

Part 3

Financial Administration

Introduction

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

Summary of Recurrent and Asset Investment Expenditure

Agency	2023-24 Estimated Actual \$'000	2024-25 Budget Year \$'000
Treasury		
– Total Cost of Services	63,494	71,265
– Asset Investment Program	868	870
Western Australian Treasury Corporation		
– Asset Investment Program	410	275
Office of the Auditor General		
– Total Cost of Services	51,408	53,781
– Asset Investment Program	2,718	1,190
Finance		
– Total Cost of Services	1,687,838	1,883,564
– Asset Investment Program	164,394	132,328
Insurance Commission of Western Australia		
– Asset Investment Program	5,015	6,108

Ministerial Responsibilities

Minister	Agency	Services
Deputy Premier; Treasurer; Minister for Transport; Tourism	Treasury	<ol style="list-style-type: none"> 1. Financial Management and Reporting 2. Economic and Revenue Forecasts and Policy Development 3. Evaluation and Planning of Government Service Delivery and Infrastructure Provision
	Western Australian Treasury Corporation	n.a.
	Office of the Auditor General	1. Public Sector Auditing
Minister for Finance; Commerce; Women's Interests	Finance	1. Revenue Assessment and Collection, and Grants and Subsidies Administration
		2. Development and Management of Common Use Contract Arrangements, State Fleet Leasing and Disposal, and Providing Facilitation Service for Agency Specific Contracts
		3. Leads the Planning, Delivery, Management and Maintenance of Government Buildings, Projects and Office Accommodation
Deputy Premier; Treasurer; Minister for Transport; Tourism	Insurance Commission of Western Australia	n.a.

Division 11 Treasury

Part 3 Financial Administration

Appropriations, Expenses and Cash Assets

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
DELIVERY OF SERVICES							
Item 14 Net amount appropriated to deliver services	49,681	52,968	54,716	61,417	55,548	56,273	57,272
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	1,925	1,928	2,310	2,414	2,460	2,518	2,577
Total appropriations provided to deliver services	51,606	54,896	57,026	63,831	58,008	58,791	59,849
ADMINISTERED TRANSACTIONS							
<i>Operating Subsidy Payments</i>							
Item 15 Bunbury Water Corporation	1,586	2,342	4,737	5,981	8,257	8,475	8,696
Item 16 Busselton Water Corporation	700	700	752	4,253	4,330	4,735	5,387
Item 17 Electricity Generation and Retail Corporation (Synergy).....	823,349	925,147	959,748	831,072	239,462	242,954	247,622
Item 18 Kimberley Ports Authority.....	2,500	2,500	2,500	2,500	-	-	-
Item 19 Public Transport Authority of Western Australia	1,109,994	1,112,358	1,211,497	1,283,888	1,290,941	1,316,171	1,338,414
Item 20 Regional Power Corporation (Horizon Power)	55,935	31,060	47,230	29,342	7,494	17,235	17,911
Item 21 Water Corporation.....	472,023	621,111	694,310	681,355	720,724	744,112	783,767
Item 22 Western Australian Land Authority (DevelopmentWA).....	145,150	196,654	179,448	266,799	132,061	65,842	63,784
Item 23 Western Australian Land Authority (DevelopmentWA) - Provision for Lease Incentives (Strategic Industrial Areas) ^(a)	-	-	-	1,500	1,700	3,800	3,800
Forest Products Commission	220	-	-	-	-	-	-
Fremantle Port Authority	317	326	326	-	-	-	-
Southern Ports Authority.....	10,010	-	-	-	-	-	-
<i>Grants, Subsidies and Transfer Payments</i>							
Item 24 Department of Communities ^(b)	-	12,944	-	75,934	186,994	238,044	252,319
Item 25 Department of Energy, Mines, Industry Regulation and Safety ^(c)	-	-	-	522	8,112	15,485	-
Item 26 Department of Finance ^(d)	-	-	-	1,823	-	-	-
Item 27 Department of Transport ^(e)	-	-	-	14,030	1,500	4,000	-
Item 28 Department of Jobs, Tourism, Science and Innovation ^(f)	4,492	38,395	36,899	54,768	25,054	21,153	2,265
Item 29 Department of Local Government, Sport and Cultural Industries ^(g)	-	-	6,000	25,000	-	-	-
Item 30 Ecological Thinning Program Account	-	-	20,883	129,691	-	-	-
Item 31 Gaming and Wagering Commission ^(h)	4,000	4,100	4,100	4,200	4,300	4,300	4,500
Item 32 Goods and Services Tax (GST) Administration Costs	72,131	72,800	67,900	76,800	78,300	78,600	78,900
Item 33 National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account.....	185,000	-	-	10,000	-	-	-
Item 34 Noongar Land Fund	-	2,800	2,800	5,600	5,600	5,600	5,600
Item 35 Provision for Inner City Projects ⁽ⁱ⁾	-	50,000	14,700	35,300	-	-	-
Item 36 Provision for METRONET High Wycombe Community Hub ^(j)	-	2,500	2,600	12,500	14,900	-	-
Item 37 Provision for Government Wages Policy ^(k)	-	-	150,387	585,354	876,184	1,167,462	1,080,300
Item 38 Provision for Wages Policy Outcomes not yet Finalised ^(l)	-	123,644	1,195	766	918	734	-

	2022-23	2023-24	2023-24 Estimated Actual \$'000	2024-25 Budget Year \$'000	2025-26	2026-27	2027-28
	Actual \$'000	Budget \$'000			Outyear \$'000	Outyear \$'000	Outyear \$'000
Item 39 Refund of Past Years Revenue							
Collections - Public Corporations	4,399	10,000	10,000	10,000	10,000	10,000	10,000
Item 40 Royalties for Regions ^(m)	928,400	908,819	814,657	936,406	833,852	738,468	740,095
Item 41 State Property - Emergency							
Services Levy	20,359	20,459	20,492	21,704	23,004	24,109	25,584
Item 42 WA Health ⁽ⁿ⁾	24,425	14,599	28,758	27,826	12,266	12,279	12,279
Item 43 All Other Grants, Subsidies and							
Transfer Payments ^(o)	308,762	29,276	52,567	14,570	13,087	12,625	12,153
Comprising:							
Acts of Grace/Ex Gratia Payments	-	200	200	200	200	200	200
Administration Costs - National Tax							
Equivalent Regime Scheme	110	100	100	125	125	125	125
Commonwealth COVID-19 Support							
Payment	36,745	18,855	18,855	-	-	-	-
COVID-19 - Business Assistance							
Package	248,960	-	20,231	-	-	-	-
Incidentals	-	200	200	200	200	200	200
Interest on Public Moneys Held in							
Participating Trust Fund Accounts	5,323	9,000	12,000	13,000	11,500	11,000	10,500
Western Australian Energy Disputes							
Arbitrator	-	1	1	-	-	-	-
Western Australian Future Health							
Research and Innovation Account	16,700	-	-	-	-	-	-
Western Australian Land Information							
Authority - Valuation Services	173	140	140	150	140	150	150
Western Australian Treasury Corporation							
Management Fees	751	780	840	895	922	950	978
Asset Maintenance Fund	-	250,000	250,000	-	-	-	-
Department of Justice ^(p)	-	-	-	-	16,440	14,259	15,140
Metropolitan Redevelopment Authority							
(DevelopmentWA)	-	-	573	-	-	-	-
Authorised by Other Statutes							
Judges' Salaries and Pensions Act 1950	19,414	20,917	20,657	21,264	21,907	22,563	23,238
Comprising:							
Benefit Payments	19,219	20,637	20,315	20,924	21,552	22,199	22,864
Administration Expenses ^(q)	195	280	342	340	355	364	374
Parliamentary Superannuation Act 1970	10,657	10,529	9,967	10,252	10,565	10,880	11,205
Comprising:							
Benefit Payments	10,428	10,200	9,566	9,853	10,148	10,453	10,766
Administration Expenses ^(q)	229	329	402	399	417	428	439
State Superannuation Act 2000	267,200	438,881	432,674	442,043	440,863	442,914	491,193
Comprising:							
Pension Scheme	151,677	137,494	149,360	142,458	135,684	128,297	121,294
Comprising:							
Benefit Payments	150,490	136,235	147,990	141,222	134,526	127,214	120,283
Administration Expenses ^(q)	1,186	1,259	1,371	1,236	1,158	1,084	1,011
Gold State Super	115,523	301,387	283,313	299,585	305,180	314,617	369,899
Comprising:							
Benefit Payments	111,168	296,498	277,823	293,894	300,054	309,629	365,050
Administration Expenses ^(q)	4,172	4,642	5,170	5,374	4,794	4,650	4,505
Government Services ^(r)	183	247	320	317	332	338	343
Western Australian Health Promotion							
Foundation Act 2016	24,497	25,057	25,057	25,520	25,992	26,584	26,584
Racing and Wagering Western Australia							
Act 2003	38,690	34,700	36,667	33,255	33,546	34,012	34,619
Unclaimed Money Act 1990	1,956	1,500	3,000	2,000	2,000	2,000	2,000
Loan Acts - Interest	686,749	742,000	780,000	794,000	751,000	750,000	808,000
Western Australian Future Health Research							
and Innovation Fund Act 2012	70,900	79,800	79,800	77,700	74,900	74,500	73,600
TOTAL RECURRENT ADMINISTERED	5,293,815	5,785,918	5,972,881	6,555,518	5,876,253	6,113,895	6,178,955
CAPITAL							
Item 107 Capital Appropriation	69	71	534	537	562	583	604
Government Equity Contributions							
Item 108 Department of Biodiversity,							
Conservation and Attractions ^(s)	-	-	-	12,562	12,662	12,812	13,962
Item 109 Department of Communities ^(b)	700	1,000	7,605	16,395	11,000	-	-
Item 110 Department of Education ^(t)	-	2,000	1,000	11,137	21,420	23,693	40,154

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
Item 111 Department of Local Government, Sport and Cultural Industries ^(g)	-	-	-	20,000	-	-	-
Item 112 Department of Transport ^(e)	-	-	-	150	6,000	4,350	-
Item 113 Electricity Generation and Retail Corporation (Synergy)	40,504	-	-	1,073,820	86,563	-	-
Item 114 Electricity Networks Corporation (Western Power)	108,481	142,019	139,287	145,481	153,592	144,431	143,675
Item 115 Kimberley Ports Authority	3,922	57,500	8,600	12,725	5,130	3,495	3,672
Item 116 Metropolitan Redevelopment Authority (DevelopmentWA)	1,650	29,220	2,180	2,420	-	-	-
Item 117 Pilbara Ports Authority	58,168	21,671	87,541	211,416	257,436	87,798	68,860
Item 118 Provision for Aluminium Composite Panel Cladding ^(u)	-	26,110	-	41,749	27,827	-	-
Item 119 Provision for Decarbonisation of the South West Interconnected System ^(v)	-	1,232,444	452,262	192,039	63,404	-	-
Item 120 Provision for Murdoch Health and Knowledge Precinct Infrastructure ^(w)	-	-	-	439	17,732	51,911	96,827
Item 121 Provision for Public Transport Authority of Western Australia ^(x)	-	-	-	25,000	25,000	32,500	-
Item 122 Royalties for Regions ^(m)	43,245	374,859	209,699	342,307	190,320	175,438	43,856
Item 123 WA Health ⁽ⁿ⁾	46,671	62,494	27,726	67,165	173,358	183,117	178,617
Item 124 Water Corporation	-	87,462	87,462	59,775	-	39,210	-
Item 125 Western Australian Land Authority (DevelopmentWA)	31,000	20,000	20,000	17,753	-	-	-
Item 126 Western Australian Meat Industry Authority ^(y)	-	-	-	1,628	-	-	-
Item 127 Western Australia Police Force ^(z) ...	-	3,340	2,149	11,817	14,143	2,334	-
Animal Resources Authority	6,500	-	-	-	-	-	-
Bunbury Water Corporation	11,050	-	-	-	-	-	-
Department of Justice ^(p)	-	17,397	5,700	-	-	-	-
Forest Products Commission	2,876	-	15,858	-	-	-	-
Mid West Ports Authority	-	1,500	1,500	-	1,573	2,375	10,649
Provision for Construction Cost Relief ^(aa) ...	-	63,700	9,387	-	-	-	-
Regional Power Corporation (Horizon Power)	-	2,404	2,404	-	-	14,451	14,451
Southern Ports Authority	-	-	1,417	-	-	-	-
The Burswood Park Board ^(bb)	-	427	427	-	-	-	-
Western Australian Energy Disputes Arbitrator ^(cc)	-	400	400	-	-	-	-
<i>Other</i>							
Item 128 Digital Capability Fund	400,000	-	-	458,151	-	-	-
Item 129 Social and Affordable Housing Investment Fund	-	450,000	450,000	400,000	-	-	-
Item 130 Strategic Industries Fund	-	-	-	500,000	-	-	-
Climate Action Fund	500,000	869,090	869,090	-	-	-	-
Remote Communities Fund	350,000	-	-	-	-	-	-
<i>Authorised by Other Statutes</i>							
Loans (Co-operative Companies) Act 2004	9,750	-	18,055	-	-	-	-
Loan Acts - Repayment of Borrowings	2,100,000	-	-	-	-	-	-
TOTAL CAPITAL ADMINISTERED	3,714,517	3,465,037	2,419,749	3,623,929	1,067,160	777,915	614,723
GRAND TOTAL	9,060,007	9,305,922	8,450,190	10,243,815	7,001,983	6,951,184	6,854,131
EXPENSES							
Total Cost of Services	56,626	61,479	63,494	71,265	65,157	65,349	66,423
Net Cost of Services ^(dd)	56,581	61,419	63,434	71,205	65,097	65,289	66,363
CASH ASSETS ^(ee)	11,686	8,564	11,746	10,753	11,172	11,591	12,010

(a) Reflects the provision made at the 2023-24 Mid-year Review for a Strategic Industrial Area Rent Scheme (Rent Scheme) to incentivise investment in downstream processing and other heavy or strategic industrial activities with this Rent Scheme to provide eligible tenants a 100% rebate of the annual option to lease fees and a 100% waiver of annual rent payable for the first five years of the lease.

- (b) Reflects recurrent provisions for the indexation of the State's National Disability Insurance Scheme contributions (\$564.8 million) for Communities' social housing functions (\$178.4 million), for the establishment of a dedicated Family and Domestic Violence (FDV) Workforce entity under the FDV System Reform Plan (\$6 million), operational funding for the Regional Supportive Landlord Model (\$3 million), and for Communities' co-investment in the Social Housing Energy Performance Initiative (\$1 million). In addition, capital funding is provisioned for Communities' Asset Investment Program for the Mandurah Common Ground project (\$25 million) and to procure and establish longer-term temporary accommodation for flood-affected residents in the Fitzroy Valley (\$10 million).
- (c) Reflects provision for the Social Housing Energy Performance Initiative, pending finalisation of the agreement with the Commonwealth Government.
- (d) A provision of \$1.8 million for Finance in 2024-25, pending an assessment of the Building Asset Data and Information Platform.
- (e) Reflects funding allocated for the State's contributions to proposed airstrip upgrades at Onslow, Eucla, Albany, and East Kimberley and for maritime facility upgrades as part of the Outdoor Adventure Tourism Package, to be released once each project's funding arrangements are confirmed with third parties and/or following approval of project definition plans.
- (f) Provision for the Aviation Recovery Fund (\$44.9 million), Major Events Fund (\$38.4 million), National Collaborative Research Infrastructure Strategy program (\$15.1 million) and Future Energy Exports Cooperative Research Centre (\$4.8 million), pending the finalisation of agreements between the respective parties.
- (g) Recurrent funding provisions for the Department of Local Government, Sport and Cultural Industries to meet costs associated with planned upgrades at the Mike Barnett Sports Complex in Rockingham (\$10 million), local sports facilities (\$11 million over 2023-24 and 2024-25), and a public school sporting facility program (\$10 million). Capital funding of \$20 million is also provisioned for the inclusion of additional scope items for the Perth Cultural Centre Rejuvenation Project, with the design to be finalised during 2024-25.
- (h) Funding provided to the Sports Wagering Account at the Gaming and Wagering Commission of Western Australia associated with the introduction of the Point of Consumption Tax in January 2019.
- (i) Provision for State assistance towards the establishment of projects as part of the Inner City Projects.
- (j) Reflects the provision for the construction of the High Wycombe Community Hub, with \$30 million provided by both the State and Commonwealth Governments. Funds are to be released from the provision on approval of funding agreements and an updated business case.
- (k) A provision to accommodate bargaining under the new public sector wages policy. Final outcomes for public sector industrial agreements to be settled over the forward estimates period are not yet known. The provision provides a maximum funding envelope for industrial negotiations.
- (l) A provision for industrial agreements and outcomes not yet finalised under the previous public sector wages policy. This provision will be allocated to relevant agency budgets once the remaining industrial agreements are finalised.
- (m) Appropriations to the Royalties for Regions Fund Special Purpose Account are split between payments for recurrent and capital purposes (based on project information). Further detail on the Royalties for Regions program is available in Budget Paper No. 3: *Economic and Fiscal Outlook*.
- (n) Reflects recurrent provisions to fund key contractual obligations and address cost pressures relating to WA Country Health Services, including the operation of the residential aged care facility and the multipurpose services sites, as well as delivery of renal services in the Kimberley. Capital funding is also provisioned for major health initiatives as part of WA Health's Asset Investment Program. WA Health is required to submit business cases or project definition plans for Government approval to access these funds.
- (o) Includes all administered grants, subsidies and transfers not covered elsewhere by individual Acts.
- (p) Reflects funding provisioned to address cost pressures relating to justice services.
- (q) Superannuation scheme administration expense reflects the costs of administering an unfunded defined benefit superannuation/pension scheme by an appropriation from the Consolidated Account.
- (r) Reflects the costs for regulatory support of State superannuation schemes where the Government Employees Superannuation Board incurs these costs on behalf of the Government.
- (s) Reflects the provision for the construction of Rottnest Island Staff Accommodation (\$49.2 million) and for works on the Penguin Island Jetty under the Outdoor Adventure Tourism Package (\$2.8 million), with funds to be released upon approval of the relevant business case or project definition plan.
- (t) Primarily reflects funding provisioned in Education's Asset Investment Program for several secondary school projects, including Piara Waters Senior High School Stage 2 and Brabham Senior High School. The release of provisioned funding is subject to certain conditions being met or milestones being achieved.
- (u) Reflects funding allocated to meet the cost of remediating remaining instances of non-compliant aluminium composite panel cladding that have been identified across WA Health's building portfolio.
- (v) Subject to detailed business cases and external verification of the estimated costs, this provision will partly fund the \$2.8 billion of decarbonisation investments approved as part of the 2023-24 Budget, including new wind generation investments, and storage assets in Kwinana and Collie to be progressed by Synergy.
- (w) Funding allocated for the construction of infrastructure at the Murdoch Health and Knowledge Precinct.
- (x) Reflects funding provisioned for the ongoing transition of the bus fleet to electric. The funding will be disbursed to the Public Transport Authority following approval of specific investments.
- (y) Funding to support the viability of the Western Australian Meat Industry Authority.
- (z) Reflects funding to be applied to the Western Australia Police Force for a new District Support Facility in the Kimberley.
- (aa) As part of the 2023-24 Budget, the Government approved carryover of \$30 million from the previous Head Contractor Relief Scheme to support builders impacted by unforeseeable project cost escalation, plus a further \$33.7 million to enable construction to continue on Government projects impacted by builder insolvencies. The provision has a residual balance which will be used to resolve the remaining support claims.
- (bb) Funding to meet cost escalation pressures associated with the Hydraulic Sewer and Principal Shared Path projects.
- (cc) Reflects funding provisioned to repay the Treasurer's Advance provided to the Western Australian Energy Disputes Arbitrator.
- (dd) Represents Total Cost of Services (expenses) less retained revenues applied to Treasury's services. Reconciliation to the total appropriations provided to deliver services includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (ee) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on Treasury's Income Statement since presentation of the 2023-24 Budget to Parliament on 11 May 2023, are outlined below:

