

Part 9

Transport

Introduction

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

Summary of Recurrent and Asset Investment Expenditure

| Agency | 2023-24 Estimated Actual \$'000 | 2024-25 Budget Year \$'000 |
|---|--|-------------------------------------|
| Transport | | |
| – Total Cost of Services | 717,065 | 840,186 |
| – Asset Investment Program | 42,022 | 110,776 |
| Commissioner of Main Roads | | |
| – Total Cost of Services | 2,294,735 | 2,088,533 |
| – Asset Investment Program | 2,559,101 | 2,074,754 |
| Public Transport Authority of Western Australia | | |
| – Total Cost of Services | 2,226,399 | 2,234,680 |
| – Asset Investment Program | 3,634,115 | 3,048,709 |
| Provision for METRONET Projects Under Development | | |
| – Asset Investment Program | - | 28,433 |
| Fremantle Port Authority | | |
| – Asset Investment Program | 94,337 | 116,810 |

| Agency | 2023-24 Estimated Actual \$'000 | 2024-25 Budget Year \$'000 |
|----------------------------------|--|-------------------------------------|
| Kimberley Ports Authority | | |
| – Asset Investment Program | 12,326 | 14,300 |
| Mid West Ports Authority | | |
| – Asset Investment Program | 62,620 | 124,537 |
| Pilbara Ports Authority | | |
| – Asset Investment Program | 284,744 | 479,130 |
| Southern Ports Authority | | |
| – Asset Investment Program | 70,355 | 69,072 |

Ministerial Responsibilities

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

Division 38 **Transport**

Part 9 Transport

Appropriations, Expenses and Cash Assets

| | 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 87 Net amount appropriated to deliver services | 138,539 | 153,240 | 151,289 | 120,147 | 110,471 | 79,203 | 81,009 |
| Amount Authorised by Other Statutes | | | | | | | |
| - Salaries and Allowances Act 1975..... | 899 | 901 | 1,566 | 1,613 | 1,667 | 1,310 | 1,342 |
| Total appropriations provided to deliver services | 139,438 | 154,141 | 152,855 | 121,760 | 112,138 | 80,513 | 82,351 |
| ADMINISTERED TRANSACTIONS | | | | | | | |
| Item 88 Western Australian Coastal Shipping Commission..... | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| CAPITAL | | | | | | | |
| Item 154 Capital Appropriation | 29,857 | 35,920 | 27,635 | 46,757 | 93,870 | 47,442 | 21,910 |
| TOTAL APPROPRIATIONS | 169,395 | 190,161 | 180,590 | 168,617 | 206,108 | 128,055 | 104,361 |
| EXPENSES | | | | | | | |
| Total Cost of Services | 540,652 | 715,019 | 717,065 | 840,186 | 755,728 | 631,753 | 568,507 |
| Net Cost of Services ^(a) | 185,125 | 315,428 | 344,546 | 425,450 | 297,181 | 202,804 | 171,675 |
| CASH ASSETS ^(b) | 738,705 | 479,476 | 569,776 | 347,459 | 305,951 | 335,685 | 378,460 |

(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 | | | | | |
| Barrack Street Jetty One Replacement | - | 53 | 554 | 555 | 56 |
| Boating Safety | - | 173 | 177 | 182 | 186 |
| Commonwealth Government Disaster Ready Fund - Drone Monitoring of At-Risk Coastal Areas | 63 | 63 | - | - | - |
| Cyber Security Program | - | 4,216 | 5,324 | - | - |
| Exmouth Boat Harbour Dredging | 1,000 | - | - | - | - |
| Freight Infrastructure - Commercial Option Analysis | 66 | 833 | - | - | - |
| Joondalup Driver Assessment Centre | 3,462 | 6,388 | - | - | - |
| Maritime Community Infrastructure | - | 4,000 | 7,400 | - | - |
| Ocean Reef Marina - Essential Operational Infrastructure | - | 2,009 | 2,063 | 2,886 | 2,911 |
| Outdoor Adventure Tourism Package | | | | | |
| Maritime Initiatives | - | 803 | 1,554 | 4,055 | 345 |
| Wadandi Track | - | 2,818 | 4,590 | 4,056 | 6,036 |
| Regional Airports - Pavement Upgrades | 2,700 | 21,280 | - | - | - |
| Transport Sector Emissions Reduction Strategy - South West Interconnected System Road Freight Decarbonisation | 113 | 528 | - | - | - |
| WestCycle Funding Agreement | 500 | 500 | 500 | 500 | 500 |
| Western Australian Public Sector Learning Initiative | - | - | (193) | (365) | (419) |
| Ongoing Initiatives | | | | | |
| Aviation Regulatory and Infrastructure Function | - | 696 | 970 | 1,394 | 804 |
| Customer Information Centre Service Level Agreement Update | 111 | 187 | 265 | 336 | 409 |
| Derby-Broome Regular Public Transport Air Service | 225 | 275 | 350 | - | - |
| Driving Access and Equity Program | 405 | 7,970 | 7,320 | - | - |
| Election Commitment - Cost of Living - Regional Airfare Zone Cap | 11,031 | 32,460 | 21,297 | 232 | 237 |
| Enhanced Speed Enforcement Administration | 7 | 216 | 356 | 491 | 629 |
| Indian Ocean Territories Service Delivery Agreement Update | 695 | 436 | 436 | 436 | 436 |
| Infringement Management Reform Program | 4,591 | 17,634 | 17,114 | 14,464 | 14,812 |
| Kimberley Resilience Program - Aboriginal Community Airstrip Renewal Program | - | 2,000 | 6,000 | - | - |
| METRONET Program Coordination | - | 11,748 | 13,798 | 410 | 439 |
| National Disability Insurance Scheme Worker Screening Service Level Agreement Update | 189 | 189 | 189 | 189 | 189 |
| National Partnership Agreement for Recreational Fishing and Camping Facilities | - | - | 590 | - | - |
| National Transport Reform Membership Contributions | 67 | 141 | 157 | 174 | 191 |
| Regional Pensioner Travel Card | | | | | |
| Administration Costs | - | 1,660 | 1,399 | 1,545 | 1,692 |
| Cost of Living - Increase in Card Value | - | 4,958 | 5,033 | 5,103 | 5,185 |
| ServiceWA App - Future State | - | - | 992 | 1,018 | 1,044 |
| Tantabiddi Boat Ramp Redevelopment Planning | 650 | 300 | - | - | - |
| Transfer from the Department of Primary Industries and Regional Development - Carnarvon One Mile Jetty | 4,500 | - | - | - | - |
| Transfers to Public Transport Authority | | | | | |
| Kenwick Intermodal Terminal Development | (10,000) | - | - | - | - |
| Red and Blue Central Area Transit Bus Services | 1,082 | 2,223 | 2,278 | 2,335 | 2,394 |
| Tunnel Monitoring System | 900 | 1,100 | 650 | 450 | 400 |
| Transport Planning | (928) | 30 | - | - | - |
| Transport Portfolio Sustainability and Strategic Projects Unit | - | - | 314 | 322 | 330 |
| Western Australian Bicycle Network (including Principal Shared Path Program) | 1,700 | - | - | - | - |
| Westport - Business Case and Enabling Works | 8,850 | 51,840 | 25,730 | - | - |
| Zero Emission Vehicle Rebates | 5,200 | - | - | - | - |
| Other | | | | | |
| 2024-25 Tariffs, Fees and Charges | 2,589 | 13,596 | 21,410 | 14,825 | 19,000 |
| Bike Month Grant Contribution - Increase in Initiatives | 25 | 25 | - | - | - |
| Government Office Accommodation | 358 | 409 | 423 | 439 | - |
| Government Regional Officer Housing | (8) | 77 | 34 | 29 | 32 |
| Leave Liability | 725 | 725 | 725 | 725 | - |
| Regional Workers Incentives Allowance Payments | (20) | (20) | (20) | (20) | 192 |
| Salaries and Allowances Tribunal | - | 3 | 12 | 13 | 37 |
| Service Level Agreement for ICT Support Services to the Department of Planning, Lands and Heritage | 241 | 241 | 241 | 241 | 241 |
| State Fleet Updates | (236) | 280 | 16 | 5 | (9) |

Significant Issues Impacting the Agency

1. As part of the Government's commitment to provide new and improved visitor facilities and services in outdoor and adventure tourism across Western Australia, the Department will spend \$17.5 million to complete the Wadandi Track. Once complete, the track will extend for nearly 110 km, connecting Busselton to Augusta, making it one of the longest walking and cycling trails in Australia. The Government is also investing over \$43 million to enable new and upgraded marine facilities and jetties to encourage Western Australians and visitors to get outdoors and enjoy the State's unique environment. This includes \$17.5 million to extend the northern breakwater of Jurien Bay Boat Harbour and \$16.8 million to upgrade marine facilities at six facilities across the State, as well as an additional \$9.1 million for the Woodman Point Ammunition Jetty replacement.
2. The Department will undertake works to enhance safety and support tourism and charter operators at Barrack Street Jetty One, with \$18.7 million allocated for the replacement of the Jetty. The replacement of the Jetty will ensure its continued operation to support operators based at Barrack Square and recreational vessels.
3. As part of the Ocean Reef Marina project, which is being delivered by DevelopmentWA and will be managed by the Department, \$49.3 million is allocated for the Department to develop essential operational marine infrastructure including a management office and a service jetty.
4. Reliable and affordable air services, particularly between Perth and regional centres, are critical for connecting with family, business travel, access to specialist healthcare, workforce movement and regional tourism. The Regional Airfare Zone Cap initiative offers cheaper airfares for regional residents for personal travel. To support this and provide cost of living assistance for Western Australians, the 2024-25 Budget commits a further \$65.3 million over 2023-24 to 2025-26 to continue the scheme. The Government is also investing in regional airstrips, with \$21.3 million in 2024-25 allocated for the Government's contribution towards the proposed upgrades of the Onslow, Albany, East Kimberley, Carnarvon and Eucla airstrips, which will ensure continued operations of public and private air services in those locations.
5. The Kimberley region has been heavily impacted by bushfires and floods over the past few years. To strengthen the climate resilience of the region's aviation assets, the Government is funding \$8 million through the Aboriginal Community Airstrips Renewal program as part of its Kimberley Resilience Program works to enable priority capital and maintenance works to be undertaken. The works will ensure that aviation operations in these remote communities are able to continue in times of emergency.
6. To provide further cost of living assistance to eligible pensioners in regional Western Australia, an additional \$20.3 million will be spent over the forward estimates period to increase the value of the Regional Pensioner Travel Card by \$100 (from \$575 to \$675) from 1 July 2024.
7. Under the Driving Access and Equity program, disadvantaged drivers are supported to gain their licence. An additional \$15.7 million will be allocated to continue the program into 2025-26, including to expand it into the Great Southern and South West regions and to pilot a new two-year program in metropolitan Perth.
8. In support of the Government's goal to reach net zero greenhouse gas emissions by 2050, an extra \$5.2 million has been allocated for the Zero Emissions Vehicle Rebate scheme. The additional funding will ensure that the scheme, which is a financial incentive to encourage the uptake of zero emission vehicles as part of the Government's Clean Energy Car Fund, will meet the expected additional demand for the rebates as more Western Australians embrace electric vehicles.
9. The Government is also providing an additional \$1.6 million for the Transport Portfolio Sustainability and Strategic Projects Unit to continue to coordinate and lead the Portfolio's climate action and decarbonisation efforts, with a focus on decarbonising the freight sector and establishing a stronger approach regarding the use of lower carbon materials.
10. The continued increase in demand for practical driving assessments (PDAs) has impacted the ability of learner drivers to readily access PDAs. In response, the Department is reviewing its service delivery across the metropolitan region to increase the supply of PDAs and will spend \$9.9 million on the Joondalup Driver Assessment Centre, which specifically caters for a greater volume of PDAs.
11. The Government is investing \$13.6 million to uplift the Department's current cyber security environment. This will establish a more secure digital environment and ensure the continued protection of personal data.

12. In 2024-25, the new infringement processing system and infringement management functions will move from the Western Australia Police Force to the Department. The move to digital and online infringement processing will be integrated with the Department's existing licensing and registration services, which will enable the provision of more customer-focused services and flexible payment options for drivers who receive an infringement.
13. Westport is the program to move Western Australia's container port, with supporting upgrades to the road and rail freight networks, from Fremantle Harbour to Kwinana. The program will be one of the largest infrastructure projects undertaken by the State. Development of the business case is progressing well, with submission to Government for its evaluation anticipated in mid-2024.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

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

Service Summary

| Expense | 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. Strategic Transport Policy and Integrated Planning ^(a) | 148,824 | 274,462 | 258,927 | 328,781 | 264,910 | 171,526 | 107,015 |
| 2. Driver and Vehicle Services ^(b) | 247,294 | 290,447 | 306,529 | 336,576 | 322,574 | 303,533 | 304,941 |
| 3. Maritime ^(c) | 116,838 | 120,512 | 122,292 | 142,928 | 136,164 | 125,604 | 124,821 |
| 4. On-demand Transport | 27,696 | 29,598 | 29,317 | 31,901 | 32,080 | 31,090 | 31,730 |
| Total Cost of Services | 540,652 | 715,019 | 717,065 | 840,186 | 755,728 | 631,753 | 568,507 |

- (a) Strategic Transport Policy and Integrated Planning expenses in the 2024-25 Budget Year are estimated to increase by \$69.9 million compared to the 2023-24 Estimated Actual due to the ramping up of work associated with the Westport business case and enabling works and additional spending on the Regional Airfare Zone Cap scheme.
- (b) Driver and Vehicle Services' expenses in the 2024-25 Budget Year are estimated to increase by \$30 million compared to the 2023-24 Estimated Actual due to the transfer of traffic infringement management and processing from the Western Australia Police Force to the Department.
- (c) Maritime expenses in the 2024-25 Budget Year are estimated to increase by \$20.6 million compared to the 2023-24 Estimated Actual mainly due to work related to the new Ocean Reef Marina and increased repairs and maintenance expenditure on maritime infrastructure.

Outcomes and Key Effectiveness Indicators ^(a)

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Outcome: Integrated transport systems that facilitate economic development: | | | | | |
| Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle Port | 20.1% | 20% | 18.4% | 20% | |
| Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth | 91.5% | 91.4% | 91.5% | 91.5% | |
| Outcome: Vehicles and road users that meet established vehicle standards, driver competencies and identity requirements to deliver safe vehicles, safe drivers and secure identities: | | | | | |
| Percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles) | 99.3% | 100% | 98.3% | 100% | |
| Percentage of driver's licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers) | 97.5% | 100% | 97.5% | 100% | |
| Percentage of identity credentials compliant with the required standard of biometric quality | 99.8% | 99.8% | 99.8% | 99.8% | |
| Outcome: An accessible and safe transport system: | | | | | |
| Percentage of wheelchair accessible vehicle taxi journeys carrying passengers in wheelchairs which meet the waiting time standard | 97.9% | 95% | 96% | 95% | |
| Percentage of time maritime infrastructure is fit for purpose when required | 96.3% | 100% | 95.7% | 100% | |
| Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels | 9.2 | 9 | 9.3 | 9.1 | |
| Percentage of audited authorised on-demand booking services compliant with safety requirements | 44% | 60% | 30% | 60% | 1 |

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

Explanation of Significant Movements

(Notes)

1. The percentage of audited authorised on-demand booking services compliant with safety requirements fell in the 2023-24 Estimated Actual compared to the 2023-24 Budget as a result of an increase in the number of small or single fleet operator authorisations. New and small operators find it more difficult to meet the audit requirements, which can impact the performance indicator. The Department's on-demand transport education and compliance program is ongoing and will aim to increase recognition of, and compliance with, the necessary standards for operators.

Services and Key Efficiency Indicators

1. Strategic Transport Policy and Integrated Planning

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

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

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service | 148,824 | 274,462 | 258,927 | 328,781 | 1 |
| Less Income | 58,293 | 107,072 | 70,480 | 100,380 | 1 |
| Net Cost of Service | 90,531 | 167,390 | 188,447 | 228,401 | |
| Employees (Full-Time Equivalents) | 189 | 203 | 212 | 249 | 2 |
| Efficiency Indicators | | | | | |
| Average cost per hour for strategic policy development and integrated transport planning | \$124 | \$157 | \$161 | \$142 | 3 |

Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service and income in the 2024-25 Budget Target compared to the 2023-24 Estimated Actual is mainly due to the ramping up of work associated with the Westport business case and enabling works and additional expenditure through the Regional Airfare Zone Cap scheme.
2. The increase in full-time equivalents in the 2024-25 Budget Target compared to the 2023-24 Estimated Actual is mainly due to Westport planning and an increase in the scope of the Department's transport policy and planning function.
3. The decrease in the 2024-25 Budget Target compared to the 2023-24 Budget and 2023-24 Estimated Actual primarily reflects the efficiencies expected to be achieved across the Department's transport planning functions through economies of scale.

2. Driver and Vehicle Services

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

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

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|----------|
| Total Cost of Service | \$'000 247,294 | \$'000 290,447 | \$'000 306,529 | \$'000 336,576 | 1 |
| Less Income | 220,699 | 217,059 | 225,886 | 229,828 | |
| Net Cost of Service | 26,595 | 73,388 | 80,643 | 106,748 | |
| Employees (Full-Time Equivalents) | 1,000 | 1,073 | 1,114 | 1,178 | 1 |
| Efficiency Indicators | | | | | |
| Average cost per vehicle and driver transaction | \$18 | \$21 | \$20 | \$20 | |
| Average cost per vehicle inspection performed by vehicle examination centres | \$172 | \$173 | \$206 | \$208 | 2 |
| Average cost per vehicle inspection delivered through authorised inspection stations | \$174 | \$195 | \$179 | \$177 | |
| Average cost per driver assessment | \$111 | \$128 | \$135 | \$131 | |

Explanation of Significant Movements

(Notes)

1. Total Cost of Services and full-time equivalents in the 2024-25 Budget Target are estimated to increase by \$30 million and 64 (respectively) compared to the 2023-24 Estimated Actual mainly due to the transfer of traffic infringement management and processing functions from the Western Australia Police Force to the Department and continued increases in driver and vehicle services.
2. The increase in the 2023-24 Estimated Actual and the 2024-25 Budget Target compared to the 2023-24 Budget is mainly due to a reduction in tow truck and bus inspections conducted at the Department's Vehicle Examination Centres. Metropolitan Authorised Inspection Stations are now also able to conduct these inspections, whereas initial licensing inspections for tow trucks that are already registered in Western Australia were previously limited to being conducted at the Department's Vehicle Examination Centres.

