadium

Additional operating subsidy of \$35 million will be paid to the Authority between 2023-24 and 2026-27 to deliver transport services for events held at Optus Stadium. The increase reflects a change in the funding arrangements for these services (with VenuesWest's funding to be reduced by an offsetting amount of \$29.1 million) and the costs of implementing a uniform charging regime (\$5.9 million), under which the State will subsidise 50% of transport costs for all commercial events at Optus Stadium.

Fare Free Sunday Sessions

To promote the use of public transport and assist with cost of living, free travel on regular Transperth services for all SmartRider users will be provided on the first Sunday of each month, at a cost of \$1.9 million.

METRONET – Update to Operating Costs

Following updates to various project parameters, including the previously announced revised delivery date for the Thornlie-Cockburn Link, the operating subsidy paid to the Authority will decrease by \$20.3 million over 2022-23 to 2026-27.

ENVIRONMENT

Table 10

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
BIODIVERSITY, CONSERVATION AND ATTRACTIONS					
– Public Sector Wages Policy	13.3	11.3	15.2	18.8	25.3
– Forest Management Plan 2024-2033	-	36.0	-	-	-
– Rottnest Island Authority – Wadjemup Burial Ground and Quod Project (Stage 2) ^(a)	-	3.4	3.6	1.8	0.2
– Implementing the Western Australian Feral Cat Strategy	-	1.7	1.7	1.8	1.9
– Climate Action Fund – Climate Adaptation – Supporting Climate Resilience and Adaptive Capacity of Western Australia's Threatened Species	-	0.7	1.0	1.0	1.0
– Carbon Farming Ongoing Funding	-	-	-	-	1.5
– Perth and Peel Regional Planning	-	0.4	0.2	0.2	-
– Climate Action Fund – Green Energy Approvals	- ^(b)	0.1	0.2	0.2	0.2
– Collie Adventure Trails Network Maintenance	-	0.1	0.1	0.2	0.2
– Climate Action Fund – Climate Adaptation – Sector Adaptation Plan for the Natural Environment Sector	-	-	0.3	0.3	-
WATER AND ENVIRONMENTAL REGULATION					
– Public Sector Wages Policy	6.4	5.6	7.0	8.7	2.6
– Climate Action Fund – Green Energy Approvals	1.7	6.4	5.8	5.8	5.9
– Climate Action Fund – Climate Adaptation	-	3.7	3.9	2.7	1.5
– Climate Action Fund – Urban Greening Grants	-	1.3	2.5	-	-
– Healthy Estuaries WA	-	-	6.3	6.3	6.3
– Compliance Resourcing	-	1.5	1.5	1.5	1.5
– Food Waste for Healthy Soils	2.1	1.9	1.6	-	-
– Building Climate Action Capacity	-	0.2	0.9	1.1	1.6
– Perth and Peel Regional Planning	-	1.1	0.5	0.5	-
– Approved Recovered Materials	-	1.0	0.8	-	-
– Digital Capability Fund – Native Vegetation Policy Implementation	-	0.5	0.6	0.6	-
– Noise Regulation Assessments Resourcing	-	0.2	0.2	0.2	0.2
– Murujuga Aboriginal Corporation Resourcing	0.1	0.2	0.1	-	-
– National Pollutant Inventory Resourcing	-	0.2	0.2	-	-

(a) This item has both recurrent and capital expenditure, the majority of which is capital and is therefore detailed in Chapter 6.

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

Note: Rows may not add due to rounding.

Biodiversity, Conservation and Attractions

Forest Management Plan 2024-2033

To commence the implementation of the Forest Management Plan 2024-2033, which will come into effect on 1 January 2024 for the management of Western Australia's South West national parks, conservation parks, nature reserves and State forest and timber reserves, an additional \$36 million will be spent in 2023-24. The new Forest Management Plan will enable Government to deliver on its decision to end native logging in the South West region and will assist with improving forest resilience in a changing climate.

Implementing the Western Australian Feral Cat Strategy

In response to the ongoing impact of invasive feral cats on threatened fauna, the Western Australian Feral Cat Strategy will be implemented at a cost of \$7.6 million over 2023-24 to 2026-27. The funding includes a capital investment of \$500,000 in 2023-24 for critical infrastructure to support baiting operations, and additional accommodation in remote areas.

Climate Action Fund – Climate Adaptation – Supporting Climate Resilience and Adaptive Capacity of Western Australia’s Threatened Species

See Department of Water and Environmental Regulation.

Carbon Farming Ongoing Funding

An additional \$1.5 million has been approved in 2026-27 for the continuation of Carbon Farming projects on lands managed by DBCA, which are currently funded from the Climate Action Fund until 2025-26, to ensure that ongoing carbon farming outcomes can continue to be met through projects such as the expansion of the Savanna Burning Program.

Perth and Peel Regional Planning

See Department of Water and Environmental Regulation.

Climate Action Fund – Green Energy Approvals

See Department of Water and Environmental Regulation.

Collie Adventure Trails Network Maintenance

Due to higher than anticipated visitor demand and cost pressures an additional \$640,000 will be spent over 2023-24 to 2026-27 to maintain the Collie Adventure Trails networks.

Climate Action Fund – Climate Adaptation – Sector Adaptation Plan for the Natural Environment Sector

See Department of Water and Environmental Regulation.

Water and Environmental Regulation

Climate Action Fund – Green Energy Approvals

To support investment and development of Western Australia’s green energy industry (including wind, solar, hydrogen, lithium mining, critical minerals processing and green energy product manufacturing), the Government will spend a total of \$31.8 million over the forward estimates period to accelerate environmental approvals for green energy proposals (\$22.5 million funded from the Climate Action Fund and \$9.2 million from assessment fees). The spending initiatives include:

- the Department of Water and Environmental Regulation will establish a Green Energy Assessment Unit to streamline green energy project approvals at a cost of \$25.6 million;

- a new Green Energy Major projects team will be established in the Department of Jobs, Tourism, Science and Innovation to provide assistance and facilitate the progression of green energy projects across government at a cost of \$4.1 million; and
- the Departments of Planning, Lands and Heritage; Mines, Industry Regulation and Safety; and Biodiversity, Conservation and Attractions have been allocated a total of \$2.1 million to assist with cross-agency engagement on green energy project assessments, support the newly established advisory board and improve timeframes for required approvals.

Climate Action Fund – Climate Adaptation

To progress Western Australia's climate adaptation efforts, the Government has allocated \$38.9 million across seven agencies for 19 priority adaptation initiatives in line with Climate Resilient WA: Directions for the State's Climate Adaptation Strategy.

To enhance climate science information and coordinate action, funding has been provided to the Department of Water and Environmental Regulation: for Stage 2 of the Climate Science Initiative (\$3.4 million) including to produce climate change projections for the northwest of Western Australia; to rate the climate risk and resilience of each river in the South West (\$1.5 million); to evaluate, develop and communicate research on how climate change may impact Western Australia's water resources (\$1.3 million); for the WA Adaptation Research Hub to identify and fund collaborative adaptation climate research projects (\$256,000); to model the 'heat island effect' in Perth (\$807,000); and to lead the development of the Sector Adaptation Plan program across multiple Government agencies and sectors of the economy to identify and manage key climate risks and prioritise adaptation activities (\$851,000).

A further \$3.7 million will be spent by the Department of Water and Environmental Regulation to develop climate resilience in Aboriginal communities, including developing an Aboriginal-led climate change adaptation strategy for the West Kimberley Traditional Owners and progressing community consultation and development of a framework for a First Nations Climate Resilience Fund.

Funding has been provided to the Department of Primary Industries and Regional Development for: the Southern Rangelands Revitalisation Project Expansion (\$7 million) to expand the existing pilot project and improve weather station coverage; WaterSmart Farms (\$5 million) to develop pilot-scaled reverse osmosis desalination in the Wheatbelt and Great Southern regions and roll out related technology; and to develop a Primary Industries Sector Adaptation Plan (\$711,000).

To assist small and medium enterprises to adapt to climate change, the Department of Jobs, Tourism, Science and Innovation will spend \$3.3 million on initiatives including providing research grants, developing a training program, and further planning under a Sector Adaptation Plan to identify and prioritise future initiatives.

The Department of Transport will undertake a study to determine the standard, and associated upgrade requirements, of 34 unsealed airstrips in remote Aboriginal communities that are currently subject to flooding risks (\$750,000).

To support threatened species and the natural environment adapt to climate change, funding has been provided to the Department of Biodiversity, Conservation and Attractions to conduct modelling and research on climate resilience and adaptation outcomes for Western Australia's threatened species (\$3.8 million) and to develop a Sector Adaptation Plan (\$659,000).

Funding has been provided to the Department of Planning, Lands and Heritage to integrate climate adaptation into policy and planning frameworks (\$5.5 million) and to develop a business case to support a Stage 2 Infrastructure Australia proposal for a Western Australian coastal hazard adaptation program (\$300,000).

The Department of Local Government, Sport and Cultural Industries will undertake site specific climate change adaptation modelling on the Department's assets (\$500,000).

Climate Action Fund – Urban Greening Grants Program

The Government has allocated \$3.8 million to deliver a grant program over 2023-24 and 2024-25 to increase tree canopy cover and improve biodiversity within Western Australia's urban centres.

Healthy Estuaries WA

The Healthy Estuaries WA program delivers water quality monitoring and improvement actions to at-risk regional estuaries. An additional \$18.8 million will be spent over 2024-25 to 2026-27 under this program.

Compliance Resourcing

The Department will spend \$6 million over the forward estimates period on additional staff and training for the Compliance and Enforcement Team to improve compliance monitoring services. This is in addition to \$2.1 million in capital expenditure committed for new monitoring technology to support identification of potential non-compliance with environmental conditions.

Food Waste for Healthy Soils

To reduce organic waste sent to landfill, the Department will spend \$11.3 million over 2022-23 to 2024-25 (jointly funded by the State and Commonwealth Governments) to provide capital grant funding to infrastructure projects that will increase the State's organic waste processing capacity.

Building Climate Action Capacity

The Department will permanently appoint existing temporary climate change policy staff to support delivery of the Government's climate action initiatives at a cost of \$3.8 million over 2023-24 to 2026-27.

Perth and Peel Regional Planning

A total of \$3 million has been committed over 2023-24 to 2025-26 to progress regional planning for the Perth and Peel region that will address land usage planning certainty and cumulative environmental impacts. The Department has been allocated \$2.2 million of this to lead and deliver regional planning for the Perth and Peel regions, under Western Australia's Native Vegetation Policy. In addition, the Department of Biodiversity, Conservation and Attractions will spend \$810,000 to undertake conservation-focused planning and data work to inform regional planning.

Approved Recovered Materials

The Department will spend \$1.7 million over 2023-24 and 2024-25 on changing the waste legislative framework to facilitate the reuse of certain approved materials derived or produced from waste and to progress broader waste reform.

Digital Capability Fund – Native Vegetation Policy Implementation

As part of the Native Vegetation Policy Implementation roadmap, the Government has allocated \$1.7 million over 2023-24 to 2025-26 to provide resourcing to develop a pilot for a vegetation extent mapping and monitoring system. The future system will track vegetation gains and losses in Western Australia over time through interpretation of satellite imagery. This is in addition to \$1.6 million in capital expenditure provided to procure, build, and test the pilot system.

Noise Regulation Assessments Resourcing

The Government has committed \$682,000 over the forward estimates period to provide permanent staff to continue assessing noise regulation applications from premises that seek to vary or exceed assigned noise levels, typically large industry such as power generation facilities, mines and ports.

Murujuga Aboriginal Corporation Resourcing

A grant of \$387,000 will be provided to the Murujuga Aboriginal Corporation over 2022-23 to 2024-25 to employ additional staff to manage media and communications activities.

National Pollutant Inventory Resourcing

The National Pollutant Inventory is a national program that provides a database about emissions in Australia over the past 20 years. The Department will spend \$363,000 of Commonwealth funding over 2023-24 and 2024-25 to improve efficiency by automating existing emissions data processing procedures.

PLANNING AND LAND USE

Table 11

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
PLANNING, LANDS AND HERITAGE					
– <i>Aboriginal Cultural Heritage Act 2021</i>	-	14.0	20.8	21.1	21.0
– Public Sector Wages Policy	5.8	5.1	6.0	7.4	9.4
– Implementation of Planning Reform Phase Two	-1.0	4.5	6.8	7.0	7.1
– Housing Diversity Pipeline	-	7.5	-	-	-
– Victoria Quay Place Improvement Project	2.5	5.0	-	-	-
– Climate Action Fund – Climate Adaptation – Integrating Climate Adaptation into Policy Planning	-	2.1	1.5	0.8	0.7
– Climate Action Fund – Green Energy Approvals	0.1	0.2	0.2	0.2	0.2
– Climate Action Fund – Climate Adaptation – Business Case for Coastal Hazards	-	0.3	-	-	-
– Kimberley Recovery Housing and Community Access Roads ^(a)	-	-	-	-	-
– Digital Capability Fund – Planning Online Program ^(b)	-0.4	0.7	-0.2	-0.3	0.3
WESTERN AUSTRALIAN PLANNING COMMISSION					
– 2023-24 Streamlined Budget Process Incentive Funding	-	0.2	-	-	-
WESTERN AUSTRALIAN LAND INFORMATION AUTHORITY (LANDGATE)					
– Public Sector Wages Policy	3.2	2.7	3.6	4.6	5.7
– Digital Capability Fund – Spatial WA	-	12.4	-	-	-
DEVELOPMENTWA^(c)					
– Regional Development Assistance Program	-	3.0	3.0	3.0	3.0
– Bentley Residential Redevelopment ^(b)	-	5.6	5.6	-	-
NATIONAL TRUST OF AUSTRALIA (WA)					
– Caretakers Wages – Industrial Relations Legislation Amendments	-	0.5	0.5	0.5	0.5
– Public Sector Wages Policy	0.2	0.2	0.2	0.2	0.3

(a) Confidential – subject to ongoing negotiations with the Commonwealth.

(b) This item has both recurrent and capital expenditure, the majority of which is capital and is therefore detailed in Chapter 6.

(c) Represented in general government expenses as grants and subsidies, sourced from the Consolidated Account or a Treasurer's Special Purpose Account and paid through the Department of Treasury.

Note: Rows may not add due to rounding.

Planning, Lands and Heritage

Aboriginal Cultural Heritage Act 2021

Additional expenditure of \$77 million has been approved over the forward estimates period for the ongoing operational costs associated with the *Aboriginal Cultural Heritage Act 2021* and to fund Local Aboriginal Cultural Heritage Services.

Implementation of Planning Reform Phase Two

The Department will spend \$24.4 million over 2022-23 to 2026-27 to implement initiatives approved as part of Planning Reform Phase Two. This includes the centralised assessment of Development Contributions Plans, implementing Development Assessment Panel Reforms and the establishment of a permanent determination pathway for State and regionally significant developments.

Housing Diversity Pipeline

The Department will spend \$7.5 million in 2023-24 to facilitate and manage Tranches One and Two of the Housing Diversity Pipeline (with \$5.5 million funded from the Social Housing Investment Fund), which is intended to support the Government's delivery of its target of 4,000 additional social housing dwellings.

Victoria Quay Place Improvement Project

The Department will spend \$7.5 million over 2022-23 to 2023-24 as part of the transfer of responsibility and funding for the Victoria Quay place improvement project from the Fremantle Port Authority to the Department. The project will support the early activation of the Inner Harbour for alternative uses ahead of Westport being established in Kwinana.

Climate Action Fund – Climate Adaptation – Integrating Climate Adaptation into Policy Planning

See Department of Water and Environmental Regulation.

Climate Action Fund – Green Energy Approvals

See Department of Water and Environmental Regulation.

Climate Action Fund – Climate Adaptation – Business Case for Coastal Hazards

See Department of Water and Environmental Regulation.

Kimberley Recovery Housing and Community Access Roads

See Department of Fire and Emergency Services.

Western Australian Land Information Authority (Landgate)

Digital Capability Fund – Spatial WA

The Government has allocated \$12.4 million in 2023-24 to fund program planning for Spatial WA including development of a Project Definition Plan (PDP). Subject to Government's approval of the PDP, Spatial WA will provide Western Australian agencies with access to a 4D data sharing platform, with advanced capabilities for visualisation, analytics, predictive modelling, and digital workflows, to improve collaboration and decision making.

DevelopmentWA

Regional Development Assistance Program

In response to increasing land supply needs in regional Western Australia, the Government has allocated an additional \$12 million to the Regional Development Assistance Program over 2023-24 to 2026-27 to provide assistance to residential, industrial, commercial and tourism-related land and infrastructure projects. The additional funding will support the sustained need for residential and light industrial land and stimulate social and economic activities in regional locations.

National Trust of Australia (WA)

Caretakers Wages – Industrial Relations Legislation Amendments

As a consequence of changes to State employment laws in June 2022, introduced by the *Industrial Relations Legislation Amendment Act 2021*, volunteer wardens previously appointed by the National Trust of Australia (WA) are now considered to be employees. The National Trust of Australia (WA) has subsequently appointed eight Caretakers, at a cost of \$2 million over 2023-24 to 2026-27, to ensure the trust building is clean and available for public visitors.

UTILITIES

Table 12

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
SYNERGY^(a)					
– Household and Small Business Electricity Credits	-	531.0	-	-	-
– Operating Subsidies	4.0	35.9	6.6	-4.0	-3.4
HORIZON POWER^(a)					
– Household and Small Business Electricity Credits	-	20.5	-	-	-
– Tariff Adjustment Payment Operating Subsidy	-	0.7	0.6	– ^(b)	– ^(b)
WATER CORPORATION^(a)					
– Operating Subsidies	87.9	98.9	116.6	127.0	123.3
BUNBURY WATER CORPORATION^(a)					
– Residential Tariff Operating Subsidy	0.3	0.7	1.1	1.6	1.7

(a) Represented in general government expenses as grants and subsidies, sourced from the Consolidated Account or a Treasurer's Special Purpose Account and paid through the Department of Treasury.

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

Note: Rows may not add due to rounding.

Synergy

Household and Small Business Electricity Credits

As part of the \$715 million cost of living package, a minimum \$400 electricity credit will be provided to all Western Australian households, with \$826 provided to around 350,000 households eligible for the \$326 Energy Assistance Payment (EAP) and a \$500 electricity credit. Small businesses with electricity consumption below 50 MW per annum will receive a \$650 credit. The State's contribution to the electricity credits and EAP totals almost \$540 million, with the Commonwealth providing \$116.4 million through the jointly funded Energy Bill Relief plan.

The credits will be delivered by Synergy (\$531 million), Horizon Power (\$20.5 million) and the Department of Finance (\$14.9 million).

Operating Subsidies

Synergy will be provided additional subsidies totalling a net \$39.1 million over the forward estimates period to compensate it for activities (including rebates and concessions) that it is required to undertake on behalf of the Government.

Horizon Power

Household and Small Business Electricity Credits

See Synergy.

Tariff Adjustment Payment Operating Subsidy

The Tariff Adjustment Payment is provided to Horizon Power for the gap between tariff revenue and the efficient cost of supplying electricity (as measured in the South West Interconnected System). This has been increased by \$1.3 million over 2023-24 to 2026-27, primarily due to a forecast increase in electricity consumption in Horizon Power's service area.

Water Corporation

Operating Subsidies

An additional \$553.7 million in operating subsidies across 2022-23 to 2026-27 will be provided to the Water Corporation. This primarily reflects updates to the Country Water Pricing Subsidy, as a result of 2022-23 Mid-year Review decisions and the impact of CPI-based cost escalation across the forward estimates period.

Bunbury Water Corporation (Aqwest)

Residential Tariff Operating Subsidy

The Government will increase the residential tariff operating subsidy provided to Aqwest by \$5.5 million over 2022-23 to 2026-27. This is to fund a revenue shortfall arising from residential tariffs increasing at 2.5% per annum rather than the amount needed to achieve cost reflectivity.

PROVISIONS

Table 13

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
PROVISIONS					
– NDIS Contributions Indexation	-	-	75.0	124.0	175.0
– Asset Maintenance Fund	-	100.0	150.0	-	-
– METRONET High Wycombe Community Hub	0.2	5.0	25.0	29.8	-
– National Housing and Homelessness Agreement	-	9.4	5.2	8.5	9.7
– Temporary Regional Incentive for Public Sector Workforce	-6.9	24.3	-	-	-
– Government Regional Officer Housing Rent Freeze	-	3.5	3.5	3.5	3.5
– Skilled Migrants Visa Subsidies	-	11.0	-	-	-
– Regional Supportive Landlord Model	-	-	0.6	1.2	1.2
– Climate Action Fund	-	-0.5	-1.0	-1.0	-
– National Redress Scheme and Civil Litigation Settlements for Survivors of Institutional Child Sexual Abuse	-7.7	-	-	-	-
– Road Trauma Trust Account Spending	-	-5.0	-4.7	-	-
– Banksia Hill Detention Centre – New Service Model	-	-3.9	-4.6	-3.7	-3.8
– Inner City Projects	-99.0	17.8	-	-	-
– Digital Capability Fund	-	-	-47.5	-55.6	-
– Public Sector Wages Policy	-463.2	-451.4	-526.4	-655.6	-

Note: Rows may not add due to rounding.

Provisions

National Disability Insurance Scheme (NDIS) Contributions Indexation

Pending outcomes of Western Australia's full scheme negotiations with the Commonwealth, and completion of the 2023 independent review of the NDIS, a provision of \$374 million has been included in the Budget to reflect the indicative impact of indexation costs that will apply to the State's NDIS contributions in line with the terms of the current Transition Agreement.

Asset Maintenance Fund

As part of this Budget, the Government has established a new \$250 million Asset Maintenance Fund to be applied to State-owned assets. In addition to addressing key service delivery risks, the additional maintenance work will provide support to smaller contractors in the construction sector.

METRONET High Wycombe Community Hub

This Budget includes a provision of \$60 million over 2022-23 to 2025-26 for the establishment of the High Wycombe Community Hub, with \$30 million provided by both the State and Commonwealth Governments. The Hub will provide community infrastructure to activate and improve public amenity in the High Wycombe Station Precinct, which forms part of the METRONET East redevelopment area. Funds are to be released from the provision on approval of funding agreements and an updated business case.

National Housing and Homelessness Agreement

A provision of \$32.8 million has been established to address any emerging cost pressures relating to homelessness and FDV community services contracts funded under the NHHA. The provision will be funded by additional Commonwealth revenue expected to be received under the agreement because of higher indexation and population growth.

Temporary Regional Incentive for Public Sector Workforce

In this Budget, the residual \$7.6 million of the 2022-23 Mid-year Review provision to retain and attract frontline workers in regional areas to address critical service needs has been fully allocated (to the Department of Training and Workforce Development (\$2.9 million) and WA Health (\$4.7 million)). The Government has allocated a further \$25 million to the provision in this Budget, with \$15 million of this quarantined for health and mental health attraction and retention initiatives.

Government Regional Officer Housing (GROH) Rent Freeze

To assist government employees in regional areas with the rising cost of living, the existing freeze on GROH property tenant rents has been extended by a further twelve months to 30 June 2024. A provision of \$14 million has been established to cover the estimated cost of this freeze.

Skilled Migrants Visa Subsidies

The Government has provisioned \$11 million in 2023-24 to provide 1,100 visa subsidies of up to \$10,000 to attract skilled migrants to the residential and commercial construction sector.

Regional Supportive Landlord Model

A Regional Supportive Landlord Model will be established to provide 100 houses for people sleeping rough in a bid to address homelessness in regional Western Australia. Recurrent costs totalling \$3 million have been set aside to provide wrap-around services for tenants, pending delivery of a detailed business case. Capital funding totalling \$46 million has also been provisioned for the purchase of the 100 houses. Allocations for capital purposes are detailed in Chapter 6.

Climate Action Fund

Since the 2022-23 Mid-year Review, a total of \$72.8 million has been allocated from the Climate Action Fund, including \$2.5 million of the recurrent provision towards spending on renewable hydrogen planning activities to be delivered by the Department of Jobs, Tourism, Science and Innovation. Allocations for capital purposes are detailed in Chapter 6.

National Redress Scheme and Civil Litigation Settlements for Survivors of Institutional Child Sexual Abuse

As part of this Budget, the provision for anticipated future costs associated with the Redress Scheme and civil litigation claims has been reduced by \$7.7 million over the forward estimates period. This reflects forecast Redress Scheme payments and civil litigation settlement costs over that period.

Road Trauma Trust Account (RTTA) Spending

The 2022-23 Mid-year Review included a provision of \$25.5 million for anticipated RTTA spending over the forward estimates. Reflecting revised revenue forecasts and new spending on road safety programs and initiatives, the provision has been reduced by \$9.7 million in net terms, leaving a balance of \$15.8 million to the end of 2026-27.

Banksia Hill Detention Centre – New Service Model

To support the Banksia Hill Detention Centre transitioning to a new service and operating model, an amount of \$15.9 million has been allocated from an existing provision as part of this Budget (see Department of Justice in this chapter), leaving a remaining balance of \$12.1 million in the provision for future costs over 2024-25 to 2026-27.

Inner City Projects

A \$99 million provision supporting projects in the Perth city has largely been allocated in this Budget, with \$49 million to support the establishment of an Inner City Campus by Edith Cowan University (with this contribution to be provided as grant funding by the Department of Jobs, Tourism, Science and Innovation), and \$32.2 million to support the WACA Ground Improvement project (to be provided through the Department of Local Government, Sport and Cultural Industries). A residual \$17.8 million remains in the provision.

Digital Capability Fund

Since the 2022-23 Mid-year Review, a total of \$253.4 million has been allocated from the existing Digital Capability Fund provision for recurrent and capital investment by agencies. Details of the projects funded from the Digital Capability Fund are included in agency disclosures detailed in this chapter and in Chapter 6. A total of \$22.2 million of recurrent and capital expenditure remains provisioned in the Digital Capability Fund for future projects, with a projected \$45.3 million remaining in the Fund at 30 June 2027.

Public Sector Wages Policy

In the 2022-23 Mid-year Review, the Government provisioned \$3.3 billion to accommodate higher employee costs under its revised Wages Policy. This Budget allocates \$2.1 billion to agencies for the continued implementation of the public sector Wages Policy. More than three quarters of public sector workers have settled industrial agreements in line with the Government's Wages Policy. Agency disclosures are detailed in this chapter.

Asset Investment

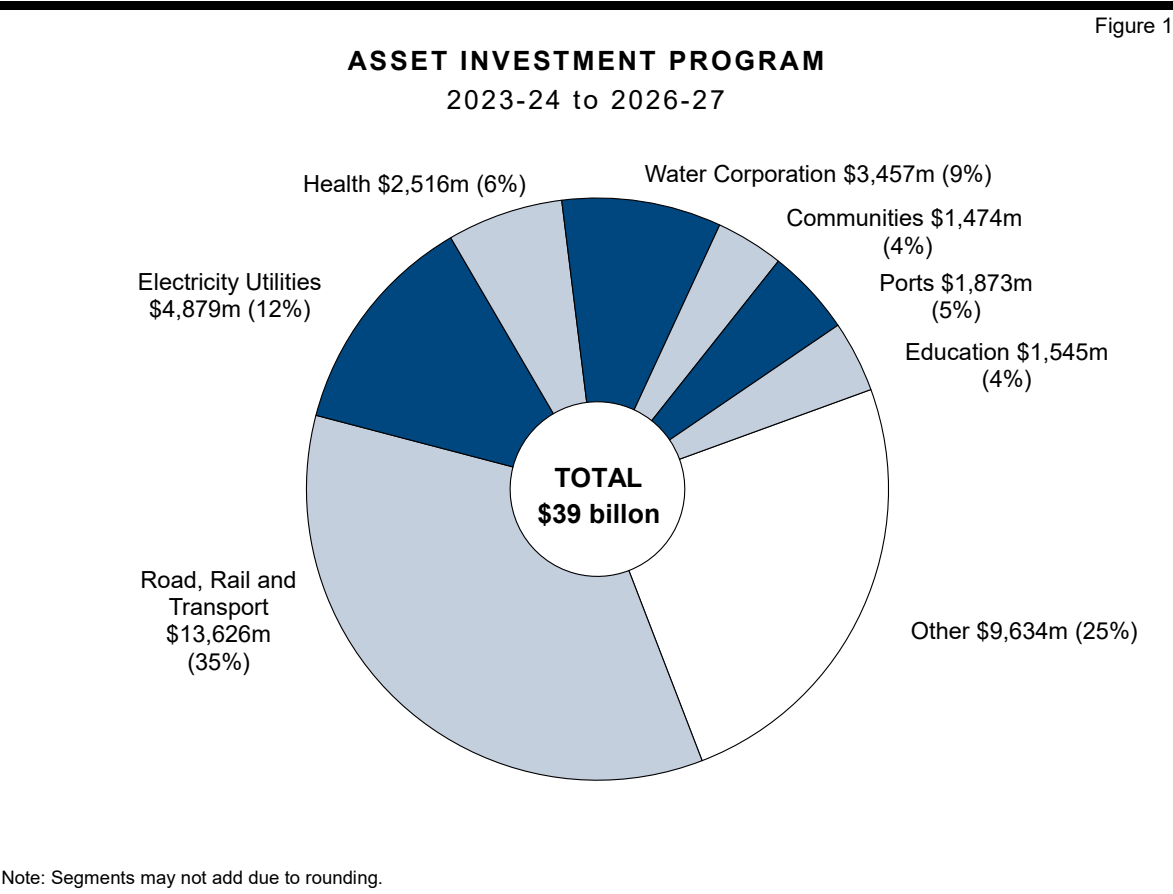
HIGHLIGHTS

- The 2023-24 Budget includes a record \$39 billion Asset Investment Program (AIP) over the next four years as the Government continues to invest heavily in infrastructure to create a pipeline of activity for the construction industry, support local jobs and deliver major projects for the future.
- The Budget prioritises an unprecedented \$3 billion spend on climate change initiatives, including a new \$2.8 billion investment in decarbonisation of the State's main electricity grid, including battery storage capacity at Collie and Kwinana, additional wind generation, and transmission network upgrades.
- Road, rail and transport infrastructure totals \$13.6 billion over the next four years, with \$5.9 billion on METRONET projects, \$6.7 billion on metropolitan and regional roads, and \$200 million (and a further \$50 million in 2027-28) to deliver around 130 new electric buses, depot upgrades and charging infrastructure.
- A continued focus on health and education infrastructure is reflected in \$544 million for the new Women and Babies Hospital, \$219 million for Stage 1 of the Graylands Reconfiguration and Forensic Taskforce project, and \$100 million for major upgrades to Rockingham and Safety Bay Senior High Schools.
- Key social and community infrastructure initiatives include \$127.8 million to transform the State Hockey Centre, an additional \$97.9 million towards the Perth Concert Hall redevelopment, and a further \$79.7 million for the WACA ground improvement project and aquatic facility.
- Allocations of \$253 million from the Digital Capability Fund will continue to enhance and support critical ICT infrastructure and services, including \$99.4 million to progress the Electronic Medical Records Program across the State's health system.

Introduction

The 2023-24 Budget includes a record \$39 billion Asset Investment Program (AIP) over the next four years, continuing the Government’s focus on delivering high quality energy, water transport, health, education and community infrastructure, that also supports sustained economic growth and job creation.

Transport infrastructure continues to be a major focus of the AIP over the next four years, with \$13.6 billion (or 35%) allocated to road, rail and other transport infrastructure. The AIP also includes \$8.3 billion (or 21%) for electricity and water infrastructure, \$4.1 billion (or 10%) for education and health infrastructure, and \$1.9 billion (or 5%) for works at the State’s ports.



While the operating surpluses across the forward estimates provide a significant non-debt source of funding for the AIP, additional borrowings will still be required to fund the record investment in infrastructure over the next four years.

Many projects also continue to face rising costs, including as a result of labour and skills shortages, increased cost of construction materials, and equipment delays. While there are signs that the pace of growth in construction costs is starting to ease, additional funding has been allocated to a range of projects to meet cost escalation and to provide certainty for the construction sector (including sub-contractors).

WA Jobs Plan: Diversifying the Western Australian Economy, Creating Local Jobs for the Future

Investment in road, rail and transport infrastructure is estimated at \$5.8 billion in 2023-24 and a total of \$13.6 billion over the next four years. METRONET accounts for \$5.9 billion of this four-year investment, delivering on the Government's key commitment that will shape the future development of the Perth metropolitan area. New investments in this Budget include:

- \$2.2 billion in additional State and Commonwealth funding to meet cost pressures on jointly funded transport projects;
- \$250 million (\$200 million to 2026-27) for the transition of the Public Transport Authority's (PTA's) bus fleet from reliance on fossil fuels to electric power, including the initial procurement of 18 e-buses and installation of charging infrastructure at Elizabeth Quay Bus Station to operate the city's Central Area Transit services; and
- \$50 million in 2022-23 for Main Roads to progress strategic land acquisitions for the Westport precinct and key freight routes identified through the project planning phase.

Table 1

ASSET INVESTMENT IN ROAD, RAIL AND TRANSPORT INFRASTRUCTURE

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
Main Roads	2,164.3	2,286.2	1,858.0	1,418.6	922.7
Public Transport Authority	2,227.5	3,280.0	1,984.1	551.3	352.0
Department of Transport	52.6	63.0	82.7	65.6	21.8
Provision for METRONET Projects Under Development	-	100.5	145.7	176.9	296.1
Western Australian Planning Commission	7.2	21.0	-	-	-
Total	4,451.6	5,750.7	4,070.4	2,212.4	1,592.6

Note: Columns may not add due to rounding.

METRONET

The METRONET program continues to transform Perth's public transport network. With the opening of the Airport Line in October 2022, five projects have now been completed with a sixth, Lakelands Station, set to open in June 2023.

A record \$3.1 billion will be spent in 2023-24 on the METRONET program of works, with 12 further projects underway. This investment in public transport infrastructure continues to support thousands of local jobs and businesses, will ultimately reduce the costs of road congestion, and help meet Perth's future development needs.

Key milestones for the METRONET program in 2023-24 include:

- the planned opening of the new Yanchep Rail Extension. More than 5,000 passenger boardings are expected on the new service each day, which will support growth in the area, ease congestion and give residents greater transport choice;
- entering the first C-series train into passenger service on the Joondalup and Mandurah lines, following extensive testing on the network;
- practical completion of the Public Transport Operations Control Centre, which will house the new infrastructure and personnel needed to manage the day-to-day operations of Perth's expanding public transport network; and
- opening the southern concourse of the new Bayswater Station, with the completion of a new combined rail bridge and elevated southern station platform over King William Street.

The 2023-24 Budget includes \$1.7 billion in additional State and Commonwealth funding for METRONET initiatives, including:

- for the construction of the Bellevue Depot, which will support the railcar program by providing train maintenance facilities for urban passenger rail services;
- further investment in the High Capacity Signalling program of works, which will increase the capacity of the rail network, improve safety, and allow trains to operate more efficiently; and
- further investment in the Morley-Ellenbrook Line, Yanchep Rail Extension, Thornlie-Cockburn Link and Bayswater Station projects as escalating costs and supply chain constraints continue to affect the construction industry.

This brings total investment in METRONET projects over the forward estimates period to \$5.9 billion.

The Budget aggregates continue to include global provisions for the delivery of METRONET projects that are in live procurement processes (such as the Train Control and Signalling project) or under development (including the Morrison Road Level Crossing Removal). As has been the case for other METRONET projects, the budgets for these projects will be included in the delivery agencies' Asset Investment Programs upon completion of the tender processes.

Table 2

METRONET
Capital Spending and Funding

METRONET	2023-24	2024-25	2025-26	2026-27	Total 2023-24 to 2026-27
	\$m	\$m	\$m	\$m	\$m
Capital Expenditure					
Forrestfield-Airport Link	21.5	-	-	-	21.5
Thornlie-Cockburn Link	220.2	184.0	-	-	404.2
Yanchep Rail Extension	318.5	-	-	-	318.5
Morley-Ellenbrook Line	620.8	348.1	-	-	968.9
Byford Rail Extension	332.5	320.9	-	-	653.4
Midland Station	116.6	72.5	4.5	-	193.6
Bayswater Station	82.8	20.9	-	-	103.7
Lakelands Station	20.3	-	-	-	20.3
Victoria Park-Canning Level Crossing Removal	466.8	350.5	1.6	-	818.9
Caledonian Avenue Level Crossing Removal	5.7	4.5	-	-	10.2
Morrison Road Level Crossing Removal	1.0	-	-	-	1.0
Greenwood Station Multi-Storey Carpark	23.0	10.0	-	-	33.0
Midland Station Multi-Storey Carpark	26.3	-	-	-	26.3
New and Existing Train Station Upgrades	17.7	12.2	-	-	29.9
High Capacity Signalling Program of Works	186.5	122.5	76.5	14.0	399.5
Railcar Acquisition	255.2	205.7	109.3	86.4	656.6
Canning Bridge Bus Interchange	2.0	2.0	50.0	112.6	166.6
Mid-Tier Transport Planning	3.6	-	-	-	3.6
Provision for Projects Under Development	100.5	145.7	176.9	296.1	719.3
Land Acquisition and Enabling Works	325.1	34.3	-	-	359.3
Total	3,146.7	1,833.8	418.7	509.1	5,908.4
Capital Funding					
Commonwealth Funding	1,740.9	613.8	173.0	137.0	2,664.7
Land Sales	2.7	12.0	10.1	-	24.7
Metropolitan Region Improvement Fund	21.0	-	-	-	21.0
Consolidated Account	1,199.6	876.3	163.6	209.2	2,448.6
Borrowings	-142.0	97.7	44.5	82.4	82.7
Other (inc. Motor Vehicle Licence Revenue)	321.3	234.0	27.6	80.6	663.5
Cash at Bank	3.1	-	-	-	3.1
Total	3,146.7	1,833.8	418.7	509.1	5,908.4

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

The AIP includes a total of \$1.9 billion in port infrastructure (and associated land acquisition) over the next four years, which is crucial to support and facilitate expansion of existing and new industries. This investment includes the following new initiatives approved as part of this Budget:

- an additional \$21.3 million to complete the Port Hedland Tug Haven Revetment Wall Upgrade Project to a design that can accommodate larger tugs and increased wind and wave actions during cyclonic conditions;
- \$17.4 million over 2023-24 and 2024-25 to renew operational technology across the Ports of Albany, Bunbury and Esperance to improve the reliability of service delivery, reduce maintenance and engineering times and mitigate risks of hardware failures and cyber security attacks;
- \$15 million on upgrades at the Port of Broome including the installation of a new concrete deck and piles, extension of an existing concrete deck and demolition of an existing cargo shed situated on the wharf; and
- \$10 million for early stage works on a boat building precinct at the Geraldton Fishing Boat Harbour, to support local industry and enable the acquisition of land for the \$350 million Port Maximisation Project, which will facilitate a range of new resource projects in the Mid West region.

Table 3

ASSET INVESTMENT IN PORTS

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
Fremantle Port Authority	82.6	95.3	40.4	25.1	16.5
Kimberley Ports Authority	2.7	61.2	20.1	1.6	1.6
Mid West Ports Authority	26.1	92.0	142.7	160.5	5.5
Pilbara Ports Authority	173.8	291.6	138.0	101.9	44.5
Southern Ports Authority	33.8	62.1	44.7	12.0	11.1
Provision for port infrastructure and land purchases	-	197.8	247.3	60.0	-
TOTAL	318.9	799.9	633.3	361.1	79.2

Note: Columns may not add due to rounding.

Investment by the State's electricity and water utilities totals \$8.3 billion over the four years to 2026-27, with \$2.4 billion to be spent in 2023-24. In addition to the Government's unprecedented investment in decarbonisation, the utilities continue to focus on ongoing works to ensure reliable supply and meet growing demand. New projects include:

- \$65.3 million for enabling works at the Alkimos Seawater Desalination Plant;
- \$36 million over the next four years for an infill sewerage program at the METRONET Bennett Springs, Yanchep, Malaga, Meltham, Redcliffe, Kelmscott and Morley station precinct sites, and at selected sites in Kenwick and Maddington to unlock strategic housing opportunities; and
- \$40.8 million for Synergy to maintain existing generation assets to ensure their ongoing safety and reliability, and to complete key projects such as rehabilitation of the decommissioned Kwinana power station site.

Table 4

ASSET INVESTMENT IN WESTERN AUSTRALIAN UTILITIES

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
Electricity Corporations	1,267.3	1,269.2	1,234.3	1,193.4	1,182.5
Water Corporation	728.1	1,113.5	862.8	700.0	710.6
Bunbury and Busselton Water Corporations	14.7	22.1	29.5	10.5	7.9
Total	2,010.1	2,404.9	2,126.6	1,903.9	1,901.0

Note: Columns may not add due to rounding.

Safe, Strong and Fair Communities: Supporting Our Local and Regional Communities to Thrive

The Government continues to focus on significant investment in social and community infrastructure to support a range of key service delivery priorities.

The Budget invests \$2.6 billion on health and mental health infrastructure over the next four years (including \$801 million in 2023-24). In addition to the allocation of \$544 million of spending on the new Women and Babies Hospital (see feature box), the Government has approved the following key initiatives to address growing demand for health and mental health services:

- Stage 1 of the Graylands Reconfiguration and Forensic Taskforce project (including the construction of 53 new forensic mental health beds), at a cost of \$219 million;
- a total of \$150 million (jointly funded with the Commonwealth Government) for the Bentley Health Service Surgicentre, to expand hospital capacity and help address the waitlist for elective surgeries;
- a further investment of \$99.4 million to complete Stage 1 of the Electronic Medical Records Program, including completion of the roll-out of Digital Medical Records and Single Sign-on functionality at all public hospitals; and
- an additional \$81.1 million to expand the delivery of public services at St John of God Midland Public Hospital.

NEW WOMEN AND BABIES HOSPITAL

In the 2020-21 Mid-year Review, the Government set aside \$1.8 billion in a Special Purpose Account (SPA) for the construction of a new Women and Babies Hospital. It was proposed that the new multistorey hospital would be built at the Queen Elizabeth II Medical Centre (QEIMC) site.

In the 2022-23 Budget, \$10.2 million was allocated from the new Women and Babies Hospital SPA to progress detailed planning and due diligence at the proposed QEIMC site.

Following completion of the comprehensive Business Case and Project Definition Plan in early 2023, it was clear that construction on the QEIMC site posed too many risks. These included significant disruption to the neighbouring Sir Charles Gairdner Hospital, resulting in interruption and delays to the provision of critical service delivery impacting patient care and safety. In addition, as a result of the complex nature of the build, the costs of the project would have been much higher and the hospital opening would have been delayed to much later than planned – at least until 2034.

The Fiona Stanley Hospital (FSH) Precinct has been identified as the preferred location for the new hospital, as it is a greenfield site with limited constraints. This option enables it to be built on a precinct co-located with a major tertiary hospital, ensuring that women have access to higher acuity tertiary services should the need arise. The new site will allow expanded services at the new hospital to include more obstetrics and gynaecology beds and neonatal cots. The FSH option will enable the new hospital to be built without disruption to patients and staff, and will deliver improved parking and transport connectivity.

The majority of planning works undertaken for the QEIMC is directly transferrable to the new location. A comprehensive traffic management study will be undertaken, and a new multistorey car park will be constructed in the FSH Precinct to more than offset the loss of existing car bays where the new hospital will be built.

To ensure that patients in the northern corridor continue to have access to maternity services, a master plan for Osborne Park Hospital will also be developed, informing the future service needs for obstetrics, gynaecology and neonatal services.

To commence works at the FSH site, this Budget allocates a further \$544 million from the SPA over 2023-24 to 2026-27. While detailed planning at the FSH site is ongoing, it is currently expected that works for the Women and Babies Hospital will be completed by 2029.

The overall cost of the new hospital (and related developments) has remained unchanged at \$1.8 billion. This has been fully funded from the State's strong operating surplus position of recent years, without the need for any borrowings.

The Budget also includes \$1.5 billion for the construction, refurbishment and expansion of public schools across the State, including \$100 million for major upgrades to Rockingham Senior High School and Education Support Centre and Safety Bay Senior High School.

Additional funding has also been provided for high priority maintenance programs, including roof replacements, plaster glass and ceiling remediation (\$27.2 million), new education support facilities for low to moderate needs students at Wanneroo Secondary College and Waggrakine Primary School in Geraldton (\$21.4 million), and for progressing the Roebourne District High School re-development project (\$20.4 million).

Table 5

ASSET INVESTMENT IN HEALTH AND EDUCATION

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
WA Health	453.0	765.9	620.4	478.5	650.7
Education	538.3	626.8	484.5	267.5	166.4
Total	991.3	1,392.7	1,104.9	746.1	817.0

Note: Columns may not add due to rounding.

Infrastructure investment in the 2023-24 Budget to support community safety totals \$748 million over 2023-24 to 2026-27. New works include:

- \$81.7 million (of which \$73.2 million is asset investment) to upgrade and maintain the State's emergency radio network and equipment utilised by frontline public safety agencies;
- \$25 million (of which \$12.5 million is asset investment) to continue modernisation of ICT systems including mitigating cyber security risks and improving the Western Australia Police Force's digital capability; and
- \$3.9 million to upgrade the Shark Notification and Response System, resulting in more reliable and up-to-date information on shark activity.

Table 6

ASSET INVESTMENT IN COMMUNITY SAFETY

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
Department of Justice	80.4	137.5	70.8	19.3	15.5
Western Australia Police Force	95.7	146.6	102.7	51.8	25.8
Fire and Emergency Services	49.2	55.6	53.8	38.4	30.5
Total	225.3	339.7	227.3	109.5	71.8

Note: Columns may not add due to rounding.

This Budget includes a further \$450 million investment in social housing and homelessness. This is expected to deliver around 700 additional social housing dwellings and fund the purchase of around 100 houses in regional locations to provide accommodation for rough sleepers, bringing the Government's total commitment to deliver 4,000 additional dwellings.

To support the delivery of essential services in regional Western Australia, a further \$61.6 million will be invested over the forward estimates period for new houses and refurbishment of existing houses for the Government Regional Officer Housing program.

Table 7

ASSET INVESTMENT IN COMMUNITIES

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
Communities	493.2	545.4	364.3	296.9	267.1
Total	493.2	545.4	364.3	296.9	267.1

Note: The majority of Communities' asset investment relates to housing, including for the State's social housing and Government Regional Officer Housing programs.

Investing in Western Australia's Future – Climate Action and Promoting the Arts, Culture and Sporting Sectors to Promote Vibrant Communities

The 2023-24 Budget makes a substantial commitment to climate action, including:

- \$2.7 billion for Synergy to build battery storage capacity (including the Collie Battery Energy Storage System and the Kwinana Battery Energy Storage System 2) and to develop additional wind generation capacity (including the King Rocks Wind Farm in Kondinin); and
- \$126 million on Western Power's transmission network, including planning works and procurement of long lead time equipment, to support the connection of additional renewable generation and transition away from coal-fired power.

DECARBONISATION OF THE SOUTH WEST ELECTRICITY SYSTEM

The State Government has committed to achieving net zero emissions for Western Australia by 2050, and is seeking to reduce its own emissions by 80% below 2020 levels by 2030. One of the most direct ways for the Government to reduce its emissions is through the electricity sector, particularly in the South West.

To help achieve its decarbonisation objectives, the Government announced in June 2022 a plan to invest in renewable wind generation and storage projects to ensure the continued security and reliability of the South West electricity system (the South West Interconnected System) as rooftop solar expands and the State's coal-fired power stations are gradually retired by 2030.

To help deliver this generational change, the Government has committed \$2.8 billion as part of the 2023-24 Budget towards renewable energy projects and network upgrades that will reduce emissions from the South West Interconnected System. This comprises a \$2.7 billion provision for Synergy to undertake battery storage projects and to develop additional wind generation capacity, and \$126 million for investments on Western Power's transmission network.

The funding will allow Synergy to progress up to 210 megawatts (MW) of new wind assets (including the King Rocks Wind Farm and a proposed expansion of Bright Energy Investments' existing Warradarge Wind Farm, estimated to cost \$368 million), and 700 MW of battery storage assets (the Collie Battery Energy Storage System and Kwinana Battery Energy Storage System 2, estimated to cost \$2.3 billion).

The King Rocks Wind Farm will consist of up to 30 wind turbines and will be located 35 kilometres northeast of Hyden in the Shire of Kondinin. The proposed Warradarge Wind Farm expansion will build upon the existing 180 MW facility near Eneabba (which is co-owned by Synergy through the Bright Energy Investments joint venture).

It is expected that the second large-scale battery to be built in Kwinana will provide four hours of storage and have a capacity of 200 MW. The new battery will be built adjacent to the Kwinana Big Battery (Kwinana Battery Energy Storage System 1), which will support system security from 2023-24. The large-scale grid-connected battery to be developed in Collie will also provide four hours of storage and a massive 500 MW of capacity.

The Government is aiming to have the King Rocks Wind Farm connected to the South West Interconnected System by 2024-25, with the second Kwinana and Collie batteries to both be connected by 2025-26. These projects will help replace the electricity generation that will be lost from the upcoming retirement of Synergy's Muja C Unit 6 coal-fired power station by October 2024 and the Collie Power Station in late-2027.

Of the \$2.8 billion to be invested over the forward estimates, \$500 million will be funded from a top-up to the Climate Action Fund in 2023-24. The Climate Action Fund will provide funding support of \$369.1 million to Synergy in 2022-23 for down-payments for batteries, inverters and wind turbines that will secure Synergy's place in the highly competitive global production cycles.

In addition to the renewable investments to be progressed by Synergy, Western Power will invest \$126 million over 2022-23 to 2023-24 on its transmission network, including planning works and procurement of long-lead-time equipment, to support the electricity network's transition away from coal-fired power generation and meet the Government's emissions reduction commitments.

Investment in cultural and sporting infrastructure in the Budget for the benefit of local communities totals \$567 million over the next four years. New expenditure includes:

- \$126.3 million to redevelop the State Hockey Centre following Western Australia's successful bid to host the Hockey Australia High Performance Program and Centre of Excellence (with a further \$1.5 million in recurrent spending);
- an additional \$97.9 million towards the Perth Concert Hall redevelopment to secure the future of the venue and provide the West Australian Symphony Orchestra with a permanent home, bringing the total cost of the redevelopment to \$150.3 million; and

- a further \$79.7 million for the WACA ground improvement project and aquatic facility, inclusive of a \$25 million contribution from the City of Perth.

Table 8

ASSET INVESTMENT IN VIBRANT COMMUNITIES

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
Local Government, Sport and Cultural Industries	57.1	115.7	166.5	128.7	53.0
Western Australian Sports Centre Trust	74.4	34.1	20.8	27.6	20.5
Total	131.5	149.8	187.3	156.3	73.5

Note: Columns may not add due to rounding.

Major Infrastructure Spending Changes

Summary

The following tables provide details of major changes in total public sector infrastructure spending by agency since the 2022-23 Mid-year Review. These include policy decisions made between the cut-off date for the Mid-year Review (28 November 2022) and the cut-off date for this Budget (11 April 2023), and other changes of a material nature affecting agency infrastructure spending over the forward estimates period.

The timing of cash flows for some previously announced projects may also have been revised but are not included in this chapter as they are broadly net debt neutral across the forward estimates period. Further details on individual projects are contained in Budget Paper No. 2: *Budget Statements*.

The 2022-23 Budget included a provision of \$350 million for potentially higher project costs as a result of capacity constraints in the construction market. The Government allocated \$203.5 million from the provision to individual projects as part of the 2022-23 Mid-year Review. The remaining provision of \$116.5 million has now been fully allocated to the individual projects detailed in the relevant tables of this chapter.