	2023-24 Estimated Actual \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
New Initiatives					
Builders' Support Facility	200	-	-	-	-
Cash Management System	-	361	380	363	353
Digital Capability Fund	-	547	563	577	592
Education Infrastructure	-	179	-	-	-
Energy Transition	620	700	-	-	-
Financial Guidelines and Assurance for Commissioning Community Services	-	338	348	-	-
Financial Management Capability Improvement	200	550	-	-	-
Housing Supply Unit	666	1,400	1,451	1,494	1,494
Independent Review of Government's Environmental Approvals Processes	184	-	-	-	-
Performance Monitoring Unit	615	1,865	1,602	1,639	1,673
Training and Workforce Development Cost and Demand Model	-	159	164	-	-
Western Australian Public Sector Learning Initiative	-	-	(36)	(67)	(77)
Ongoing Initiative					
State Banking Contract, Manager Banking Services	35	36	37	38	39
Other					
2024-25 Streamlined Budget Process Incentive Funding	-	1,499	-	-	-
Assurance, Risk and Business Continuity Director Position	158	245	252	151	-
David Malcolm Justice Centre Level 30 Fit-Out and Ongoing Expenditure	580	748	806	837	869
New Public Sector Wages Policy - Resourcing	87	537	-	-	-
Salaries and Allowances Tribunal	108	94	35	57	59
Transfer of Streamline WA Function to Jobs, Tourism, Science and Innovation	(136)	(484)	(498)	(510)	(523)

Significant Issues Impacting the Agency

Economic Outlook

1. Western Australia's domestic economy (as measured by State Final Demand (SFD)) is expected to grow by a strong 5.25% in 2023-24, underpinned by high levels of business investment, Government investment (including the State Government's record Asset Investment Program (AIP)), and record migration - which is supporting household consumption, the largest component of SFD. Growth in the domestic economy is expected to moderate in 2024-25 to 3.25% (more in line with its long-run average), as business investment consolidates at a high level and as migration levels normalise.
2. Net exports are expected to detract from overall Gross State Product (GSP) growth in 2023-24, with agricultural exports forecast to decline following a record harvest last year, and merchandise imports increasing strongly in support of business investment. As a result, and despite the State's strong domestic economy, GSP growth is forecast to grow by a moderate 1.75% in 2023-24. Going forward, growth in mining-related export volumes is forecast to be modest, with producers already operating at close to capacity, resulting in forecast growth in GSP of 2% in 2024-25.
3. Very strong labour market conditions have seen employment reach a record 1.6 million people and the State's unemployment rate fall to 3.4% at March 2024. At the same time, economy-wide wage growth (as measured by the Wage Price Index) is estimated to rise to 4.25% in 2023-24, double its average rate of growth over the past decade. Combined with a significant easing in consumer price inflation, this has seen real wages growth return to positive territory for the first time in three years.
4. Inflation is expected to continue easing to a forecast 3% by the June 2025 quarter, with supply chains having largely normalised and weaker consumer demand containing price hikes. Despite this, the Government acknowledges that the cost of living remains a key concern for many Western Australian households, with this Budget including a substantial package of cost of living assistance measures, including the WA Student Assistance Payment and a \$400 electricity credit for all households and small businesses.

5. External economic conditions remain challenging, including heightened geopolitical tensions, a prolonged slump in China's property market, and structural changes in some commodity markets, all driving increased uncertainty and volatility. This volatility reinforces the need for conservative revenue assumptions and responsible financial management. While this Budget implements a modest change to the long-run iron ore price assumption (revising it up from \$US66 to \$US71 per tonne in light of movements in the iron ore price and global cost curve in recent years), this is still a conservative assumption, and is consistent with a similar change implemented by the Commonwealth in its 2023-24 Budget.

State Finances

6. Western Australia's finances are in a strong position, highlighted by the achievement of general government operating surpluses in each year since 2018-19. The 2024-25 Budget continues this trend with an estimated \$3.2 billion operating surplus in 2023-24, a \$2.6 billion surplus in 2024-25, and broadly similar surpluses across each of the outyears. At the same time, the Government has allocated significant additional funding in this Budget to key priorities, including further cost of living support, new investment in social and affordable housing and other housing initiatives, and additional resources for health and mental health, education and training, and community services.
7. Operating surpluses are an important non-debt source of funding for the Government's AIP. The AIP has more than doubled in recent years, from an average of \$5.3 billion per annum over 2017-18 to 2020-21 to an estimated \$10.6 billion in 2023-24 and a record \$12.1 billion in 2024-25. The operating surpluses projected in this Budget are not currently forecast to meet the full cost of delivering the AIP. As a result, net debt is currently projected to increase from \$28.6 billion at 30 June 2024 to \$40.9 billion by 30 June 2028, broadly in line with the profile in previous Budgets.
8. This remains a very low level of net debt compared to other jurisdictions, particularly as a share of the State's economy (GSP). At a forecast 9.7% of GSP by 2027-28, Western Australia's net debt remains significantly lower than all other States, and around half that of the Commonwealth.
9. Reflecting the State's strong financial performance, Moody's Investor Services upgraded Western Australia's credit rating to Aaa (with a stable outlook) in July 2023. This followed S&P Global restoring the State's AAA credit rating in June 2022. Western Australia is now the only State or Territory to hold triple-A credit ratings from both S&P Global and Moody's, reinforcing the State's strong reputation as a safe and attractive investment destination.

Commonwealth-State Financial Relations

10. Treasury supports the Treasurer in engaging with the Treasurers of other Australian Governments through the Council on Federal Financial Relations and the Board of Treasurers. These forums have a strong focus on considering national reforms and reviewing new Commonwealth funding agreements. In forming the State's position on key issues, Treasury works closely with the Department of the Premier and Cabinet, relevant line agencies and other jurisdictions to develop considered and coordinated approaches.
11. Treasury also assists the Treasurer in defending the 2018 GST distribution reforms, amidst ongoing pressure from other States. This includes providing the Treasurer with analysis and advice in support of the reforms. The Productivity Commission will undertake a review of these reforms (due by the end of 2026), in which Treasury will be actively engaged. Furthermore, Treasury is continuing to actively engage in the Commonwealth Grants Commission's (CGC's) major review of the GST distribution methodology, advocating for the significant deficiencies in the underlying methodology to be addressed in the CGC's report, which is due in March 2025.

Supporting Government Priorities

Housing Supply Unit and Commonwealth Funding

12. Through the recently established Housing Supply Unit (HSU), Treasury will leverage existing strengths in providing economic and fiscal advice to Government to deliver a holistic and coordinated approach to housing policy advice. This will include engagement and collaboration with a wide range of stakeholders across the public, private and community services sectors. The HSU will also lead a whole-of-government approach to securing the State's fair share of the Commonwealth's Housing Australia Future Fund and associated funding streams to help support social and affordable housing projects in Western Australia.

Builders' Support Facility and Vacant Property Rental Incentive Scheme

13. Treasury is continuing to work closely with the Department of Jobs, Tourism, Science and Innovation and the Small Business Development Corporation to administer the \$10 million Builders' Support Facility. This initiative will assist with housing supply and get Western Australians most affected by delayed construction timeframes into their new homes. Treasury is also supporting the Department of Energy, Mines, Industry Regulation and Safety in its implementation of the Government's Vacant Property Rental Incentive Scheme, with a \$5,000 grant on offer to incentivise owners to make their properties available for long-term rental.

Transfer Duty Concession for First Home Buyers

14. To ensure home ownership remains affordable for first home buyers, Treasury is working closely with RevenueWA to implement the Government's decision in this Budget to increase the existing thresholds for the first home owner transfer duty concession. The enhanced concession will provide a full transfer duty exemption for established properties valued up to \$450,000 (previously \$430,000), with a concessional rate of duty applying to properties valued up to \$600,000 (previously \$530,000).

Performance Monitoring Unit

15. The Government has approved the establishment of a new Performance Monitoring Unit in Treasury to strengthen oversight and deliverability of key programs. The Unit commenced in January 2024 and will work with agencies to review progress and develop solutions to effectively address any barriers to delivery. This includes tracking delivery of Government priorities, identifying and managing risks to delivery, and clarifying and strengthening program design and approach, including governance. The Unit will also have a role in whole-of-government capability building to improve program planning, implementation and evaluation.

Cash Management System

16. Treasury is enhancing cash and liquidity management across the public sector through the procurement and implementation of a new cash management system. This reflects the current size and complexity of the Western Australian Public Bank Account. The new system presents an opportunity to enhance cash and liquidity management practices at both the individual agency and whole-of-government levels.

Financial Management Capability Improvement

17. Treasury is working closely with the Public Sector Commission to develop and implement measures to improve financial management capability across the public sector. This includes clarifying and simplifying the existing financial management framework through improvements to Treasurer's Instructions and related guidance material. Work is also well advanced on the development and roll-out of a comprehensive training program for Chief Finance Officers and their teams.

Digital Capability Fund

18. Treasury is continuing to work closely with the Office of Digital Government to provide leadership and advice on investment into ICT across Government through the Government's Digital Capability Fund. This includes a focus on the assessment, prioritisation and assurance of ICT projects to support sound planning, address delivery risk, and ensure a staged approach to building capability for digital transformation across Government.

Financial Guidelines and Assurance for Commissioning Community Services

19. As part of its deliverables under the State Commissioning Strategy, Treasury has developed *Financial Guidelines for Government Agencies - Commissioning Community Services*. These guidelines set out key financial management principles, clarify relevant roles and responsibilities, and provide guidance on the costing and benchmarking of community services. Treasury will also lead a central agency financial assurance committee, with the Departments of Finance and the Premier and Cabinet, that will test select high-value commissioning activities against relevant financial policies and guidance, engaging with the relevant agencies.

Training and Workforce Development Cost and Demand Model

20. Treasury will work with the Department of Training and Workforce Development (DTWD) over 2024-25 and 2025-26 to develop a resource and allocation model to inform the DTWD's funding for the State training system. The State's Vocational Education and Training footprint has increased significantly in recent years, reflecting significant additional investment by the State and Commonwealth Governments. Development of this model will inform sustainable funding and resource allocation for the system into the future.

Education Infrastructure

21. In light of a significantly increased AIP for the State's school system, Treasury has been allocated additional resourcing (one full-time equivalent) in 2024-25 to boost capacity and oversight. Treasury will continue to work with the Departments of Education and Finance to ensure effective monitoring of program definition and delivery, noting current construction market challenges.

Energy Transition

22. As Western Australia moves towards net zero emissions by 2050, demand for renewable energy supplied through the State's main electricity network will increase significantly. Treasury is leading the assessment of financing and cost recovery options for future electricity infrastructure requirements for the South West Interconnected System and the Pilbara to ensure that necessary investments can be made in a timely manner, whilst maintaining the State's strong financial position.

Independent Review of WA Government's Environmental Approvals Processes

23. Western Australia's regulatory and approvals system is a critical enabler in the attraction of investment and jobs to the State. Treasury led the engagement of independent experts to undertake a rapid review of the State's environmental assessment and approvals processes in late 2023 to identify opportunities to reduce complexity, remove duplication, and enable consistent and timely decision-making. Treasury is working closely with relevant agencies and the newly established Coordinator General position to progress recommendations from the independent review and associated regulatory reform initiatives of Government.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

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

Service Summary

Expense	2022-23 Actual \$'000	2023-24 Budget \$'000	2023-24 Estimated Actual \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
1. Financial Management and Reporting.....	9,023	10,619	10,625	11,573	10,716	11,022	11,240
2. Economic and Revenue Forecasts and Policy Development.....	13,420	14,533	15,554	16,633	16,005	16,055	16,089
3. Evaluation and Planning of Government Service Delivery and Infrastructure Provision.....	34,183	36,327	37,315	43,059	38,436	38,272	39,094
Total Cost of Services.....	56,626	61,479	63,494	71,265	65,157	65,349	66,423

Outcomes and Key Effectiveness Indicators ^(a)

	2022-23 Actual	2023-24 Budget	2023-24 Estimated Actual	2024-25 Budget Target	Note
Outcome: Sustainable and transparent public sector finances:					
Status of the State's credit rating.....	AAA/Aa1	AAA/Aa1	AAA/Aaa	AAA/Aaa	1
Unqualified audit opinion on the Annual Report on State Finances.....	Yes	Yes	Yes	Yes	2
Percentage of financial reports released as per agreed timeframes ^(b)	100%	100%	100%	100%	
Outcome: A strong and competitive State economy:					
Accuracy of key general government revenue forecasts:					
Tax revenue.....	11.8%	±5%	13.4%	±5%	3
Royalty revenue.....	55.7%	±5%	40.9%	±5%	4
Accuracy of key economic forecasts (percentage point difference):					
Employment growth ^(c)	1.1	±0.5	2.75	±0.5	5
Real State Final Demand (SFD) growth ^(c)	-0.1	±2	2.25	±2	6
Outcome: Value-for-money outcomes in service delivery and infrastructure provision:					
Percentage of advice provided to the Expenditure Review Committee (ERC) at least 5 days prior to their consideration.....	86%	100%	85%	100%	7
Percentage of Ministerially endorsed Strategic Asset Plans (SAPs) for the upcoming year received and reviewed by Treasury before the commencement of the Budget bilateral process.....	82%	100%	100%	100%	

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

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

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

Explanation of Significant Movements

(Notes)

1. Western Australia currently holds triple-A credit ratings (with a 'stable' outlook) from both Moody's and S&P Global. This is the highest rating available and highlights the strength of the State's finances and economy, and reinforces Western Australia's strong reputation as a safe and attractive investment destination.
2. Unqualified audit opinion for the Annual Report on State Finances and timely release of other whole-of-government financial reports in line with statutory deadlines support accountability and transparency in Western Australia's financial disclosures.
3. Tax revenue in 2023-24 is expected to be higher than budgeted. This primarily reflects stronger than anticipated activity in the property and vehicle markets in Western Australia, as well as stronger employment growth. The combination of these factors has flowed through to the State's tax base in the form of higher than forecast transfer duties, payroll taxes and motor vehicle taxes.
4. Royalty revenue in 2023-24 is expected to be higher than budgeted, largely due to a higher iron ore price. Despite significant volatility, the average year-to-date iron ore price is well above the prudent assumption used in the 2023-24 Budget.
5. Employment growth is estimated to be stronger for the 2023-24 Estimated Actual than forecast in the 2023-24 Budget. This primarily reflects that the Australian Bureau of Statistics has revised employment to align with the State's population, which has exceeded previous estimates after incorporating data from the 2021 Census.
6. Real SFD growth is estimated to be stronger for the 2023-24 Estimated Actual than forecast in the 2023-24 Budget. This largely reflects stronger than anticipated growth in household consumption (boosted by stronger than projected population growth), business investment and Government consumption, compared with expectations at the 2023-24 Budget.
7. The 2023-24 Estimated Actual was lower than anticipated, as some Expenditure Review Committee papers required additional analysis and consultation prior to delivery to the Committee.

Services and Key Efficiency Indicators

1. Financial Management and Reporting

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

	2022-23 Actual	2023-24 Budget	2023-24 Estimated Actual	2024-25 Budget Target	Note
Total Cost of Service	\$'000 9,023	\$'000 10,619	\$'000 10,625	\$'000 11,573	1
Less Income	9	12	9	9	
Net Cost of Service	9,014	10,607	10,616	11,564	
Employees (Full-Time Equivalents)	43	52	51	53	

Explanation of Significant Movements

(Notes)

1. The 2024-25 Budget Target is higher than the 2023-24 Estimated Actual, predominantly due to additional resourcing to support Government priorities, such as financial management capability improvement and implementation of a new cash management system across the public sector.

2. Economic and Revenue Forecasts and Policy Development

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

	2022-23 Actual	2023-24 Budget	2023-24 Estimated Actual	2024-25 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	13,420	14,533	15,554	16,633	1
Less Income	10	14	10	10	
Net Cost of Service	13,410	14,519	15,544	16,623	
Employees (Full-Time Equivalents)	68	67	70	76	

Explanation of Significant Movements

(Notes)

- The 2023-24 Estimated Actual and the 2024-25 Budget Target are higher than the 2023-24 Budget, predominantly due to the establishment of the Housing Supply Unit (from January 2024) to deliver a holistic and coordinated approach to housing policy advice.