3. Maritime

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

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

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service | \$'000 116,838 | \$'000 120,512 | \$'000 122,292 | \$'000 142,928 | 1 |
| Less Income | 68,808 | 68,280 | 68,957 | 74,227 | |
| Net Cost of Service | 48,030 | 52,232 | 53,335 | 68,701 | |
| Employees (Full-Time Equivalents) | 259 | 257 | 253 | 278 | |
| Efficiency Indicators | | | | | |
| Average cost per day for planning, delivery, and management of a maritime asset | \$91 | \$85 | \$89 | \$97 | |
| Average cost of managing waterways, safety and compliance per registered recreational vehicle | \$188 | \$180 | \$188 | \$193 | |
| Cost to maintain marine pollution response preparedness per registered vessel | \$50 | \$45 | \$51 | \$57 | 2 |

Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service in the 2024-25 Budget Target compared to the 2023-24 Estimated Actual is mainly due to work related to the new Ocean Reef Marina and increased expenditure on repairs and maintenance for maritime infrastructure.
2. The increase in the 2024-25 Budget Target compared to the 2023-24 Budget and 2023-24 Estimated Actual is mainly due to increased expenditure associated with meeting the Hazard Management Agency responsibilities as part of the Maritime Environmental Emergency Response by participating in the National Plan Exercise 2025 and engaging in additional exercises with the Australian Maritime Safety Authority and other supplementary drills.

4. On-demand Transport

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

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

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service | \$'000 27,696 | \$'000 29,598 | \$'000 29,317 | \$'000 31,901 | |
| Less Income | 7,727 | 7,180 | 7,196 | 10,301 | 1 |
| Net Cost of Service | 19,969 | 22,418 | 22,121 | 21,600 | |
| Employees (Full-Time Equivalents) | 59 | 58 | 58 | 57 | |
| Efficiency Indicators | | | | | |
| Cost per on-demand transport authorisation | \$151 | \$133 | \$132 | \$104 | 2 |

Explanation of Significant Movements

(Notes)

1. The increase in the 2024-25 Budget Target compared to the 2023-24 Budget and 2023-24 Estimated Actual is mainly due to forecast increases in passenger transport vehicle and driver transactions.
2. The decrease in the 2024-25 Budget Target compared to the 2023-24 Budget and 2023-24 Estimated Actual is mainly due to expected lower contractor and corporate overhead expenses (resulting from economies of scale across the Department). Simultaneously, there is a forecast increase in the volumes of on-demand transport authorisations due to a projected rise in passenger transport vehicle and driver authorisations, which lower the average cost.

Asset Investment Program

Cloud Transition Program

1. Financed by the Digital Capability Fund, this initiative aims to transition the Department's technological framework from traditional on-site equipment and systems to cloud-based solutions. This move will establish the foundational infrastructure of the Department for cloud services, in accordance with the overall government strategy, thereby improving service reliability and accessibility.

ServiceWA App Program

2. This project, also funded through the Digital Capability Fund, will build on and utilise the Office of Digital Government's WA Digital Identity Ecosystem that will enable customers to reuse a digital identity when accessing participating online government services. The Department will participate as a 'Relying Party' by providing customers the option to authenticate to DoTDirect using a digital identity like myGovID.

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

3. The Department is responsible for providing and maintaining both medium and low voltage electrical infrastructure within the Fremantle Fishing Boat Harbour. This infrastructure currently supplies all public areas and facilities as well as the commercial tenancies. This project will replace the ageing electrical infrastructure, resulting in a more robust and reliable electricity supply in addition to enhanced safety provisions.

Redevelopment of Woodman Point Jetty

4. This project involves the replacement of the deteriorated recreational jetty located at Woodman Point, which is now over 80 years old. A new jetty concept has been selected at the existing site to enable continued safe recreational use for fishing, diving, swimming, walking and non-motorised vessels. Throughout 2023-24, detailed design continued and planning approval was obtained. Procurement is underway with construction scheduled to commence in 2025-26.

Transforming Bunbury's Waterfront - Stage Three, Phase One

5. The Department continues to work closely with the South West Development Commission to deliver the next phase of Transforming Bunbury's Waterfront. Stage Three, Phase One comprises dredging, a new breakwater, serviced lease sites for the marine industry, and upgraded public boating infrastructure in Casuarina Boat Harbour. Detailed design of the breakwater and dredging is now complete with construction scheduled to commence mid-2024. Design of the landside civil works (earthworks, roads, services and lease sites) is underway with construction to follow breakwater construction in late 2025.

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

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

Cyber Security Program

7. This program will reduce the Department's cyber risk profile and ensure the continued protection of personal data.

Maritime Facilities Program

8. This program comprises asset replacement and additional public maritime infrastructure throughout the State to meet current and future boating requirements. Significant projects being delivered in 2024-25 include the Fremantle Fishing Boat Harbour amenities building (following preparatory works to reclaim a suitable area through extension of the service wharf and completion of services upgrades in 2023-24), the floating jetty in Batavia Coast Marina, completion of the Jurien Bay Boat Harbour high voltage electrical upgrade and a sewerage network upgrade at Two Rocks Marina.

Vessel and Vehicle Replacement Program

9. The Department has an ongoing program to replace and refit maritime vessels, vehicles, motors and trailers associated with its non-leased patrol vessel fleet for waterways compliance operations, maritime education operations and hydrographic surveys. In 2024-25, three patrol vessels and five vessels used for marine education will be replaced, one vessel refitted, five engines replaced, and two new multi-beam electronic packages for hydrographic surveys acquired.

Albany (Emu Point) Maritime Facility - Jetty B

10. Jetty B at the Emu Point Maritime Facility in Albany was originally constructed in 1971 and has been in service for over 50 years. Funding of \$1 million has been provisioned for the refurbishment of the Jetty to restore full access to it and the mooring facilities. Works will commence in 2024-25, in order to enable investigations into potential consolidation of City of Albany and the Department's jetty assets, and to allow finalisation of updated concept designs, with stakeholder consultation.

Albany Waterfront Marina - Floating Pontoon Jetty

11. The provision of a short-stay pontoon at the Albany Waterfront Marina is intended to service the needs of harbour users and contribute to future economic development through commercial use. The pontoon will provide a valuable piece of infrastructure that allows passengers to embark and disembark, supporting growth of tourism and recreational boating in the marina. In 2024-25, the Department will commence project planning and approvals required for the floating pontoon.

Barrack Street Jetty One Replacement

12. Jetty One at Barrack Square was originally constructed in 1972 and in recent years its condition has deteriorated, necessitating its replacement. In 2024-25, the Department intends to finalise required heritage approvals and undertake initial construction works to replace the existing jetty structure. Once complete, the new jetty will enable its continued use and contribution to tourism in this important waterfront precinct.

Broome Boating Initiative

13. A total of \$36.3 million has been provisioned for a boating initiative in Broome over 2024-25 to 2026-27.

Jurien Bay Boat Harbour Breakwater Extension

14. The 150-metre extension of the Jurien Bay Boat Harbour northern breakwater will commence in 2024-25, with tender and design documentation to be prepared and works approvals sought. The breakwater extension will limit the ingress of seagrass and lead to improved water quality within the harbour.

Ocean Reef Marina - Essential Operational Infrastructure

15. This project will deliver some of the essential marine infrastructure required to deliver a functional facility at the new Ocean Reef Marina upon its opening, including a marina manager office, pen holder amenities, essential services such as CCTV in the marine enterprise precinct site, and a service jetty with a vessel fuel facility. In 2024-25, the Department will commence the initial stages of planning and design and subsequently start construction.

Onslow Community Boating Precinct - Stage Two

16. This project, which is subject to confirmation of third-party funding arrangements, will deliver up to 12 new floating pens for both charter and recreational use, a carpark extension, additional landscaping and an upgrade to firefighting services required for the new pens. In 2024-25, the Department will liaise with stakeholders and contractors to finalise the Stage Two design and scope of works and update the costs and delivery arrangements.

| | 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 | | | | | | | |
| Business Information Systems - Cloud Transition Program | 2,498 | 966 | 966 | 1,532 | - | - | - |
| Driver and Vehicle Services - ServiceWA App Program..... | 2,945 | 1,288 | 1,093 | 892 | 765 | - | - |
| Maritime | | | | | | | |
| Fremantle Fishing Boat Harbour and Commercial | | | | | | | |
| Precinct - Replacement of Electrical Infrastructure | 7,800 | 1,708 | 739 | 6,092 | - | - | - |
| Redevelopment of Woodman Point Jetty..... | 18,790 | 2,390 | 753 | 576 | 15,824 | - | - |
| Transforming Bunbury's Waterfront Stage Three | 78,100 | 6,351 | 3,828 | 46,100 | 19,600 | 6,049 | - |
| On-Demand Transport - TUSS Reform Program | 10,773 | 5,587 | 4,652 | 5,186 | - | - | - |
| COMPLETED WORKS | | | | | | | |
| Business Information Systems - Information and | | | | | | | |
| Communications Infrastructure - 2023-24 Program | 4,852 | 4,852 | 4,852 | - | - | - | - |
| Corporate - Accommodation and | | | | | | | |
| Refurbishment - 2023-24 Program | 1,803 | 1,803 | 1,803 | - | - | - | - |
| Driver and Vehicle Services Reform Program | | | | | | | |
| 2023-24 Program | 3,543 | 3,543 | 3,543 | - | - | - | - |
| Infringement Processing System (Infringement | | | | | | | |
| Management Reform) | 4,174 | 4,174 | 4,174 | - | - | - | - |
| Maritime | | | | | | | |
| Albany Waterfront Marina | 603 | 603 | 84 | - | - | - | - |
| Batavia Coast Marina - Floating Jetty/Pens..... | 400 | 400 | 400 | - | - | - | - |
| Carnarvon Fascine Entrance | 2,957 | 2,957 | 132 | - | - | - | - |
| Hillarys Boat Harbour - Jetties F, G, H, and J..... | 7,350 | 7,350 | 3,627 | - | - | - | - |
| Marine Oil Pollution Response Equipment - | | | | | | | |
| 2023-24 Program | 476 | 476 | 476 | - | - | - | - |
| Maritime Facilities Program - 2023-24 Program | 8,341 | 8,341 | 8,341 | - | - | - | - |
| Navigational Aids Program - 2023-24 Program | 445 | 445 | 445 | - | - | - | - |
| Onslow Community Boating Precinct - Stage One | 13,366 | 13,366 | 348 | - | - | - | - |
| Vessel and Vehicle Replacement | | | | | | | |
| Program - 2023-24 Program | 1,358 | 1,358 | 1,358 | - | - | - | - |
| Minor Works - 2023-24 Program | 408 | 408 | 408 | - | - | - | - |
| NEW WORKS | | | | | | | |
| Business Information Systems - Information and | | | | | | | |
| Communications Infrastructure | | | | | | | |
| 2024-25 Program | 8,165 | - | - | 8,165 | - | - | - |
| 2025-26 Program | 8,175 | - | - | - | 8,175 | - | - |
| 2026-27 Program | 6,525 | - | - | - | - | 6,525 | - |
| 2027-28 Program | 6,525 | - | - | - | - | - | 6,525 |
| Cyber Security Program..... | 4,075 | - | - | 1,343 | 2,732 | - | - |
| Corporate - Accommodation and Refurbishment | | | | | | | |
| 2024-25 Program | 1,490 | - | - | 1,490 | - | - | - |
| 2025-26 Program | 818 | - | - | - | 818 | - | - |
| 2026-27 Program | 818 | - | - | - | - | 818 | - |
| 2027-28 Program | 818 | - | - | - | - | - | 818 |
| Driver and Vehicle Services Reform Program | | | | | | | |
| 2024-25 Program | 6,200 | - | - | 6,200 | - | - | - |
| 2025-26 Program | 6,528 | - | - | - | 6,528 | - | - |
| 2026-27 Program | 4,200 | - | - | - | - | 4,200 | - |
| 2027-28 Program | 3,200 | - | - | - | - | - | 3,200 |
| Maritime | | | | | | | |
| Albany (Emu Point) Maritime Facility - Jetty B | 1,038 | - | - | 1,038 | - | - | - |
| Albany Waterfront Marina - Floating Pontoon Jetty | 4,000 | - | - | 150 | 2,000 | 1,850 | - |
| Barrack Street Jetty One Replacement | 17,466 | - | - | 384 | 5,689 | 11,094 | 299 |
| Broome Boating Initiative | 36,306 | - | - | 596 | 16,218 | 19,492 | - |
| Jurien Bay Boat Harbour Breakwater Extension..... | 17,037 | - | - | 659 | 10,339 | 6,039 | - |
| Marine Oil Pollution Response Equipment | | | | | | | |
| 2024-25 Program | 113 | - | - | 113 | - | - | - |
| 2025-26 Program | 200 | - | - | - | 200 | - | - |
| 2026-27 Program | 200 | - | - | - | - | 200 | - |
| 2027-28 Program | 200 | - | - | - | - | - | 200 |
| Maritime Facilities Program | | | | | | | |
| 2024-25 Program | 12,069 | - | - | 12,069 | - | - | - |
| 2025-26 Program | 9,180 | - | - | - | 9,180 | - | - |
| 2026-27 Program | 9,180 | - | - | - | - | 9,180 | - |
| 2027-28 Program | 9,180 | - | - | - | - | - | 9,180 |
| Navigational Aids Program | | | | | | | |
| 2024-25 Program | 912 | - | - | 912 | - | - | - |
| 2025-26 Program | 912 | - | - | - | 912 | - | - |
| 2026-27 Program | 912 | - | - | - | - | 912 | - |
| 2027-28 Program | 912 | - | - | - | - | - | 912 |

| | 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 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Ocean Reef Marina - Essential Operational | | | | | | | |
| Infrastructure | 39,447 | - | - | 11,995 | 27,452 | - | - |
| Onslow Community Boating Precinct - Stage Two | 6,500 | - | - | - | 4,000 | 2,500 | - |
| Vessel and Vehicle Replacement Program | | | | | | | |
| 2024-25 Program | 4,746 | - | - | 4,746 | - | - | - |
| 2025-26 Program | 2,260 | - | - | - | 2,260 | - | - |
| 2026-27 Program | 580 | - | - | - | - | 580 | - |
| 2027-28 Program | 580 | - | - | - | - | - | 580 |
| Minor Works | | | | | | | |
| 2024-25 Program | 408 | - | - | 408 | - | - | - |
| 2025-26 Program | 408 | - | - | - | 408 | - | - |
| 2026-27 Program | 408 | - | - | - | - | 408 | - |
| 2027-28 Program | 408 | - | - | - | - | - | 408 |
| Towing Industry Reform Program | 130 | - | - | 130 | - | - | - |
| Total Cost of Asset Investment Program | 404,211 | 68,366 | 42,022 | 110,776 | 133,100 | 69,847 | 22,122 |
| FUNDED BY | | | | | | | |
| Capital Appropriation | | | 27,557 | 46,671 | 93,785 | 47,354 | 21,823 |
| Funding included in Department of Treasury - | | | | | | | |
| Administered Item | | | - | 150 | 6,000 | 4,350 | - |
| Internal Funds and Balances | | | 1,890 | 17,508 | 10,218 | 12,094 | 299 |
| Major Treasurer's Special Purpose Account(s) | | | | | | | |
| Digital Capability Fund | | | 6,475 | 4,230 | 3,497 | - | - |
| Royalties for Regions Fund | | | 2,057 | 47,138 | 19,600 | 6,049 | - |
| Other | | | 1,000 | (5,121) | (200) | - | - |
| Other Grants and Subsidies | | | 3,043 | 200 | 200 | - | - |
| Total Funding | | | 42,022 | 110,776 | 133,100 | 69,847 | 22,122 |

Financial Statements

Income Statement

Expenses

1. Total Cost of Services is estimated to increase by \$123.1 million in the 2024-25 Budget Year compared to the 2023-24 Estimated Actual. This is mainly due to the continuation of METRONET program coordination, Westport planning, additional expenditure through the Regional Airfare Zone Cap scheme, pavement upgrades at regional airports and the transfer of traffic infringement management and processing functions from the Western Australia Police Force to the Department.

Income

2. Total grants and subsidies are estimated to increase by \$26.6 million in the 2024-25 Budget and by \$62 million in the 2025-26 Outyear compared to the 2023-24 Estimated Actual, primarily due to the retiming (to later years) of Commonwealth Government revenue associated with the Western Australian Agricultural Supply Chain Improvements Program.

Statement of Financial Position

3. Total assets are expected to decrease by \$113.3 million in the 2024-25 Budget Target compared to the 2023-24 Estimated Actual. This reflects a reduction in restricted cash assets for funding allocated from the Perth Parking Licensing Account to the Causeway Cyclist and Pedestrian Bridges and allocations from the Westport Special Purpose Account for land acquisitions. These reductions are offset by an increase in assets, mainly related to delivery of the next phase of Transforming Bunbury's Waterfront.