PARLIAMENT

Table 9

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
PARLIAMENTARY SERVICES DEPARTMENT					
– Parliamentary Reserve Accessibility Plan	-	0.5	0.2	-	-
PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS (OMBUDSMAN)					
– Additional Oversight and Reporting Functions ^(a)	-	0.2	-	-	-

a) This item has both recurrent and capital expenditure, the majority of which is recurrent. This item is therefore detailed in Chapter 5.

Note: Rows may not add due to rounding.

Parliamentary Services Department

Parliamentary Reserve Accessibility Plan

The Parliamentary Services Department will spend \$715,000 over 2023-24 and 2024-25 to improve public accessibility at Parliament House, including installation of a new external lift, footpaths and a pedestrian crossing. An additional \$246,000 in recurrent expenditure has also been approved to deliver these improvements.

GOVERNMENT ADMINISTRATION

Table 10

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW					
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
GOVERNOR'S ESTABLISHMENT					
– Government House Accessibility	-	0.5	-	-	-
OFFICE OF THE INFORMATION COMMISSIONER					
– Digital Capability Fund – Case Management and Electronic Document and Records Management System	-	1.4	-	-	-

Governor's Establishment

Government House Accessibility

To improve the visitor experience of guests and accessibility, the Governor's Establishment will spend \$500,000 in 2023-24 to undertake works at Government House.

Office of the Information Commissioner

Digital Capability Fund – Case Management and Electronic Document and Records Management System

An additional \$1.4 million will be spent in 2023-24 on an integrated case management and electronic document and records management system to replace the Office's existing systems.

FINANCIAL ADMINISTRATION

Table 11

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
FINANCE					
– State Fleet – Vehicle Acquisition Program	9.7	51.2	7.2	9.1	11.0
– Kununurra Office Accommodation Fit-out Project	-	9.5	-	-	-
– Parliamentary Precinct Project – Level 3 Expansion	-	8.2	-	-	-
– Household and Small Business Electricity Credits ^(a)	-	0.6	-	-	-
– Off-the-plan Duty Concession – Systems Enhancements	-	0.4	-	-	-

(a) This item has both recurrent and capital expenditure, the majority of which is recurrent. This item is therefore detailed in Chapter 5.

Note: Rows may not add due to rounding.

Finance

State Fleet – Vehicle Acquisition Program

State Fleet will spend an additional \$88.3 million over 2022-23 to 2026-27 to address a backlog of vehicle acquisitions resulting from supply constraints due to the COVID-19 pandemic. A further \$17.7 million has been approved as recurrent expenditure over the same period for this purpose.

Kununurra Office Accommodation Fit-out Project

Consolidation of office accommodation for the Western Australia Police Force and the Departments of Communities and Justice in Kununurra will be undertaken in 2023-24 at a cost of \$9.5 million, primarily to provide fit-for-purpose accommodation for additional police officers in the region. A further \$4.1 million has been approved as recurrent expenditure over the same period to deliver this project.

Parliamentary Precinct Project – Level 3 Expansion

An additional \$8.2 million in 2023-24 will be spent on fit-out costs to accommodate Parliamentary Services Department's corporate services staff currently located at Parliament House, conferencing and training facilities, and meeting space for parliamentary stakeholders and Members of Parliament. Additional recurrent expenditure of \$5.3 million over 2023-24 to 2026-27 for lease and project management costs has also been approved.

Off-the-plan Duty Concession – Systems Enhancements

An additional \$445,000 will be spent in 2023-24 on system enhancements required to convert the off-the-plan transfer duty rebate into a legislated duty concession. A further \$123,000 has been approved as recurrent expenditure over 2024-25 to 2026-27 for this project.

JOBS AND ECONOMIC DEVELOPMENT

Table 12

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT					
– Buccaneer Archipelago Marine Parks ^(a)	-	7.4	0.1	-	-
– Digital Capability Fund – Shark Notification and Response System Upgrade	-	2.0	1.9	-	-
– Ord-East Kimberley Expansion Project ^(a)	-	-	3.0	-	-
– Emergency Animal Disease Preparedness ^(a)	-	0.6	1.6	0.3	-
– Aquaculture Development Plan for Western Australia Implementation ^{(a) (b)}	-	0.8	0.1	0.1	0.1
– Cost Increase – State Barrier Fence	-	0.6	-	-	-
– Climate Action Fund – Climate Adaptation – Southern Rangelands Revitalisation Project Extension	-	0.2	-	-	-
MINES, INDUSTRY REGULATION AND SAFETY					
– Sustainable Geoscience Investments ^(a)	-	2.3	0.7	0.3	-
BURSWOOD PARK BOARD					
– Asset Replacement Program	-	0.1	- ^(c)	- ^(c)	0.1

(a) This item has both recurrent and capital expenditure, the majority of which is recurrent. This item is therefore detailed in Chapter 5.

(b) Expenditure has been reprioritised from within the Department's existing budget to support this initiative.

(c) Amounts under \$50,000.

Note: Rows may not add due to rounding.

Department of Primary Industries and Regional Development

Digital Capability Fund – Shark Notification and Response System Upgrade

Capital expenditure of \$3.9 million over 2023-24 and 2024-25 has been approved to upgrade the Shark Notification and Response System, resulting in more reliable and up-to-date information on shark activity for the public, improved exchange of digital information among stakeholders (such as the Western Australia Police Force and Surf Life Saving WA), and operational efficiencies to the Department through a more contemporary and integrated system. An additional \$570,000 in recurrent expenditure in 2023-24 has also been allocated to the system upgrade.

Climate Action Fund – Climate Adaptation – Southern Rangelands Revitalisation Project Extension

See Department of Water and Environmental Regulation in Chapter 5.

Burswood Park Board

Asset Replacement Program

The Burswood Park Board will invest an additional \$243,000 over 2023-24 to 2026-27 on works to maintain the park, including the replacement of bores, reticulation and irrigation system.

HEALTH

Table 13

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
WA HEALTH					
Election Commitments					
– Byford Health Hub	-	1.2	7.7	24.0	3.3
– Albany Health Campus Car Park	-	0.1	1.8	0.2	-
Other Spending					
– New Women and Babies Hospital Project	-	60.0	110.6	131.4	242.0
– Graylands Reconfiguration and Forensics Project	-	10.2	76.0	81.7	51.0
– Bentley Health Service Surgicentre	-	1.2	30.0	35.0	34.9
– Digital Capability Fund – Digital/Electronic Medical Record Program	-	71.3	28.1	-	-
– St John of God Midland Public Hospital Expansion	-	-	-	-	81.1
– Medical Equipment and Imaging Replacement Program	-	5.2	40.0	-	-
– Project Cost Increases	-	-	-	-	-
– Joondalup Health Campus Development Stage 2	-	-	12.7	-	-
– Sir Charles Gairdner Hospital Intensive Care Unit Upgrade	-	4.8	0.3	-	-
– Fremantle Mental Health Beds	-	5.0	-	-	-
– Sir Charles Gairdner Hospital 24 Hospital Beds	2.0	2.1	-	-	-
– Sir Charles Gairdner Hospital GMP Laboratories and Cyclotron	-	1.5	-	-	-
– Digital Capability Fund – Cyber Security and Critical Health ICT Infrastructure Program	-	16.8	4.2	2.4	-
– Sir Charles Gairdner Hospital Computerised Tomography Scanner	-	0.4	9.6	2.8	-
– Aluminium Composite Panel (Cladding) Remediation – Fiona Stanley Hospital ^(a)	4.2	4.3	4.2	-	-
– Minor Building Works Program	-	10.0	-	-	-
– Critical Staff Accommodation Upgrade Program	-	5.7	2.4	-	-
– Perth Children's Hospital – Ward 5A Reconfiguration	0.4	3.7	3.6	-	-
– Fiona Stanley Hospital Bridge	5.4	-	-	-	-
– Digital Capability Fund – Outpatient Reform Smart Referrals	-	3.9	0.1	0.3	-
– State Health Operations Centre ^(b)	-	1.0	-	-	-
MENTAL HEALTH COMMISSION					
– Broome Step Up/Step Down	-	2.0	-	-	-

(a) This item is funded via a reprioritisation of current approved budget settings.

(b) This item has both recurrent and capital expenditure, the majority of which is recurrent. This item is therefore detailed in Chapter 5.

Note: Rows may not add due to rounding.

WA Health

Election Commitments

Byford Health Hub

Following an initial investment of \$5.9 million in the 2022-23 Budget, an additional \$36.3 million has been committed over 2023-24 to 2026-27 to construct an integrated, multidisciplinary health facility hub in Byford. The facility will improve access to health, social and wellbeing services in the Shire of Serpentine Jarrahdale.

Albany Health Campus Car Park

The Government will spend \$2.1 million over 2023-24 to 2025-26 to fund an additional 100 carparking bays at the Albany Health Campus to address the current shortage of parking spaces.

Other Spending

New Women and Babies Hospital Project

In the 2022-23 Budget, \$10.2 million was allocated out of the new Women and Babies Hospital Special Purpose Account (SPA) to progress planning for the new Women and Babies Hospital. Following this work, the Fiona Stanley Hospital Precinct has been identified as the preferred location for the new hospital. The hospital will provide expanded services for women and babies, to be built without disruption to patients and staff, and provide improved parking and transport connectivity. A further \$544 million has been allocated over 2023-24 to 2026-27 from the SPA to commence works on the FSH site (see feature box earlier in this chapter).

Graylands Reconfiguration and Forensics Project

The Government has provisioned \$218.9 million over 2023-24 to 2026-27 for the first stage of works for the Graylands Reconfiguration and Forensic Taskforce project. A business case for these works is to be developed for the Government's consideration, with options to include 53 additional forensic beds (of which five beds are for a children and adolescent unit).

Bentley Health Service Surgicentre

The Commonwealth and State Governments have jointly invested in the Bentley Health Service Surgicentre, at an estimated cost of \$101.1 million over 2023-24 to 2026-27 (and an additional \$48.9 million beyond the forward estimates). The Surgicentre will enable the separation of elective surgery from emergency surgery, and will house six new operating theatres, two new procedure rooms, a 24-bed surgical in-patient unit, and a new central sterilisation services department.

Digital Capability Fund – Digital/Electronic Medical Record Program

As part of a prioritised, staged strategy to progress uptake of Electronic Medical Records across the Western Australian health system, the Government will invest a further \$99.4 million over 2023-24 and 2024-25 to complete the roll-out of Digital Medical Records and Single Sign-on functionality at all public hospitals. This will also include the implementation of Electronic Medical Records at Intensive Care Units in both the Perth Children's Hospital and Sir Charles Gairdner Hospital, bringing total investment in the program to \$156.7 million.

St John of God Midland Public Hospital Expansion

To further expand public hospital capacity, an additional \$81.1 million will be spent in 2026-27 to purchase the private patient facility at St John of God Midland Public Hospital. This includes 60 in-patient beds, three operating rooms, and the associated portion of shared infrastructure.

Medical Equipment and Imaging Replacement Program

The Government will boost the Medical Equipment and Imaging Replacement Program by investing an additional \$45.2 million over 2023-24 and 2024-25 to replace high priority medical and imaging equipment that is at the end of its useful life.

Digital Capability Fund – Cyber Security and Critical Health ICT Infrastructure Program (CHIIP)

To continue implementation of the CHIIP and Cyber Security Programs, an additional \$39.2 million will be spent over 2023-24 to 2025-26 (including \$15.8 million of recurrent expenditure). These critical ICT programs will improve cyber security functionality available through the recent upgrade of Microsoft Enterprise Agreement licences, address critical cyber security risks, reduce network breaches, and improve compliance with the State Cyber Security Policy.

Sir Charles Gairdner Hospital Computerised Tomography (CT) Scanner

To provide additional medical imaging services, the Government will spend \$12.9 million over 2023-24 to 2025-26 to install a third CT scanner at Sir Charles Gairdner Hospital. The new CT scanner will address capacity issues and mitigate the impact of any maintenance downtime with the existing CT scanners.

Aluminium Composite Panel (Cladding) Remediation – Fiona Stanley Hospital

WA Health will proceed to tender to undertake full remediation works associated with aluminium composite panels at Fiona Stanley Hospital through a \$12.7 million allocation over 2022-23 to 2024-25 out of the State-wide provision for cladding remediation.

Minor Building Works Program

A further \$10 million will be spent in 2023-24 to undertake minor building works across the health system, bringing this program to a total of \$20.6 million in 2023-24.

Critical Staff Accommodation Upgrade Program

The Government has allocated a further \$8.2 million over 2023-24 and 2024-25 to address critical regional staff accommodation priorities aimed at supporting the attraction and retention of the health workforce needed to deliver essential health care services across regional and remote Western Australia.

Perth Children's Hospital – Ward 5A Reconfiguration

As part of its \$35.5 million investment in this Budget to address Infant, Child and Adolescent Taskforce Report recommendations (see Chapter 5 – Mental Health Commission), \$7.7 million will be spent over 2022-23 to 2024-25 to reconfigure Ward 5A at the Perth Children's Hospital to create more therapeutic and activity space to improve patient care.

Fiona Stanley Hospital Bridge

\$5.4 million will be reprioritised within South Metropolitan Health Service's current approved budget settings in 2022-23 for the construction of a patient transfer bridge between Fiona Stanley Hospital and the new Murdoch Medihotel.

Digital Capability Fund – Outpatient Reform Smart Referrals

A new Smart Referrals Outpatient System will be implemented at an estimated cost of \$8.2 million over 2023-24 to 2026-27 (including \$3.9 million of recurrent expenditure). This system will improve management of, and access to, specialist outpatient services and elective surgery.

Mental Health Commission

Broome Step Up/Step Down

To address cost escalation associated with challenging construction market conditions, \$2 million has been approved in 2023-24 to ensure the delivery of the Broome Step Up/Step Down facility.

EDUCATION AND TRAINING

Table 14

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
EDUCATION					
– Rockingham Senior High School and Education Support Centre	-	1.0	15.0	25.0	17.0
– Safety Bay Senior High School	-	1.0	13.0	22.0	4.0
– Transportable Classrooms 2024	-	31.0	10.0	-	-
– Preventative Maintenance	-	12.0	13.5	-	-
– Education Support Facilities – Wanneroo Secondary College and Waggrakine Primary School	-	0.9	9.5	10.9	0.1
– Roebourne District High School Re-development	-	1.4	9.1	9.3	0.5
– Project Cost Increases					
– Duncraig Senior High School	-	-	4.0	2.1	-
– John Curtin College of the Arts	-	1.0	3.0	0.3	-
– Rossmoyne Senior High School	-	1.0	3.1	-	-
– Eaton Community College	-	-	1.2	-	-
– Warwick Senior High School	-	0.6	-	-	-
– Brabham Primary School Off-site Early Learning Education Facility	-0.7	11.9	0.3	-	-
– Agricultural Colleges and Farm Schools	-	2.8	0.9	2.0	1.1
TRAINING AND WORKFORCE DEVELOPMENT AND TAFE COLLEGES					
– North Metropolitan TAFE – Dental Training Centre	2.6	-	-	-	-
– Heavy Vehicle Driver Training Program Expansion ^(a)	-	0.8	-	-	-
BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD					
– Construction Futures Centre and ICT Upgrade	-	0.7	-	-	-

(a) This item has both recurrent and capital expenditure, the majority of which is recurrent. This item is therefore detailed in Chapter 5.

Note: Rows may not add due to rounding.

Education

Rockingham Senior High School and Education Support Centre

The Government has provisioned \$58 million over the forward estimates (with a further \$2 million outside the forward estimates), to be released upon approval of a business case, to deliver contemporary fit-for-purpose facilities at Rockingham Senior High School (which opened in 1971) and an Education Support Centre.

Safety Bay Senior High School

To undertake a major rebuild of Safety Bay Senior High School (which opened in 1978), including providing up-to-date facilities for students and staff, the Government has provisioned \$40 million from 2023-24 to 2026-27, to be released upon approval of a business case.

Transportable Classrooms 2024

To manage localised student enrolment pressures, a further \$41 million will be invested over 2023-24 and 2024-25 to facilitate the acquisition and delivery of additional transportable classrooms for the 2024 school year.

Preventative Maintenance

The Government will invest an additional \$27.2 million over 2023-24 and 2024-25 on high priority maintenance programs, including roof replacements, plaster glass and ceiling remediation, as well as upgrades to school alarm systems and fire services. This includes recurrent expenditure of \$1.7 million in 2023-24.

Education Support Facilities – Wanneroo Secondary College and Waggrakine Primary School

In response to growing demand, the Government will deliver new education support facilities for low to moderate needs students at Wanneroo Secondary College and Waggrakine Primary School in Geraldton, at a total cost of \$21.4 million over 2023-24 to 2026-27.

Roebourne District High School Re-development

To progress the Roebourne District High School re-development project, a further \$20.4 million will be invested over the forward estimates (including \$10.2 million in reprioritised investment across the Department's Asset Investment Program).

Brabham Primary School Off-site Early Learning Education Facility

To relieve accommodation pressure at Brabham Primary School, the Government will invest an additional \$11.6 million over 2022-23 to 2024-25 in an offsite early learning education facility for kindergarten and pre-primary students.

Agricultural Colleges and Farm Schools

The Government will invest \$6.8 million over 2023-24 to 2026-27 to improve and restore aged assets at regional Agricultural Colleges and Farm Schools.

Training and Workforce Development and TAFE Colleges

North Metropolitan TAFE – Dental Training Centre

North Metropolitan TAFE will invest an additional \$2.6 million in 2022-23 to relocate its dental training facilities from the University of Western Australia to the Leederville campus.

Building and Construction Industry Training Board

Construction Futures Centre and ICT Upgrade

The Building and Construction Industry Training Board will invest \$700,000 in 2023-24 to refresh exhibits and improve mobility access at the Construction Futures Centre in Belmont, and deliver ICT enhancements to improve cyber security and the client user web portal.

COMMUNITY SAFETY

Table 15

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
WESTERN AUSTRALIA POLICE FORCE					
Election Commitments					
– Cost Increases – Baldivis and Forrestfield Police Stations	-	8.0	2.2	0.1	-
Other Spending					
– Emergency Services Radio Network	17.7	13.8	12.1	-	-
– Cost Increase – Fremantle Police Complex	-	-	-	11.0	5.0
– Digital Capability Fund – Technology Improvement Program	-	12.5	-	-	-
JUSTICE					
– Cost Increase – Casuarina Prison Expansion	-	7.0	13.9	-	-
– Emergency Services Radio Network	10.3	3.7	5.2	-	-
– Broome Regional Prison Critical Maintenance	1.4	1.0	-	-	-
FIRE AND EMERGENCY SERVICES					
– Emergency Services Radio Network	3.0	5.2	2.2	-	-
– Cost Increase – Fire and Emergency Services Fleet	1.7	-	-	-	-
– State Disaster Recovery Capability ^(a)	-	0.3	-	-	-
OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS					
– Digital Capability Fund – Strategic ICT Program	-	0.6	0.8	-	-

(a) This item has both recurrent and capital expenditure, the majority of which is recurrent. This item is therefore detailed in Chapter 5.

Note: Rows may not add due to rounding.

Western Australia Police Force

Other Spending

Emergency Services Radio Network

To upgrade and maintain the State's emergency radio network and equipment utilised by frontline public safety agencies, the Government will invest a total of \$81.7 million, comprising:

- \$43.6 million for the Western Australia Police Force over 2022-23 to 2024-25 to deliver the capital upgrades, and a further \$8.2 million of recurrent expenditure for project and technical resources;
- \$19.3 million for the Department of Justice over 2022-23 to 2024-25; and
- \$10.3 million for the Department of Fire and Emergency Services over 2022-23 to 2024-25, and a further \$272,000 for associated recurrent costs over this period.

Digital Capability Fund – Technology Improvement Program

The Government will invest an additional \$12.5 million in 2023-24 to continue modernisation of ICT systems including mitigating cyber security risks and improving the Western Australia Police Force's digital capability. A further \$12.5 million will be spent on program resources in 2023-24.

Department of Justice

Emergency Services Radio Network

See Western Australia Police Force.

Broome Regional Prison Critical Maintenance

To ensure the health and safety of staff and prisoners, the Department will invest \$2.4 million over 2022-23 and 2023-24 on critical maintenance and remediation work at Broome Regional Prison.

Fire and Emergency Services

Emergency Services Radio Network

See Western Australia Police Force.

Office of the Director of Public Prosecutions

Digital Capability Fund – Strategic ICT Program

The Government will invest \$1.4 million over 2023-24 and 2024-25 to replace corporate business systems in support of delivering prosecution services for the State. A further \$1.2 million in recurrent expenditure will be spent to deliver the program.

COMMUNITY SERVICES

Table 16

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
COMMUNITIES					
– Investment in Social Housing	-	121.6	119.4	111.8	91.3
– Ex-Tropical Cyclone Ellie – Housing ^(a)	-	-	-	-	-
– Refurbishment of Social Housing	-	16.8	20.2	20.2	20.2
– Government Regional Officer Housing	-	17.0	16.4	20.4	6.8
– Investment in Child Protection Services	5.7	7.8	-	-	-
LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES					
– State Hockey Centre	-	13.0	35.0	54.0	24.3
– Perth Concert Hall	0.1	-10.7	9.4	72.1	27.0
– Digital Capability Fund – Online Central Registration System for Dogs and Cats	-	1.7	-	-	-
WESTERN AUSTRALIAN SPORTS CENTRE TRUST					
– HBF Park – 2023 FIFA Women's World Cup Readiness Project	3.8	-	-	-	-
– RAC Arena – Scoreboard (Screen)	1.5	-	-	-	-
LOTTERIES COMMISSION					
– Gaming System Replacement ^(b)	-	-	-	-	-

(a) Confidential – subject to ongoing negotiations with the Commonwealth.

(b) This amount is unable to be disclosed due to ongoing commercial negotiations.

Note: Rows may not add due to rounding.

Department of Communities

Investment in Social Housing

The Department will spend an additional \$444.1 million between 2023-24 and 2026-27 to boost housing stock in the State's social housing program, comprising:

- \$208.7 million for construction of new social housing dwellings;
- \$200.2 million for the acquisition of additional social housing dwellings through spot purchasing; and
- \$35.2 million to deliver dwellings through industry partnership projects.

This investment will be funded from the Social Housing Investment Fund (SHIF), which has been allocated a further \$450 million in this Budget (see Appendix 5: *Special Purpose Accounts*). In total, this investment will enable the delivery of an additional 700 dwellings, bringing the Government's commitment to 4,000 additional social housing dwellings by 2026-27.

Ex-Tropical Cyclone Ellie – Housing

Refer to details of the Ex-Tropical Cyclone Ellie Disaster Package within the Department of Fire and Emergency Services (see Chapter 5).

Refurbishment of Social Housing

\$77.5 million (funded from the remainder of the original \$750 million allocation to the SHIF) will be spent over 2023-24 to 2026-27 on the refurbishment of approximately 553 social housing dwellings. Refurbishments provide a value for money solution to maintaining existing social housing stock levels, particularly in the context of current market conditions which have driven up the cost of new builds.

Government Regional Officer Housing

To address demand for Government Regional Officer Housing (GROH), the Government will spend an additional \$61.6 million over the forward estimates period, including \$40.9 million to acquire new dwellings and purchase land for future construction and \$19.7 million to refurbish 133 existing GROH properties. The Department will spend \$1.1 million to undertake a comprehensive review and reform of the GROH program.

Investment in Child Protection Services

\$13.5 million will be spent over 2022-23 and 2023-24 to purchase 19 new dwellings to support progress towards implementing out-of-home care (OOHC) sector service reforms. Allocations for recurrent purposes are detailed in Chapter 5.

Local Government, Sport and Cultural Industries

State Hockey Centre

The Government will invest \$126.3 million over the forward estimates, and \$135 million in total, to redevelop the State Hockey Centre following Western Australia's successful bid to host the Hockey Australia High Performance Program and Centre of Excellence (HACE). A further \$1.5 million over the forward estimates has been approved for the payment of annual grants to Hockey Australia and Hockey WA, to support delivery of the HACE.

Perth Concert Hall

The Government will spend an additional \$97.9 million over 2022-23 to 2026-27 on the Perth Concert Hall redevelopment to secure the future of the venue and to provide the West Australian Symphony Orchestra with a permanent home. The total approved budget for the redevelopment is now \$150.3 million.

Digital Capability Fund – Online Central Registration System for Dogs and Cats

An additional \$1.7 million will be invested in 2023-24 to develop an online central registration system for dogs and cats to support the Government's Stop Puppy Farming commitment. A further \$765,000 of recurrent spending has been approved to support the new system.

Western Australian Sports Centre Trust

HBF Park – 2023 FIFA Women’s World Cup Readiness Project

The Government will spend an additional \$3.8 million in 2022-23 to meet cost pressures and upgrade secondary change rooms, facilitating completion of works at HBF Park ahead of the 2023 Women’s World Cup.

RAC Arena – Scoreboard (Screen)

The Government has approved an additional \$1.5 million in 2022-23 towards the replacement of the main scoreboard (screen) at RAC Arena, which is nearing the end of its useful life.

Lotteries Commission

Gaming System Replacement

Lotterywest is investing in a major overhaul of its existing gaming and support systems, primarily updating technologies that underpin its core gaming systems, including online capabilities and in-store technology. The proposed amount of expenditure is unable to be disclosed due to ongoing commercial negotiations.

TRANSPORT

Table 17

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
TRANSPORT					
– Maritime Vessel Asset Replacement	-	0.7	1.2	-	-
– Cost Increase – Fremantle Fishing Boat Harbour and Commercial Precinct – Replacement of Electrical Infrastructure	-	1.9	-	-	-
– Infringement Management Reform Project	-	1.2	-	-	-
– Towing Industry Reform ^(a)	-	-	0.1	-	-
COMMISSIONER OF MAIN ROADS					
Election Commitments					
– Cost Increases – Regional Projects	-	6.0	-	-	-
Other Spending					
– Cost Increases and Scope Enhancements – Jointly Funded Projects ^(b) :					
– Regional Projects	-	234.0	12.0	-	-
– Metropolitan Projects	-	175.5	8.9	-	-
– Regional Road Safety Program ^(c)	-	-	175.0	-	-
– Westport Land Acquisition	50.0	-	-	-	-
PUBLIC TRANSPORT AUTHORITY					
Election Commitments					
– METRONET Cost Pressures ^(b)	205.9	675.9	352.8	-	-
Other Spending					
– Electric Buses	-	22.0	63.0	73.0	42.0
– METRONET – Railcar Acquisition and Replacement – Bellevue Depot	-4.6	52.8	61.8	-	-
– Rail Infrastructure Program	14.9	20.9	7.2	-	-
– METRONET – High Capacity Signalling Program of Works	2.6	10.9	8.8	-	-
– Mid-Tier Transport Planning	-	3.6	-	-	-
FREMANTLE PORT AUTHORITY					
– Material Handling Infrastructure and Import System	-	6.8	-	-	-
KIMBERLEY PORTS AUTHORITY					
– Wharf Facility Works – Port of Broome	-	15.0	-	-	-
– Electrical Works – Ports of Wyndham and Derby	-	1.8	-	-	-
MID WEST PORTS AUTHORITY					
– Fishing Boat Harbour Boat Building Precinct	-	8.6	1.4	-	-
– Replacement of Ring Main Units	-	4.9	0.5	-	-
– Wastewater Treatment Plant	-	1.8	-	-	-
PILBARA PORTS AUTHORITY					
– Port Hedland Voluntary Buy-Back Scheme	20.3	9.6	-	-	-
– Port Hedland Tug Haven Revetment Wall Upgrades	-	21.3	-	-	-
SOUTHERN PORTS AUTHORITY					
– Operational Technology Renewals	-	9.2	8.2	-	-
– Port Roads Upgrade – Port of Esperance	-	7.4	-	-	-
– Electrical Infrastructure – Ports of Albany and Bunbury	-	2.0	3.2	1.6	-
– Crane Repairs – Port of Esperance	-	6.5	-	-	-
– Berth 8 Conveyor Widening – Port of Bunbury	-	4.2	1.5	-	-

(a) This item has both recurrent and capital expenditure, the majority of which is recurrent. This item is therefore detailed in Chapter 5.

(b) Noting that negotiations with the Commonwealth Government had not been finalised at the time of the Budget cut-off, it has been assumed that these cost increases will be jointly funded consistent with the current funding arrangements.

(c) Noting that negotiations with the Commonwealth Government had not been finalised at the time of the Budget cut-off, it has been assumed that this program will be jointly funded consistent with the current funding arrangements.

Note: Rows may not add due to rounding.

Transport

Maritime Vessel Asset Replacement

A total of \$1.9 million will be spent across 2023-24 and 2024-25 to replace three maritime vessels that have reached the end of their useful life. The replacement vessels will be used for various maritime compliance services, including emergency responses for sea search and rescue, environmental responses for oil spills and to monitor large scale aquatic events.

Infringement Management Reform Project

Road Trauma Trust Account funding of \$1.2 million will be spent in 2023-24 on integrating DoTDirect with the new infringement processing system as part of the Infringement Management Reform Program. A further \$100,000 in recurrent expenditure has also been approved.

Commissioner of Main Roads

Other Commitments

Cost Increases and Scope Enhancements – Jointly Funded Projects

Regional Projects

The Budget includes additional investment of \$246 million over 2023-24 and 2024-25 – jointly funded by the Commonwealth and State Governments – for scope enhancements and cost increases across a number of regional road projects that are in delivery. This comprises:

- \$100 million to facilitate delivery of the Bunbury Outer Ring Road works;
- \$40 million for Albany Ring Road, and a further \$37 million for a new grade separation of Menang Drive and Chester Pass Road;
- \$30 million for Bussell Highway Duplication (Stages 1 and 2);
- \$15 million for the Great Northern Highway (Ord River North) project;
- \$10 million for the Newman to Katherine Corridor;
- \$7 million for Thomas Road upgrades, including the Thomas Road and Nicholson Road intersection; and
- \$6 million for Albany Highway (Kelmscott to Williams).

Metropolitan Projects

A further \$179.4 million over 2023-24 and 2024-25 has been jointly funded by the State and Commonwealth Governments for metropolitan road projects that are experiencing cost pressures as a result of market conditions, including:

- \$161.4 million for Tonkin Gap works;

- \$10 million for the duplication of Wanneroo Road; and
- \$8 million for Mitchell Freeway upgrades between Hodges Drive and Hepburn Avenue.

An additional \$5 million will also be spent by the State to complete Kwinana Freeway upgrades between Mount Henry Bridge and Cranford Avenue.

Regional Road Safety Program

By treating roads with shoulder sealing and/or audible edge lines, the Regional Road Safety Program aims to significantly reduce the number of ‘run-off road’ crashes. The Budget includes an additional \$175 million – jointly funded by the Commonwealth and State Governments – to continue these low-cost and highly effective safety treatments on regional roads in 2024-25.

Westport Land Acquisition

Main Roads has been allocated \$50 million in 2022-23 from the Westport Special Purpose Account to progress strategic land acquisitions for the Westport precinct and key freight routes identified through the project planning phase.

Public Transport Authority

Election Commitments

METRONET Cost Pressures

To address unavoidable cost increases for labour, plant, equipment and materials, the State and Commonwealth Governments will spend an additional \$1.2 billion over the period 2022-23 to 2024-25 to complete the following METRONET projects (that are under contract and in construction):

- Morley Ellenbrook Line (\$528.1 million);
- Yanchep Rail Extension (\$375.3 million);
- Thornlie-Cockburn Link (\$243.8 million); and
- Bayswater Station (\$107.4 million).

Other Spending

Electric Buses (E-Buses)

To commence the transition of the Public Transport Authority’s (PTA’s) bus fleet to electric, a total of \$200 million will be spent over the forward estimates (with a further \$50 million in 2027-28) under this joint State and Commonwealth-funded commitment. The PTA will initially procure 18 e-buses and install associated charging infrastructure at Elizabeth Quay Bus Station in 2023-24 to operate the city’s Central Area Transit services (at a cost of \$22 million), with the remaining funding to be drawn from a provision as required based on a program of ongoing works.

METRONET – Railcar Acquisition and Replacement – Bellevue Depot

Following a competitive tender process, an additional \$109.9 million will be invested over 2023-24 and 2024-25 for construction of the Bellevue Depot. The depot will support the METRONET Railcar project by providing train maintenance facilities required to support urban and regional passenger rail services.

Rail Infrastructure Program

The Rail Infrastructure Program supports the upgrade and maintenance of the existing rail network, including signalling, pedestrian gates, level crossings and rail bridge works. Additional investment of \$43 million has been allocated over 2022-23 to 2024-25 to undertake further works in the metropolitan area.

METRONET – High Capacity Signalling (HCS) Program of Works

An additional \$22.3 million has been allocated to projects within the HCS program of works over 2022-23 to 2024-25. HCS will increase the capacity and safety of the rail network.

Mid-Tier Transport Planning

An amount of \$3.6 million has been allocated in 2023-24 to assist with mid-tier transport planning.

Fremantle Port Authority

Material Handling Infrastructure and Import System

The Fremantle Port Authority is replacing the existing import system for cement clinker at the Kwinana Bulk Terminal. It will spend an additional \$6.8 million in 2023-24 to meet cost escalation and to install a dual walkway (for safety reasons). The project has a revised total cost of \$61.8 million and is estimated to be completed by mid-2024.

Kimberley Ports Authority

Wharf Facility Works – Port of Broome

To facilitate the efficient export of mineral sands products, the Government will invest \$15 million in 2023-24 on upgrades at the Port of Broome. Planned works include the installation of a new concrete deck and piles, extension of an existing concrete deck and demolition of an existing cargo shed situated on the wharf.

Electrical Works – Ports of Wyndham and Derby

The Kimberley Ports Authority will spend \$1.8 million in 2023-24 to undertake electrical upgrades at the Ports of Wyndham (\$1.3 million) and Derby (\$500,000).

Mid West Ports Authority

Fishing Boat Harbour Boat Building Precinct

Mid West Ports Authority (MWPA) will spend \$10 million over 2023-24 and 2024-25 for early stage works on a boat building precinct at the Geraldton Fishing Boat Harbour. This will support local industry and enable the acquisition of land for the \$350 million Port Maximisation Project, which will facilitate a range of new resource projects in the Mid West region.

Replacement of Ring Main Units

To provide safer working conditions for staff and enhance reliability of operations across the port, MWPA will replace 10 ring main units (electrical switchgear) at a cost of \$5.4 million over 2023-24 and 2024-25.

Wastewater Treatment Plant

To ensure compliance with environmental guidelines, MWPA will spend \$1.8 million in 2023-24 to construct a wastewater treatment plant. The plant will assist in protecting the marine environment from wastewater discharge at the Port of Geraldton caused by infrastructure washdown activities.

Pilbara Ports Authority

Port Hedland Voluntary Buy-Back Scheme

The Port Hedland Voluntary Buy-Back Scheme allows residents within Port Hedland's West End area (close to port operations) the opportunity to voluntarily sell their property for a commercially attractive, Government-guaranteed market price. Pilbara Ports Authority will spend an additional \$29.9 million over 2022-23 and 2023-24 under this scheme, reflecting an increase in the average price for the purchase of eligible properties.

Port Hedland Tug Haven Revetment Wall Upgrades

An additional \$21.3 million will be invested in 2023-24 to complete the Tug Haven Revetment Wall Upgrade Project to a design that can accommodate larger tugs and increased wind and wave actions during cyclonic conditions.

Southern Ports Authority

Operational Technology Renewals

Southern Ports Authority (SPA) will spend \$17.4 million over 2023-24 and 2024-25 to renew operational technology across the Ports of Albany, Bunbury and Esperance. This will improve the reliability of service delivery, reduce maintenance and engineering times, and mitigate risks of hardware failures and cyber security attacks.

Port Roads Upgrade – Port of Esperance

To improve safety and provide roads which are fit for purpose for heavy vehicle access, the Government will invest \$7.4 million in 2023-24 to upgrade roads at the Port of Esperance.

Electrical Infrastructure – Ports of Albany and Bunbury

To upgrade electrical infrastructure at the Ports of Albany and Bunbury, SPA will spend \$6.8 million over 2023-24 to 2025-26. The upgrades will mitigate safety, fire and reliability risks of ageing infrastructure and reduce the costs of maintenance and testing.

Crane Repairs – Port of Esperance

An investment of \$6.5 million in 2023-24 will facilitate repairs to the Berth 2 crane at the Port of Esperance. The repairs will support the dry bulk cargo trade (such as grains and nickel) through the Port of Esperance, which is dependent on the crane for unloading.

Berth 8 Conveyor Widening – Port of Bunbury

SPA will spend \$5.7 million over 2023-24 and 2024-25 to replace a multi-user Berth 8 conveyor at the Port of Bunbury with a wider conveyor system. This will meet growing demand by increasing throughput capacity and port efficiency, and also reduce maintenance costs.

ENVIRONMENT

Table 18

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
WATER AND ENVIRONMENTAL REGULATION					
– Compliance Resourcing ^(a)	-	1.6	0.2	0.2	-
– Digital Capability Fund – Native Vegetation Policy Implementation ^(a)	-	0.1	1.0	0.5	-
BIODIVERSITY, CONSERVATION AND ATTRACTIONS					
Election Commitments					
– Cost Increase – Peri-Urban Parks	-	-	3.0	3.3	-
Other Spending					
– Rottnest Island Authority – Wadjemup Burial Ground and Quod Project (Stage 2)	-	0.8	4.3	13.4	-
– Implementing the Western Australian Feral Cat Strategy ^(a)	-	0.5	-	-	-

(a) This item has both recurrent and capital expenditure, the majority of which is recurrent. This item is therefore detailed in Chapter 5.

Note: Rows may not add due to rounding.

Biodiversity, Conservation and Attractions

Other Spending

Rottnest Island Authority – Wadjemup Burial Ground and Quod Project (Stage 2)

The Government has allocated \$27.5 million over 2023-24 to 2026-27 to undertake Stage 2 of the Wadjemup Burial Ground and Quod Project on Rottnest Island. This includes \$18.5 million of capital expenditure to complete the Burial Ground redevelopment component of the project and to undertake high priority maintenance works on the Quod Building on the island. A further \$9 million will meet operational costs associated with the works and allow State-wide consultation to develop the Truth-Telling and Ceremony components of the project.

PLANNING AND LAND USE

Table 19

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
PLANNING, LANDS AND HERITAGE					
– Kimberley Recovery Housing and Community Access Roads ^(a)	-	-	-	-	-
– Digital Capability Fund – Planning Online Program	1.0	7.8	0.8	-	-
DEVELOPMENTWA					
Election Commitments					
– Bunbury Waterfront Stage 2B	1.5	3.5	-	-	-
Other Spending					
– Bentley Residential Redevelopment	0.1	17.2	13.1	12.5	5.0
– Industrial Land Development Fund	-	15.0	20.0	-	-
– Capital Expenditure	47.3	-22.8	-	-	-
NATIONAL TRUST OF AUSTRALIA (WA)					
– Wesleyan Chapel Repairs	0.4	0.1	-	-	-
– Avondale Farm Repairs	0.1	-	-	-	-

(a) Confidential – subject to ongoing negotiations with the Commonwealth.

Note: Rows may not add due to rounding.

Planning, Lands and Heritage

Digital Capability Fund – Planning Online Program

The Government has allocated an additional \$9.5 million in capital expenditure over 2022-23 to 2024-25 for the Planning Online Program, which replaces the State's land use planning ICT system. The new system will cost a total of \$20.7 million and will include an improved planning portal to facilitate online lodgement of a broader range of planning applications and provide a more contemporary approach to public engagement. A further \$108,000 in recurrent expenditure has been allocated to the project.

DevelopmentWA

Election Commitments

Bunbury Waterfront Stage 2B

To complete Stage 2B of the Transforming Bunbury's Waterfront project, the Government has approved additional investment totalling \$5 million over 2022-23 and 2023-24.

Other Spending

Bentley Residential Redevelopment

Capital expenditure of \$48 million over 2023-24 to 2026-27 has been allocated to facilitate the medium to high density urban infill development project in Bentley. As a boost to social and affordable housing, the project will deliver more than 900 residential dwellings, including approximately 130 social houses. A further \$11.3 million has also been approved for remediation works over 2023-24 and 2024-25 to deliver this project.

Industrial Land Development Fund

An additional \$35 million has been allocated over 2023-24 and 2024-25 to the Industrial Land Development Fund for business case development and Native Title and environmental de-constraining of strategic industrial land.

Capital Expenditure

The Government will invest a further \$24.5 million over 2023-24 to 2026-27 for DevelopmentWA's industrial, residential and commercial projects. This includes the realignment of capital expenditure to changing market conditions, and addresses cost escalation and other pressures being experienced in the construction market.

National Trust of Australia (WA)

Wesleyan Chapel Repairs

The Trust will spend an additional \$556,000 over 2022-23 and 2023-24 to undertake repairs to the heritage-listed Wesleyan Chapel in Central Greenough, which was damaged during Tropical Cyclone Seroja in 2021.

Avondale Farm Repairs

Repairs to the heritage-listed Avondale Farm in Beverley, which was damaged by fire and storms in 2022, will cost \$110,000 in 2022-23.

UTILITIES

Table 20

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
SYNERGY					
– Generation Assets and Key Projects	4.4	11.0	5.6	10.7	9.1
WESTERN POWER					
– Fifth Access Arrangement Draft Decision	-19.6	71.0	144.9	180.0	166.1
– Decarbonisation	4.0	122.0	-	-	-
– Heavy Fleet Replacement Program	0.3	26.1	10.2	8.3	9.9
– Relocation and Augmentation of Network Assets	-	42.7	-	-	-
HORIZON POWER					
– Exmouth Power Project	-	5.0	5.0	-	-
– Outage and Life Support Management System	-	5.3	3.5	-	-
– Construction of Residential Properties	-	3.8	-	-	-
– Dampier Transmission Assets	-	1.9	1.9	-	-
– Electric Vehicle Smart Charger and Vehicle-to-Grid Trial	-	2.2	-	-	-
– Distributed Energy Resources Management System	-	2.0	-	-	-
WATER CORPORATION					
– Alkimos Seawater Desalination Plant	7.1	58.3	-	-	-
– Essential and Municipal Services Upgrade Program and Remote Aboriginal Communities Accelerated Works	-4.6	10.4	24.2	7.9	4.7
– Relocation and Augmentation of Network Assets	-	84.8	-	-	-
– Infill Sewerage Program	-	9.4	5.7	0.2	20.3
BUSSELTON WATER CORPORATION					
– Inland Borefield Transition (Plant 8)	-	-	1.2	1.3	0.3
– Storage Tank at Plant 4	-	1.8	1.8	-	-
– Caves Road Mains Upgrade	-	1.6	-	-	-

Note: Rows may not add due to rounding.

Synergy

Generation Assets and Key Projects

Synergy will invest \$40.8 million over 2022-23 to 2026-27 on its existing generation assets to ensure their ongoing safety and reliability, and to complete key projects such as rehabilitation of the decommissioned Kwinana power station site. Infrastructure and system upgrades will also be completed to ensure readiness for the Wholesale Electricity Market reforms (which are due to commence in October 2023).

Western Power

Fifth Access Arrangement (AA5) Draft Decision

Every five years, under Western Power's Access Arrangements, the Economic Regulation Authority (ERA) assesses Western Power's Asset Investment Program to determine what is needed to maintain the safety and reliability of the network at an efficient cost. Under the ERA's Draft Decision on Western Power's AA5 (published in September 2022), Western Power's capital expenditure has increased by \$542.4 million over 2022-23 to 2026-27. The impacts of the ERA's Final Decision on the AA5 (published 31 March 2023) will be reflected in the 2023-24 Mid-year Review.

Decarbonisation

Refer to Provisions later in this chapter.

Heavy Fleet Replacement Program

Western Power will spend an additional \$54.7 million over 2022-23 to 2026-27 to replace its heavy vehicle fleet under its five year replacement program as the current fleet is reaching end of life.

Relocation and Augmentation of Network Assets

Western Power will invest an additional \$42.7 million in 2023-24 on the relocation and upgrade of network assets across the metropolitan area.

Horizon Power

Exmouth Power Project

Horizon Power will spend \$10 million over 2023-24 and 2024-25 in network resilience and planning for an 80% renewable energy design for a Power Purchase Agreement with an independent power producer to ensure continuity of electricity supply in Exmouth.

Outage and Life Support Management System

To ensure better safety management for life support customers, Horizon Power will invest \$8.8 million over 2023-24 and 2024-25 to upgrade its Outage and Life Support Management System.

Construction of Residential Properties

Horizon Power will invest \$3.8 million in 2023-24 to construct six residential houses in regional locations to help address its staff accommodation needs.

Dampier Transmission Assets

\$3.8 million will be spent over 2023-24 and 2024-25 by Horizon Power to upgrade its transmission assets in Dampier and thereby maintain the reliability of electricity supply to its customers.

Electric Vehicle Smart Charger and Vehicle-to-Grid Trial

Horizon Power will invest \$2.2 million in 2023-24 to deliver an Electric Vehicle (EV) Smart Charger and Vehicle-to-Grid trial. This will generate evidence on the operational impacts of using EVs to power homes and will test the controllability of smart chargers in its regional microgrids, which are more susceptible to fluctuations in energy demand.

Distributed Energy Resources Management System

In line with the Government's August 2022 announcement, Horizon Power will invest \$2 million in 2023-24 to roll out its Distributed Energy Resources Management System across its regional microgrids. This software platform manages and controls all renewable assets connected to the network to ensure network stability for all customers.

Water Corporation

Alkimos Seawater Desalination Plant

To enable the Alkimos Seawater Desalination Plant to meet the forecast commencement of operations in 2028, \$65.3 million will be spent on enabling works over 2022-23 and 2023-24.

Essential and Municipal Services Upgrade Program and Remote Aboriginal Communities Accelerated Works

Due to cost escalation in previously approved capital projects that form part of the regularisation of water and wastewater service provision in seven remote Aboriginal communities and 16 town-based communities, an additional \$42.6 million will be spent over the four years to 2026-27.

Relocation and Augmentation of Network Assets

The Water Corporation will invest an additional \$84.8 million in 2023-24 on the relocation and upgrade of network assets across the metropolitan area.

Infill Sewerage Program

An infill sewerage program will be delivered at the METRONET Bennett Springs, Yanchep, Malaga, Meltham, Redcliffe, Kelmscott and Morley station precinct sites, and at selected sites in Kenwick and Maddington, at a cost of \$35.7 million across the forward estimates period (with a further \$19.7 million beyond this period). This investment will unlock strategic housing opportunities.

Busselton Water Corporation

Inland Borefield Transition (Plant 8)

Busselton Water will spend \$2.8 million over 2024-25 to 2026-27 to continue preliminary work on the Inland Borefield Transition (Plant 8) project. A further \$28.4 million will be spent to complete the project beyond the forward estimates period. Plant 8 will replace the existing coastal bores threatened by seawater intrusion with a new inland borefield and treatment plant and assist in meeting increasing peak water demand from 2029-30.

Storage Tank at Plant 4

To assist with forecast peak water demand before Plant 8 is delivered, \$3.5 million will be spent over 2023-24 and 2024-25 on a new water storage tank at Water Treatment Plant 4. The tank will continue being used after Plant 8 is completed, assisting with water deficits on the network and maintenance or failures at treatment plants.

Caves Road Mains Upgrade

The Corporation will spend \$1.6 million in 2023-24 to upgrade the main water supply pipeline along Caves Road, with the cost to be reimbursed by the Water Corporation.

PROVISIONS

Table 21

MAJOR SPENDING CHANGES SINCE THE 2022-23 MID-YEAR REVIEW

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
Provisions					
– Decarbonisation of the South West Interconnected System	369.1	1,732.4	586.2	-	-
– Asset Investment Program Smoothing:					
– Reverse Mid-year Review provision	1,750.0	1,550.0	-1,050.0	-2,400.0	-
– 2023-24 Budget provision	-1,750.0	-4,000.0	-	3,000.0	2,750.0
– Social Housing Investment Fund:					
– Allocation to Communities	-	-112.5	-129.5	-129.7	-
– New spending provisioned in this Budget	-	63.4	96.1	60.2	80.4
– Digital Capability Fund	-	-49.6	-75.0	-71.1	-
– METRONET Projects Under Development	-17.2	-42.1	-1.5	-22.6	246.1
– Cost Escalation	-116.5	-	-	-	-
– Climate Action Fund	-	-0.5	-	-69.8	-
– Westport Project	-	-50.0	-	-	-
– New Construction Cost Relief	-30.0	63.7	-	-	-
– Aluminium Cladding Replacement	-4.2	-4.3	-4.2	-	-

Note: Rows may not add due to rounding.

Provisions

Decarbonisation of the South West Interconnected System

A provision of \$2.7 billion over 2022-23 to 2024-25 has been established for Synergy to undertake projects that will facilitate decarbonisation of the South West Interconnected System. The provision will allow Synergy to progress new wind generation investments, and storage assets in the Kwinana and Collie region. A further \$126 million will be invested by Western Power over 2022-23 to 2023-24 on its transmission network (see Western Power earlier in this chapter).

Further detail on the Government's decarbonisation initiatives is available in the feature box earlier in this chapter.

Asset Investment Program Smoothing

The AIP is forecast to total \$39 billion over the four years to 2026-27. Capacity constraints are affecting the construction sector due to supply chain disruptions and challenges filling vacant positions. As a result, the forecast spending profile across agencies will inevitably be subject to some cashflow and timing adjustments. The Budget replaces the Mid-year Review smoothing provision for (as yet unidentified) carryover of project expenditure, and defers an aggregate \$5.75 billion of program spending currently forecast for 2022-23 and 2023-24, to 2025-26 and 2026-27. Importantly, this smoothing provision is a timing change only, and is net debt neutral across the forward estimates period.

Social Housing Investment Fund (SHIF)

The remainder of the initial \$750 million SHIF provision has been allocated in this Budget to complete the Government's commitment to deliver an additional 3,300 social housing dwellings (\$294 million), and to establish a rolling program of refurbishments for existing social housing dwellings (\$78 million).

To ensure a continuing commitment to the delivery of social housing, an additional \$450 million has been allocated from the higher than expected general government operating surplus for 2022-23 to top-up the SHIF. In total, this investment will enable the delivery of an additional 700 dwellings, bringing the Government's commitment to 4,000 additional social housing dwellings by 2026-27. As part of this investment, \$46 million has been set aside for a Regional Supportive Landlord Model (to acquire around 100 houses for people sleeping rough in regional towns). An additional \$3 million in Consolidated Account funding will provide wrap-around services (see Chapter 5 for details). The release of these SHIF provisions is contingent upon the delivery of business cases.

Digital Capability Fund

Since the 2022-23 Mid-year Review, a total of \$253.4 million has been allocated from the existing Digital Capability Fund provision for recurrent and capital investment by agencies. Details of the projects funded from the Digital Capability Fund are included in agency disclosures detailed in this chapter and in Chapter 5. A total of \$22.2 million of recurrent and capital expenditure remains provisioned in the Digital Capability Fund for future projects, with a projected \$45.3 million remaining in the Fund at 30 June 2027.

METRONET Projects Under Development

A further \$162.7 million over 2022-23 to 2026-27 has been provisioned for METRONET projects under development, supporting procurement and project planning for works on the High Capacity Signalling project to continue. The provisioned spending will be transferred to delivery agencies' budgets upon completion of tender processes and/or final investment decisions.