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

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

	2022-23 Actual	2023-24 Budget	2023-24 Estimated Actual	2024-25 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	34,183	36,327	37,315	43,059	1
Less Income	26	34	41	41	
Net Cost of Service	34,157	36,293	37,274	43,018	
Employees (Full-Time Equivalents)	159	161	158	175	

Explanation of Significant Movements

(Notes)

- The 2024-25 Budget Target is higher than the 2023-24 Estimated Actual, reflecting a revised schedule of various commercial advisory projects to support Government priorities, additional funding received for the establishment of the Performance Monitoring Unit (from January 2024) and resources allocated for oversight of the Digital Capability Fund.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-24 \$'000	2023-24 Estimated Expenditure \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
COMPLETED WORKS							
David Malcolm Justice Centre Level 30 Fit-Out.....	65	65	65	-	-	-	-
ICT - Replacement/Upgrade - 2023-24 Program.....	803	803	803	-	-	-	-
NEW WORKS							
ICT - Replacement/Upgrade							
2024-25 Program.....	870	-	-	870	-	-	-
2025-26 Program.....	894	-	-	-	894	-	-
2026-27 Program.....	915	-	-	-	-	915	-
2027-28 Program.....	936	-	-	-	-	-	936
Total Cost of Asset Investment Program	4,483	868	868	870	894	915	936
FUNDED BY							
Capital Appropriation.....			468	470	494	515	536
Holding Account			400	400	400	400	400
Total Funding.....			868	870	894	915	936

Financial Statements

Income Statement

Expenses

1. Employee benefits expense increases in the 2024-25 Budget Year, reflecting the additional resourcing to support Government priorities such as housing policy advice, Digital Capability Fund oversight, improving the sector's financial management capability, and support on key deliverables relating to Commissioning Community Services, development of a DTWD cost and demand model, and planning of new education infrastructure.
2. Supplies and services expense increases in the 2024-25 Budget Year, reflecting a revised schedule of various fixed-term commercial advisory projects to support Government priorities and additional funding received as part of Treasury's participation in the 2024-25 Streamlined Budget Process.

Income

3. Income from Government increases in the 2024-25 Budget Year, reflecting the fixed-term funding received for additional resources to support Government priorities.

Statement of Financial Position

4. The 2024-25 Budget Year cash balance is expected to decrease primarily due to Treasury expecting to return \$1.1 million to the Consolidated Account during the year.

INCOME STATEMENT ^(a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	39,287	44,358	44,187	50,350	48,764	48,833	49,631
Grants and subsidies ^(c)	135	166	166	167	167	167	167
Supplies and services	10,192	10,238	11,329	12,359	7,408	7,117	7,208
Accommodation	4,526	4,788	5,889	6,411	6,839	7,254	7,439
Depreciation and amortisation	605	426	421	420	421	421	421
Finance and interest costs	9	12	11	11	11	11	11
Other expenses	1,872	1,491	1,491	1,547	1,547	1,546	1,546
TOTAL COST OF SERVICES	56,626	61,479	63,494	71,265	65,157	65,349	66,423
Income							
Other revenue	45	60	60	60	60	60	60
Total Income	45	60	60	60	60	60	60
NET COST OF SERVICES	56,581	61,419	63,434	71,205	65,097	65,289	66,363
INCOME FROM GOVERNMENT							
Service appropriations	51,606	54,896	57,026	63,831	58,008	58,791	59,849
Resources received free of charge	6,477	5,953	5,953	5,953	5,953	5,953	5,953
Major Treasurer's Special Purpose Account(s)							
Royalties for Regions Fund							
Regional and State-wide Initiatives	252	134	105	134	134	134	134
Strategic Alliance Fund	33	-	35	397	417	38	39
Other revenues	1,001	855	705	762	441	215	215
TOTAL INCOME FROM GOVERNMENT	59,369	61,838	63,824	71,077	64,953	65,131	66,190
SURPLUS/(DEFICIENCY) FOR THE PERIOD ^(d)	2,788	419	390	(128)	(144)	(158)	(173)

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

(b) The full-time equivalents for 2022-23 Actual, 2023-24 Estimated Actual and 2024-25 Budget Year are 270, 279 and 304 respectively.

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

(d) The deficit from the 2024-25 Budget Year to the 2027-28 Outyear is due to the resources being funded by the Digital Capability Fund.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
Contributions to the Australian Accounting Standards Board	52	50	50	50	50	50	50
Contributions to the Board of Treasurers Secretariat	83	116	116	117	117	117	117
TOTAL	135	166	166	167	167	167	167

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
CURRENT ASSETS							
Cash assets.....	10,815	7,693	10,750	9,630	9,920	10,208	10,494
Holding Account receivables	400	400	400	400	400	400	400
Receivables	823	607	823	823	823	823	823
Other.....	283	183	283	283	283	283	283
Total current assets.....	12,321	8,883	12,256	11,136	11,426	11,714	12,000
NON-CURRENT ASSETS							
Holding Account receivables	14,530	14,556	14,551	14,571	14,592	14,613	14,634
Property, plant and equipment.....	180	190	269	282	354	438	486
Intangibles	2,289	2,269	2,723	3,180	3,661	4,163	4,686
Restricted cash.....	871	871	996	1,123	1,252	1,383	1,516
Total non-current assets.....	17,870	17,886	18,539	19,156	19,859	20,597	21,322
TOTAL ASSETS	30,191	26,769	30,795	30,292	31,285	32,311	33,322
CURRENT LIABILITIES							
Employee provisions.....	9,794	8,896	9,793	9,793	9,793	9,793	9,793
Payables.....	1,322	1,230	1,322	1,322	1,322	1,322	1,322
Borrowings and leases	53	77	72	59	67	68	60
Total current liabilities.....	11,169	10,203	11,187	11,174	11,182	11,183	11,175
NON-CURRENT LIABILITIES							
Employee provisions.....	1,975	1,548	1,975	1,975	1,975	1,975	1,975
Borrowings and leases	105	105	117	83	87	110	106
Total non-current liabilities.....	2,080	1,653	2,092	2,058	2,062	2,085	2,081
TOTAL LIABILITIES	13,249	11,856	13,279	13,232	13,244	13,268	13,256
EQUITY							
Accumulated surplus/(deficit).....	16,942	14,913	17,516	17,060	18,041	19,043	20,066
Total equity	16,942	14,913	17,516	17,060	18,041	19,043	20,066
TOTAL LIABILITIES AND EQUITY	30,191	26,769	30,795	30,292	31,285	32,311	33,322

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM GOVERNMENT							
Service appropriations	50,976	54,470	56,605	63,411	57,587	58,370	59,428
Capital appropriation.....	69	71	534	537	562	583	604
Holding Account drawdowns	400	400	400	400	400	400	400
Major Treasurer's Special Purpose Account(s)							
Digital Capability Fund	250	-	-	547	563	577	592
Royalties for Regions Fund							
Regional and State-wide Initiatives	252	134	105	134	134	134	134
Strategic Alliance Fund	33	-	35	397	417	38	39
Receipts paid into Consolidated Account	(4,444)	-	(330)	(1,412)	-	-	-
Other.....	1,064	855	705	762	441	215	215
Net cash provided by Government	48,600	55,930	58,054	64,776	60,104	60,317	61,412
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(38,138)	(44,358)	(44,187)	(50,350)	(48,764)	(48,833)	(49,631)
Grants and subsidies	(135)	(166)	(166)	(167)	(167)	(167)	(167)
Supplies and services	(3,881)	(4,367)	(5,458)	(6,488)	(1,537)	(1,246)	(1,337)
Accommodation	(4,509)	(4,788)	(5,889)	(6,411)	(6,839)	(7,254)	(7,439)
GST payments	(1,160)	(2,281)	(2,281)	(2,281)	(2,281)	(2,281)	(2,281)
Finance and interest costs	(9)	(12)	(11)	(11)	(11)	(11)	(11)
Other payments	(1,907)	(1,491)	(1,491)	(1,547)	(1,547)	(1,546)	(1,546)
Receipts ^(b)							
GST receipts	1,151	2,281	2,281	2,281	2,281	2,281	2,281
Other receipts	134	142	142	142	142	142	142
Net cash from operating activities	(48,454)	(55,040)	(57,060)	(64,832)	(58,723)	(58,915)	(59,989)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(443)	(400)	(868)	(870)	(894)	(915)	(936)
Net cash from investing activities	(443)	(400)	(868)	(870)	(894)	(915)	(936)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	(69)	(71)	(66)	(67)	(68)	(68)	(68)
Net cash from financing activities	(69)	(71)	(66)	(67)	(68)	(68)	(68)
NET INCREASE/(DECREASE) IN CASH HELD.....	(366)	419	60	(993)	419	419	419
Cash assets at the beginning of the reporting period	12,052	8,145	11,686	11,746	10,753	11,172	11,591
Cash assets at the end of the reporting period	11,686	8,564	11,746	10,753	11,172	11,591	12,010

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

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

NET APPROPRIATION DETERMINATION (a)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
GST Receipts							
GST Input Credits	1,122	2,281	2,281	2,281	2,281	2,281	2,281
GST Receipts on Sales	29	-	-	-	-	-	-
Other Receipts							
Aboriginal Community Connectors Program - Evaluation	182	-	-	-	-	-	-
Other Receipts	89	82	82	82	82	82	82
Receipts from the Department of Communities for the Target 120 Program ...	207	626	476	374	227	165	165
Receipts from the Department of Education for Education Infrastructure	-	-	-	179	-	-	-
Receipts from the Department of Justice for the Justice Pipeline Model	74	50	50	50	50	50	50
Receipts from the Department of Training and Workforce Development for the Development of a Cost and Demand Model	-	-	-	159	164	-	-
Senior Officer Vehicle Scheme Receipts	45	60	60	60	60	60	60
Sustainable Health Review - Funding and Commissioning	601	179	179	-	-	-	-
TOTAL	2,349	3,278	3,128	3,185	2,864	2,638	2,638

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

DETAILS OF ADMINISTERED TRANSACTIONS

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
INCOME							
Commonwealth Grants							
Compensation for Crude Oil Excise Condensate	116,056	25,385	32,811	23,621	15,584	11,320	8,975
GST Grants	6,305,648	6,484,226	6,416,845	7,263,522	7,743,855	8,590,963	9,089,951
North West Shelf Grants	1,366,191	634,622	656,214	590,519	389,590	283,012	224,379
Other	1,006,124	2,933,317	814,164	3,685,958	1,058,631	151,900	62,000
Total Commonwealth Grants	8,794,019	10,077,550	7,920,034	11,563,620	9,207,660	9,037,195	9,385,305
GOVERNMENT ENTERPRISES							
Dividends							
Bunbury Water Corporation	-	903	-	1,190	1,974	2,738	2,807
Busselton Water Corporation	-	230	-	1,770	4,057	3,860	3,958
Electricity Networks Corporation (Western Power)	78,871	222,971	-	273,560	316,850	323,114	294,016
Fremantle Port Authority	-	33,151	-	35,118	33,685	34,988	37,400
Gold Corporation	-	11,820	-	6,761	10,051	16,773	17,729
Insurance Commission of Western Australia	63,500	58,211	172,411	54,271	54,824	54,606	53,670
Kimberley Ports Authority	-	2,782	-	1,671	1,758	726	523
Mid West Ports Authority	-	29,973	-	31,367	50,980	81,525	87,024
Pilbara Ports Authority	-	209,664	-	220,085	230,701	232,484	225,302
Regional Power Corporation (Horizon Power)	-	3,679	-	5,844	9,858	10,474	16,995
Southern Ports Authority	-	26,948	-	33,984	41,335	46,645	53,313
Water Corporation of Western Australia	-	759,919	-	842,526	861,749	907,136	949,339
Western Australian Land Authority (DevelopmentWA)	2,500	45,883	5,575	48,717	41,116	42,298	47,691
Western Australian Treasury Corporation ...	-	16,999	32,841	13,964	13,905	13,905	14,620
Total Dividends	144,871	1,423,133	210,827	1,570,828	1,672,843	1,771,272	1,804,387

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
Income Tax Equivalent Regime							
Bunbury Water Corporation	927	995	1,657	2,621	3,599	3,688	3,938
Busselton Water Corporation	1,175	924	899	1,592	1,514	1,552	1,431
Electricity Networks Corporation (Western Power)	22,411	102,896	95,975	155,028	169,345	178,371	148,760
Forest Products Commission	(3,034)	-	-	693	2,286	1,950	1,716
Fremantle Port Authority	20,418	21,482	20,839	21,635	20,371	21,885	23,312
Gold Corporation	16,340	2,527	1,374	3,253	7,095	7,641	8,162
Insurance Commission of Western Australia	24,679	22,197	54,893	18,714	14,703	7,126	1,610
Kimberley Ports Authority	-	855	996	658	823	156	258
Mid West Ports Authority	10,834	19,137	16,116	18,524	32,665	51,228	49,232
Pilbara Ports Authority	101,628	115,702	110,396	111,158	118,040	116,945	112,482
Regional Power Corporation (Horizon Power)	2,192	1,796	1,683	3,947	6,255	5,895	10,982
Southern Ports Authority	26,328	14,849	16,814	20,288	24,732	27,296	31,521
Water Corporation of Western Australia	410,000	436,266	444,187	497,182	487,329	494,718	491,088
Western Australian Land Authority (DevelopmentWA)	29,837	9,825	1,289	5,692	24,171	27,254	17,432
Western Australian Treasury Corporation	11,181	8,219	7,920	7,946	7,946	8,354	8,866
Total Income Tax Equivalent Regime	674,916	757,670	775,038	868,931	920,874	954,059	910,790
Local Government Rates Equivalent Regime							
Bunbury Water Corporation	89	74	70	72	74	76	79
Busselton Water Corporation	65	69	69	70	72	75	77
Electricity Generation and Retail Corporation (Synergy)	783	1,180	640	640	640	640	640
Electricity Networks Corporation (Western Power)	1,671	1,692	1,692	1,734	1,769	1,813	1,858
Forest Products Commission	528	514	514	597	622	635	647
Fremantle Port Authority	937	865	698	985	1,010	1,035	1,061
Gold Corporation	208	82	210	212	214	216	219
Kimberley Ports Authority	144	125	172	145	149	149	149
Mid West Ports Authority	1,073	934	1,073	1,120	1,176	1,235	1,297
Pilbara Ports Authority	3,900	3,210	3,895	4,002	4,102	4,205	4,310
Regional Power Corporation (Horizon Power)	496	751	751	770	789	809	829
Southern Ports Authority	1,104	855	855	990	1,020	1,045	1,071
Water Corporation of Western Australia	7,938	8,386	8,386	8,575	8,790	9,009	9,234
Western Australian Land Authority (DevelopmentWA)	11,524	8,484	12,598	12,976	13,365	13,766	14,179
Total Local Government Rates Equivalent Regime	30,460	27,221	31,623	32,888	33,792	34,708	35,650
TOTAL GOVERNMENT ENTERPRISES	850,247	2,208,024	1,017,488	2,472,647	2,627,509	2,760,039	2,750,827
Other							
Consolidated Account Revenue Received from Agencies	23,406,549	20,781,812	24,807,670	21,471,073	21,023,186	21,426,825	21,786,422
Gold State Superannuation Reimbursement	64,835	61,236	61,236	54,555	48,882	43,716	38,841
Interest	287,922	227,125	322,050	303,125	232,600	266,600	222,000
Loan Guarantee Fees	129,721	136,540	130,895	135,281	143,965	152,994	159,583
Pension Recoups	11,994	8,257	8,816	8,925	9,075	9,228	9,384
Other Revenue	110,189	29,654	45,675	55,867	62,058	73,824	69,927
Total Other	24,011,210	21,244,624	25,376,342	22,028,826	21,519,766	21,973,187	22,286,157
TOTAL ADMINISTERED INCOME	33,655,476	33,530,198	34,313,864	36,065,093	33,354,935	33,770,421	34,422,289
EXPENSES							
Interest	796,038	836,000	963,000	955,000	913,000	917,000	958,500
Superannuation	178,679	325,698	435,779	426,182	442,248	417,361	392,823
Appropriations for:							
Operating Subsidies	2,621,784	2,891,477	2,999,070	3,096,884	2,382,169	2,403,530	2,469,594
Salaries and Allowances	114,310	117,387	127,432	137,007	140,264	143,532	146,815
Services	21,578,566	20,530,459	21,905,999	23,256,638	22,530,667	22,878,462	23,382,900
Other Appropriations	3,028,379	4,098,226	4,532,876	4,841,393	4,514,740	4,666,031	4,748,919
Total Appropriations	27,343,039	27,637,549	29,565,377	31,331,922	29,567,840	30,091,555	30,748,228

Treasury - continued

	2022-23	2023-24	2023-24 Estimated Actual	2024-25 Budget Year	2025-26	2026-27	2027-28
	Actual \$'000	Budget \$'000	Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
All Other Expenses							
Royalties for Regions	898,297	887,462	706,230	910,758	808,016	729,350	731,775
Other Expenses	116,596	246,765	183,434	271,103	238,135	147,132	123,921
Total All Other Expenses	1,014,893	1,134,227	889,664	1,181,861	1,046,151	876,482	855,696
TOTAL ADMINISTERED EXPENSES	29,332,649	29,933,474	31,853,820	33,894,965	31,969,239	32,302,398	32,955,247

Western Australian Treasury Corporation

Part 3 Financial Administration

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

	2022-23 Actual \$'000	2023-24 Budget \$'000	2023-24 Estimated Actual \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax.....	11,181	8,219	7,920	7,946	7,946	8,354	8,866
Dividends ^(a)	13,096	16,999	19,745	13,964	13,905	13,905	14,620
RATIOS							
Dividend Payout Ratio (%)	75	75	75	75	75	75	75
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	1,435,289	1,784,627	1,891,545	1,804,941	1,806,015	1,958,484	1,978,809
Total Expenses ^(b)	1,397,698	1,757,041	1,864,603	1,778,461	1,779,540	1,930,644	1,949,262
NET PROFIT AFTER TAX	26,292	19,367	19,022	18,534	18,529	19,486	20,681
CASH ASSETS ^(c)	716,660	683,746	691,760	692,498	692,302	692,796	694,723

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

(b) Excludes current tax expense, deferred tax expense and dividend payments.