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) | 168,571 | 194,212 | 197,480 | 221,856 | 217,439 | 196,073 | 199,008 |
| Grants and subsidies ^(c) | 144,269 | 215,512 | 225,813 | 245,047 | 174,724 | 125,997 | 125,007 |
| Supplies and services | 131,487 | 199,019 | 188,324 | 242,041 | 226,681 | 183,411 | 118,608 |
| Accommodation | 27,748 | 28,196 | 29,831 | 33,103 | 35,163 | 34,077 | 34,820 |
| Depreciation and amortisation | 24,353 | 28,351 | 26,537 | 32,266 | 34,426 | 35,014 | 35,117 |
| Finance and interest costs | 119 | 197 | 167 | 326 | 295 | 145 | 136 |
| Other expenses | 44,105 | 49,532 | 48,913 | 65,547 | 67,000 | 57,036 | 55,811 |
| TOTAL COST OF SERVICES | 540,652 | 715,019 | 717,065 | 840,186 | 755,728 | 631,753 | 568,507 |
| Income | | | | | | | |
| Sale of goods and services | 35,030 | 36,163 | 37,752 | 39,302 | 40,292 | 38,677 | 39,691 |
| Regulatory fees and fines | 189,213 | 192,550 | 196,012 | 205,773 | 212,201 | 215,548 | 217,294 |
| Grants and subsidies | 7,330 | 48,138 | 12,657 | 39,301 | 74,630 | 38,970 | 1,694 |
| Taxation | 90,520 | 92,942 | 95,942 | 96,619 | 99,801 | 103,377 | 105,660 |
| Other revenue | 33,434 | 29,798 | 30,156 | 33,741 | 31,623 | 32,377 | 32,493 |
| Total Income | 355,527 | 399,591 | 372,519 | 414,736 | 458,547 | 428,949 | 396,832 |
| NET COST OF SERVICES | 185,125 | 315,428 | 344,546 | 425,450 | 297,181 | 202,804 | 171,675 |
| INCOME FROM GOVERNMENT | | | | | | | |
| Service appropriations | 139,438 | 154,141 | 152,855 | 121,760 | 112,138 | 80,513 | 82,351 |
| Resources received free of charge | 2,082 | 1,989 | 1,989 | 1,989 | 1,989 | 1,989 | 1,989 |
| Major Treasurer's Special Purpose Account(s) | | | | | | | |
| Asset Maintenance Fund | - | - | - | 4,000 | 7,400 | - | - |
| Royalties for Regions Fund | | | | | | | |
| Regional Community Services Fund | 50,911 | 60,763 | 70,143 | 93,059 | 70,734 | 66,545 | 37,569 |
| Other appropriations | - | - | - | 14,030 | 1,500 | 4,000 | - |
| Other revenues | 74,254 | 69,130 | 76,917 | 89,161 | 88,464 | 87,606 | 88,835 |
| TOTAL INCOME FROM GOVERNMENT | 266,685 | 286,023 | 301,904 | 323,999 | 282,225 | 240,653 | 210,744 |
| SURPLUS/(DEFICIENCY) FOR THE PERIOD | 81,560 | (29,405) | (42,642) | (101,451) | (14,956) | 37,849 | 39,069 |

(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 1,507, 1,637 and 1,762 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 \$'000 | Budget \$'000 | Estimated Actual \$'000 | Budget Year \$'000 | Outyear \$'000 | Outyear \$'000 | Outyear \$'000 |
| Active Traffic Management..... | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 |
| Aviation (Public Air Route) Subsidies | 1,608 | 3,450 | 1,841 | 1,425 | 1,500 | 700 | 500 |
| Coastal Projects and Zone Management | 4,776 | 3,652 | 3,866 | 5,519 | 2,217 | 1,057 | 1,057 |
| Community Police | 2,728 | 2,100 | 3,100 | 2,100 | 2,100 | 2,100 | 2,100 |
| Driving Access and Equity Program | 2,767 | 4,800 | 5,483 | 6,006 | 5,400 | - | - |
| Fare Subsidies (Pensioners) | 1,070 | 1,589 | 1,589 | 1,589 | 1,589 | 1,589 | 1,589 |
| Fremantle Container Rail Subsidy | 5,910 | 8,709 | 8,709 | 8,956 | 8,956 | 8,956 | 8,956 |
| Inner City Projects - CBD Transport Plan | 7,239 | 15,775 | 13,985 | 10,934 | - | - | - |
| Inter-Regional Flight Network Expansion | - | 900 | 1,800 | 900 | 900 | 450 | - |
| Kenwick Intermodal Terminal Development | - | 10,000 | - | - | - | - | - |
| Kimberley Resilience Program - Aboriginal Community Airstrip Renewal Program | - | - | - | 2,000 | 6,000 | - | - |
| Marine Communications | 736 | 745 | 745 | 670 | 670 | 670 | 670 |
| Multi-Purpose Taxi - Vehicle Modification Grant ... | 479 | 720 | 720 | 720 | 720 | 720 | 720 |
| National Partnership Agreement for Recreational Fishing and Camping Facilities ... | - | 357 | 357 | - | - | - | - |
| National Transport Reforms | 336 | 354 | 362 | 466 | 482 | 499 | 516 |
| Other Grants and Subsidies | 445 | 1,114 | 1,085 | 1,027 | 902 | 804 | 804 |
| Outdoor Adventure Tourism Package | - | - | - | 3,485 | 6,007 | 7,973 | 5,953 |
| Public Transport Authority | | | | | | | |
| Central Area Transit Bus Services | 20,209 | 20,275 | 21,357 | 20,565 | 20,570 | 20,627 | 20,686 |
| Electric Buses and Depot Modifications | - | 22,000 | 4,500 | 17,500 | - | - | - |
| Tunnel Monitoring System | 2,410 | 3,349 | 3,523 | 3,056 | 850 | 650 | 600 |
| Recreational Boat Facilities | 1,541 | 1,500 | 1,500 | 3,106 | 2,090 | 1,500 | 1,500 |
| Regional Airfare Zone Cap | 13,943 | 22,248 | 34,485 | 35,874 | 20,879 | - | - |
| Regional Airport Development Scheme | 671 | 1,935 | 6,123 | 1,935 | 1,935 | 1,935 | 1,935 |
| Regional Airports - Pavement Upgrades | - | - | 5,000 | 21,280 | - | - | - |
| Regional Pensioner Travel Card | 27,543 | 29,653 | 29,653 | 35,029 | 35,522 | 32,671 | 32,748 |
| Student Fare Concessions | 1,082 | 1,241 | 1,241 | 1,241 | 1,241 | 1,241 | 1,241 |
| Taxi User Co-Payment | 3,949 | 1,959 | 1,959 | 1,959 | 1,959 | 1,959 | 1,959 |
| Taxi User Subsidy Scheme | 11,973 | 10,826 | 10,826 | 10,826 | 10,826 | 10,826 | 10,826 |
| Western Australian Bicycle Network (including Principal Shared Path Program) | 23,659 | 26,987 | 34,138 | 27,099 | 38,949 | 26,820 | 28,397 |
| Westport | | | | | | | |
| Bulk Trade Relocation | 151 | - | - | - | - | - | - |
| Enabling Works | - | - | 200 | 690 | 10 | - | - |
| Fremantle Port Authority - Feasibility Studies | 833 | 2,000 | 4,314 | 1,953 | 200 | - | - |
| Future of Fremantle | 438 | 562 | 1,312 | - | - | - | - |
| Zero Emission Vehicle Purchase Rebates | 5,523 | 14,462 | 19,790 | 14,887 | - | - | - |
| TOTAL | 144,269 | 215,512 | 225,813 | 245,047 | 174,724 | 125,997 | 125,007 |

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..... | 180,035 | 97,157 | 160,443 | 119,210 | 98,547 | 98,271 | 98,084 |
| Restricted cash..... | 554,151 | 377,733 | 404,334 | 222,772 | 201,362 | 230,773 | 273,089 |
| Holding Account receivables | - | 2,600 | 1,300 | 3,325 | 5,350 | 6,075 | 6,075 |
| Receivables..... | 24,324 | 27,673 | 24,324 | 24,324 | 24,324 | 24,324 | 24,324 |
| Other..... | 5,190 | 4,958 | 5,190 | 5,190 | 5,190 | 5,190 | 5,190 |
| Total current assets..... | 763,700 | 510,121 | 595,591 | 374,821 | 334,773 | 364,633 | 406,762 |
| NON-CURRENT ASSETS | | | | | | | |
| Holding Account receivables | 342,678 | 362,550 | 363,846 | 390,995 | 420,204 | 450,952 | 481,823 |
| Property, plant and equipment..... | 475,989 | 520,002 | 502,079 | 590,455 | 702,407 | 747,738 | 745,974 |
| Intangibles | 52,639 | 45,733 | 48,904 | 40,367 | 30,650 | 21,051 | 11,452 |
| Restricted cash..... | 4,519 | 4,586 | 4,999 | 5,477 | 6,042 | 6,641 | 7,287 |
| Total non-current assets..... | 875,825 | 932,871 | 919,828 | 1,027,294 | 1,159,303 | 1,226,382 | 1,246,536 |
| TOTAL ASSETS | 1,639,525 | 1,442,992 | 1,515,419 | 1,402,115 | 1,494,076 | 1,591,015 | 1,653,298 |
| CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 29,085 | 30,772 | 31,466 | 33,847 | 36,228 | 37,309 | 37,665 |
| Payables..... | 23,684 | 13,901 | 22,676 | 22,676 | 22,676 | 22,676 | 22,676 |
| Borrowings and leases | 2,452 | 2,169 | 2,356 | 2,220 | 2,358 | 2,234 | 2,370 |
| Other..... | 6,751 | 2,072 | 6,751 | 6,751 | 6,751 | 6,751 | 6,751 |
| Total current liabilities..... | 61,972 | 48,914 | 63,249 | 65,494 | 68,013 | 68,970 | 69,462 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 7,188 | 6,317 | 7,188 | 7,188 | 7,188 | 7,188 | 7,188 |
| Borrowings and leases | 1,649 | 4,412 | 4,607 | 3,673 | 4,400 | 3,669 | 3,469 |
| Other..... | 4,714 | - | 4,714 | 4,714 | 4,714 | 4,714 | 4,714 |
| Total non-current liabilities..... | 13,551 | 10,729 | 16,509 | 15,575 | 16,302 | 15,571 | 15,371 |
| TOTAL LIABILITIES | 75,523 | 59,643 | 79,758 | 81,069 | 84,315 | 84,541 | 84,833 |
| EQUITY | | | | | | | |
| Contributed equity..... | 945,907 | 878,602 | 860,359 | 847,195 | 950,866 | 1,009,725 | 1,032,643 |
| Accumulated surplus/(deficit)..... | 601,447 | 498,287 | 558,805 | 457,354 | 442,398 | 480,247 | 519,316 |
| Reserves | 16,648 | 6,460 | 16,497 | 16,497 | 16,497 | 16,502 | 16,506 |
| Total equity | 1,564,002 | 1,383,349 | 1,435,661 | 1,321,046 | 1,409,761 | 1,506,474 | 1,568,465 |
| TOTAL LIABILITIES AND EQUITY | 1,639,525 | 1,442,992 | 1,515,419 | 1,402,115 | 1,494,076 | 1,591,015 | 1,653,298 |

(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 | 118,337 | 129,742 | 130,387 | 92,586 | 80,904 | 49,040 | 51,480 |
| Capital appropriation..... | 29,857 | 35,920 | 27,635 | 46,757 | 93,870 | 47,442 | 21,910 |
| Administered equity contribution..... | - | - | - | 150 | 6,000 | 4,350 | - |
| Major Treasurer's Special Purpose Account(s) | | | | | | | |
| Asset Maintenance Fund | - | - | - | 4,000 | 7,400 | - | - |
| Climate Action Fund | 1,293 | 1,608 | 1,580 | 1,048 | - | - | - |
| Digital Capability Fund | 15,462 | 17,271 | 13,933 | 16,543 | 10,892 | 1,018 | 1,044 |
| Royalties for Regions Fund | | | | | | | |
| Regional Community Services Fund | 50,911 | 60,763 | 70,143 | 93,059 | 70,734 | 66,545 | 37,569 |
| Regional Infrastructure and Headworks Fund | 2,959 | 18,993 | 2,057 | 47,138 | 19,600 | 6,049 | - |
| Receipts paid into Consolidated Account | - | (307) | (933) | (280) | - | - | - |
| Other..... | 93,926 | 69,972 | 77,759 | 89,825 | 88,464 | 87,606 | 88,835 |
| Administered appropriations | - | - | - | 14,030 | 1,500 | 4,000 | - |
| Net cash provided by Government | 312,745 | 333,962 | 322,561 | 404,856 | 379,364 | 266,050 | 200,838 |
| CASHFLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee benefits | (165,800) | (192,556) | (195,099) | (219,476) | (215,057) | (194,995) | (198,653) |
| Grants and subsidies | (143,094) | (215,512) | (226,821) | (245,047) | (174,724) | (125,997) | (125,007) |
| Supplies and services | (120,961) | (195,350) | (184,590) | (237,874) | (222,616) | (178,354) | (113,515) |
| Accommodation | (27,671) | (28,196) | (29,058) | (32,553) | (35,243) | (34,053) | (34,783) |
| GST payments | (36,462) | (26,706) | (26,706) | (26,706) | (26,706) | (26,706) | (26,706) |
| Finance and interest costs | - | (197) | (166) | (326) | (295) | (145) | (136) |
| Other payments | (44,181) | (51,212) | (51,431) | (68,272) | (68,996) | (60,126) | (58,952) |
| Receipts ^(b) | | | | | | | |
| Regulatory fees and fines | 188,770 | 192,550 | 196,012 | 205,773 | 212,201 | 215,548 | 217,294 |
| Grants and subsidies | 7,248 | 48,138 | 12,657 | 39,301 | 74,630 | 38,970 | 1,694 |
| Sale of goods and services | 34,392 | 35,321 | 36,910 | 38,637 | 40,292 | 38,677 | 39,691 |
| Taxation | 90,395 | 92,942 | 95,942 | 96,619 | 99,801 | 103,377 | 105,660 |
| GST receipts | 33,531 | 26,706 | 26,706 | 26,706 | 26,706 | 26,706 | 26,706 |
| Other receipts | 26,065 | 29,731 | 30,089 | 33,614 | 31,623 | 32,378 | 32,494 |
| Net cash from operating activities | (157,768) | (284,341) | (315,555) | (389,604) | (258,384) | (164,720) | (134,213) |
| CASHFLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets | (43,667) | (63,010) | (42,022) | (110,776) | (133,100) | (69,847) | (22,122) |
| Proceeds from sale of non-current assets | 353 | 307 | 307 | 280 | - | - | - |
| Net cash from investing activities | (43,314) | (62,703) | (41,715) | (110,496) | (133,100) | (69,847) | (22,122) |
| CASHFLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings and leases | (12,309) | (2,797) | (2,954) | (2,652) | (2,698) | (1,749) | (1,728) |
| Other payments | - | (108,500) | (102,033) | (92,225) | (29,594) | (2,983) | (2,983) |
| Net cash from financing activities | (12,309) | (111,297) | (104,987) | (94,877) | (32,292) | (4,732) | (4,711) |
| NET INCREASE/(DECREASE) IN CASH HELD | 99,354 | (124,379) | (139,696) | (190,121) | (44,412) | 26,751 | 39,792 |
| Cash assets at the beginning of the reporting period | 718,305 | 621,384 | 738,705 | 569,776 | 347,459 | 305,951 | 335,685 |
| Net cash transferred to/from other agencies | (78,954) | (17,529) | (29,233) | (32,196) | 2,904 | 2,983 | 2,983 |
| Cash assets at the end of the reporting period | 738,705 | 479,476 | 569,776 | 347,459 | 305,951 | 335,685 | 378,460 |

(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 | | | |
| Regulatory Fees and Fines | | | | | | | |
| Boat Registration Fees | 23,296 | 25,321 | 25,321 | 26,295 | 27,859 | 29,517 | 31,274 |
| Jetty Licences and Coastal Facility Fees | 13,278 | 13,129 | 13,129 | 14,608 | 14,989 | 15,360 | 15,740 |
| Motor Driver's Licence Fees | 81,439 | 82,481 | 85,944 | 99,549 | 101,479 | 100,391 | 98,036 |
| Motor Vehicle Recording Fee | 57,821 | 58,495 | 58,494 | 48,221 | 49,390 | 50,532 | 51,667 |
| On-Demand Transport Fees | 7,594 | 7,115 | 7,115 | 10,235 | 11,188 | 12,183 | 12,740 |
| Other Driver and Vehicle Services Fees | 4,646 | 4,626 | 4,626 | 5,744 | 6,132 | 6,347 | 6,569 |
| Other Marine Safety Fees | 697 | 1,383 | 1,383 | 1,118 | 1,164 | 1,214 | 1,266 |
| Grants and Subsidies | | | | | | | |
| Grants and Contributions Received | 64,450 | 80,897 | 52,662 | 88,958 | 122,627 | 85,114 | 48,324 |
| Sale of Goods and Services | | | | | | | |
| Commissions | 29,356 | 31,800 | 31,800 | 33,452 | 34,298 | 35,875 | 35,892 |
| Motor Vehicle Inspection Fees | 34,392 | 35,321 | 36,910 | 38,637 | 40,292 | 38,677 | 39,691 |
| Sale of Goods and Services | 501 | 655 | 655 | 680 | 706 | 706 | 706 |
| Taxation | | | | | | | |
| Motor Vehicle Plate Fees | 25,408 | 21,222 | 24,222 | 22,241 | 22,899 | 23,570 | 23,912 |
| Motor Vehicle Transfer Fees | 11,525 | 11,801 | 11,801 | 11,979 | 12,238 | 12,496 | 12,752 |
| Perth Parking Levy | 53,462 | 59,919 | 59,919 | 62,401 | 64,665 | 67,313 | 68,998 |
| GST Receipts | | | | | | | |
| GST Input Credits | 25,444 | 18,825 | 18,825 | 18,825 | 18,825 | 18,825 | 18,825 |
| GST Receipts on Sales | 8,087 | 7,881 | 7,881 | 7,881 | 7,881 | 7,881 | 7,881 |
| Other Receipts | | | | | | | |
| Interest Revenue | 569 | 296 | 296 | 296 | 296 | 296 | 296 |
| Other Revenue | 8,690 | 11,241 | 11,599 | 12,099 | 11,431 | 11,014 | 11,247 |
| Rents and Leases | 18,249 | 19,159 | 19,159 | 22,846 | 20,870 | 21,392 | 21,926 |
| Service Delivery Agreement | 5,423 | 3,793 | 4,334 | 4,410 | 4,488 | 4,559 | 4,632 |
| Special Purpose Account | 16,755 | 18,879 | 15,513 | 21,591 | 18,292 | 1,018 | 1,044 |
| TOTAL | 491,082 | 514,239 | 491,588 | 552,066 | 592,009 | 544,280 | 513,418 |

(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 | | | |
| INCOME | | | | | | | |
| Taxation | | | | | | | |
| Motor Vehicle Licence Fees | 1,204,720 | 1,262,972 | 1,293,665 | 1,366,341 | 1,447,113 | 1,513,641 | 1,581,735 |
| On-Demand Transport Levy | 412 | - | - | - | - | - | - |
| Fines | | | | | | | |
| Final Demand Fees | 2,961 | 2,757 | 2,256 | 2,256 | 2,256 | 2,256 | 2,256 |
| Other Fines | 18,336 | 23,028 | 23,028 | 23,028 | 23,028 | 23,028 | 23,028 |
| Plate and Transfer Infringements | 8,438 | 8,688 | 9,189 | 9,327 | 9,531 | 9,748 | 9,978 |
| Speed and Red Light Fines | 103,847 | 80,607 | 92,539 | 88,228 | 90,007 | 91,773 | 93,539 |
| Other | | | | | | | |
| Appropriation | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Off-Road Vehicle Fees | 122 | 182 | 182 | 114 | 113 | 113 | 113 |
| TOTAL ADMINISTERED INCOME | 1,338,936 | 1,378,334 | 1,420,959 | 1,489,394 | 1,572,148 | 1,640,659 | 1,710,749 |
| EXPENSES | | | | | | | |
| Statutory Authorities | | | | | | | |
| Western Australian Coastal Shipping Commission | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Other | | | | | | | |
| All Other Expenses | 6,633 | - | - | - | - | - | - |
| Payments to Consolidated Account | 1,229,255 | 1,297,444 | 1,328,137 | 1,400,951 | 1,481,927 | 1,548,672 | 1,616,996 |
| Payments to Off-Road Vehicle Trust Account | 123 | 183 | 183 | 115 | 114 | 114 | 114 |
| Payments to Road Trauma Trust Account | 103,847 | 80,607 | 92,539 | 88,228 | 90,007 | 91,773 | 93,539 |
| TOTAL ADMINISTERED EXPENSES | 1,339,958 | 1,378,334 | 1,420,959 | 1,489,394 | 1,572,148 | 1,640,659 | 1,710,749 |