Cost Escalation

The 2022-23 Budget included a provision of \$350 million for potential higher project costs as a result of current construction market conditions. The remaining Mid-year Review provision of \$116.5 million has now been fully allocated to agencies in this Budget.

Climate Action Fund

A total of \$72.8 million has been allocated from the remaining Climate Action Fund provision in this Budget. Material initiatives include \$38.9 million to fund climate adaptation measures across seven agencies, \$22.5 million to accelerate environmental approvals for green energy proposals across five agencies, and \$3.8 million to fund an Urban Greening Grants Program. A total of \$100.3 million of capital expenditure remains provisioned in the Climate Action Fund for future climate-related initiatives.

Westport Project

An allocation of \$50 million has been made to Main Roads in this Budget for the acquisition of land for the Westport precinct and key freight routes. A residual balance of \$281 million remains in the provision for future investment facilitating strategic land acquisition that will enable the Westport project.

New Construction Cost Relief

The Budget includes the carryover of \$30 million from the previous Head Contractor Relief Scheme, plus a further \$33.7 million, to establish a new provision to cover escalation and increased costs to complete the projects impacted by the collapse of Firm Construction.

Aluminium Cladding Replacement

This Budget allocates \$12.7 million to WA Health for remediation of external cladding for two Fiona Stanley Hospital buildings. The residual balance in the provision of \$86.5 million is for the cost of works to remediate remaining instances of aluminium composite panel cladding identified across the general government building portfolio.

Investing in Regional Western Australia

HIGHLIGHTS

- The Government continues to support and grow regional communities through the delivery of high quality healthcare, education, police and community services.
- In addition, a total of \$11.2 billion will be invested in regional infrastructure over 2023-24 to 2026-27, including \$5.3 billion on roads.
- Expenditure under the Royalties for Regions (RfR) program totals \$4 billion over the next four years, and accommodates new RfR spending of \$358 million in regional election commitments and other new initiatives.
- Major new regional initiatives in this Budget include:
 - an additional \$342 million on health and mental health, including continuation of the Mental Health Emergency Telehealth Service and additional investment in WA Health's regional workforce, including a targeted HECS-HELP initiative to incentivise newly qualified nurses and midwives to work in the regions;
 - \$61.6 million to boost investment in Government Regional Officer Housing (GROH) to support the attraction and retention of public sector workers, plus a further \$14 million to freeze GROH tenant rents for a further 12 months;
 - \$31.3 million for an Industry Support and Transition Package and implementation of the Buccaneer Archipelago Marine Parks;
 - \$23.6 million to support survivors of family and domestic violence (FDV) in the regions, including establishment of a new FDV Hub in Broome;
 - \$22.2 million towards implementation of a mandatory electronic identification system for sheep and goats in Western Australia by 1 January 2025; and
 - \$20.7 million for the Regional Airfare Zone Cap Scheme.

The Government has also approved \$322 million in disaster recovery initiatives to support regional communities to recover from the impacts of Ex-Tropical Cyclone Ellie.

The WA Jobs Plan for the Regions

Growing regional jobs and diversifying regional economies is a priority for the State Government. This Budget includes initiatives that will encourage new industries and innovation in the regions, as well as measures to support, protect and grow existing industries.

The State's regional infrastructure program is providing a pipeline of work that will grow regional economies and jobs, and includes ongoing investment in regional road infrastructure (\$5.3 billion over the next four years) and the delivery of key projects such as the Geraldton Port Maximisation Project (\$350 million), the Bunbury Hospital Redevelopment (\$279.9 million), and the Dampier Cargo Wharf Extension (\$195 million).

Some of the significant regional initiatives funded in the 2023-24 Budget include:

- an additional \$22.2 million to support the implementation of a mandatory electronic identification system for sheep and goats in Western Australia by 1 January 2025. The new eID system will enable the rapid response and management of any emergency animal disease incursion, and support continued market access;
- an additional \$20.2 million to extend the Commonwealth Future Drought Fund programs, Farm Business Resilience and Regional Drought Resilience Planning by three years;
- a \$12 million boost to the Regional Development Assistance Program to help residential, industrial, commercial and tourism-related land and infrastructure projects get off the ground;
- \$8.7 million for the Ord-East Kimberley Expansion Project to support continued development of the Ord River Irrigation Area;
- \$6.5 million towards implementation of the Aquaculture Development Plan for Western Australia;
- \$4 million towards activation of the Yerriminup Agribusiness Precinct, located near Mount Barker;
- \$2.7 million for a feasibility study into a Collie Electric Arc Furnace Steel Mill; and
- \$2 million from the New Industries Fund to support regional entrepreneurs in the innovation sector.

In addition, \$40 million has been provided for a Sustainable Geoscience Investments package to accelerate the search for critical mineral and energy resources in the regions, including increased geoscience workforce capacity and capability, and ICT enhancements to improve online Mineral Titles services.

Safe, Strong and Fair Communities: Developing Healthy and Resilient Communities

The Government remains committed to improving the quality and sustainability of regional health services, with over \$2.2 billion per annum spent on health and mental health services for regional Western Australians. New initiatives funded as part of this Budget include:

- \$228.5 million in additional resources for regional hospital services, primarily related to workforce;
- \$24.4 million over 2023-24 to 2026-27 to continue the WA Country Health Service (WACHS) Mental Health Emergency Telehealth Service;
- \$18.3 million to match Commonwealth funding for the construction of a new South West Aboriginal Health Hub in Bunbury;
- \$13 million for specialist regional services including the continued provision of Regional Renal Support Teams, and \$3.1 million for the enhanced provision of regional palliative care by WACHS;
- further investment of \$8.2 million to address critical regional staff accommodation priorities;
- \$7.1 million for a 2.5 year pilot of an Infants, Children and Adolescents Mental Health Service Hub in Bunbury;
- an additional \$5.4 million to continue psychiatry and staff educator positions in the East Kimberley funded under the Commitment to Aboriginal Youth Wellbeing;
- \$4.7 million to continue temporary employee incentives across 75 hard-to-staff regional locations in 2023 (taking total spending on these temporary regional incentives to \$12.9 million), and a further \$15 million in 2023-24 for the highest priority health and mental health-related temporary incentives;
- \$4.2 million for a targeted payment of up to \$12,000 over three years to 2025-26 for HECS-HELP debt relief for up to 350 newly qualified nurses and midwives commencing employment in regional Western Australia in 2023-24, with priority given to hard-to-staff sites;
- \$2.1 million to fund an additional 100 carparking bays at the Albany Health Campus to address the current shortage of parking spaces; and
- \$2 million in 2023-24 to address construction cost pressures for the Broome Step Up/Step Down facility.

Investing in Our Children's Education

The State Government spends an estimated \$1.6 billion per annum to provide access to a quality education for approximately 87,000 students, enrolled in over 340 schools, in regional Western Australia. Over the next four years, \$333 million will be invested in regional primary and secondary schools for refurbishments, upgrades and new builds.

New spending approved in this Budget includes:

- an additional \$20.4 million to progress the redevelopment of Roebourne District High School;
- \$10.2 million to facilitate the acquisition of additional transportable classrooms over 2023-24 and 2024-25;
- \$9 million for new education support facilities at Waggrakine Primary School in Geraldton; and
- \$6.8 million on additions and improvements to Agricultural Colleges.

In addition, \$5.4 million over 2023-24 and 2024-25 will be spent on critical maintenance programs, including roof replacement, plaster glass and metal strip ceiling remediation, as well as upgrades to school alarm systems and fire services.

An estimated \$260 million per annum will be spent to deliver Vocational Education and Training (VET), career and employment advice, and TAFE Support services across regional Western Australia over the next four years. New initiatives approved in this Budget include:

- \$2.9 million for a new work placement stipend and travel assistance program to assist regional Diploma of Nursing students to complete specialised work placements;
- \$2.5 million to increase the travel and accommodation allowance to assist regional apprentices and trainees who are required to travel to complete their qualifications;
- \$3.1 million to enable an expansion of the Heavy Vehicle Driver Training Program to train 350 drivers over four years in the Pilbara and Kimberley regions;
- \$800,000 to extend a program which provides financial assistance to First Nations people to overcome barriers to training and employment; and
- \$651,000 to establish a new TAFE scholarship program to attract more women to undertake training in non-traditional trade and technical occupations.

Work is also ongoing to enhance the capacity and capability of the regional TAFE Colleges through upgrades to existing TAFE infrastructure, with capital investment of \$54.3 million over the forward estimates period.

Growing Our Communities: Protecting Our Environment and Supporting Thriving Suburbs and Regions

The Department of Communities has approximately 1,337 staff in regional Western Australia providing access to housing, child protection and family supports, disability services and a range of community services.

The Department also administers over 5,000 Government Regional Officer Housing (GROH) properties across the State and will invest a total of \$181.8 million in GROH stock over 2022-23 to 2026-27. This Budget includes an additional \$61.6 million, primarily to acquire new properties and refurbish 133 existing houses. This additional funding will support the attraction and retention of public sector workers to regional Western Australia, ensuring ongoing delivery and maintenance of essential community services.

Other new spending approved in this Budget to support the Department's regional service delivery includes:

- \$49 million for implementation of a Regional Supportive Landlord Model, to acquire around 100 houses and provide wrap-around services for people sleeping rough in regional towns;
- \$23.6 million to support survivors of family and domestic violence (FDV), including:
 - \$16.3 million to establish and operate a Broome FDV Hub, which will provide a range of specialist FDV supports in Broome, with outreach services provided to Derby and Bidyadanga;
 - \$6.2 million to continue providing a range of specialist FDV services at the Kalgoorlie FDV Hub; and
 - \$1.1 million to support the Respectful Relationships Teaching Support Program and the provision of culturally appropriate services for people impacted by FDV in the regions;
- \$8.3 million to establish and operate the Geraldton Aboriginal Short Stay Accommodation facility, with the facility expected to commence operations in mid-2025;
- \$8.2 million to extend the operation of the Target 120 program until 30 June 2025 in 14 regional locations; and
- an additional \$5.5 million to deliver the Ganalili Accommodation and Training Facility in Roebourne (\$4.2 million) and the Yura Yungi Employee Accommodation and Career Development Program in Halls Creek (\$1.3 million).

To support the Government's commitment to keep regional communities safe, over \$460 million per annum will be spent on services provided by the Western Australia Police Force's regional districts. This encompasses 122 police stations and around 1,900 police officers and staff.

The Department of Justice will spend around \$358 million per annum on court and tribunal administration in the regions, community corrections, and the operation of the State's eight regional prisons (and workcamps). This investment supports access to justice across the whole of the State, including by allowing offenders to be secured and rehabilitated close to their community.

Other initiatives funded in this Budget include:

- \$11.8 million for the Kimberley Juvenile Justice Strategy over 2023-24 and 2024-25 for youth diversion programs and initiatives to support at-risk youth in the Kimberley;
- \$11.7 million in 2023-24 to continue Operation Regional Shield, a targeted operation focused on reducing youth crime in regional Western Australia;
- \$10.4 million to support the extension and enhancement of the Banned Drinkers Register and Takeaway Alcohol Management System trial across the Pilbara, Kimberley, Goldfields and Carnarvon regions;
- an additional \$2.4 million towards the Waroona Town Centre Revitalisation Project;
- \$2.4 million for maintenance and remediation work at Broome Regional Prison;
- \$810,000 for the South West End-to-End Young Driver Training Program, supporting at-risk youth in Bunbury and Collie to learn to drive and obtain their driver's licence; and
- an additional \$700,000 to continue the Rural, Regional and Remote Network for women in regional Western Australia.

Ex-Tropical Cyclone Ellie

As part of its commitment to regional communities, the Government has made a number of major investments to assist the Kimberley recover from the impacts of Ex-Tropical Cyclone Ellie. The spending initiatives include the following jointly funded State and Commonwealth projects:

- \$80 million for Main Roads to complete emergency road recovery work;
- \$42 million for a Freight Assistance Package to offset the impact of increased freight costs for flood-affected Kimberley businesses;
- \$33 million for stand-up temporary accommodation in the short-to-medium term for flood affected families in Fitzroy Crossing and Derby, while their damaged homes are being repaired or rebuilt;
- \$30 million for clean-up and debris removal from residences and local communities, the disposal of debris to landfill and management of hazardous waste; and

- \$9.2 million for the Community and Industry Recovery Officer Program to coordinate welfare support, provide referrals to services, legal and technical advice in relation to environmental planning and business financial counselling advice to support the community's recovery.

In addition, the State Government has approved:

- \$13.4 million to fund the establishment of a Recovery Taskforce, which will manage and support recovery in the Kimberley over the next two years;
- \$5.9 million for a Tourism Flood Recovery Package, which includes additional tourism marketing, 19,000 discount airfares to Broome and Kununurra and a tourism voucher program;
- \$5 million for the Lord Mayor's Distress Relief Fund for the Kimberley Floods appeal, and to fund the Premier's Relief Payment of \$1,000 to eligible Kimberley residents to replace damaged personal items; and
- \$336,000 in 2022-23 for the Department of Transport to meet the additional demand for flights between Derby and Broome in the wake of the floods.

Investing in Our Roads and Ports

The Government has continued its significant investment in improving and renewing regional road infrastructure, with a total of \$5.3 billion to be spent over the next four years. This significant investment will reduce travel times, improve safety and increase freight efficiency.

A number of major regional road projects already in construction will continue in 2023-24, including the Bunbury Outer Ring Road (\$1.35 billion), Great Northern Highway – Bindoon Bypass (\$275 million), and Great Eastern Highway Upgrades – Coates Gully, Walgoolan to Southern Cross and Ghooli to Benari (\$250 million).

This Budget includes new spending of \$407 million on regional roads which has been jointly funded by the Commonwealth and State Governments, including \$252 million to meet cost pressures and scope enhancements across a number of existing projects, including Bunbury Outer Ring Road, Albany Ring Road, Bussell Highway Duplication and Great Northern Highway (Ord River North).

Other regional transport-related and port infrastructure approved in this Budget includes:

- \$24.5 million for regional air initiatives, including additional funding to meet the increased demand for the Regional Airfare Zone Cap Scheme, for upgrades to the Warmun Airstrip and to establish a permanent third weekly return air service for the Kununurra-Halls Creek-Balgo Regular Passenger Transport Air Route;
- an additional \$21.3 million to replace damaged retaining walls at the Nelson Point Tug Haven in Port Hedland;
- \$17.4 million for an operational technology renewal across all southern ports;

- \$15 million on upgrades at the Port of Broome, including the installation of a new concrete deck, extension of an existing concrete deck and the demolition of an existing cargo shed situated on the wharf;
- \$10 million at the Geraldton Fishing Boat Harbour for early stage works on a boat building precinct, which will support local industry and enable the acquisition of land for the Port Maximisation Project;
- \$7.4 million for road upgrades at the Port of Esperance;
- \$6.8 million to upgrade electrical infrastructure at the Ports of Albany and Bunbury;
- \$6.5 million to repair a crane at the Port of Esperance;
- \$5.7 million to replace the multi-user Berth 8 conveyor at the Port of Bunbury with a wider conveyor system;
- \$5.4 million to replace electrical switchgear at the Port of Geraldton;
- \$1.8 million for electrical upgrades at the Port of Wyndham and the Port of Derby; and
- \$1.8 million to construct a wastewater treatment plant at the Port of Geraldton.

Investing in Power and Water

The Government is committed to ensuring the safe and reliable provision of power, water, wastewater and drainage services in regional Western Australia, with asset investment totalling \$2.3 billion over the period 2023-24 to 2026-27. This includes Western Power's safety-related expenditure on poles and wires, maintenance of Synergy's generation assets located in the regions, Horizon Power's Asset Investment Program, and capital expenditure by the Water Corporation, Bunbury Water Corporation, and Busselton Water Corporation.

In addition, \$2.7 billion is expected to be spent over the next four years to keep regional water and power prices in line with metropolitan prices. This includes \$1.9 billion through the Country Water Pricing Subsidy, funded from the Consolidated Account and paid to the Water Corporation. This subsidy covers the difference between the cost of providing water, sewerage and drainage services to regional customers, and the (subsidised) price paid by these customers. Similarly, \$820 million is provided by metropolitan customers through the Tariff Equalisation Contribution to subsidise the provision of electricity to regional customers.

As part of this Budget, regional households will also receive the Household Electricity Credit from July 2023, which will provide a minimum of \$400 to assist with cost of living pressures (or a \$500 Household Electricity Credit and \$326 in existing Energy Assistance Payments for households in most need).

Decarbonisation of the South West Interconnected System

As part of the 2023-24 Budget, the Government has committed \$2.8 billion to undertake projects that will facilitate the decarbonisation of the South West Interconnected System. This includes investment in regional Western Australia of more than \$2.2 billion, which will allow the Government to progress wind generation and battery storage projects. This is in addition to the business-as-usual spending on regional power, water, wastewater and drainage services in Western Australia.

Investing in Our Environment

The Department of Biodiversity, Conservation and Attractions maintains a network of 109 national parks, 20 marine reserves, 73 conservation parks, 60 State forests and other lands and waters across the State. Total direct recurrent regional expenditure by the Department is estimated at \$264 million in 2023-24, employing around 1,135 regional staff. This expenditure delivers management of parks, prescribed burning and bushfire suppression, scientific research, threatened species conservation, and management of State forests in the regions. New regional spending approved for the Department in this Budget includes:

- \$36 million to commence implementation of the Forest Management Plan 2024-2033 for Western Australia's South West national parks, conservation parks, nature reserves and State forest and timber reserves. The Plan will assist the Government to deliver on its commitment to end native logging in the South West region; and
- an additional \$7.6 million towards implementation of the Western Australian Feral Cat Strategy.

This Budget includes \$38.9 million for climate adaptation initiatives in line with Climate Resilient WA: Directions for the State's Climate Adaptation Strategy. Regional initiatives include:

- \$7 million for the Southern Rangelands Revitalisation Project Expansion, which will expand the existing Rangelands Revitalisation Pilot project, and expand and improve weather station coverage in the Southern Rangelands area;
- \$5 million for WaterSmart Farms – Phase Two: Industry Growth to develop pilot-scaled reverse osmosis desalination in the Wheatbelt and Great Southern regions;
- \$3.7 million to develop climate resilience in Aboriginal communities, including developing an Aboriginal-led West Kimberley climate change adaptation strategy and to progress community consultation and development of a framework for a First Nations Climate Resilience Fund;
- \$3.4 million for Stage 2 of the Climate Science Initiative, which will produce climate change projections for the northwest of Western Australia and communicate Climate Science Initiative information; and
- \$1.5 million for Climate Resilient Rivers, to rate the climate risk and resilience of each river in the South West and inform the development of required interventions.

Following the creation of the Buccaneer Archipelago Marine Parks, expenditure of \$31.3 million has been approved to provide an Industry Support and Transition Package (\$10 million), and to enable the Department of Primary Industries and Regional Development to undertake the required compliance, education, research and monitoring, and fisheries management responsibilities (\$21.3 million).

An additional \$18.8 million has been approved to support the continued delivery of the Healthy Estuaries WA program. This program undertakes water quality monitoring and improvement actions to help manage and protect regional at-risk estuaries. Healthy Estuaries WA incorporates delivery of the Revitalising Geographie Waterways program and aspects of the Bindjareb Djilba (Peel-Harvey Estuary) Protection Plan.

Royalties for Regions Program

Under this program, which is funded by 25% of the State's annual royalty income (up to a \$1 billion annual cap on the balance held in the RfR Fund), the Government will spend \$4 billion over the next four years to support service delivery and infrastructure provision in regional Western Australia.

The 2023-24 Budget RfR program is detailed in the following table.

ROYALTIES FOR REGIONS EXPENDITURE						
INITIATIVE	2022-23 Estimated Actual	2023-24 Budget Year	2024-25 Outyear	2025-26 Outyear	2026-27 Outyear	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
INVESTING IN JOBS						
Aboriginal Pastoral Training Program	0.7	0.7	0.6	-	-	1.3
Aboriginal Ranger Program	12.2	13.8	19.6	16.5	16.5	66.4
Aboriginal Tourism Fund	2.5	4.9	3.6	-	-	8.4
AgriFood Activation Fund – Food Technology Facility Project (Peel)	5.7	3.5	1.5	1.5	-	6.5
Agricultural Sciences Research and Development Fund	0.1	-	-	-	-	-
Albany Middleton Beach Stage 2	1.1	-	-	-	-	-
Albany Wave Energy Demonstration	0.8	0.8	-	-	-	0.8
Aquaculture Development Plan	-	2.4	1.6	1.3	1.2	6.5
Aquaculture Development Zones	0.6	0.6	0.6	0.4	-	1.6
Boost to Food Industry Innovation	0.8	1.8	1.4	-	-	3.2
Brand WA – Destination Marketing	5.5	5.5	5.5	5.5	5.5	22.0
Brand WA – Event Tourism	6.2	6.9	7.7	7.6	8.0	30.2
Building Western Australian Grains Research and Development Capacity	13.2	12.5	11.4	10.0	10.0	43.8
Collie Adventure Trails	2.7	1.5	-	-	-	1.5
Collie Delivery Unit	0.8	1.4	0.5	0.5	-	2.5
Collie Green Steel – Electric Arc Furnace Steel Mill	-	2.7	-	-	-	2.7
Collie Emergency Services Vehicle Manufacturing	- (a)	-	-	-	-	-
Collie Futures Fund	6.9	5.4	1.0	-	-	6.4
Collie Replica Mine Upgrade Project	0.1	-	-	-	-	-
Collie Tourism Readiness and Economic Stimulation	1.1	0.6	-	-	-	0.6
Collie Visitor's Centre Upgrade Project	-	0.5	-	-	-	0.5
Country Firefighters Recruitment	3.2	4.6	4.6	5.0	4.6	18.9
Develop Serviced Land at Shotts and Kemerton	2.3	-	-	-	-	-
Feasibility Study for AMTECH for Bunbury Geographe	1.2	0.8	-	-	-	0.8
Food Industry Innovation	1.0	2.3	2.2	1.5	1.5	7.5
Future Drought Fund Program Extension	7.8	2.3	-	-	-	2.3
Geraldton Marine Finfish Nursery Facility	- (a)	-	-	-	-	-
Goldfields Major Solar Feasibility	0.1	0.3	-	-	-	0.3
Help Grain Growers to Better Manage Risk (e-Connected Grainbelt)	2.3	2.5	2.1	2.1	2.1	8.7
Industry Attraction and Development Fund – Collie	23.4	5.3	6.0	-	-	11.3
Industry Attraction and Development Fund – Collie – Administration	0.8	0.1	-	-	-	0.1
Industry Growth Partnership Processed Oats Industry	4.8	2.6	2.6	-	-	5.2
Industry Growth Partnership Wine Export	0.4	0.4	0.4	-	-	0.7
Koolinup Emergency Services Centre – Collie	1.0	-	-	-	-	-
Kununurra Cotton Gin Infrastructure Support Package	3.5	-	-	-	-	-
Lake Kepwari	0.4	-	-	-	-	-
Mount Augustus Tourism Infrastructure	1.0	3.6	5.3	-	-	8.9
Myalup-Wellington Water for Growth	0.3	2.8	10.0	20.2	-	32.9
Northern Beef Industry Strategy	1.4	1.7	0.2	-	-	1.9
Ord Channel Upgrade	0.4	-	-	-	-	-
Ord Channel Upgrade – Knox Development	4.2	28.7	28.9	17.3	- (a)	74.9
Ord-East Kimberley Expansion Project	4.0	2.0	4.9	1.8	-	8.7

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2022-23 Estimated Actual	2023-24 Budget Year	2024-25 Outyear	2025-26 Outyear	2026-27 Outyear	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
Peel-Harvey Catchment Council's Water Research Infrastructure Project	0.3	- (a)	-	-	-	- (a)
Plan for Our Parks – Indigenous Land Use Agreements	0.1	0.4	-	-	-	0.4
Port Hedland Waterfront Revitalisation – Spoilbank Marina	31.6	26.2	-	-	-	26.2
Regional Local Content Initiative	0.2	- (a)	-	-	-	- (a)
Regional Natural Resource Management – State Barrier Fence	-	3.8	-	-	-	3.8
Regional Telecommunications Project	5.3	9.5	8.1	-	-	17.6
Science and Agribusiness Connect Program	0.2	- (a)	-	-	-	- (a)
Sheep and Goat Electronic Identification	3.4	12.2	9.4	0.6	-	22.2
South Coast Aquaculture Development Zone	0.3	0.1	0.1	-	-	0.1
Southern Forests Irrigation Scheme	0.5	3.4	11.9	-	-	15.3
Southern Rangelands Restoration Project	0.3	-	-	-	-	-
Special Regional Event Sponsorship	0.3	-	-	-	-	-
State Agricultural Telecommunications Infrastructure Improvement Fund	3.8	7.0	1.3	-	-	8.3
Strategic Industrial Areas	1.6	1.7	-	-	-	1.7
Sustainable Development of the Abrolhos Islands	4.4	0.3	-	-	-	0.3
2023 Total Solar Eclipse	2.3	3.1	-	-	-	3.1
Transform Peel – Phase 1	4.3	6.2	-	-	-	6.2
Transforming Agriculture in the Pilbara	0.5	0.5	-	-	-	0.5
Transforming Bunbury's Waterfront - Stages 1 and 2	4.1	0.4	-	-	-	0.4
Transforming Bunbury's Waterfront – Stage 3	3.4	18.7	40.5	16.6	-	75.8
Water for Food West Kimberley	0.5	-	-	-	-	-
Water Smart Farms Project	0.8	0.5	-	-	-	0.5
Wellington Dam Mural and Collie Art Trail	- (a)	-	-	-	-	-
Western Australian Screen Fund	4.0	1.6	4.0	4.0	4.0	13.6
Western Australian Regional Digital Connectivity Program	2.4	7.0	4.8	0.3	-	12.1
Western Australian Wine Industry Export Growth Partnership	0.4	0.4	0.3	-	-	0.6
Wild Dogs Action Plan	6.1	3.4	3.4	3.4	3.4	13.4
Yawuru Strategic Economic Development	0.3	0.3	-	-	-	0.3
Yerriminup Agribusiness Precinct Activation	4.0	-	-	-	-	-
TOTAL - INVESTING IN JOBS	210.2	231.8	205.6	116.0	56.8	610.3
PUTTING PATIENTS FIRST						
Digital Innovation, Transport and Access to Care	66.9	64.3	63.9	63.9	63.9	255.9
Emergency and Acute Workforce	21.3	21.3	20.5	20.5	20.5	82.8
Health Services						
Albany General Dental Clinic	0.3	10.3	1.0	1.4	-	12.7
Albany Radiation Oncology	5.9	0.2	-	-	-	0.2
Find Cancer Early	0.4	0.4	0.4	0.4	0.4	1.6
Meet and Greet Service	0.4	0.8	0.5	0.5	0.5	2.3
Paid Paramedics for the Regions	-	12.3	8.9	9.0	9.0	39.1
Pilbara Health Initiatives	5.4	3.9	2.4	1.8	-	8.1
Regional Cancer Services	-	6.3	-	-	-	6.3
Regional Renal Support Teams	0.6	2.0	2.0	2.1	2.1	8.2
Renal Dialysis	4.0	3.7	3.4	3.4	3.4	13.9
Residential Aged and Dementia Care Investment Program	0.2	-	-	-	-	-
South West Aboriginal Medical Service Health Hub	-	10.0	8.3	-	-	18.3
Health Infrastructure						
Albany Health Campus Carpark	-	0.2	1.8	0.2	-	2.1

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2022-23 Estimated Actual	2023-24 Budget Year	2024-25 Outyear	2025-26 Outyear	2026-27 Outyear	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
Bunbury Hospital	5.0	8.0	3.5	-	50.1	61.6
Carnarvon Residential Aged Care Facility	1.8	-	-	-	-	-
Collie Hospital Upgrade	9.3	1.3	-	-	-	1.3
Community Alcohol and Other Drug Integrated Services in the South						
Metropolitan Health Service Region (Peel)	2.2	2.2	2.3	2.3	2.3	9.0
Critical Staff Accommodation Refurbishment Program	-	5.7	2.4	-	-	8.2
Derby Community Health Service	0.1	-	-	-	-	-
District Hospital Investment Program	- ^(a)	-	-	-	-	-
Dongara Aged Care	2.0	1.3	-	-	-	1.3
Geraldton Health Campus Redevelopment	5.0	31.5	11.2	12.1	-	54.9
Geraldton Hospital Co-location	0.5	1.3	-	-	-	1.3
Karratha Health Campus	1.1	-	-	-	-	-
Kimberley Mobile Dialysis Unit	0.4	-	-	-	-	-
Meekatharra Hospital	0.8	4.2	10.7	33.3	-	48.2
Newman Health Service Redevelopment Project	5.6	0.5	-	-	-	0.5
Primary Health Centres Demonstration Program	2.0	4.3	-	-	-	4.3
Remote Indigenous Health Clinics	1.2	-	-	-	-	-
Tom Price Hospital Redevelopment	0.2	4.7	-	-	-	4.7
Other Health Programs						
Newman Renal Dialysis Service	-	1.3	-	-	-	1.3
Warmun Facility Upgrade	-	0.5	-	-	-	0.5
Women's Community Health Services: Kimberley Women's Health Program	-	0.8	0.8	1.7	1.2	4.5
Mental Health Programs						
Aboriginal Social and Emotional Wellbeing	6.5	6.7	3.6	-	-	10.3
East Kimberley Psychiatric Services	-	1.3	1.3	1.4	1.4	5.4
Geraldton Step up down facilities	2.5	2.5	2.5	2.5	2.5	9.9
Mental Health Anti-Ligature Works at Regional Hospitals	1.4	-	-	-	-	-
Mental Health Step Up/Step Down Facilities – Kalgoorlie/Goldfields 10 Beds	2.8	2.6	2.6	2.6	2.6	10.5
Methamphetamine Action Plan – South West AOD Residential Rehabilitation and Treatment Service	2.8	2.9	2.9	2.9	2.9	11.7
North West Drug and Alcohol Support Program – Kimberley	6.9	7.1	7.1	7.1	7.1	28.3
Regional Men's Health	0.8	0.8	0.8	0.8	0.8	3.2
Sub-acute Mental Health Services in Bunbury	2.3	2.3	2.3	2.3	2.3	9.1
Sub-acute Mental Health Services in Karratha	0.8	7.3	2.7	2.7	2.7	15.2
Sub-acute Mental Health Services in South Hedland	0.1	6.8	7.8	3.8	3.8	22.2
WACHS Mental Health Emergency Telehealth Service	-	5.9	6.0	6.2	6.3	24.4
TOTAL - PUTTING PATIENTS FIRST	169.5	249.3	183.6	184.5	185.7	803.1
INVESTING IN OUR CHILDREN'S EDUCATION						
Aboriginal and Islander Education Officers	3.6	3.6	3.6	3.6	3.6	14.3
Agricultural and Farms Schools Lifecycle	-	2.8	0.9	2.0	1.1	6.8
Albany Senior High School	0.4	2.9	4.7	0.5	-	8.1
Baler Primary School	0.2	2.1	1.2	-	-	3.3
Baynton West Primary School	4.2	1.0	0.1	-	-	1.0
Better Beginnings – Early Literacy	0.3	0.3	0.3	0.3	0.3	1.0

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2022-23 Estimated Actual	2023-24 Budget Year	2024-25 Outyear	2025-26 Outyear	2026-27 Outyear	Total Four Years
	\$m	\$m	\$m	\$m	\$m	\$m
Broome Senior High School	0.7	3.2	1.1	-	-	4.3
Bunbury Senior High School – Upgrades	0.2	-	-	-	-	-
Cassia Primary School	2.0	1.5	0.8	-	-	2.4
Clontarf Colleges	1.5	1.5	1.5	1.5	1.5	6.2
Dampier Primary School	0.1	0.8	0.1	-	-	0.9
Donnybrook District High School	– ^(a)	0.4	0.6	-	-	0.9
Eaton Community College	0.8	5.6	0.6	-	-	6.1
Feasibility Study Residential Colleges for Aboriginal Students in Newman	0.1	0.1	-	-	-	0.1
Halls Creek District High School	0.5	7.4	2.1	-	-	9.4
Improving Teacher Quality	1.9	1.9	1.9	1.9	1.9	7.7
Independent Learning Co-ordinators	1.5	1.5	1.5	1.5	1.5	6.0
Kimberley and Pilbara Solar Schools Program	4.2	-	-	-	-	-
Kimberley Schools Project	4.6	3.9	3.9	3.9	-	11.7
Mental Health Support	0.8	0.8	0.8	1.2	0.8	3.6
Puntukurnu Aboriginal Medical Service Jiji Program	0.4	0.4	-	-	-	0.4
Put Education Assistants Back in the Classroom	9.1	9.1	9.1	9.1	9.1	36.6
Regional Learning Specialists	1.5	1.5	1.5	1.5	1.5	6.0
Regional School Breakfast and Nutritional Education Program	0.2	0.2	0.2	0.2	0.2	0.9
Regional School Bus Services	79.9	79.9	79.9	79.9	79.9	319.7
Roebourne District High School Redevelopment	-	-	5.0	5.2	-	10.2
South Bunbury Education Support Centre	2.1	0.7	0.1	-	-	0.8
Tambrey Primary School	0.7	-	-	-	-	-
Vocational Education Regional Subsidies	45.4	45.4	45.4	45.4	45.4	181.6
Waggrakine Primary School	-	0.4	4.0	4.6	– ^(a)	9.0
Western Australian College of Agriculture – Kimberley	0.9	0.1	-	-	-	0.1
TOTAL – INVESTING IN OUR CHILDREN'S EDUCATION	168.0	178.9	170.8	162.4	147.0	659.1
INVESTING IN OUR COMMUNITIES						
Aboriginal Governance and Leadership Development Program	1.6	1.3	1.3	1.4	1.1	5.1
Aboriginal Tourism Initiatives	0.9	0.9	0.9	0.9	0.9	3.6
Air-conditioning at Five Remote Multifunctional Policing Facilities	0.1	-	-	-	-	-
Albany Entertainment Centre	0.5	0.5	0.5	0.5	0.5	2.0
Albany (Emu Point) Maritime Facility – Jetty B Remediation	-	1.0	-	-	-	1.0
Albany Trails	0.2	1.5	1.5	-	-	3.0
Batavia Coast Marina Stage 2	0.2	-	-	-	-	-
Beach Emergency Numbering System	0.1	0.4	-	-	-	0.4
Broome Aboriginal Short Stay Accommodation Facility	3.0	2.9	2.9	2.8	2.8	11.3
Broome Aboriginal-led Specialist Family Violence Court	-	3.5	0.7	0.7	0.7	5.7
Broome Family and Domestic Violence Hub	-	4.9	3.7	3.9	3.9	16.3
Bunbury Prison Alcohol and Other Drug Unit	1.9	4.4	2.5	2.5	2.6	12.0
Capel Police Station	0.2	-	-	-	-	-
Carnarvon One Mile Jetty	-	4.5	-	-	-	4.5
Carnarvon One Mile Jetty – Partial Demolition of Jetty	0.8	-	-	-	-	-
Collie Mineworkers Memorial Pool Enclosure	-	0.9	-	-	-	0.9

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m	Total Four Years \$m
Community Chest Grants Scheme	0.1	-	-	-	-	-
Community Resource Centres	13.2	13.4	13.6	13.8	13.8	54.6
Community Safety Network	8.5	8.8	8.8	8.5	8.5	34.5
Country Age Pension Fuel Card	32.5	33.0	33.5	34.0	30.5	131.0
Country Water Pricing Subsidy	54.0	-	-	-	-	-
Culturally Appropriate Services to Victims of Domestic Violence	0.1	-	-	-	-	-
Dalyellup Family Centre	0.3	0.3	0.2	-	-	0.4
Dampier Peninsula Activation	0.5	1.9	-	-	-	1.9
Ex-Tropical Cyclone Ellie – Clean-up Program	11.0	19.0	-	-	-	19.0
Ex-Tropical Cyclone Ellie – Community and Industry Recovery Officer Program	2.1	4.5	2.6	-	-	7.2
Ex-Tropical Cyclone Ellie – Freight Assistance Package	30.0	12.0	-	-	-	12.0
Ex-Tropical Cyclone Ellie – Temporary Accommodation	9.2	23.8	-	-	-	23.8
East Kimberley Transitional Housing	0.7	1.2	1.0	1.0	1.0	4.2
Enhanced Driver Training and Education for Regional and Remote Communities	1.7	1.6	1.6	1.6	1.6	6.3
Essential and Municipal Services Improvement in Remote Aboriginal Communities	28.1	1.7	1.8	-	-	3.6
Family Domestic Violence Refuge – Peel	1.2	1.2	1.2	1.2	1.2	4.8
Biosecurity Communications Campaign and Truck Wash Down Facilities Foot and Mouth Disease and Lumpy Skin Disease	0.8	1.2	1.2	-	-	2.3
Financial Counselling Services	0.7	0.7	0.7	0.7	0.7	2.9
Geraldton Aboriginal Short Stay Accommodation	-	-	2.2	2.5	3.6	8.3
Geraldton Basketball Stadium Upgrade	1.5	-	-	-	-	-
Goldfields Arts Centre	0.1	0.1	0.1	0.1	0.1	0.6
Gwoonwardu Mia Aboriginal Heritage and Cultural Centre – Carnarvon	2.8	1.8	-	-	-	1.8
Halls Creek Town Development Masterplan – State Contribution	2.9	0.6	-	-	-	0.6
Harvey Trail Precinct	0.1	-	-	-	-	-
Hedland Transitional Housing	1.6	1.6	0.8	-	-	2.4
Indigenous Visitor Hostels	2.6	2.5	2.4	2.5	2.5	9.9
Jalbi Jiya (Your Home) Program	0.4	0.4	0.4	0.3	-	1.1
Kalgoorlie Career Fire and Rescue Service Station Upgrade	1.2	-	-	-	-	-
Kalgoorlie Motorsports Precinct	2.0	-	-	-	-	-
Kimberley Aboriginal Law and Culture Centre to Document and Teach Traditional Languages	0.1	-	-	-	-	-
Kimberley Community Action Fund	0.6	1.4	-	-	-	1.4
Kimberley On-country Residential Youth Facilities	3.0	5.0	5.0	2.5	-	12.5
Koombana Bay Park Facilities	1.6	0.2	-	-	-	0.2
Leedal – Fitzroy Affordable Housing Project	2.2	1.6	4.4	8.5	3.3	17.7
Leonora Ageing in Place Project	1.2	0.5	-	-	-	0.5
Mira Mar Landslip	0.5	0.2	-	-	-	0.2
Motorplex Complex Albany	2.0	2.1	-	-	-	2.1
Multi-functional Policing Facilities Air-Conditioning System Replacement	3.5	0.6	-	-	-	0.6
North West Aboriginal Housing Initiative	1.7	6.1	18.5	7.5	2.1	34.2
Olabud Doogethu Halls Creek Youth Justice Reinvestment Project	0.6	0.3	0.5	- (a)	-	0.9
Operation Regional Shield	-	11.7	-	-	-	11.7
Oyster Harbour Ulster Road (Albany)	1.0	7.3	0.4	-	-	7.7
Peel Regional Trails	1.4	0.2	-	-	-	0.2

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m	Total Four Years \$m
Pilbara Aboriginal Town Based Reserves	3.2	11.2	1.4	-	-	12.5
Police Radio Network	1.1	0.7	1.0	1.1	1.1	3.9
Regional Arts and Cultural Investment Program	5.3	4.9	4.9	4.9	4.9	19.7
Regional Athlete Support Program	1.4	1.6	1.6	1.7	-	4.9
Regional COVID-19 Response Provision	-	- (a)	-	-	-	- (a)
Regional Economic Development Grants	12.0	5.0	5.0	5.0	5.0	20.0
Regional Enforcement Unit	5.5	5.5	5.5	5.5	5.5	21.9
Regional Exhibition Touring Boost	1.5	2.0	2.0	2.0	2.0	8.0
Regional Grants Scheme	0.6	-	-	-	-	-
Regional Museum Grants – Regional Collections Development Program	0.3	0.2	0.2	0.2	-	0.6
Regional Police Incentives	2.5	2.5	2.5	2.5	2.5	10.0
Regional Renewal Program	9.6	8.4	-	-	-	8.4
Regional Youth Justice Services	5.6	5.7	5.8	5.8	5.8	23.0
Remote Aboriginal Communities	62.2	67.3	71.0	74.9	64.0	277.2
Remote Aboriginal Communities COVID-19 Emergency Relief Fund	1.5	-	-	-	-	-
Remote Essential and Municipal Services	56.0	56.0	56.0	56.0	56.0	224.0
Remote Swimming Pools	0.8	0.6	0.6	0.6	0.6	2.5
Respectful Relationship Programs in Schools	0.2	0.2	0.2	0.2	0.2	0.9
Riverview Residence – Upgrade to Over 55's Estate	-	2.0	-	-	-	2.0
Rural, Regional and Remote Network	0.2	0.4	0.2	0.2	0.1	0.8
South Hedland and CBD Revitalisation – Stage 2	0.9	-	-	-	-	-
Southern Forests Food Council	-	0.4	-	-	-	0.4
Stockton Lake	0.3	-	-	-	-	-
Tjiwarl Aboriginal Corporation – Baseline Socio-Economic Study	0.4	-	-	-	-	-
Upgrades to Hay Park – Bunbury	0.1	-	-	-	-	-
Volunteer Fuel Card	1.0	1.0	1.0	1.0	1.0	4.0
Waroona Town Centre Revitalisation Project	-	2.4	-	-	-	2.4
Western Desert Justice Program	0.7	0.5	-	-	-	0.5
Yindjibarndi Ganjalili Accommodation and Transitional Housing Program	7.2	1.9	-	-	-	1.9
Yura Yungi Employee Accommodation and Career Development Program	2.0	2.5	-	-	-	2.5
TOTAL – INVESTING IN OUR COMMUNITIES	420.7	377.9	273.8	258.8	230.0	1,140.5
INVESTING IN OUR ROADS AND PORTS						
AgLime Routes	0.4	-	-	-	-	-
Albany Ring Road – Design, Preconstruction and Construction Activities	3.7	10.4	-	-	-	10.4
Broome Marina Planning	0.3	-	-	-	-	-
Bunbury Port – Inner Harbour Access Bridge	3.3	8.5	8.2	-	-	16.7
Chidlow-York Road and Forrest Street Intersection Upgrade	0.1	0.2	0.7	-	-	0.9
Collie Preston Region – Upgrades Over Multiple Local Roads	0.4	-	-	-	-	-
Covalent Lithium Mine Access Road	2.0	10.0	-	-	-	10.0
Derby-Broome Airservice	1.0	-	-	-	-	-
Dongara Road Alignment	0.2	-	-	-	-	-
Fishing Boat Harbour Boat Building Precinct	-	8.6	1.4	-	-	10.0
Forrest Highway (Vittoria Road)	0.1	0.9	3.0	-	-	3.9
Grain Freight Upgrades	10.0	12.0	-	-	-	12.0

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m	Total Four Years \$m
Great Eastern Highway Upgrades – Ghooli to Benari	4.7	7.2	8.4	12.0	8.3	35.9
Great Northern Highway – Broome to Kununurra – Nellie Springs to Sally Downs Well and Arthur Creek	1.0	1.0	2.0	3.5	3.5	10.0
Great Northern Highway – Newman to Port Hedland – Overtaking Lanes	1.4	2.5	2.5	2.5	1.1	8.6
Greenbushes Lithium Supply Chain	-	3.8	-	-	-	3.8
Indian Ocean Drive – Jurien Bay to Brand Highway	1.3	6.7	2.8	-	-	9.5
Karratha to Tom Price Road – Manuwarra Red Dog Highway	6.5	2.8	1.8	20.0	-	24.6
Koojan Downs Road Upgrade	1.0	-	-	-	-	-
Kununurra-Halls Creek-Balgo Regular Passenger Transport	-	0.2	0.2	0.2	0.2	0.8
Land Acquisition and Road Improvements	7.9	-	-	-	-	-
Local Government Commodity Freight Roads Fund	- (a)	-	-	-	-	-
Mandurah Estuary Bridge Duplication	3.8	45.3	5.0	-	-	50.3
Mandurah Train Station – New Parking Bays	1.3	-	-	-	-	-
Marble Bar Road Upgrade	2.5	3.3	5.2	0.5	-	9.0
Menang Drive-Chester Pass Road Grade Separation	-	5.0	2.4	-	-	7.4
Mid West and Great Southern Secondary Freight Network Program	0.2	2.3	3.0	1.7	-	7.0
Moonamang Road	1.6	-	-	-	-	-
Oakajee Strategic Industrial Area Access Road	6.5	7.0	-	-	-	7.0
Outback Way – Laverton to WA Border	-	-	-	-	12.0	12.0
Pinjarra Heavy Haulage Deviation	0.4	0.1	1.0	0.2	20.0	21.3
Rail Future Fund	-	-	-	21.9	-	21.9
Regional Airfare Zone Cap for Regional Residents	17.8	22.5	0.2	-	-	22.7
Regional Blackspot Program	7.6	10.9	-	-	-	10.9
Ex-Tropical Cyclone Ellie – Roads Recovery	80.0	-	-	-	-	-
Square Kilometre Array Roads	5.0	5.0	10.2	5.0	-	20.1
Tanami Road	-	-	0.2	4.0	9.0	13.2
Toodyay Road Upgrade – Dryandra to Toodyay	2.4	5.0	4.1	3.9	0.4	13.4
Truck Rest Stops	0.5	1.5	1.5	1.5	-	4.5
Warmun Airstrip Upgrade	-	2.3	-	-	-	2.3
Western Australian Agricultural Supply Chain Improvements	-	1.5	7.6	9.0	-	18.0
TOTAL – INVESTING IN OUR ROADS AND PORTS	174.8	186.4	71.4	85.9	54.5	398.2
INVESTING IN OUR ENVIRONMENT						
Buccaneer Archipelago Marine Parks	-	17.0	7.4	3.4	3.5	31.3
Bushfire Mitigation on Crown Land Regional Townsites	3.9	3.8	-	-	-	3.8
Carnarvon Flood Mitigation Works – Stage 2	2.6	-	-	-	-	-
Climate Resilience Fund	3.1	5.1	3.5	2.8	-	11.4
Dampier Peninsula and Buccaneer Archipelago Visitor Plan	0.2	0.1	-	-	-	0.1
Dampier Peninsula Project	0.3	0.2	-	-	-	0.2
Danggu Geikie Gorge Upgrades	0.9	0.2	-	-	-	0.2
Drummond Cove Coastal Erosion Project and Boat Launching Facility	0.6	1.1	1.5	-	-	2.6
Dwellingup Gap Trails Project	1.2	0.9	-	-	-	0.9
Enhanced Prescribed Burning Program	5.5	5.5	5.5	5.5	5.5	22.0
Fitzroy River Catchment	-	0.1	-	-	-	0.1

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m	Total Four Years \$m
Fitzroy River Management Plan	0.2	0.4	-	-	-	0.4
Healthy Estuaries WA	6.3	6.3	9.0	6.3	6.3	27.8
Implementing the Peel-Harvey Estuary Protection Plan	1.0	1.3	1.3	0.9	-	3.4
Kalbarri Island Rock	0.2	-	-	-	-	-
Kalgulup Regional Park	3.6	4.4	1.4	1.4	1.4	8.6
Karijini National Park Upgrades	1.0	13.3	1.0	-	-	14.3
Kimberley Wilderness Walk, Wunaamin Miliwundi Ranges	0.4	0.3	0.2	-	-	0.4
Managing Western Australia's Natural Resources: Supporting Community Involvement	0.1	-	-	-	-	-
Marine Parks Management	0.5	0.5	-	-	-	0.5
Murujuga Joint Management	1.1	1.1	1.1	1.0	1.1	4.2
Murujuga National Park (Conzinc Bay)	1.2	3.7	-	-	-	3.7
Natural Resource Management Program	8.5	6.6	6.3	6.2	6.2	25.3
Ngari Capes Marine Park	1.2	1.2	1.2	1.2	1.2	4.6
Ningaloo Coastal Reserve	2.0	1.3	1.3	1.3	1.3	5.2
Northern Native Seed Initiative	0.2	2.4	0.9	0.6	0.4	4.2
Peel Harvey Estuary	0.1	0.1	0.1	0.1	-	0.4
Pilbara Hydrogen Hub	14.3	21.5	17.7	16.9	-	56.1
Plan for Our Parks – Indigenous Land Use Agreement	3.1	1.6	-	-	-	1.6
Renewable Hydrogen Strategy	1.7	3.0	-	-	-	3.0
Rural Water Planning	3.5	3.8	2.9	-	-	6.8
Torndirrup National Park, The Gap	0.4	2.9	-	-	-	2.9
Watering Western Australia	0.3	0.5	-	-	-	0.5
William Bay National Park Infrastructure Project	0.5	-	-	-	-	-
Yawuru Conservation Park	0.4	2.7	1.3	-	-	4.0
Yawuru Joint Management	1.1	1.1	1.1	1.1	1.1	4.5
TOTAL – INVESTING IN OUR ENVIRONMENT	71.1	113.8	64.6	48.7	27.9	255.1
ADMINISTRATION AND ADMINISTERED ITEMS						
Administration ^(b)	84.9	85.9	87.6	87.9	88.3	349.7
Administered Items ^(c)	30.9	43.5	58.9	36.8	31.7	170.9
TOTAL – ADMINISTRATION AND ADMINISTERED ITEMS	115.9	129.4	146.5	124.7	120.1	520.6
Underspend Provision	-160.0	-186.9	-100.1	-56.6	-	-343.5
TOTAL ROYALTIES FOR REGIONS FUND	1,170.2	1,280.7	1,016.2	924.6	821.9	4,043.3
Regional Reform Fund Special Purpose Account Transfer ^(d)	4.0	17.5	7.1	3.0	16.0	43.6

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

(b) Funding for costs associated with the administration of the Royalties for Regions Fund.

(c) Funding mainly for initiatives where further planning is required to deliver these proposals.

(d) Total Royalties for Regions contributions to the Fund are forecast to be \$150 million.

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

Source: Department of Primary Industries and Regional Development.