(c) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Corporation's Income Statement since presentation of the 2023-24 Budget to Parliament on 11 May 2023, are outlined below:

	2023-24 Estimated Actual \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
Key Adjustment					
Flow-On Impact of Updated Borrowing Requirements and Market Conditions on Investment Revenue	2,447	(719)	(1,075)	(871)	1,087

Significant Issues Impacting the Government Trading Enterprise

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

Financial Market and Economic Conditions

2. Geopolitical risks and fluctuating market conditions will continue to influence the Corporation's ability to deliver its core outcome of meeting the State's borrowing needs. The Corporation funds the borrowing requirements of the Consolidated Account, Government Trading Enterprises (GTEs), local government authorities, universities and the Corporation's liquidity management requirements. Debt management includes the refinancing of over \$6 billion of maturing debt per annum.
3. Over 2022 and 2023, central banks conducted the most aggressive monetary tightening campaign since the 1980s to combat a rapid rise in global inflation. With inflation easing, the focus of financial markets has turned to the timing and extent of central bank interest rate cuts. Expectations that central banks have reached the end of the tightening cycle have seen global bond yields fall after peaking at the highest levels in over a decade in October 2023.
4. The Reserve Bank of Australia (RBA) raised the cash rate target from 0.85% to 4.10% over the course of 2022-23 and raised the cash rate by a further 25 basis points to 4.35% in November 2023, the highest level since November 2011. Money market interest rates peaked in November as traders priced in the possibility of further monetary tightening before falling back as expectations mounted that the next move from the RBA would be a rate cut. Australian bond yields climbed to their highest levels in over a decade, with the 10-year Commonwealth bond yield peaking at 4.95% in early November before drifting lower again. Yields remain well above the average for the past 10 years.
5. The rise in interest rates has increased borrowing costs for the Corporation and other State Central Borrowing Authorities. Tighter monetary policy has also driven a rise in financial market volatility. This volatility is expected to persist as the economy and financial markets continue to adjust to tighter monetary policy. The Corporation will need to navigate this uncertain financial market environment when raising debt.
6. Interest rates may start falling in late 2024 and 2025, negatively impacting investment returns as new funds and maturities are reinvested at lower rates. The Corporation manages funds on behalf of the Public Bank Account, the Future Health Research and Innovation Fund, Lotteries Commission, Western Australian Land Information Authority, and its own balance sheet, in aggregate approximately \$13.5 billion is forecasted at 30 June 2024.
7. Western Australia's finances continue to benefit from a strong domestic economy with general government operating surpluses forecast across the entire forward estimates period. Relative to the experience in other jurisdictions, the State's strong Budget position has limited the amount of new funding the Corporation will need to raise in the financial markets in coming years.
8. The size of semi-government markets has grown in recent years, with other States' borrowing programs expanding significantly. This has resulted in deeper, more liquid semi-government bond markets, but also increased competition for investors. Investor diversification is critical in this environment, underlying the importance of investor engagement, with onshore and offshore marketing crucial to ensure investors are informed of Western Australia's economic and fiscal position, and the associated funding needs of the Corporation. With the easing of COVID-19 travel restrictions, face-to-face engagements are a priority, in addition to forums, seminars, online presentations and one-on-one virtual meetings.

Environmental, Social and Governance (ESG) Considerations

9. Demand by investors for ESG debt instruments has grown significantly, and in response supply has continued to increase as a proportion of the global bond market. This growth has been driven by the view of both investors and issuers that it signals a corporation or government's concerted efforts towards progressing social or environmental objectives aligned with the Paris Agreement and United Nations Sustainable Development Goals.

10. In May 2023, the Corporation published a Sustainability Bond Framework, which enabled issuance of an inaugural Green Bond in June 2023 that was well received by investors and market commentators. The Corporation published the inaugural Sustainability Bond Framework annual report in December 2023, and continues to work with contributing agencies to refine processes for identifying eligible projects to support ongoing issuance of ESG debt and facilitate meaningful impact reporting, as part of its investor engagement strategy with potential and existing investors in Western Australian bonds.

Statement of Corporate Intent

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

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

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

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

Outcomes and Key Performance Indicators

	2022-23 Actual	2023-24 Budget	2023-24 Estimated Actual	2024-25 Budget Target	Note
Outcome: Deliver valued financial solutions to clients:					
Assessment of client satisfaction.....	90%	90%	100%	90%	
Outcome: Achieve interest rate savings for clients:					
Estimated interest rate savings	>0.00%	>0.00%	>0.00%	>0.00%	
Outcome: Deliver scale benefits to the State by keeping administrative expenses in proportion to revenue:					
Administration cost ratio	0.04%	<0.06%	0.05%	<0.06%	
Outcome: Maintain an adequate profit:					
Pre-tax profit.....	\$37.6 million	\$27.6 million	\$26.9 million	\$26.5 million	
Outcome: Continual improvement of employee engagement:					
Staff engagement.....	66%	>65%	77%	>65%	

Asset Investment Program

1. The Corporation has a scheduled ICT Asset Investment Program covering its key infrastructure requirements, focusing on computer hardware and software.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-24 \$'000	2023-24 Estimated Expenditure \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
COMPLETED WORKS							
Computer Hardware and Software - 2023-24 Program	410	410	410	-	-	-	-
NEW WORKS							
Computer Hardware and Software							
2024-25 Program	275	-	-	275	-	-	-
2025-26 Program	211	-	-	-	211	-	-
2026-27 Program	205	-	-	-	-	205	-
2027-28 Program	211	-	-	-	-	-	211
Total Cost of Asset Investment Program	1,312	410	410	275	211	205	211
FUNDED BY							
Internal Funds and Balances			410	275	211	205	211
Total Funding			410	275	211	205	211

Financial Statements

1. The Corporation's borrowings and client lendings have been updated to reflect the whole-of-State consolidated position as at the 8 April 2024 Budget cut-off date. Consequential changes may be required to the interest expense, interest revenue from clients and administration margin at the 2024-25 Mid-year Review to reflect the allocation of debt against individual portfolios.
2. The Corporation presents its valuations based on a mark-to-market basis under AASB 9: *Financial Instruments*. Other agencies prepare forecasts on a face value basis. As most agency borrowings are raised by the Corporation, these differences are removed on consolidation for the State's whole-of-government financial forecasts.

Income Statement

Revenue

3. Revenue includes interest from client authorities and interest earned on investments, with movements reflecting reductions to the levels of client debt, and updated assumptions on investment returns across the forward estimates period.

Expenses

4. The 2023-24 Estimated Actual is \$108 million above the 2023-24 Budget, reflecting the significant increase in interest rate expenses over the year, due to increases in the global interest rate environment. Expenditure is dominated by finance and interest costs, reflecting quarterly payments made on the Corporation's debt outstanding. A reduction in the total borrowing program in 2024-25, due to reduced client requirements, leads to a reduction in interest expense (and revenue) of \$88 million in 2024-25. Net profit before tax in the 2023-24 Estimated Actual is marginally lower than the 2023-24 Budget.

Statement of Financial Position

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

Statement of Cashflows

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

INCOME STATEMENT ^(a) (Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE							
Revenue from operations							
Other revenue.....	1,435,289	1,784,627	1,891,545	1,804,941	1,806,015	1,958,484	1,978,809
TOTAL REVENUE	1,435,289	1,784,627	1,891,545	1,804,941	1,806,015	1,958,484	1,978,809
Expenses							
Employee benefits ^(b)	13,525	15,063	15,063	16,508	17,151	17,823	18,522
Supplies and services	3,969	5,685	5,685	6,632	6,826	7,233	7,209
Accommodation	1,026	1,200	1,200	1,037	1,065	1,091	1,118
Depreciation and amortisation	524	981	630	838	860	840	837
Finance and interest costs	1,376,549	1,729,755	1,837,668	1,749,492	1,749,593	1,899,523	1,917,349
Other expenses	2,105	4,357	4,357	3,954	4,045	4,134	4,227
TOTAL EXPENSES	1,397,698	1,757,041	1,864,603	1,778,461	1,779,540	1,930,644	1,949,262
NET PROFIT/(LOSS) BEFORE TAX	37,591	27,586	26,942	26,480	26,475	27,840	29,547
National Tax Equivalent Regime							
Current tax equivalent expense	11,181	8,219	7,920	7,946	7,946	8,354	8,866
Deferred tax equivalent expense	118	-	-	-	-	-	-
NET PROFIT/(LOSS) AFTER TAX	26,292	19,367	19,022	18,534	18,529	19,486	20,681
Dividends	13,096	16,999	19,745	13,964	13,905	13,905	14,620

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

(b) The full-time equivalents for 2022-23 Actual, 2023-24 Estimated Actual and 2024-25 Budget Year are 89, 94 and 103 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	716,660	683,746	691,760	692,498	692,302	692,796	694,723
Receivables.....	304,064	242,335	304,064	348,552	399,963	429,963	461,252
Other investments.....	2,273,983	2,020,691	2,273,983	1,741,253	1,741,253	1,741,253	1,741,253
Government securities.....	2,253,706	1,749,954	2,253,706	1,750,000	1,750,000	1,750,000	1,750,000
Loans to authorities.....	6,617,227	6,989,988	6,732,994	6,697,873	5,903,846	5,588,160	5,701,201
Total current assets.....	12,165,640	11,686,714	12,256,507	11,230,176	10,487,364	10,202,172	10,348,429
NON-CURRENT ASSETS							
Property, plant and equipment.....	378	24	288	431	424	416	409
Intangibles.....	472	24	341	540	540	539	539
Loans to authorities.....	37,525,221	39,447,788	38,181,713	39,547,051	42,454,178	46,109,676	46,544,493
Other.....	1,049	1,168	1,049	1,049	1,049	1,049	1,049
Total non-current assets.....	37,527,120	39,449,004	38,183,391	39,549,071	42,456,191	46,111,680	46,546,490
TOTAL ASSETS	49,692,760	51,135,718	50,439,898	50,779,247	52,943,555	56,313,852	56,894,919
CURRENT LIABILITIES							
Employee provisions.....	3,192	3,411	3,192	3,192	3,192	3,192	3,192
Payables.....	1,191,939	221,144	1,167,547	1,461,611	1,308,202	1,833,112	1,160,267
Borrowings and leases.....	5	9	3	8	8	8	8
Interest payable.....	462,255	427,248	462,255	462,255	462,255	462,255	462,255
Borrowings.....	8,080,943	10,290,070	10,133,326	9,058,864	10,848,252	9,650,100	8,708,920
Other.....	386,384	141,287	386,384	373,288	373,288	373,288	373,288
Total current liabilities.....	10,124,718	11,083,169	12,152,707	11,359,218	12,995,197	12,321,955	10,707,930
NON-CURRENT LIABILITIES							
Employee provisions.....	340	436	340	340	340	340	340
Borrowings and leases.....	4	6	-	24	18	12	5
Borrowings.....	39,400,729	39,890,153	38,120,605	39,248,849	39,772,560	43,810,524	45,999,562
Other.....	4	5	4	4	4	4	4
Total non-current liabilities.....	39,401,077	39,890,600	38,120,949	39,249,217	39,772,922	43,810,880	45,999,911
TOTAL LIABILITIES	49,525,795	50,973,769	50,273,656	50,608,435	52,768,119	56,132,835	56,707,841
NET ASSETS	166,965	161,949	166,242	170,812	175,436	181,017	187,078
EQUITY							
Accumulated surplus/(deficit).....	166,965	161,949	166,242	170,812	175,436	181,017	187,078
TOTAL EQUITY	166,965	161,949	166,242	170,812	175,436	181,017	187,078

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
GST receipts.....	460	-	-	-	-	-	-
Other receipts.....	1,419,956	1,784,627	1,891,545	1,804,941	1,806,015	1,958,484	1,978,809
Payments							
Employee benefits.....	(13,491)	(15,063)	(15,063)	(16,508)	(17,151)	(17,823)	(18,522)
Supplies and services.....	(3,977)	(5,685)	(5,685)	(6,632)	(6,826)	(7,233)	(7,209)
Accommodation.....	(1,026)	(1,200)	(1,200)	(1,037)	(1,065)	(1,091)	(1,118)
GST payments.....	(340)	-	-	-	-	-	-
Finance and interest costs.....	(1,382,198)	(1,729,755)	(1,837,668)	(1,749,492)	(1,749,593)	(1,899,523)	(1,917,349)
Other payments.....	(3,077)	(4,472)	(4,472)	(3,120)	(4,671)	(5,624)	(2,939)
Net cash from operating activities.....	16,307	28,452	27,457	28,152	26,709	27,190	31,672
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Other receipts.....	4,684,413	5,000,000	5,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Payments							
Purchase of non-current assets.....	(438)	(410)	(410)	(275)	(211)	(205)	(211)
Other payments.....	(5,339,968)	(5,000,000)	(5,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Net cash from investing activities.....	(655,993)	(410)	(410)	(275)	(211)	(205)	(211)
CASHFLOWS FROM FINANCING ACTIVITIES							
Receipts							
Proceeds from borrowings.....	15,965,560	16,230,852	16,470,526	15,390,059	17,310,197	17,837,742	16,241,817
Other proceeds.....	11,300,633	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Payments							
Repayment of borrowings and leases.....	(26,587,616)	(26,230,860)	(26,470,531)	(25,395,288)	(27,315,040)	(27,841,973)	(26,247,865)
Net cash from financing activities.....	678,577	(8)	(5)	(5,229)	(4,843)	(4,231)	(6,048)
CASHFLOWS FROM GOVERNMENT							
Payments							
Dividends to Government.....	-	(16,999)	(32,841)	(13,964)	(13,905)	(13,905)	(14,620)
National Tax Equivalent Regime - Income Tax....	-	(8,219)	(19,101)	(7,946)	(7,946)	(8,355)	(8,866)
Net cash provided to Government.....	-	25,218	51,942	21,910	21,851	22,260	23,486
NET INCREASE/(DECREASE) IN CASH HELD.....	38,891	2,816	(24,900)	738	(196)	494	1,927
Cash assets at the beginning of the reporting period.....	677,769	680,930	716,660	691,760	692,498	692,302	692,796
Cash assets at the end of the reporting period.....	716,660	683,746	691,760	692,498	692,302	692,796	694,723

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

Division 12 Office of the Auditor General

Part 3 Financial Administration

Appropriations, Expenses and Cash Assets

	2022-23 Actual \$'000	2023-24 Budget \$'000	2023-24 Estimated Actual \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
DELIVERY OF SERVICES							
Item 44 Net amount appropriated to deliver services	12,728	12,849	13,158	13,858	14,005	13,914	14,202
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975.....	815	817	852	878	904	927	950
Total appropriations provided to deliver services	13,543	13,666	14,010	14,736	14,909	14,841	15,152
CAPITAL							
Item 131 Capital Appropriation	347	347	347	300	300	300	300
TOTAL APPROPRIATIONS	13,890	14,013	14,357	15,036	15,209	15,141	15,452
EXPENSES							
Total Cost of Services	45,530	47,505	51,408	53,781	56,767	57,718	59,085
Net Cost of Services ^(a)	34,845	36,180	38,957	41,276	43,523	44,172	45,201
CASH ASSETS ^(b)	3,914	3,554	3,074	2,570	2,587	2,622	2,653

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

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Office's Income Statement since presentation of the 2023-24 Budget to Parliament on 11 May 2023, are outlined below:

	2023-24 Estimated Actual \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
New Initiative					
Western Australian Public Sector Learning Initiative	-	-	(28)	(52)	(60)
Other					
2024-25 Streamlined Budget Process Incentive Funding	-	351	-	-	-
Audit Services	3,548	1,957	3,643	3,574	3,350
Public Sector Wages Policy	309	316	325	332	341
Salaries and Allowances Tribunal	35	41	46	47	47
State Fleet Updates	11	12	12	11	9

Significant Issues Impacting the Agency

Capability and Resourcing

1. The Office continues to face challenges due to specialist skill shortages in key professions (financial and information systems auditors, accountants, data analysts and scientists) similar to other public sector entities and private audit firms across Australia and New Zealand. Each year, the Office recruits a new group of graduate auditors for training and continues to explore innovative strategies for recruitment and retention of senior staff. The Office continues to emphasise to audited entities the importance of being audit-ready and ensuring key personnel are available within agreed timeframes. This is pivotal for enabling the Office to meet statutory deadlines for completing financial audits and certifications. These efforts are expected to improve efficiency indicators, particularly the average number of days taken to complete audits, for both State and local government entities.
2. The Office deployed staff from contract audit firms' international locations to meet the legislative requirements of the Office and outsourced additional audits usually undertaken by internal staff. Contract audit firms currently undertake 47% of State government and 87% of local government financial audits. The Office's recent tender submissions from contract audit firms highlight a significant average increase of approximately 35% in market rates for professional services. Approximately 57 contracts across all firms engaged by the Office are due for renewal within the short term.
3. Spending on audit services is projected to increase by \$12.5 million over the forward estimates period as a result of increases in professional services costs and the time required to resolve prior-year audit findings. The spending is offset by audit fees, with costs recovered from the State and local government sector.

Ongoing Audit Complexity of State and Local Government Audits

4. The number of qualified audit opinions for the State sector decreased in 2022-23 but remains elevated. Audit qualifications increase the complexity of audits and require additional audit resourcing. Similarly, local government audits continue to pose challenges given the intricate nature of these audits, accounting challenges, quality of financial statements, and insufficient supporting documentation, which add to the complexity and costs of audits. As with the State government sector, audit readiness remains a key area for improvement across the local government sector, albeit there are signs of improvement.

Implementation of New Financial Audit Methodology

5. The Office has commenced implementation of a new financial audit methodology and audit tool supported by a \$4.2 million allocation from the Digital Capability Fund. These will provide essential enhancements for all audits performed by the Office. All financial audits commencing from the 31 December 2023 period will be transitioned to the new methodology and tool. During this transition, staff will require training and additional time to transfer audits and, given difficulties with recruitment of professional auditors, the Office has had to outsource a greater portion of its work program to accommodate this workload. The transition is expected to take two to three years to implement, at which time efficiencies may emerge which gradually allow more work to be brought back in-house.

Outcomes, Services and Key Performance Information

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

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

Service Summary

Expense	2022-23 Actual \$'000	2023-24 Budget \$'000	2023-24 Estimated Actual \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
1. Public Sector Auditing	45,530	47,505	51,408	53,781	56,767	57,718	59,085
Total Cost of Services.....	45,530	47,505	51,408	53,781	56,767	57,718	59,085

Outcomes and Key Effectiveness Indicators ^(a)

	2022-23 Actual	2023-24 Budget	2023-24 Estimated Actual	2024-25 Budget Target	Note
Outcome: An informed Parliament on public sector accountability and performance:					
The extent that the Office is effective in informing the Parliament about public sector accountability and performance is measured by the number of tabled reports compared to targets for each of the following categories of audit matter:					
Service delivery - Reports tabled.....	7	10	6	8	1
Economic development - Reports tabled	1	1	2	4	
Social and environment - Reports tabled	3	4	2	4	1
Governance - Reports tabled.....	17	18	19	12	

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

Explanation of Significant Movements

(Notes)

1. The 2023-24 Estimated Actual is lower than the 2023-24 Budget, reflecting delays in tabling some of the Office's reports to Parliament. While the 2023-24 Budget was increased to align with the Office's three-year reporting cycle, the 2024-25 Budget Target reflects a 'standard' reporting year.