Division 39 Commissioner of Main Roads

Part 9 Transport

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 89 Net amount appropriated to deliver services | 470,223 | 582,788 | 638,124 | 626,522 | 638,167 | 649,723 | 655,159 |
| Amount Authorised by Other Statutes | | | | | | | |
| - Road Traffic (Administration) Act 2008 | 894,978 | 832,534 | 863,227 | 969,932 | 1,138,523 | 1,261,976 | 1,312,470 |
| - Salaries and Allowances Act 1975 | 427 | 428 | 428 | 439 | 466 | 475 | 475 |
| Total appropriations provided to deliver services | 1,365,628 | 1,415,750 | 1,501,779 | 1,596,893 | 1,777,156 | 1,912,174 | 1,968,104 |
| CAPITAL | | | | | | | |
| Item 155 Capital Appropriation | 280,351 | 238,950 | 303,768 | 328,753 | 165,060 | 300,234 | 55,650 |
| Road Traffic (Administration) Act 2008 | 321,086 | 437,938 | 437,938 | 403,909 | 316,090 | 259,165 | 276,765 |
| TOTAL APPROPRIATIONS | 1,967,065 | 2,092,638 | 2,243,485 | 2,329,555 | 2,258,306 | 2,471,573 | 2,300,519 |
| EXPENSES | | | | | | | |
| Total Cost of Services | 1,739,774 | 2,149,159 | 2,294,735 | 2,088,533 | 2,019,203 | 1,910,985 | 1,839,407 |
| Net Cost of Services ^{(a)(b)} | 488,080 | 127,022 | 462,441 | 914,567 | 1,037,197 | 1,106,452 | 1,473,127 |
| CASH ASSETS ^(c) | 266,548 | 182,374 | 299,445 | 107,253 | 121,249 | 491,234 | 875,223 |

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

(b) As the Net Cost of Services includes all sources of non-government receipts, the value of both road assets transferred in and Commonwealth funding is included as an offset to the Total Cost of Services. This can result in a negative Net Cost of Services in some years.

(c) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on Main Roads' Income Statement since presentation of the 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 | | | | | |
| Ex-Tropical Cyclone Ellie Associated Works | 32,300 | - | - | - | - |
| Maintenance - Develop Sustainable Funding Model | 250 | 250 | - | - | - |
| Murdoch Health and Knowledge Precinct Infrastructure Planning | 2,500 | - | - | - | - |
| Neerabup Strategic Link - Flynn Drive Upgrade | 5,000 | 5,000 | 5,000 | - | - |
| Oakajee Strategic Industrial Area Access Road | 2,000 | 17,150 | - | - | - |
| Transport Planning | 4,702 | 3,906 | - | - | - |
| Warmun Airstrip Upgrade | 2,700 | - | - | - | - |
| Ongoing Initiatives | | | | | |
| Black Spot Program | 1,438 | 1,438 | 2,563 | 2,563 | 2,563 |
| Bridges Renewal Program | 4,320 | 3,779 | 12,844 | 2,750 | - |
| District Allowances | (37) | (37) | (37) | (37) | (37) |
| Gnangara Road Duplication | 1,000 | 3,250 | 4,500 | - | - |
| Heavy Vehicle Safety and Productivity Program | 350 | 968 | 1,452 | - | - |
| Kwinana and Mitchell Freeway Barriers | (1,919) | 2,900 | - | - | - |
| Metropolitan Intersections Low-Cost Treatment Program | (2,000) | - | - | - | - |
| Morley Drive Constance Street Intersection | - | 1,400 | - | - | - |

| | 2023-24 Estimated Actual \$'000 | 2024-25 Budget Year \$'000 | 2025-26 Outyear \$'000 | 2026-27 Outyear \$'000 | 2027-28 Outyear \$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Morrison Road Planning Update | (470) | - | - | - | - |
| Motor Vehicle Licence Fee Revenue Update | - | 9,539 | 13,980 | 15,053 | 15,635 |
| National Land Transport Network Maintenance Update | (572) | (572) | (572) | (572) | (572) |
| Revised Grant Payments..... | (2,010) | 66,000 | 288,712 | (23,000) | (57,570) |
| Shady Hills Access Road | 760 | 1,440 | - | - | - |
| Stirling Bus Interchange | - | 83,780 | - | - | - |
| Walter Padbury/Hepburn Avenue Intersection Upgrade..... | 2,000 | - | - | - | - |
| Other | | | | | |
| Depreciation Update..... | (52,711) | 39,447 | 31,470 | 265,002 | 148,418 |
| External Works Update..... | - | - | (13,613) | (11,227) | (19,765) |
| Interest on Borrowings..... | 5,091 | - | - | - | - |
| Salaries and Allowances Tribunal | - | - | 16 | 14 | 14 |
| State Fleet Updates..... | (1,532) | (461) | 1,425 | 1,254 | 1,245 |

Significant Issues Impacting the Agency

1. Continuing the trend from previous years, supply constraints have continued to impact Main Roads' construction and maintenance costs. In particular, difficulties accessing skilled labour, combined with the price and availability of materials (including steel, concrete, asphalt and fuel), has been challenging. Main Roads is continuing its sustainable pipeline of infrastructure investments using a consultative framework with the civil construction industry to assist in managing these supply and cost pressures. Main Roads' collaborative approach with industry and training partners continues to develop employment, training and new capabilities to build confidence within the construction sector, encourage its growth, and create permanent jobs.
2. Main Roads is at the forefront of implementing the Government's Aboriginal Empowerment Strategy 2021-2029 and commitments under the National Agreement on Closing the Gap. There are tangible increases in the number of Aboriginal employment and business opportunities across the civil construction industry. In 2022-23, Main Roads spent \$132 million with Aboriginal businesses and over 550,000 hours were worked by Aboriginal people. Over the six-year period 2021-22 to 2026-27, and aligned to the Government's Aboriginal Procurement Policy, targets have been set by Government to award \$700 million of contracts to Aboriginal businesses, and to have 3.5 million work hours completed by Aboriginal workers on State transport infrastructure programs, which includes the Tanami Road and Bunbury Outer Ring Road projects and maintenance programs. Main Roads continues to focus on sustainable and long-term opportunities for the civil construction industry to ensure Aboriginal businesses can support an ongoing program of works for skilled Aboriginal workers. This is being supported by dedicated regional Aboriginal Engagement Advisors to develop relationships and support business opportunities in regional areas and with local communities.
3. While it is understood that vehicle automation has the potential to significantly reduce the level of road trauma in the long term, the benefits will not be seen until there is a significant take-up of the technology in the vehicle fleet. Therefore, the most significant improvements to road safety in the medium term will come from infrastructure investment and behaviour management. Road-related deaths and serious injuries need to be reduced by 50% to achieve the 2030 targets set by State and Commonwealth strategies.
4. Main Roads' delivery of the Regional Road Safety Program is contributing to a reduction in the number of people killed and seriously injured on regional highways and roads. A sample analysis undertaken during the six to 12 months following the completion of works in December 2022 has shown that sections of road treated under the Program have seen a 50% reduction in fatalities and a 35% reduction in serious injuries when compared to the average of the five years prior to the works. In 2024-25 Main Roads will invest \$107.2 million, allowing the Program to continue rolling out the sealing of shoulders and installation of audible edge lines, which are proven treatments to reduce single vehicle run off road crashes.
5. Congestion has a significant impact on the State's productivity, safety, health, and environment and affects all road users, including private vehicles, buses, pedestrians, cyclists, and the movement of freight. Main Roads uses Intelligent Transport System technology to optimise the real-time management of the network and provide traveller information, offering significant opportunities including improved safety, efficiency and sustainability.

6. Main Roads has transitioned road maintenance delivery, some minor capital works, and incident response services in-house as current contracts conclude. The transition will be fully completed by December 2025 and see up to 660 permanent jobs created internally, with 490 of these positions to be located across regional Western Australia. The change will enable Main Roads to offer more regional training and employment opportunities whilst boosting regional economic growth.
7. Following the release of the Western Australian Climate Policy, Main Roads is developing a Net Zero Transition Plan which will guide actions in support of the State's aspiration to achieve net zero greenhouse gas emissions by 2050. The plan will focus on Main Roads' operations and infrastructure investments. This new plan will replace the existing Carbon Reduction Plan and target and position Main Roads to support the achievement of the State's long-term target of net zero emissions by 2050.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

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

Total Cost of Services - Reconciliation to Service Summary Table

| Expense | 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 |
|--|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Total Cost of Services | 1,739,774 | 2,149,159 | 2,294,735 | 2,088,533 | 2,019,203 | 1,910,985 | 1,839,407 |
| Add: | | | | | | | |
| Road Infrastructure Capital Works ^(a) | 2,077,999 | 2,286,205 | 2,559,101 | 2,074,754 | 1,470,847 | 1,376,631 | 648,629 |
| Less: | | | | | | | |
| Local Government Network Expenditure | | | | | | | |
| State Road Funds to Local Government Agreement | (240,943) | (252,594) | (258,733) | (273,268) | (289,423) | (302,728) | (316,347) |
| Non-Cash Expenditure | | | | | | | |
| Road Infrastructure Depreciation ^(b) | (533,811) | (632,897) | (609,481) | (659,293) | (690,752) | (703,046) | (704,167) |
| Road Transfers and Retirements ^(c) | (45,532) | (172,974) | (142,381) | (47,815) | (44,473) | (199,343) | (81,641) |
| Adjusted Total Cost of Services | 2,997,487 | 3,376,899 | 3,843,241 | 3,182,911 | 2,465,402 | 2,082,499 | 1,385,881 |

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

(b) Road Infrastructure Depreciation includes amortisation of intangibles.

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

Service Summary

| Expense | 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. Infrastructure for State Development ^(a) | 546,265 | 578,202 | 638,232 | 489,781 | 708,904 | 555,598 | 58,928 |
| 2. Road Network Maintenance ^{(b)(c)} | 577,533 | 421,266 | 481,742 | 434,040 | 370,974 | 383,320 | 340,259 |
| 3. Road Safety ^(d) | 319,911 | 343,711 | 493,817 | 280,509 | 143,535 | 166,606 | 140,520 |
| 4. Infrastructure for Community Access | 203,826 | 192,745 | 329,083 | 316,372 | 322,819 | 148,229 | 214,313 |
| 5. Road System Management | 187,514 | 233,063 | 222,874 | 198,633 | 209,139 | 176,631 | 176,845 |
| 6. Road Efficiency Improvements ^{(e)(f)} | 1,162,438 | 1,607,912 | 1,677,493 | 1,463,576 | 710,031 | 652,115 | 455,016 |
| Total Cost of Services | 2,997,487 | 3,376,899 | 3,843,241 | 3,182,911 | 2,465,402 | 2,082,499 | 1,385,881 |

(a) The movements in Infrastructure for State Development from the 2023-24 Budget to the 2027-28 Outyear is mainly due to the scheduling of the \$2 billion Tonkin Highway Corridor Upgrade program.

(b) The movements in Road Network Maintenance from the 2023-24 Budget to the 2024-25 Budget Year is mainly due to response works associated with Ex-Tropical Cyclone Ellie.

(c) The decrease in Road Network Maintenance from the 2024-25 Budget Year to the 2025-26 Outyear is mainly due to works on the Great Northern Highway.

(d) The movements in Road Safety from the 2023-24 Budget to the 2025-26 Outyear is mainly due to the scheduling of the specific tranches of the Regional Road Safety Program.

(e) The reduction in Road Efficiency Improvements from the 2023-24 Estimated Actual to the 2024-25 Budget Year is mainly due to the forecast completion of the Bunbury Outer Ring Road and the current stage of Smart Freeways.

(f) The reduction in Road Efficiency Improvements from the 2024-25 Budget Year to the 2025-26 Outyear is mainly due to the reduced expenditure on works for Bunbury Outer Ring Road, Stephenson Avenue Extension and the New Fitzroy River Crossing Bridge.

Outcomes and Key Effectiveness Indicators ^(a)

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Outcome: Facilitate economic and regional development: | | | | | |
| Return on construction expenditure..... | 2.31 | 1.6 | 2 | 1.64 | 1 |
| Outcome: A well maintained road network: | | | | | |
| Smooth travel exposure..... | 98% | n.a. | n.a. | 98% | 2 |
| Community satisfaction with road maintenance | 82% | 90% | 90% | 90% | |
| Preventative maintenance indicator | 89% | 85% | 85% | 85% | |
| Outcome: A safe road environment: | | | | | |
| Community satisfaction with road safety | 89% | 90% | 90% | 90% | |
| Black spot location indicator | 7.09 | 7.2 | 6.86 | 6.64 | 3 |
| Outcome: Improved community access and roadside amenity: | | | | | |
| Percentage of the year that 100% of Main Roads' State road network is available | 75% | 95% | 90% | 95% | 4 |
| Community satisfaction with cycleways and pedestrian facilities | 86% | 90% | 90% | 90% | |
| Outcome: Reliable and efficient movement of people and goods: | | | | | |
| Community satisfaction | 88% | 90% | 90% | 90% | |
| Road network permitted for use by heavy freight vehicles: | | | | | |
| B-Doubles 27.5 metres | 98% | 97% | 98% | 97% | |
| Double road trains 27.5 metres..... | 98% | 97% | 97% | 97% | |
| Double road trains 36.5 metres..... | 82% | 80% | 81% | 80% | |
| Triple road trains 53.5 metres..... | 45% | 45% | 45% | 45% | |
| Network configuration: | | | | | |
| Roads | 94% | 94% | 94% | 94% | |
| Bridges: | | | | | |
| Strength | 94% | 94% | 94% | 94% | |
| Width..... | 96% | 96% | 96% | 96% | |

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

Explanation of Significant Movements

(Notes)

1. The lower 2024-25 Budget Target of 1.64 reflects the costs of completing a number of significant projects, including Tonkin Highway Gap and Mitchell Freeway-Hodges Drive to Hepburn Avenue Widening Southbound. Returns on newly developed projects are being impacted by escalation in materials and construction prices.
2. The smooth travel exposure indicator is based on the percentage of travel undertaken on the State road network meeting specific roughness criteria. In 2011, it was agreed to only capture data used for this reporting on a biennial basis.
3. A reduction for the black spot location indicator reflects the reduction of crashes.
4. The 2023-24 Estimated Actual is lower than the 2023-24 Budget primarily due to the impact of natural disasters, including bushfires and floods.

Services and Key Efficiency Indicators

1. Infrastructure for State Development

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

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service | 546,265 | 578,202 | 638,232 | 489,781 | 1 |
| Less Income | 370,214 | 198,035 | 400,151 | 398,142 | |
| Net Cost of Service | 176,051 | 380,167 | 238,081 | 91,639 | |
| Employees (Full-Time Equivalents) | 139 | 146 | 141 | 143 | |
| Efficiency Indicators | | | | | |
| Percentage of projects completed on time | 100% | 90% | 85% | 90% | |
| Percentage of projects completed on budget | 100% | 90% | 90% | 90% | |

Explanation of Significant Movements

(Notes)

- The movements in Total Cost of Service from the 2023-24 Budget to the 2024-25 Budget Target is mainly due to the scheduling of the \$2 billion Tonkin Highway Corridor Upgrade program.

2. Road Network Maintenance

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

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service | 577,533 | 421,266 | 481,742 | 434,040 | 1 |
| Less Income | 171,426 | 115,523 | 130,600 | 111,366 | |
| Net Cost of Service | 406,107 | 305,743 | 351,142 | 322,674 | |
| Employees (Full-Time Equivalents) | 307 | 732 | 723 | 811 | 2 |
| Efficiency Indicators | | | | | |
| Average cost of road network maintenance per lane kilometre of network..... | \$10,232 | \$8,400 | \$8,917 | \$9,879 | |

Explanation of Significant Movements

(Notes)

- The movement in Total Cost of Service from the 2023-24 Budget to the 2024-25 Budget Target is mainly due to expenditure associated with Ex-Tropical Cyclone Ellie associated works.
- The increase in full-time equivalents is due to the ongoing transitioning of road maintenance staff in-house to Main Roads.

3. Road Safety

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

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service | 319,911 | 343,711 | 493,817 | 280,509 | 1 |
| Less Income | 258,556 | 234,858 | 264,519 | 159,865 | 1 |
| Net Cost of Service | 61,355 | 108,853 | 229,298 | 120,644 | |
| Employees (Full-Time Equivalents) | 61 | 65 | 62 | 63 | |
| Efficiency Indicators | | | | | |
| Percentage of projects completed on budget | 86% | 90% | 85% | 90% | |
| Percentage of projects completed on time | 77% | 90% | 90% | 90% | |

Explanation of Significant Movements

(Notes)

1. The movements in both Total Cost of Service and Income from the 2023-24 Budget to the 2024-25 Budget Target are mainly due to the scheduling of the specific tranches of the Regional Road Safety Program.

4. Infrastructure for Community Access

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

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service | 203,826 | 192,745 | 329,083 | 316,372 | 1 |
| Less Income | 176,746 | 155,540 | 252,436 | 253,961 | 1 |
| Net Cost of Service | 27,080 | 37,205 | 76,647 | 62,411 | |
| Employees (Full-Time Equivalents) | 34 | 36 | 34 | 35 | |
| Efficiency Indicators | | | | | |
| Percentage of projects completed on time | 58% | 90% | 80% | 90% | 2 |
| Percentage of projects completed on budget | 83% | 90% | 90% | 90% | |

Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service and income between the 2023-24 Budget and 2023-24 Estimated Actual is mainly due to additional road works related to public transport projects being undertaken.
2. The lower result for the 2022-23 Actual is mainly due to a small number of contracts not being completed on time as a result of scope adjustments to the projects, which has extended their completion dates.