Detailed Financial Projections

This appendix contains detailed financial projections for the various sectors of the total public sector defined by the Government Finance Statistics (GFS) framework. The tables in this section satisfy Uniform Presentation Framework (UPF) requirements applicable for all States, Territories and the Commonwealth, and are also consistent with Australian Accounting Standards, in particular, AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

Contents

	Page
Financial Projections	
General Government	
Table 1.1: Operating Statement	219
Table 1.2: Balance Sheet at 30 June	220
Table 1.3: Cash Flow Statement	221
Public Non-Financial Corporations	
Table 1.4: Operating Statement	222
Table 1.5: Balance Sheet at 30 June	223
Table 1.6: Cash Flow Statement	224
Total Non-Financial Public Sector	
Table 1.7: Operating Statement	225
Table 1.8: Balance Sheet at 30 June	226
Table 1.9: Cash Flow Statement	227
Public Financial Corporations	
Table 1.10: Operating Statement	228
Table 1.11: Balance Sheet at 30 June	229
Table 1.12: Cash Flow Statement	230
Total Public Sector	
Table 1.13: Operating Statement	231
Table 1.14: Balance Sheet at 30 June	232
Table 1.15: Cash Flow Statement	233
Notes to the Financial Projections	
Note 1: Statement of Compliance	234
Note 2: Summary of Significant Accounting Policies	234
Note 3: General Government Operating Revenue	234
Note 4: General Government Revenue from Public Corporations	235
Note 5: General Government Transfer Expenses	236
Note 6: Classification of the Functions of Government	237
Note 7: Convergence Differences	238
Note 8: Composition of Sectors	239

Table 1.1

GENERAL GOVERNMENT

Operating Statement

	Note	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
		Actual	Estimated	Budget	Outyear	Outyear	Outyear
		\$m	\$m	Year	\$m	\$m	\$m
<i>Results from Transactions</i>							
REVENUE							
Taxation		11,634	12,153	11,915	12,052	12,488	12,806
Current grants and subsidies		11,946	12,858	13,389	13,040	13,376	14,807
Capital grants		1,515	1,961	3,353	1,798	1,161	427
Sales of goods and services		3,027	3,069	3,149	3,149	3,182	3,170
Interest income		127	279	265	250	247	260
Revenue from public corporations							
Dividends from other sector entities		612	161	1,423	1,592	1,690	1,791
Tax equivalent income		906	733	785	889	939	980
Royalty income		11,091	11,158	7,982	7,046	6,968	6,671
Other		799	730	957	752	628	613
Total	3,4	41,658	43,102	43,218	40,567	40,678	41,525
EXPENSES							
Salaries		14,279	15,563	15,671	16,100	16,534	16,891
Superannuation							
Concurrent costs		1,469	1,699	1,776	1,909	2,049	2,087
Superannuation interest cost		75	169	165	175	187	200
Other employee costs		327	367	372	363	361	369
Depreciation and amortisation		1,846	1,958	2,150	2,140	2,128	2,136
Services and contracts		2,877	3,886	3,754	3,339	3,310	3,227
Other gross operating expenses		6,337	6,047	6,350	6,038	5,962	6,135
Interest							
Interest on leases		133	135	133	129	123	120
Other interest		646	787	741	756	779	826
Current transfers	5	6,662	7,692	8,024	6,869	6,542	6,467
Capital transfers	5	988	573	788	383	163	185
Total	6	35,638	38,875	39,925	38,200	38,138	38,642
NET OPERATING BALANCE		6,019	4,226	3,293	2,367	2,540	2,883
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		-149	-208	-194	-82	-113	-47
Provision for doubtful debts		-9	-14	-14	-14	-15	-15
Changes in accounting policy/adjustment of prior periods		-379	-	-	-	-	-
Total other economic flows		-537	-222	-208	-97	-127	-62
OPERATING RESULT		5,482	4,005	3,085	2,270	2,413	2,821
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		6,379	1,193	2,379	971	1,492	1,595
Net actuarial gains/-loss - superannuation		769	-402	-191	-164	-151	-159
Gains recognised directly in equity		-	-43	-44	-45	-45	-45
Change in net worth of the public corporations sectors		6,771	2,013	840	289	154	122
All other		-	-	-	-	-	-
Total all other movements in equity		13,919	2,760	2,984	1,052	1,450	1,513
TOTAL CHANGE IN NET WORTH		19,402	6,765	6,068	3,322	3,862	4,333
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE		6,019	4,226	3,293	2,367	2,540	2,883
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets	6	3,308	3,244	3,189	4,182	4,231	3,973
Changes in inventories		421	-225	-113	-	-	-
Other movement in non-financial assets		94	5	246	136	-	-
Less:							
Sales of non-financial assets		110	89	119	77	66	66
Depreciation		1,846	1,958	2,150	2,140	2,128	2,136
Total net acquisition of non-financial assets		1,868	977	1,052	2,101	2,037	1,771
NET LENDING/-BORROWING		4,151	3,250	2,241	266	503	1,113

Note: Columns may not add due to rounding.

Table 1.2

GENERAL GOVERNMENT
Balance Sheet at 30 June

	2022	2023	2024	2025	2026	2027
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	\$m	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	5,603	3,629	2,632	2,139	1,657	686
Advances paid	708	706	763	839	902	872
Investments, loans and placements	4,659	5,102	3,983	3,033	2,634	2,660
Receivables	5,568	5,359	4,064	4,072	4,019	3,921
Shares and other equity						
Investments in other public sector entities - equity method	49,353	51,365	52,206	52,495	52,650	52,771
Investments in other public sector entities - direct injections	12,934	15,207	20,939	24,041	25,303	26,388
Investments in other entities	34	39	39	39	39	39
Other financial assets	9	9	9	10	-	-
Total financial assets	78,868	81,417	84,635	86,667	87,204	87,337
<i>Non-financial assets</i>						
Land	39,714	40,970	42,938	43,943	44,841	45,794
Property, plant and equipment	53,231	55,281	57,130	59,516	62,443	65,245
Right-of-use assets	2,452	2,289	2,287	2,286	2,209	2,128
Service concession assets	892	866	849	820	803	786
Biological assets	14	14	14	14	14	14
Inventories						
Land inventories	-	-	-	-	-	-
Other inventories	600	375	261	261	261	261
Intangibles	595	594	612	583	549	476
Non-current assets held for sale	57	21	21	21	21	21
Investment property	-	-	-	-	-	-
Other	440	399	403	440	469	498
Total non-financial assets	97,995	100,808	104,515	107,884	111,609	115,223
TOTAL ASSETS	176,863	182,225	189,149	194,550	198,813	202,560
LIABILITIES						
Deposits held	1,271	1,818	2,667	4,686	5,045	4,537
Advances received	291	273	332	405	465	440
Borrowings						
Lease liabilities	2,818	2,668	2,681	2,697	2,643	2,581
Service concession liabilities	-	-	-	-	-	-
Other borrowings	25,858	23,763	23,757	23,749	23,743	23,732
Unfunded superannuation	4,524	4,816	4,863	4,912	5,015	5,121
Other employee benefits	4,101	4,175	4,229	4,297	4,386	4,480
Payables	2,841	2,855	2,814	2,747	2,661	2,571
Other liabilities	3,174	3,108	2,989	2,918	2,853	2,763
TOTAL LIABILITIES	44,879	43,476	44,333	46,411	46,812	46,225
NET ASSETS	131,984	138,749	144,817	148,139	152,002	156,335
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	20,557	25,199	28,049	30,112	32,329	34,946
Other reserves	111,427	113,549	116,768	118,027	119,672	121,389
NET WORTH	131,984	138,749	144,817	148,139	152,002	156,335
MEMORANDUM ITEMS						
<i>Net financial worth</i>	33,989	37,940	40,302	40,255	40,392	41,112
<i>Net financial liabilities</i>	28,298	28,632	32,842	36,281	37,560	38,047
<i>Net debt</i>						
Gross debt liabilities	30,239	28,522	29,438	31,538	31,897	31,290
Less : liquid financial assets	10,970	9,437	7,377	6,010	5,193	4,217
Net debt	19,269	19,085	22,060	25,527	26,704	27,073

Note: Columns may not add due to rounding.

Table 1.3

GENERAL GOVERNMENT **Cash Flow Statement**

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget			
	\$m	\$m	Year	Outyear	Outyear	Outyear
			\$m	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	11,332	12,166	11,931	12,069	12,504	12,823
Grants and subsidies received	15,637	16,839	19,127	17,297	17,017	17,786
Receipts from sales of goods and services	3,007	3,022	3,133	3,107	3,128	3,155
Interest receipts	111	279	265	250	247	260
Dividends and tax equivalents	1,544	1,068	2,203	2,481	2,698	2,800
Other receipts	14,271	13,091	11,186	8,923	8,863	8,610
<i>Total cash received</i>	<i>45,903</i>	<i>46,465</i>	<i>47,846</i>	<i>44,128</i>	<i>44,457</i>	<i>45,434</i>
<i>Cash Paid</i>						
Wages, salaries and supplements, and superannuation	-15,848	-17,537	-17,732	-18,256	-18,754	-19,168
Payments for goods and services	-9,876	-10,257	-10,499	-9,853	-9,756	-9,866
Interest paid	-752	-871	-855	-874	-887	-930
Grants and subsidies paid	-8,852	-9,858	-10,815	-9,367	-8,833	-8,850
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-2,136	-1,661	-1,672	-1,663	-1,681	-1,690
<i>Total cash paid</i>	<i>-37,464</i>	<i>-40,185</i>	<i>-41,574</i>	<i>-40,013</i>	<i>-39,911</i>	<i>-40,504</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	8,439	6,280	6,272	4,115	4,546	4,931
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-3,308	-3,244	-3,189	-4,182	-4,231	-3,973
Sales of non-financial assets	110	89	119	77	66	66
<i>Total cash flows from investments in non-financial assets</i>	<i>-3,199</i>	<i>-3,155</i>	<i>-3,070</i>	<i>-4,105</i>	<i>-4,165</i>	<i>-3,907</i>
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	18	10	10	10	10	10
For liquidity purposes	93	38	16	39	8	9
<i>Cash paid</i>						
For policy purposes	-1,208	-2,713	-5,777	-3,112	-1,272	-1,073
For liquidity purposes	-70	-10	-	-26	-1	-23
<i>Total cash flows from investments in financial assets</i>	<i>-1,168</i>	<i>-2,675</i>	<i>-5,751</i>	<i>-3,089</i>	<i>-1,255</i>	<i>-1,078</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-4,366	-5,830	-8,821	-7,195	-5,420	-4,984
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	18	18	18	25	32	25
Borrowings	57	130	116	115	113	110
Deposits received	-	-	-	-	-	-
Other financing receipts	195	18	37	5	4	8
<i>Total cash receipts from financing activities</i>	<i>270</i>	<i>166</i>	<i>172</i>	<i>145</i>	<i>149</i>	<i>144</i>
<i>Cash paid</i>						
Advances paid	-18	-18	-18	-25	-32	-25
Borrowings repaid	-646	-2,215	-112	-112	-107	-109
Deposits paid	-	-	-	-	-	-
Other financing payments	-585	-426	-458	-386	-376	-392
<i>Total payments for financing activities</i>	<i>-1,248</i>	<i>-2,659</i>	<i>-588</i>	<i>-523</i>	<i>-515</i>	<i>-526</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	-978	-2,493	-417	-378	-366	-382
Net increase in cash and cash equivalents	3,094	-2,044	-2,966	-3,458	-1,240	-436
Cash and cash equivalents at the beginning of the year	6,943	10,037	7,994	5,028	1,570	330
Cash and cash equivalents at the end of the year	10,037	7,994	5,028	1,570	330	-106
KEY FISCAL AGGREGATES						
Net cash flow s from operating activities	8,439	6,280	6,272	4,115	4,546	4,931
Net cash flow s from investing in non-financial assets	-3,199	-3,155	-3,070	-4,105	-4,165	-3,907
Cash surplus/-deficit	5,240	3,125	3,202	9	381	1,024

Note: Columns may not add due to rounding.

Table 1.4

PUBLIC NON-FINANCIAL CORPORATIONS
Operating Statement

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget			
	\$m	\$m	Year	Outyear	Outyear	Outyear
			\$m	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Current grants and subsidies	2,820	3,504	3,654	3,010	2,832	2,843
Capital grants	150	257	374	256	54	58
Sales of goods and services	33,224	35,220	38,252	39,037	39,399	39,633
Interest income	88	216	219	212	226	235
Other	525	446	445	573	583	609
Total	36,806	39,644	42,944	43,089	43,095	43,378
EXPENSES						
Salaries	1,199	1,474	1,485	1,507	1,525	1,543
Superannuation						
Concurrent costs	123	161	168	179	189	191
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	72	34	34	35	36	36
Depreciation and amortisation	2,924	2,976	3,126	3,275	3,395	3,452
Services and contracts	1,048	1,008	881	902	880	825
Other gross operating expenses	28,285	30,650	33,303	33,540	33,429	33,620
Interest						
Interest on leases	70	79	74	71	66	56
Other interest	419	704	654	635	732	801
Tax equivalents	704	682	754	869	922	966
Current transfers	1,224	1,617	1,839	1,291	1,276	1,297
Capital transfers	23	28	18	-	-	-
Total	36,092	39,413	42,336	42,304	42,448	42,786
NET OPERATING BALANCE	714	231	608	785	647	592
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-235	-3	-240	-77	2	77
Provision for doubtful debts	-6	-43	-42	-42	-41	-41
Changes in accounting policy/adjustment of prior periods	333	-	-	-	-	-
Total other economic flows	92	-46	-282	-119	-39	36
OPERATING RESULT	806	185	326	666	608	628
<i>Other non-owner movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	6,723	1,647	1,695	1,067	1,064	1,112
Net actuarial gains/-loss - superannuation	-23	-6	2	2	3	2
Gains recognised directly in equity	-3	-1	-1	-1	-1	-1
All other	-	-	-	-	-	-
Total other non-owner movements in equity	6,698	1,641	1,696	1,068	1,066	1,113
<i>Movements in owner equity</i>						
Dividends	-23	-80	-1,348	-1,519	-1,617	-1,717
Capital injections	1,185	2,324	5,733	3,103	1,263	1,086
Total movements in owner equity	1,161	2,243	4,385	1,585	-354	-631
TOTAL CHANGE IN NET WORTH	8,665	4,069	6,407	3,319	1,319	1,110
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	714	231	608	785	647	592
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	3,964	5,020	7,304	6,244	5,596	4,355
Changes in inventories	881	-429	133	80	-11	3
Other movement in non-financial assets	93	147	124	133	132	136
<i>Less:</i>						
Sales of non-financial assets	518	379	437	591	650	475
Depreciation	2,924	2,976	3,126	3,275	3,395	3,452
Total net acquisition of non-financial assets	1,495	1,384	3,998	2,590	1,673	566
NET LENDING/-BORROWING	-781	-1,153	-3,390	-1,805	-1,026	26

Note: Columns may not add due to rounding.

Table 1.5

PUBLIC NON-FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2022	2023	2024	2025	2026	2027
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	3,502	4,162	4,766	5,124	5,501	5,003
Advances paid	-	-	-	-	-	-
Investments, loans and placements	4,661	3,872	3,921	4,137	4,428	4,666
Receivables	1,755	1,455	1,375	1,378	1,387	1,417
Shares and other equity						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	36	33	33	27	27	25
Other financial assets	378	287	162	122	92	49
Total financial assets	10,331	9,809	10,257	10,788	11,437	11,160
<i>Non-financial assets</i>						
Land	8,899	9,256	9,901	10,001	10,103	10,256
Property, plant and equipment	63,357	65,951	70,655	74,203	76,969	78,487
Right-of-use assets	447	400	357	380	336	296
Service concession assets	2,233	2,214	2,195	2,176	2,157	2,138
Biological assets	198	204	209	220	232	244
Inventories						
Land inventories	1,590	1,742	1,795	1,731	1,882	2,044
Other inventories	6,806	6,377	6,510	6,590	6,579	6,582
Intangibles	401	426	454	505	499	529
Non-current assets held for sale	10	13	13	13	13	13
Investment property	14	14	14	14	14	14
Other	186	191	222	260	283	309
Total non-financial assets	84,141	86,788	92,325	96,092	99,067	100,910
TOTAL ASSETS	94,472	96,597	102,582	106,880	110,504	112,069
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	291	273	332	405	465	440
Borrowings						
Lease liabilities	831	763	685	683	614	525
Service concession liabilities	325	335	329	323	315	307
Other borrowings	21,623	20,636	20,209	20,954	23,323	23,850
Unfunded superannuation	74	89	97	107	121	133
Other employee benefits	468	432	434	438	440	441
Payables	8,454	7,606	7,773	7,922	7,886	7,926
Other liabilities	2,336	2,325	2,179	2,186	2,157	2,154
TOTAL LIABILITIES	34,404	32,459	32,038	33,017	35,322	35,777
NET ASSETS	60,069	64,137	70,544	73,863	75,182	76,292
<i>Of which:</i>						
Contributed equity	13,186	15,510	21,243	24,346	25,609	26,696
Accumulated surplus	17,318	18,866	17,851	17,010	16,013	14,935
Other reserves	29,564	29,761	31,450	32,506	33,560	34,661
NET WORTH	60,069	64,137	70,544	73,863	75,182	76,292
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-24,072</i>	<i>-22,651</i>	<i>-21,781</i>	<i>-22,229</i>	<i>-23,885</i>	<i>-24,618</i>
<i>Net debt</i>						
Gross debt liabilities	23,071	22,007	21,555	22,365	24,718	25,123
Less: liquid financial assets	8,163	8,034	8,687	9,261	9,930	9,669
Net debt	14,908	13,973	12,868	13,104	14,788	15,454

Note: Columns may not add due to rounding.

Table 1.6

PUBLIC NON-FINANCIAL CORPORATIONS
Cash Flow Statement

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget			
	\$m	\$m	Year	Outyear	Outyear	Outyear
			\$m	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Grants and subsidies received	2,946	3,784	4,013	3,267	2,898	2,906
Receipts from sales of goods and services	25,396	26,125	27,909	28,457	28,737	28,969
Interest receipts	80	221	218	212	226	235
Dividends and tax equivalents	156	142	56	39	50	54
Other receipts	1,683	1,554	1,578	1,577	1,626	1,697
<i>Total cash received</i>	<i>30,260</i>	<i>31,826</i>	<i>33,774</i>	<i>33,552</i>	<i>33,536</i>	<i>33,861</i>
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-1,334	-1,647	-1,643	-1,668	-1,692	-1,702
Payments for goods and services	-19,870	-20,714	-21,816	-21,996	-22,182	-22,149
Interest paid	-508	-733	-682	-681	-771	-828
Grants and subsidies paid	-759	-790	-875	-838	-806	-812
Tax equivalents	-727	-745	-700	-809	-927	-929
Other payments	-3,768	-4,250	-4,444	-3,626	-3,459	-3,533
<i>Total cash paid</i>	<i>-26,966</i>	<i>-28,878</i>	<i>-30,160</i>	<i>-29,617</i>	<i>-29,838</i>	<i>-29,953</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,294	2,948	3,614	3,934	3,698	3,908
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-3,964	-5,020	-7,304	-6,244	-5,596	-4,355
Sales of non-financial assets	518	379	437	591	650	475
<i>Total cash flows from investments in non-financial assets</i>	<i>-3,445</i>	<i>-4,641</i>	<i>-6,867</i>	<i>-5,653</i>	<i>-4,946</i>	<i>-3,879</i>
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	24	62	63	52	21	57
<i>Cash paid</i>						
For policy purposes	-10	-14	-29	-	-	-
For liquidity purposes	-77	-89	-54	-54	-17	-19
<i>Total cash flows from investments in financial assets</i>	<i>-63</i>	<i>-41</i>	<i>-20</i>	<i>-2</i>	<i>4</i>	<i>38</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-3,508	-4,682	-6,886	-5,654	-4,942	-3,841
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	77	98	92	-
Borrowings	3,612	3,150	5,042	4,401	6,040	3,207
Deposits received	-	-	-	-	-	-
Other financing receipts	1,300	2,793	5,892	3,142	1,292	1,106
<i>Total cash received</i>	<i>4,912</i>	<i>5,944</i>	<i>11,011</i>	<i>7,642</i>	<i>7,424</i>	<i>4,313</i>
<i>Cash paid</i>						
Advances paid	-18	-18	-18	-25	-32	-25
Borrowings repaid	-4,105	-3,277	-5,486	-3,855	-3,924	-2,950
Deposits paid	-	-	-	-	-	-
Other financing payments	-200	-181	-286	-174	-227	-188
Dividends paid	-23	-80	-1,348	-1,519	-1,617	-1,717
<i>Total cash paid</i>	<i>-4,346</i>	<i>-3,556</i>	<i>-7,138</i>	<i>-5,573</i>	<i>-5,799</i>	<i>-4,881</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	566	2,387	3,874	2,069	1,624	-568
Net increase in cash and cash equivalents	353	653	601	349	381	-501
Cash and cash equivalents at the beginning of the year	3,373	3,725	4,378	4,980	5,328	5,709
Cash and cash equivalents at the end of the year	3,725	4,378	4,980	5,328	5,709	5,208
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	3,294	2,948	3,614	3,934	3,698	3,908
Net cash flows from investing in non-financial assets	-3,445	-4,641	-6,867	-5,653	-4,946	-3,879
Dividends paid	-23	-80	-1,348	-1,519	-1,617	-1,717
Cash surplus/-deficit	-174	-1,774	-4,601	-3,237	-2,865	-1,689

Note: Columns may not add due to rounding.

Table 1.7

TOTAL NON-FINANCIAL PUBLIC SECTOR
Operating Statement

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget			
	\$m	\$m	Year	Outyear	Outyear	Outyear
			\$m	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Taxation	11,069	11,601	11,365	11,477	11,901	12,210
Current grants and subsidies	11,946	12,858	13,389	13,040	13,376	14,807
Capital grants	1,515	1,961	3,353	1,798	1,161	427
Sales of goods and services	35,476	37,550	40,672	41,526	41,901	42,203
Interest income	197	461	436	367	375	399
Royalty income	11,091	11,158	7,982	7,046	6,968	6,671
Dividend and tax equivalents	932	187	144	143	145	147
Other	1,110	1,068	1,321	1,238	1,125	1,132
<i>Total</i>	73,336	76,845	78,663	76,635	76,952	77,997
EXPENSES						
Salaries	15,478	17,037	17,156	17,607	18,058	18,433
Superannuation						
Concurrent costs	1,592	1,860	1,944	2,088	2,238	2,277
Superannuation interest cost	75	169	165	175	187	200
Other employee costs	315	310	315	305	304	312
Depreciation and amortisation	4,767	4,932	5,273	5,412	5,520	5,586
Services and contracts	3,913	4,901	4,645	4,249	4,197	4,060
Other gross operating expenses	33,644	35,782	38,763	38,756	38,547	38,988
Interest						
Interest on leases	203	212	203	196	185	172
Other interest	1,048	1,460	1,351	1,300	1,417	1,534
Current transfers	4,737	5,452	5,851	4,770	4,596	4,546
Capital transfers	852	352	442	142	128	127
<i>Total</i>	66,623	72,467	76,108	75,000	75,379	76,236
NET OPERATING BALANCE	6,713	4,379	2,555	1,636	1,572	1,760
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-384	-211	-434	-160	-111	30
Provision for doubtful debts	-15	-57	-57	-56	-56	-57
Changes in accounting policy/adjustment of prior periods	-43	-	-	-	-	-
<i>Total other economic flows</i>	-442	-268	-490	-216	-167	-27
OPERATING RESULT	6,270	4,111	2,065	1,420	1,406	1,734
<i>All other movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	13,102	2,942	4,076	2,040	2,558	2,709
Net actuarial gains/-loss - superannuation	747	-408	-189	-161	-149	-157
Gains recognised directly in equity	-6	-46	-47	-48	-49	-49
Change in net worth of the PFC sector	-712	166	164	71	96	96
All other	-	-	-	-	-	-
<i>Total all other movements in equity</i>	13,132	2,654	4,004	1,902	2,457	2,600
TOTAL CHANGE IN NET WORTH	19,402	6,765	6,068	3,322	3,862	4,333
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	6,713	4,379	2,555	1,636	1,572	1,760
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	7,172	8,226	10,398	10,424	9,827	8,328
Changes in inventories	1,302	-654	19	80	-11	3
Other movement in non-financial assets	187	153	370	268	132	136
<i>Less:</i>						
Sales of non-financial assets	528	430	461	667	716	542
Depreciation	4,767	4,932	5,273	5,412	5,520	5,586
<i>Total net acquisition of non-financial assets</i>	3,366	2,363	5,052	4,694	3,712	2,339
NET LENDING/-BORROWING	3,346	2,016	-2,497	-3,058	-2,140	-578

Note: Columns may not add due to rounding.

Table 1.8

TOTAL NON-FINANCIAL PUBLIC SECTOR
Balance Sheet at 30 June

	2022	2023	2024	2025	2026	2027
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	7,858	5,996	4,755	2,602	2,141	1,181
Advances paid	416	432	430	434	437	432
Investments, loans and placements	9,223	8,886	7,814	7,081	6,972	7,235
Receivables	7,213	6,779	5,353	5,301	5,264	5,162
Shares and other equity						
Investments in other public sector entities - equity method	2,218	2,435	2,601	2,673	2,770	2,867
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	70	72	72	66	67	64
Other financial assets	9	9	9	10	-	-
Total financial assets	27,007	24,609	21,034	18,166	17,652	16,942
<i>Non-financial assets</i>						
Land	48,613	50,227	52,839	53,944	54,943	56,050
Property, plant and equipment	116,589	121,232	127,785	133,719	139,412	143,732
Right-of-use assets	2,899	2,682	2,638	2,660	2,535	2,423
Service concession assets	3,125	3,080	3,044	2,996	2,960	2,924
Biological assets	212	218	223	234	246	258
Inventories						
Land inventories	1,590	1,742	1,795	1,731	1,882	2,044
Other inventories	7,406	6,752	6,771	6,851	6,840	6,843
Intangibles	997	1,020	1,066	1,088	1,048	1,005
Non-current assets held for sale	66	33	33	33	33	33
Investment property	14	14	14	14	14	14
Other	626	589	625	700	753	807
Total non-financial assets	182,136	187,589	196,834	203,970	210,666	216,132
TOTAL ASSETS	209,143	212,198	217,868	222,136	228,317	233,073
LIABILITIES						
Deposits held	23	21	22	24	26	28
Advances received	291	273	332	405	465	440
Borrowings						
Lease liabilities	3,554	3,336	3,272	3,286	3,159	3,017
Service concession liabilities	325	335	329	323	315	307
Other borrowings	47,482	44,399	43,966	44,703	47,067	47,582
Unfunded superannuation	4,598	4,905	4,961	5,019	5,136	5,254
Other employee benefits	4,569	4,606	4,663	4,735	4,826	4,921
Payables	11,186	10,429	10,502	10,523	10,407	10,322
Other liabilities	5,131	5,144	5,004	4,979	4,916	4,867
TOTAL LIABILITIES	77,159	73,449	73,051	73,997	76,316	76,739
NET ASSETS	131,984	138,749	144,817	148,139	152,002	156,335
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	37,882	44,065	45,900	47,122	48,343	49,881
Other reserves	94,102	94,683	98,917	101,017	103,659	106,454
NET WORTH	131,984	138,749	144,817	148,139	152,002	156,335
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-50,152</i>	<i>-48,840</i>	<i>-52,017</i>	<i>-55,831</i>	<i>-58,664</i>	<i>-59,797</i>
<i>Net financial liabilities</i>	<i>52,370</i>	<i>51,275</i>	<i>54,617</i>	<i>58,504</i>	<i>61,434</i>	<i>62,664</i>
<i>Net debt</i>						
Gross debt liabilities	51,675	48,365	47,922	48,741	51,031	51,374
Less : liquid financial assets	17,498	15,314	13,000	10,116	9,550	8,848
Net debt	34,177	33,051	34,922	38,625	41,481	42,526

Note: Columns may not add due to rounding.

Table 1.9

TOTAL NON-FINANCIAL PUBLIC SECTOR
Cash Flow Statement

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	\$m	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	10,764	11,622	11,383	11,495	11,918	12,227
Grants and subsidies received	15,637	16,839	19,127	17,297	17,017	17,786
Receipts from sales of goods and services	27,518	28,328	30,231	30,821	31,099	31,434
Interest receipts	173	466	435	367	375	399
Dividends and tax equivalents	950	384	212	192	204	208
Other receipts	15,521	14,249	12,332	10,070	10,047	9,847
<i>Total cash received</i>	<i>70,564</i>	<i>71,889</i>	<i>73,720</i>	<i>70,243</i>	<i>70,660</i>	<i>71,901</i>
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-17,182	-19,184	-19,376	-19,924	-20,446	-20,870
Payments for goods and services	-28,526	-29,880	-31,194	-30,794	-30,847	-30,981
Interest paid	-1,243	-1,571	-1,489	-1,460	-1,561	-1,662
Grants and subsidies paid	-6,636	-6,832	-7,648	-6,910	-6,714	-6,730
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-5,332	-5,366	-5,567	-4,714	-4,554	-4,627
<i>Total cash paid</i>	<i>-58,919</i>	<i>-62,833</i>	<i>-65,273</i>	<i>-63,802</i>	<i>-64,123</i>	<i>-64,871</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	11,645	9,056	8,447	6,440	6,538	7,031
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-7,172	-8,226	-10,398	-10,424	-9,827	-8,328
Sales of non-financial assets	528	430	461	667	716	542
<i>Total cash flows from investments in non-financial assets</i>	<i>-6,644</i>	<i>-7,796</i>	<i>-9,937</i>	<i>-9,758</i>	<i>-9,111</i>	<i>-7,786</i>
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	18	10	10	10	10	10
For liquidity purposes	117	100	80	90	28	43
<i>Cash paid</i>						
For policy purposes	-21	-10	-10	-10	-10	-10
For liquidity purposes	-147	-99	-54	-79	-17	-19
<i>Total cash flows from investments in financial assets</i>	<i>-33</i>	<i>1</i>	<i>26</i>	<i>11</i>	<i>11</i>	<i>24</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-6,677	-7,795	-9,911	-9,747	-9,100	-7,762
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	77	98	92	-
Borrowings	3,669	3,280	5,159	4,516	6,153	3,317
Deposits received	-	-	-	-	-	-
Other financing receipts	191	4	8	5	4	8
<i>Total cash received</i>	<i>3,860</i>	<i>3,284</i>	<i>5,243</i>	<i>4,619</i>	<i>6,249</i>	<i>3,325</i>
<i>Cash paid</i>						
Advances paid	-18	-18	-18	-25	-32	-25
Borrowings repaid	-4,751	-5,493	-5,598	-3,967	-4,031	-3,059
Deposits paid	-	-	-	-	-	-
Other financing payments	-613	-425	-528	-429	-483	-447
<i>Total cash paid</i>	<i>-5,381</i>	<i>-5,936</i>	<i>-6,144</i>	<i>-4,422</i>	<i>-4,546</i>	<i>-3,531</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	-1,521	-2,652	-901	197	1,703	-206
Net increase in cash and cash equivalents	3,447	-1,391	-2,364	-3,109	-859	-937
Cash and cash equivalents at the beginning of the year	10,315	13,762	12,371	10,007	6,897	6,038
Cash and cash equivalents at the end of the year	13,762	12,371	10,007	6,897	6,038	5,101
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	11,645	9,056	8,447	6,440	6,538	7,031
Net cash flows from investing in non-financial assets	-6,644	-7,796	-9,937	-9,758	-9,111	-7,786
Cash surplus/-deficit	5,001	1,260	-1,490	-3,318	-2,573	-755

Note: Columns may not add due to rounding.

Table 1.10

PUBLIC FINANCIAL CORPORATIONS
Operating Statement

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget			
	\$m	\$m	Year	Outyear	Outyear	Outyear
			\$m	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Current grants and subsidies	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Sales of goods and services	1,422	1,387	1,495	1,554	1,623	1,693
Interest income	1,257	1,713	2,064	2,016	2,073	2,129
Other	188	154	161	173	183	195
<i>Total</i>	<i>2,867</i>	<i>3,254</i>	<i>3,720</i>	<i>3,743</i>	<i>3,880</i>	<i>4,017</i>
EXPENSES						
Salaries	63	73	78	80	82	85
Superannuation						
Concurrent costs	6	8	9	10	10	11
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	298	260	285	300	309	320
Depreciation and amortisation	8	9	9	10	9	8
Services and contracts	12	13	13	14	14	14
Other gross operating expenses	886	1,129	1,336	1,450	1,532	1,625
Interest						
Interest on leases	1	-	-	-	-	-
Other interest	947	1,543	1,870	1,822	1,870	1,914
Tax equivalents	202	50	30	20	18	14
Current transfers	4	5	5	5	6	6
Capital transfers	4	3	1	1	1	1
<i>Total</i>	<i>2,430</i>	<i>3,093</i>	<i>3,638</i>	<i>3,712</i>	<i>3,851</i>	<i>3,998</i>
NET OPERATING BALANCE	437	161	82	32	29	19
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-629	178	240	216	234	252
Provision for doubtful debts	-	-	-	-	-	-
Changes in accounting policy/adjustment of prior periods	213	-	-	-	-	-
<i>Total other economic flows</i>	<i>-416</i>	<i>178</i>	<i>240</i>	<i>216</i>	<i>234</i>	<i>252</i>
OPERATING RESULT	21	339	322	248	263	272
<i>Other non-owner movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	-3	66	-42	-51	-38	-40
Net actuarial gains/-loss - superannuation	-	-	-	-	-	-
Gains recognised directly in equity	3	-	-	-	-	-
All other	-	-	-	-	-	-
<i>Total other non-owner movements in equity</i>	<i>-</i>	<i>66</i>	<i>-42</i>	<i>-50</i>	<i>-38</i>	<i>-40</i>
<i>Movements in owner equity</i>						
Dividends	-731	-137	-114	-123	-127	-133
Capital injections	-1	-51	-1	-1	-1	-1
<i>Total movements in owner equity</i>	<i>-732</i>	<i>-188</i>	<i>-115</i>	<i>-125</i>	<i>-128</i>	<i>-134</i>
TOTAL CHANGE IN NET WORTH	-711	217	165	73	97	97
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	437	161	82	32	29	19
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	9	8	7	7	7	7
Changes in inventories	-	-	-	-	-	-
Other movement in non-financial assets	-	-	-	-	-	-
<i>Less:</i>						
Sales of non-financial assets	-	-	-	-	-	-
Depreciation	8	9	9	10	9	8
<i>Total net acquisition of non-financial assets</i>	<i>1</i>	<i>-1</i>	<i>-3</i>	<i>-3</i>	<i>-3</i>	<i>-2</i>
NET LENDING/-BORROWING	437	162	85	35	31	21

Note: Columns may not add due to rounding.

Table 1.11

PUBLIC FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2022	2023	2024	2025	2026	2027
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	\$m	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	529	440	444	451	459	465
Advances paid	4,009	3,070	3,072	3,285	3,543	3,822
Investments, loans and placements	55,533	53,215	53,933	55,043	57,786	58,665
Receivables	881	900	912	925	938	952
Shares and other equity						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	2,232	2,345	2,550	2,737	2,927	3,122
Other financial assets	7	7	7	7	7	7
Total financial assets	63,192	59,977	60,918	62,448	65,660	67,033
<i>Non-financial assets</i>						
Land	-	-	-	-	-	-
Property, plant and equipment	4	5	5	6	6	6
Right-of-use assets	16	13	9	5	2	1
Service concession assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Inventories						
Land inventories	-	-	-	-	-	-
Other inventories	-	-	-	-	-	-
Intangibles	11	13	14	14	15	15
Non-current assets held for sale	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
Other	3	3	3	3	3	3
Total non-financial assets	35	34	32	29	26	26
TOTAL ASSETS	63,227	60,012	60,950	62,477	65,686	67,059
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	3	3	3	3	2	2
Borrowings						
Lease liabilities	20	16	12	7	4	4
Service concession liabilities	-	-	-	-	-	-
Other borrowings	55,078	51,534	51,902	52,876	55,531	56,331
Unfunded superannuation	4	5	5	5	6	7
Other employee benefits	16	17	17	18	18	19
Payables	241	117	109	98	71	45
Other liabilities	5,646	5,885	6,302	6,797	7,282	7,783
TOTAL LIABILITIES	61,008	57,577	58,349	59,804	62,916	64,192
NET ASSETS	2,218	2,435	2,601	2,673	2,770	2,867
<i>Of which:</i>						
Contributed equity	-252	-303	-304	-306	-307	-308
Accumulated surplus	2,448	2,657	2,815	2,902	2,997	3,092
Other reserves	23	81	90	77	79	82
NET WORTH	2,218	2,435	2,601	2,673	2,770	2,867
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>2,183</i>	<i>2,401</i>	<i>2,569</i>	<i>2,645</i>	<i>2,744</i>	<i>2,841</i>
<i>Net debt</i>						
Gross debt liabilities	55,101	51,553	51,916	52,886	55,538	56,338
Less: liquid financial assets	60,072	56,725	57,449	58,779	61,788	62,952
Net debt	-4,971	-5,171	-5,533	-5,893	-6,250	-6,614

Note: Columns may not add due to rounding.

Table 1.12

PUBLIC FINANCIAL CORPORATIONS
Cash Flow Statement

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget			
	\$m	\$m	Year	Outyear	Outyear	Outyear
			\$m	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Grants and subsidies received	-	5	5	5	5	5
Receipts from sales of goods and services	1,565	1,519	1,663	1,770	1,854	1,940
Interest receipts	1,286	1,713	2,064	2,016	2,073	2,129
Dividends and tax equivalents	-	-	-	-	-	-
Other receipts	187	186	203	213	224	236
<i>Total cash received</i>	<i>3,039</i>	<i>3,423</i>	<i>3,935</i>	<i>4,004</i>	<i>4,157</i>	<i>4,310</i>
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-69	-80	-86	-89	-91	-94
Payments for goods and services	-988	-1,092	-1,214	-1,296	-1,390	-1,483
Interest paid	-1,190	-1,548	-1,871	-1,822	-1,870	-1,915
Grants and subsidies paid	-	-	-	-	-	-
Tax equivalents	-205	-162	-80	-80	-80	-80
Other payments	-181	-194	-212	-222	-233	-245
<i>Total cash paid</i>	<i>-2,632</i>	<i>-3,076</i>	<i>-3,462</i>	<i>-3,509</i>	<i>-3,665</i>	<i>-3,817</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	407	347	473	495	492	493
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-9	-8	-7	-7	-7	-7
Sales of non-financial assets	-	-	-	-	-	-
<i>Total cash flows from investments in non-financial assets</i>	<i>-9</i>	<i>-8</i>	<i>-7</i>	<i>-7</i>	<i>-6</i>	<i>-6</i>
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	10,746	9,714	8,636	8,665	8,808	8,958
<i>Cash paid</i>						
For policy purposes	-	-2	-1	-1	-1	-1
For liquidity purposes	-8,562	-8,982	-8,951	-9,203	-9,386	-9,554
<i>Total cash flows from investments in financial assets</i>	<i>2,184</i>	<i>730</i>	<i>-317</i>	<i>-539</i>	<i>-579</i>	<i>-598</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	2,175	723	-323	-546	-585	-604
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	27,214	22,816	26,638	26,547	28,232	25,897
Deposits received	-	-	-	-	-	-
Other financing receipts	-	-	-	-	-	-
<i>Total cash received</i>	<i>27,215</i>	<i>22,816</i>	<i>26,638</i>	<i>26,547</i>	<i>28,232</i>	<i>25,897</i>
<i>Cash paid</i>						
Advances paid	-	-	-	-	-	-
Borrowings repaid	-29,744	-23,681	-26,620	-26,346	-27,978	-25,626
Deposits paid	-	-	-	-	-	-
Other financing payments	-5	-4	-5	-5	-4	-1
Dividends paid	-745	-222	-131	-112	-123	-127
<i>Total cash paid</i>	<i>-30,493</i>	<i>-23,907</i>	<i>-26,756</i>	<i>-26,463</i>	<i>-28,105</i>	<i>-25,753</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	-3,279	-1,091	-118	84	127	144
Net increase in cash and cash equivalents	-697	-22	32	33	34	33
Cash and cash equivalents at the beginning of the year	2,287	1,591	1,569	1,601	1,634	1,668
Cash and cash equivalents at the end of the year	1,591	1,569	1,601	1,634	1,668	1,701
KEY FISCAL AGGREGATES						
Net cash flow s from operating activities	407	347	473	495	492	493
Net cash flow s from investing in non-financial assets	-9	-8	-7	-7	-6	-6
Dividends paid	-745	-222	-131	-112	-123	-127
Cash surplus/-deficit	-346	117	335	376	362	360

Note: Columns may not add due to rounding.

Table 1.13

TOTAL PUBLIC SECTOR **Operating Statement**

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget			
	\$m	\$m	Year	Outyear	Outyear	Outyear
			\$m	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Taxation	11,065	11,596	11,360	11,472	11,895	12,205
Current grants and subsidies	11,946	12,858	13,389	13,040	13,376	14,807
Capital grants	1,515	1,961	3,353	1,798	1,161	427
Sales of goods and services	36,437	38,464	41,622	42,508	42,922	43,265
Interest income	445	658	917	850	876	915
Royalty income	11,091	11,158	7,982	7,046	6,968	6,671
Other	1,276	1,222	1,485	1,412	1,310	1,328
<i>Total</i>	<i>73,776</i>	<i>77,918</i>	<i>80,108</i>	<i>78,126</i>	<i>78,508</i>	<i>79,618</i>
EXPENSES						
Salaries	15,540	17,109	17,234	17,687	18,141	18,518
Superannuation						
Concurrent costs	1,598	1,868	1,953	2,097	2,248	2,288
Superannuation interest cost	75	169	165	175	187	200
Other employee costs	612	571	600	605	613	632
Depreciation and amortisation	4,775	4,940	5,283	5,422	5,529	5,594
Services and contracts	3,925	4,901	4,645	4,249	4,197	4,060
Other gross operating expenses	34,049	36,451	39,569	39,649	39,492	39,997
Interest						
Interest on leases	203	212	203	197	186	173
Other interest	986	1,486	1,638	1,589	1,715	1,836
Current transfers	4,737	5,452	5,851	4,770	4,596	4,546
Capital transfers	856	355	443	143	129	128
<i>Total</i>	<i>67,357</i>	<i>73,515</i>	<i>77,585</i>	<i>76,582</i>	<i>77,034</i>	<i>77,971</i>
NET OPERATING BALANCE	6,419	4,403	2,523	1,544	1,474	1,647
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-1,013	-33	-193	57	123	282
Provision for doubtful debts	-15	-57	-57	-56	-56	-57
Changes in accounting policy/adjustment of prior periods	167	-	-	-	-	-
<i>Total other economic flows</i>	<i>-861</i>	<i>-90</i>	<i>-250</i>	<i>-</i>	<i>67</i>	<i>225</i>
OPERATING RESULT	5,558	4,313	2,273	1,544	1,541	1,872
<i>All other movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	13,099	2,906	4,032	1,987	2,518	2,666
Net actuarial gains/-loss - superannuation	747	-408	-189	-161	-149	-157
Gains recognised directly in equity	-2	-46	-47	-48	-49	-49
All other	-	-	-	-	-	-
<i>Total all other movements in equity</i>	<i>13,844</i>	<i>2,452</i>	<i>3,795</i>	<i>1,778</i>	<i>2,321</i>	<i>2,461</i>
TOTAL CHANGE IN NET WORTH	19,402	6,765	6,068	3,322	3,862	4,333
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	6,419	4,403	2,523	1,544	1,474	1,647
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	7,181	8,234	10,405	10,431	9,834	8,334
Changes in inventories	1,302	-654	19	80	-11	3
Other movement in non-financial assets	187	153	370	268	132	136
<i>Less:</i>						
Sales of non-financial assets	529	430	462	667	716	542
Depreciation	4,775	4,940	5,283	5,422	5,529	5,594
<i>Total net acquisition of non-financial assets</i>	<i>3,367</i>	<i>2,362</i>	<i>5,049</i>	<i>4,690</i>	<i>3,710</i>	<i>2,337</i>
NET LENDING/-BORROWING	3,052	2,041	-2,526	-3,146	-2,236	-691

Note: Columns may not add due to rounding.

Table 1.14

TOTAL PUBLIC SECTOR
Balance Sheet at 30 June

	2022	2023	2024	2025	2026	2027
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
ASSETS						
<i>Financial assets</i>						
Cash and deposits	8,384	6,434	5,196	3,048	2,592	1,638
Advances paid	4,423	3,499	3,500	3,716	3,978	4,251
Investments, loans and placements	13,752	15,030	15,078	14,507	14,512	14,854
Receivables	7,264	7,054	5,671	5,641	5,643	5,577
Equity - Investments in other entities	2,302	2,417	2,621	2,803	2,994	3,186
Other financial assets	16	16	16	17	7	7
Total financial assets	36,139	34,450	32,083	29,731	29,726	29,513
<i>Non-financial assets</i>						
Land	48,613	50,227	52,839	53,944	54,943	56,050
Property, plant and equipment	116,593	121,237	127,791	133,725	139,418	143,738
Right-of-use assets	2,915	2,694	2,647	2,665	2,537	2,424
Service concession assets	3,125	3,080	3,044	2,996	2,960	2,924
Biological assets	212	218	223	234	246	258
Inventories						
Land inventories	1,590	1,742	1,795	1,731	1,882	2,044
Other inventories	7,406	6,752	6,771	6,851	6,840	6,843
Intangibles	1,007	1,033	1,080	1,102	1,063	1,020
Non-current assets held for sale	66	33	33	33	33	33
Investment property	14	14	14	14	14	14
Other	599	563	598	673	726	780
Total non-financial assets	182,140	187,593	196,835	203,968	210,662	216,127
TOTAL ASSETS	218,280	222,043	228,918	233,700	240,388	245,640
LIABILITIES						
Deposits held	19	19	19	19	19	19
Advances received	291	273	332	405	465	440
Borrowings						
Lease liabilities	3,574	3,353	3,284	3,293	3,163	3,021
Service concession liabilities	325	335	329	323	315	307
Other borrowings	51,555	48,862	49,200	49,962	52,351	52,867
Unfunded superannuation	4,603	4,910	4,965	5,025	5,142	5,261
Other employee benefits	4,585	4,623	4,680	4,753	4,844	4,940
Payables	11,119	10,380	10,453	10,474	10,358	10,274
Other liabilities	10,225	10,539	10,839	11,307	11,729	12,176
TOTAL LIABILITIES	86,296	83,294	84,102	85,561	88,386	89,306
NET ASSETS	131,984	138,749	144,817	148,139	152,002	156,335
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	40,329	46,722	48,715	50,024	51,340	52,973
Other reserves	91,654	92,026	96,102	98,115	100,662	103,361
NET WORTH	131,984	138,749	144,817	148,139	152,002	156,335
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-50,157</i>	<i>-48,844</i>	<i>-52,018</i>	<i>-55,829</i>	<i>-58,660</i>	<i>-59,793</i>
<i>Net financial liabilities</i>	<i>50,157</i>	<i>48,844</i>	<i>52,018</i>	<i>55,829</i>	<i>58,660</i>	<i>59,793</i>
<i>Net debt</i>						
Gross debt liabilities	55,765	52,842	53,164	54,002	56,313	56,655
Less : liquid financial assets	26,558	24,963	23,774	21,271	21,082	20,743
Net debt	29,206	27,879	29,389	32,732	35,232	35,912

Note: Columns may not add due to rounding.

Table 1.15

TOTAL PUBLIC SECTOR Cash Flow Statement

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	\$m	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	10,760	11,612	11,373	11,484	11,908	12,217
Grants and subsidies received	15,637	16,839	19,127	17,297	17,017	17,786
Receipts from sales of goods and services	28,674	29,382	31,348	32,018	32,351	32,743
Interest receipts	440	687	919	850	877	919
Dividends and tax equivalents	-	-	-	-	-	-
Other	15,696	14,432	12,533	10,281	10,269	10,080
Total cash received	71,208	72,953	75,299	71,930	72,422	73,745
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-17,251	-19,264	-19,462	-20,013	-20,537	-20,964
Payments for goods and services	-29,104	-30,507	-31,859	-31,516	-31,634	-31,831
Interest paid	-1,413	-1,627	-1,779	-1,749	-1,860	-1,968
Grants and subsidies paid	-6,636	-6,827	-7,643	-6,905	-6,709	-6,725
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-5,497	-5,548	-5,768	-4,924	-4,776	-4,860
Total cash paid	-59,901	-63,772	-66,510	-65,107	-65,516	-66,348
NET CASH FLOWS FROM OPERATING ACTIVITIES	11,307	9,180	8,789	6,823	6,906	7,397
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-7,181	-8,234	-10,405	-10,431	-9,834	-8,334
Sales of non-financial assets	529	430	462	667	716	542
Total cash flows from investments in non-financial assets	-6,653	-7,804	-9,943	-9,764	-9,117	-7,792
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	18	10	10	10	10	10
For liquidity purposes	10,863	9,814	8,716	8,755	8,836	9,001
<i>Cash paid</i>						
For policy purposes	-21	-10	-10	-10	-10	-10
For liquidity purposes	-8,709	-9,081	-9,005	-9,282	-9,403	-9,574
Total cash flows from investments in financial assets	2,151	733	-289	-526	-567	-573
NET CASH FLOWS FROM INVESTING ACTIVITIES	-4,502	-7,071	-10,233	-10,291	-9,684	-8,365
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	77	98	92	-
Borrowings	22,466	17,326	21,042	22,581	24,203	22,840
Deposits received	-	-	-	-	-	-
Other financing receipts	191	3	7	3	3	7
Total cash received	22,658	17,329	21,126	22,683	24,298	22,847
<i>Cash paid</i>						
Advances paid	-18	-18	-18	-25	-32	-25
Borrowings repaid	-26,077	-20,403	-21,464	-21,832	-21,826	-22,310
Deposits paid	-	-	-	-	-	-
Other financing payments	-618	-430	-532	-434	-486	-447
Total cash paid	-26,713	-20,851	-22,014	-22,291	-22,345	-22,783
NET CASH FLOWS FROM FINANCING ACTIVITIES	-4,055	-3,522	-888	391	1,953	65
Net increase in cash and cash equivalents	2,750	-1,412	-2,332	-3,077	-825	-904
Cash and cash equivalents at the beginning of the year	12,600	15,351	13,939	11,606	8,530	7,704
Cash and cash equivalents at the end of the year	15,351	13,939	11,606	8,530	7,704	6,800
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	11,307	9,180	8,789	6,823	6,906	7,397
Net cash flows from investing in non-financial assets	-6,653	-7,804	-9,943	-9,764	-9,117	-7,792
Cash surplus/-deficit	4,655	1,377	-1,155	-2,941	-2,211	-396

Note: Columns may not add due to rounding.

NOTE 1: STATEMENT OF COMPLIANCE

The projected public sector financial statements presented in this appendix have been prepared in accordance with Australian Accounting Standards and the Australian Bureau of Statistics' (ABS) *Government Finance Statistics Concepts, Sources and Methods 2015*.

The presentation in this appendix is consistent with AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements constitute general purpose financial reports for the total public sector (also known as the whole-of-government), general government sector, and each of the subsidiary public corporations sectors. The financial projections of the consolidated general government (centrally funded agencies such as the Department of Education and WA Health) and the public non-financial corporations (such as the water and electricity utilities, and the ports) are also presented as the total non-financial public sector.

The financial projections are a requirement of the *Government Financial Responsibility Act 2000*.

(a) The reporting entity

The reporting entity is the Government of Western Australia (the public sector) and includes entities under its control.

(b) Basis of preparation

These financial projections do not include all the notes of the type normally included in an annual financial report. The accounting policies adopted in this publication are consistent with those outlined in the *2021-22 Annual Report on State Finances (ARSF)*, which are described in detail in Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2021-22 ARSF.

The projections are presented in Australian dollars and all amounts are rounded to the nearest million dollars (\$m).

(c) Unaudited data

These financial projections are not audited.

(d) Comparative figures

Comparative information has been restated where necessary to match changes in classification advised by the Australian Bureau of Statistics and for changes to applicable Australian Accounting Standards.

NOTE 3: GENERAL GOVERNMENT OPERATING REVENUE

A detailed dissection of general government revenue (which includes the UPF taxation disclosure) is included at Appendix 2: *General Government Operating Revenue*.

NOTE 4: GENERAL GOVERNMENT REVENUE FROM PUBLIC CORPORATIONS

The following table provides detail of general government revenue from public corporations (dividend and income tax equivalent income) in line with UPF disclosure requirements. A detailed disclosure by agency is included at Appendix 8: *Public Corporations and Major Tariffs, Fees and Charges*.