Services and Key Efficiency Indicators

1. Public Sector Auditing

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

	2022-23 Actual	2023-24 Budget	2023-24 Estimated Actual	2024-25 Budget Target	Note
Total Cost of Service	\$'000 45,530	\$'000 47,505	\$'000 51,408	\$'000 53,781	1
Less Income	10,685	11,325	12,451	12,505	
Net Cost of Service	34,845	36,180	38,957	41,276	
Employees (Full-Time Equivalents)	201	220	235	255	1
Efficiency Indicators					
Total audit cost (attest and non-attest) per \$ million of total public sector expenditure	\$551	\$587	\$589	\$625	
Total attest audit cost per \$ million of total public sector expenditure	\$450	\$454	\$466	\$470	
State attest audit cost per \$ million of total public sector expenditure	\$338	\$335	\$352	\$357	
Local government attest audit cost per \$ million of total public sector expenditure	\$112	\$119	\$114	\$113	
Total non-attest audit cost per \$ million of total public sector expenditure	\$101	\$133	\$123	\$155	
Average number of days taken after balance date to issue financial audit opinions for government entities	90.1	68	73	68	2
Average number of days taken after legislated submission date to issue financial audit opinions for local government entities ^(a)	n.a.	68	79	68	2

(a) A new indicator was added in 2023-24 for the average number of days taken after legislated submission date to issue financial audit opinions for local government entities. This is unable to be retrospectively reported as data is not available.

Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service between the 2023-24 Estimated Actual and the 2024-25 Budget Target is mainly a result of the contract audit firm price increments. Additionally, the implementation of new Auditing Standards requires additional resourcing at the outset to ensure the updated standards are incorporated into the Office's audit methodology.
2. The average number of days is five days higher for State government, and 11 days higher for local government agencies in the 2023-24 Estimated Actual than the 2023-24 Budget. This is due primarily to increasingly complex auditing and reporting issues, including qualifications and significant findings, that the Office is identifying across both sectors. The 2024-25 Budget Target recognises the efforts and commitment of accountable authorities to resolve these qualified matters and findings and the Office's support to the sector to improve audit readiness and strict approach to finalising audits by due dates.

Asset Investment Program

1. The Office's Asset Investment Program provides for the replacement of ICT systems and equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-24 \$'000	2023-24 Estimated Expenditure \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
WORKS IN PROGRESS							
Computer Hardware and Software - 2023-24 Program	1,826	1,326	1,326	500	-	-	-
COMPLETED WORKS							
Computer Hardware and Software - 2022-23 Program	4,809	4,809	1,392	-	-	-	-
NEW WORKS							
Computer Hardware and Software							
2024-25 Program	690	-	-	690	-	-	-
2025-26 Program	690	-	-	-	690	-	-
2026-27 Program	690	-	-	-	-	690	-
2027-28 Program	690	-	-	-	-	-	690
Total Cost of Asset Investment Program	9,395	6,135	2,718	1,190	690	690	690
FUNDED BY							
Capital Appropriation			300	300	300	300	300
Holding Account			390	390	390	390	390
Internal Funds and Balances			883	500	-	-	-
Major Treasurer's Special Purpose Account(s)							
Digital Capability Fund			1,145	-	-	-	-
Total Funding			2,718	1,190	690	690	690

Financial Statements

Income Statement

Expenses

1. Total Cost of Services is estimated to increase by \$6.3 million in the 2024-25 Budget Year compared to the 2023-24 Budget. This is mainly due to an increase in the cost of service delivery for financial and information systems, and forensic audits.

Income

2. The increase in total income and Total Income from Government in the 2024-25 Budget Year (relative to the 2023-24 Budget) reflects the increase in funding associated with the cost of service delivery for financial and information systems, and forensic audits. The allocation between other revenue (local government financial audit fees) and Government revenue will be reviewed to confirm that the cost recovery allocation remains appropriate.

INCOME STATEMENT ^(a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	26,788	30,578	30,922	32,080	32,642	33,349	34,161
Supplies and services	15,092	12,370	15,918	16,995	19,303	19,428	19,877
Accommodation	1,710	2,096	2,096	2,148	2,202	2,257	2,257
Depreciation and amortisation	385	769	777	730	748	765	784
Finance and interest costs	6	7	10	11	10	10	8
Other expenses	1,549	1,685	1,685	1,817	1,862	1,909	1,998
TOTAL COST OF SERVICES	45,530	47,505	51,408	53,781	56,767	57,718	59,085
Income							
Other revenue	10,685	11,325	12,451	12,505	13,244	13,546	13,884
Total Income	10,685	11,325	12,451	12,505	13,244	13,546	13,884
NET COST OF SERVICES	34,845	36,180	38,957	41,276	43,523	44,172	45,201
INCOME FROM GOVERNMENT							
Service appropriations	13,543	13,666	14,010	14,736	14,909	14,841	15,152
Resources received free of charge	22	467	467	467	467	467	467
Other revenues	20,753	22,132	24,554	26,147	28,245	28,980	29,706
TOTAL INCOME FROM GOVERNMENT	34,318	36,265	39,031	41,350	43,621	44,288	45,325
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(527)	85	74	74	98	116	124

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

(b) The full-time equivalents for 2022-23 Actual, 2023-24 Estimated Actual and 2024-25 Budget Year are 201, 235 and 255 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	3,272	3,010	2,432	1,928	1,945	1,980	2,011
Holding Account receivables	-	390	-	-	-	-	-
Receivables	14,385	13,121	14,388	14,438	14,520	14,601	14,692
Other.....	492	533	492	492	492	492	492
Total current assets.....	18,149	17,054	17,312	16,858	16,957	17,073	17,195
NON-CURRENT ASSETS							
Holding Account receivables	5,696	5,680	6,075	6,437	6,799	7,161	7,523
Property, plant and equipment.....	554	1,593	1,122	1,198	1,265	1,362	1,683
Intangibles	3,394	4,520	4,874	5,264	5,102	4,940	4,578
Restricted cash.....	642	544	642	642	642	642	642
Total non-current assets.....	10,286	12,337	12,713	13,541	13,808	14,105	14,426
TOTAL ASSETS	28,435	29,391	30,025	30,399	30,765	31,178	31,621
CURRENT LIABILITIES							
Employee provisions.....	4,880	4,278	4,880	4,880	4,880	4,880	4,880
Payables.....	1,633	1,829	1,633	1,633	1,633	1,633	1,633
Borrowings and leases	36	38	49	54	48	55	50
Other.....	1,712	1,167	1,712	1,712	1,712	1,712	1,712
Total current liabilities.....	8,261	7,312	8,274	8,279	8,273	8,280	8,275
NON-CURRENT LIABILITIES							
Employee provisions.....	1,472	1,250	1,472	1,472	1,472	1,472	1,472
Borrowings and leases	101	88	112	107	81	71	95
Total non-current liabilities.....	1,573	1,338	1,584	1,579	1,553	1,543	1,567
TOTAL LIABILITIES	9,834	8,650	9,858	9,858	9,826	9,823	9,842
EQUITY							
Contributed equity.....	13,352	14,843	14,844	15,144	15,444	15,744	16,044
Accumulated surplus/(deficit).....	5,249	5,898	5,323	5,397	5,495	5,611	5,735
Total equity	18,601	20,741	20,167	20,541	20,939	21,355	21,779
TOTAL LIABILITIES AND EQUITY	28,435	29,391	30,025	30,399	30,765	31,178	31,621

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM GOVERNMENT							
Service appropriations	12,768	12,897	13,241	13,984	14,157	14,089	14,399
Capital appropriation.....	347	347	347	300	300	300	300
Holding Account drawdowns	390	390	390	390	390	390	390
Major Treasurer's Special Purpose Account(s)							
Digital Capability Fund	3,079	1,145	1,145	-	-	-	-
Other.....	20,160	21,817	24,239	26,147	28,245	28,938	29,663
Net cash provided by Government	36,744	36,596	39,362	40,821	43,092	43,717	44,752
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(25,888)	(30,494)	(30,838)	(32,081)	(32,642)	(33,349)	(34,160)
Supplies and services	(14,622)	(12,079)	(15,627)	(17,001)	(19,329)	(19,471)	(19,948)
Accommodation.....	(1,688)	(1,645)	(1,645)	(1,697)	(1,751)	(1,806)	(1,806)
GST payments.....	(3,662)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)
Finance and interest costs.....	(6)	(7)	(10)	(11)	(10)	(10)	(8)
Other payments.....	(1,510)	(1,637)	(1,637)	(1,766)	(1,810)	(1,855)	(1,944)
Receipts ^(b)							
GST receipts.....	3,850	1,800	1,800	1,800	1,800	1,800	1,800
Other receipts.....	9,733	11,189	12,315	12,464	13,203	13,546	13,884
Net cash from operating activities	(33,793)	(34,673)	(37,442)	(40,092)	(42,339)	(42,945)	(43,982)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(3,417)	(1,835)	(2,718)	(1,190)	(690)	(690)	(690)
Net cash from investing activities	(3,417)	(1,835)	(2,718)	(1,190)	(690)	(690)	(690)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases.....	(34)	(35)	(42)	(43)	(46)	(47)	(49)
Net cash from financing activities	(34)	(35)	(42)	(43)	(46)	(47)	(49)
NET INCREASE/(DECREASE) IN CASH HELD.....	(500)	53	(840)	(504)	17	35	31
Cash assets at the beginning of the reporting period	4,414	3,501	3,914	3,074	2,570	2,587	2,622
Cash assets at the end of the reporting period	3,914	3,554	3,074	2,570	2,587	2,622	2,653

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

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

NET APPROPRIATION DETERMINATION ^(a)

	2022-23 Actual \$'000	2023-24 Budget \$'000	2023-24 Estimated Actual \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
GST Receipts							
GST Input Credits	574	170	170	170	170	170	170
GST Receipts on Sales	3,276	1,630	1,630	1,630	1,630	1,630	1,630
Other Receipts							
Audit Fees	29,893	33,006	36,554	38,611	41,448	42,484	43,546
TOTAL	33,743	34,806	38,354	40,411	43,248	44,284	45,346

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

Division 13 **Finance**

Part 3 **Financial Administration**

Appropriations, Expenses and Cash Assets

	2022-23 Actual \$'000	2023-24 Budget \$'000	2023-24 Estimated Actual \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
DELIVERY OF SERVICES							
Item 45 Net amount appropriated to deliver services	216,656	209,759	204,957	217,818	213,825	218,012	222,793
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	1,612	1,617	1,617	1,622	1,671	1,713	1,756
Total appropriations provided to deliver services	218,268	211,376	206,574	219,440	215,496	219,725	224,549
ADMINISTERED TRANSACTIONS							
Item 46 Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....	226,679	283,382	241,381	246,826	248,274	263,815	282,310
Amount Authorised by Other Statutes							
- First Home Owners Grant Act 2000	44,412	34,697	39,128	54,221	71,309	82,796	82,957
- Petroleum (Submerged Lands) Act 1982 ...	-	339	278	211	-	-	-
CAPITAL							
Item 132 Capital Appropriation	10,815	75,064	59,450	28,833	-	-	-
TOTAL APPROPRIATIONS	500,174	604,858	546,811	549,531	535,079	566,336	589,816
EXPENSES							
Total Cost of Services	1,651,781	1,689,382	1,687,838	1,883,564	1,953,502	1,862,551	1,818,022
Net Cost of Services ^(a)	1,612,992	1,671,339	1,668,663	1,864,411	1,934,830	1,843,877	1,799,347
CASH ASSETS ^(b)	149,917	155,032	146,246	121,637	120,829	124,883	130,617

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

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Department's Income Statement since presentation of the 2023-24 Budget to Parliament on 11 May 2023, are outlined below:

	2023-24 Estimated Actual \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
New Initiatives					
Cyber Security Enhancements	-	1,112	1,554	597	616
Land Tax Assessment Act 2002 Amendments	225	-	-	-	-
Sectoral Emissions Reduction Scheme - Electrical Vehicle Fleet Target	163	332	976	1,924	3,207
Western Australian Public Sector Learning Initiative	-	-	(134)	(252)	(289)
Ongoing Initiatives					
Aboriginal Business Capability Building Program	-	400	400	-	-
Cost of Living - Household Electricity Credit	-	2,597	-	-	-
Government Office Accommodation	2,498	425	(591)	(663)	(534)
Regional Workers Incentives Allowance Payments	(29)	(29)	(29)	(29)	77
RevenueWA Systems Underspends	(2,575)	-	-	-	-
Revision of Capital Works Turnover	(50,000)	477,000	604,000	338,000	287,000
South West Native Title Settlement	(68)	74	-	-	-
Other					
Government Regional Officer Housing	69	75	79	76	82
Land Tax Liability Enquiry Fees	1,132	1,505	735	735	735
Salaries and Allowances Tribunal	-	-	8	9	52
ServiceWA Extension	-	-	571	-	-

Significant Issues Impacting the Agency

1. The Department is leading, in collaboration with a number of key government agencies including Treasury, a whole-of-government strategy to increase the State's market capacity to support the delivery of the Government's Asset Investment Program. The Department has commenced extensive consultation with local, interstate and international building construction companies with the aim to promote the significant pipeline of works in Western Australia, attract more contractors to the State for the long-term, and identify options to increase capacity of local Tier 2 operators.
2. With the Government investing in record levels of infrastructure, the Department has significantly increased its annual program of work by over 40% in recent years. Since mid-2021, \$1.5 billion worth of non-residential infrastructure projects have been delivered, including election commitments and significant upgrades to community infrastructure that deliver on the Government's objectives and support positive health, education and community outcomes. While market conditions have been challenging, with labour shortages and supply chain disruptions impacting projects, the 2023-24 period is showing signs of improvements within the supply chain and market pricing.
3. The implementation of the Asset Management Reform Program is continuing across the sector, with the Program aiming to improve agency building asset management maturity while also delivering a range of office accommodation initiatives to generate significant savings and space utilisation improvements. Since the Program's implementation in July 2022, the Department has achieved \$37.7 million in savings against the \$48 million savings target by 30 June 2026.
4. In November 2023, the original 25% Government fleet Electric Vehicle (EV) target was revised to 50% in support of the Government's Sectoral Emission Reduction Strategy. Under the revised EV target, the Department's State Fleet Unit will direct government agencies to apply the 50% EV target to new vehicle orders in eligible categories from 1 July 2025. Funding of \$830,000 over the period 2023-24 to 2025-26 was approved to fund a project team to implement critical activities required to support the increased target.

5. The Aboriginal Business Capability Building Program (the ABCB Program) aims to increase the ability of Aboriginal businesses to successfully contract with government agencies by developing their businesses' capability. Growing the Aboriginal business sector not only supports Government and agencies in achieving the mandated targets for the awarding of contracts to registered Aboriginal businesses under the Aboriginal Procurement Policy, but, more importantly, provides increased economic opportunities for Aboriginal businesses. The funding of \$800,000 will support the extension of the ABCB Program for a further two financial years.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

Government Goal	Desired Outcomes	Services
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	Due and payable revenue is collected and eligible grants, subsidies and rebates paid.	1. Revenue Assessment and Collection, and Grants and Subsidies Administration
	Value for money from public sector procurement.	2. Development and Management of Common Use Contract Arrangements, State Fleet Leasing and Disposal, and Providing Facilitation Service for Agency Specific Contracts
	Value for money from the management of the Government's non-residential buildings and public works.	3. Leads the Planning, Delivery, Management and Maintenance of Government Buildings, Projects and Office Accommodation

Service Summary

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
Expense	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
1. Revenue Assessment and Collection, and Grants and Subsidies Administration.....	76,256	82,697	77,048	80,629	76,157	75,573	77,037
2. Development and Management of Common Use Contract Arrangements, State Fleet Leasing and Disposal, and Providing Facilitation Service for Agency Specific Contracts.....	79,099	78,364	76,334	73,736	73,990	75,149	77,274
3. Leads the Planning, Delivery, Management and Maintenance of Government Buildings, Projects and Office Accommodation.....	1,496,426	1,528,321	1,534,456	1,729,199	1,803,355	1,711,829	1,663,711
Total Cost of Services.....	1,651,781	1,689,382	1,687,838	1,883,564	1,953,502	1,862,551	1,818,022

Outcomes and Key Effectiveness Indicators ^(a)

	2022-23 Actual	2023-24 Budget	2023-24 Estimated Actual	2024-25 Budget Target	Note
Outcome: Due and payable revenue is collected and eligible grants, subsidies and rebates paid:					
Debt as a percentage of revenue raised	0.72%	0.81%	0.76%	0.81%	
Extent to which correct grants, subsidies and rebates are paid.....	100%	100%	100%	100%	
Outcome: Value for money from public sector procurement:					
Average annual vehicle net capital cost:					
Per passenger vehicle	\$2,543	\$3,200	\$3,152	\$3,500	1
Per commercial vehicle.....	\$3,119	\$3,100	\$3,545	\$4,000	2
Extent to which client agencies agree that their agency contracts and common use arrangements achieved value for money	94%	92%	88%	88%	
Outcome: Value for money from the management of the Government's non-residential buildings and public works:					
Percentage of new building projects, valued over \$5 million, delivered within the approved budget.....	100%	100%	100%	100%	
Average office accommodation floor space per work point	13.23 m ²	13.3 m ²	13.26 m ²	13.22 m ²	

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

Explanation of Significant Movements

(Notes)

1. The 2024-25 Budget Target has been revised to reflect the expected softening of resale prices for passenger vehicles following post-COVID-19 market changes.
2. The 2023-24 Estimated Actual is higher than the 2023-24 Budget due to softer resale prices for commercial vehicles during the period. The 2024-25 Budget Target is reflective of the resale prices returning to similar levels to the pre-COVID-19 market.

Services and Key Efficiency Indicators

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

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

	2022-23 Actual	2023-24 Budget	2023-24 Estimated Actual	2024-25 Budget Target	Note
Total Cost of Service ^(a)	\$'000 76,256	\$'000 82,697	\$'000 77,048	\$'000 80,629	
Less Income	4,488	5,179	6,476	6,449	1
Net Cost of Service ^(a)	71,768	77,518	70,572	74,180	
Employees (Full-Time Equivalents)	364	392	372	398	
Efficiency Indicators					
Average cost per revenue determination ^(a)	\$33.35	\$34.18	\$33.61	\$33.74	
Average cost per grant or subsidy determination ^(a)	\$20.13	\$24.38	\$15.47	\$15.20	2

(a) The 2022-23 Actual results have been revised for comparability purposes to reflect changes to the Department's Outcome Based Management (OBM) Framework in 2023-24.