5. Road System Management

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

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service | 187,514 | 233,063 | 222,874 | 198,633 | 1 |
| Less Income | 3,115 | 48,864 | 26,809 | 21,283 | 2 |
| Net Cost of Service | 184,399 | 184,199 | 196,065 | 177,350 | |
| Employees (Full-Time Equivalents) | 676 | 713 | 686 | 698 | |
| Efficiency Indicators | | | | | |
| Average cost of network management per million vehicle kilometres travelled | \$7,128 | \$6,700 | \$6,800 | \$6,900 | |

Explanation of Significant Movements

(Notes)

1. The reduction in Total Cost of Service between the 2023-24 Estimated Actual and the 2024-25 Budget Target is mainly due to the completion of the Traffic Control System Upgrade Program in 2023-24.
2. The reduction in income between the 2023-24 Budget and the 2023-24 Estimated Actual is mainly due to scheduling updates for the Great Eastern Highway - Covalent Lithium Mine Access Road Construct, Seal and Widening to Moorine Rock.

6. Road Efficiency Improvements

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

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service | 1,162,438 | 1,607,912 | 1,677,493 | 1,463,576 | 1 |
| Less Income | 747,729 | 807,391 | 1,083,822 | 1,073,070 | 2 |
| Net Cost of Service | 414,709 | 800,521 | 593,671 | 390,506 | |
| Employees (Full-Time Equivalents) | 112 | 118 | 114 | 116 | |
| Efficiency Indicators | | | | | |
| Percentage of projects completed on time | 59% | 90% | 80% | 90% | 3,4 |
| Percentage of projects completed on budget | 85% | 90% | 90% | 90% | |

Explanation of Significant Movements

(Notes)

1. The reduction in the Total Cost of Service between the 2023-24 Estimated Actual and the 2024-25 Budget Target is mainly due a reduction in expenditure on the Bunbury Outer Ring Road and Smart Freeways projects, with both projects expected to be completed in 2025-26.
2. The increase in Income between the 2023-24 Budget and the 2023-24 Estimated Actual is mainly due to Disaster Recovery Funding Arrangements Western Australia for Ex-Tropical Cyclone Ellie associated works and the New Fitzroy River Crossing Bridge.
3. The lower result for the 2022-23 Actual is mainly a result of delays in the finalisation of a number of projects due to inclement weather or to align projects with other works.
4. The lower result for the 2023-24 Estimated Actual is largely the result of a number of projects experiencing delays due to supply chain and resourcing issues, and inclement weather.

Asset Investment Program

1. Investment to ensure the strategic preservation and expansion of the State's largest asset, the road network, is crucial to meet the needs of the community, industry, and stakeholders. Main Roads continues to collaborate with its Transport portfolio partners to deliver multi-modal transport solutions that improve safety and efficiency, create new jobs, and support the growth of the Western Australian economy.
2. Main Roads is forecast to spend \$2.2 billion in 2024-25. Significant road infrastructure works are detailed below.

Albany Ring Road

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

Bunbury Outer Ring Road

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

Mandurah Estuary Bridge Duplication

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

Bussell Highway Duplication Stage One and Stage Two

9. The Bussell Highway project will provide a 46 km continuous dual carriageway between Bunbury and Busselton, which will increase capacity to cater for growth in intrastate traffic between the cities. The project will improve overall safety and daily travel times, as well as better cater for higher traffic volumes on Friday and Sunday afternoons and during holiday periods.

Indian Ocean Drive

10. The coast between Jurien and Dongara is home to a large fishing industry and lime sand industry. In recent years, its popularity as a tourist destination has increased since the connection of Indian Ocean Drive between Lancelin and Cervantes. The route has seen significant increases in traffic volumes as it provides enhanced accessibility and separation from heavy vehicles on Brand Highway.
11. Stage 2 of the Indian Ocean Drive project from Leeman to Brand Highway includes 33 km of widening works, additional overtaking lanes, audible edge lining and minor realignment works. These upgrades will deliver enhanced road safety and community access along the link.

Thomas Road - South Western Highway to Tonkin Highway Dual Carriageway

12. The Thomas Road project will duplicate Thomas Road from Kargotich Road and Wungong South Road to tie in with the completed Thomas Road Over Rail project delivered through METRONET. It will also provide a new shared path along the southern verge of Thomas Road and a signalised equine crossing to connect Byford and Darling Downs bridle paths.
13. The project will improve freight capacity, efficiency and productivity, while also supporting the future Kwinana Outer Harbour as part of Westport, which will facilitate development and economic growth in Byford, Mundijong and surrounding areas.

| | 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 | | | | | | | |
| Albany Highway | | | | | | | |
| Albany Ring Road..... | 225,000 | 215,000 | 29,871 | 10,000 | - | - | - |
| Olga Road - Albany Highway and Kelvin Road Intersection Upgrade..... | 6,000 | 600 | 130 | 2,600 | 2,800 | - | - |
| Altone Road and Daviot Road/Drumpellier Drive Grade Separations | 225,000 | 21,000 | 15,748 | 50,000 | 89,000 | 65,000 | - |
| Belmont Park Redevelopment Project..... | 30,000 | 13,200 | 13,200 | 16,800 | - | - | - |
| Bridges Renewal Program..... | 20,296 | 16,292 | 7,882 | 4,004 | - | - | - |
| Broome Cape-Leveque and Community Access Roads Upgrades | 30,938 | 24,438 | 4,300 | 6,500 | - | - | - |
| Bunbury Outer Ring Road | 1,464,730 | 1,085,000 | 435,376 | 330,000 | 49,730 | - | - |
| Burrup Road - Perdaman Project | 38,000 | 35,000 | 30,997 | 3,000 | - | - | - |
| Bussell Highway Duplication Stage One and Stage Two | 125,000 | 112,000 | 35,977 | 13,000 | - | - | - |
| Canning Bridge Bus Interchange..... | 200,324 | 5,719 | 5,719 | 8,000 | 10,000 | 40,000 | 104,500 |
| Causeway Precinct Works and Activation | 84,100 | 20,000 | 20,000 | 64,100 | - | - | - |
| Chidlow-York Road and Forrest Street Intersection Upgrade..... | 9,000 | 2,880 | 2,880 | 4,120 | 2,000 | - | - |
| Department of Transport | | | | | | | |
| Principal Shared Path Causeway Cyclist and Pedestrian Bridge..... | 105,900 | 100,000 | 70,120 | 5,900 | - | - | - |
| Principal Shared Path Program | 168,690 | 82,106 | 3,033 | 15,290 | 31,350 | 19,180 | 20,764 |
| Derby - Gibb River - Wyndham Improve Formation and Gravel | 150,972 | 113,776 | 6,762 | 10,049 | 9,049 | 9,049 | 9,049 |
| Ex-Tropical Cyclone Ellie Associated Works | 54,100 | 28,200 | 28,200 | 25,900 | - | - | - |
| Forrest Highway - Vittoria Road - New Intersection and Road Connection | 20,000 | 600 | 327 | 6,000 | 13,400 | - | - |
| Freight Vehicle Productivity Improvements Program..... | 50,000 | 31,000 | 7,818 | 10,000 | 9,000 | - | - |
| Goldfields Highway - Wiluna to Meekatharra Construct and Seal Priority Sections..... | 20,000 | 15,095 | 11,651 | 4,905 | - | - | - |
| Great Eastern Highway - Coates Gully, Walgoolan to Southern Cross and Ghooli to Benari | 250,000 | 89,700 | 52,973 | 42,000 | 42,000 | 41,300 | 35,000 |

| | 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 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Great Northern Highway | | | | | | | |
| Bindoon Bypass - Construct New Alignment | 275,000 | 106,300 | 29,554 | 15,000 | 7,500 | 61,200 | 60,000 |
| Marble Bar Road Upgrade | 60,000 | 16,200 | 13,782 | 29,300 | 14,500 | - | - |
| Nellie Springs to Sally Downs Well and Arthur Creek | 60,000 | 10,000 | 8,286 | 10,000 | 15,000 | 15,000 | 10,000 |
| Newman to Katherine Corridor - Broome to Kununurra Upgrade Stage One | 35,800 | 33,800 | 11,967 | 2,000 | - | - | - |
| Newman to Port Hedland Overtaking Lanes | 50,000 | 27,500 | 25,695 | 17,500 | 5,000 | - | - |
| Port Hedland Airport Deviation | 87,000 | 82,000 | 22,104 | 5,000 | - | - | - |
| Heavy Vehicle Safety and Productivity Program - Commonwealth | 24,894 | 19,532 | 11,171 | 3,442 | 1,920 | - | - |
| Indian Ocean Drive - Jurien Bay to Brand Highway | 63,000 | 32,700 | 23,978 | 30,300 | - | - | - |
| Intersection Upgrades - Main and Royal Streets | 6,000 | 1,000 | 693 | 5,000 | - | - | - |
| Karratha to Tom Price - Manuwarra Red Dog Highway | 380,000 | 188,400 | 40,532 | 35,000 | 86,000 | - | - |
| Leach Highway | | | | | | | |
| Fifth Avenue Rossmoyne | 5,000 | 700 | 480 | 4,300 | - | - | - |
| Stock Road Grade Separation - Planning and Project Development | 10,000 | 1,500 | 1,195 | 3,300 | 5,200 | - | - |
| Mandurah Estuary Bridge Duplication | 136,000 | 28,400 | 23,386 | 72,000 | 35,600 | - | - |
| Menang Drive and Chester Pass Road - Grade Separation | 37,000 | 7,000 | 7,000 | 30,000 | - | - | - |
| METRONET - Caledonian Avenue Level Crossing Closure | 25,000 | 10,500 | 7,947 | 6,468 | 8,032 | - | - |
| Mitchell Freeway | | | | | | | |
| Hester Avenue to Romeo Road - Extension | 249,000 | 243,300 | 5,899 | 5,700 | - | - | - |
| Stephenson Avenue | 287,687 | 135,214 | 64,897 | 152,473 | - | - | - |
| Morley Drive and Bath Road Intersection Upgrade | 10,000 | 6,000 | 5,440 | 4,000 | - | - | - |
| New Fitzroy River Crossing Bridge and Associated Works (including New Brooking Channel Bridge) | 320,600 | 179,400 | 179,400 | 141,200 | - | - | - |
| Nicholson Road and Garden Street Grade Separation Planning and Construction | 80,000 | 3,000 | 2,198 | 5,500 | 40,000 | 31,500 | - |
| Northern Australia Roads and Beef Roads Programs - Great Northern Highway - Ord River | 118,140 | 95,540 | 21,931 | 22,600 | - | - | - |
| Orrong Road Upgrade - Graham Farmer Freeway to Leach Highway Planning | 20,000 | 3,900 | 2,150 | 10,800 | 5,300 | - | - |
| Perth Airport Precinct - Northern Access | 28,460 | 11,000 | 1,272 | 10,000 | 1,000 | 6,460 | - |
| Pinjarra Heavy Haulage Deviation - Stage One and Stage Two | 250,000 | 3,460 | 2,000 | 3,000 | 10,000 | 10,000 | 17,000 |
| Queen Victoria Street - Swan River Crossings (Fremantle Road and Rail Bridge) - Construct New Bridge | 430,000 | 82,500 | 29,822 | 88,000 | 117,000 | 142,500 | - |
| Rail Crossing Program | 40,000 | 20,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Regional Level Crossing Upgrade | 34,000 | 2,000 | 2,000 | 6,400 | 9,600 | 16,000 | - |
| Regional Road Safety Program | | | | | | | |
| Regional Black Spot Program | 23,099 | 17,099 | 12,162 | 6,000 | - | - | - |
| Road Safety Program | 855,700 | 748,480 | 243,766 | 107,220 | - | - | - |
| Reid Highway | | | | | | | |
| Erindale Road | 2,500 | 2,350 | 693 | 150 | - | - | - |
| West Swan and Reid Highway Interchange | 175,000 | 3,012 | - | - | 500 | 1,226 | 2,100 |
| Reseal Program - Capitalisation of Reseal Program | 1,002,951 | 704,087 | 61,455 | 74,716 | 74,716 | 74,716 | 74,716 |
| Road Safety Commission | | | | | | | |
| Metropolitan Intersections Crash Program | 121,396 | 81,396 | 12,300 | 10,000 | 10,000 | 10,000 | 10,000 |
| Regional Road Safety Improvements | 249,259 | 189,259 | - | - | 20,000 | 20,000 | 20,000 |
| School Zone and Crossing Program | 87,929 | 61,929 | 6,354 | 6,500 | 6,500 | 6,500 | 6,500 |
| Roe Highway - Great Eastern Highway Bypass including Abernethy Road | 205,950 | 137,508 | 25,570 | 55,000 | 13,442 | - | - |
| Safer Roads and Bridges Program | 595,379 | 433,051 | 45,849 | 40,582 | 30,582 | 50,582 | 40,582 |
| Smart Freeways | | | | | | | |
| Hodges Drive to Hepburn Avenue Widening Southbound | 214,000 | 204,000 | 89,647 | 10,000 | - | - | - |
| Transforming Freeways - Mitchell Freeway Corridor | 209,600 | 142,000 | 64,428 | 67,600 | - | - | - |
| Stock Road Bridge Replacement | 324 | 224 | - | 100 | - | - | - |
| Thomas and Anketell Roads Freight Upgrade - Stages One and Two Planning | 135,000 | 104,214 | 47,081 | 30,786 | - | - | - |
| Thomas Road - South Western Highway to Tonkin Highway Dual Carriageway | 290,000 | 8,000 | 7,057 | 48,000 | 100,000 | 81,000 | 53,000 |
| Tonkin Highway Corridor Upgrades | | | | | | | |
| North Ellenbrook Interchange | 100,000 | 2,000 | 1,733 | 1,000 | 11,000 | 86,000 | - |
| Tonkin Highway Gap - Grade Separations at Hale, Welshpool and Kelvin Roads and Stage Three Extension | 1,882,368 | 876,372 | 250,487 | 91,400 | 380,000 | 390,000 | 33,000 |
| Toodyay Road - Dryandra to Toodyay | 80,000 | 12,780 | 4,864 | 10,500 | 29,720 | 27,000 | - |
| Wanneroo Road Duplication - Dunstan Road to Romeo Road | 35,200 | 2,200 | 706 | 16,000 | 17,000 | - | - |
| Wheatbelt Timber Bridge Replacement | 15,000 | 14,000 | 7,904 | 1,000 | - | - | - |

| | 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 | | | | | | | |
| Altone Road to West Swan Road - Construction of | | | | | | | |
| Dual Carriageway | 70,000 | 70,000 | 4,285 | - | - | - | - |
| Armadaile Rail Line | 15,764 | 15,764 | 13,640 | - | - | - | - |
| Armadaile Road | | | | | | | |
| Anstey Road to Tapper Road | 8,500 | 8,500 | 7,280 | - | - | - | - |
| Armadaile Road and North Lake Road Flyover Bridge | 259,000 | 259,000 | 4,722 | - | - | - | - |
| Bob Hawke Pedestrian Crossing | 600 | 600 | 382 | - | - | - | - |
| Buildings and Equipment | | | | | | | |
| 2022-23 Program | 50,866 | 50,866 | 20,290 | - | - | - | - |
| 2023-24 Program | 29,041 | 29,041 | 29,041 | - | - | - | - |
| Capitalised Operational Costs - 2023-24 Program | 88,969 | 88,969 | 88,969 | - | - | - | - |
| Coolgardie-Esperance Highway Widening, Overlay and | | | | | | | |
| Reconstruction (Emu Rocks) | 52,000 | 52,000 | 4,742 | - | - | - | - |
| East Perth Power Station Footbridge | 2,413 | 2,413 | 2,000 | - | - | - | - |
| Great Eastern Highway | | | | | | | |
| Coates Gully Bridges Walgoolan to Southern Cross | 40,500 | 40,500 | 3,281 | - | - | - | - |
| Eastlink - Planning | 20,000 | 20,000 | 6,967 | - | - | - | - |
| Old Northam Road Upgrade | 14,375 | 14,375 | 2,230 | - | - | - | - |
| Kwinana Freeway | | | | | | | |
| Mount Henry Bridge to Cranford Avenue - Amenity Wall ... | 5,000 | 5,000 | 5,000 | - | - | - | - |
| Transforming Perth's Freeways - Kwinana Northbound | | | | | | | |
| Smart Freeway Stage Two | 4,000 | 4,000 | 4,000 | - | - | - | - |
| Leach Highway and Welshpool Road Grade Separated | | | | | | | |
| Interchange | 160,000 | 160,000 | 2,638 | - | - | - | - |
| Minor Works (includes Black Spot and Urgent Minor | | | | | | | |
| Works) - 2023-24 Program | 80,147 | 80,147 | 80,147 | - | - | - | - |
| Mitchell Freeway - Hepburn Avenue to Warwick | | | | | | | |
| Road - Amenity Wall and Principal Shared Path | 6,000 | 6,000 | 5,462 | - | - | - | - |
| Morrison Road - Planning | 1,470 | 1,470 | 1,470 | - | - | - | - |
| Roe Highway and Kalamunda Road - Grade Separated | | | | | | | |
| Interchange | 86,000 | 86,000 | 16,495 | - | - | - | - |
| Thomas Road | | | | | | | |
| Kwinana Freeway to Nicholson Road Upgrade | 43,000 | 43,000 | 13,166 | - | - | - | - |
| METRONET - Byford Rail Extension - Thomas Road | | | | | | | |
| Bridge | 78,823 | 78,823 | 10,301 | - | - | - | - |
| Nicholson Road Oakford - Intersection Upgrade | 38,000 | 38,000 | 15,817 | - | - | - | - |
| Wanneroo Road and Ocean Reef Road Grade Separation | 73,400 | 73,400 | 1,977 | - | - | - | - |
| NEW WORKS | | | | | | | |
| Buildings and Equipment | | | | | | | |
| 2024-25 Program | 30,262 | - | - | 30,262 | - | - | - |
| 2025-26 Program | 21,660 | - | - | - | 21,660 | - | - |
| 2026-27 Program | 30,672 | - | - | - | - | 30,672 | - |
| 2027-28 Program | 30,672 | - | - | - | - | - | 30,672 |
| Capitalised Operational Costs | | | | | | | |
| 2024-25 Program | 90,062 | - | - | 90,062 | - | - | - |
| 2025-26 Program | 90,062 | - | - | - | 90,062 | - | - |
| 2026-27 Program | 90,062 | - | - | - | - | 90,062 | - |
| 2027-28 Program | 90,062 | - | - | - | - | - | 90,062 |
| Congdon Street Bridge Replacement | 38,000 | - | - | 4,000 | 14,000 | 20,000 | - |
| Minor Works (includes Black Spot and Urgent Minor | | | | | | | |
| Works) | | | | | | | |
| 2024-25 Program | 18,425 | - | - | 18,425 | - | - | - |
| 2025-26 Program | 26,684 | - | - | - | 26,684 | - | - |
| 2026-27 Program | 26,684 | - | - | - | - | 26,684 | - |
| 2027-28 Program | 26,684 | - | - | - | - | - | 26,684 |
| Total Cost of Asset Investment Program | 14,519,145 | 8,334,281 | 2,559,101 | 2,074,754 | 1,470,847 | 1,376,631 | 648,629 |
| Loans and Other Repayments | - | - | - | 80,000 | - | - | - |
| Total | 14,519,145 | 8,334,281 | 2,559,101 | 2,154,754 | 1,470,847 | 1,376,631 | 648,629 |

| | 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 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| FUNDED BY | | | | | | | |
| Borrowings | | | 80,000 | - | - | - | - |
| Capital Appropriation | | | 741,706 | 732,662 | 481,150 | 559,399 | 311,415 |
| Commonwealth Grants | | | 1,564,961 | 839,920 | 741,039 | 651,223 | 192,950 |
| Internal Funds and Balances ^(a) | | | (223,537) | 191,252 | 121,714 | 90,818 | 76,000 |
| Major Treasurer's Special Purpose Account(s) | | | | | | | |
| Royalties for Regions Fund | | | 71,571 | 109,889 | 58,255 | 18,660 | 11,000 |
| Other | | | 76,507 | 80,531 | 32,189 | 20,031 | 20,764 |
| Other Grants and Subsidies | | | 247,893 | 200,500 | 36,500 | 36,500 | 36,500 |
| Total Funding | | | 2,559,101 | 2,154,754 | 1,470,847 | 1,376,631 | 648,629 |

(a) Negative figures in the 2023-24 Estimated Expenditure reflect revenue being received in advance of project schedules.