GENERAL GOVERNMENT REVENUE FROM PUBLIC CORPORATIONS						
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget			
	\$m	\$m	Year	Outyear	Outyear	Outyear
			\$m	\$m	\$m	\$m
<i>Dividends</i>						
From public non-financial corporations	23	80	1,348	1,519	1,617	1,717
From public financial corporations	589	81	75	73	73	73
<i>Total dividends</i>	612	161	1,423	1,592	1,690	1,791
<i>Tax equivalent income</i>						
From public non-financial corporations	704	682	754	869	922	966
From public financial corporations	202	50	30	20	18	14
<i>Total tax equivalent income</i>	906	733	785	889	939	980
Total revenue from public corporations	1,518	894	2,208	2,481	2,629	2,771

Note: Columns may not add due to rounding.

NOTE 5: GENERAL GOVERNMENT TRANSFER EXPENSES

Transfer expenses are defined as the provision of something of value for no specific return or consideration and include items such as grants, subsidies, donations, and transfers of assets free of charge.

The following table provides detail of current and capital transfer expenses of the general government sector, in line with UPF disclosure requirements.

TRANSFER EXPENSES ^(a)						
General Government						
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
CURRENT TRANSFERS						
Local government	382	439	467	404	376	347
Private and not-for-profit sector	1,975	2,479	2,490	2,028	1,852	1,789
Other sectors of government	4,304	4,775	5,067	4,437	4,314	4,330
<i>Total Current Transfers</i>	<i>6,662</i>	<i>7,692</i>	<i>8,024</i>	<i>6,869</i>	<i>6,542</i>	<i>6,467</i>
CAPITAL TRANSFERS						
Local government	93	127	174	34	31	30
Private and not-for-profit sector	745	199	250	108	97	97
Other sectors of government	150	247	364	241	35	58
<i>Total Capital Transfers</i>	<i>988</i>	<i>573</i>	<i>788</i>	<i>383</i>	<i>163</i>	<i>185</i>

(a) Includes grants, subsidies and other transfer expenses.

Note: Columns may not add due to rounding.

NOTE 6: CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT

The following allocation of general government expenses and purchases of non-financial assets is consistent with the Classification of the Functions of Government (COFOG) which forms part of the GFS framework.

CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT (a)

General Government						
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	\$m	\$m	\$m	\$m
<i>Expenses</i>						
General public services	1,387	1,724	1,843	1,699	1,738	1,715
Public order and safety	4,102	4,456	4,432	4,426	4,469	4,539
Economic affairs	1,572	2,689	2,769	1,782	1,531	1,423
Environmental protection	439	525	622	554	527	523
Housing and community amenities	2,052	1,668	1,728	1,674	1,586	1,553
Health	11,726	12,404	12,154	12,072	12,411	12,864
Recreation, culture and religion	992	1,011	1,234	968	945	945
Education	7,137	7,672	7,913	8,129	8,301	8,428
Social protection	3,350	3,203	3,365	3,359	3,455	3,551
Transport	2,882	3,523	3,741	3,386	3,172	3,101
Provisions not allocated ^(b)	-	-	125	150	3	-
Total General Government Expenses	35,638	38,875	39,925	38,200	38,138	38,642
<i>Purchases of new non-financial assets</i>						
General public services	92	126	190	103	98	98
Public order and safety	205	231	346	231	112	76
Economic affairs	28	58	143	153	207	58
Environmental protection	74	109	140	98	59	34
Housing and community amenities	163	101	126	109	105	95
Health	380	462	801	626	478	650
Recreation, culture and religion	73	152	170	194	158	76
Education	485	655	742	536	299	188
Social protection	5	4	6	4	3	4
Transport	1,803	2,221	2,435	2,095	1,539	946
Provisions not allocated ^(b)	-	-875	-1,910	33	1,172	1,750
Total Purchases of Non-financial Assets	3,308	3,244	3,189	4,182	4,231	3,973

(a) Data in this table are for consolidated general government aggregates and exclude internal transactions within the sector. In relation to purchases of non-financial assets, the information in this table represents spending by function on fixed assets by general government agencies, which may be classified differently to agency totals in the Asset Investment Program.

(b) Includes provisions not allocated by COFOG.

Note: Columns may not add due to rounding.

NOTE 7: CONVERGENCE DIFFERENCES

Where possible, AASB 1049 harmonises GFS and accounting concepts into a single presentation. Where harmonisation cannot be achieved as a result of differences in definition, recognition, measurement, classification and consolidation principles and rules, a convergence difference arises.

Full convergence on GFS and Generally Accepted Accounting Principles (GAAP) has not been achieved. This means that there are some differences between AASB 1049 aggregates in this report and the GFS information that the ABS reports.

The following outlines the key convergence differences.

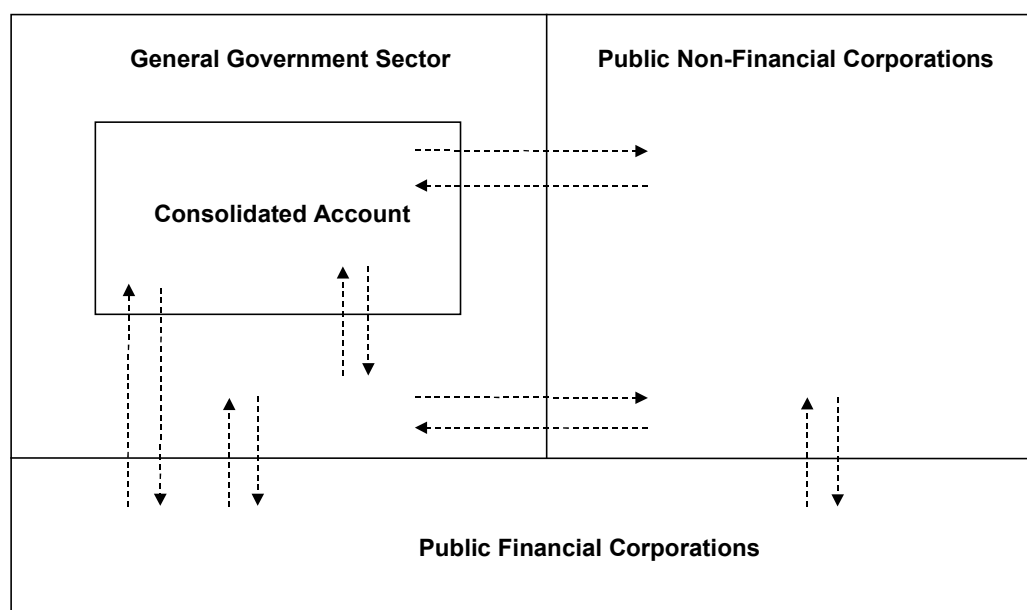
- GFS recognises dividends to owners by the PNFC and PFC sectors as a GFS expense, whereas under GAAP they are treated as a distribution to owners and therefore a direct reduction of accumulated funds. This difference does not flow through to the total public sector as internal dividend transfers are eliminated on consolidation.
- GFS does not recognise an allowance for doubtful debts as the statistical framework only recognises bad debts when they are written off. Under GAAP, an allowance for doubtful debts is recognised in the balance sheet and doubtful debts are recognised in the Operating Statement as 'other economic flows'.
- Transactions with owners as owners (such as equity injections) are excluded from the 'total change in net worth'. However, these transactions are included in the movement in GFS net worth. These types of transactions result in a convergence difference as the total change in net worth under GAAP is disclosed before such transactions, while under GFS these transactions are included in the movement in GFS net worth.

These convergence differences do not present material variations in the presentation of Western Australia's data under GAAP and GFS.

NOTE 8: COMPOSITION OF SECTORS

The following diagram shows the sectors within which public sector agencies are classified by the Government Finance Statistics framework, and which are all included in the consolidated whole-of-government.

TOTAL PUBLIC SECTOR



All public sector controlled agencies, regardless of funding source or sector classification, have been included in these financial projections. Corporatised agencies (known as Government Trading Enterprises) include agencies in each of the sub-sectors of the total public sector.

The agencies included within each sector are listed below. This list may differ from the portfolio list that appears in Budget Paper No. 2: *Budget Statements* which includes only those agencies that receive appropriations and/or have an Asset Investment Program.

General Government

Agricultural Produce Commission
Building and Construction Industry Training Board
Botanical Gardens and Parks Authority
Central Regional TAFE
Chemistry Centre (WA)
Child and Adolescent Health Service
Combat Sports Commission
Commissioner for Children and Young People
Commissioner of Main Roads
Corruption and Crime Commission
Department of Biodiversity, Conservation and Attractions
Department of Communities
Department of Education
Department of Finance
Department of Fire and Emergency Services
Department of Health (including public hospitals)
Department of Jobs, Tourism, Science and Innovation
Department of Justice
Department of Local Government, Sport and Cultural Industries
Department of Mines, Industry Regulation and Safety
Department of Planning, Lands and Heritage
Department of Primary Industries and Regional Development
Department of Training and Workforce Development
Department of Transport
Department of Treasury
Department of the Legislative Assembly
Department of the Legislative Council
Department of the Premier and Cabinet
Department of the Registrar, Western Australian Industrial Relations Commission
Department of Water and Environmental Regulation
East Metropolitan Health Service
Economic Regulation Authority
Gascoyne Development Commission
Gaming and Wagering Commission of Western Australia
Goldfields Development Commission
Governor's Establishment
Great Southern Development Commission
Health and Disability Services Complaints Office
Health Support Services
Heritage Council of Western Australia
Infrastructure WA
Keep Australia Beautiful Council (W.A.)
Kimberley Development Commission
Law Reform Commission of Western Australia
Legal Aid Commission of Western Australia
Legal Costs Committee
Local Health Authorities Analytical Committee
Mental Health Commission
Mid West Development Commission
Minerals Research Institute of Western Australia
North Metropolitan TAFE
North Metropolitan Health Service
North Regional TAFE
Office of the Auditor General
Office of the Director of Public Prosecutions
Office of the Information Commissioner
Office of the Inspector of Custodial Services
Office of the Parliamentary Inspector of the Corruption and Crime Commission
Parliamentary Commissioner for Administrative Investigations
Parliamentary Services Department
Peel Development Commission
Perth Theatre Trust
Pilbara Development Commission
Professional Standards Council
Public Sector Commission
Quadriplegic Centre Board
Racing Penalties Appeal Tribunal of Western Australia
Rural Business Development Corporation
Salaries and Allowances Tribunal
School Curriculum and Standards Authority
ScreenWest Inc.
Small Business Development Corporation
South Metropolitan TAFE
South Metropolitan Health Service
South Regional TAFE
South West Development Commission
State Solicitor's Office
The Aboriginal Affairs Planning Authority
The ANZAC Day Trust
The Board of the Art Gallery of Western Australia
The Burswood Park Board
The Coal Miners' Welfare Board of Western Australia
The Library Board of Western Australia
The National Trust of Australia (W.A.)
The Queen Elizabeth II Medical Centre Trust
The Western Australian Museum
Trustees of the Public Education Endowment
Western Australia Police Force
Western Australian Country Health Service
Western Australian Building Management Authority
Western Australian Electoral Commission
Western Australian Energy Disputes Arbitrator
Western Australian Greyhound Racing Association
Western Australian Health Promotion Foundation
Western Australian Institute of Sport
Western Australian Land Information Authority
Western Australian Meat Industry Authority
Western Australian Planning Commission
Western Australian Sports Centre Trust
Western Australian Tourism Commission
WorkCover Western Australia Authority
Wheatbelt Development Commission
Zoological Parks Authority

Public Non-Financial Corporations

Animal Resources Authority	Mid West Ports Authority
Bunbury Water Corporation	Pilbara Ports Authority
Busselton Water Corporation	Public Transport Authority of Western Australia
Department of Communities (Housing Authority)	Racing and Wagering Western Australia
DevelopmentWA	Regional Power Corporation (Horizon Power)
Electricity Networks Corporation (Western Power)	Rottneest Island Authority
Electricity Generation and Retail Corporation (Synergy)	Southern Ports Authority
Forest Products Commission	Water Corporation
Fremantle Port Authority	Western Australian Coastal Shipping Commission
Gold Corporation and its subsidiaries	
Kimberly Ports Authority	
Lotteries Commission	
Metropolitan Cemeteries Board	

Public Financial Corporations

Country Housing Authority	RiskCover Fund
Insurance Commission of Western Australia	Western Australian Treasury Corporation
Keystart Housing Scheme, comprising	
Keystart Bonds Ltd	
Keystart Loans Ltd	
Keystart Support Pty Ltd	
Keystart Support (Subsidiary) Pty Ltd	
Keystart Housing Scheme Trust	
Keystart Support Trust	

Agencies Outside the State's Public Sector

Some State agencies are not covered in the whole-of-government reporting framework as defined under Australian Accounting Standards and/or the GFS framework. The entities listed below, which administer superannuation and like funds and/or hold private funds in trust or fidelity type funds, are examples of such agencies not included in the definition of the public sector used in the Budget. This is because the assets are not available for the benefit of, and/or are not controlled by, the State.

Construction Industry Long Service Leave Payments Board	Legal Contribution Trust
Curtin University and its subsidiaries	Murdoch University and its subsidiaries
Edith Cowan University	Public Trustee
Fire and Emergency Services Superannuation Board	Parliamentary Superannuation Board
Government Employees Superannuation Board	The University of Western Australia and its subsidiaries

APPENDIX 2

General Government Operating Revenue

This appendix contains general government revenue estimates prepared on an accrual basis consistent with Australian Accounting Standards and Government Finance Statistics frameworks.

Table 2.1

OPERATING REVENUE
General Government

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
			\$m			
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	4,415	4,963	4,981	5,132	5,287	5,445
Property taxes						
<i>Land tax</i>	756	786	842	850	858	871
Transfer duty	2,336	2,008	1,847	1,854	2,001	2,035
Foreign Buyers Surcharge	22	23	23	25	27	28
Landholder duty	278	282	118	118	118	118
<i>Total duty on transfers</i>	2,637	2,313	1,989	1,997	2,147	2,181
Other stamp duties	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)
Metropolitan Region Improvement Tax	85	91	97	98	98	100
Perth Parking Levy	55	58	60	63	65	67
Emergency Services Levy	375	398	398	429	446	468
Loan Guarantee Fees	131	131	136	139	140	141
Building and Construction Industry Training Fund Levy	39	54	50	52	54	56
<i>Total other property taxes</i>	684	732	741	781	804	831
Taxes on provision of goods and services						
Lotteries Commission	218	199	187	194	200	203
Video lottery terminals	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)
Casino tax	49	53	54	54	54	54
Betting tax	121	125	116	106	108	110
<i>Total taxes on gambling</i>	388	377	356	355	362	367
Insurance duty	823	960	994	1,023	1,052	1,083
Other	22	21	20	22	23	23
<i>Total taxes on insurance</i>	845	981	1,015	1,045	1,075	1,106
On-demand Transport Levy	38	-	-	-	-	-
Taxes on use of goods and performance of activities						
Vehicle licence duty	579	637	575	420	420	421
Permits - oversize vehicles and loads	10	8	8	8	8	8
Motor vehicle registrations	1,120	1,197	1,263	1,319	1,377	1,438
Other vehicle taxes	37	36	33	34	35	36
<i>Total motor vehicle taxes</i>	1,747	1,877	1,879	1,780	1,840	1,902
Mining Rehabilitation Levy	38	41	35	35	35	35
Landfill Levy	86	83	78	77	80	69
Total Taxation	11,634	12,153	11,915	12,052	12,488	12,806

(a) Amount less than \$500,000.

Note: Columns may not add due to rounding.

Table 2.1 (cont.)

OPERATING REVENUE
General Government

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST grants	3,369	6,353	6,484	7,179	7,535	8,907
Commonw ealth-funded 70% floor	2,115	-	-	-	-	-
North West Shelf grants	1,024	1,323	635	481	372	275
Commonw ealth compensation for changed crude oil excise arrangements	32	53	25	19	15	11
National Agreements						
Skills and Workforce Development	165	173	179	183	186	176
Housing and Homelessness	175	182	178	182	185	185
Mental Health and Suicide Prevention	-	-	3	3	3	-
Schools Reform - Quality Schools	1,021	1,132	1,217	1,275	1,334	1,383
Health Reform	2,668	2,722	2,984	3,159	3,333	3,518
National Partnerships/Other Grants						
Health	921	319	128	99	88	88
Transport	158	229	223	268	158	136
Disability Services	3	-	1,008	-	-	-
Other	295	373	326	193	167	127
Total Current Grants and Subsidies	11,946	12,858	13,389	13,040	13,376	14,807
CAPITAL GRANTS						
National Partnerships/Other Grants						
Transport	1,040	1,773	3,268	1,701	1,057	403
Other	475	188	85	97	104	25
Total Capital Grants	1,515	1,961	3,353	1,798	1,161	427

Note: Columns may not add due to rounding.

Table 2.1 (cont.)

OPERATING REVENUE
General Government

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget			
	\$m	\$m	Year	Outyear	Outyear	Outyear
			\$m	\$m	\$m	\$m
SALES OF GOODS AND SERVICES						
WA Health	750	851	827	867	884	884
Department of Transport	278	275	290	298	302	308
Department of Education	198	215	218	221	227	232
State Training Providers/TAFE Colleges	103	91	88	93	102	103
Department of Training and Workforce Development	19	21	25	33	38	39
Western Australian Land Information Authority	88	94	80	84	100	84
Department of Biodiversity, Conservation and Attractions	118	125	127	127	128	128
Department of Justice	155	156	161	174	177	177
Department of Mines, Industry Regulation and Safety	156	165	167	168	170	165
All Other	1,162	1,075	1,167	1,084	1,056	1,050
Total Sale of Goods and Services	3,027	3,069	3,149	3,149	3,182	3,170
INTEREST INCOME	127	279	265	250	247	260
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	612	161	1,423	1,592	1,690	1,791
Tax Equivalent Regime	906	733	785	889	939	980
Total Revenue from Public Corporations	1,518	894	2,208	2,481	2,629	2,771
ROYALTY INCOME						
Iron Ore	9,917	9,285	5,972	5,234	5,168	5,074
Other	1,173	1,874	2,010	1,811	1,800	1,597
Total Royalty Income	11,091	11,158	7,982	7,046	6,968	6,671
OTHER						
Lease rentals	185	151	154	154	154	154
Fines	235	231	218	222	222	223
Revenue not elsew here counted	380	348	585	375	251	236
Total Other	799	730	957	752	628	613
TOTAL REVENUE	41,658	43,102	43,218	40,567	40,678	41,525

Note: Columns may not add due to rounding.

2022-23 General Government Operating Revenue

This appendix contains general government revenue estimates for the 2022-23 financial year, comparing the original 2022-23 Budget estimates, 2022-23 Mid-year Review and the estimated actual contained in this Budget.

The final, audited revenue outturn for 2022-23 will be available in the 2022-23 *Annual Report on State Finances*, due for release by 28 September 2023.

Table 3.1

2022-23 OPERATING REVENUE
General Government

	2022-23 Budget Year \$m	2022-23 Mid-year Revision \$m	2022-23 Estimated Actual \$m
TAXATION			
Taxes on employers' payroll and labour force			
<i>Payroll tax</i>	4,590	5,008	4,963
Property taxes			
<i>Land tax</i>	798	786	786
Transfer duty	1,940	1,962	2,008
Foreign Buyers Surcharge	20	23	23
Landholder duty	118	218	282
<i>Total duty on transfers</i>	2,078	2,202	2,313
Other stamp duties	- (a)	- (a)	- (a)
Metropolitan Region Improvement Tax	88	91	91
Perth Parking Levy	58	58	58
Emergency Services Levy	398	398	398
Loan guarantee fees	137	130	131
Building and Construction Industry Training Fund Levy	41	41	54
<i>Total other property taxes</i>	722	719	732
Taxes on provision of goods and services			
Lotteries Commission	178	178	199
Video lottery terminals	- (a)	- (a)	- (a)
Casino tax	53	53	53
Betting tax	96	125	125
<i>Total taxes on gambling</i>	327	356	377
Insurance duty	808	931	960
Other	21	21	21
<i>Total taxes on insurance</i>	830	952	981
Taxes on use of goods and performance of activities			
Vehicle licence duty	440	629	637
Permits - oversize vehicles and loads	8	8	8
Motor vehicle registrations	1,169	1,169	1,197
Other vehicle taxes	32	36	36
<i>Total motor vehicle taxes</i>	1,648	1,841	1,877
<i>Mining Rehabilitation Levy</i>	35	35	41
<i>Landfill Levy</i>	83	83	83
Total Taxation	11,111	11,982	12,153

(a) Amount less than \$500,000.

Note: Columns may not add due to rounding.

2022-23 OPERATING REVENUE
General Government

Table 3.1 (cont.)

	2022-23 Budget Year \$m	2022-23 Mid-year Revision \$m	2022-23 Estimated Actual \$m
CURRENT GRANTS AND SUBSIDIES			
<i>General Purpose Grants</i>			
GST grants	5,872	6,351	6,353
North West Shelf grants	885	1,055	1,323
Commonwealth compensation for changed crude oil excise arrangements	35	42	53
<i>National Agreements</i>			
Skills and Workforce Development	168	168	173
Housing and Homelessness	178	178	182
Schools Reform - Quality Schools	1,117	1,132	1,132
Health Reform	2,820	2,722	2,722
<i>National Partnerships/Other Grants</i>			
Health	183	292	319
Transport	143	211	229
Disability Services	222	222	-
Other	227	332	373
Total Current Grants and Subsidies	11,850	12,704	12,858
CAPITAL GRANTS			
<i>National Partnerships/Other Grants</i>			
Transport	2,080	1,940	1,773
Other	205	256	188
Total Capital Grants	2,285	2,196	1,961

Note: Columns may not add due to rounding.

Table 3.1 (cont.)

2022-23 OPERATING REVENUE
General Government

	2022-23 Budget Year \$m	2022-23 Mid-year Revision \$m	2022-23 Estimated Actual \$m
SALES OF GOODS AND SERVICES			
WA Health	840	851	851
Department of Transport	276	275	275
Department of Education	214	215	215
State Training Providers/TAFE Colleges	96	93	91
Department of Training and Workforce Development	20	17	21
Western Australian Land Information Authority	89	89	94
Department of Biodiversity, Conservation and Attractions	121	121	125
Department of Justice	156	156	156
Department of Mines, Industry Regulation and Safety	167	165	165
All Other	1,069	1,020	1,075
Total Sale of Goods and Services	3,050	3,002	3,069
INTEREST INCOME	133	222	279
REVENUE FROM PUBLIC CORPORATIONS			
Dividends	1,476	47	161
Tax Equivalent Regime	779	698	733
Total Revenue from Public Corporations	2,255	745	894
ROYALTY INCOME			
Iron Ore	5,645	7,147	9,285
Other	1,448	1,962	1,874
Total Royalty Income	7,093	9,109	11,158
OTHER			
Lease rentals	143	143	151
Fines	213	216	231
Revenue not elsewhere counted	296	362	348
Total Other	652	721	730
TOTAL REVENUE	38,428	40,682	43,102

Note: Columns may not add due to rounding.

The Consolidated Account and the Treasurer's Advance

The Consolidated Account

The *Constitution Act 1889* (the Act) requires that all revenue of the Crown that is not permanently appropriated by legislation to another entity, shall be credited to the Consolidated Account. The Act also requires that payments out of the Consolidated Account must be appropriated by the Parliament.

Accordingly, Consolidated Account revenue is not available for use by agencies that collect it, and such receipts must be paid directly to the credit of the Account. Expenditure is authorised by the Parliament, with both the amount and the expressed purpose of the associated appropriation clearly specified.

In cash terms, the Consolidated Account is forecast to be in a \$10.5 billion deficit position at 30 June 2024, a \$4.2 billion increase on the estimated \$6.3 billion cash deficit balance at 30 June 2023.

State borrowings held by the Consolidated Account are estimated to total \$22.9 billion at 30 June 2024, and remain at that level across the forward estimates period.

Repayments of Consolidated Account borrowings totalling \$2.1 billion have been approved for the current financial year. This includes \$1.2 billion approved as part of the 2022-23 Budget, along with a \$400 million additional repayment included in the 2022-23 Mid-year Review, and a further \$500 million included in this Budget. These repayments have been facilitated by higher than expected operating surpluses in 2021-22 and 2022-23 and reduce the State's exposure to future increases in interest costs.

The projected level of Consolidated Account borrowings remains below the \$34.5 billion cumulative limit approved by the *Loan Act 2017* and preceding Loan Acts¹.

¹ The *Loan Act 2017* received Royal Assent on 3 July 2017 and increased the cumulative loan limit under preceding Loan Acts from \$23.5 billion to \$34.5 billion. Consolidated Account borrowings cannot exceed the cumulative limit of these Loan Acts.

Table 4.1

CONSOLIDATED ACCOUNT TRANSACTIONS

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimated	Budget	Outyear	Outyear	Outyear
	\$m	\$m	Year	\$m	\$m	\$m
REVENUE						
<i>Operating Activities</i>						
Taxation	9,176	9,938	9,658	9,691	10,037	10,278
Commonwealth Grants	7,157	8,531	10,120	8,429	8,262	9,389
Government Enterprises	1,537	1,068	2,203	2,481	2,698	2,800
Revenue from other agencies	13,433	12,799	10,952	8,801	8,780	8,592
Other	660	596	499	472	472	449
<i>Total Operating Activities</i>	31,963	32,932	33,432	29,873	30,249	31,508
<i>Financing Activities</i>						
Transfers from the Debt Reduction Account	2,115	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Other Receipts	8	10	1	1	1	- ^(a)
<i>Total Financing Activities</i>	2,123	10	1	1	1	-^(a)
TOTAL REVENUE	34,086	32,943	33,433	29,874	30,249	31,508
EXPENDITURE						
<i>Recurrent</i>						
Authorised by Other Statutes	2,666	2,734	2,714	2,809	2,959	3,080
Appropriation Act (No. 1)	23,234	24,515	27,400	26,021	26,071	26,630
Recurrent Expenditure under the Treasurer's Advance ^(b)	1,379	2,358	-	-	-	-
<i>Total Recurrent Expenditure</i>	27,279	29,607	30,114	28,829	29,030	29,710
<i>Investing Activities</i>						
Authorised by Other Statutes	291	321	438	404	316	259
Appropriation Act (No. 2)	6,417	4,515	8,628	4,613	2,268	1,829
Investing Expenditure under the Treasurer's Advance ^(b)	235	268	-	-	-	-
<i>Total Investing Activities</i>	6,943	5,104	9,066	5,017	2,584	2,088
<i>Financing Activities</i>						
Loan repayments	589	2,100	-	-	-	-
Appropriation Act (No. 2)	2,115	-	-	-	-	-
Other financing	7	10	-	-	-	-
<i>Total Financing Activities</i>	2,711	2,110	-	-	-	-
TOTAL EXPENDITURE	36,933	36,821	39,180	33,846	31,614	31,798
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-2,847	-3,878	-5,747	-3,972	-1,365	-290
Consolidated Account Balance						
Opening balance at 1 July	-18,130	-20,977	-24,855	-30,602	-34,574	-35,939
Closing balance at 30 June	-20,977	-24,855	-30,602	-34,574	-35,939	-36,229
<i>Of which:</i>						
Appropriations payable	-17,054	-18,515	-20,109	-21,798	-23,477	-25,149
Cash balance at 30 June	-3,923	-6,340	-10,493	-12,777	-12,462	-11,080
Memorandum item: Consolidated Account Borrowings	24,987	22,887	22,887	22,887	22,887	22,887

(a) Amount less than \$500,000.

(b) Additional expenditure authorised under the Treasurer's Advance is charged to the Consolidated Account and appropriated accordingly under section 27(3) of the *Financial Management Act 2006* (FMA). This follows amendments to the FMA by the *Financial Legislation Amendment Act 2021* which came into effect on 21 September 2021.

Note: Columns may not add due to rounding.

The Treasurer's Advance

Under the *Financial Management Act 2006* (FMA), the Treasurer's Advance provides the Treasurer with authorisation to make short-term recoverable advances to agencies for the temporary financing of works and services. In addition, new or supplementary funding can be provided during the year for extraordinary or unforeseen matters (also known as 'excesses and new items'), up to an approved limit.

The authorised limit for the Treasurer's Advance in 2022-23 is \$3,077.5 million². At the 11 April 2023 cut-off date for this Budget, the total amount forecast to be drawn against recoverable advances, excesses and new items in 2022-23 is \$2,645.7 million, which is within the \$3,077.5 million limit.

The following table shows the forecast position of the Treasurer's Advance for the year ending 30 June 2023.

TREASURER'S ADVANCE AS AT 30 JUNE

Table 4.2

	2021-22 Actual ^(a)	2022-23 Projection ^(b)
	\$m	\$m
AUTHORISED LIMIT	2,320.5	3,077.5
<i>Total projected to be drawn against Treasurer's Advance authorisation</i>	1,638.1	2,645.7
Comprising		
Net recoverable advances as at 30 June	24.3	20.0
Overdraw n Special Purpose Accounts	-	-
Excesses and New Items		
- recurrent	1,379.2	2,358.2
- capital	234.7	267.5

(a) A total of \$2,320.5 million was authorised for 2021-22. The original \$820.5 million authority was increased by \$1,500 million by the passage of the *Treasurer's Advance Authorisation Act 2022*.

(b) The original \$977.5 million authority was increased by \$2,100 million by the passage of the *Treasurer's Advance Authorisation Act 2023*. Detailed disclosure of the final audited outcome for 2022-23 will be available in the 2022-23 *Annual Report on State Finances*, due to be released by 28 September 2023.

Note: Columns may not add due to rounding.

² Section 29 of the FMA authorises the Treasurer's Advance limit to be equivalent to 3% of the total amount appropriated for the previous year by the Appropriation Acts. For 2022-23, the original \$977.5 million limit, which is 3% of the total \$32.6 billion appropriated by Appropriation Bills 1 and 2 in the 2021-22 Budget, was increased by \$2,100 million to \$3,077.5 million by the *Treasurer's Advance Authorisation Act 2023*.

Transfers, Excesses and New Items

Table 4.3 details excesses and/or new items during 2022-23 and the impact of these on the Treasurer's Advance under the authority of section 27 of the FMA.

2022-23 TRANSFERS, EXCESSES AND NEW ITEMS							Table 4.3
Item	Budget \$m	Transfers ^(a) \$m	Treasurer's Advance			Revised Appropriation Limit \$m	Draw n against Treasurer's Advance to date ^(b) \$m
			New Items \$m	Approved Excesses \$m			
Recurrent Appropriations							
Legislative Council							
Item 1: Delivery of Services	6.3	-	-	0.2	6.5	-	
Legislative Assembly							
Item 2: Delivery of Services	6.3	-	-	0.2	6.5	-	
Parliamentary Services							
Item 3: Delivery of Services	19.1	-	-	0.7	19.8	-	
Parliamentary Commissioner for Administrative Investigations							
Item 4: Delivery of Services	9.5	-	-	0.7	10.3	-	
Premier and Cabinet							
Item 5: Delivery of Services	167.9	0.7	-	14.4	183.0	-	
Item 6: Administered Grants, Subsidies and Other Transfer Payments	79.0	-	-	65.1	144.1	-	
Western Australian Electoral Commission							
Item 9: Delivery of Services	7.3	-	-	1.0	8.3	-	
Salaries and Allow ances Tribunal							
Item 10: Delivery of Services	1.0	-	-	-(c)	1.1	-	
Commissioner for Children and Young People							
Item 11: Delivery of Services	2.9	-	-	0.1	3.0	-	
Office of the Information Commissioner							
Item 12: Delivery of Services	2.0	-	-	0.1	2.1	-	
Registrar, Western Australian Industrial Relations Commission							
Item 13: Delivery of Services	10.2	-	-	0.2	10.4	-	
Treasury							
Item 14: Delivery of Services	49.4	-	-	0.3	49.7	-	
Item 15: Bunbury Water Corporation	1.2	-	-	0.4	1.6	-	
Item 16: Busselton Water Corporation	0.7	-	-	-(c)	0.7	-	
Item 17: Electricity Generation and Retail Corporation (Synergy)	763.3	-	-	64.5	827.8	-	
Item 21: Public Transport Authority of Western Australia	1,006.8	-	-	63.2	1,070.0	-	
Item 23: Regional Pow er Corporation (Horizon Pow er)	35.5	-	-	21.0	56.6	-	
Item 24: Southern Ports Authority	5.6	-	-	4.4	10.0	-	
Item 25: Water Corporation of Western Australia	472.0	-	-	88.5	560.5	-	
Item 28: Goods and Services Tax (GST) Administration Costs	71.2	-	-	0.9	72.1	-	
Item 32: Provision for Aboriginal Community Controlled Sector Development	0.7	-0.7	-	-	-	-	
Item 33: Provision for Aboriginal Cultural Heritage Act 2021	2.5	-2.5	-	-	-	-	
Note: Columns/rows may not add due to rounding.							

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

2022-23 TRANSFERS, EXCESSES AND NEW ITEMS

Table 4.3 (cont.)

Item	Budget \$m	Transfers ^(a) \$m	Treasurer's Advance			Revised Appropriation Limit \$m	Drawn against Treasurer's Advance to date ^(b) \$m
			New Items \$m	Approved Excesses \$m			
Item 34: Provision for Perth City Deal	99.0	-15.0	-	-		84.0	-
Item 39: WA Health	23.0	-	-	1.5		24.4	-
Item 40: All Other Grants, Subsidies and Transfer Payments	2.8	-	-	337.9		340.7	250.4
New Item: Metropolitan Redevelopment Authority (DevelopmentWA)	-	-	0.6	-		0.6	-
New Item: Wages policy outcomes not yet finalised	-	-	54.8	-		54.8	-
Office of the Auditor General							
Item 41: Delivery of Services	11.4	-	-	1.3		12.7	-
Jobs, Tourism, Science and Innovation							
Item 44: Delivery of Services	453.5	15.0	-	-		468.5	-
Item 45: Administered Grants, Subsidies and Other Transfer Payments	21.8	-	-	7.0		28.8	-
Mines, Industry Regulation and Safety							
Item 48: Delivery of Services	177.0	-	-	4.0		181.0	-
Small Business Development Corporation							
Item 50: Delivery of Services	15.3	-	-	0.1		15.4	-
Infrastructure WA							
Item 53: Delivery of Services	4.9	-	-	0.1		5.0	-
WA Health							
Item 54: Delivery of Services	5,951.0	-	-	744.9		6,696.0	-
Mental Health Commission							
Item 56: Mental Health Advocacy Service	3.7	-	-	-(c)		3.7	-
Item 57: Mental Health Tribunal	3.7	-	-	0.1		3.8	-
Item 58: Office of the Chief Psychiatrist	4.1	-	-	0.2		4.3	-
Health and Disability Services Complaints Office							
Item 59: Delivery of Services	3.7	-	-	0.1		3.8	-
Education							
Item 60: Delivery of Services	4,429.2	-	-	398.7		4,827.8	-
Item 61: Administered Grants, Subsidies and Other Transfer Payments	442.3	-	-	6.8		449.1	-
Training and Workforce Development							
Item 62: Delivery of Services	457.8	-	-	24.7		482.5	-
Western Australia Police Force							
Item 63: Delivery of Services	1,566.2	-	-	55.9		1,622.1	-
New Item: Administered Grants, Subsidies and Other Transfer Payments	-	-	1.0	-		1.0	-
Justice							
Item 64: Delivery of Services	1,381.7	-	-	41.9		1,423.6	-
State Solicitor's Office							
Item 65: Delivery of Services	45.2	-	-	4.1		49.3	-
Fire and Emergency Services							
Item 66: Delivery of Services	58.6	-	-	9.0		67.6	-

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

Table 4.3 (cont.)

2022-23 TRANSFERS, EXCESSES AND NEW ITEMS

Item	Budget \$m	Transfers ^(a) \$m	Treasurer's Advance		Revised Appropriation Limit \$m	Draw n against Treasurer's Advance to date ^(b) \$m
			New Items \$m	Approved Excesses \$m		
Office of the Director of Public Prosecutions						
Item 68: Delivery of Services	46.4	-	-	2.5	49.0	-
Corruption and Crime Commission						
Item 69: Delivery of Services	30.2	-	-	0.4	30.5	-
Chemistry Centre (WA)						
Item 70: Delivery of Services	6.9	-	-	1.4	8.4	-
Office of the Inspector of Custodial Services						
Item 71: Delivery of Services	3.4	-	-	0.1	3.5	-
Communities						
Item 73: Delivery of Services	2,089.9	-	-	252.7	2,342.6	151.4
Local Government, Sport and Cultural Industries						
Item 75: Administered Grants, Subsidies and Other Transfer Payments	43.2	-	-	12.3	55.4	-
Item 76: Art Gallery of Western Australia	8.6	-	-	0.9	9.5	-
Item 78: Library Board of Western Australia	27.9	-	-	0.7	28.6	-
Item 79: Arts and Culture Trust	10.8	-	-	0.7	11.5	-
Item 80: Western Australian Museum	37.1	-	-	1.0	38.1	-
Western Australian Sports Centre Trust						
Item 81: Delivery of Services	89.5	-	-	27.8	117.3	-
Transport						
Item 82: Delivery of Services	123.9	-	-	14.6	138.5	-
Commissioner of Main Roads						
Item 84: Delivery of Services	444.7	-	-	16.3	461.0	5.1
Planning, Lands and Heritage						
Item 87: Delivery of Services	121.8	2.5	-	-	124.3	-
Western Australian Land Information Authority						
Item 89: Delivery of Services	36.6	-	-	6.1	42.7	-
National Trust of Australia (WA)						
Item 91: Delivery of Services	3.2	-	-	0.2	3.4	-
Total Recurrent		-	56.4	2,301.8		406.9
Capital Appropriations						
Treasury						
Item 102: Capital Appropriation	0.1	-	-	-(c)	0.1	-
Item 103: Animal Resources Authority	5.5	-	-	1.0	6.5	-
Item 108: Electricity Generation and Retail Corporation (Synergy)	33.3	-	-	7.2	40.5	-
Item 109: Electricity Networks Corporation (Western Power)	93.8	-	-	14.7	108.5	-
Item 111: Metropolitan Redevelopment Authority (DevelopmentWA)	2.4	-	-	1.7	4.1	-
Item 112: Pilbara Ports Authority	41.5	-	-	17.0	58.5	-
Item 116: Western Australian Land Authority (DevelopmentWA)	30.0	-	-	1.0	31.0	-

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

2022-23 TRANSFERS, EXCESSES AND NEW ITEMS

Table 4.3 (cont.)

Item	Budget \$m	Transfers ^(a) \$m	Treasurer's Advance			Revised Appropriation Limit \$m	Drawn against Treasurer's Advance to date ^(b) \$m
			New Items \$m	Approved Excesses \$m	Approved Excesses \$m		
New Item: Water Corporation of Western Australia	-	-	4.4	-	-	4.4	-
Finance							
Item 122: Capital Appropriation	9.3	-	-	4.8	-	14.1	-
Mines, Industry Regulation and Safety							
Item 125: Capital Appropriation	1.6	-	-	2.1	-	3.7	-
Small Business Development Corporation							
Item 126: Capital Appropriation	0.1	-	-	-(c)	-	0.1	-
Western Australia Police Force							
Item 132: Capital Appropriation	73.2	-	-	2.1	-	75.3	-
Justice							
Item 133: Capital Appropriation	92.9	-	-	2.2	-	95.0	-
Fire and Emergency Services							
Item 135: Capital Appropriation	1.8	-	-	5.3	-	7.1	-
Office of the Director of Public Prosecutions							
Item 136: Capital Appropriation	0.3	-	-	1.7	-	2.0	-
Corruption and Crime Commission							
Item 137: Capital Appropriation	0.7	-	-	-(c)	-	0.7	-
Commissioner of Main Roads							
Item 145: Capital Appropriation	78.1	-	-	202.3	-	280.4	191.5
Planning, Lands and Heritage							
Item 150: Capital Appropriation	5.9	-	-	-(c)	-	5.9	-
Total Capital		-	4.4	263.1	-		191.5
TOTAL		-	60.8	2,564.9	-		598.4

(a) Authorised under section 25 of the FMA.

(b) Budget cut-off date, 11 April 2023.

(c) Amount less than \$50,000.

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

Transfers

Section 25 of the FMA allows appropriations originally allocated in the 2022-23 Budget to be transferred to another agency for the provision of an appropriation-funded service that is now to be delivered by the other agency. These transfers have no impact on the Treasurer's Advance.

- \$15 million of appropriation towards the Edith Cowan University inner city campus project (provisionally allocated to an appropriation administered by Treasury) to the Department of Jobs, Tourism, Science and Innovation, as the State's contribution towards higher project costs;

- \$2.5 million transferred from the appropriation for the *Aboriginal Cultural Heritage Act 2021* (provisionally allocated to an appropriation administered by Treasury) to the Department of Planning, Lands and Heritage for readiness and capacity building grants to Local Aboriginal Cultural Heritage Services; and
- \$713,000 of appropriation for the Aboriginal Community Controlled Sector Development (provisionally allocated to an appropriation administered by Treasury) was transferred to the Department of the Premier and Cabinet to progress the administration of the Aboriginal Community Controlled Organisation Sector Strengthening grant program.

Excess and New Items

During 2022-23, a range of industrial agreements have been settled within the framework of a revised Government Wages Policy. Increases in appropriation costs noted below are offset by the provision for higher wage costs included in the 2022-23 Budget and the 2022-23 Mid-year Review.

Legislative Council

Item 1: **Delivery of Services** (\$237,000), reflecting additional salaries expenditure related to settlement of industrial agreements.

Legislative Assembly

Item 2: **Delivery of Services** (\$219,000), largely due to additional salaries expenditure related to settlement of industrial agreements.

Parliamentary Services

Item 3: **Delivery of Services** (\$670,000), for additional salaries expenditure related to settlement of industrial agreements.

Parliamentary Commissioner for Administrative Investigations

Item 4: **Delivery of Services** (\$710,000), reflecting additional salaries expenditure related to settlement of industrial agreements, and for the Commissioner to undertake oversight and reporting functions under Part 5AA of the *Liquor Control Act 1988* (related to the establishment of Protected Entertainment Precincts), and to undertake investigation and reporting functions under the *Charitable Trusts Act 2022*.

Premier and Cabinet

Item 5: **Delivery of Services** (\$14.4 million), funding for:

- additional salaries expenditure related to settlement of industrial agreements;
- an increase in the State's annual Telethon donation (\$5 million);
- the Lord Mayor's Distress Relief Fund for the Kimberley Floods Appeal and to fund the Premier's Relief Payment of \$1,000 to eligible Kimberley residents to replace damaged personal items;

- Aboriginal engagement, including funding for the Aboriginal Community Controlled Organisation Sector Development grant program (\$2.7 million);
- costs associated with supporting and expanding the reach of media campaigns, such as the 'Build a Life in WA' campaign, as part of the Reconnect WA Initiative (\$2.5 million); and
- the establishment of the Perth Casino Royal Commission Project Response Team to develop the Government's response to the Commission's Final Report (\$1.9 million).

These additional funding requirements are partially offset by an underspend for COVID-19 communications following the easing impact of the pandemic (\$6 million), revised office accommodation lease costs (\$743,000), and \$1.3 million lower spending across other Departmental services and activities.

Item 6: **Administered Grants, Subsidies and Other Transfer Payments** (\$65.1 million), reflecting funding required to meet the State's various obligations in relation to Aboriginal Engagement and Native Title matters (\$30.6 million), to provide financial support to the Griffin Coal receivers and managers to ensure continuity of coal supply in the short term (\$19.5 million) and items subject to finalising commercial arrangements, and/or ongoing negotiations and mediated settlements involving the State.

Western Australian Electoral Commission

Item 9: **Delivery of Services** (\$1 million), to conduct the North West Central District By-election (\$737,000) and additional salaries expenditure of \$271,000 related to settlement of industrial agreements.

Salaries and Allowances Tribunal

Item 10: **Delivery of Services** (\$23,000), for additional salaries expenditure related to settlement of industrial agreements.

Commissioner for Children and Young People

Item 11: **Delivery of Services** (\$104,000), largely reflecting additional salaries expenditure related to settlement of industrial agreements.

Office of the Information Commissioner

Item 12: **Delivery of Services** (\$79,000), mainly reflecting additional salaries expenditure related to settlement of industrial agreements.

Registrar, Western Australian Industrial Relations Commission

Item 13: **Delivery of Services** (\$200,000), largely for additional salaries expenditure related to settlement of industrial agreements.

Treasury

Item 14: **Delivery of Services** (\$289,000), primarily comprising expenditure for commercial advisory services to undertake reviews into agencies and projects with a significant commercial exposure for the State (\$2 million), additional salaries expenditure related to settlement of industrial agreements (\$1.8 million), and additional resources to deliver Government's priorities (\$529,000), partially offset by various reflows of salary and non-salary expenses (\$4.1 million) from 2022-23 to 2023-24 and across the forward estimates period.

Item 15: **Bunbury Water Corporation** (\$354,000), reflecting the higher cost of providing non-commercial services on behalf of the Government (\$312,000) and higher than expected annual pensioner and seniors concessions claims (\$42,000).

Item 16: **Busselton Water Corporation** (\$12,000), for higher than expected annual pensioner and seniors concessions claims.

Item 17: **Electricity Generation and Retail Corporation (Synergy)** (\$64.5 million), primarily for costs associated with undertaking renewable wind generation and battery storage project feasibility studies to help deliver the Government's target for decarbonising the South West electricity system. The increase also reflects a reclassification of funding for Synergy's Customer Engagement Platform project (CX360) from equity (Item 108) to an operating subsidy (Item 17) due to a change in accounting standards, and higher subsidy costs for activities (such as rebates and concessions) that Synergy undertakes on behalf of the Government.

Item 21: **Public Transport Authority of Western Australia** (\$63.2 million), mainly driven by higher interest expenses as a result of interest rate increases, the timing of METRONET project works, and to offset lower than forecast public transport fare revenue.

Item 23: **Regional Power Corporation (Horizon Power)** (\$21 million), largely reflecting higher diesel prices (\$9 million), additional salaries expenditure related to settlement of industrial agreements (\$4.1 million), upgrade and maintenance costs on billing and safety systems (\$1.8 million), and the impact of higher Consumer Price Index (CPI) impacts on costs met from subsidies (\$6.1 million).

Item 24: **Southern Ports Authority** (\$4.4 million), to recognise increased costs arising from higher volumes of iron ore trade in 2022-23 for the Mineral Resources Limited Government Support Package for Koolyanobbing Iron Ore.

Item 25: **Water Corporation of Western Australia** (\$88.5 million), for changes to the Water Corporation's Country Water Pricing Subsidy, primarily due to updated forecasts based on 2021-22 actual costs (\$27.8 million), Government decisions such as the transfer of water and wastewater services in remote Aboriginal communities (\$21.1 million), and CPI-based escalation for subsidised costs (\$38.9 million).

Item 28: **Goods and Services Tax (GST) Administration Costs** (\$900,000), due to an increase in Western Australia's share of GST administration costs as result of an upward revision to the State's expected population share of national GST collections for 2022-23 (reflecting rebased population estimates in the 2021 Census). This is partially offset by an expected refund of costs from 2021-22, due to lower administration costs for the Australian Taxation Office (ATO), and a downward revision of ATO cost estimates for 2022-23.

Item 39: **WA Health** (\$1.5 million), related to the carryover of expenditure and funding for the Peel Health Campus Transition from 2021-22 to 2022-23.

Item 40: **All Other Grants, Subsidies and Transfer Payments** (\$337.9 million), mainly due to the carryover (from 2021-22) of higher than expected costs for the Small Business Hardship Grants Program and other pandemic support packages³. This item also includes the impact of higher interest rates (\$6 million) paid to participating trusts and a once-off \$16.7 million top-up for the Western Australian Future Health Research and Innovation Fund.

New Item: **Metropolitan Redevelopment Authority (DevelopmentWA)** (\$573,000), for work to be undertaken at Mardalup Park to ensure compliance with environmental standards, originally expected to be drawn in 2021-22.

New Item: **Wages policy outcomes not yet finalised** (\$54.8 million), reflecting a provision for wage negotiations currently underway that have been included in the 2022-23 financial year pending the outcome of negotiations.

Item 102: **Capital Appropriation** (\$14,000), for minor movements in motor vehicle lease costs.

Item 103: **Animal Resources Authority** (\$1 million), to provide an additional equity contribution to support the Authority during current wind-up activities.

Item 108: **Electricity Generation and Retail Corporation (Synergy)** (\$7.2 million), primarily to install a firewater containment system at Synergy's Big Battery project in Kwinana and to undertake soil rectification works at the battery site, partially offset by the reclassification of funding for Synergy's Customer Engagement Platform project (CX360) from equity (Item 108) to an operating subsidy (see Item 17 earlier in this section).

Item 109: **Electricity Networks Corporation (Western Power)** (\$14.7 million), to offset Western Power's increased dividends from higher than expected customer capital contributions.

Item 111: **Metropolitan Redevelopment Authority (DevelopmentWA)** (\$1.7 million), relating to costs incurred to activate the Market Hall rooftop area at Yagan Square.

³ In April 2022, the Government announced eligibility changes to the Small Business Hardship Program, which generated a significant increase in the number of applications lodged by 30 June 2022, and processed and paid in 2022-23 (resulting in an increase of \$274 million). The State is also providing a \$42 million contribution to the Commonwealth for Pandemic Leave Disaster Payments (deferred from 2021-22).

Item 112: **Pilbara Ports Authority** (\$17 million), primarily reflecting the delayed on-passing of a contribution from the Town of Port Hedland for the Spoilbank Marina, forecast to be paid in 2021-22 but now expected to be paid in 2022-23.

Item 116: **Western Australian Land Authority (DevelopmentWA)** (\$1 million), to fund a cost increase for the Ocean Reef Marina project, partly offset by the retiming of project cashflows to align with updated work schedules.

New Item: **Water Corporation of Western Australia** (\$4.4 million), to fund increased interest costs associated with a Northern Australia Infrastructure Fund loan that partly funds the expansion of the Burrup Seawater Supply Scheme (which supports the Perdaman Urea Project).

Office of the Auditor General

Item 41: **Delivery of Services** (\$1.3 million), funding for additional salaries expenditure related to settlement of industrial agreements.

Jobs, Tourism, Science and Innovation

Item 45: **Administered Grants, Subsidies and Other Transfer Payments** (\$7 million) to provide financial assistance to Ozgene ARC Pty Ltd, in support of the wind-up and transition of Animal Resources Authority's functions.

Mines, Industry Regulation and Safety

Item 48: **Delivery of Services** (\$4 million), mainly for additional salaries expenditure related to settlement of industrial agreements (\$6.2 million), payment obligations relating to the Home Buyers Assistance Grant Scheme (\$5 million) and completion of the transfer of the Royalty Administration and Collection functions to the Department of Finance (\$387,000). This additional funding is partially offset by the carryover of expenses totalling \$7.3 million into 2023-24.

Item 125: **Capital Appropriation** (\$2.1 million), largely reflecting fire safety and air-conditioning remediation works at Mineral House and an air-conditioning upgrade at the Department's Kalgoorlie complex.

Small Business Development Corporation

Item 50: **Delivery of Services** (\$105,000), comprising additional salaries expenditure related to settlement of industrial agreements (\$400,000) and revised motor vehicle lease costs (\$3,000), partially offset by lower than budgeted expenditure in relation to the Business Local Outreach Program following flooding resulting from Ex-Tropical Cyclone Ellie (\$298,000).