Explanation of Significant Movements

(Notes)

1. The increase from 2022-23 Actual to 2023-24 Budget and beyond is due to additional income received from the Land Tax Liability Enquiry Fees as a result of increased activity in the housing market.
2. The 2023-24 Estimated Actual costs were lower than the 2023-24 Budget mainly due to the winding down of the more complex housing grant schemes.

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

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

	2022-23 Actual	2023-24 Budget	2023-24 Estimated Actual	2024-25 Budget Target	Note
Total Cost of Service ^(a)	\$'000 79,099	\$'000 78,364	\$'000 76,334	\$'000 73,736	
Less Income	15,602	7,816	7,510	7,511	1
Net Cost of Service ^(a)	63,497	70,548	68,824	66,225	
Employees (Full-Time Equivalents)	188	217	218	219	
Efficiency Indicators					
Cost of facilitating the development and management of agency specific contracts as a percentage of the contract award value ^(a)	1%	1.1%	1.1%	1.1%	
Average administrative cost per vehicle for financing and managing the State Fleet service ^(a)	\$121	\$120	\$122	\$120	
Cost of developing and managing whole-of-government common use contract arrangements as a percentage of the total annual value of purchases through the arrangements ^(a)	0.7%	0.8%	0.8%	0.8%	

(a) The 2022-23 Actual results have been revised for comparability purposes to reflect changes to the Department's OBM Framework in 2023-24.

Explanation of Significant Movements

(Notes)

1. The 2023-24 Budget, and beyond, is reflective of expected sale proceeds from used vehicles returning to pre-COVID-19 market values.

3. Leads the Planning, Delivery, Management and Maintenance of Government Buildings, Projects and Office Accommodation

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

	2022-23 Actual	2023-24 Budget	2023-24 Estimated Actual	2024-25 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service ^(a)	1,496,426	1,528,321	1,534,456	1,729,199	1
Less Income	18,699	5,048	5,189	5,193	2
Net Cost of Service ^(a)	1,477,727	1,523,273	1,529,267	1,724,006	
Employees (Full-Time Equivalents)	511	576	575	576	
Efficiency Indicators					
Percentage of new building projects, valued over \$5 million, delivered within the approved timeframes	96%	85%	85%	90%	
Percentage of high priority breakdown repairs completed within agreed timeframes	73%	75%	68%	75%	3
The cost of managing government buildings including the planning, project delivery, and maintenance thereof, as a percentage of services delivered ^(a)	8.17%	7.86%	8%	8%	

(a) The 2022-23 Actual results have been revised for comparability purposes to reflect changes to the Department's OBM Framework in 2023-24.

Explanation of Significant Movements

(Notes)

1. The 2024-25 Budget Target is higher than the 2023-24 Estimated Actual due to a forecast increase in capital works turnover program.
2. The 2022-23 Actual is higher than the 2023-24 Budget due to an increase in Commonwealth Government grants received and a revaluation of fixed assets.
3. The decrease between the 2023-24 Budget and the 2023-24 Estimated Actual is primarily due to supply chain disruptions and difficulties gaining access to secure facilities which are expected to improve in 2024-25.

Asset Investment Program

1. The Department's Asset Investment Program in 2024-25 is \$132.3 million comprising mainly of:
 - 1.1. Parliamentary Precinct Office Accommodation, 1 Midland Square, and Kununurra Office fit-out projects;
 - 1.2. May Holman Building fire system upgrade works;
 - 1.3. office fit-outs associated with government office accommodation leases, funded through lease incentives from landlords;
 - 1.4. maintaining effective RevenueWA systems through the Digital Transformation Program and ongoing software upgrades to support implementation of initiatives;
 - 1.5. the Vehicle Acquisition Program, managed by State Fleet, which facilitates the purchase, servicing and disposal of government vehicles; and
 - 1.6. office fit-out works to enable the relocation and consolidation of more staff into existing leased premises at Kings Square, Fremantle.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-24 \$'000	2023-24 Estimated Expenditure \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
WORKS IN PROGRESS							
Accommodation Fit-Out Projects							
1 Midland Square Fit-Out.....	14,598	1,898	1,151	12,700	-	-	-
Kununurra Office Fit-Out.....	9,506	1,006	1,006	8,500	-	-	-
May Holman Building - Fire System Upgrades	2,200	1,200	1,200	1,000	-	-	-
Parliamentary Precinct Office Accommodation.....	26,533	25,153	20,566	1,380	-	-	-
Software Development							
Digital Transformation Program.....	20,795	17,810	3,695	2,985	-	-	-
Household Electricity Credits.....	1,753	823	823	930	-	-	-
Royalties Management System	1,575	1,246	994	329	-	-	-
COMPLETED WORKS							
Accommodation Fit-Out Projects							
55 St Georges Terrace - Office Fit-Out.....	325	325	325	-	-	-	-
Bunbury Tower Fit-out	230	230	26	-	-	-	-
Fremantle Co-Working Hub	300	300	300	-	-	-	-
Lease Incentive Funded - Office Fit-Outs	162,060	162,060	5,000	-	-	-	-
May Holman Building - Electrical System Upgrades.....	850	850	850	-	-	-	-
ICT Replacement - 2023-24 Program	109	109	109	-	-	-	-
Procurement Systems Replacement - 2023-24 Program.....	431	431	431	-	-	-	-
Software Development - Off-the-Plan Duty							
Concession - Systems Enhancements	717	717	717	-	-	-	-
Vehicle Acquisitions - 2023-24 Program.....	127,201	127,201	127,201	-	-	-	-
NEW WORKS							
Accommodation Fit-Out Projects - Department of Communities Consolidation at Kings Square.....	2,500	-	-	2,500	-	-	-
ICT Replacement							
2024-25 Program.....	109	-	-	109	-	-	-
2025-26 Program.....	109	-	-	-	109	-	-
2026-27 Program.....	109	-	-	-	-	109	-
2027-28 Program.....	109	-	-	-	-	-	109
Lease Incentive Funded Office Fit-Outs							
2024-25 Program.....	5,050	-	-	5,050	-	-	-
2025-26 Program.....	5,000	-	-	-	5,000	-	-
2026-27 Program.....	5,000	-	-	-	-	5,000	-
2027-28 Program.....	5,000	-	-	-	-	-	5,000
Procurement Systems Replacement							
2024-25 Program.....	431	-	-	431	-	-	-
2025-26 Program.....	431	-	-	-	431	-	-
2026-27 Program.....	431	-	-	-	-	431	-
2027-28 Program.....	431	-	-	-	-	-	431
Vehicle Acquisitions							
2024-25 Program.....	96,414	-	-	96,414	-	-	-
2025-26 Program.....	89,929	-	-	-	89,929	-	-
2026-27 Program.....	91,819	-	-	-	-	91,819	-
2027-28 Program.....	91,819	-	-	-	-	-	91,819
Total Cost of Asset Investment Program	763,874	341,359	164,394	132,328	95,469	97,359	97,359
FUNDED BY							
Asset Sales			47,369	30,239	30,239	30,239	30,239
Capital Appropriation.....			22,801	28,833	-	-	-
Holding Account			540	540	540	540	540
Internal Funds and Balances.....			92,834	72,716	64,690	66,580	66,580
Major Treasurer's Special Purpose Account(s) Asset Maintenance Fund			850	-	-	-	-
Total Funding.....			164,394	132,328	95,469	97,359	97,359

Financial Statements

Income Statement

Expenses

1. The increase in supplies and services between the 2023-24 Estimated Actual, the 2024-25 Budget Year and the outyears is due to the forecast increase to the Department's capital works turnover program.

Income

2. The increase in other revenues from government between the 2023-24 Estimated Actual and the 2024-25 Budget Year reflects the expected increase in revenue from client agencies for capital works.

Statement of Financial Position

3. The decrease in cash assets between the 2023-24 Budget and the 2024-25 Budget Year is due to the carryover of asset investment projects.
4. The increase in non-current holding account receivables between the 2023-24 Budget and the 2024-25 Budget Year is due to increases of right-of-use asset balances.
5. The increase in non-current borrowings and leases in the 2024-25 Budget Year is due to increases in long-term lease liability amounts for right-of-use assets.

Statement of Cashflows

6. The decrease in capital appropriation from the 2023-24 Budget to the 2024-25 Budget Year is due to one-off funding for the Perth Children's Hospital Settlement and public sector wages policy received in 2023-24.
7. The reduction of proceeds from sale of non-current assets from the 2023-24 Estimated Actual to the 2024-25 Budget Year reflects an expectation that used vehicle sales margins will return to pre-COVID-19 levels.

INCOME STATEMENT (a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	136,802	151,007	148,364	153,646	151,434	154,463	158,276
Grants and subsidies ^(c)	17	-	-	-	-	-	-
Supplies and services	1,170,887	1,179,016	1,184,653	1,370,780	1,445,701	1,348,641	1,298,079
Accommodation	38,728	34,119	33,778	34,529	34,612	35,707	36,295
Depreciation and amortisation	236,206	267,008	263,452	266,148	263,567	265,229	266,515
Finance and interest costs	60,677	50,909	50,923	50,946	51,150	51,427	51,721
Other expenses	8,464	7,323	6,668	7,515	7,038	7,084	7,136
TOTAL COST OF SERVICES	1,651,781	1,689,382	1,687,838	1,883,564	1,953,502	1,862,551	1,818,022
Income							
Sale of goods and services	4,689	4,982	6,114	6,087	5,594	5,596	5,596
Grants and subsidies	9,096	4,700	4,700	4,700	4,700	4,700	4,700
Other revenue	25,004	8,361	8,361	8,366	8,378	8,378	8,379
Total Income	38,789	18,043	19,175	19,153	18,672	18,674	18,675
NET COST OF SERVICES	1,612,992	1,671,339	1,668,663	1,864,411	1,934,830	1,843,877	1,799,347
INCOME FROM GOVERNMENT							
Service appropriations	218,268	211,376	206,574	219,440	215,496	219,725	224,549
Resources received free of charge	13,873	14,676	14,676	14,676	14,676	14,676	14,676
Major Treasurer's Special Purpose Account(s)							
Asset Maintenance Fund	-	-	850	-	-	-	-
Royalties for Regions Fund							
Regional Community Services Fund	77	106	77	77	77	77	77
Other appropriations	-	-	-	1,823	-	-	-
Other revenues	1,401,651	1,453,026	1,457,837	1,646,574	1,733,425	1,644,860	1,596,345
TOTAL INCOME FROM GOVERNMENT	1,633,869	1,679,184	1,680,014	1,882,590	1,963,674	1,879,338	1,835,647
SURPLUS/(DEFICIENCY) FOR THE PERIOD	20,877	7,845	11,351	18,179	28,844	35,461	36,300

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

(b) The full-time equivalents for 2022-23 Actual, 2023-24 Estimated Actual and 2024-25 Budget Year are 1,063, 1,165 and 1,193 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
Sponsorship	17	-	-	-	-	-	-
TOTAL	17	-	-	-	-	-	-

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	145,264	147,946	141,193	116,584	115,776	119,830	125,564
Restricted cash.....	1,644	4,084	1,644	1,644	1,644	1,644	1,644
Holding Account receivables	540	732	540	540	540	540	540
Receivables.....	40,357	36,281	40,357	40,357	40,357	40,357	40,357
Other.....	69,544	60,870	69,544	69,544	69,544	69,544	69,544
Total current assets.....	257,349	249,913	253,278	228,669	227,861	231,915	237,649
NON-CURRENT ASSETS							
Holding Account receivables	813,278	879,112	879,299	949,420	1,019,541	1,089,662	1,159,783
Property, plant and equipment.....	2,048,065	1,963,183	1,991,026	2,076,054	2,048,876	2,028,011	2,005,828
Receivables.....	1,064	594	1,064	1,064	1,064	1,064	1,064
Intangibles	38,431	40,972	40,252	34,713	29,240	23,767	18,294
Restricted cash.....	3,009	3,002	3,409	3,409	3,409	3,409	3,409
Other.....	31	103	31	31	31	31	31
Total non-current assets.....	2,903,878	2,886,966	2,915,081	3,064,691	3,102,161	3,145,944	3,188,409
TOTAL ASSETS	3,161,227	3,136,879	3,168,359	3,293,360	3,330,022	3,377,859	3,426,058
CURRENT LIABILITIES							
Employee provisions.....	31,567	29,482	31,567	31,473	31,379	31,285	31,191
Payables.....	77,216	81,898	77,822	78,438	79,044	79,650	80,256
Borrowings and leases	214,009	202,252	213,964	214,025	213,982	214,015	213,980
Other.....	41,071	42,072	41,362	34,635	34,635	34,635	34,635
Total current liabilities.....	363,863	355,704	364,715	358,571	359,040	359,585	360,062
NON-CURRENT LIABILITIES							
Employee provisions.....	6,131	5,556	6,131	6,131	6,131	6,131	6,131
Borrowings and leases	1,530,627	1,446,622	1,456,975	1,534,610	1,534,438	1,540,268	1,546,074
Other.....	1,913	2,531	1,616	1,616	1,616	1,616	1,616
Total non-current liabilities.....	1,538,671	1,454,709	1,464,722	1,542,357	1,542,185	1,548,015	1,553,821
TOTAL LIABILITIES	1,902,534	1,810,413	1,829,437	1,900,928	1,901,225	1,907,600	1,913,883
EQUITY							
Contributed equity.....	1,036,504	1,150,404	1,105,376	1,140,707	1,148,228	1,154,229	1,159,845
Accumulated surplus/(deficit).....	222,189	176,062	233,546	251,725	280,569	316,030	352,330
Total equity	1,258,693	1,326,466	1,338,922	1,392,432	1,428,797	1,470,259	1,512,175
TOTAL LIABILITIES AND EQUITY	3,161,227	3,136,879	3,168,359	3,293,360	3,330,022	3,377,859	3,426,058

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

STATEMENT OF CASHFLOWS (a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM GOVERNMENT							
Service appropriations	149,701	144,815	140,013	148,779	144,835	149,064	153,888
Capital appropriation	10,815	75,064	59,450	28,833	-	-	-
Holding Account drawdowns	540	540	540	540	540	540	540
Major Treasurer's Special Purpose Account(s)							
Asset Maintenance Fund	-	-	850	-	-	-	-
Digital Capability Fund	-	3,260	3,260	1,498	2,521	1,001	616
Royalties for Regions Fund							
Regional Community Services Fund	77	106	77	77	77	77	77
Receipts paid into Consolidated Account	-	-	(348)	-	-	-	-
Other	1,377,017	1,461,732	1,466,543	1,655,281	1,742,134	1,653,568	1,604,995
Administered appropriations	-	-	-	1,823	-	-	-
Net cash provided by Government	1,538,150	1,685,517	1,670,385	1,836,831	1,890,107	1,804,250	1,760,116
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(134,158)	(151,011)	(148,368)	(153,740)	(151,528)	(154,557)	(158,370)
Grants and subsidies	(17)	(6,301)	-	(6,801)	-	-	-
Supplies and services	(1,074,886)	(1,094,971)	(1,100,608)	(1,286,553)	(1,361,208)	(1,264,128)	(1,213,566)
Accommodation	(38,731)	(34,963)	(34,190)	(34,928)	(35,456)	(36,551)	(37,139)
GST payments	(153,529)	(133,858)	(133,858)	(133,858)	(133,858)	(133,858)	(133,858)
Finance and interest costs	(59,795)	(50,304)	(50,313)	(50,335)	(50,613)	(50,890)	(51,184)
Other payments	(97,262)	(100,843)	(100,693)	(101,662)	(101,006)	(101,072)	(101,124)
Receipts (b)							
Grants and subsidies	8,900	4,700	4,700	4,700	4,700	4,700	4,700
Sale of goods and services	4,689	4,115	5,247	5,218	4,451	4,453	4,453
GST receipts	153,089	134,464	134,464	134,464	134,464	134,464	134,464
Other receipts	3,924	7,376	7,376	7,381	7,393	7,393	7,394
Net cash from operating activities	(1,387,776)	(1,421,596)	(1,416,243)	(1,616,114)	(1,682,661)	(1,590,046)	(1,544,230)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(97,425)	(177,909)	(164,394)	(132,328)	(95,469)	(97,359)	(97,359)
Proceeds from sale of non-current assets	33,687	47,369	47,369	30,239	30,239	30,239	30,239
Other receipts	-	8,308	8,308	5,000	5,000	5,000	5,000
Net cash from investing activities	(63,738)	(122,232)	(108,717)	(97,089)	(60,230)	(62,120)	(62,120)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	(159,416)	(153,046)	(153,087)	(153,380)	(153,167)	(153,173)	(153,175)
Other proceeds	10,016	5,143	5,143	5,143	5,143	5,143	5,143
Net cash from financing activities	(149,400)	(147,903)	(147,944)	(148,237)	(148,024)	(148,030)	(148,032)
NET INCREASE/(DECREASE) IN CASH HELD	(62,764)	(6,214)	(2,519)	(24,609)	(808)	4,054	5,734
Cash assets at the beginning of the reporting period	212,681	161,246	149,917	146,246	121,637	120,829	124,883
Net cash transferred to/from other agencies	-	-	(1,152)	-	-	-	-
Cash assets at the end of the reporting period	149,917	155,032	146,246	121,637	120,829	124,883	130,617

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

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

NET APPROPRIATION DETERMINATION (a)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Subsidies							
Indian Ocean Territories Commonwealth Grant.....	8,900	4,700	4,700	4,700	4,700	4,700	4,700
Sale of Goods and Services							
Contract Services	1,031,588	1,116,262	1,120,641	1,304,132	1,385,552	1,290,275	1,240,034
Electronic Lodgement Network Fee.....	-	-	-	225	225	225	225
Land Tax Liability Enquiry Fee	4,085	3,400	4,532	4,280	3,510	3,510	3,510
Merchant Fees.....	338	500	500	500	500	500	500
GST Receipts							
GST Input Credits	8,720	12,374	12,374	12,374	12,374	12,374	12,374
GST Receipts on Sales	144,369	122,090	122,090	122,090	122,090	122,090	122,090
Other Receipts							
Government Office Accommodation Lease Receipts	295,699	277,560	277,992	278,050	277,605	277,605	277,605
Other Receipts.....	4,644	17,597	17,597	17,245	17,245	17,245	17,245
Paid Parental Leave Receipts	138	-	-	-	-	-	-
Receipt of Employee Contributions - Government Regional Officer Housing	98	127	127	132	144	144	145
State Fleet Revenue	49,040	57,777	57,777	63,316	69,197	75,910	77,578
TOTAL	1,547,619	1,612,387	1,618,330	1,807,044	1,893,142	1,804,578	1,756,006