Financial Statements

Income Statement

Expenses

1. The movements in employee benefits reflect the public sector wages policy, including the one-off cost of living payment and the in-housing of road maintenance staff.
2. The movements in supplies and services in 2023-24 and 2024-25 are due to additional works undertaken through the Disaster Recovery Funding Arrangements Western Australia, the works required in 2023-24 for the Ex-Tropical Cyclone Ellie associated works and the rescheduling of works on local roads.
3. The movements in other expenses reflect the value of retired non-current fixed assets and road transfers.

Income

4. The movement in sale of goods and services between the 2023-24 Estimated Actual and the 2024-25 Budget Year is mainly due to the Belmont Park Redevelopment Project.
5. The major component of grants and subsidies income is contributions for works projects by the Commonwealth. Differences in income year versus construction year are mainly due to the timing of milestone payments.
6. The movement in other revenue is mainly due to the uncertain transfer date of a local road (North Lake Road) to the State in 2023-24.
7. The movement in other revenue in income from government is mainly due to the New Fitzroy River Crossing Bridge and other Ex-Tropical Cyclone Ellie associated works.

Statement of Financial Position

8. The movement in cash assets between 2023-24 and 2024-25 is mainly due to the repayment of a Treasurer's Advance, which was provided to cover delays in the receipt of Commonwealth funding in 2024-25.
9. The movement in restricted cash is mainly due to payments to the Public Transport Authority for public transport projects.

Statement of Cashflows

10. The movement in other cashflows is mainly due to the New Fitzroy River Crossing Bridge and Ex-Tropical Cyclone Ellie associated works.

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 |
| COST OF SERVICES | | | | | | | |
| Expenses | | | | | | | |
| Employee benefits ^(b) | 110,269 | 125,303 | 125,266 | 148,855 | 180,156 | 184,734 | 189,044 |
| Grants and subsidies ^(c) | 460,277 | 530,001 | 521,021 | 555,211 | 530,238 | 238,607 | 252,225 |
| Supplies and services | 532,556 | 649,560 | 853,305 | 638,476 | 533,891 | 545,708 | 572,795 |
| Accommodation | 20,534 | 19,928 | 19,928 | 20,158 | 20,455 | 20,455 | 20,455 |
| Depreciation and amortisation | 533,811 | 632,897 | 609,481 | 659,293 | 690,752 | 703,046 | 704,167 |
| Finance and interest costs | 471 | 445 | 5,302 | 484 | 765 | 619 | 607 |
| Other expenses | 81,856 | 191,025 | 160,432 | 66,056 | 62,946 | 217,816 | 100,114 |
| TOTAL COST OF SERVICES | 1,739,774 | 2,149,159 | 2,294,735 | 2,088,533 | 2,019,203 | 1,910,985 | 1,839,407 |
| Income | | | | | | | |
| Sale of goods and services | 75,298 | 56,033 | 19,617 | 41,310 | 20,369 | 18,121 | 13,866 |
| Grants and subsidies | 1,143,418 | 1,674,956 | 1,799,751 | 1,119,730 | 948,711 | 774,986 | 340,988 |
| Other revenue | 32,978 | 291,148 | 12,926 | 12,926 | 12,926 | 11,426 | 11,426 |
| Total Income | 1,251,694 | 2,022,137 | 1,832,294 | 1,173,966 | 982,006 | 804,533 | 366,280 |
| NET COST OF SERVICES | 488,080 | 127,022 | 462,441 | 914,567 | 1,037,197 | 1,106,452 | 1,473,127 |
| INCOME FROM GOVERNMENT | | | | | | | |
| Service appropriations | 1,365,628 | 1,415,750 | 1,501,779 | 1,596,893 | 1,777,156 | 1,912,174 | 1,968,104 |
| Resources received free of charge | - | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 |
| Major Treasurer's Special Purpose Account(s) | | | | | | | |
| Royalties for Regions Fund | | | | | | | |
| Regional Community Services Fund | 80,354 | 9,141 | 1,332 | 5,654 | 6,604 | 22,795 | 13,304 |
| Regional Infrastructure and Headworks Fund | 180 | 5,000 | 8,250 | 19,225 | 9,745 | 8,000 | 10,000 |
| Other appropriations | - | 9,069 | - | - | - | - | - |
| Other revenues | 236,189 | 168,348 | 448,767 | 327,506 | 66,814 | 57,015 | 54,316 |
| TOTAL INCOME FROM GOVERNMENT (d) | 1,682,351 | 1,610,008 | 1,962,828 | 1,951,978 | 1,863,019 | 2,002,684 | 2,048,424 |
| SURPLUS/(DEFICIENCY) FOR THE PERIOD | 1,194,271 | 1,482,986 | 1,500,387 | 1,037,411 | 825,822 | 896,232 | 575,297 |

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

(b) The full-time equivalents for 2022-23 Actual, 2023-24 Estimated Actual and 2024-25 Budget Year are 1,329, 1,760 and 1,866 respectively.

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

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

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 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Bridges Renewal Program | 2,000 | - | - | - | - | - | - |
| Building for Tomorrow | 7,763 | 1,937 | 1,937 | - | - | - | - |
| Department of Transport Cycling Grants | 5,340 | 5,340 | 5,840 | 5,840 | 5,840 | 5,840 | 5,840 |
| Election Commitments | - | 15,370 | 15,370 | - | - | - | - |
| Heavy Vehicle Safety and Productivity Program | 2,000 | - | - | - | - | - | - |
| Local Road Grants and Subsidies | 175,531 | 174,074 | 167,074 | 195,446 | 199,080 | 212,387 | 226,005 |
| Principal Shared Paths | 15,776 | 12,556 | 12,556 | 20,000 | 20,000 | 20,000 | 20,000 |
| Public Transport Authority Grants | 201,688 | 279,930 | 277,450 | 294,516 | 292,285 | - | - |
| Road Assets Transferred | 14,676 | - | - | - | - | - | - |
| Wheatbelt Secondary Freight Routes | 35,044 | 40,414 | 40,414 | 39,029 | 12,653 | - | - |
| Other | 459 | 380 | 380 | 380 | 380 | 380 | 380 |
| TOTAL | 460,277 | 530,001 | 521,021 | 555,211 | 530,238 | 238,607 | 252,225 |

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..... | 76,480 | 103,328 | 175,310 | 22,405 | 34,739 | 45,024 | 55,637 |
| Restricted cash..... | 190,068 | 79,046 | 124,135 | 84,848 | 86,510 | 446,210 | 819,586 |
| Receivables..... | 112,554 | 109,830 | 112,848 | 113,142 | 113,436 | 113,730 | 114,024 |
| Other..... | 387,140 | 226,075 | 367,140 | 367,140 | 367,140 | 367,140 | 367,140 |
| Assets held for sale..... | 155 | 1,495 | 155 | 155 | 155 | 155 | 155 |
| Total current assets..... | 766,397 | 519,774 | 779,588 | 587,690 | 601,980 | 972,259 | 1,356,542 |
| NON-CURRENT ASSETS | | | | | | | |
| Holding Account receivables..... | 4,286,661 | 4,840,533 | 4,817,117 | 5,397,384 | 6,009,111 | 6,633,132 | 7,258,274 |
| Property, plant and equipment..... | 61,635,536 | 61,201,226 | 65,287,424 | 67,475,627 | 69,955,935 | 72,244,158 | 73,667,157 |
| Receivables..... | 220 | 226 | 220 | 220 | 220 | 220 | 220 |
| Intangibles..... | 7,859 | 7,450 | 7,885 | 6,359 | 5,726 | 5,409 | 5,521 |
| Other..... | 11,742 | 15,344 | 11,742 | 11,742 | 11,742 | 11,742 | 11,742 |
| Total non-current assets..... | 65,942,018 | 66,064,779 | 70,124,388 | 72,891,332 | 75,982,734 | 78,894,661 | 80,942,914 |
| TOTAL ASSETS | 66,708,415 | 66,584,553 | 70,903,976 | 73,479,022 | 76,584,714 | 79,866,920 | 82,299,456 |
| CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 44,885 | 46,382 | 44,885 | 44,885 | 44,885 | 42,004 | 42,004 |
| Payables..... | 17,197 | 12,725 | 18,250 | 19,303 | 20,356 | 21,409 | 22,462 |
| Borrowings and leases..... | 240,288 | 3,683 | 112,317 | 5,146 | 4,630 | 4,398 | 4,197 |
| Other..... | 536,371 | 650,424 | 549,856 | 551,691 | 553,526 | 555,361 | 557,196 |
| Total current liabilities..... | 838,741 | 713,214 | 725,308 | 621,025 | 623,397 | 623,172 | 625,859 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 7,182 | 10,680 | 9,363 | 11,302 | 14,406 | 17,510 | 17,733 |
| Borrowings and leases..... | 5,316 | 5,069 | 85,189 | 6,649 | 5,240 | 3,183 | 3,896 |
| Other..... | 89 | 69 | 89 | 89 | 89 | 89 | 89 |
| Total non-current liabilities..... | 12,587 | 15,818 | 94,641 | 18,040 | 19,735 | 20,782 | 21,718 |
| TOTAL LIABILITIES | 851,328 | 729,032 | 819,949 | 639,065 | 643,132 | 643,954 | 647,577 |
| EQUITY | | | | | | | |
| Contributed equity..... | 7,354,124 | 8,205,162 | 8,239,941 | 9,143,688 | 9,679,189 | 10,253,265 | 10,551,697 |
| Accumulated surplus/(deficit)..... | 20,273,032 | 21,707,554 | 21,773,419 | 22,810,830 | 23,636,652 | 24,532,884 | 25,108,181 |
| Reserves..... | 38,229,931 | 35,942,805 | 40,070,667 | 40,885,439 | 42,625,741 | 44,436,817 | 45,992,001 |
| Total equity..... | 65,857,087 | 65,855,521 | 70,084,027 | 72,839,957 | 75,941,582 | 79,222,966 | 81,651,879 |
| TOTAL LIABILITIES AND EQUITY | 66,708,415 | 66,584,553 | 70,903,976 | 73,479,022 | 76,584,714 | 79,866,920 | 82,299,456 |

(a) Full audited financial statements are published in Main Roads' 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 | 957,990 | 861,878 | 971,323 | 1,016,626 | 1,165,429 | 1,288,153 | 1,342,962 |
| Capital appropriation..... | 601,437 | 676,888 | 741,706 | 732,662 | 481,150 | 559,399 | 332,415 |
| Major Treasurer's Special Purpose Account(s) | | | | | | | |
| Royalties for Regions Fund | | | | | | | |
| Regional Community Services Fund | 82,634 | 9,141 | 1,332 | 5,654 | 6,604 | 22,795 | 13,304 |
| Regional Infrastructure and Headworks | | | | | | | |
| Fund | 15,099 | 106,282 | 79,821 | 129,114 | 68,000 | 26,660 | 21,000 |
| Other..... | 214,227 | 172,240 | 452,659 | 327,398 | 66,706 | 56,907 | 54,208 |
| Administered appropriations | - | 9,069 | - | - | - | - | - |
| Net cash provided by Government | 1,871,387 | 1,835,498 | 2,246,841 | 2,211,454 | 1,787,889 | 1,953,914 | 1,763,889 |
| CASHFLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee benefits | (101,214) | (123,122) | (123,085) | (146,916) | (177,052) | (184,511) | (188,821) |
| Grants and subsidies | (460,836) | (534,001) | (525,021) | (555,211) | (530,238) | (238,607) | (252,225) |
| Supplies and services | (552,554) | (610,506) | (814,251) | (631,072) | (527,787) | (538,604) | (565,391) |
| Accommodation | (21,189) | (23,983) | (23,983) | (24,213) | (24,510) | (24,510) | (24,510) |
| GST payments | (324,510) | (147,054) | (147,054) | (147,054) | (147,054) | (147,054) | (147,054) |
| Finance and interest costs | - | (445) | (5,302) | (484) | (765) | (619) | (607) |
| Other payments | (15,392) | (15,802) | (15,802) | (15,992) | (16,224) | (16,224) | (16,224) |
| Receipts | | | | | | | |
| Grants and subsidies | 958,945 | 1,674,956 | 1,799,751 | 1,119,730 | 948,711 | 774,986 | 340,988 |
| Sale of goods and services | 72,245 | 53,402 | 16,986 | 38,679 | 17,738 | 15,490 | 11,235 |
| GST receipts | 316,385 | 146,808 | 146,808 | 146,808 | 146,808 | 146,808 | 146,808 |
| Other receipts | 16,286 | 15,607 | 15,607 | 15,607 | 15,607 | 14,107 | 14,107 |
| Net cash from operating activities | (111,834) | 435,860 | 324,654 | (200,118) | (294,766) | (198,738) | (681,694) |
| CASHFLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets | (2,078,199) | (2,286,205) | (2,559,101) | (2,074,754) | (1,470,847) | (1,376,631) | (648,629) |
| Other payments | - | - | - | (1,000) | (1,000) | (1,000) | (42,000) |
| Proceeds from sale of non-current assets | 200 | - | - | - | - | - | - |
| Net cash from investing activities | (2,077,999) | (2,286,205) | (2,559,101) | (2,075,754) | (1,471,847) | (1,377,631) | (690,629) |
| CASHFLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings and leases | (4,164) | (3,302) | (239,237) | (189,970) | (4,376) | (4,577) | (4,594) |
| Proceeds from borrowings | 237,220 | - | 187,200 | - | - | - | - |
| Other proceeds ^(b) | - | 30,000 | 37,647 | 30,000 | - | - | - |
| Net cash from financing activities | 233,056 | 26,698 | (14,390) | (159,970) | (4,376) | (4,577) | (4,594) |
| NET INCREASE/(DECREASE) IN CASH HELD | (85,390) | 11,851 | (1,996) | (224,388) | 16,900 | 372,968 | 386,972 |
| Cash assets at the beginning of the reporting period | 276,319 | 152,994 | 266,548 | 299,445 | 107,253 | 121,249 | 491,234 |
| Net cash transferred to/from other agencies | 75,619 | 17,529 | 34,893 | 32,196 | (2,904) | (2,983) | (2,983) |
| Cash assets at the end of the reporting period | 266,548 | 182,374 | 299,445 | 107,253 | 121,249 | 491,234 | 875,223 |

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

(b) This represents Westport-related land acquisitions.