Item 126: **Capital Appropriation** (\$3,000), for revised motor vehicle lease costs.

Infrastructure WA

Item 53: **Delivery of Services** (\$120,000), reflecting additional salaries expenditure related to settlement of industrial agreements.

WA Health

Item 54: **Delivery of Services** (\$744.9 million), largely due to additional expenditure on hospital services such as regional pressures (\$255.1 million), additional salaries expenditure related to settlement of industrial agreements (\$183.9 million), additional State funding to supplement an equivalent decrease in Commonwealth funding relating to National Health Reform Agreement revenue (\$136.3 million), and residual costs related to WA Health's response to COVID-19 for 2022-23 (\$59.7 million).

Mental Health Commission

Item 56: **Mental Health Advocacy Service** (\$49,000), for additional salaries expenditure related to settlement of industrial agreements.

Item 57: **Mental Health Tribunal** (\$90,000), for additional salaries expenditure related to settlement of industrial agreements.

Item 58: **Office of the Chief Psychiatrist** (\$154,000), mainly reflecting additional salaries expenditure related to settlement of industrial agreements.

Health and Disability Services Complaints Office

Item 59: **Delivery of Services** (\$131,000), primarily for additional salaries expenditure related to settlement of industrial agreements.

Education

Item 60: **Delivery of Services** (\$398.7 million), mainly reflecting additional salaries expenditure related to settlement of industrial agreements (\$339.2 million), revisions to student enrolments and cost parameters (\$39.9 million), an update of the Department's leave liability estimates (\$35.5 million), COVID-19 enhanced cleaning in schools for Terms 3 and 4 of 2022 (\$18.9 million), higher forecast Government Regional Officer Housing costs (\$11.4 million), temporary attraction and retention incentives to attract teachers to regional and remote public schools (\$3.1 million), continuation of swimming and water safety programs (\$1.6 million), provision of menstrual products in public schools from 2023 (\$1.1 million), maintenance of subsidised interest rates for Low Interest Loans Scheme loans (\$1.1 million), extension of the Government's Science in Primary Schools election commitment to four new primary schools opening in 2023 and a revision to forecast costs for the current program (\$680,000), higher school bus services contracts expense (\$658,000), costs to progress the business case for a new Inner City Primary school (\$543,000), support for the earlier timing of National Assessment Program - Literacy and Numeracy assessments from 2023 (\$296,000), the impact of an update to the Non-Government Human Services Sector indexation rate (\$259,000), updated projections for public sector casual employees long service leave liabilities (\$125,000), and increased depreciation expense for capital projects (\$76,000).

These increases are partially offset by a downward revision to other depreciation expenses following a revaluation of the Department's existing assets (\$50.4 million), reduced interest expense as a result of refinancing gains under the Western Australian schools public-private partnership (\$2.5 million), an expense alignment to the National School Reform Agreement in line with the Commonwealth's October 2022 Budget (\$2.5 million), and revised lease costs (\$417,000).

Item 61: **Administered Grants, Subsidies and Other Transfer Payments** (\$6.8 million), reflecting revised student enrolment forecasts and cost parameters underpinning the State's funding obligations to the non-government schools sector under the National School Reform Agreement.

Training and Workforce Development

Item 62: **Delivery of Services** (\$24.7 million), arising from increases relating to settlement of industrial agreements (\$29.6 million), depreciation and lease cost revisions (\$3.6 million), resourcing for the State Nominated Skilled Migration Program (\$865,000), and provision of the regional attraction and retention incentive for TAFE lecturers (\$728,000). These increases are partly offset by reflows across a number of workforce initiatives, including the Group Training Organisations wage subsidy (\$4.4 million), the Year 9 Career Taster program (\$1.6 million), Adult Apprentice Employer Incentive (\$1.4 million), the Ex-offenders and Mature Aged Jobseekers Support program (\$885,000), and the Regional TAFE International Strategy (\$760,000), and other minor reflows and cost revisions (\$1.5 million).

Western Australia Police Force

Item 63: **Delivery of Services** (\$55.9 million), primarily reflecting higher salary payments to more than 7,000 police officers while negotiations for their industrial agreement continue.

New Item: **Administered Grants, Subsidies and Other Transfer Payments** (\$1 million), for the implementation of a high-calibre firearms buyback scheme.

Item 132: **Capital Appropriation** (\$2.1 million), mainly reflecting the net impact of additional funding for upgrade and maintenance of the Emergency Services Radio Network (\$17.7 million), Government Regional Officer Housing (\$7.1 million) and spending delays across a number of other projects.

Justice

Item 64: **Delivery of Services** (\$41.9 million), mainly for additional salaries expenditure related to settlement of industrial agreements (\$27.2 million), expenditure on services at Banksia Hill Detention Centre (\$7.6 million), higher depreciation expenses (\$3.7 million) and Government Regional Officer Housing (\$3.3 million).

Item 133: **Capital Appropriation** (\$2.2 million), largely reflecting the cost of infrastructure upgrades to improve safety and security at Banksia Hill Detention Centre (\$14.9 million), the Emergency Services Radio Network (\$10.3 million) and Government Regional Officer Housing (\$2.8 million), partially offset by a \$26.3 million recashflow of funding for the Casuarina Prison Expansion project.

State Solicitor's Office

Item 65: **Delivery of Services** (\$4.1 million), mainly for additional salaries expenditure related to settlement of industrial agreements and higher than expected legal costs.

Fire and Emergency Services

Item 66: **Delivery of Services** (\$9 million), reflecting funding for additional salaries expenditure related to settlement of industrial agreements (\$3.7 million), additional expenditure for the Recovery Taskforce (\$2.2 million) to manage and support recovery in the Kimberley following Ex-Tropical Cyclone Ellie, increased operating costs associated with the Emergency Rescue Helicopter Service, Critical Care Paramedics and Air Operation Fleet aviation services contracts (\$2.2 million), cost increases associated with grants paid to local government in respect of the Volunteer Brigades, Groups and Units Fleet Replacement program (\$1.3 million), the State's co-contribution for the Shire of Shark Bay to upgrade the revetment for Denham foreshore and town centre project as part of the Coastal and Estuarine Risk Mitigation Program (\$537,000), higher regional officers accommodation costs (\$332,000), and upgrades to the Emergency Services Radio Network (\$276,000).

These increases are partially offset by lower funding of \$1.5 million, for delayed completion of the business case for the Western Australia Emergency Management Training Centre.

Item 135: **Capital Appropriation** (\$5.3 million), for upgrades to the Emergency Services Radio Network (\$2.6 million), cost increases associated with the Fire and Emergency Fleet (\$1.6 million) and upgrades, modifications and/or replacement of a number of Volunteer Fire and Rescue Service and Volunteer Fire and Emergency Service facilities (\$1.1 million).

Office of the Director of Public Prosecutions

Item 68: **Delivery of Services** (\$2.5 million), for additional salaries expenditure related to settlement of industrial agreements (\$2.1 million), higher office accommodation costs (\$227,000), and the cost of legal practicing certificates required for government-employed lawyers (\$208,000).

Item 136: **Capital Appropriation** (\$1.7 million), for higher than expected office accommodation fit-out expenditure.

Corruption and Crime Commission

Item 69: **Delivery of Services** (\$350,000), reflecting an additional \$853,000 to meet additional salaries expenditure related to settlement of industrial agreements and higher accommodation and State Fleet lease expenditure (\$22,000). These increases are partially offset by lower workers' compensation premiums (\$120,000) and lower depreciation and amortisation expenditure (\$405,000).

Item 137: **Capital Appropriation** (\$37,000), for higher commercial lease repayments (\$13,000) and State Fleet leases (\$24,000).

Chemistry Centre (WA)

Item 70: **Delivery of Services** (\$1.4 million), for project costs to test and implement new techniques that allow human identification in cases with insufficient or degraded DNA (\$508,000), and additional salaries expenditure related to settlement of industrial agreements (\$917,000).

Office of the Inspector of Custodial Services

Item 71: **Delivery of Services** (\$112,000), reflecting additional salaries expenditure related to settlement of industrial agreements.

Communities

Item 73: **Delivery of Services** (\$252.7 million), primarily reflecting higher than budgeted National Disability Insurance Scheme payments to the Commonwealth (\$157.4 million), funding to address a range of cost and demand pressures for community and child protection services (\$49.8 million), and additional salaries expenditure related to settlement of industrial agreements (\$32.4 million).

Local Government, Sport and Cultural Industries

Item 75: **Administered Grants, Subsidies and Other Transfer Payments** (\$12.3 million), to meet the cost of higher GST Gambling Rebates paid to the Lotteries Commission (\$11.9 million), additional salaries expenditure related to settlement of industrial agreements (\$159,000) and an increase in remuneration paid to Gaming and Wagering Commissioners (\$167,000).

Item 76: **Art Gallery of Western Australia** (\$880,000), in support of costs associated with the relocation and storage of at-risk art works (\$458,000), additional salaries expenditure related to settlement of industrial agreements (\$372,000), and an increase in depreciation charges for the Elevate Rooftop Facility (\$50,000).

Item 78: **Library Board of Western Australia** (\$697,000), for additional salaries expenditure related to settlement of industrial agreements.

Item 79: **Art and Culture Trust** (\$701,000), for additional salaries expenditure related to settlement of industrial agreements.

Item 80: **Western Australian Museum** (\$1 million), for additional salaries expenditure related to settlement of industrial agreements.

Western Australian Sports Centre Trust

Item 81: **Delivery of Services** (\$27.8 million), largely due to higher venue operating expenditure as a result of increased activity (\$14.7 million), higher interest and other costs under the Optus Stadium management contract (\$10.3 million), higher depreciation expenses (\$4.9 million), additional salaries expenditure related to settlement of industrial agreements (\$4.6 million), and pre-opening and transition expenses for the State Football Centre ahead of the 2023 FIFA Women's World Cup (\$1.1 million). This funding is partially offset by the reclassification of recurrent expenditure to capital expenditure for modifications at HBF Park ahead of the Women's World Cup (\$7.8 million).

Transport

Item 82: **Delivery of Services** (\$14.6 million), including for additional salaries expenditure related to settlement of industrial agreements (\$9.5 million), and Westport business case and related enabling works (\$9 million), partially offset by changes in the timing of other funding (including for the Kenwick Intermodal Terminal).

Commissioner of Main Roads

Item 84: **Delivery of Services** (\$16.3 million), to address cost pressures and an increase in the State's contribution for the State and Commonwealth funded Bridge Renewal Program.

Item 145: **Capital Appropriation** (\$202.3 million), primarily reflecting increased funding to address cost pressures for a number of joint State and Commonwealth infrastructure projects.

Western Australian Land Information Authority

Item 89: **Delivery of Services** (\$6.1 million), to meet additional accommodation expenses following lease negotiations for the 1 Midland Square facility (\$2.9 million) and additional salaries expenditure related to settlement of industrial agreements (\$3.2 million).

National Trust of Australia (WA)

Item 91: **Delivery of Services** (\$169,000), mainly reflecting additional salaries expenditure related to settlement of industrial agreements.

Finance

Item 122: **Capital Appropriation** (\$4.8 million), reflecting additional funding to complete the Parliamentary Precinct project (\$5.5 million), partially offset by a reflow of expenditure for the Digital Transformation Program from 2022-23 to 2024-25 (\$684,000).

Planning, Lands and Heritage

Item 150: **Capital Appropriation** (\$1,000), for revised motor vehicle costs.

Special Purpose Accounts

Special Purpose Accounts (SPAs) are established under various sections of the *Financial Management Act 2006* or by specific legislation (e.g. the Royalties for Regions Fund). Accounts established by legislation are governed by the relevant provisions of the statute, while accounts that are established administratively are governed by a special purpose statement (operating accounts) or a trust statement (trust accounts) that outlines the purpose of the account.

This appendix contains information on key SPAs¹. It is not an exhaustive list of all SPAs, but covers major/material SPAs established to achieve priority policy outcomes. The forecast SPA balances (and transactions in and out of these accounts) form part of the overall consolidated projections outlined elsewhere in this Budget.

Asset Maintenance Fund

The Asset Maintenance Fund has been established in the 2023-24 Budget to ensure high priority asset maintenance works are being addressed. The Fund will enable a range of improvements to the State's existing asset portfolio that relate to public health and safety, regulatory compliance standards, and asset performance and reliability.

A total of \$250 million has been allocated to the Fund, with \$100 million forecast to be drawn in 2023-24 for approved spending on State Government-owned assets held by general government agencies.

ASSET MAINTENANCE FUND

Table 5.1

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
Balance at 1 July	-	-	150	-	-
Receipts	-	250	-	-	-
Payments	-	100	150	-	-
Closing Balance	-	150	-	-	-

Note: Columns may not add due to rounding.

¹ Opening balances at 1 July 2022 for some agency SPAs shown in this appendix have been restated where preliminary data was provided for the 2021-22 *Annual Report on State Finances* and where the associated agency annual report was finalised at a later date.

Climate Action Fund

The Climate Action Fund was established in 2022 to hold funds for future climate action and renewable energy initiatives. An additional \$500 million was appropriated into the Fund as part of the 2022-23 Budget. Receipts in 2023-24 include a further \$500 million top-up in this Budget from the higher than expected surplus for 2022-23. A further \$369 million will be paid into the Fund to replenish funds drawn in 2022-23 to support decarbonisation². In total, the Government is committing an additional \$3 billion to climate action in this Budget.

Funds expected to be drawn down in 2022-23 (\$586 million) primarily reflect \$369 million (to Synergy) for early stage payments on batteries as part of the Government's \$2.8 billion decarbonisation initiative, \$113 million for the King Rocks Wind Farm project and other renewable assets (Synergy), \$89 million for costs associated with the transition away from native forestry and climate action initiatives (through the Department of Jobs, Tourism, Science and Innovation (JTSI)), and \$13 million for other climate action initiatives across a number of agencies.

Funds expected to be drawn down in 2023-24 (\$654 million) and across the outyears (\$296 million) primarily reflect:

- \$500 million to partially fund the South West Interconnected System decarbonisation initiative (see feature box in Chapter 6);
- \$260 million to JTSI to support the transition away from native forestry, the establishment of the Collie Industrial Transition Fund, and various climate action and renewable hydrogen initiatives;
- \$100 million largely reflecting provisions for further climate action initiatives to be released upon the approval of future business cases;
- \$51 million for a range of climate action initiatives including the acceleration of environmental approvals for green energy proposals, Collie Transition Package initiatives and to establish an Urban Greening Grants Program; and
- \$39 million across seven agencies for climate adaptation initiatives.

Table 5.2

CLIMATE ACTION FUND					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	167	81	296	180	15
Receipts	500	869	-	-	-
Payments	586	654	116	165	15
Closing Balance	81	296	180	15	-

Note: Columns may not add due to rounding.

² This temporary funding avoids a large draw on the Treasurer's Advance late in 2022-23. These funds will be repaid to the Climate Action Fund by the Consolidated Account in 2023-24.

Debt Reduction Account

In line with the Government's commitment to responsible financial management, a Debt Reduction Account was established in 2017-18 to apply windfall funds to reduce Consolidated Account borrowings.

A total \$2.1 billion has flowed through the account in 2022-23, up \$500 million from the estimate at the time of the 2022-23 Mid-year Review (and \$900 million more than the \$1.2 billion in debt repayment forecast in the 2022-23 Budget). The additional \$500 million included in this Budget reflects the Government's decision to apply part of the higher than expected surplus for 2022-23 to repay Consolidated Account borrowings. This repayment will reduce interest costs by an estimated \$83 million across the forward estimates period.

Since its creation in 2017-18, a total \$8.2 billion has flowed through the account, comprising \$4.5 billion for debt repayments and \$3.7 billion used to avoid new borrowings.

DEBT REDUCTION ACCOUNT

Table 5.3

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
<i>Balance at 1 July</i>	-	-	-	-	-
Receipts	2,100	-	-	-	-
Payments	2,100	-	-	-	-
Closing Balance	-	-	-	-	-

Note: Columns may not add due to rounding.

Digital Capability Fund

The Digital Capability Fund (DCF) was established in 2021-22 to provide funding for the upgrade of ICT systems to improve government service delivery, enhance cyber security and mitigate operational risks. Originally established with the receipt of \$500 million in the 2021-22 Budget, a further \$400 million was allocated to the DCF in the 2022-23 Budget.

Payments from the Fund totalling \$368 million in 2023-24 will be made to 26 agencies. The major recipients of these funds for ICT projects in 2023-24 are WA Health (\$212.5 million), the Western Australia Police Force (\$27.8 million), the Department of Mines, Industry Regulation and Safety (\$19 million), the Office of Digital Government (\$18.4 million), and the Department of Transport (\$17.3 million).

A total of \$22.2 million of recurrent and capital expenditure remains provisioned for future projects, with a residual \$45 million balance at 30 June 2027 to be allocated in a future Budget.

New initiatives in this Budget that are supported from the Fund are detailed in agency disclosures in Chapters 5 and 6.

Table 5.4

DIGITAL CAPABILITY FUND ACCOUNT

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	427	637	269	112	55
Receipts	400	-	-	-	-
Payments	190	368	157	57	10
Closing Balance	637	269	112	55	45

Note: Columns may not add due to rounding.

METRONET Account

This SPA was established in 2017 to support the delivery of METRONET transport infrastructure projects. Forecast receipts for 2023-24 reflect State funding (\$563 million), Commonwealth funding (\$1,572 million), transfers from Main Roads (\$236 million) and proceeds from land sales (\$3 million). These funds are to be drawn down as works progress on METRONET projects, with \$2.4 billion to be drawn in 2023-24.

Table 5.5

METRONET ACCOUNT

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	137	24	21	21	21
Receipts	1,723	2,374	1,460	71	4
Payments	1,836	2,377	1,460	71	4
Closing Balance	24	21	21	21	21

Note: Columns may not add due to rounding.

METRONET Roads Account

This SPA was established in 2018 to hold funds for METRONET road works, including road projects under development. Receipts in 2023-24 reflect funds transferred from Main Roads. Forecast payments in 2023-24 include funding for the Victoria Park-Canning Level Crossing Removal, Byford Rail Extension and Thornlie-Cockburn Link.

Table 5.6

METRONET ROADS ACCOUNT

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	109	75	2	-(a)	228
Receipts	169	217	261	305	354
Payments	203	291	263	78	131
Closing Balance	75	2	-(a)	228	451

(a) Amounts less than \$500,000.

Note: Columns may not add due to rounding.

Metropolitan Region Improvement Fund

This account was established under the *Metropolitan Region Improvement Tax Act 1959* to hold funds for the management of the Metropolitan Region Scheme, including receipts from the Metropolitan Region Improvement Tax (MRIT).

Receipts in 2023-24 include MRIT collections (\$97 million), rent and interest income (\$19 million) and proceeds from the sale of land and buildings (\$20 million). Payments in 2023-24 mainly reflect a contribution towards the acquisition of land for transport infrastructure (\$21 million), the acquisition of land and buildings (\$69 million), service delivery costs (\$29 million), and works in progress on a range of smaller infrastructure projects (\$6 million).

Table 5.7

METROPOLITAN REGION IMPROVEMENT FUND					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	385	387	399	449	501
Receipts	115	138	124	126	127
Payments	113	126	74	74	74
Closing Balance	387	399	449	501	554

Note: Columns may not add due to rounding.

Mining Rehabilitation Fund

The Mining Rehabilitation Fund was established in 2013 to hold levy collections under the *Mining Rehabilitation Fund Act 2012*.

Receipts reflect forecast levy contributions from mining operators and interest earned on the account balance. Funds can be used to undertake rehabilitation activities where a tenement operator fails to meet rehabilitation obligations, and all other options available to recover funds from the operator have been exhausted. Interest earnings are used to support administration of the Fund and for rehabilitation works at abandoned mine sites.

Table 5.8

MINING REHABILITATION FUND					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	254	284	314	344	374
Receipts	40	35	35	35	35
Payments	10	5	5	5	5
Closing Balance	284	314	344	374	404

Note: Columns may not add due to rounding.

National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account

This account was established in 2018 to meet the cost of payments associated with the State's participation in the National Redress Scheme, and to meet civil litigation claims by survivors of institutional child sexual abuse.

Receipts in 2022-23 reflect the Government's decision to allocate \$185 million to this account to meet forecast drawdowns for scheme payments, civil litigation claims and administration costs across the forward estimates period.

Table 5.9

NATIONAL REDRESS SCHEME AND CIVIL LITIGATION FOR SURVIVORS OF INSTITUTIONAL CHILD SEXUAL ABUSE ACCOUNT

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
<i>Balance at 1 July</i>	27	141	70	39	19
Receipts	185	-	-	-	-
Payments	71	71	31	20	18
Closing Balance	141	70	39	19	-

Note: Columns may not add due to rounding.

New Women and Babies Hospital Account

This SPA was established to support the construction of a new Women and Babies Hospital. A total of \$10.2 million was allocated from the SPA in the 2022-23 Budget to progress planning for the new hospital at the Queen Elizabeth II Medical Centre campus.

The resulting planning work has informed identification of an alternative site at the Fiona Stanley Hospital (FSH) Precinct. A further \$544 million has been allocated across 2023-24 to 2026-27 to finalise planning and commence works at the FSH site.

Table 5.10

NEW WOMEN AND BABIES HOSPITAL ACCOUNT

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
<i>Balance at 1 July</i>	1,787	1,778	1,717	1,606	1,475
Receipts	-	-	-	-	-
Payments	9	61	111	131	242
Closing Balance	1,778	1,717	1,606	1,475	1,233

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

This SPA was established in 1999 to set aside funds to be used to encourage a balanced transport system and improve the amenity of the Perth city area. Receipts consist of licence fees, penalties and money appropriated by Parliament.

Funds drawn from the account are spent on the Central Area Transit (CAT) bus system, Free Transit Zone public transport services within central Perth, improving public transport access, enhancing the pedestrian environment, supporting bicycle access, improving the amenity and liveability of the Perth city area, and for administration of the *Perth Parking Management Act 1999*.

Table 5.11

PERTH PARKING LICENSING ACCOUNT

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	192	202	174	214	256
Receipts	58	60	63	65	67
Payments	49	88	23	23	24
Closing Balance	202	174	214	256	299

Note: Columns may not add due to rounding.

Remote Communities Fund

The Remote Communities Fund was established as part of the 2022-23 Budget, with a \$350 million State contribution to support essential infrastructure and services in remote Aboriginal communities in Western Australia.

Monies held in the Fund were allocated to projects as part of the 2022-23 Mid-year Review (to Horizon Power and the Water Corporation to upgrade water, wastewater, and power services (\$200 million) and for the Department of Communities (\$150 million) to build new houses, upgrade existing houses, and undertake municipal works).

Drawdowns from the Fund reflect the timing of these projects, including \$62 million in 2023-24 on essential water and power services (\$45.1 million) and housing and municipal services (\$16.9 million).

Table 5.12

REMOTE COMMUNITIES FUND

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	-	323	261	133	-
Receipts	350	-	-	-	-
Payments	27	62	128	133	-
Closing Balance	323	261	133	-	-

Note: Columns may not add due to rounding.

Road Trauma Trust Account

This account was established to provide for road safety initiatives. Receipts reflect prescribed penalties paid during the year, other funds collected under the *Road Traffic (Administration) Act 2008*, and interest revenue earned on the account balance.

Drawdowns from the account in 2023-24 are for:

- Main Roads' Regional Road Safety Improvements project (\$20 million);
- camera operations and infringements activities of the Western Australia Police Force (\$16.1 million);
- the Main Roads' Metropolitan Intersections project (\$17.3 million);
- the Community Education and Engagement Program delivered by the Road Safety Commission (\$11.5 million);
- continuation of the Impaired Driving Detection Program delivered by the Western Australia Police Force (\$10.4 million);
- the Road Safety Commission for policy, research and governance (\$9.2 million);
- the Road Safety Commission for the Infringement Management Reform Program (\$9 million); and
- a range of other road safety initiatives, including electronic school zone signs, School Drug Education and Road Aware Program, Alcohol Interlock Scheme and road trauma support service, post-crash response service, and procurement and operation of additional safety cameras (\$27 million).

ROAD TRAUMA TRUST ACCOUNT

Table 5.13

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
<i>Balance at 1 July</i>	71	72	57	50	35
Receipts	119	105	108	108	108
Payments	117	120	115	123	114
Closing Balance	72	57	50	35	29

Note: Columns may not add due to rounding.

Royalties for Regions Fund

The Royalties for Regions (RfR) Fund was established in 2008 to set aside a share of the State's annual royalty income to fund investment in regional Western Australia.

Receipts reflect interest on Fund balances, the return of unused funds by agencies, and the statutory funding for the program based on 25% of forecast royalty income at the time of the 2023-24 Budget (adjusted for the \$1 billion legislated cap on the Fund balance). Payments from the Fund include transfers to agencies that deliver RfR projects supporting infrastructure, business, economic development and other regional activities.

Details of the RfR program (and other regional spending) are available in Chapter 7: *Investing in Regional Western Australia*.

ROYALTIES FOR REGIONS FUND

Table 5.14

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	1,000	1,000	1,000	1,000	1,000
Receipts	972	1,284	1,013	925	822
Payments	972	1,284	1,013	925	822
Closing Balance	1,000	1,000	1,000	1,000	1,000

Note: Columns may not add due to rounding.

Royalties for Regions Regional Reform Fund

This SPA was approved as part of the 2015-16 Budget to receive \$150 million, transferred from the RfR Fund. It supports strategic reforms in regional Western Australia, with a focus on regional Aboriginal reform initiatives.

Payments of \$17 million in 2023-24 will support the North West Aboriginal Housing initiative, the Jalbi Jiya (Your Home) program, improvements to essential and municipal services in remote Aboriginal communities, Leedal-Fitzroy Affordable Housing Project, and the East Kimberley and Hedland Transitional Housing projects.

ROYALTIES FOR REGIONS REGIONAL REFORM FUND

Table 5.15

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	43	8	9	3	2
Receipts	4	18	7	3	16
Payments	38	17	13	4	1
Closing Balance	8	9	3	2	17

Note: Columns may not add due to rounding.

Social Housing Investment Fund

The Social Housing Investment Fund was established as part of the 2021-22 Budget to fund initiatives to increase the supply of social housing, with an initial allocation of \$750 million. A further \$450 million top-up is to be made in 2023-24 as part of this Budget, funded by the higher than expected operating surplus for 2022-23.

An additional \$527.1 million has been allocated in this Budget for approved projects over the forward estimates period, with:

- \$521.6 million allocated to the Department of Communities to deliver an increase in the State's supply of social housing stock and to refurbish existing stock to improve its condition and asset life (see Chapter 6); and
- \$5.5 million allocated to the Department of Planning, Lands and Heritage to facilitate delivery of the Housing Diversity Pipeline (see Chapter 5).

A further \$300 million has been provisioned as asset investment pending the receipt of business cases for social housing and homelessness proposals, including \$46 million specifically provisioned for a Regional Supportive Landlord Model to address homelessness in regional Western Australia (see Provisions in Chapter 6).

SOCIAL HOUSING INVESTMENT FUND					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	750	448	598	398	198
Receipts	-	450	-	-	-
Payments	302	300	200	200	192
Closing Balance	448	598	398	198	6

Note: Columns may not add due to rounding.

Softwood Plantation Expansion Fund

This Fund was established in 2021-22 as part of the Government's Climate Action package, with \$350 million set aside to expand the State's softwood plantation estate and support the Western Australian timber and construction industries. At the same time, Fund investment will offset carbon dioxide production and support regional employment.

Drawdowns totalling \$36 million are forecast in 2023-24, with \$28.2 million for the acquisition of land, and \$7.8 million for costs of establishing softwood plantations.

SOFTWOOD PLANTATION EXPANSION FUND					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	350	309	273	238	204
Receipts	-	-	-	-	-
Payments	41	36	36	33	40
Closing Balance	309	273	238	204	164

Note: Columns may not add due to rounding.

Waste Avoidance and Resource Recovery Account

The Waste Avoidance and Resource Recovery Account was established in 2008 under section 79 of the *Waste Avoidance and Resource Recovery Act 2007* to hold revenue allocated from the waste levy. The purpose of the account is to fund nominated programs and other waste management initiatives approved by the Minister for Environment.

Higher forecast payments in 2023-24 mainly relate to the deferral of \$12.7 million in grant and operating payments from 2022-23 to 2023-24, including the State's contribution towards the National Partnership on Recycling Infrastructure.

Table 5.18

WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	41	38	24	23	23
Receipts	21	21	21	21	21
Payments	24	35	22	21	21
Closing Balance	38	24	23	23	23

Note: Columns may not add due to rounding.

Western Australian Future Health Research and Innovation Fund

The Western Australian Future Health Research and Innovation Fund (the Fund) was established under the *Western Australian Future Fund Amendment (Future Health Research and Innovation Fund) Act 2020*. This Act allocates 1% of forecast annual royalties to the Fund each year, with forecast receipts of \$79.8 million in royalty income and a further \$51.4 million in interest income earned in 2023-24.

Table 5.19

WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH AND INNOVATION FUND					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	1,597	1,684	1,764	1,832	1,894
Receipts	120	131	119	113	129
Payments	32	51	51	51	51
Closing Balance	1,684	1,764	1,832	1,894	1,971

Note: Columns may not add due to rounding.

Payments from the Fund each year (\$51.4 million in 2023-24) reflect the on-passing of budgeted interest earnings to WA Health, and are held in the Western Australian Future Health Research and Innovation Account (see following table). Drawdowns totalling \$52.2 million are forecast in 2023-24, supporting a range of health and medical research, innovation and commercialisation activities in Western Australia.

Table 5.20

**WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH
AND INNOVATION ACCOUNT**

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	24	20	20	20	14
Receipts	49	51	51	51	51
Payments	53	52	51	58	62
Closing Balance	20	20	20	14	3

Note: Columns may not add due to rounding.

Westport Account

This SPA was established in the 2021-22 Budget to support the Westport project. Funding is to be drawn down upon approval of relevant Westport enabling works, such as strategic land acquisitions, environmental offsets, and feasibility studies.

A total \$113.7 million is forecast to be drawn in 2023-24 for approved Westport works packages, including land acquisitions, the Future of Fremantle initiative, and the development of feasibility studies on the Kwinana Rail Loop, the possible relocation of the bulk jetty and terminal, and vehicle and livestock trades.

Table 5.21

WESTPORT ACCOUNT

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Balance at 1 July</i>	399	316	202	52	-
Receipts	-	-	-	-	-
Payments	83	114	150	52	-
Closing Balance	316	202	52	-	-

Note: Columns may not add due to rounding.

State Government Social Concessions Expenditure Statement

Introduction

The State Government provides social concessions in the form of rebates, discounts and waivers for services, and subsidies to help reduce the cost of living for individuals and families in need.

This appendix reports the entire range of social concessions provided by State Government agencies. The information provided reflects actual expenditure on each social concession by agency in 2021-22, and estimated expenditure in 2022-23 and 2023-24.

The total value of State Government social concessions in 2023-24 is estimated at \$3 billion, including \$1.9 billion in operating subsidies for electricity, water, and public transport services¹. These concessions are ongoing, and are in addition to the Household and Small Business Electricity Credits implemented in this Budget.

General Notes on the Statement

For the purposes of this appendix, social concessions are defined as:

- discounts, rebates and waivers for services, and subsidies to improve access to, and affordability of, a range of services based on eligibility criteria related to factors such as age, income and special needs or disadvantage; and
- concessional prices for services provided by public non-financial corporations where the price charged to all consumers is less than the full cost of service provision, and grants paid to private and State training providers to subsidise the cost of training services.

The information in this appendix is compiled from agency information.

¹ Operating subsidies for social concessions purposes form the vast bulk of operating subsidies reported in Appendix 8: *Public Corporations and Major Tariffs, Fees and Charges*.

The method of estimating the value of concessions varies. In some cases, the estimate reflects the amount of a good or service consumed at the concessional price or fare and is the difference between the concession and the otherwise applicable price or fare. In others, such as those involving a fixed annual charge, the estimates reflect the rebate or subsidy paid.

The estimated number of recipients is recorded against each social concession. Where the number of unique recipients is not recorded, the number of occasions the concession has been accessed is used instead.

Table 6.1

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS

Western Australia

	2021-22	2021-22	2022-23	2022-23	2023-24	2023-24
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	Actual	Actual	Estimate	Estimate
			\$'000	Recipients	\$'000	Recipients
BIODIVERSITY, CONSERVATION AND ATTRACTIONS						
Perth Zoo						
- Children Under Four – Free Entry	5,043	148,317	5,435	157,081	5,819	160,308
- Children's Discount	1,391	81,811	1,499	86,645	1,605	88,425
- Education Excursion Discount	632	30,060	685	31,836	744	32,490
- Seniors and Concession Card Discounts ^(a)	313	44,787	337	47,433	385	48,408
- Carers – Free Entry	181	5,324	195	5,638	205	5,755
National Parks						
- Day Entrance Fee Concessions	462	72,565	462	72,565	462	72,565
- Annual Pass Concessions	69	1,686	69	1,686	77	1,686
- RAC Concession Passes	121	5,941	121	5,941	189	5,941
Geikie Gorge Boat Trip Concessions ^(b)	30	2,169	14	1,000	39	2,169
Penguin Island Experience Concessions	7	5,165	7	5,165	7	5,165
Camping Concessions	645	88,593	645	88,593	804	88,593
Valley of the Giants Tree Top Walk Concession	42	8,493	42	8,493	42	8,493
Monkey Mia Conservation Park Entry Fee Concessions						
- Day Entry Pass Fee	37	8,065	37	8,065	37	8,065
- Monthly Entry Fee	12	2,692	12	2,692	12	2,692
Rottne Island						
- Bike and Bus/ Pedal & Flipper	8	1,196	12	1,775	14	1,825
- Tour Concessions (Wadjemup Lighthouse and Oliver Hill Gun and Tunnel)	1	517	5	1,700	6	2,100
Leeuw in-Naturaliste National Park						
- Calgardup Cave	2	333	2	333	2	333
- Giants Cave ^(a)	0.4	66	0.4	66	0.4	66
Yanchep National Park						
- Crystal Cave Concessions ^(a)	3	895	3	895	3	895
Dryandra Woodland Barna						
- Mia Night Tour Concession Fee	4	745	4	745	4	745
Subtotal	9,004		9,586		10,456	
BUNBURY WATER CORPORATION						
Pensioners and Seniors Consumption Rebate ^(c)	505	4,356	479	4,356	491	4,356
Pensioners and Seniors Supply Charge Rebate ^(c)	335	3,641	329	3,641	337	3,641
Ex-Gratia Water (Leak) Allowance	206	159	260	159	234	159
Subtotal	1,046		1,068		1,062	
BUSSETON WATER CORPORATION						
Pensioners and Seniors Consumption Rebate ^(c)	379	3,937	377	3,986	377	4,035
Pensioners and Seniors Supply Charge Rebate ^(c)	325	3,246	323	3,986	323	4,035
Ex-Gratia Water (Leak) Allowance	32	62	33	64	34	65
Subtotal	736		733		734	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2021-22	2021-22	2022-23	2022-23	2023-24	2023-24
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	Actual	Actual	Estimate	Estimate
			\$'000	Recipients	\$'000	Recipients
COMMUNITIES						
Rental Subsidy	228,240	28,280	229,216	28,400	230,427	28,550
Seniors Cost of Living Rebate	26,099	311,813	28,451	322,960	28,561	313,996
Bond Assistance Loan Scheme – Interest Foregone	150	11,316	189	10,556	223	9,442
Centenarian Initiative	93	12	93	11	93	11
Homes for Carers – Placement Support Subsidy ^(d)	29	7	-	-	-	-
Rental Sales Scheme Subsidy	36	17	6	2	6	2
Subtotal	254,647		257,955		259,310	
EDUCATION						
Secondary Assistance Scheme						
- Education Program Allowance	6,455	27,438	6,613	28,150	6,724	28,623
- Clothing Allowance	3,155	27,438	3,237	28,150	3,292	28,623
- Abstudy Supplement	24	301	24	308	25	313
Boarding Away from Home Allowance						
- Isolated Children and Students in Respite	1,852	1,279	1,668	1,289	1,717	1,297
- Agriculture College – Special Subsidy	418	298	370	295	374	292
- Gifted and Talented Program	47	34	46	37	39	31
Subtotal	11,951		11,958		12,171	
FINANCE						
Seniors (25%) and Pensioners (50%) Rebates						
- Local Government Rates	111,763	251,633	121,505	255,156	130,827	259,238
- Emergency Services Levy	21,839	240,046	23,787	243,407	25,612	247,301
Energy Subsidies						
- Thermoregulatory Dysfunction	1,835	2,490	1,978	2,550	2,050	2,600
- Life Support Equipment	1,275	1,579	1,296	1,600	1,344	1,650
Energy Concession Extension Scheme	2,080	6,323	2,354	6,400	2,440	6,500
Subtotal	138,792		150,920		162,271	
GOLD CORPORATION						
Perth Mint Admission Concessions ^(a)	12	5,829	30	14,909	30	15,000
Subtotal	12		30		30	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2021-22	2021-22	2022-23	2022-23	2023-24	2023-24
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	Actual	Actual	Estimate	Estimate
			\$'000	Recipients	\$'000	Recipients
HEALTH						
Ambulance Services for Seniors	54,257	151,892	55,613	155,689	57,004	159,582
Patient Assisted Travel Scheme						
- WA Country Health Service	34,719	34,672	41,474	35,043	42,821	35,393
- Peel Health Service ^(a)	6	22	20	68	20	68
Subsidised Dental Care						
- Dental Health Services	13,913	51,674	14,000	55,000	14,420	56,000
- Oral Health Centre of WA	14,783	12,118	15,050	13,905	15,381	13,905
Dental Subsidy Schemes						
- Country Patients	2,657	12,770	3,200	13,000	3,200	13,000
- Metropolitan Patients ^(a)	1,203	5,111	1,200	5,000	1,200	5,000
Spectacle Subsidy Scheme	2,096	38,580	2,662	48,987	2,674	49,200
Child and Adolescent Health Service						
- Concession Parking	371	20,689	434	20,652	443	21,065
- Patient Meal Vouchers	61	2,092	56	2,232	57	2,055
- Patient Pre-loaded SmartRiders ^(a)	2	436	3	500	3	550
Patient Cabcharge ^(a)	491	8,213	599	7,793	616	7,809
Home Haemodialysis Subsidy	56	95	56	84	57	84
Regional Access Support Scheme – Voluntary						
Assisted Dying	138	50	86	53	112	51
Community Pharmacies	222	344	206	257	212	257
Subtotal	124,975		134,660		138,220	
HORIZON POWER						
Tariff Adjustment Payment ^(c)	2,822	36,521	1,018	36,854	2,143	36,970
Energy Assistance Payment ^(c)	1,958	9,312	2,120	7,076	2,147	6,981
Air Conditioning Rebate – Electricity ^(c)	951	3,147	1,172	3,217	1,187	3,178
Dependent Child Rebate ^(c)	891	3,589	982	2,311	997	2,283
Power for Remote Water and Waste Water						
Services ^(c)	770	43	770	43	770	43
Tariff Migration (Caravan Park Subsidy) ^(c)	133	7	81	7	61	7
Feed-In Tariff ^{(c)(e)}	83	192	-	-	-	-
Subtotal	7,607		6,142		7,305	
INSURANCE COMMISSION						
OF WESTERN AUSTRALIA						
Farm Vehicles – 50% Insurance Premium						
Rebate	1,328	7,591	1,365	7,619	1,415	7,723
Voluntary Emergency Vehicles	141	828	146	844	152	855
Subtotal	1,469		1,511		1,567	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2021-22	2021-22	2022-23	2022-23	2023-24	2023-24
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	\$'000	Recipients	Estimate	Estimate
JUSTICE						
Legal Aid Concessions	56,566	143,708	58,938	150,974	58,938	150,974
Court and Tribunal Concessions	4,366	13,775	4,442	13,762	4,579	13,854
Public Trustee Concessions ⁽ⁱ⁾	193	752	163	622	8,371	8,935
Registry of Births, Deaths and Marriages	61	441	53	416	54	344
Subtotal	61,186		63,597		71,942	
KEYSTART HOUSING SCHEME TRUST						
Hardship Program ^(f)	n/a	1,590	n/a	2,210	n/a	2,210
Subtotal						
LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES						
KidSport Financial Assistance Vouchers	5,156	26,000	2,800	19,000	6,624	28,000
Museum Concessions ^(g)	742	99,511	1,356	154,710	1,335	154,400
Arts and Culture Trust Concessions (previously Perth Theatre Trust) ^(a)	27	2,098	37	3,764	33	2,390
Recreation Camp Fee Concessions	48	554	25	412	48	550
Subtotal	5,973		4,218		8,040	
MINES, INDUSTRY REGULATION AND SAFETY						
Building Commission – Complaint Fee Concessions	8	131	9	142	9	142
Subtotal	8		9		9	
NATIONAL TRUST OF AUSTRALIA (WA)						
Concession for Property Visitation ^(a)	14	4,759	19	6,200	19	6,386
Children's Discount for Property Visitation ^(a)	1	231	2	450	2	464
Subtotal	15		21		21	
PLANNING, LANDS AND HERITAGE						
Fremantle Prison Entry Concessions ^(a)	503	42,118	755	70,565	755	70,565
Pension Protection Plan Fees and Charges (Rebates & Deferrals Act 1992)	3	1	3	1	3	1
Subtotal	506		758		758	
PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT						
Recreational Fishing Licence Fee Concessions						
- Fishing from a Boat ^(k)	647	33,376	475	26,000	499	27,300
- Rock Lobster	288	12,529	247	11,100	259	11,550
- Net Fishing	106	4,618	79	3,520	82	3,840
- Abalone	68	2,897	61	2,600	64	2,730
- Marron	62	2,643	57	2,450	60	2,575
- South West Freshwater Angling	57	2,420	47	2,050	49	2,150
Subtotal	1,229		966		1,014	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2021-22	2021-22	2022-23	2022-23	2023-24	2023-24
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	Actual	Actual	Estimate	Estimate
			\$'000	Recipients	\$'000	Recipients
PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA						
Transperth						
- General Fare Subsidy ^(c)	813,065	60,442,139	883,995	67,018,399	900,744	70,915,764
- Concession Fares ^{(c)(i)}	50,949	26,241,651	56,516	27,534,806	59,068	28,305,132
- Free Transit Zone ^(c)	17,752	9,209,915	20,296	11,659,869	19,316	12,242,862
- Pensioners, Seniors and Carers Free Travel ^(c)	13,940	4,386,541	15,418	4,751,820	16,655	5,034,448
- Perth Stadium Special Events ^(c)	8,932	1,444,054	7,531	1,444,054	16,287	2,445,949
Regional Town Bus Services						
- General Fare Subsidy ^(c)	13,325	2,077,423	12,742	1,806,644	12,877	2,013,311
- Concession Fares ^{(c)(i)}	4,294	1,815,479	3,360	1,515,395	4,157	1,815,128
- Pensioners, Seniors and Carers Free Travel ^(c)	549	206,353	625	229,085	468	145,231
Regional School Bus Services						
- General Fare Subsidy ^(c)	128,735	25,579	128,636	25,711	138,014	25,788
- Student Conveyance Allowance ^(c)	1,640	3,741	1,718	3,562	1,774	3,572
Transw a						
- General Fare Subsidy ^(c)	34,157	138,646	31,752	168,419	35,203	152,492
- Concession Fares ^(c)	2,939	136,832	3,673	166,889	3,314	146,913
- Annual Free Trip for Regional Pensioners ^(c)	1,522	15,764	1,859	18,774	1,677	16,525
Subtotal	1,091,799		1,168,120		1,209,554	
SYNERGY						
WA Government Energy Assistance Payment ^{(c)(m)}	78,392	313,248	81,570	317,947	84,864	322,716
Dependent Child Rebate ^(c)	20,104	68,455	20,916	69,482	21,760	70,524
Customer De-energisation ^(c)	2,195	43,300	2,053	43,950	1,801	44,609
Customer Re-energisation ^(c)	1,501	29,609	1,234	30,053	1,061	30,504
Paper-Bill Fee Waiver ^(c)	1,628	242,417	1,652	246,053	1,677	249,744
Over the Counter Fee Waiver ^(c)	897	90,361	911	91,716	924	93,092
Account Establishment Fee Rebate ^(c)	865	23,819	778	24,176	691	24,539
Late Payment Fee Waiver ^(c)	597	59,157	606	60,044	615	60,945
Air Conditioning Allowance ^(c)	55	318	57	323	60	328
Subtotal	106,235		109,777		113,453	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2021-22	2021-22	2022-23	2022-23	2023-24	2023-24
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	Actual	Actual	Estimate	Estimate
			\$'000	Recipients	\$'000	Recipients
TRAINING AND WORKFORCE DEVELOPMENT						
Tuition Fees – Vocational Education and Training Courses						
- General Subsidy	335,987	67,960	335,718	63,645	383,930	71,056
- Concession Card Holders (70% Course Fee Discount) ^(h)	6,164	14,854	4,529	11,465	4,513	11,467
- Severe Financial Hardship (100% Course Fee Waiver) ^(h)	728	1,273	479	929	486	933
South West Bus Service – Fare Concessions ^(a)	144	62	81	35	116	50
Subtotal	343,023		340,807		389,045	
TRANSPORT						
Light Vehicle Licence Fee Concessions						
- Seniors (50% Discount)	33,988	208,595	36,044	213,049	38,228	217,598
- Pensioners (100% Discount)	12,494	38,338	13,113	38,754	13,765	39,175
Travel Subsidy Schemes						
- Permanently Disabled – Taxi Subsidy	14,421	13,527	14,785	13,850	14,785	14,000
- Remote Boarding Students ^(a)	838	1,266	1,241	1,466	1,241	1,791
- Seniors – Annual Free Trip South ^(a)	539	708	1,077	900	1,077	930
- Seniors – Inter Town Bus Services ^(a)	183	7,528	350	10,105	350	10,500
- Seniors – Intra Town Bus Services ^(a)	89	48,953	162	49,000	162	49,500
Drivers Licence Fee Concessions						
- Pensioners (100% Discount)	4,026	91,386	3,638	77,660	4,099	86,290
- Seniors (50% Discount)	1,961	67,397	1,887	61,881	2,088	68,113
Perth Parking Licence Fee – Social Exemptions	1,060	1,003	1,084	1,010	1,081	1,007
Subtotal	69,599		73,381		76,874	

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values. Footnotes are on the last page of the table.

Table 6.1 (cont.)

SUMMARY OF STATE GOVERNMENT SOCIAL CONCESSIONS
Western Australia

	2021-22	2021-22	2022-23	2022-23	2023-24	2023-24
	Actual	Actual	Estimated	Estimated	Budget	Budget
	\$'000	Recipients	Actual	Actual	Estimate	Estimate
			\$'000	Recipients	\$'000	Recipients
WATER CORPORATION						
Country Customer Equity Policies						
- Country Water Pricing Subsidy (water)	301,770	240,694	380,251	242,233	369,789	243,535
- Drainage Charge Exemption ^{(c)(i)}	24,224	n/a	33,264	n/a	30,361	n/a
Service Charge Rebates						
- Pensioner or State Concession Card Holders (up to 50%) ^(c)	65,757	156,257	66,681	158,542	69,050	160,354
- Dual Commonwealth Seniors Health Card and WA Seniors Card Holders (up to 50%) ^(c)	10,136	21,969	10,338	22,290	10,684	22,545
- WA Seniors Card Holders (up to 25%) ^(c)	4,447	58,615	4,452	59,472	4,516	60,152
- Rebates for Retirement Properties (up to 25%) ^(c)	4	42	3	43	3	43
Pensioners Consumption Concessions ^(c)	25,584	194,788	27,145	197,636	28,272	199,895
Ex-Gratia Water (Leak) Allowance ^(c)	19,589	25,221	20,073	25,221	20,583	25,221
Pensioners Rate Deferral Policy – Interest Costs ^(c)	63	20,162	609	20,457	561	20,691
Medical Assist ^(c)	84	211	86	211	88	211
Subtotal	451,657		542,901		533,908	
WESTERN AUSTRALIAN SPORTS CENTRE TRUST – VENUESWEST						
Aquatic Centre Entry Concessions						
- Single-entry	16	12,517	21	12,860	22	12,860
- Multi-entry (Aqua Card)	15	1,044	22	1,043	22	1,043
Fitness Membership Concessions	41	408	42	415	43	415
Subtotal	72		85		87	
Total	2,681,540		2,879,203		2,997,831	

- (a) This concession was significantly affected by the COVID-19 pandemic restrictions. Demand for the concession has increased following the lifting of COVID-19 restrictions.
- (b) The cost and number of recipients in 2022-23 were impacted by damage caused by floods.
- (c) Operating subsidies are reported in Appendix 8.
- (d) The pilot program started winding down in 2020-21. In 2021-22, a small number of concessions were paid due to claims from prior years.
- (e) The Feed-In Tariff Scheme ceased in August 2021.
- (f) A value for the Hardship Program concession cannot be identified as this program assists borrowers with reduced payments for up to six months with further extension subject to a case-by-case assessment. When the client comes out of the Hardship Program, they generally resume making normal repayments.
- (g) Changes in the cost of concessions and number of recipients reflect the introduction of fees for the WA Museum Boola Bardip in October 2022.
- (h) Changes in the cost of concessions and number of recipients over the reporting period largely reflect the impacts of the Lower Fees, Local Skills initiative. The program implemented a 50% reduction in fees, as well as a reduction in the fee limit to \$400 for concessions holders and \$1,200 for non-concessions holders. This compares with the previous cap of \$7,860 for similar courses resulting in a projected decline.
- (i) Customer numbers are not applicable to this subsidy.
- (j) Transperth concession fares include school children fares.
- (k) Demersal bans were implemented in 2023 for recreational fishers.
- (l) Changes for the 2023-24 Budget Estimate are based on findings from Treasury's ongoing review of the Public Trustee's fees and funding model. The cost of concessions and number of recipients in 2023-24 reflect fee reductions approved as part of this Budget, and a revised calculation methodology inclusive of all fee waivers, discounts and concessions across the Public Trustee's services.
- (m) The \$81.6 million estimated actual cost for 2022-23 is lower than the \$89.5 million subsidy to Synergy shown in Appendix 8. Data in this appendix reflects the total value of Energy Assistance Payments to customers for 2022-23 while subsidy data in Appendix 8 also includes an allowance for year-end reconciliation of actual payments in 2021-22.

Note: Columns may not add due to rounding. There are no subtotals for recipient numbers due to the different methods used to calculate these values.

Asset Investment Program – Summary of Expenditure and Source of Funds

Overview

This appendix summarises asset investment expenditure by agencies within portfolio groups, and the sources of funds for the aggregate Asset Investment Program by year.