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

DETAILS OF ADMINISTERED TRANSACTIONS

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME							
Taxation							
Betting Tax	127,208	115,668	122,222	110,850	111,820	113,374	115,398
Commonwealth Mirror Taxes	60,803	62,803	68,727	73,222	76,393	80,169	84,037
Foreign Buyers Surcharge Duty	29,423	23,068	30,099	32,023	35,481	36,003	36,003
Insurance Duty	947,105	994,715	979,703	1,031,459	1,085,611	1,142,605	1,202,592
Land Tax	786,707	842,455	836,693	888,869	912,493	925,146	937,109
Landholder Duty	317,755	119,904	336,524	194,578	194,578	194,578	194,578
Metropolitan Region Improvement Tax	89,160	97,240	94,958	101,036	103,748	105,154	106,560
Payroll Tax	5,013,409	4,976,811	5,466,423	5,820,987	6,082,775	6,386,255	6,705,575
Transfer Duty	2,115,307	1,849,553	2,472,193	2,363,367	2,350,060	2,336,926	2,329,825
Vehicle Licence Duty	671,094	575,315	762,125	542,611	470,273	482,524	494,625
Royalties							
Alumina	110,281	114,844	108,518	98,813	94,956	101,524	108,443
Copper	57,014	57,923	55,562	46,868	58,476	61,304	58,581
Gold	457,350	544,396	533,352	608,880	616,212	580,596	525,720
Iron Ore	9,079,269	5,972,341	9,850,175	6,329,049	5,856,453	5,743,562	5,692,857
Lithium	1,042,637	928,431	422,031	377,539	519,666	607,462	623,130
Nickel	137,501	173,811	104,901	88,187	94,887	93,646	95,051
Other	144,748	180,432	148,272	189,971	213,199	228,714	229,244
Petroleum - State Component	16,331	9,789	20,127	33,322	34,164	29,045	25,133
Other Revenue							
Office Lease Rental Revenue	39,262	39,700	40,123	40,123	40,123	40,123	40,123
Other Income	61,192	68,069	69,319	70,212	72,477	75,124	76,809
Appropriations							
Administered Grants and Transfer							
Payments	226,679	283,382	241,381	246,826	248,274	263,815	282,310
First Home Owner Grant Act 2000	44,412	34,697	39,128	54,221	71,309	82,796	82,957
Petroleum (Submerged Lands) Act 1982	-	339	278	211	-	-	-
TOTAL ADMINISTERED INCOME	21,574,647	18,065,686	22,802,834	19,343,224	19,343,428	19,710,445	20,046,660
EXPENSES							
Grants and Subsidies							
Building Bonus Homebuyers Grant	26,940	36,040	12,000	500	500	-	-
Energy Concession Extension Scheme	2,183	2,439	2,913	3,037	3,163	3,294	3,430
Energy Concessions - \$400 Household							
Electricity Credit for Non-Synergy and							
Horizon Power Customers	6,707	-	-	-	-	-	-
Household Electricity Credit (2023-24)	-	11,900	7,500	-	-	-	-
Household Electricity Credit (2024-25)	-	-	-	6,600	-	-	-
First Home Owner Scheme	44,412	34,697	39,128	54,221	71,309	82,796	82,957
Life Support Equipment Subsidy Scheme	1,375	1,343	1,485	1,548	1,612	1,679	1,748
National Partnership on Homebuilder	27,205	5,000	5,000	3,740	660	-	-
Off-the-Plan Duty Rebate Scheme	4,720	10,447	1,270	500	500	-	-
Payroll Tax Rebates Scheme	35	50	50	50	50	50	50
Pensioner Concessions							
Emergency Services Levy	23,098	25,612	25,612	27,631	29,810	32,161	34,697
Local Government Rates	113,299	130,827	130,827	141,142	152,270	164,275	177,226
Petroleum (Submerged Lands) Act 1982	-	339	278	211	-	-	-
Small Business Payroll Tax Grant	-	-	-	-	-	-	-
South West Native Title							
Settlement - Cultural Centre	-	54	-	54	-	-	-
Thermoregulatory Dysfunction Energy							
Subsidy	1,911	2,049	2,049	2,128	2,209	2,293	2,380
Other Expenses							
Expected Credit Losses Expense	13,403	-	-	-	-	-	-
Other Expenses	61,326	68,069	69,319	70,212	72,477	75,124	76,809
Payments to Consolidated Account	21,621,484	18,970,927	22,883,228	19,532,936	18,956,238	19,298,248	19,625,831
Refund of Past Years Tax Revenue	19,226	50,675	50,675	52,950	55,500	58,063	60,779
Refunds of Past Years Royalties Revenues	-	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL ADMINISTERED EXPENSES	21,967,324	19,352,468	23,233,334	19,899,460	19,348,298	19,719,983	20,067,907

Insurance Commission of Western Australia

Part 3 Financial Administration

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

	2022-23 Actual \$'000	2023-24 Budget \$'000	2023-24 Estimated Actual \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
INSURANCE COMMISSION OF WESTERN AUSTRALIA REVENUE TO GENERAL GOVERNMENT SECTOR							
National Tax Equivalent Regime - Income Tax...	24,679	22,197	54,893	18,714	14,703	7,126	1,610
Dividends ^(a)	63,500	58,211	172,411	54,271	54,824	54,606	53,670
RATIOS							
Dividend Payout Ratio (%) ^(b)	75	75	75	75	75	75	75
GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	1,531,179	1,480,672	1,507,783	1,613,089	1,662,191	1,724,467	1,808,457
Total Expenses ^(c)	850,154	1,238,222	1,286,763	1,396,533	1,467,424	1,550,091	1,640,739
NET PROFIT AFTER TAX	509,392	169,715	115,590	151,590	136,353	122,094	117,439
CASH ASSETS ^(d)	616,327	404,103	560,869	614,927	669,592	723,430	778,364
RISKCOVER FUND GOVERNMENT TRADING ENTERPRISE INFORMATION							
Revenue from Operations	541,970	587,389	601,759	667,392	700,472	747,332	792,894
Total Expenses	563,175	544,378	581,358	628,715	663,443	705,009	746,465
PROFIT/(LOSS)	(21,205)	43,011	20,401	38,677	37,029	42,323	46,429
CASH ASSETS ^(d)	11,194	18	1	1	2	9	9

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

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

(c) Excludes current tax expense, deferred tax expense and dividend payments.

(d) As at 30 June each financial year.

Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Commission's Income Statement since presentation of the 2023-24 Budget to Parliament on 11 May 2023, are outlined below:

	2023-24 Estimated Actual \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
2024-25 Tariff, Fees and Charges	-	(908)	(2,284)	(3,444)	(3,624)
Investment Income, Capital, Lease and Other Activities	19,691	1,724	2,776	1,194	2,494
Special Final Dividend for 2022-23 Financial Year	109,723	-	-	-	-
Underwriting Activities - Revised Claims Expense Forecasts ^(a)	13,595	(921)	(2,303)	(2,893)	(5,175)

(a) Based on revised vehicle growth rates by Treasury and valuations provided by the independent actuary (dated September 2023).

Significant Issues Impacting the Government Trading Enterprise

1. The Commission seeks to price its insurance products to reflect the full cost of claims and scheme running costs, and to minimise reliance on subsidisation from investment returns.
2. Motor injury insurance premiums in Western Australia remain affordable at \$446.77 (including GST, and \$491.44 including insurance duty) for a family vehicle. This compares favourably to motor vehicle insurance premiums in other parts of Australia.
3. Premium rates, claims estimates and investment returns have major impacts on the Commission's profit, solvency and capital adequacy. Actuarial and investment forecasts are both highly sensitive to external influences outside the direct control of the Commission. Economic factors can materially affect both investment returns and the value of claims liabilities.
4. In determining the amount of any recommended dividend or capital return, the Commission's Board takes into account its capital adequacy position and the extent to which the Commission has the liquidity to support those payments.
5. In December 2023, the Insurance Commission paid a final dividend of \$36 million to Government for the 2023 financial year. In light of strong financial performance during 2023, the Insurance Commission also paid a special dividend of \$109.7 million; this is in addition to the interim dividend of \$63.5 million that was paid in June 2023. The total dividend paid for the 2023 financial year is \$209.2 million.
6. In 2023-24, the Commission transferred, from the Third Party Insurance Fund (TPIF), \$146 million and \$55.2 million to the Government Insurance Fund and RiskCover Fund respectively. These transfers are to mainly fund historic child sexual abuse claims that would otherwise have to be funded from the Consolidated Account. The transfer to the Government Insurance Fund (GIF) has eliminated the Government's related liability. The GIF is now in a positive net asset position.
7. Over recent years, the government workers' compensation class of insurance has experienced an increase in the number and cost of workers' compensation claims. Contributions to the growth in new claim volume include growth in full-time equivalents insured and the proportion of long duration claims increasing from 21% of all new claims for 2018-19 to 31% for 2022-23. In addition, the property and liability classes have also experienced an increase in the number of large claims and average size of claim. The Commission continues to work with government agencies to assist them identify and manage risks and incidents that lead to these claims.
8. Challenging insurance market conditions for property catastrophe reinsurance were encountered in early 2023, where reinsurance renewals were unpredictable and saw reduced capacity, changes in coverage and attachment points and significant price increases. Conditions in early 2024 indicate that markets have mostly stabilised.
9. The *Workers' Compensation and Injury Management Act 2023* (the Act) passed through Parliament on 11 October 2023 with an effective date of 1 July 2024. The Act extends the Catastrophic Injury Support Scheme (the Scheme) to include workers catastrophically injured in the workplace. WorkCover WA estimates premiums across the Scheme will increase 2.83% per annum as a result of the proposed changes. For the RiskCover Fund, the impact on premiums is anticipated to be at least 3% or an additional \$8.6 million in 2024-25. The Commission has a project in place to ensure all systems and processes are prepared to meet its requirements under the Act effective 1 July 2024.
10. The Government introduced legislation to Parliament on 30 November 2023 to address the practice of harvesting insurance claims. This practice is estimated to account for approximately 27% of all motor injury insurance claims received in the 2022-23 financial year and is actuarially estimated to contribute approximately \$14 per policy to the cost of motor injury insurance. The key provisions in the Insurance Legislation Amendment (Motor Vehicle Claims Harvesting) Bill 2023 (the Bill) are to prohibit payment or consideration for claim referrals or approaching or contacting individuals to solicit or entice them to make a claim. The Bill also imposes obligations for claimants and the Commission to engage in pre-action conferences and exchange settlement offers before litigating the matter in Court. Provisions are also made for information sharing with, and an effective means of investigation and enforcement by, relevant agencies including the Legal Practice Board; Department of Energy, Mines, Industry Regulation and Safety; Department of Transport; and the Commission. This Bill, if enacted, will align Western Australia with similar legislation introduced in other jurisdictions.

Statement of Corporate Intent

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

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

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

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

Outcomes and Key Performance Indicators ^(a)

	2022-23	2023-24	2023-24	2024-25	
	Actual	Budget	Estimated Actual	Budget Target	Note
Outcome: Sustainable financial resources to meet our objectives:					
Solvency level	139.8%	133.2%	134.5%	133%	
Main Investment Fund:					
Investment rolling 7-year return	6.5%	4.8%	6.3%	5.8%	1
Annual investment rate of return	8.2%	4.6%	6.2%	6%	
Investment management expense ratio	0.5%	0.6%	0.6%	0.5%	
CIF:					
Investment rolling 7-year return	4.8%	5%	6.5%	6%	1
Annual investment rate of return	8.2%	5.1%	6.5%	6.3%	
Investment management expense ratio	0.6%	0.5%	0.6%	0.5%	
Outcome: Fully funded TPIF, Catastrophic Injuries Fund (CIF) and RiskCover Fund:					
TPIF:					
Solvency level.....	151.5%	145.7%	140.4%	137.6%	2
Net loss ratio.....	81.4%	98%	98.6%	107.7%	
Net expense ratio.....	7.5%	7.7%	7.7%	7.9%	3
Net combined ratio.....	88.9%	105.7%	106.3%	115.6%	
CIF:					
Solvency level.....	143.4%	128.5%	149.8%	144.8%	4
Net loss ratio.....	28.8%	90%	64.7%	99.6%	
Net expense ratio.....	5.4%	6.2%	6%	6%	
Net combined ratio.....	34.2%	96.2%	70.7%	105.6%	
RiskCover Fund:					
Solvency level.....	105.3%	126.6%	111.2%	113.7%	5
Net loss ratio.....	113.2%	95.6%	104.8%	101.9%	
Net expense ratio.....	10.1%	9.5%	8.7%	8.8%	5
Net combined ratio.....	123.3%	105.1%	113.5%	110.7%	
Outcome: Provide efficient, timely and affordable insurance services that deliver care and compensation to claimants and agencies:					
Motor Injury Insurance (MII):					
Affordability Index ^(b)	23%	27.5%	27.5%	25%	
Proportion of claims payments made for the direct benefit of claimants	94.4%	95%	95%	95%	
Timeliness of liability determination	86.4%	80%	80%	80%	
Claim administration costs as a ratio of gross claims paid	7.1%	6.1%	7%	7.2%	
Customer satisfaction	60.5%	65%	65%	65%	
Median claim duration.....	18.7 months	17.5 months	17.5 months	17.5 months	
RiskCover Fund:					
Affordability Index ^(c)	1.64%	1.5%	1.5%	1.45%	
Proportion of claims payments made for the direct benefit of claimants	90.6%	90%	90%	90%	
Timeliness of liability determination	97.9%	90%	90%	90%	
Claim administration costs as a ratio of gross claims paid	12%	10.5%	10.2%	9.7%	
Customer satisfaction	70%	75%	78%	80%	
Median claim duration.....	6 months	4.8 months	5.2 months	4.8 months	

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

(b) The MII Affordability Index calculates the MII premium for the average family vehicle as a percentage of one week's worth of Western Australia's average weekly earnings.

(c) The RiskCover Fund's Affordability Index is calculated as workers' compensation agency premiums as a percentage of total agency wages.

Explanation of Significant Movements

(Notes)

1. The Commission's investment portfolio performed strongly and delivered positive investment returns of 8.2% for both the Main Investment Fund and CIF in the 2022-23 Actual. The 2022-23 year was marked by global inflation peaking at 10.4% in November 2022, as prices were boosted by continued high levels of demand and COVID-19 pandemic-induced supply chain bottlenecks. Central banks acted to curb inflation by increasing interest rates at the fastest pace in four decades, in the hope of reducing demand. The Commission's investment portfolio is forecast to deliver positive returns of 6.2% and 6.5% for the Main Investment Fund and CIF respectively in the 2023-24 Estimated Actual. The 2024-25 Budget Target was prepared using the investment objective target return of the Consumer Price Index (CPI) +3% for the Main Investment Fund and CPI +3.25% for the CIF.
2. The solvency level of 151.5% for the TPIF reflects a better than expected underwriting performance and strong investment returns in the 2022-23 Actual. The TPIF's solvency level is forecast to decrease to 140.4% in the 2023-24 Estimated Actual, and to further decrease to 137.6% in the 2024-25 Budget Target. These movements reflect the flow-on impact of the Fund's dividend payments of \$172.4 million and fund transfers of \$146 million and \$55.2 million to the GIF and RiskCover Fund respectively in the 2023-24 Estimated Actual.
3. The net combined ratio of 115.6% for the TPIF reflects the TPIF's higher forecast underwriting loss in the 2024-25 Budget Target, compared to the 2022-23 Actual and 2023-24 Estimated Actual. The forecast loss is largely a result of an increase in future claims costs, due to larger average claim size driven by higher inflation rates (whilst partly offset by an increase in discount rates) than previously forecast by the Commission's actuary. The 2022-23 Actual of 88.9% reflects the TPIF's underwriting profit for the financial year.
4. The CIF's net combined ratio is projected to increase to 70.7% in the 2023-24 Estimated Actual compared to the 2022-23 Actual, and to then increase to 105.6% in the 2024-25 Budget Target. The 2022-23 Actual of 34.2% reflects the strong underwriting profit for the year. This result was mainly arising from a lower than expected increase in claims liabilities, driven by an increase in long-term discount rates and fewer new scheme participants with catastrophic injuries than anticipated. These movements reflect the financial volatility experienced by the CIF as it continues to grow.
5. The solvency level for the RiskCover Fund is forecast to improve from 105.3% in the 2022-23 Actual to 113.7% in the 2024-25 Budget Target, following a transfer of \$55.2 million from the TPIF to fund historic child sexual abuse claims in the 2023-24 Estimated Actual. The RiskCover Fund's net combined ratio is also forecast to decrease to 110.7% in the 2024-25 Budget Target, compared to the 2022-23 Actual of 123.3%. This ratio reflects the RiskCover Fund's large underwriting loss for the financial year, driven by a higher than expected claims costs in the property class of insurance arising from an atypical number of large claims received during the year.