DETAILS OF ADMINISTERED TRANSACTIONS

| | 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 |
|---|-----------------------------|-----------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| INCOME | | | | | | | |
| Taxation | | | | | | | |
| Permits - Oversize Vehicles and Loads | 11,349 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| TOTAL ADMINISTERED INCOME | 11,349 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| EXPENSES | | | | | | | |
| Grants to Charitable and Other Public Bodies | | | | | | | |
| Receipts Paid into the Consolidated Account | 11,349 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| TOTAL ADMINISTERED EXPENSES | 11,349 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |

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

Part 9 Transport

Appropriations, Expenses and Cash Assets

| | 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 | | | | | | | |
| Amount Authorised by Other Statutes | | | | | | | |
| - Salaries and Allowances Act 1975..... | 361 | 362 | 382 | 383 | 397 | 406 | 417 |
| Total appropriations provided to deliver services | 361 | 362 | 382 | 383 | 397 | 406 | 417 |
| CAPITAL | | | | | | | |
| Item 156 Capital Appropriation | 1,412,331 | 2,883,118 | 1,949,314 | 3,282,690 | 1,382,267 | 250,307 | 148,614 |
| Item 157 Capital Appropriation METRONET Projects Under Development..... | - | 100,503 | - | 27,433 | 138,458 | 265,657 | 209,765 |
| TOTAL APPROPRIATIONS | 1,412,692 | 2,983,983 | 1,949,696 | 3,310,506 | 1,521,122 | 516,370 | 358,796 |
| EXPENSES | | | | | | | |
| Total Cost of Services | 1,962,944 | 1,961,990 | 2,226,399 | 2,234,680 | 2,374,237 | 2,421,335 | 2,425,866 |
| Net Cost of Services (a)..... | 1,722,764 | 1,739,761 | 1,998,737 | 1,990,184 | 2,104,909 | 2,135,795 | 2,132,382 |
| CASH ASSETS (b) | 367,259 | 64,057 | 180,490 | 119,893 | 83,655 | 85,839 | 85,839 |

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

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Authority's Income Statement since presentation of the 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 | | | | | |
| Cost of Living - Free Public Transport Initiatives | 215 | 250 | 125 | - | - |
| Stadium Station Operating Costs | - | 2,395 | 2,417 | 2,484 | 2,554 |
| Ongoing Initiative | | | | | |
| Operating Costs | 19,011 | 73,784 | 135,423 | 137,803 | 140,986 |
| Other | | | | | |
| A-Series Railcar Disposal Strategy | 1,000 | 2,000 | 1,500 | 800 | - |
| Contribution to the National Transport Commission | 441 | 483 | 399 | 227 | - |
| Cost and Funding Updates..... | 2,765 | 14,728 | 13,450 | 15,245 | 42,803 |
| Extending Central Area Transit Bus Service Improvements..... | 1,082 | 2,223 | 2,278 | 2,335 | 2,394 |
| External Services and Works | 25,326 | 240 | 240 | 240 | 240 |
| Mesothelioma Expenses | 1,520 | - | - | - | - |
| Regional Student Transport Assistance - Conveyance Allowance..... | 1,105 | 2,279 | 2,363 | 2,451 | 2,451 |
| Regional Workers Incentive Allowance Payments | 2 | 2 | 2 | 2 | 2 |
| Revised Interest Expenses..... | 36,872 | 11,376 | 14,862 | 16,711 | 23,632 |
| Revised Lease Expenses | - | 276 | (1,360) | (1,866) | (1,916) |
| RiskCover Fund Insurance Premiums..... | 7,388 | 5,018 | - | - | - |
| SmartRider System Operating Costs | 620 | 620 | 620 | 620 | 620 |
| Transperth Bus Security | - | 2,000 | 2,000 | 2,000 | 2,000 |

| | 2023-24 Estimated Actual \$'000 | 2024-25 Budget Year \$'000 | 2025-26 Outyear \$'000 | 2026-27 Outyear \$'000 | 2027-28 Outyear \$'000 |
|--|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Transperth Ferry Service Expansion Feasibility Study | - | 1,000 | 1,000 | - | - |
| Transport Planning | 226 | 144 | - | - | - |
| Tunnel Monitoring System..... | 900 | 1,100 | 650 | 450 | 400 |

Significant Issues Impacting the Agency

1. With the opening of Lakelands Station in June 2023, the completion of the new Bayswater Station in April 2024 and the upcoming opening of Yanchep Rail Extension in mid-2024, the METRONET program continues to expand Perth's public transport network. The upcoming completion of the Morley-Ellenbrook Line, Byford Rail Extension and Thornlie-Cockburn Link and the elevation of the Armadale Line from Victoria Park to Cannington will mark significant milestones in the delivery of the METRONET program. The Authority will continue to work towards the smooth integration of the new lines, stations and services within its existing operations to continue to deliver world-class public transport to the people of Western Australia.
2. The first C-Series train entered passenger service on 7 April 2024. The Authority has worked closely with the manufacturer to maximise local content, creating local jobs and strengthening the local economy. The urban rail network is currently serviced by 336 railcars. In total, the Authority will manufacture 246 C-Series railcars to replace the ageing A-Series fleet and provide additional railcars to service the growing METRONET network. The construction of new maintenance facilities in Bellevue and Nowergup will continue in 2024-25.
3. The Morley-Ellenbrook Line will be completed by the end of 2024. With this new line, five new train stations will be completed at Morley, Noranda, Malaga, Whiteman Park and Ellenbrook, with bus interchanges and parking available. The service will provide five trains per hour from Ellenbrook through to Perth and new buses will provide 5.2 million kilometres in additional services each year to connect the new stations to the community.
4. The Armadale Line between Victoria Park and Armadale was shut down in November 2023 to allow for the delivery of the Victoria Park-Canning Level Crossing Removal and Byford Rail Extension projects. To maintain public transport services for the Authority's customers, significant investments have been made in train replacement and express bus services, improved bus interchanges, priority bus lanes and traffic management measures. The Authority is also taking the opportunity to complete significant rail revitalisation works along the Armadale Line between Beckenham and Armadale during the closure, replacing life-expired infrastructure assets and undertaking additional preventative maintenance.
5. State funding of \$125 million, with a matching Commonwealth contribution, is being used to kick-start the transition of the diesel bus fleet to electric. This includes the acquisition of 130 locally built buses and the commencement of the conversion of existing bus depots to electric. The Perth Central Area Transit (CAT) services will be the first to take delivery of 18 electric buses during 2024-25, with these buses to be charged at newly constructed charging stations at Elizabeth Quay Bus Station.
6. To further contribute to the Government's goal of net zero greenhouse gas emissions by 2050, the Authority will continue to install solar panels at bus and train stations and depots throughout the urban network. The Authority is also continuing the development and provision of electric vehicle charging infrastructure at selected train stations.
7. Several initiatives have been implemented to encourage the continued use of public transport and relieve cost of living pressures on the community. Following the success of the Summer of Free Public Transport, which ran from 24 December 2023 to 28 January 2024, all passengers with a SmartRider card are able to travel across the network for free every Sunday and school students with a valid SmartRider can travel for free on weekdays.
8. The Authority is continuing to work on implementation of the recommendations within the 2022 Bus Fair report, including the expansion of school bus services' eligibility criteria for country students to attend their nearest appropriate school and an increase in the conveyance allowance, which was implemented for the start of the 2024 school year.

9. The provision of safe and cost-effective public transport services to regional Western Australia remains a priority for Government. More than 330,000 trips are expected to have been made on Transwa services in 2023-24, with further growth expected in 2025-26 when the new Australind train service commences. Accordingly, the Authority continues to invest in Transwa services and to look for opportunities to enhance the service, including through safety improvements.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

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

Service Summary

| | 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. Metropolitan and Regional Passenger Services..... | 1,563,118 | 1,579,698 | 1,765,020 | 1,832,720 | 1,999,751 | 2,046,605 | 2,058,862 |
| 2. Country Passenger Rail and Road Coach Services..... | 56,670 | 56,688 | 58,668 | 60,578 | 61,710 | 62,172 | 63,020 |
| 3. Regional School Bus Services..... | 139,735 | 140,637 | 141,742 | 148,334 | 150,205 | 154,503 | 156,764 |
| 4. Rail Corridor and Residual Freight Issues Management..... | 203,421 | 184,967 | 260,969 | 193,048 | 162,571 | 158,055 | 147,220 |
| Total Cost of Services..... | 1,962,944 | 1,961,990 | 2,226,399 | 2,234,680 | 2,374,237 | 2,421,335 | 2,425,866 |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Outcome: Accessible, reliable and safe public transport system: | | | | | |
| Use of public transport - Passengers per service kilometre: | | | | | |
| Metropolitan bus services | 0.97 | 0.88 | 0.98 | 0.92 | 1 |
| Metropolitan train services | 4.3 | 4.92 | 4.14 | 4.49 | 2 |
| Metropolitan ferry services | 12.79 | 12.31 | 13 | 13 | |
| Intra-town regional bus services | 0.61 | 0.675 | 0.625 | 0.705 | |
| Country passenger rail services | 0.168 | 0.148 | 0.133 | 0.107 | 3 |
| Country passenger road coach services | 0.053 | 0.05 | 0.056 | 0.057 | |
| Inter-town country bus services | 0.015 | 0.015 | 0.013 | 0.013 | |
| Accessible public transport - The proportion of street addresses within the Perth Public Transport Area which are within 500 metres of a Transperth stop providing an acceptable level of service | 86% | 85% | 86% | 85% | |
| Metropolitan and regional passenger services reliability: | | | | | |
| Bus services arriving within four minutes of scheduled time (first and last timing points - six minutes for interim points) | 92% | 94% | 91% | 92% | |
| Train arriving within four minutes of scheduled time | 94% | 95% | 95% | 95% | |
| Ferries arriving within four minutes of scheduled time | 97% | 98% | 97% | 97% | |
| Country passenger rail and road coach services reliability: | | | | | |
| Prospector arriving within 15 minutes of scheduled time | 46% | 80% | 70% | 80% | 4 |
| Australind arriving within 10 minutes of scheduled time | 85% | 90% | 89% | 95% | |
| MerredinLink arriving within 10 minutes of scheduled time | 69% | 90% | 81% | 90% | 4 |
| AvonLink arriving within 10 minutes of scheduled time | 91% | 90% | 91% | 90% | |
| Road coaches arriving within 10 minutes of scheduled time | 97% | 95% | 96% | 95% | |
| Satisfaction with school bus availability at arrival/departure time | 100% | 100% | 100% | 100% | |
| Level of overall customer satisfaction - Customer satisfaction index: | | | | | |
| Metropolitan bus services | 91% | 93% | 91% | 92% | |
| Metropolitan train services | 95% | 92% | 95% | 92% | |
| Metropolitan ferry services | 96% | 99% | 96% | 97% | |
| Country passenger rail and road coach services | 90% | 90% | 90% | 90% | |
| Customer perception of safety - Independent external surveys: | | | | | |
| Train station - Daytime | 98% | 96% | 98% | 96% | |
| On-board train - Daytime | 97% | 97% | 97% | 97% | |
| Bus station - Daytime | 99% | 98% | 99% | 99% | |
| On-board bus - Daytime | 99% | 98% | 99% | 99% | |
| Train station - Night-time | 78% | 72% | 78% | 72% | |
| On-board train - Night-time | 80% | 76% | 80% | 76% | |
| Bus station - Night-time | 83% | 78% | 83% | 83% | |
| On-board bus - Night-time | 85% | 83% | 85% | 85% | |
| Level of notifiable safety occurrences - Notifiable occurrences: | | | | | |
| Category A occurrences per million passenger boardings | 0.96 | 0.82 | 1.08 | 0.92 | 5 |
| Category A occurrences per million train kilometres | 3.63 | 4.05 | 4.45 | 3.63 | 5 |
| Category B occurrences per million passenger boardings | 6.22 | 6.1 | 6.78 | 5.85 | 5 |
| Category B occurrences per million train kilometres | 23.66 | 30.02 | 28.06 | 23.27 | |
| Regional school bus services - notifiable occurrences (accidents) reported each school year | 8 | 19 | 16 | 19 | 6 |
| Return on construction expenditure (RCE) ^(b) | 1.7 | 1.6 | 1.7 | 1.4 | 7 |
| Outcome: Protection of the long-term functionality of the rail corridor and railway infrastructure: | | | | | |
| Number of lease breaches | nil | nil | nil | nil | |

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

(b) RCE is based on the estimated benefit-cost ratio of a set of projects undertaken each year. It indicates the extent to which new bus and rail construction expenditures will deliver future economic benefits to the community.

Explanation of Significant Movements

(Notes)

1. The 2023-24 Estimated Actual is higher than the 2023-24 Budget due to an increase in patronage, including for the train replacement bus services following the closure of the Armadale Line from November 2023.
2. The 2023-24 Estimated Actual is lower than the 2023-24 Budget due to the closure of the Armadale Line from November 2023.
3. The 2024-25 Budget Target is based on the assumption that rail patronage will continue to be negatively impacted as passengers use the Australind road coach replacement services.
4. The 2022-23 Actual and the 2023-24 Estimated Actual for service reliability of the Prospector and MerredinLink services are lower than the 2023-24 Budget due to delays associated with crossings and track-related issues as a result of required and critical maintenance works that have been undertaken.
5. The 2023-24 Estimated Actual is higher than the 2023-24 Budget due to an increase in the number of Category A and Category B notifiable occurrences. The 2024-25 Budget Target is anticipated to be lower due to the expected decline in the number of notifiable occurrences resulting from the Authority's commitment to safe working practices and continued education around the risks associated with the rail line.
6. The 2022-23 Actual and the 2023-24 Estimated Actual are lower compared to the 2023-24 Budget as a result of the continued efforts of the Authority and school bus drivers to adopt a safe system approach to road safety.
7. The 2024-25 Budget Target is expected to be lower due to the Yanchep Rail Extension and Morley-Ellenbrook Line projects progressing to completion.

Services and Key Efficiency Indicators

1. Metropolitan and Regional Passenger Services

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

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service | 1,563,118 | 1,579,698 | 1,765,020 | 1,832,720 | 1 |
| Less Income | 206,948 | 190,536 | 192,935 | 212,667 | 2 |
| Net Cost of Service | 1,356,170 | 1,389,162 | 1,572,085 | 1,620,053 | |
| Employees (Full-Time Equivalents) | 1,809 | 1,943 | 1,953 | 2,189 | 3 |
| Efficiency Indicators | | | | | |
| Average cost per passenger kilometre: | | | | | |
| Transperth bus operations | \$1.62 | \$1.79 | \$1.60 | \$1.71 | |
| Transperth train operations | \$0.90 | \$1.02 | \$1.19 | \$1.15 | 4 |
| Transperth ferry operations | \$1.90 | \$1.51 | \$1.82 | \$1.72 | 5 |
| Average cost per 1,000 place kilometres - Intra-town regional bus services | \$90.96 | \$86.51 | \$94.91 | \$93.67 | |

Explanation of Significant Movements

(Notes)

1. The 2024-25 Budget Target is forecast to increase by \$67.7 million (3.8%) from the 2023-24 Estimated Actual largely due to increased annual operating costs (\$103.7 million) and depreciation expenses (\$48.6 million), offset by reductions in external works undertaken for third parties (\$66.3 million) and interest expenses (\$23.5 million).
2. The 2024-25 Budget Target is forecast to increase by \$19.7 million (10.2%) from the 2023-24 Estimated Actual largely due to increased Transperth fare (\$27.9 million) and parking (\$1.2 million) revenue, partially offset by a reduction in external works undertaken for third parties (\$8.4 million).
3. The 2024-25 Budget Target is forecast to increase as a result of the additional operational staff required to support network growth and delivery.
4. The 2023-24 Estimated Actual is higher than the 2023-24 Budget mostly due to increases in interest and depreciation costs following a revaluation of the rail infrastructure.
5. The 2023-24 Estimated Actual is higher than the 2023-24 Budget mostly due to increases in depreciation costs following a revaluation of the ferries.

2. Country Passenger Rail and Road Coach Services

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

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service | 56,670 | 56,688 | 58,668 | 60,578 | |
| Less Income | 11,682 | 10,549 | 11,916 | 11,545 | |
| Net Cost of Service | 44,988 | 46,139 | 46,752 | 49,033 | |
| Employees (Full-Time Equivalents) | 164 | 166 | 165 | 168 | |
| Efficiency Indicators | | | | | |
| Average cost per passenger kilometre: | | | | | |
| Transwa rail | \$0.61 | \$0.68 | \$0.68 | \$0.78 | 1 |
| Transwa road coaches | \$0.42 | \$0.44 | \$0.41 | \$0.42 | |
| Average cost per 1,000 place kilometres - Inter-town country bus services... | \$20.21 | \$16.55 | \$21.24 | \$21.24 | 2 |

Explanation of Significant Movements

(Notes)

1. The 2024-25 Budget Target is higher than the 2023-24 Estimated Actual due to the assumption that patronage will continue to be negatively impacted as passengers use the Australind road coach replacement services.
2. The 2023-24 Estimated Actual is higher than the 2023-24 Budget due to an increase in the cost of contracts required to provide the inter-town country bus services.

3. Regional School Bus Services

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

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service | 139,735 | 140,637 | 141,742 | 148,334 | |
| Less Income | 2 | nil | nil | nil | |
| Net Cost of Service | 139,733 | 140,637 | 141,742 | 148,334 | |
| Employees (Full-Time Equivalents) | 39 | 39 | 36 | 35 | |
| Efficiency Indicators | | | | | |
| Average cost per contracted kilometre - School bus services | \$4.25 | \$4.28 | \$4.27 | \$4.47 | |

4. Rail Corridor and Residual Freight Issues Management

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

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service | 203,421 | 184,967 | 260,969 | 193,048 | 1 |
| Less Income | 21,548 | 21,144 | 22,811 | 20,284 | 2 |
| Net Cost of Service | 181,873 | 163,823 | 238,158 | 172,764 | |
| Employees (Full-Time Equivalents) | 33 | 9 | 34 | 35 | 3 |
| Efficiency Indicators | | | | | |
| Total cost of managing the rail freight corridor and residual freight issues | \$203,421 | \$184,967 | \$260,969 | \$193,048 | 1 |

Explanation of Significant Movements

(Notes)

1. The 2023-24 Estimated Actual is forecast to increase from the 2023-24 Budget largely due to higher depreciation expenses (\$37 million) and a one-off impairment loss in 2023-24 (\$27 million).
2. The 2024-25 Budget Target is forecast to decrease by \$2.5 million (11.1%) from the 2023-24 Estimated Actual largely due to a one-off receipt from the Commonwealth for the development of the Kalgoorlie Rail Realignment business case in 2023-24 (\$2 million).
3. The 2023-24 Budget was set based on an assumption that staff would transition to planning projects that would be reflected as capital projects in the Asset Investment Program. This has been delayed.

Asset Investment Program

Electric Buses (E-Buses) and Depot Modifications

1. The first stage of an expanded electric bus operation through the acquisition of 130 locally built e-buses and the provision of associated charging infrastructure and other depot modifications will be delivered by the Authority. The first stage of the bus depot upgrade works will be completed over three years in Malaga, Karrinyup, Bayswater and Claisebrook.

SmartRider System Asset Replacement and Technology Update

2. In 2024-25, the Authority will invest \$7.7 million to replace SmartRider system assets and update the technology used by the system.

Freight Program

Western Australia Agricultural Supply Chain Improvements

3. The Agricultural Supply Chain Improvements (ASCI) program will increase freight capacities along key agricultural transport routes in the Wheatbelt, Great Southern, Mid West and Goldfields-Esperance regions. In 2024-25, \$34.8 million will be spent on agricultural freight transport corridor improvements.

Grain Freight

4. The \$22 million Grain Freight Upgrades, which are part of the \$200 million ASCI program, are upgrading/extending four rail sidings at Brookton, Broomehill, Cranbrook and Moora in the Wheatbelt and Great Southern regions. Broomehill is scheduled for completion in 2024-25, with Cranbrook and Moora scheduled to be completed in 2025-26.

Kenwick Intermodal Terminal

5. \$10 million has been committed for Arc Infrastructure to construct an intermodal terminal at Kenwick. The eight-hectare purpose-built terminal will have an annual operational throughput capacity of around 250,000 twenty-foot equivalent units for shipping container exports.

Stirling Bus Interchange

6. An expanded Stirling Bus Interchange is being constructed over the Joondalup Line and the Mitchell Freeway at Stirling Station. The construction contract was awarded in October 2021 and the project is expected to be completed by late 2024, with \$83.8 million expected to be spent in 2024-25.