Table 7.1

ASSET INVESTMENT PROGRAM

	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m
PARLIAMENT					
Parliamentary Services	1.5	2.0	1.7	1.5	1.5
Parliamentary Commissioner for Administrative Investigations	0.3	0.6	0.2	0.2	0.2
GOVERNMENT ADMINISTRATION					
Premier and Cabinet	4.0	1.8	1.0	0.1	0.1
Public Sector Commission	0.1	0.1	0.1	0.1	0.1
Governor's Establishment	1.1	0.7	0.1	0.1	0.1
Western Australian Electoral Commission	0.3	0.3	0.3	0.3	0.3
Office of the Information Commissioner	-	1.4	-	-	-
WorkCover WA Authority	1.0	0.8	0.7	0.7	1.2
Registrar, Western Australian Industrial Relations Commission	0.2	0.2	0.2	0.2	0.2
FINANCIAL ADMINISTRATION					
Treasury	0.4	0.4	0.4	0.4	0.4
Western Australian Treasury Corporation	0.5	0.4	0.7	0.4	0.3
Office of the Auditor General	4.7	1.8	0.7	0.7	0.7
Finance	112.2	177.9	94.1	90.7	92.6
Insurance Commission of Western Australia	5.0	5.0	5.0	5.1	5.1
JOBS AND ECONOMIC DEVELOPMENT					
Animal Resources Authority	0.2	-	-	-	-
Gold Corporation	25.3	20.8	11.7	6.7	7.0
Jobs, Tourism, Science and Innovation	0.3	6.1	3.0	3.0	1.0
Primary Industries and Regional Development	23.3	73.1	144.3	146.3	79.2
Mines, Industry Regulation and Safety	9.3	13.5	5.8	1.6	0.9
Western Australian Meat Industry Authority	0.5	0.5	0.5	0.5	0.5
Small Business Development Corporation	-	0.1	0.1	0.1	0.1
Forest Products Commission	33.5	28.4	27.9	25.4	32.4
Racing and Wagering Western Australia	10.8	9.4	10.0	8.9	8.9
Western Australian Greyhound Racing Association	1.0	0.3	0.3	0.3	0.3
Burswood Park Board	3.9	0.4	0.4	0.4	0.5
HEALTH					
WA Health	453.0	765.9	620.4	478.5	650.7
Mental Health Commission	8.5	35.4	5.5	-	-
Health and Disability Services Complaints Office	_(a)	-	-	-	-

ASSET INVESTMENT PROGRAM

Table 7.1 (cont.)

	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m
EDUCATION AND TRAINING					
Education	538.3	626.8	484.5	267.5	166.4
Training and Workforce Development	97.6	109.3	47.2	25.7	15.3
TAFE Colleges	23.4	10.6	7.2	7.2	7.2
Building and Construction Industry Training Board	0.9	2.7	-	-	-
COMMUNITY SAFETY					
Western Australia Police Force	95.7	146.6	102.7	51.8	25.8
Justice	80.4	137.5	70.8	19.3	15.5
State Solicitor's Office	-	-	1.4	-	-
Legal Aid Commission of Western Australia	1.0	3.4	1.8	0.2	0.6
Fire and Emergency Services	49.2	55.6	53.8	38.4	30.5
Office of the Director of Public Prosecutions	4.5	6.4	1.3	0.5	0.5
Corruption and Crime Commission	1.8	1.3	1.3	1.3	1.3
Chemistry Centre (WA)	2.5	2.7	2.8	2.5	2.5
COMMUNITY SERVICES					
Communities	493.2	545.4	364.3	296.9	267.1
Keystart Housing Scheme Trust	2.6	1.4	1.2	1.2	1.2
Local Government, Sport and Cultural Industries	57.1	115.7	166.5	128.7	53.0
Western Australian Sports Centre Trust	74.4	34.1	20.8	27.6	20.5
Western Australian Institute of Sport	0.1	0.1	0.1	0.1	0.1
Lotteries Commission	6.3	2.3	2.9	2.5	2.4
Metropolitan Cemeteries Board	11.0	8.6	11.6	11.0	10.3
TRANSPORT					
Transport	52.6	63.0	82.7	65.6	21.8
Commissioner of Main Roads	2,164.3	2,286.2	1,858.0	1,418.6	922.7
Public Transport Authority of Western Australia	2,227.5	3,280.0	1,984.1	551.3	352.0
Fremantle Port Authority	82.6	95.3	40.4	25.1	16.5
Kimberley Ports Authority	2.7	61.2	20.1	1.6	1.6
Mid West Ports Authority	26.1	92.0	142.7	160.5	5.5
Pilbara Ports Authority	173.8	291.6	138.0	101.9	44.5
Southern Ports Authority	33.8	62.1	44.7	12.0	11.1
ENVIRONMENT					
Water and Environmental Regulation	26.0	28.6	23.3	13.6	12.3
Biodiversity, Conservation and Attractions	114.6	160.2	105.0	64.4	33.3

Table 7.1 (cont.)

ASSET INVESTMENT PROGRAM

	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m
PLANNING AND LAND USE					
Planning, Lands and Heritage	20.0	19.3	16.4	6.2	1.8
Western Australian Planning Commission	82.0	102.7	51.3	51.3	50.3
Western Australian Land Information Authority (Landgate)	2.9	9.5	8.4	8.4	8.4
DevelopmentWA	436.6	468.3	440.0	399.4	336.0
National Trust of Australia (WA)	2.1	0.9	0.7	0.7	0.7
UTILITIES					
Synergy	267.6	57.3	44.9	45.5	45.7
Western Power	891.5	1,106.4	1,112.2	1,083.1	1,070.8
Horizon Power	108.1	105.5	77.1	64.8	66.0
Water Corporation	728.1	1,113.5	862.8	700.0	710.6
Bunbury Water Corporation	10.6	13.5	23.5	4.4	2.7
Busselton Water Corporation	4.1	8.6	6.0	6.1	5.1
PROVISIONS					
METRONET Projects Under Development	-	100.5	145.7	176.9	296.1
Smoothing Provision	-1,750.0	-4,000.0	-	3,000.0	2,750.0
Provision for Decarbonisation of the South West Interconnected System	369.1	1,732.4	586.2	-	-
Provision for Construction Cost Relief	-	63.7	-	-	-
Provision for Port Expansion and Land Acquisition	-	197.8	247.3	60.0	-
Provision for Aluminium Composite Panel Cladding	-	26.1	32.5	27.8	-
Provision for Social Housing Investment Fund	-	63.4	96.1	60.2	80.4
Provision for Digital Capability Fund	-	-	-	19.1	-
Provision for Climate Action Fund	-	11.0	10.0	79.3	-
Inter-agency Purchases	-83.8	-173.5	-45.8	-28.6	-15.8
TOTAL	8,233.6	10,404.8	10,431.3	9,833.8	8,334.4

ASSET INVESTMENT PROGRAM

Table 7.1 (cont.)

	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m
<i>Funded by:</i>					
APPROPRIATIONS					
Capital Appropriation ^(b)	3,112.0	6,582.4	4,094.4	1,686.0	1,185.9
OTHER FUNDING					
Holding Account	187.2	224.9	125.6	126.9	139.2
Agency Borrowings	1,042.1	1,074.3	1,065.1	1,502.8	1,115.0
Royalties for Regions	141.8	364.7	223.9	178.7	85.8
Commonwealth Grants	1,212.0	1,501.4	1,031.7	787.8	273.4
Land and Property Sales	292.3	201.7	40.3	40.2	27.1
Internal Funds and Balances	3,239.0	3,320.2	3,374.9	1,999.2	2,291.8
Special Purpose Accounts ^(c)					
Climate Action Fund	482.0	511.5	10.0	79.3	-
Digital Capability Fund	98.3	233.2	79.5	24.6	-
New Women and Babies Hospital Account	9.5	60.7	110.6	131.4	242.0
Remote Communities Fund	1.4	26.8	52.5	53.7	-
Social Housing Investment Fund	110.6	274.9	195.1	198.1	191.9
Softwood Plantation Expansion Fund	33.0	28.2	27.7	25.2	32.2
The New Perth Stadium Account	22.5	-	-	-	-
Smoothing Provision	-1,750.0	-4,000.0	-	3,000.0	2,750.0
TOTAL	8,233.6	10,404.8	10,431.3	9,833.8	8,334.4

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

(b) Includes Commonwealth contributions to projects undertaken by agencies such as the Public Transport Authority and WA Health, which are paid to the agencies as capital appropriations. Includes METRONET and related projects.

(c) Funding held at the Department of Treasury for projects funded from Special Purpose Accounts and/or subject to business cases.

Note: Columns may not add due to rounding.

Public Corporations and Major Tariffs, Fees and Charges

Corporatised public enterprises (also known as Government Trading Enterprises or GTEs) are generally liable for income tax equivalent and dividend payments to the State. Several public corporations are also liable for local government rate equivalent payments. These payments are levied by the State to ensure competitive neutrality (i.e. a 'level playing field') between public and private sector business activities.

The Government also has a role in setting household tariffs, fees and charges to ensure an appropriate balance between cost recovery and impacts on households. Where the cost of providing a service is not fully recovered from customers, some public corporations receive operating subsidies. Some of these operating subsidies reflect lower than cost-reflective tariffs, fees and charges that benefit all households, while others are only targeted at certain groups such as pensioners, seniors, or consumers in regional areas.

The general government sector is expected to pay a net \$1.3 billion to public corporations in 2023-24 (see following table), with subsidy payments to public corporations (\$3.5 billion) expected to exceed tax equivalent and dividend revenue received from these corporations (\$2.2 billion). This includes operating subsidy payments to Synergy and Horizon Power for the Household and Small Business Electricity Credits to be paid from July 2023.

Table 8.1

PUBLIC CORPORATIONS
Revenue to and Expenses from the General Government Sector ^(a)

	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m
Electricity Corporations		
Dividends, Tax Equivalents, and Local Government Rate Equivalents		
Horizon Power	1.8	6.2
Synergy	1.1	1.2
Western Power	163.4	327.6
<i>Subtotal</i>	<i>166.3</i>	<i>335.0</i>
Operating Subsidies		
Horizon Power	68.4	71.1
Synergy	840.7	924.4
Western Power	—	—
<i>Subtotal</i>	<i>909.0</i>	<i>995.5</i>
Other Subsidies		
Horizon Power	0.2	0.2
Synergy	7.9	7.9
Western Power	1.5	1.5
<i>Subtotal</i>	<i>9.6</i>	<i>9.6</i>
<i>Net Electricity Corporations</i>	<i>(752.3)</i>	<i>(670.1)</i>
Water Corporation		
Dividends, Tax Equivalents, and Local Government Rate Equivalents	406.7	1,204.6
Operating Subsidies	614.5	621.1
Other Subsidies	40.3	88.0
<i>Net Water Corporation</i>	<i>(248.1)</i>	<i>495.5</i>
Public Transport Authority ^(b)		
Operating Subsidies	1,160.6	1,203.0
Other Subsidies	28.1	27.8
<i>Net Public Transport Authority</i>	<i>(1,188.7)</i>	<i>(1,230.8)</i>
Other Public Corporations		
Dividends, Tax Equivalents, and Local Government Rate Equivalents	320.5	668.5
Operating Subsidies	210.4	207.9
Other Subsidies	381.2	386.6
<i>Net Other Public Corporations</i>	<i>(271.0)</i>	<i>74.0</i>
Total revenue from Public Corporations	893.5	2,208.0
Dividends	160.9	1,423.1
Income Tax Equivalents	706.4	757.7
Local Government Rate Equivalents	26.2	27.2
Total expense to Public Corporations	3,353.7	3,539.5
Operating Subsidies	2,894.5	3,027.5
Other Subsidies	459.2	512.0
Net impact on General Government Sector ^(c)	(2,460.2)	(1,331.5)

(a) Revenue includes dividends, tax equivalent payments and local government rate equivalents. Expenses include operating subsidies and grants funded from the Consolidated Account and other subsidies funded from other sources such as the Royalties for Regions Fund (capital appropriations to public corporations are not included).

(b) The Public Transport Authority does not pay dividends or tax equivalent payments.

(c) A positive total for the net impact on the general government sector means that the sector receives more revenue from public corporations than it pays out in subsidies, and vice versa for a negative total.

Note: Columns may not add due to rounding.

Revenue

General government sector revenue from public corporations in 2023-24 is estimated to total \$2.2 billion, comprising \$1.4 billion in dividend payments, \$758 million in income tax equivalent payments, and \$27 million in local government rate equivalent payments.

This is \$1.3 billion (or 147%) higher than in 2022-23 and mainly reflects GTEs making dividend payments in 2023-24 after most were permitted to retain 2022-23 dividends for future investment in infrastructure.

A detailed list of revenue items from individual public corporations to the general government sector is provided in the following table.

Table 8.2

GENERAL GOVERNMENT REVENUE FROM PUBLIC CORPORATIONS

	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m
Details of Revenue					
ELECTRICITY CORPORATIONS					
Horizon Power					
Income tax expense	1.0	1.8	4.6	7.5	6.8
Local government rates expense	0.7	0.8	0.8	0.8	0.8
Dividends	-	3.7	6.7	11.8	12.3
<i>Subtotal</i>	<i>1.8</i>	<i>6.2</i>	<i>12.1</i>	<i>20.2</i>	<i>19.9</i>
Synergy					
Local government rates expense	1.1	1.2	1.2	0.5	0.5
<i>Subtotal</i>	<i>1.1</i>	<i>1.2</i>	<i>1.2</i>	<i>0.5</i>	<i>0.5</i>
Western Power					
Income tax expense	82.9	102.9	154.3	168.4	189.9
Local government rates expense	1.7	1.7	1.7	1.8	1.8
Dividends	78.9	223.0	275.7	315.3	337.8
<i>Subtotal</i>	<i>163.4</i>	<i>327.6</i>	<i>431.7</i>	<i>485.6</i>	<i>529.5</i>
WATER CORPORATIONS					
Water Corporation					
Income tax expense	398.5	436.3	463.0	465.6	497.4
Local government rates expense	8.2	8.4	8.6	8.8	9.0
Dividends	-	759.9	826.7	838.0	919.4
<i>Subtotal</i>	<i>406.7</i>	<i>1,204.6</i>	<i>1,298.2</i>	<i>1,312.3</i>	<i>1,425.9</i>
Bunbury Water Corporation (Aqwest)					
Income tax expense	0.9	1.0	1.8	2.1	1.9
Local government rates expense	0.1	0.1	0.1	0.1	0.1
Dividends	-	0.9	1.0	1.8	2.2
<i>Subtotal</i>	<i>1.0</i>	<i>2.0</i>	<i>2.8</i>	<i>4.0</i>	<i>4.2</i>
Busselton Water Corporation					
Income tax expense	0.5	0.9	1.5	1.0	0.8
Local government rates expense	0.1	0.1	0.1	0.1	0.1
Dividends	-	0.2	1.8	3.0	1.9
<i>Subtotal</i>	<i>0.6</i>	<i>1.2</i>	<i>3.4</i>	<i>4.0</i>	<i>2.8</i>
PORT AUTHORITIES					
Fremantle Port Authority					
Income tax expense	18.0	21.5	22.0	23.6	26.1
Local government rates expense	0.7	0.9	0.9	0.9	0.9
Dividends	-	33.2	34.6	36.5	40.4
<i>Subtotal</i>	<i>18.7</i>	<i>55.5</i>	<i>57.4</i>	<i>61.0</i>	<i>67.4</i>
Kimberley Ports Authority					
Income tax expense	1.0	0.9	0.9	1.1	1.5
Local government rates expense	0.1	0.1	0.1	0.1	0.1
Dividends	-	2.8	2.6	2.9	3.7
<i>Subtotal</i>	<i>1.1</i>	<i>3.8</i>	<i>3.6</i>	<i>4.1</i>	<i>5.3</i>
Mid West Ports Authority					
Income tax expense	11.1	19.1	24.5	37.8	40.4
Local government rates expense	0.9	0.9	1.0	1.0	1.1
Dividends	-	30.0	40.5	60.3	69.5
<i>Subtotal</i>	<i>12.0</i>	<i>50.0</i>	<i>66.0</i>	<i>99.1</i>	<i>110.9</i>

Note: Columns may not add due to rounding.

Table 8.2 (cont.)

GENERAL GOVERNMENT REVENUE FROM PUBLIC CORPORATIONS					
	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m
Details of Revenue					
Pilbara Ports Authority					
Income tax expense	103.0	115.7	113.6	118.9	110.4
Local government rates expense	3.1	3.2	3.3	3.4	3.5
Dividends	-	209.7	214.1	220.8	211.3
<i>Subtotal</i>	<i>106.2</i>	<i>328.6</i>	<i>331.0</i>	<i>343.2</i>	<i>325.1</i>
Southern Ports Authority					
Income tax expense	17.1	14.8	31.2	35.8	36.4
Local government rates expense	0.7	0.9	0.7	0.7	0.8
Dividends	-	26.9	51.6	60.6	63.5
<i>Subtotal</i>	<i>17.7</i>	<i>42.7</i>	<i>83.5</i>	<i>97.2</i>	<i>100.6</i>
OTHER AGENCIES					
DevelopmentWA					
Income tax expense	15.3	9.8	17.2	22.4	16.2
Local government rates expense	8.4	8.5	8.7	8.9	9.2
Dividends	1.5	45.9	58.2	55.2	40.6
<i>Subtotal</i>	<i>25.1</i>	<i>64.2</i>	<i>84.1</i>	<i>86.5</i>	<i>66.0</i>
Gold Corporation					
Income tax expense	6.8	2.5	5.4	7.8	7.7
Local government rates expense	0.1	0.1	0.1	0.1	0.1
Dividends	-	11.8	4.4	9.4	13.6
<i>Subtotal</i>	<i>6.8</i>	<i>14.4</i>	<i>9.9</i>	<i>17.3</i>	<i>21.4</i>
Western Australian Treasury Corporation					
Income tax expense	9.6	8.2	8.2	8.5	8.3
Dividends	17.0	17.0	14.4	14.4	14.9
<i>Subtotal</i>	<i>26.6</i>	<i>25.2</i>	<i>22.6</i>	<i>22.9</i>	<i>23.1</i>
Insurance Commission of Western Australia					
Income tax expense	40.8	22.2	11.5	9.3	5.5
Dividends	63.5	58.2	58.9	58.8	58.3
<i>Subtotal</i>	<i>104.3</i>	<i>80.4</i>	<i>70.4</i>	<i>68.1</i>	<i>63.9</i>
Forest Products Commission					
Income tax expense	-	-	1.2	2.4	2.8
Local government rates expense	0.4	0.5	0.7	0.2	0.2
Dividends	-	-	0.8	1.1	1.1
<i>Subtotal</i>	<i>0.4</i>	<i>0.5</i>	<i>2.7</i>	<i>3.7</i>	<i>4.1</i>
Subtotal Amounts					
Income tax expense ^(a)	706.4	757.7	861.0	912.1	952.2
Local government rates expense	26.2	27.2	27.8	27.3	28.0
Dividends	160.9	1,423.1	1,591.9	1,690.1	1,790.5
TOTAL	893.5	2,208.0	2,480.8	2,629.5	2,770.7

(a) Some general government sector agencies (e.g., the Western Australian Land Information Authority (Landgate)) are eligible to pay income tax equivalent payments. As these agencies are not in the public non-financial corporation or public financial corporation sectors, they are not reflected in this table.

Note: Columns may not add due to rounding.

Dividends

Dividend Payout Ratios

Public corporation dividend payout ratios are considered as part of the annual Budget process to determine appropriate returns to the Government as the sole shareholder of these entities. Currently approved payout ratios (reflected as a share of each corporation's net profit after tax) are reflected in the following table. There have been no changes to dividend payout ratios as part of this Budget.

PUBLIC CORPORATION DIVIDEND PAYOUT RATIOS					
	2022-23	2023-24	2024-25	2025-26	2026-27
	%	%	%	%	%
Horizon Power	75	75	75	75	75
Synergy	75	75	75	75	75
Western Power	75	75	75	75	75
Water Corporation	85	85	85	85	85
Busselton Water Corporation	85	85	85	85	85
Bunbury Water Corporation	85	85	85	85	85
Fremantle Port Authority	75	75	75	75	75
Kimberley Ports Authority	75	75	75	75	75
Mid West Ports Authority	75	75	75	75	75
Pilbara Ports Authority	85	85	85	85	85
Southern Ports Authority	75	75	75	75	75
DevelopmentWA ^(a)	75	75	75	75	75
Gold Corporation	75	75	75	75	75
Western Australian Treasury Corporation	75	75	75	75	75
Insurance Commission of Western Australia ^(b)	75	75	75	75	75
Forest Products Commission	75	75	75	75	75

(a) DevelopmentWA's dividend arrangement consists of a net profit after tax payout ratio and several special dividends because of undertaking Government commitments.

(b) Annual ratio may be adjusted based on the need to maintain appropriate capital adequacy and any other factors or circumstances considered by the Board of the Insurance Commission of Western Australia.

Note: The Western Australian Land Information Authority (Landgate) is eligible to pay dividends to Government. However, as this agency is not in the public corporations sector, it is not included in this table.

Expenses

Total subsidies provided to public corporations in 2023-24 are estimated at \$3.5 billion, an increase of \$185.8 million (or 5.5%) from 2022-23. The general government sector is forecast to pay a total of \$11.8 billion across the four-year period to 2026-27 to subsidise services provided by public corporations, and to reduce cost pressures on consumers.

Amongst other factors, the size of the operating subsidies paid to public corporations is affected by the Government's decisions on the tariffs, fees and charges to be paid by consumers. The approved changes to tariffs, fees and charges in 2023-24 are outlined later in this appendix.

Public transport fares and water tariffs in regional areas remain well below the cost of service delivery. In this regard:

- the expected cost recovery rate for metropolitan public transport services is 19.3% in 2023-24; and
- the Water Corporation is expected to receive operating subsidies totalling \$621.1 million in 2023-24, a significant portion of which (an estimated \$431.5 million) is to support the provision of water, wastewater and drainage services to regional areas. These services will have a cost recovery rate of 51% in 2023-24.

The decision to increase the residential electricity tariff by 2.5% (less than forecast growth in the Consumer Price Index of 3.5%) in 2023-24 results in the tariff remaining below the cost of supply in 2023-24.

Household and Small Business Electricity Credits

To alleviate cost of living pressures for Western Australians, \$551.5 million will be provided to Synergy and Horizon Power's residential and small business customers (including \$400 for the 'representative' household). The credits will be funded by the State and Commonwealth Governments, and rolled out from July 2023. A further \$14.9 million will be provided to the Department of Finance to deliver the credits to households that are not direct customers of Synergy or Horizon Power.

Synergy Financial Viability Subsidies

Synergy will continue to be provided operating subsidies to fund a range of revenue shortfalls, as reflected in the following table. The subsidies will ensure that Synergy is appropriately compensated for activities that it is required to undertake on behalf of the Government (such as rebates and concessions) and include the System Security Transition Payment (SSTP). The SSTP is a subsidy that recognises Synergy is required to be the provider of last resort, in order to maintain the security and reliability of the energy market, despite the costs of operating its electricity generation fleet exceeding the benefits it receives from the market.

Table 8.4

SYNERGY FINANCIAL VIABILITY SUBSIDIES

	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m	Total 2023-24 to 2026-27 \$m
Distributed Energy Buyback Scheme	4.1	27.8	5.0	6.4	6.6	45.8
Over the Counter and Paper-Bill Fee Recovery	2.6	2.6	2.6	2.7	2.7	10.7
Re- and De-energisation Fee Recovery	3.3	2.9	2.4	2.0	1.6	8.9
Renewable Energy Buyback Scheme	44.7	60.7	31.1	23.1	25.3	140.2
System Security Transition Payment	116.4	76.9	57.4	-	-	134.3
Tariff Equalisation Contribution Recovery	92.4	91.4	93.3	93.3	93.3	371.3
Wholesale Electricity Market Reform	4.7	4.3	-	-	-	4.3
TOTAL	268.1	266.5	191.8	127.5	129.6	715.4

Regional Utilities Pricing Subsidies

The provision of water and electricity services to regional areas, at the same or similar price levels to those in the metropolitan region, has a significant impact on the State's finances.

Water Corporation Country Water Pricing Subsidy

The Water Corporation's Country Water Pricing Subsidy totals \$1.9 billion over the forward estimates period. The subsidy funds the gap between the cost of providing water, wastewater and drainage services in regional areas and the revenue received from customers receiving those services. The subsidy is funded from the Consolidated Account.

Regional Electricity Subsidies

Horizon Power receives the Tariff Equalisation Contribution (TEC) subsidy due to the Government's Uniform Tariff Policy, whereby all residential and small business customers pay the same regulated charges for electricity services.

The TEC funds the difference between the efficient costs of supply in the South West Interconnected System and Horizon Power's (higher regional) costs. The TEC is funded by Western Power's network distribution customers (Synergy and other electricity retailers).

In 2023-24, approximately 49% of the TEC will be funded by an operating subsidy provided to Synergy to compensate it for its residential tariffs under-recovering the cost of supply (which includes the TEC). The remaining 51% of the TEC will be funded by commercial customers (both Synergy and non-Synergy).

The value of the Country Water Pricing Subsidy and the TEC (provided to the Water Corporation and Horizon Power respectively) is outlined below.

Table 8.5

REGIONAL UTILITIES PRICING SUBSIDIES						
	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m	Total 2023-24 to 2026-27 \$m
Country Water Pricing Subsidy	433.2	431.5	464.6	511.1	505.3	1,912.5
Tariff Equalisation Contribution	175.0	197.0	199.0	207.0	217.0	820.0
TOTAL	608.2	628.5	663.6	718.1	722.3	2,732.5

A detailed list of expenses to individual public corporations from the general government sector is provided in the following table.

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS ^(a)

Table 8.6

Details of Payment	Funding Department	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m
ELECTRICITY CORPORATIONS						
Horizon Power						
<i>Operating Subsidies</i>						
Cost of Living Support – \$400 Household Electricity Credit	Treasury	15.8	-	-	-	-
Cost of Living Support – Household and Small Business Electricity Credits	Treasury	-	20.5	-	-	-
Continuity of Esperance Energy Supply	Treasury	13.0	2.5	-	-	-
Air Conditioning Allowance	Treasury	1.2	1.2	1.2	1.3	1.3
Case Management	Treasury	0.4	0.4	0.4	0.4	0.4
CPI and Public Sector Wages Policy	Treasury	10.2	-	-	-	-
Customer Billing and Safety Systems	Treasury	1.8	-	-	-	-
Dependent Child Rebate	Treasury	1.0	1.0	1.0	1.0	1.1
Diesel Prices	Treasury	9.0	-	-	-	-
Electric Vehicle Charging Network	Treasury	0.2	0.3	0.3	0.3	0.3
Tariff Migration – Movement to L2 and A2 Tariff	Treasury	0.1	0.1	- ^(b)	- ^(b)	- ^(b)
Tariff Adjustment Payment	Treasury	1.0	2.1	2.4	-	-
Transfer of Essential Services – Royalties for Regions	Treasury	7.5	30.6	31.2	32.0	32.0
Transfer of Essential Services – Remote Communities Fund	Treasury	4.3	9.4	9.5	8.6	-
Transfer of Essential Services	Treasury	-	-	-	-	9.6
Remote Communities Essential Services	Treasury	0.8	0.8	0.8	0.8	0.8
WA Government Energy Assistance Payment	Treasury	2.1	2.1	2.2	2.3	2.3
<i>Other Subsidies</i>						
Hardship Utility Grant Scheme	Communities ^(c)	0.2	0.2	0.2	0.2	0.2
Subtotal		68.6	71.3	49.2	46.9	48.0

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS ^(a)

Table 8.6 (cont.)

		2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m
Details of Payment	Funding Department					
Synergy						
<i>Operating Subsidies</i>						
COVID-19 Response – Smart Energy for Social Housing	Treasury	2.0	1.0	-	-	-
Cost of Living Support – \$400 Household Electricity Credit	Treasury	419.7	-	-	-	-
Cost of Living Support – Household and Small Business Electricity Credits	Treasury	-	531.0	-	-	-
Account Establishment Fee Rebate	Treasury	0.8	0.7	0.7	0.7	0.7
Air Conditioning Allowance	Treasury	0.1	0.1	0.1	0.1	0.1
Consumer Engagement Platform	Treasury	13.0	10.0	1.0	-	-
Decarbonisation Feasibility	Treasury	15.1	-	-	-	-
Dependent Child Rebate	Treasury	20.9	21.8	22.7	23.6	24.6
Distributed Energy Buyback Scheme	Treasury	4.1	27.8	5.0	6.4	6.6
Electric Vehicle Charging Network	Treasury	0.1	0.1	0.1	-	-
Emergency Solar Management	Treasury	9.2	6.1	6.1	6.1	-
Hardship Response	Treasury	1.7	1.7	1.7	1.7	1.7
Late Payment Fee Waiver	Treasury	0.6	0.6	0.6	0.6	0.6
Over the Counter and Paper-Bill Fee Recovery	Treasury	2.6	2.6	2.6	2.7	2.7
Re- and De-energisation Fee Recovery	Treasury	3.3	2.9	2.4	2.0	1.6
Renewable Energy Buyback Scheme	Treasury	44.7	60.7	31.1	23.1	25.3
System Security Transition Payment	Treasury	116.4	76.9	57.4	-	-
Tariff Equalisation Contribution Recovery	Treasury	92.4	91.4	93.3	93.3	93.3
WA Government Energy Assistance Payment	Treasury	89.5	84.9	88.4	92.0	95.8
Wholesale Electricity Market Reform	Treasury	4.7	4.3	-	-	-
<i>Other Subsidies</i>						
Hardship Utility Grant Scheme	Communities ^(c)	7.9	7.9	7.9	7.9	7.9
<i>Subtotal ^(d)</i>		848.6	932.3	321.0	260.3	261.0
Western Power						
<i>Other Subsidies</i>						
Mid West Hydrogen Hub Feasibility Study	JTSI ^(e)	1.5	1.5	-	-	-
<i>Subtotal</i>		1.5	1.5	-	-	-

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS ^(a)

Table 8.6 (cont.)

Details of Payment	Funding Department	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m
WATER CORPORATIONS						
Water Corporation						
<i>Operating Subsidies</i>						
Country Water Pricing Subsidy ^(f)	Treasury	379.2	430.7	452.3	479.5	505.0
Country Water Pricing Subsidy – Royalties for Regions	Treasury	54.0	-	-	-	-
Concessional Lands ^(g)	Treasury	70.5	75.9	78.7	81.7	84.9
Infill Sewerage	Treasury	-	-	7.9	-	-
Metropolitan Operations	Treasury	1.6	1.4	-	-	-
Pensioner and Senior Concessions	Treasury	109.2	113.1	114.7	116.9	116.6
<i>Other Subsidies</i>						
Essential and Municipal Services Upgrade Program	Communities ^(c)	10.6	13.5	7.5	4.9	-
Hardship Utility Grant Scheme	Communities ^(c)	0.4	0.4	0.4	-	-
Metering Services	DWER ^(h)	0.2	0.2	0.2	0.2	0.2
Remote Essential Services Program – Royalties for Regions	Treasury	5.6	22.9	23.3	23.9	23.9
Remote Essential Services Program – Remote Communities Fund	Treasury	4.1	8.9	10.3	10.6	-
Regional Water Subsidies ⁽ⁱ⁾	JTSI ^(e)	19.4	42.1	16.3	-	-
<i>Subtotal</i>		654.8	709.1	711.6	717.7	730.6
Bunbury Water Corporation (Aqwest)						
<i>Operating Subsidies</i>						
Pensioner and Senior Concessions	Treasury	0.9	0.8	0.8	0.9	0.9
Residential Tariff Subsidy	Treasury	0.7	1.5	2.4	3.4	3.5
<i>Subtotal</i>		1.6	2.3	3.3	4.3	4.4
Busselton Water Corporation						
<i>Operating Subsidies</i>						
Pensioner and Senior Concessions	Treasury	0.7	0.7	0.7	0.7	0.8
<i>Subtotal</i>		0.7	0.7	0.7	0.7	0.8

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS ^(a)

Table 8.6 (cont.)

Details of Payment	Funding Department	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m
PORT AUTHORITIES						
Fremantle Port Authority						
<i>Operating Subsidies</i>						
Westport – Technical Input and Support	Treasury	0.3	0.3	-	-	-
<i>Other Subsidies</i>						
Westport Feasibility Study – Kwinana Bulk Jetty Relocation	Transport ^(o)	5.5	2.0	-	-	-
<i>Subtotal</i>		5.8	2.3	-	-	-
Kimberley Ports Authority						
<i>Operating Subsidies</i>						
Transfer of Wyndham, Derby and Yampi Ports	Treasury	2.5	2.5	2.5	-	-
<i>Subtotal</i>		2.5	2.5	2.5	-	-
Pilbara Ports Authority						
<i>Other Subsidies</i>						
Dampier – Burrup Port Infrastructure	JTSI ^(e)	8.7	8.7	8.7	8.7	8.7
<i>Subtotal</i>		8.7	8.7	8.7	8.7	8.7
Southern Ports Authority						
<i>Operating Subsidies</i>						
Government Support Package – Koolyanobbing Iron Ore	Treasury	10.0	-	-	-	-
<i>Subtotal</i>		10.0	-	-	-	-

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS ^(a)

Table 8.6 (cont.)

Details of Payment	Funding Department	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m
LAND AGENCIES						
DevelopmentWA						
<i>Operating Subsidies</i>						
Election Commitment – Industrial Land Development Fund	Treasury	20.0	35.0	45.0	25.0	-
COVID-19 Response – Australian Marine Complex	Treasury	15.9	4.0	-	-	-
COVID-19 Response – Bentley Technology Park	Treasury	4.3	2.7	-	-	-
COVID-19 Response – Council of Australian Governments' Waste Export Ban	Treasury	5.0	-	-	-	-
COVID-19 Response – East Keralup Economic Activation	Treasury	3.8	0.8	-	-	-
COVID-19 Response – East Perth Redevelopment	Treasury	0.4	-	-	-	-
COVID-19 Response – Kemerton General Industrial Area	Treasury	5.8	1.0	-	-	-
COVID-19 Response – Neerabup Automation and Robotics Park	Treasury	6.3	7.4	1.9	-	-
COVID-19 Response – Nyamba Buru Yawuru Broome Projects	Treasury	0.2	-	-	-	-
COVID-19 Response – Nyamba Buru Yawuru Health and Wellbeing Campus	Treasury	3.2	4.3	3.5	2.9	-
COVID-19 Response – Nyamba Buru Yawuru Bulky Goods Precinct	Treasury	0.1	-	-	-	-
Australian Marine Complex – Rate of Return Stages 1 and 2	Treasury	19.0	19.0	19.0	19.0	19.0
Australian Marine Complex – Infrastructure	Treasury	0.8	9.2	8.0	2.0	-
Bentley Residential Redevelopment	Treasury	-	5.6	5.7	-	-
Bunbury Waterfront	Treasury	1.5	3.5	-	-	-
Burrup Strategic Industrial Area	Treasury	2.0	1.8	2.0	1.6	1.2
Collie Industrial Land	JTSI ^(e)	-	5.0	-	-	-
Dixon Road Reserves	Treasury	0.5	-	-	-	-
DPLH Housing Pipeline Diversity Fees	DPLH ^(f)	-	0.4	-	-	-
East Perth Power Station	Treasury	41.2	6.2	2.8	-	-
Kalgoorlie Heavy Industrial Development – Lot 350, Great Eastern Highway	Treasury	-	8.0	12.0	3.0	-
Kwinana Land – Holding Costs	Treasury	1.9	2.1	2.0	2.0	2.2
Land Agency Reform – Holding Costs	Treasury	7.3	7.3	7.3	7.3	7.3
Ocean Reef Marina	Treasury	5.5	13.5	30.0	9.0	-
Residential Land Development for Social and Affordable Housing – Holding Costs	Treasury	7.8	10.0	22.5	22.5	22.5
Regional Development Assistance Program	Treasury	4.0	7.0	7.0	7.0	7.0
Regional Residential Land Developments	Treasury	6.0	8.5	4.6	-	-
Subi East Precinct	Treasury	10.0	20.1	12.4	-	-
Sustainable Funding Model Principles	Treasury	16.0	15.6	15.5	15.5	12.6
Technology Precinct – Australian Marine Complex & Bentley	Treasury	1.7	1.7	1.7	1.3	1.3
Yagan Square	Treasury	4.9	-	-	-	-
Yamatji Nation Settlement	Treasury	-	2.4	-	-	0.7

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS ^(a)

Table 8.6 (cont.)

	Funding Department	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m
Details of Payment						
DevelopmentWA						
<i>Other Subsidies</i>						
Mid West Hydrogen Hub	JTSI ^(e)	1.2	-	-	-	-
Mardalup Park	Treasury	0.6	-	-	-	-
Royalties for Regions – Various Projects	Treasury	2.5	5.3	-	-	-
Yerriminup Agribusiness Precinct Activation	DPIRD ^(k)	4.0	-	-	-	-
<i>Subtotal</i>		<u>203.4</u>	<u>207.4</u>	<u>202.9</u>	<u>118.1</u>	<u>73.8</u>
OTHER						
Racing and Wagering Western Australia						
<i>Other Subsidies</i>						
Direct Grants – Racing Bets Levy	GWC ^(l)	90.0	93.2	95.8	98.1	98.1
Point of Consumption Tax – Racing Funding	Treasury	37.5	34.7	31.9	32.5	33.1
<i>Subtotal</i>		<u>127.5</u>	<u>127.9</u>	<u>127.7</u>	<u>130.6</u>	<u>131.2</u>
Forest Products Commission						
<i>Operating Subsidies</i>						
Partial Compensation for Retention of a Portion of Gnangara Pines	Treasury	0.2	-	-	-	-
<i>Subtotal</i>		<u>0.2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Table 8.6 (cont.)

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS (a)

	Funding Department	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m
Details of Payment						
Public Transport Authority ^(m)						
<i>Operating Subsidies</i>						
Transperth and Regional Town Services						
General	Treasury	884.0	900.7	886.5	854.8	884.3
Concession Fares	Treasury	31.8	32.6	41.1	41.8	42.6
Pensioners, Seniors and Carers Free Travel	Treasury	15.4	16.7	22.1	22.4	22.7
School Children Fares	Treasury	24.8	26.5	32.7	34.6	36.5
Perth Stadium Special Events	Treasury	7.5	16.3	16.3	16.3	16.3
Regional Town Bus Services	Treasury	16.7	17.5	17.5	17.5	17.5
Regional School Bus Services	Treasury	122.7	131.4	133.6	135.1	139.0
Regional School Bus Conveyance Allowance	Treasury	1.7	1.8	1.8	1.9	1.9
Transwa						
General	Treasury	31.7	35.2	34.5	34.2	34.4
Concession Fares	Treasury	3.7	3.3	3.4	3.7	3.8
Annual Free Trip for Pensioners	Treasury	1.9	1.7	1.7	1.9	1.9
Freight Network – General	Treasury	18.7	19.4	17.6	18.1	18.6
<i>Other Subsidies</i>						
CCI – Apprenticeship Support Australia Grant	DTWD ⁽ⁿ⁾	- ^(b)	- ^(b)	- ^(b)	- ^(b)	- ^(b)
Bus Stops Accessibility Upgrades	Transport ^(o)	1.7	1.7	-	-	-
Royalties for Regions – District Allowance Payments	Treasury	- ^(b)	- ^(b)	- ^(b)	- ^(b)	- ^(b)
Regional School Bus Services – Intensive English Centres and Other Services	Education ^(p)	5.9	6.6	6.6	6.7	6.7
Transperth Free Transit Zone – Recurrent Grant	Transport ^(o)	20.3	19.3	18.3	18.3	18.3
Tunnel Monitoring	Transport ^(o)	0.2	0.2	0.2	0.2	0.2
Subtotal		1,188.7	1,230.8	1,234.0	1,207.5	1,244.9

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS ^(a)

Table 8.6 (cont.)

	Funding Department	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m
Details of Payment						
Department of Communities, Housing Services						
<i>Other Subsidies</i>						
Geraldton Aboriginal Short Stay Accommodation Facility	DPIRD ^(k)	-	-	-	0.3	0.4
Geraldton Alternative Settlement Agreement	Treasury	0.6	0.5	0.9	-	-
Government Office Accommodation Lease Shortfall	Treasury	4.2	4.2	4.2	4.2	4.2
Government Regional Officer Housing Reform	Treasury	-	0.5	0.5	-	-
National Rental Affordability Scheme	Treasury	11.5	11.1	9.0	9.0	-
North West Aboriginal Housing Fund	Various	12.8	9.0	6.9	9.8	4.3
Public Sector Wage Offer – Agency Impact	Treasury	10.4	8.3	10.8	14.5	-
Regional Renewal – Royalties for Regions	Treasury	4.0	2.9	-	-	-
Remote Communities ^(g) – Royalties for Regions	Various	110.2	93.6	113.0	84.9	62.5
Retention of Social Housing	Treasury	-	50.8	-	-	-
Social Housing Economic Recovery Package	Treasury	18.8	27.0	9.7	5.7	-
Social Housing Operational	Treasury	44.1	31.2	59.5	59.5	59.5
South West Native Title	Treasury	0.3	2.3	2.5	4.8	-
Various	Various	14.2	1.1	1.5	1.3	35.5
<i>Subtotal</i>		<i>231.2</i>	<i>242.7</i>	<i>218.6</i>	<i>194.0</i>	<i>166.4</i>
Total		3,353.7	3,539.5	2,880.2	2,688.7	2,669.8

- (a) Details of operating and other subsidies contained in this appendix may differ to those disclosed in Budget Paper No. 2: *Budget Statements*. Details contained in this appendix are accrual in nature, while appropriations detailed in Budget Paper No. 2 are on a cash basis. Funding is from the Consolidated Account and other general government agencies. A further breakdown of some of these operating and other subsidies is contained as part of Appendix 6: *State Government Social Concessions Expenditure Statement*.
- (b) Amount less than \$50,000.
- (c) Department of Communities.
- (d) In 2022-23, Synergy returned amounts to the Consolidated Account totalling \$13.5 million after completing year-end 2021-22 reconciliations for the operating subsidies received in relation to the Re- and De-energisation Fee Recovery (\$8.7 million), Over the Counter and Paper-Bill Fee Recovery (\$2.9 million), Hardship Response (\$0.5 million), and a range of other rebates and concessions (\$1.4 million).
- (e) Department of Jobs, Tourism, Science, and Innovation.
- (f) Subsidy allocations are indicative and may be updated as part of a future Budget process.
- (g) Includes concessions provided for non-rated and exempt properties.
- (h) Department of Water and Environmental Regulation.
- (i) Aggregated subsidies funded by the Department of Jobs, Tourism, Science, and Innovation, including commercially sensitive costs.
- (j) Department of Planning, Lands, and Heritage.
- (k) Department of Primary Industries and Regional Development.
- (l) Gaming and Wagering Commission.
- (m) Includes service appropriations authorised under the *Salaries and Allowances Act 1975*.

EXPENSES FROM THE GENERAL GOVERNMENT SECTOR TO PUBLIC CORPORATIONS ^(a)		Table 8.6 (cont.)
(n)	Department of Training and Workforce Development.	
(o)	Department of Transport.	
(p)	Department of Education.	
(q)	Includes some projects in response to Ex-Tropical Cyclone Ellie which remain subject to ongoing funding negotiations with the Commonwealth.	
Note: Columns may not add due to rounding.		

Household Tariffs, Fees and Charges

The Department of Treasury produces a model that estimates the costs of tariffs, fees and charges incurred by a 'representative' household through the consumption of certain government goods and services.

Calculating the effects of changes in government tariffs, fees and charges for a single 'representative' household can never entirely capture the diversity in household structures or the widely differing patterns of usage of public sector goods and services.

Nonetheless, the model seeks to highlight the impact of changes in major tariffs, fees and charges on a particular hypothetical household reflecting current average electricity and water consumption, an assumed level of public transport use, and specified consumption of a range of other public sector goods and services (including some specific taxes).

For the 2023-24 household model, Treasury has reviewed the assumptions underpinning the 'representative' household. The assumptions are considered to be appropriate and therefore no changes were made to the assumptions reflected in the following table.

Results

The impact of changes in tariffs, fees and charges in 2023-24 on the 'representative' household is shown in the table below.

Table 8.7

ESTIMATED IMPACT ON THE 'REPRESENTATIVE' HOUSEHOLD				
	2022-23 \$ level	% change	\$ change	2023-24 \$ level
Utility Charges ^(a)				
Electricity ^(b)	1,812.52	2.5	45.30	1,857.82
\$400 Household Electricity Credit ^(c)	-400.00	n/a	n/a	-400.00
Water, wastewater, and drainage ^{(d)(e)}	1,803.71	2.5	45.11	1,848.82
<i>Total</i>	<i>3,216.23</i>	<i>2.8</i>	<i>90.41</i>	<i>3,306.64</i>
Public Transport ^(f)				
Student fares ^(g)	280.00	—	—	280.00
Standard fares ^(h)	1,152.00	2.0	23.04	1,175.04
<i>Total</i>	<i>1,432.00</i>	<i>1.6</i>	<i>23.04</i>	<i>1,455.04</i>
Motor Vehicles ⁽ⁱ⁾				
Vehicle licence charge	414.92	3.9	16.00	430.92
Recording fee	10.30	—	—	10.30
Driver's licence	93.70	—	—	93.70
Motor Injury Insurance (MII)	426.10	2.3	9.76	435.86
<i>Total</i>	<i>945.02</i>	<i>2.7</i>	<i>25.76</i>	<i>970.78</i>
Emergency Services Levy (ESL) ^(e)	297.26	5.0	14.86	312.12
Stamp Duty ^(j)				
Stamp duty on general insurance ^(k)	203.50	—	—	203.50
Stamp duty on MII	42.61	—	—	42.61
<i>Total</i>	<i>246.11</i>	<i>—</i>	<i>—</i>	<i>246.11</i>
Total Expenditure	6,136.62	2.5	154.07	6,290.69
Total Expenditure (excluding electricity credits)	6,536.62	2.4	154.07	6,690.69

(a) Assumes no access to concessions, rebates, or hardship packages.

(b) Consumes 4,721 kWh of electricity per year, based on the current average consumption level for a household. Electricity charges shown in 2023-24 have been estimated using the 2022-23 average consumption to isolate the price increase.

(c) Reflects the Government's decisions to deliver relief to households in the form of a \$400 Household Electricity Credit to be applied on each residential electricity customer's bill in 2022-23 and 2023-24.

(d) Consumes 230 kL of water per year.

(e) Owns and occupies a property that has an average gross rental value (for calculation of wastewater, drainage, and ESL charges).

(f) Transperth fares are assumed to be purchased using the lowest cost means available (i.e., SmartRider Autoload) and increases are rounded to the nearest 10 cents.

(g) Purchases 10 Transperth student fares in 40 weeks of the year. Reflects that travel on student fares occurs only during the school term.

(h) Purchases six standard two zone Transperth fares in 48 weeks per year. Reflects travel to attend work three days per week and accounts for annual leave provisions.

(i) Based on a household with two drivers and owning one car (a sedan with tare weight of 1,600 kg – relevant for the purpose of determining the appropriate level of vehicle licence charge).

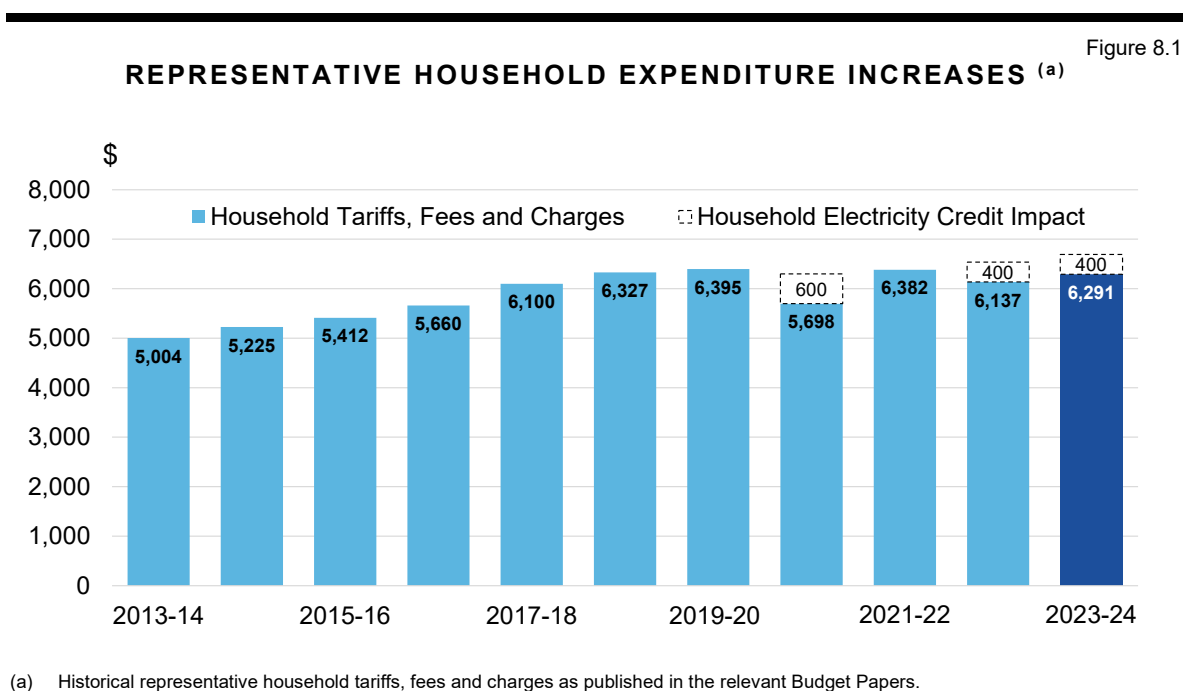
(j) Stamp duty in 2023-24 has been estimated using 2022-23 insurance premiums to isolate the price impact.

(k) The 'representative' household pays average home and contents and motor vehicle insurance, based on information from the insurance industry.

Note: Columns may not add due to rounding.

Total tariffs, fees and charges by the 'representative' household on this basket of public sector goods and services in 2023-24 is \$6,290.69. This represents an increase of \$154.07 relative to 2022-23. This is the fourth year in a row that the Government has kept household tariffs, fees and charges to below projected inflation.

The following chart illustrates the impact of the Household Electricity Credits on the total tariffs, fees and charges that a representative household pays. After the application of the \$400 credit, the representative household will pay less in 2023-24 (\$6,291) than in 2018-19 (\$6,327) – despite the CPI increasing by an estimated 21.9% over this period.



Electricity Tariffs

Approved electricity tariff changes for 2023-24, and the Budget planning assumptions from 2024-25 onwards, are outlined below.

2023-24 BUDGET ELECTRICITY TARIFF PRICE PATH					Table 8.8
	2023-24 %	2024-25 %	2025-26 %	2026-27 %	
NON-CONTESTABLE TARIFFS					
Residential (A1/A2)	2.50	2.50	2.50	2.50	
Residential Hot Water (B1)	2.50	2.50	2.50	2.50	
Community and Charitable Organisations (C1/C2)	2.50	2.50	2.50	2.50	
Charitable Organisation Providing Residential Accommodation (D1/D2)	2.50	2.50	2.50	2.50	
Combined Residential/Business (K1/K2)	2.50	2.50	2.50	2.50	
Small Business (L1/L2)	2.50	2.50	2.50	2.50	
Small Business Time of Use (R1)	2.50	2.50	2.50	2.50	
Unmetered Supply (UMS) ^(a)	3.91	3.91	3.91	3.91	
Traffic Lighting (W1/W2) ^(a)	4.06	4.06	4.06	4.06	
Street Lighting (Z) – South West Interconnected System ^(a)	4.80	4.80	4.80	4.80	
Street Lighting (Z) – Horizon Power service area ^(a)	5.90	5.90	5.90	5.90	
CONTESTABLE TARIFFS ^(a)					
Medium Business (L3/L4)	(3.74)	(3.74)	(3.74)	(3.74)	
Medium Business Time of Use (R3)	(1.13)	(1.13)	(1.13)	(1.13)	

(a) These regulated tariffs approximate cost-reflective levels and have been smoothed over the forward estimates period to minimise large year-on-year movements in price.