Asset Investment Program

1. The Commission's Asset Investment Program across the forward estimates period totals \$21.5 million. The major components include:
 - 1.1. \$12.7 million for ICT software, incorporating systems developed for use by the Commission's customers, application development software, performance monitoring applications, core insurance system enhancements, general desktop applications and expenditure to upgrade a range of systems identified in the Commission's strategic planning; and
 - 1.2. \$5.5 million for ICT hardware, including scheduled replacement of desktop workstations, laptops, storage catering for operational capacity requirements, continual ICT security enhancements and enhanced disaster recovery capability.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-24 \$'000	2023-24 Estimated Expenditure \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
COMPLETED WORKS							
ICT Hardware - 2023-24 Program	1,010	1,010	1,010	-	-	-	-
ICT Software - 2023-24 Program	3,345	3,345	3,345	-	-	-	-
Motor Vehicles - 2023-24 Program	545	545	545	-	-	-	-
Other Fixed Assets - 2023-24 Program	100	100	100	-	-	-	-
Plant and Equipment - 2023-24 Program	15	15	15	-	-	-	-
NEW WORKS							
ICT Hardware							
2024-25 Program	2,820	-	-	2,820	-	-	-
2025-26 Program	905	-	-	-	905	-	-
2026-27 Program	905	-	-	-	-	905	-
2027-28 Program	905	-	-	-	-	-	905
ICT Software							
2024-25 Program	2,910	-	-	2,910	-	-	-
2025-26 Program	3,250	-	-	-	3,250	-	-
2026-27 Program	3,250	-	-	-	-	3,250	-
2027-28 Program	3,250	-	-	-	-	-	3,250
Motor Vehicles							
2024-25 Program	328	-	-	328	-	-	-
2025-26 Program	800	-	-	-	800	-	-
2026-27 Program	800	-	-	-	-	800	-
2027-28 Program	800	-	-	-	-	-	800
Other Fixed Assets							
2024-25 Program	35	-	-	35	-	-	-
2025-26 Program	120	-	-	-	120	-	-
2026-27 Program	120	-	-	-	-	120	-
2027-28 Program	120	-	-	-	-	-	120
Plant and Equipment							
2024-25 Program	15	-	-	15	-	-	-
2025-26 Program	60	-	-	-	60	-	-
2026-27 Program	60	-	-	-	-	60	-
2027-28 Program	60	-	-	-	-	-	60
Total Cost of Asset Investment Program	26,528	5,015	5,015	6,108	5,135	5,135	5,135
FUNDED BY							
Internal Funds and Balances			5,015	6,108	5,135	5,135	5,135
Total Funding			5,015	6,108	5,135	5,135	5,135

Financial Statements

Insurance Commission of Western Australia

Income Statement

Revenue

1. Total revenue is forecast to decrease by \$23.4 million in the 2023-24 Estimated Actual compared to the 2022-23 Actual, and to then increase by \$105.3 million in the 2024-25 Budget Year. These movements reflect the Commission's investment income of \$529.1 million in the 2022-23 Actual, compared to investment income forecasts for the 2023-24 Estimated Actual and 2024-25 Budget Year. Investment income in the outyears is based on forecast returns of CPI +3% for the Main Investment Fund and CPI +3.25% for the CIF.
2. Revenue from motor injury insurance premiums is forecast to increase from \$985.1 million in the 2023-24 Estimated Actual to \$1 billion in the 2024-25 Budget Year. This increase primarily reflects the additional premiums to be received from the extended Catastrophic Injuries Support scheme to cover catastrophically injured workers starting 1 July 2024.

Expenses

3. Total expenses are estimated to increase by \$436.6 million in the 2023-24 Estimated Actual compared to the 2022-23 Actual, and by a further \$109.8 million in the 2024-25 Budget Year. The significant movement in the 2023-24 Estimated Actual mainly reflects changes in claims expenses and a transfer of \$130.4 million to the GIF, to fund historic child sexual abuse claims.
4. Claims expenses are forecast to increase by \$273.7 million in the 2023-24 Estimated Actual compared to the 2022-23 Actual, and by a further \$219.3 million in the 2024-25 Budget Year. Claims expenses in the 2022-23 Actual were lower than expected as a result of increases in the discount rate (based on Government Bond rates) along with fewer new catastrophic injury claims than expected, which reduced estimated future claim costs. For the 2024-25 Budget Year, larger average claim size driven by higher inflation rates (whilst partly offset by an increase in discount rates) has resulted in an upward revision to the actuary's assessment of future claims payments.
5. Dividends will increase by \$108.9 million in the 2023-24 Estimated Actual compared to the 2022-23 Actual, and then decrease by \$118.1 million in the 2024-25 Budget Year. The 2023-24 Estimated Actual reflects a large dividend payment of \$172.4 million, in light of the strong financial performance in the 2022-23 Actual.

Statement of Financial Position

6. Total equity is forecast to decrease by \$112.1 million in the 2023-24 Estimated Actual compared to the 2022-23 Actual, and then increase by \$97.3 million in the 2024-25 Budget Year. The decrease in the 2023-24 Estimated Actual is largely due to dividend payments outlined above and a transfer of \$55.2 million to RiskCover Fund to fund historic child sexual abuse claims that would otherwise have to be funded from the Consolidated Account.

Statement of Cashflows

7. The 2024-25 Budget Year closing cash assets balance of \$614.9 million represents an increase of \$54.1 million from the 2023-24 Estimated Actual. This movement primarily reflects returns from investing activities, partially offset by dividend payments to Government and the cash transfer to the RiskCover Fund.

INCOME STATEMENT ^(a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
REVENUE							
Revenue from operations							
Premium revenue	941,018	962,393	985,079	1,047,009	1,087,483	1,131,367	1,175,249
Other revenue	590,161	518,279	522,704	566,080	574,708	593,100	633,208
TOTAL REVENUE	1,531,179	1,480,672	1,507,783	1,613,089	1,662,191	1,724,467	1,808,457
Expenses							
Claim expenses	632,830	989,928	906,524	1,125,816	1,189,982	1,264,312	1,340,977
Employee benefits ^(b)	49,497	53,953	54,354	58,655	60,057	61,560	63,380
Accommodation	300	300	300	300	307	315	323
Depreciation and amortisation	5,298	5,654	5,898	6,818	7,100	4,774	4,758
Finance and interest costs	73,955	82,466	82,466	93,485	92,719	95,603	102,732
Other expenses	88,274	105,921	237,221	111,459	117,259	123,527	128,569
TOTAL EXPENSES	850,154	1,238,222	1,286,763	1,396,533	1,467,424	1,550,091	1,640,739
NET PROFIT/(LOSS) BEFORE TAX	681,025	242,450	221,020	216,556	194,767	174,376	167,718
National Tax Equivalent Regime							
Current tax equivalent expense	24,679	22,197	54,893	18,714	14,703	7,126	1,610
Deferred tax equivalent expense	146,954	50,538	50,537	46,252	43,711	45,156	48,669
NET PROFIT/(LOSS) AFTER TAX	509,392	169,715	115,590	151,590	136,353	122,094	117,439
Dividends	63,500	58,211	172,411	54,271	54,824	54,606	53,670

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

(b) The full-time equivalents for 2022-23 Actual, 2023-24 Estimated Actual and 2024-25 Budget Year are 436, 467 and 471 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	616,327	404,103	560,869	614,927	669,592	723,430	778,364
Receivables.....	67,672	81,245	54,756	54,740	54,724	54,708	54,695
Other investments.....	4,668,742	5,207,369	5,093,581	5,516,869	5,944,463	6,365,180	6,794,389
Government securities.....	285,284	186,619	311,264	337,149	363,298	389,025	415,272
Other.....	14,066	18,567	14,066	14,066	14,066	14,066	14,066
Total current assets.....	5,652,091	5,897,903	6,034,536	6,537,751	7,046,143	7,546,409	8,056,786
NON-CURRENT ASSETS							
Property, plant and equipment.....	10,519	8,537	8,116	6,894	4,250	4,028	3,893
Intangibles.....	12,881	12,238	14,182	14,478	14,861	15,148	15,364
Receivables.....	402,255	390,565	284,093	307,692	331,414	355,012	378,726
Other investments.....	1,453,769	1,528,162	1,586,159	1,718,066	1,851,315	1,982,422	2,116,175
Total non-current assets.....	1,879,424	1,939,502	1,892,550	2,047,130	2,201,840	2,356,610	2,514,158
TOTAL ASSETS	7,531,515	7,837,405	7,927,086	8,584,881	9,247,983	9,903,019	10,570,944
CURRENT LIABILITIES							
Outstanding claims.....	643,157	622,697	643,157	643,157	643,157	643,157	643,157
Employee provisions.....	9,199	8,658	9,161	9,177	9,193	9,210	9,227
Payables.....	45,749	3,377	168,107	165,358	154,314	133,150	107,916
Borrowings and leases.....	3,679	3,910	3,910	2,762	-	-	-
Other.....	1,312,828	1,425,480	1,502,617	1,625,935	1,771,279	1,918,742	2,075,303
Total current liabilities.....	2,014,612	2,064,122	2,326,952	2,446,389	2,577,943	2,704,259	2,835,603
NON-CURRENT LIABILITIES							
Outstanding claims.....	3,227,883	3,772,920	3,506,817	3,954,797	4,407,249	4,866,924	5,336,109
Employee provisions.....	7,347	7,130	7,450	7,556	7,665	7,776	7,890
Borrowings and leases.....	6,673	2,762	2,762	-	-	-	-
Other.....	130,378	50,536	50,537	46,252	43,710	45,156	48,669
Total non-current liabilities.....	3,372,281	3,833,348	3,567,566	4,008,605	4,458,624	4,919,856	5,392,668
TOTAL LIABILITIES	5,386,893	5,897,470	5,894,518	6,454,994	7,036,567	7,624,115	8,228,271
NET ASSETS	2,144,622	1,939,935	2,032,568	2,129,887	2,211,416	2,278,904	2,342,673
EQUITY							
Contributed equity.....	-	-	(55,233)	(55,233)	(55,233)	(55,233)	(55,233)
Accumulated surplus/(deficit).....	2,119,446	1,917,241	2,062,625	2,159,944	2,241,473	2,308,961	2,372,730
Reserves.....	25,176	22,694	25,176	25,176	25,176	25,176	25,176
TOTAL EQUITY	2,144,622	1,939,935	2,032,568	2,129,887	2,211,416	2,278,904	2,342,673

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Premium receipts.....	1,063,518	1,083,047	1,112,617	1,182,303	1,228,417	1,276,242	1,325,936
GST receipts.....	137,489	136,444	137,585	146,695	154,226	162,236	170,435
Other receipts.....	230,660	274,790	278,539	329,405	351,307	362,920	387,375
Payments							
Claim payments.....	(527,716)	(644,058)	(627,590)	(677,836)	(737,530)	(804,637)	(871,791)
Employee benefits.....	(48,530)	(53,841)	(54,235)	(58,533)	(59,932)	(61,432)	(63,250)
Accommodation.....	(295)	(300)	(300)	(300)	(308)	(315)	(323)
GST payments.....	(138,578)	(136,444)	(137,585)	(146,695)	(154,226)	(162,236)	(170,435)
Finance and interest costs.....	(73,955)	(82,466)	(82,466)	(93,485)	(92,719)	(95,603)	(102,732)
Other payments.....	(188,605)	(213,246)	(217,056)	(228,625)	(238,994)	(250,001)	(259,969)
Net cash from operating activities.....	453,988	363,926	409,509	452,929	450,241	427,174	415,246
CASHFLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from sale of non-current assets.....	140	236	236	202	296	296	296
Other receipts.....	2,637,996	3,136,510	3,307,152	3,396,589	3,582,145	3,757,863	3,947,572
Payments							
Purchase of non-current assets.....	(6,382)	(5,015)	(5,015)	(6,108)	(5,135)	(5,135)	(5,135)
Other payments.....	(2,654,295)	(3,333,639)	(3,486,000)	(3,659,387)	(3,843,295)	(3,999,754)	(4,177,376)
Net cash from investing activities.....	(22,541)	(201,908)	(183,627)	(268,704)	(265,989)	(246,730)	(234,643)
CASHFLOWS FROM FINANCING ACTIVITIES							
Payments							
Repayment of borrowings and leases.....	(3,467)	(3,693)	(3,696)	(3,896)	(2,763)	-	-
Net cash from financing activities.....	(3,467)	(3,693)	(3,696)	(3,896)	(2,763)	-	-
CASHFLOWS FROM GOVERNMENT							
Payments							
Dividends to Government.....	(63,500)	(58,211)	(172,411)	(54,271)	(54,824)	(54,606)	(53,670)
National Tax Equivalent Regime - Income Tax.....	(137,781)	(71,999)	(50,000)	(72,000)	(72,000)	(72,000)	(71,999)
Net cash provided to Government.....	201,281	130,210	222,411	126,271	126,824	126,606	125,669
NET INCREASE/(DECREASE) IN CASH HELD.....	226,699	28,115	(225)	54,058	54,665	53,838	54,934
Cash assets at the beginning of the reporting period ^(b)	389,628	375,988	561,094	560,869	614,927	669,592	723,430
Cash assets at the end of the reporting period.....	616,327	404,103	560,869	614,927	669,592	723,430	778,364

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

(b) The 2023-24 Estimated Actual includes the transfer of funds to the RiskCover Fund of \$55.2 million.

RiskCover Fund

Income Statement

Revenue

1. Total revenue is forecast to increase by \$59.8 million in the 2023-24 Estimated Actual compared to the 2022-23 Actual, and to further increase by \$65.6 million in the 2024-25 Budget Year.
2. Revenue from premiums charged to agencies is forecast to increase from \$441.7 million in the 2022-23 Actual to \$567.3 million in the 2024-25 Budget Year, rising to \$677.7 million by the end of the forward estimates period. This reflects increases in the number and size of workers' compensation, liability and property insurance claims.
3. The RiskCover Fund is forecast to receive investment income of \$82.3 million in the 2023-24 Estimated Actual, compared to investment income of \$73.7 million in the 2022-23 Actual. The 2024-25 Budget Year includes investment income of \$93.4 million.

Expenses

4. Total expenses are estimated to increase by \$18.2 million in the 2023-24 Estimated Actual compared to the 2022-23 Actual, and to then increase by \$47.4 million in the 2024-25 Budget Year mainly reflecting higher claims costs due to an increase in the number and average size of new claims in the workers' compensation, liability and property classes. This adverse claims' experience forecast by the Commission's actuary has resulted in a forecast increase in premiums received from agencies for the 2024-25 Budget Year.
5. The projected increase in workers' compensation claims and associated premiums also reflects recent changes to the Act following the passing of the Workers' Compensation and Injury Management Bill 2023 in October 2023. The new Act is expected to commence on 1 July 2024 and will introduce provisional payments and increase some entitlements.

Statement of Financial Position

6. Total equity is forecast to increase by \$75.6 million in the 2023-24 Estimated Actual compared to the 2022-23 Actual, and by a further \$38.7million in the 2024-25 Budget Year. These movements reflect a projected increase in investment assets arising from a capital transfer of \$55.2 million received from the Commission in the 2023-24 Estimated Actual and the flow-on impact of positive investment returns. This increase is partially offset by an increase in future outstanding claims liabilities.

INCOME STATEMENT ^(a) (Controlled)

	2022-23 Actual \$'000	2023-24 Budget \$'000	2023-24 Estimated Actual \$'000	2024-25 Budget Year \$'000	2025-26 Outyear \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000
REVENUE							
Revenue from operations							
Premium revenue	441,655	495,667	508,825	567,260	602,574	639,982	677,723
Other revenue	100,315	91,722	92,934	100,132	97,898	107,350	115,171
TOTAL REVENUE	541,970	587,389	601,759	667,392	700,472	747,332	792,894
Expenses							
Claim expenses	486,037	461,009	489,203	528,134	555,008	587,084	620,559
Other expenses	77,138	83,369	92,155	100,581	108,435	117,925	125,906
TOTAL EXPENSES	563,175	544,378	581,358	628,715	663,443	705,009	746,465
PROFIT/(LOSS)	(21,205)	43,011	20,401	38,677	37,029	42,323	46,429

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

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	11,194	18	1	1	2	9	9
Receivables.....	21,667	33,471	63,919	60,684	55,699	56,513	57,303
Other investments.....	941,320	1,044,675	1,113,772	1,218,961	1,345,106	1,474,169	1,611,441
Other.....	38,732	7,976	7,606	7,606	7,606	7,606	7,606
Total current assets.....	1,012,913	1,086,140	1,185,298	1,287,252	1,408,413	1,538,297	1,676,359
NON-CURRENT ASSETS							
Receivables.....	144,470	150,126	144,470	144,470	144,470	144,470	144,470
Total non-current assets.....	144,470	150,126	144,470	144,470	144,470	144,470	144,470
TOTAL ASSETS	1,157,383	1,236,266	1,329,768	1,431,722	1,552,883	1,682,767	1,820,829
CURRENT LIABILITIES							
Outstanding claims.....	380,991	308,682	380,991	380,991	380,991	380,991	380,991
Payables.....	41,285	68,917	41,285	41,285	41,285	41,285	41,285
Total current liabilities.....	422,276	377,599	422,276	422,276	422,276	422,276	422,276
NON-CURRENT LIABILITIES							
Outstanding claims.....	676,923	712,684	773,674	836,951	921,083	1,008,644	1,100,277
Total non-current liabilities.....	676,923	712,684	773,674	836,951	921,083	1,008,644	1,100,277
TOTAL LIABILITIES	1,099,199	1,090,283	1,195,950	1,259,227	1,343,359	1,430,920	1,522,553
NET ASSETS	58,184	145,983	133,818	172,495	209,524	251,847	298,276
EQUITY							
Contributed equity.....	(379,021)	(379,020)	(323,788)	(323,788)	(323,788)	(323,788)	(323,788)
Accumulated surplus/(deficit).....	437,205	525,003	457,606	496,283	533,312	575,635	622,064
TOTAL EQUITY	58,184	145,983	133,818	172,495	209,524	251,847	298,276

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
CASHFLOWS FROM OPERATING ACTIVITIES							
Receipts							
Premium receipts	411,194	495,666	501,220	567,260	602,574	639,982	677,723
GST receipts	50,941	64,813	66,402	75,238	79,724	85,101	90,372
Other receipts	81,439	89,866	89,513	101,819	101,119	104,539	112,194
Payments							
Claim payments	(343,069)	(385,664)	(392,452)	(464,856)	(470,875)	(499,524)	(528,925)
GST payments	(51,034)	(64,812)	(66,402)	(75,239)	(79,724)	(85,100)	(90,373)
Other payments	(77,138)	(81,950)	(92,255)	(99,033)	(106,672)	(115,928)	(123,719)
Net cash from operating activities	72,333	117,919	106,026	105,189	126,146	129,070	137,272
CASHFLOWS FROM INVESTING ACTIVITIES							
Payments							
Other payments	(67,565)	(117,910)	(172,452)	(105,189)	(126,145)	(129,063)	(137,272)
Net cash from investing activities	(67,565)	(117,910)	(172,452)	(105,189)	(126,145)	(129,063)	(137,272)
NET INCREASE/(DECREASE) IN CASH HELD	4,768	9	(66,426)	-	1	7	-
Cash assets at the beginning of the reporting period ^(b)	6,426	9	66,427	1	1	2	9
Cash assets at the end of the reporting period	11,194	18	1	1	2	9	9

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

(b) The 2023-24 Estimated Actual includes the transfer of funds from the Commission of \$55.2 million.