Electricity tariffs for residential, community, charitable organisations and small business customers will increase below forecast inflation in 2023-24, and are forecast to remain below or in line with inflation across the remainder of the forward estimates period. All other tariffs have been adjusted to achieve or maintain cost-reflectivity on a smoothed basis across the Budget period.

The approved streetlight price path in Horizon Power's service area differs from the streetlight price path in the South West Interconnected System (SWIS). This will result in recovery of a greater proportion of costs in Horizon Power's service area and reduce cross-subsidisation by SWIS customers.

Water Tariffs

The Government has approved a 2.5% increase to water consumption (fixed and variable), wastewater, and drainage tariffs for metropolitan and country customers in 2023-24, which is below the 2023-24 Budget inflation forecast of 3.5%.

A selection of key tariff changes from 2022-23 to 2023-24 is provided in the following table.

Table 8.9

WATER CORPORATION'S 2023-24 TARIFF CHANGES			
	2022-23	2023-24	% Change
METROPOLITAN RESIDENTIAL TARIFFS			
Water			
Standard fixed service charge (\$)	275.70	282.59	2.5
Consumption charges (c/kL) ^(a)			
0-150 kL	190.5	195.3	2.5
151-500 kL	253.9	260.2	2.5
Over 500 kL	474.9	486.8	2.5
Wastewater (c in \$GRV) ^{(b)(c)}			
First \$16,400 Gross Rental Value (GRV)	5.240	n/a	2.5
Over \$16,400 GRV	3.869	n/a	2.5
Drainage			
Drainage charge (c/\$ of GRV) ^{(c)(d)}	0.662	n/a	2.5
METROPOLITAN NON-RESIDENTIAL TARIFFS			
Water			
Standard fixed service charge (\$)	292.97	300.29	2.5
Minimum charge (15 or 20 mm) ^(e)	292.97	300.29	2.5
Consumption charges (c/kL) ^(f)	271.2	278.0	2.5
Wastewater ^(g)			
First fixture (\$)	1,099.70	1,127.19	2.5
Volumetric charge (c/kL)	404.1	414.2	2.5
Drainage			
Drainage charge (c/\$ of GRV) ^{(c)(d)}	0.369	n/a	2.5

(a) Country residential water consumption charges are no more than metropolitan charges for the first 300 kL.

(b) Country residential wastewater charges are subject to minimum and maximum charges.

(c) 2.5% increase is based on effective absolute revenue impact, not rate directly. 2023-24 GRV-based tariffs will be determined in May 2023 once GRV data is available.

(d) Drainage is not charged outside the metropolitan region.

(e) The charge varies depending upon the size of the meter.

(f) Country non-residential water consumption charges are location-based.

(g) Non-residential wastewater charges are uniform across the State.

For the 'representative' household that pays a fixed service charge, consumes 230 kL and owns and occupies a property that has an average gross rental value, this will result in an overall 2.5% increase.

For Budget planning purposes, it has been assumed that household water, wastewater and drainage tariffs will increase by 2.5% per year from 2024-25 onwards, which is below or in line with inflation forecasts over the forward estimates period.

Public Transport Fares

Transperth standard cash fares will also rise by less than projected inflation in 2023-24, with an approved increase of 2.5%. There are no changes to the 70-cent school student fare, SmartRider discounts (which will remain at 20% for Autoload and 10% for Other reload) or the \$2 per day parking fee.

Passengers will continue to benefit from the two-zone fare cap that was implemented on 1 January 2022. Seniors, disability and age pensioner cardholders, and carers will continue to be eligible for free travel on weekdays before 6am, between 9am and 3:30pm and after 7pm, and anytime on weekends and public holidays.

To further promote the use of public transport, free travel on regular Transperth services will be provided for all SmartRider users on the first Sunday of each month on a trial basis across 2023-24 and 2024-25.

The Public Transport Authority's Budget projections assume standard Transperth fares will increase by 2.5% per annum over the period 2024-25 to 2026-27, and that concession fares will increase – as a proportion of standard fares – by 1% per year from 2024-25, which continues the Government's policy (set in the 2017-18 Budget) to increase concession fares to 50% of standard fares over a 10-year period.

The following table details the revised cash fares for various journey lengths in 2023-24.

TRANSPERTH FARES 2023-24

Table 8.10

	2022-23	\$ increase ^(a)	% increase	2023-24
Standard Cash Fare ^(b)				
2 sections	\$2.30	\$0.00	-	\$2.30
1 zone	\$3.30	\$0.10	3.0	\$3.40
2 – 9 zones	\$5.00	\$0.10	2.0	\$5.10
Day Rider	\$10.00	\$0.30	3.0	\$10.30
Family Rider	\$10.00	\$0.30	3.0	\$10.30
Student	\$0.70	-	-	\$0.70

(a) Fare increases are rounded to 10 cent increments and are based on the 2022-23 fare calculated before rounding.

(b) Concession fares are 45% of the full standard fare subject to rounding.

Western Australian Treasury Corporation Borrowings

Introduction

The Western Australian Treasury Corporation (WATC) is the State's central borrowing authority and primary provider of debt finance for Western Australia's public sector. Each Australian State and Territory has a central borrowing authority to fund its debt, similar to WATC.

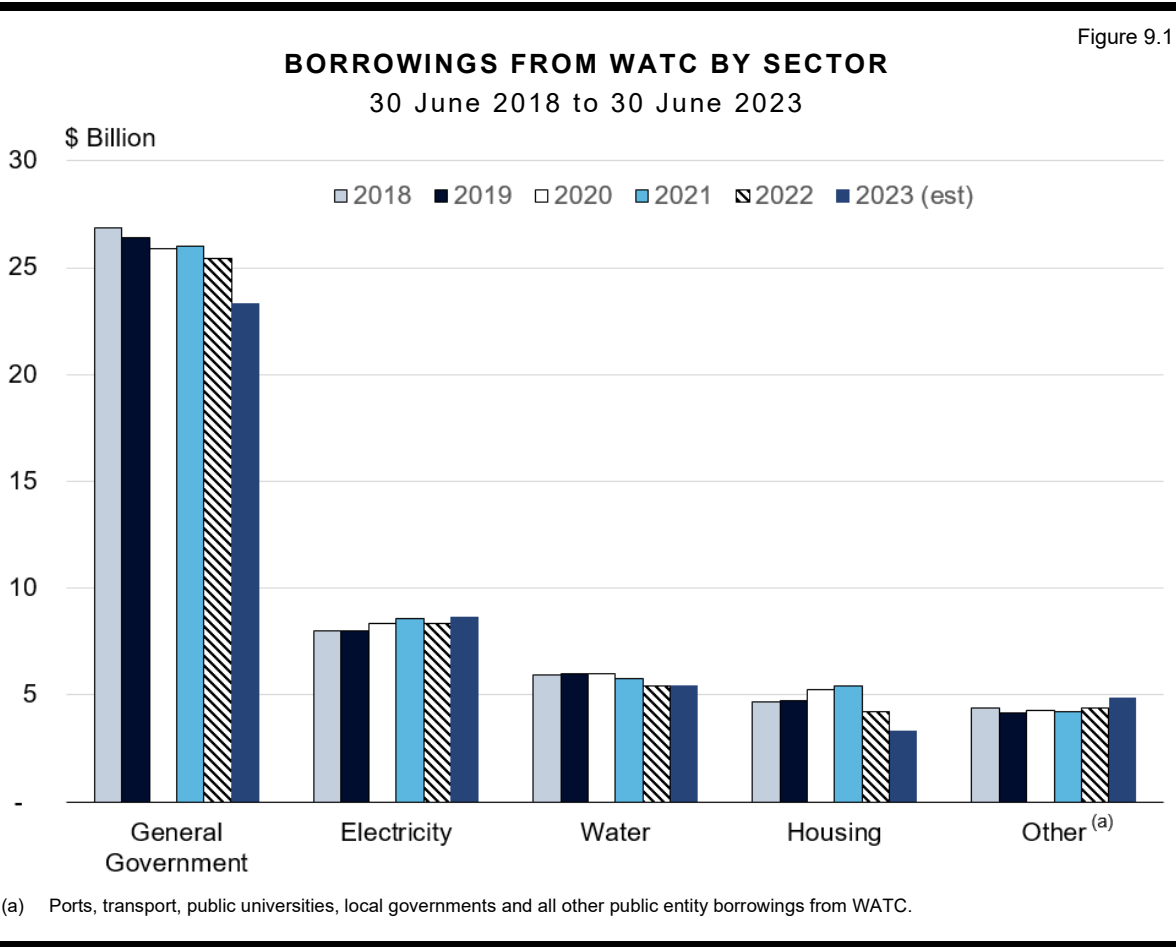
The Treasurer borrows from WATC on behalf of the State for general public purposes. Borrowings for general public purposes are authorised by the *Loan Act 2017* and preceding Loan Acts. The proceeds of all loans raised under the Loan Acts are paid into the Consolidated Account. The funds are then appropriated to agencies by Parliament in accordance with the State Budget.

Individual agencies with borrowing powers in their enabling legislation also borrow from WATC. These include Government Trading Enterprises, some general government statutory authorities, public universities and local government.

The aggregation of the borrowing requirements for each of these entities across the total public sector¹ results in the total debt portfolio that WATC is required to manage. For 30 June 2023, total borrowings from WATC are estimated to be \$45.8 billion. A breakdown of this portfolio by sector, and its evolution since 30 June 2018, is shown in the figure below.

The borrowing requirement for Western Australian public sector agencies in any particular year is determined as an outcome of the annual Budget and Mid-year Review processes. It reflects the consideration of government revenue less recurrent and capital expenditure, plus movements in the liquid assets of the sector.

¹ While funded by WATC, for the purposes of whole-of-government financial disclosures reflected in this Budget, and in line with treatment under applicable accounting standards, local governments and public universities are not classified as total public sector agencies of the State of Western Australia in the balance sheet disclosures elsewhere in the Budget Papers.

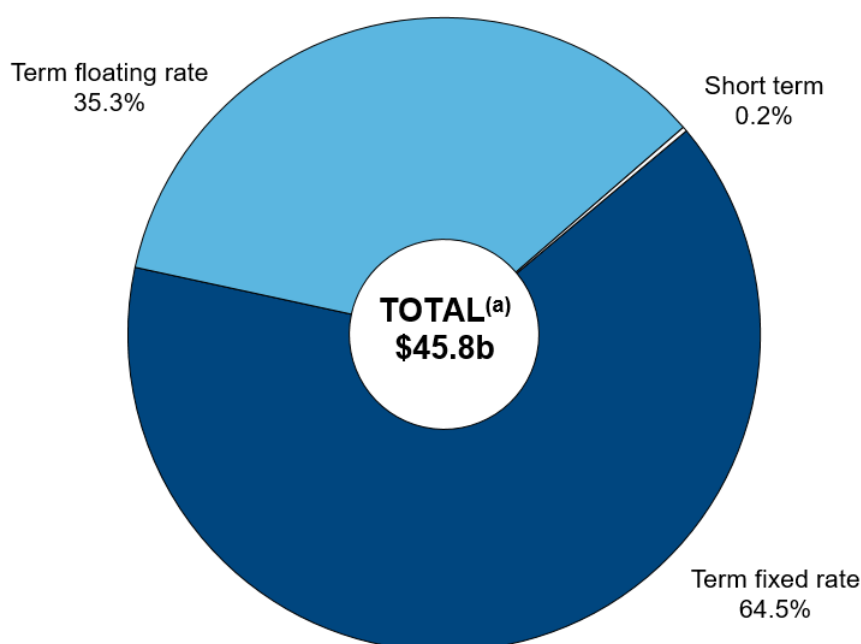


Total Borrowings from WATC

As at 30 June 2023, total agency borrowings from WATC are estimated to be \$45.8 billion, allocated over WATC's loan products as shown below, at an average portfolio interest rate of 3.28%.

ALLOCATION OF LOAN PRODUCTS AT 30 JUNE 2023

Figure 9.2



(a) Estimated allocation as at 30 June 2023.

Total borrowings from WATC are projected to rise moderately to \$48 billion by the end of 2026-27.

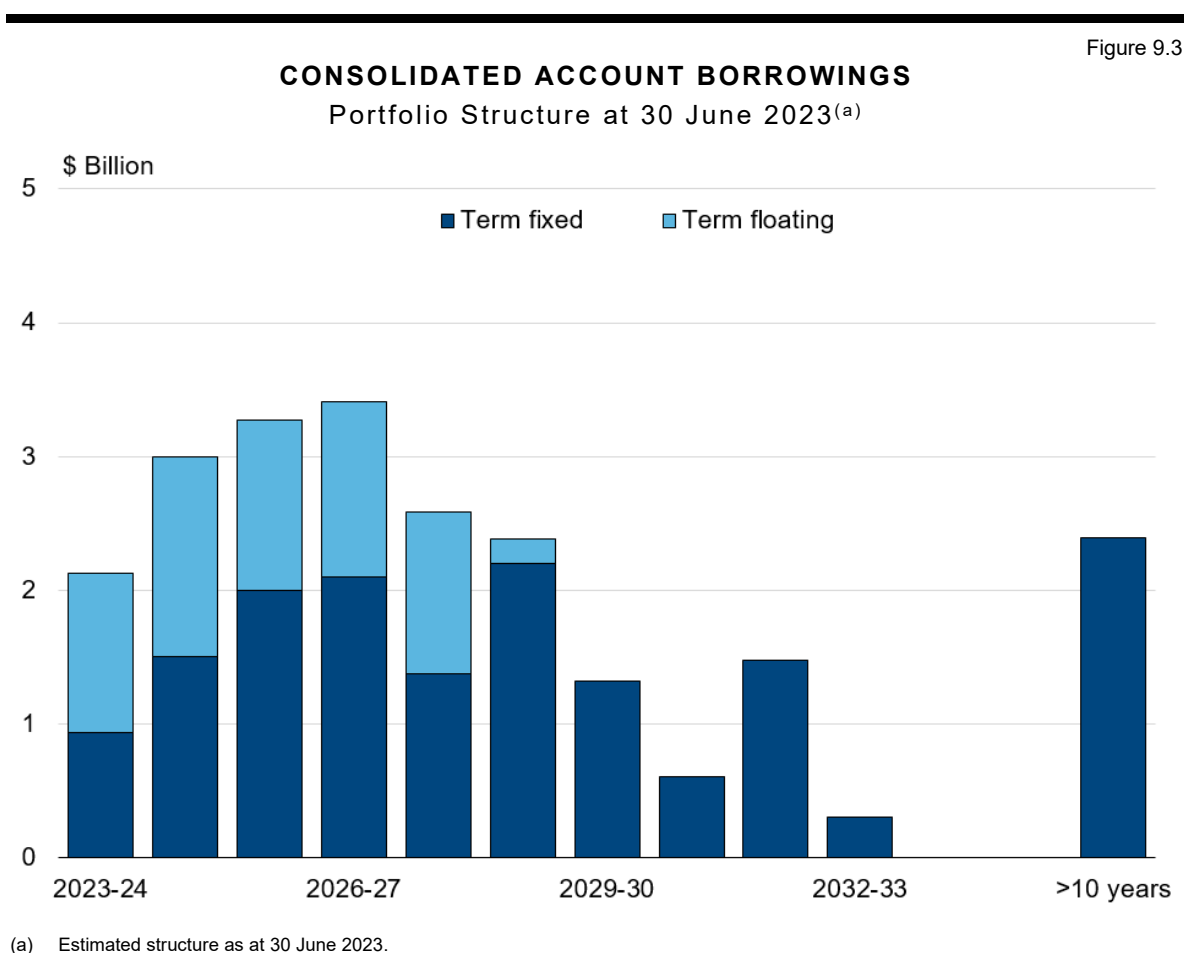
Consolidated Account Borrowings

Consolidated Account borrowings (i.e. borrowings for general public purposes) are estimated to represent 50% of WATC lending at 30 June 2023.

The *Loan Act 2017* authorises the borrowing requirements of the Consolidated Account. The Department of Treasury is responsible for administering Loan Acts on behalf of the Treasurer. The actual function of borrowing through debt capital markets is undertaken and managed by WATC and then on-lent to the Consolidated Account in accordance with a Debt Management Strategy that is agreed to by both parties.

The primary objective is for WATC to manage interest rate risk by maintaining a diversified portfolio of fixed and floating rate debt. This borrowing strategy is informed by financial modelling performed by WATC and prevailing market conditions. Practical implementation involves Treasury and WATC agreeing a target floating and fixed rate debt and maturity allocation to be achieved within each financial year to meet new borrowing and refinancing requirements. WATC has discretion as to the component products and maturity structure of individual advances, provided they are within the agreed allocation limits. Deviation from target allocations between fixed and floating rate debt is permitted over the short term.

The expected structure of the Consolidated Account borrowing profile at 30 June 2023 is shown below. This reflects the outcome of borrowing activity undertaken by WATC to achieve the interest rate risk management objective within the context of its responsiveness to market demand.



At 30 June 2023, Consolidated Account borrowings are estimated to total \$22.9 billion at an average interest rate of 3.3% across a portfolio of term fixed rate and term floating rate loans, and are expected to remain at \$22.9 billion by 30 June 2024.

Since last year's Budget, the Government has approved \$900 million of additional repayments of Consolidated Account borrowings in 2022-23. As a result, expected net new borrowings are \$900 million lower over the period 2022-23 to 2025-26 relative to last year's Budget (see table below). No new borrowings are forecast for the Consolidated Account over the next four years.

Table 9.1

CONSOLIDATED ACCOUNT BORROWING PROGRAM					
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
2022-23 BUDGET					
– New Borrowing	-	-	-	-	n/a
– Repayments	1,200	-	-	-	n/a
Net New Borrowing	-1,200	-	-	-	n/a
2023-24 BUDGET					
– New Borrowing	-	-	-	-	-
– Repayments	-2,100	-	-	-	-
Net New Borrowing	-2,100	-	-	-	-

All Other Borrowings from WATC

WATC also undertakes all other borrowings required by individual agencies with borrowing powers in their enabling legislation. This involves borrowing through debt capital markets and then on-lending to each agency in accordance with the agreed Debt Management Strategies adopted by these agencies.

Agencies with this authority mostly include the public corporations, public universities and local government.

At 30 June 2023, all other borrowings from WATC (i.e. excluding the Consolidated Account) are expected to total \$22.9 billion, at an average portfolio interest rate of 3.32%. This is forecast to increase to \$23.4 billion over 2023-24.

How WATC Raises Funds

WATC raises funds to finance Western Australia's debt requirements through issuing a range of debt securities on the Australian and international debt markets.

- **Benchmark Bonds** – domestic Australian dollar (AUD) fixed coupon bonds (includes bonds issued under the WATC Sustainable Bond Framework), which are expected to have a face value of \$39.3 billion outstanding at 30 June 2023, with eleven annual bond maturities from 2023 to 2034.
- **Non-Benchmark Bonds** – domestic AUD fixed coupon bonds with insufficient volume on issue to be considered Benchmark Bonds are expected to have a face value of \$0.7 billion outstanding at 30 June 2023, with a maturity in 2041.

- Floating Rate Notes (FRNs) – with coupon rates that change every three months, which are expected to have a face value of \$7.2 billion outstanding at 30 June 2023, with five maturities from 2024 to 2028.
- Short Term Inscribed Stock (STIS) – domestically issued short term paper with maturities out to one year, which are expected to have a face value of \$3.5 billion outstanding at 30 June 2023.
- Euro Commercial Paper (ECP) – short term paper issued in a range of currencies offshore, out to one year maturities, which are expected to have no issuance outstanding at 30 June 2023. All proceeds are swapped back into Australian dollars so that no currency risk exists.
- Euro Medium Term Notes (EMTN) – bonds issued offshore in a range of currencies, hedged back into Australian dollars such that no currency risk exists. This market is only used when pricing advantages exist relative to benchmark bonds. There is currently no issuance under this program, but it remains available subject to updated documentation.
- Other Borrowings – these include retail bonds (smaller parcels of bonds issued in conjunction with migrant schemes) and other smaller programs.

RBA holdings of WATC bonds and FRNs are expected to be approximately 16% of outstandings at 30 June 2023. It is estimated that about 58% of WATC bonds and FRNs are currently held by Australian banks² to meet regulatory requirements for their Tier 1 High Quality Liquid Asset portfolios³. Volatility in global markets has led to a reduction in holdings by offshore investors of semi-government debt. It is estimated that between 15% and 20% of WATC bonds are held by offshore investors.

By comparison, the Commonwealth has approximately 46% of its investors offshore, and it is estimated other large Australian State issuers have 15% to 25% of their investors offshore.

² At 31 March 2023, the holders of WATC paper are difficult to identify with precision, as about 17% is held in nominee company names with some investors preferring to remain anonymous. This is similar for central borrowing authorities in other States.

³ Only cash, deposits at the RBA, and Commonwealth and State-issued paper are currently eligible to meet this requirement from the Australian Prudential Regulation Authority.

Tax and Royalty Expenditure Statement

Purpose

The purpose of this tax and royalty expenditure statement is to provide information about the cost or value of tax and royalty concessions that would not otherwise be reported in the Budget Papers in the years after the concessions were introduced.

What is a tax or royalty expenditure?

Tax and royalty expenditures include revenue forgone by the Government, and financial benefits to taxpayers, from exemptions and other concessions that depart from the general tax or royalty treatment. They are 'expenditures' in the sense that their impact on the Budget is similar to direct outlays, and they can be used to achieve specific goals.

Labelling an exemption or concession as a tax or royalty expenditure does not necessarily imply any judgement about its appropriateness. Rather, it makes the amount of the exemption or concession explicit, and thereby facilitates scrutiny as part of the annual Budget process (including review of whether the exemption or concession is still effective in achieving any specific objective originally intended).

Measuring tax and royalty expenditures

Measuring a tax or royalty expenditure requires identification of:

- a benchmark tax or royalty base and rate; and
- concessionary tax or royalty treatment of components of the benchmark tax or royalty base (e.g. a concession or exemption for a particular industry, activity or class of taxpayer).

Identification of benchmark revenue bases and rates requires a degree of judgement. Furthermore, data limitations mean that the tax and royalty expenditures identified in this statement are only approximations. Data sources and methods used for estimating these expenditures are also subject to review each year (such that time series estimates may not be fully comparable).

Estimates of the expenditures have been derived from a range of sources, including unpublished data from relevant government agencies, Public Sector Commission ‘State of the Sector’ statistical bulletins, and Australian Prudential Regulation Authority reports. However, the statement is not exhaustive. For example, some exemptions and concessions have not been included due to data limitations. Very small exemptions or concessions are also excluded.

This year’s statement includes estimated actual expenditures for 2021-22 and 2022-23.

Table 10.1

SUMMARY OF MAJOR TAX AND ROYALTY EXPENDITURES

Western Australia

	2021-22 Estimated Actual \$m	2022-23 Estimated Actual \$m
PAYROLL TAX		
Tax-free threshold	1,734.9	1,747.4
State Government departments exemption ^{(a)(b)}	336.1	336.6
Public hospitals exemption ^(a)	312.1	338.5
Schools/colleges exemption ^(a)	280.2	298.2
Charitable bodies exemption	304.6	342.4
Local governments exemption	89.8	95.3
Apprentices and trainees exemption	44.2	40.6
Progressive payroll tax scales	-253.0	-284.4
LAND TAX AND METROPOLITAN REGION IMPROVEMENT TAX (MRIT)		
Principal place of residence exemption	443.5	529.2
Tax-free threshold	507.0	529.8
Primary production exemption	150.3	187.2
MRIT not applied State-wide	43.5	45.4
Religious bodies exemption	26.4	26.6
Educational institutions exemption ^(a)	29.6	29.5
Public charitable or benevolent institutions exemption	18.7	19.2
Land value growth cap	13.5	13.1
Developers concession	10.9	10.7
Retirement villages exemption	10.4	10.2
Club or sporting associations exemption/concession	8.1	7.5
Aged care facilities exemption	8.5	8.0
Caravan parks exemption	4.5	3.9
Public or religious hospitals exemption ^(a)	2.9	1.8
TRANSFER DUTY (INCLUDING LANDHOLDER DUTY)		
Connected entities restructure exemption ^(c)	2,176.8	661.5
First home owners' exemption/concession	151.2	106.3
Family farms exemption	9.4	7.8
INSURANCE DUTY		
Health insurance policies exemption	306.3	320.8
Workers' compensation insurance exemption	92.6	97.7
Reinsurance exemption	14.5	14.9
Marine hulls exemption	8.1	8.7
VEHICLE LICENCE FEES		
Pensioners and Seniors vehicle concession	46.5	49.1
Primary producers vehicle concession	13.6	13.9
VEHICLE LICENCE DUTY		
Heavy vehicles concession	48.7	53.6
Caravans and camper trailers exemption	46.5	46.4
MINING ROYALTIES		
Subsidised gold royalty rate	213.0	234.7
Subsidised alumina royalty rate	140.7	132.7
Gold royalty-free threshold	8.3	8.0
Salt State Agreement Acts concession	4.0	4.1
TOTAL	7,406.9	6,096.9

(a) While any removal of these concessions could lead to an increase in relevant budget appropriations, these tax expenditures have been reported to provide an indication of the total support provided by the Government. They also illustrate where tax concessions could change the 'relative price' faced by government departments.

(b) Excludes the value of separately reported tax expenditures for public hospitals and schools.

(c) The value of exempt transactions can vary significantly from year to year depending on the number and sizes of connected entities restructures.

Major Tax and Royalty Expenditures

Payroll Tax

Tax-free threshold

Since 1 July 2020, businesses operating in Western Australia with taxable, Australia-wide wages of less than \$1 million are not subject to payroll tax.

State Government departments exemption

The wages paid by all State Government departments listed on *Pay-roll Tax Assessment Regulations 2003* – Schedule 1 are exempt from payroll tax. This item excludes public hospitals and public schools, which are reported separately.

Public hospitals exemption

The wages of employers or contractors of a health service provider, as defined in the *Health Services Act 2016*, are exempt from payroll tax.

Schools/colleges exemption

A school or college (other than a vocational education and training college) that is carried on by a not-for-profit organisation and provides education at or below, but not above, the secondary level of education is exempt from payroll tax.

Charitable bodies exemption

A charitable body or organisation performing relevant charitable work may apply to the Commissioner of State Revenue for a payroll tax exemption.

Local governments exemption

Local governments, regional local governments and the Western Australian Local Government Association are exempt from payroll tax.

Apprentices and trainees exemption

The wages of all apprentices who are undertaking training under an approved training contract are exempt from payroll tax.

The payroll tax exemption for new employee trainees earning up to \$100,000 per annum will continue to apply for the nominal duration of training contracts that were registered with the Department of Training and Workforce Development before 1 July 2019.

Progressive payroll tax scales

A diminishing exemption threshold was introduced from 1 July 2015 such that the tax-free threshold progressively reduces in value for entities that report Australia-wide wages between the tax-free threshold and \$7.5 million.

From 1 July 2018 to 30 June 2023, higher payroll tax rates apply for larger taxpayers, with a marginal rate of 6% applying to the component of an entity's Australia-wide payrolls exceeding \$100 million and a marginal rate of 6.5% applying to wages exceeding \$1.5 billion.

The application of a progressive payroll tax scale results in a negative tax expenditure to the extent that this scale reflects higher payroll tax rates than the benchmark tax rate.

Land Tax and Metropolitan Region Improvement Tax (MRIT)

Principal place of residence exemption

Generally, land used by the owner as their primary residence at midnight 30 June is exempt from land tax and MRIT for the following assessment year.

Tax-free threshold

Land owners that have aggregated, assessable unimproved land values of less than \$300,000 are not liable for land tax nor are they subject to the MRIT if they own land within the Perth Metropolitan Area.

Primary production exemption

Land used in carrying out certain primary production businesses on a commercial basis is exempt from land tax and MRIT (where applicable) if all relevant conditions are met.

MRIT not applied State-wide

Land that is subject to land tax but is not located within the Perth Metropolitan Area is not subject to the MRIT.

Religious bodies exemption

Land owned by, or held in trust for, a religious body is exempt from land tax and MRIT provided that the land is used for religious, public worship or educational purposes, or for the residence of a minister of the religious body.

Educational institutions exemption

Land owned by, or held in trust for, a university or educational institution in Western Australia is exempt from land tax and MRIT provided that it is used solely for the purposes of the institution.

Public charitable or benevolent institutions exemption

Land owned by, or held in trust for, a public charitable or benevolent institution is exempt from land tax and MRIT if it is used solely for the public charitable or benevolent purposes for which the institution was established.

Land value growth cap

A 50% cap on growth in land values applies for the purpose of assessing land tax and MRIT to help reduce the volatility and unpredictability of growth in individual land tax and MRIT liabilities.

Developers concession

Land tax and MRIT is only paid on the un-subdivided (or ‘englobo’) value of land holdings at midnight 30 June, rather than the full subdivided value of lots, for one year after the creation of the lots.

Retirement villages exemption

Land used for a retirement village within the meaning of the *Retirement Villages Act 1992* is exempt from land tax and MRIT.

Club or sporting associations exemption/concession

Land owned by sporting or other not-for-profit associations used to provide facilities necessary for or conducive to meeting the objects of the association is exempt from land tax and MRIT. Not-for-profit facilities that are commercially available to the public may be eligible for a 50% concession if at least half of the land is being used to meet the objects of the association.

Aged care facilities exemption

Land used for the purposes of providing a residential care service that is certified under the Commonwealth *Aged Care Act 1997* is exempt from land tax and MRIT.

Caravan parks exemption

Land used as caravan parks, park home sites or camping grounds is exempt from land tax and MRIT.

Public or religious hospitals exemption

Land used solely for the purposes of a public hospital, or a hospital conducted by or on behalf of a religious body, is exempt from land tax and MRIT.

Transfer Duty (including Landholder Duty)

Connected entities restructure exemption

Certain transactions between related corporations or unit trust schemes are exempt from transfer duty.

First home owners' exemption/concession

First home buyers may be entitled to a concessional rate of transfer duty if the value of the dutiable property is below \$530,000 for the house and land, or below \$400,000 for vacant land. No duty is payable if the house and land value is below \$430,000, or the vacant land value is below \$300,000.

Family farms exemption

A transfer of farming land in Western Australia to a family member is exempt from transfer duty, subject to certain conditions being satisfied.

Insurance Duty

Health insurance policies exemption

Health insurance issued by a private health insurer (as defined in the Commonwealth *Private Health Insurance Act 2007*) is exempt from insurance duty.

Workers' compensation insurance exemption

Insurance against an employer's liability to pay compensation under the *Workers' Compensation and Injury Management Act 1981* is exempt from insurance duty.

Reinsurance exemption

The indemnification of one party by another against a liability or payment arising under an insurance or reinsurance contract is exempt from insurance duty.

Marine hulls exemption

Insurance in respect of marine hulls used mainly for commercial purposes is exempt from insurance duty.

Vehicle Licence Fees

Pensioners and Seniors vehicle concession

A 50% concession on vehicle licence fees is available to holders of a Centrelink Pensioner Concession Card or Veterans' Affairs Pensioner Concession Card, and seniors who hold both a State Seniors Card and a Commonwealth Seniors Health Card.

Primary producers vehicle concession

Vehicles used by farmers or graziers principally on their farm, and vehicles used by beekeepers, kangaroo hunters, prospectors and sandalwood pullers solely or principally in the course of their occupation, are entitled to a 50% vehicle licence fee concession.

Vehicle Licence Duty

Heavy vehicles concession

Transfers of heavy vehicle licences are subject to a single flat duty rate (currently 3%) and a maximum duty amount (of \$12,000) rather than the uncapped, progressive rate scale that applies to light vehicles.

Caravans and camper trailers exemption

Caravans and camper trailers that are permanently fitted for human habitation are exempt from vehicle licence duty.

Mining Royalties

Subsidised gold royalty rate

The 2015 Mineral Royalty Rate Analysis recommended that a royalty rate of 3.75% be applied to gold. This expenditure represents the difference between that royalty rate (as a benchmark) and the legislated 2.5% rate.

Subsidised alumina royalty rate

The Mineral Royalty Rate Analysis recommended that a royalty rate of 3.75% be applied to alumina. This expenditure represents the difference between that royalty rate (as a benchmark) and the 1.65% rate applied under State Agreement Acts.

Gold royalty-free threshold

The first 2,500 ounces of gold metal produced each year is exempt from mineral royalties.

Salt State Agreement Acts concession

The effective average 2021-22 rate paid by salt projects covered by the various salt State Agreement Acts was around 38 cents per tonne, compared to the 2021-22 salt royalty rate prescribed under the Mining Regulations 1981 of 73 cents per tonne. The effective average 2022-23 rate was also around 37 cents per tonne.

Western Australia's Net Contribution to the Federation

Despite the GST distribution reforms, Western Australia will still receive the lowest per capita amount of GST-related grants of all States and Territories, and well below its contribution to the national GST pool. Even so, this is only one part of Western Australia's total support for other States.

The Western Australian Department of Treasury annually estimates the net redistribution across States that occurs through Commonwealth revenue raised from each State not matching with the Commonwealth's level of spending for each State.

For each State, the redistribution is measured as the difference between the Commonwealth revenues generated in that State (including GST collections) and the Commonwealth expenses for the benefit of that State (including GST grants).

For example, States with higher incomes and business profits contribute more to total Commonwealth taxes, and those with younger and healthier populations, or stronger economic conditions, draw less on health and social security benefits and business support programs.

Using the latest available data, Western Australia is estimated to have contributed a net \$36.4 billion to the Federation (or \$13,167 per person) in 2021-22 alone.

Results for all States are shown in the following table (a positive figure for a State indicates that it makes a net contribution to the Federation, while a negative figure indicates that it receives a net subsidy).

In 2021-22, New South Wales was the only other net contributor. However, on a per capita basis, Western Australia's net contribution was more than 21 times that of New South Wales.

NET CONTRIBUTION OF EACH STATE TO THE FEDERATION^(a)

Table 11.1

2021-22

	Total Commonwealth Budget	
	\$m	\$ per capita
New South Wales	5,073	627
Victoria	-4,823	-735
Queensland	-13,317	-2,528
Western Australia	36,390	13,167
South Australia	-12,367	-6,844
Tasmania	-6,023	-10,575
Northern Territory	-4,933	-19,788
Total	0	n.a.

(a) All Commonwealth outlays and revenues relating to the Australian Capital Territory (ACT) are allocated to the other States according to population shares. This recognises that the ACT would be unlikely to exist as a separate entity if the Federation dissolved.

Source: Western Australian Department of Treasury estimates, using a range of data sources including the Commonwealth Final Budget Outcome and Australian Bureau of Statistics publications. Where 2021-22 data was not available, results have been proxied from earlier data.

The following table shows a breakdown of Western Australia's estimated net contribution in 2021-22 compared with the previous two years. The figures indicate the extent to which Western Australia contributes more than its population share to Commonwealth revenues, or receives less than its population share of overall Commonwealth expenses.

Western Australia's large net contribution to the Federation is mainly driven by:

- the high level of Commonwealth company tax and personal income tax derived from Western Australia;
- the low level of Commonwealth operating expenses in Western Australia;
- Western Australia's low share of GST-related grants compared to other States; and
- the low level of Commonwealth spending in Western Australia on personal benefit payments and services.

Overall, in 2021-22 it is estimated that the Commonwealth derived \$94.1 billion in revenue from Western Australia, while expenditure for the benefit of the State (less the State's share of the Commonwealth deficit) totalled \$58.9 billion, yielding a net contribution to the Federation of \$36.4 billion, or \$13,167 per capita.

This is up on the \$31.4 billion net contribution in the previous year (2020-21), primarily reflecting increased estimated company tax collections from Western Australia in 2021-22 (in turn, reflecting increased profitability of companies in Western Australia's resources sector).

Table 11.2

COMPONENTS OF WESTERN AUSTRALIA'S NET CONTRIBUTION
Relative to Western Australia's Population Share

	2019-20 ^(a)	2020-21 ^(a)	2021-22 (Preliminary)
	\$m	\$m	\$m
Personal income tax	3,028	2,803	2,966
Company tax	12,369	19,468	23,407
Fuel excise (net of rebates)	-300	-636	20
Taxes and royalties on mineral extraction ^(b)	596	551	1,964
Commonwealth services ^(c)	1,792	2,010	2,391
Personal benefit payments	1,624	1,988	2,184
GST-related grants net of GST revenues	1,694	2,343	2,248
Other grants to State and local governments ^(d)	100	443	493
Other ^(e)	1,549	2,435	716
Total	22,451	31,404	36,390

(a) Figures are revised compared to past publications as some data has been revised and some data was not available at the time.

(b) Net of North West Shelf royalties passed on as grants to Western Australia by the Commonwealth.

(c) Commonwealth gross operating expenses, including defence.

(d) Includes grants to universities. Excludes North West Shelf royalties paid as grants to Western Australia.

(e) Includes the impact of Commonwealth business support programs and the cost of financing the Commonwealth Budget operating deficit.

Source: Western Australian Department of Treasury estimates, using a range of data sources including the Commonwealth Final Budget Outcome and Australian Bureau of Statistics publications. Results are based on the latest available data.

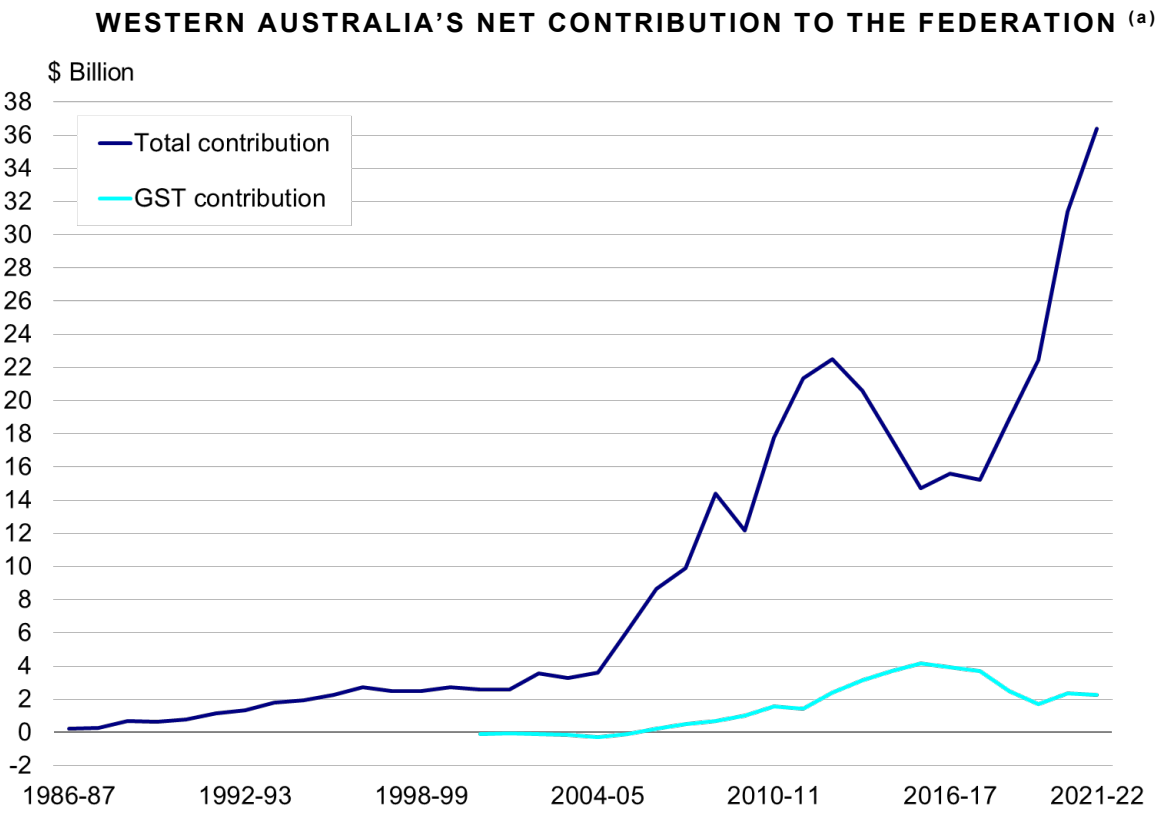
Note: Columns may not add due to rounding.

The figure below shows that Western Australia's net contribution has grown strongly over time, and that the annual net contributions by Western Australia are substantially larger than the contributions attributable to the GST alone¹.

Over the period 1986-87 to 2021-22, Western Australia's net contributions to the Federation have totalled \$343 billion (of which \$321.4 billion is since 2000-01, when the GST was introduced).

¹ Reflecting the difference between GST generated in Western Australia and GST paid to Western Australia (including Commonwealth-funded floor payments).

Figure 11.1



(a) Data to calculate Western Australia's total contribution are currently only available to 2021-22. The GST contribution reflects GST-related grants net of GST revenues.

Source: Western Australian Department of Treasury estimates.

Commonwealth Tied Grants

This appendix lists all Commonwealth tied grants (e.g. for health, education, housing and transport) that are included in the State Budget and characterised as such in the Commonwealth Budget¹.

The figures in this appendix may differ from the Commonwealth's due to differing assumptions in relation to timing, parameters and (occasionally) the continuation of an agreement.

¹ While not reported in this appendix, the State Budget also includes Commonwealth grants that the Commonwealth characterises as its own-purpose expenditures (e.g. fee-for-service arrangements and funding provided under competitive tenders open to the private sector). Examples are grants for the provision of hospital services to veterans and for the provision of services to the Cocos Keeling Islands.

COMMONWEALTH TIED GRANTS (a)(b)(c)

Table 12.1

	Terms of the Latest Agreement			Estimated Commonwealth Funding to Western Australia					
	Funding Start Year	Funding Expiry Year	Estimated Average Annual Commonwealth Contribution ^(d) \$m	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m	Total Five Years \$m
HEALTH									
National Health Reform Agreement	2020-21	2024-25	3,143.2	2,721.7	2,984.2	3,159.0	3,333.2	3,517.9	15,715.9
Community Health and Hospitals Program WA Initiatives	2019-20	2024-25	19.8	41.8	33.4	22.1	-	-	97.3
COVID-19 Response	2019-20	2022-23	425.3	94.2	-	-	-	-	94.2
Public Dental Services for Adults	2016-17	2022-23	9.7	2.6	7.1	-	-	-	9.7
National Mental Health and Suicide Prevention	2023-24	2025-26	2.9	-	2.7	2.8	3.0	-	8.6
Essential Vaccines (excluding free of charge resources)	2017-18	2023-24	2.6	2.1	2.1	2.1	-	-	6.4
Improving Trachoma Control Services	2021-22	2024-25	1.6	1.5	1.6	1.6	-	-	4.7
Comprehensive Palliative Care in Aged Care	2019-20	2023-24	1.1	1.2	1.3	-	-	-	2.5
National Bow el Cancer Screening Program	2020-21	2023-24	0.9	0.9	0.9	-	-	-	1.8
BreastScreen Surge Capacity	2022-23	2023-24	1.0	0.2	0.8	-	-	-	1.0
Rheumatic Fever Strategy ^(e)	2021-22	2024-25	0.8	0.8	-	-	-	-	0.8
Encouraging More Clinical Trials in Australia	2021-22	2024-25	0.2	0.2	0.2	0.2	-	-	0.7
Specialist Dementia Care - Phase One	2019-20	2023-24	0.3	0.3	0.3	-	-	-	0.5
OzFoodNet Program	2020-21	2023-24	0.2	0.2	0.2	-	-	-	0.4
Lymphoedema Compression Garments	2019-20	2023-24	0.2	0.2	0.2	-	-	-	0.4
Vaccine Preventable Diseases Surveillance Program	2020-21	2023-24	0.1	0.1	0.1	-	-	-	0.2
Access to HIV Treatment for People who are not Eligible for Medicare ^(e)	2022-23	2026-27	0.2	0.2	0.2	0.2	-	-	0.6
TOTAL HEALTH				2,868.2	3,035.3	3,188.1	3,336.1	3,517.9	15,945.6

COMMONWEALTH TIED GRANTS (a)(b)(c)

Table 12.1 (cont.)

	Terms of the Latest Agreement			Estimated Commonwealth Funding to Western Australia					
	Funding Start Year	Funding Expiry Year	Estimated Average Annual Commonwealth Contribution ^(d) \$m	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m	Total Five Years \$m
EDUCATION									
National School Reform Agreement - <i>Quality Schools</i>	2018-19	2023-24	1,268.0	1,131.7	1,216.6	1,275.1	1,333.8	1,382.7	6,340.0
National Preschool Reform Agreement	2021-22	2025-26	47.4	47.7	48.0	47.9	24.3	-	167.9
National Student Wellbeing Program	2022-23	2026-27	7.7	7.7	7.7	7.7	7.7	7.7	38.6
Universal Access to Early Childhood Education 2018 - 2021	2017-18	2021-22	46.5	4.3	3.4	1.2	- ^(f)	-	8.9
School Pathways Programs	2020-21	2021-22	0.6	0.6	-	-	-	-	0.6
TOTAL EDUCATION				1,192.1	1,275.7	1,332.0	1,365.9	1,390.4	6,556.0
TRAINING AND WORKFORCE DEVELOPMENT									
National Skills and Workforce Development	2008-09	n/a	179.3	172.8	178.9	182.6	186.0	176.4	896.6
Interim National Skills Agreement	2022-23	2023-24	60.9	43.3	15.2	-	2.5	-	60.9
JobTrainer Fund	2020-21	2022-23	51.7	20.7	-	-	-	-	20.7
TOTAL TRAINING AND WORKFORCE DEVELOPMENT				236.8	194.1	182.6	188.4	176.4	978.2

Table 12.1 (cont.)

COMMONWEALTH TIED GRANTS (a)(b)(c)

	Terms of the Latest Agreement			Estimated Commonwealth Funding to Western Australia					
	Funding Start Year	Funding Expiry Year	Estimated Average Annual Commonwealth Contribution ^(d) \$m	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m	Total Five Years \$m
AFFORDABLE HOUSING									
National Housing and Homelessness Agreement	2018-19	n/a	182.6	182.2	178.4	182.0	185.2	185.2	912.8
HomeBuilder	2020-21	2023-24	114.1	48.0	5.0	-	-	-	53.0
TOTAL AFFORDABLE HOUSING				230.2	183.4	182.0	185.2	185.2	965.9
DISABILITY SERVICES									
DisabilityCare Australia Fund	n/a	n/a	n/a	-	1,007.7	-	-	-	1,007.7
TOTAL DISABILITY SERVICES				-	1,007.7	-	-	-	1,007.7
TRANSPORT INFRASTRUCTURE									
Land Transport Infrastructure Projects	2019-20	2023-24	1,825.9	1,990.6	3,446.2	1,941.5	1,213.6	537.7	9,129.6
TOTAL TRANSPORT INFRASTRUCTURE				1,990.6	3,446.2	1,941.5	1,213.6	537.7	9,129.6

COMMONWEALTH TIED GRANTS (a)(b)(c)

Table 12.1 (cont.)

	Terms of the Latest Agreement			Estimated Commonwealth Funding to Western Australia					
	Funding Start Year	Funding Expiry Year	Estimated Average Annual Commonwealth Contribution ^(d) \$m	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m	Total Five Years \$m
ENVIRONMENT									
Energy Bill Relief Fund	2023-24	2023-24	116.4	-	116.4	-	-	-	116.4
National Water Grid Fund	2021-22	2024-25	6.2	11.2	8.6	0.2	-	-	19.9
Coastal and Estuarine Risk Mitigation Program 2022-23	2022-23	2022-23	19.2	19.2	-	-	-	-	19.2
Recycling Infrastructure	2021-22	2023-24	11.7	16.5	1.0	-	-	-	17.5
Disaster Risk Reduction	2019-20	2023-24	2.5	5.0	2.5	-	-	-	7.5
Food Waste for Healthy Soils	2022-23	2024-25	1.9	2.1	1.9	1.6	-	-	5.6
Pest and Disease Preparedness and Response Programs ^(g)	2018-19	n/a	1.5	5.1	0.1	-	-	-	5.2
Enhancing National Pest Animal and Weed Management	2020-21	2022-23	0.4	0.6	0.2	0.4	-	-	1.2
National Water Infrastructure Development Fund - Southern Forests Irrigation Scheme	2019-20	2022-23	0.3	0.2	0.5	-	-	-	0.6
World Heritage Management	2018-19	2022-23	0.4	0.4	-	-	-	-	0.4
National Plant Health Surveillance Program	2021-22	2024-25	0.1	0.1	0.1	0.1	-	-	0.4
Ehrlichia Canis Pilot Program	2021-22	2022-23	0.1	0.1	-	-	-	-	0.1
TOTAL ENVIRONMENT				60.4	131.3	2.3	-	-	194.0

COMMONWEALTH TIED GRANTS (a)(b)(c)

Table 12.1 (cont.)

	Terms of the Latest Agreement			Estimated Commonwealth Funding to Western Australia					
	Funding Start Year	Funding Expiry Year	Estimated Average Annual Commonwealth Contribution ^(d) \$m	2022-23 Estimated Actual \$m	2023-24 Budget Year \$m	2024-25 Outyear \$m	2025-26 Outyear \$m	2026-27 Outyear \$m	Total Five Years \$m
OTHER									
National Legal Assistance Partnership	2020-21	2024-25	61.9	60.8	61.6	62.3	62.3	62.3	309.4
Natural Disaster Relief and Recovery Arrangements	2018-19	n/a	51.5	65.0	38.2	63.2	83.9	7.3	257.6
Perth City Deal ^(h)	2020-21	2024-25	20.9	11.8	58.8	11.1	-	-	81.7
Family, Domestic and Sexual Violence	2021-22	2022-23	15.1	22.6	-	-	-	-	22.6
Provision of Fire Services - Memorandum of Understanding	2012-13	n/a	1.7	1.7	1.7	1.7	1.7	1.7	8.3
Tourism Icon Package - Upgrade of Tourist Facilities on Rottnest Island	2019-20	2021-22	5.7	6.2	-	-	-	-	6.2
Living Safe Together Intervention Program	2022-23	2024-25	0.7	0.7	0.7	0.7	-	-	2.2
Countering Violent Extremism High Risk Program	2022-23	2024-25	0.5	0.9	0.5	0.5	-	-	1.9
Recreational Fishing and Camping Facilities	2020-21	2022-23	1.1	1.2	-	-	-	-	1.2
TOTAL OTHER				170.9	161.5	139.5	147.9	71.3	691.1
TOTAL COMMONWEALTH TIED GRANTS				6,749.1	9,435.2	6,967.9	6,437.1	5,878.8	35,468.1

(a) The timing of funding in the Western Australian Budget can be influenced by delays in Commonwealth payments or the requirement that payments be matched to the delivery of projects or services.

(b) The table excludes grants that the Commonwealth characterises as its own-purpose expenditures.

(c) Includes funding under expected agreements and continuations of agreements.

(d) The average annual Commonwealth contribution reflects average estimated funding over 2022-23 to 2026-27 for agreements expected to continue. Otherwise average estimated funding in the agreement over the agreement term (or if not available, average funding expected over the agreement term).

(e) The current agreement extends beyond the budgeted funding years. State allocations in later years are yet to be determined.

(f) Amount less than \$50,000.

(g) The estimated average annual Commonwealth contribution reflects the existing schedules to this agreement, which cover years 2018-19 to 2023-24.

(h) Commonwealth funding paid directly to Edith Cowan University is not reflected in this table.

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