METRONET

Bayswater Station

7. The new Bayswater Station replaces the existing station and rail bridge with two new elevated rail bridges over King William Street. Each rail bridge has its own station concourse, with the southern platform now open and servicing the Midland and Airport Lines and the northern platform to service the new Morley-Ellenbrook Line once it enters passenger service.

Byford Rail Extension

8. The Armadale Line will be extended by 7.8 km from Armadale Station to Byford. The Byford Rail Extension has removed seven level crossings and will deliver a new elevated station at Armadale and an at-grade station at Byford. Major earthworks have now commenced in preparation for laying ballasts, sleepers and rail.

High Capacity Signalling Program of Works

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

Midland Station

10. A new Midland Station will be constructed between Helena and Cale Streets. The new station will provide better integration with the town centre, with much closer connections to the Midland Gate Shopping Centre and Midland Health Campus. Main construction works have commenced and are expected to be completed in 2025.

Midland Station Multi-Storey Carpark

11. An 800-bay multi-storey carpark will be provided at the new Midland Station. Construction is expected to be completed between late 2024 and early 2025.

Morley-Ellenbrook Line

12. Five new stations will be built at Morley, Noranda, Malaga, Whiteman Park and Ellenbrook as part of the 21 km Morley-Ellenbrook Line from Bayswater Station to Ellenbrook. Construction is currently underway, with Ellenbrook Station completed in March 2024.

Railcar Acquisition for METRONET and A-Series Railcar Replacement

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

Thornlie-Cockburn Link

14. The Thornlie-Cockburn Line will be extended to Cockburn Station on the Mandurah Line and will include the construction of two new stations at Nicholson Road and Ranford Road, with park-and-ride facilities and bus interchanges to be provided.

Victoria Park-Canning Level Crossing Removal

15. Six level crossings have been removed at Mint Street, Oats Street, Welshpool Road, Hamilton Street, Wharf Street and William Street, and new elevated stations will be provided at Carlisle, Oats Street, Queens Park, Cannington and Beckenham. Construction of the elevated viaduct structure and of the Carlisle, Oats Street, Queens Park, Cannington and Beckenham stations is underway.

Yanchep Rail Extension

16. The Joondalup Line will be extended by 14.5 km from Butler to Yanchep. Three new stations are being built at Yanchep, Eglinton and Alkimos, with bus interchanges and park-and-ride facilities. Train testing began in December 2023 and the line is scheduled to commence service mid-2024.

Rail Revitalisation Program

17. The Rail Revitalisation Program focuses on replacing life-expired assets on the current network with renewal work built to a high standard and capable of meeting the future demands of the network. Works commenced in early 2024 and will be completed during the closure of the Armadale Line.

| | 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 | | | | | | | |
| Bus Infrastructure Program | | | | | | | |
| Bus Infrastructure Projects | 51,541 | 19,841 | 12,357 | 31,700 | - | - | - |
| Electric Buses (E-Buses) and Depot Modifications | 332,500 | 7,700 | 7,700 | 92,600 | 151,700 | 80,500 | - |
| Smartrider System Asset Replacement and Technology Update | 60,221 | 52,548 | 22,243 | 7,673 | - | - | - |
| Bus Replacement Program - New Bus Replacement Program | 627,604 | 288,685 | 83,808 | 57,947 | 62,730 | 31,316 | 60,207 |
| Common Infrastructure Program - Minor Capital Works | 23,196 | 6,650 | 3,526 | 3,791 | 3,500 | 3,500 | 5,755 |
| Freight Program | | | | | | | |
| Grain Freight Upgrades | 22,000 | 7,747 | 3,975 | 14,007 | 246 | - | - |
| Kenwick Intermodal Terminal Development | 10,000 | 10,000 | 9,992 | - | - | - | - |
| Western Australian Agricultural Supply Chain Improvements | 176,761 | 419 | 298 | 34,790 | 75,275 | 66,277 | - |
| Major Projects - Stirling Bus Interchange | 173,780 | 90,000 | 65,677 | 83,780 | - | - | - |
| METRONET | | | | | | | |
| Bayswater Station | 516,030 | 444,110 | 186,432 | 71,920 | - | - | - |

| | 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 |
|--|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Byford Rail Extension | 1,335,286 | 488,844 | 362,761 | 544,141 | 302,301 | - | - |
| Forrestfield-Airport Link | 1,841,000 | 1,815,903 | 64,800 | 25,097 | - | - | - |
| Greenwood Station Multi-Storey Carpark | 38,000 | 5,711 | 5,000 | - | 22,305 | 9,984 | - |
| High Capacity Signalling - Program of Works | 667,030 | 276,006 | 118,118 | 256,636 | 116,299 | 18,089 | - |
| Lakelands Station | 72,000 | 65,191 | 11,555 | 6,809 | - | - | - |
| Level Crossing Removal Program | 125,671 | 125,671 | 8,644 | - | - | - | - |
| Mandurah Station Multi-Storey Carpark | 32,085 | 31,233 | 1,395 | 852 | - | - | - |
| Morley-Ellenbrook Line | 1,651,296 | 1,381,920 | 676,399 | 269,376 | - | - | - |
| New Midland Station | 239,483 | 137,588 | 93,123 | 67,333 | 16,487 | 18,075 | - |
| New Midland Station Multi-Storey Carpark | 35,889 | 33,068 | 32,000 | 2,821 | - | - | - |
| New Stations and Existing Stations Upgrades | 68,770 | 49,338 | 13,888 | 19,432 | - | - | - |
| Railcar Acquisition | 488,234 | 231,436 | 67,719 | 117,401 | 106,333 | 16,345 | 12,350 |
| Railcar Replacement | 940,349 | 314,762 | 41,135 | 209,441 | 102,787 | 87,641 | 91,571 |
| Thornlie-Cockburn Link | 1,352,386 | 1,062,969 | 353,732 | 225,102 | 64,315 | - | - |
| Victoria Park-Canning Level Crossing Removal | 1,624,710 | 837,460 | 570,078 | 515,785 | 271,465 | - | - |
| Yanchep Rail Extension | 1,270,377 | 1,190,375 | 535,395 | 80,002 | - | - | - |
| Operational Business Support Systems Program | | | | | | | |
| Business Support Upgrades | 103,196 | 50,613 | 13,608 | 23,810 | 7,248 | 7,175 | 7,175 |
| CCTV Program | 31,365 | 6,782 | 3,526 | 13,648 | 4,767 | 3,901 | 2,267 |
| Parking Facilities Upgrades | 26,462 | 5,086 | 4,618 | 11,686 | 5,212 | 1,378 | 3,100 |
| Rail Infrastructure Program | | | | | | | |
| Rail Infrastructure | 1,013,398 | 479,537 | 131,541 | 187,297 | 103,193 | 92,482 | 76,302 |
| Rail Revitalisation Program | 141,642 | 80,161 | 79,655 | 57,465 | 4,016 | - | - |
| Rail Stations Program | | | | | | | |
| Lifts and Escalators Upgrades and Replacements | 9,166 | 8,007 | 6,538 | 1,159 | - | - | - |
| Rail Station Projects in Progress | 7,944 | 7,944 | 2,000 | - | - | - | - |
| Railcar Program - Rail Futures Fund (Australind Railcar Replacement) | 81,507 | 39,299 | 14,528 | 15,208 | 25,634 | 1,366 | - |
| COMPLETED WORKS | | | | | | | |
| Bus Infrastructure Program - Bus Infrastructure Projects | 19,250 | 19,250 | 19,045 | - | - | - | - |
| Common Infrastructure Program | | | | | | | |
| Minor Capital Works Program | 13,972 | 13,972 | 4,313 | - | - | - | - |
| Perth Station Forecourt Upgrade | 3,711 | 3,711 | 200 | - | - | - | - |
| Major Projects - Future Urban Railcar Procurement | 254,377 | 254,377 | 2,066 | - | - | - | - |
| METRONET - Rail Line Planning | 41,801 | 41,801 | - | - | - | - | - |
| Operational Business Support Systems | | | | | | | |
| Program - Business Support Upgrades | 48,066 | 48,066 | - | - | - | - | - |
| Rail Infrastructure Program | 20,033 | 20,033 | 727 | - | - | - | - |
| Rail Stations Program - Lifts and Escalators Upgrades and Replacements | 8,370 | 8,370 | - | - | - | - | - |
| Total Cost of Asset Investment Program | 15,600,459 | 10,062,184 | 3,634,115 | 3,048,709 | 1,445,813 | 438,029 | 258,727 |
| Loans and Other Repayments | - | - | - | 509,175 | 344,043 | - | - |
| Total Asset Investment Program | 15,600,459 | 10,062,184 | 3,634,115 | 3,557,884 | 1,789,856 | 438,029 | 258,727 |
| FUNDED BY | | | | | | | |
| Borrowings | | | 1,251,733 | (49,538) | 98,815 | 216,684 | 246,377 |
| Capital Appropriation | | | 1,277,427 | 1,072,159 | 463,123 | 83,943 | 12,350 |
| Capital Appropriation - Other (Land Sales Proceeds) | | | - | - | 24,989 | - | - |
| Capital Appropriation - Sourced from Commonwealth | | | 536,730 | 2,074,267 | 757,891 | 30,100 | - |
| Funding included in Department of Treasury - Administered Item | | | - | 25,000 | 25,000 | 32,500 | - |
| Holding Account | | | 105,671 | 24,967 | 14,119 | 10,709 | - |
| Internal Funds and Balances | | | 167,323 | 59,735 | 36,111 | (2,184) | - |
| Major Treasurer's Special Purpose Account(s) | | | | | | | |
| Digital Capability Fund | | | 2,149 | 2,682 | 2,248 | - | - |
| Royalties for Regions Fund | | | 26,275 | - | - | - | - |
| Other | | | (8,084) | 31,790 | 75,275 | 66,277 | - |
| Other Grants and Subsidies | | | 274,891 | 316,822 | 292,285 | - | - |
| Total Funding | | | 3,634,115 | 3,557,884 | 1,789,856 | 438,029 | 258,727 |

Financial Statements

Income Statement

Expenses

1. The Total Cost of Services in the 2024-25 Budget Year is forecast to increase by \$8.3 million (0.4%) from the 2023-24 Estimated Actual. Increases in expenses include:
 - 1.1. operating costs (\$105.9 million); and
 - 1.2. depreciation expenses (\$26.1 million).
2. These increases are offset by decreases in expenses relating to:
 - 2.1. external works undertaken for third parties (\$67.3 million);
 - 2.2. a one-off impairment loss (\$29.7 million); and
 - 2.3. interest expenses (\$24.4 million).

Income

3. Total income in the 2024-25 Budget Year is forecast to increase by \$16.8 million (7.4%) from the 2023-24 Estimated Actual. Increased revenues include:
 - 3.1. Transperth fare revenue (\$27.9 million); and
 - 3.2. Transperth parking revenue (\$1.2 million).
4. This is offset by a reduction in other revenue for external works undertaken for third parties (\$8.7 million).

Statement of Financial Position

5. Total equity in the 2024-25 Budget Year is forecast to increase by \$3.1 billion from the 2023-24 Estimated Actual. This comprises a projected increase in total assets of \$2.4 billion and a decrease in total liabilities of \$706 million.
6. The Authority's statement shows accumulated deficits across the outyears as no accrual is provided to fund depreciation. It has been determined that there is no need to provide the significant accrual appropriation that would be required to fund depreciation.

Statement of Cashflows

7. Proceeds from borrowings in the 2023-24 Estimated Actual have increased by \$1.8 billion from the 2023-24 Budget, which is predominantly attributable to increased short-term borrowings to meet the cashflow requirements of various METRONET projects.
8. Capital appropriation in the 2024-25 Budget Year is forecast to increase by \$1.4 billion to meet the cashflow requirements of various METRONET projects.

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) | 257,511 | 302,628 | 309,719 | 372,148 | 397,733 | 403,088 | 405,830 |
| Grants and subsidies ^(c) | 607,183 | 600,162 | 625,556 | 661,013 | 637,663 | 661,539 | 672,562 |
| Supplies and services | 435,973 | 346,242 | 430,002 | 365,541 | 382,497 | 383,596 | 393,036 |
| Accommodation | 31,148 | 40,491 | 40,840 | 45,811 | 55,154 | 56,593 | 56,584 |
| Depreciation and amortisation | 477,562 | 503,542 | 607,059 | 601,835 | 709,339 | 716,743 | 691,197 |
| Finance and interest costs | 111,631 | 127,877 | 164,749 | 140,218 | 145,851 | 152,236 | 159,084 |
| Other expenses | 41,936 | 41,048 | 48,474 | 48,114 | 46,000 | 47,540 | 47,573 |
| TOTAL COST OF SERVICES | 1,962,944 | 1,961,990 | 2,226,399 | 2,234,680 | 2,374,237 | 2,421,335 | 2,425,866 |
| Income | | | | | | | |
| Sale of goods and services | 168,695 | 170,688 | 165,665 | 194,578 | 219,761 | 235,973 | 243,917 |
| Regulatory fees and fines | 3,496 | 4,420 | 4,036 | 3,871 | 4,420 | 4,420 | 4,420 |
| Grants and subsidies | 8,282 | 2,000 | 4,100 | 900 | - | - | - |
| Other revenue | 59,707 | 45,121 | 53,861 | 45,147 | 45,147 | 45,147 | 45,147 |
| Total Income | 240,180 | 222,229 | 227,662 | 244,496 | 269,328 | 285,540 | 293,484 |
| NET COST OF SERVICES | 1,722,764 | 1,739,761 | 1,998,737 | 1,990,184 | 2,104,909 | 2,135,795 | 2,132,382 |
| INCOME FROM GOVERNMENT | | | | | | | |
| Service appropriations | 361 | 362 | 382 | 383 | 397 | 406 | 417 |
| Resources received free of charge | 1,008 | - | - | - | - | - | - |
| Major Treasurer's Special Purpose Account(s) | | | | | | | |
| Royalties for Regions Fund | | | | | | | |
| Regional Community Services Fund | 79,942 | 79,940 | 81,047 | 82,221 | 82,305 | 82,393 | 82,393 |
| Other appropriations | 1,109,994 | 1,122,699 | 1,211,497 | 1,283,888 | 1,290,941 | 1,316,171 | 1,338,414 |
| Other revenues | 296,152 | 374,907 | 358,257 | 379,191 | 397,258 | 95,309 | 29,041 |
| TOTAL INCOME FROM GOVERNMENT | 1,487,457 | 1,577,908 | 1,651,183 | 1,745,683 | 1,770,901 | 1,494,279 | 1,450,265 |
| SURPLUS/(DEFICIENCY) FOR THE PERIOD | (235,307) | (161,853) | (347,554) | (244,501) | (334,008) | (641,516) | (682,117) |

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

(b) The full-time equivalents for 2022-23 Actual, 2023-24 Estimated Actual and 2024-25 Budget Year are 2,045, 2,188 and 2,427 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 | | | |
| Country Passenger Services - Inter-town | | | | | | | |
| Country Bus Services | 1,068 | 841 | 1,132 | 1,132 | 1,132 | 1,132 | 1,132 |
| Grants to Other Government Agencies | 133 | - | 21,336 | - | - | - | - |
| Local Government | 551 | - | - | - | - | - | - |
| METRONET Community Assets Program | 970 | 4,648 | 5,073 | 8,850 | - | - | - |
| METRONET Office Expenses | - | 985 | 2,341 | 1,970 | 985 | - | - |
| Metropolitan Services | | | | | | | |
| Bus Operators | 450,272 | 448,568 | 443,846 | 490,644 | 476,062 | 494,735 | 504,729 |
| Ferry Services | 1,768 | 1,284 | 1,826 | 2,018 | 1,958 | 2,035 | 2,076 |
| Intra-town Regional Bus Services | 20,211 | 17,361 | 22,422 | 24,786 | 24,049 | 24,992 | 25,497 |
| Regional School Bus Services | | | | | | | |
| Conveyance Allowance | 1,665 | 1,774 | 2,879 | 4,097 | 4,227 | 4,361 | 4,361 |
| School Bus Services | 130,545 | 124,701 | 124,701 | 127,516 | 129,250 | 134,284 | 134,767 |
| TOTAL | 607,183 | 600,162 | 625,556 | 661,013 | 637,663 | 661,539 | 672,562 |

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..... | 274,959 | 40,391 | 168,113 | 79,728 | 43,490 | 45,674 | 45,674 |
| Restricted cash..... | 87,280 | 21,866 | 7,357 | 35,145 | 35,145 | 35,145 | 35,145 |
| Holding Account receivables | 124,998 | 55,106 | 88,225 | 101,328 | 76,328 | 33,119 | 33,119 |
| Receivables..... | 54,736 | 41,756 | 54,736 | 54,736 | 54,736 | 54,736 | 54,736 |
| Other..... | 66,127 | 43,322 | 66,127 | 66,127 | 66,127 | 66,127 | 66,127 |
| Assets held for sale | 2,180 | - | 2,180 | 2,180 | 2,180 | 2,180 | 2,180 |
| Total current assets..... | 610,280 | 202,441 | 386,738 | 339,244 | 278,006 | 236,981 | 236,981 |
| NON-CURRENT ASSETS | | | | | | | |
| Holding Account receivables | 162,125 | 107,019 | 93,227 | 55,157 | 66,038 | 98,538 | 98,538 |
| Property, plant and equipment..... | 13,904,120 | 15,586,803 | 16,926,062 | 19,349,743 | 20,081,173 | 19,800,365 | 19,373,266 |
| Intangibles | 11,932 | 23,010 | 17,598 | 39,765 | 43,017 | 46,640 | 42,572 |
| Restricted cash..... | 5,020 | 1,800 | 5,020 | 5,020 | 5,020 | 5,020 | 5,020 |
| Total non-current assets..... | 14,083,197 | 15,718,632 | 17,041,907 | 19,449,685 | 20,195,248 | 19,950,563 | 19,519,396 |
| TOTAL ASSETS | 14,693,477 | 15,921,073 | 17,428,645 | 19,788,929 | 20,473,254 | 20,187,544 | 19,756,377 |
| CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 69,106 | 61,794 | 69,106 | 69,106 | 69,106 | 69,106 | 69,106 |
| Payables..... | 282,516 | 133,211 | 285,331 | 285,331 | 285,331 | 285,331 | 285,331 |
| Borrowings and leases | 233,106 | 221,219 | 65,198 | 57,937 | 58,436 | 58,537 | 58,560 |
| Other..... | 33,805 | 82,417 | 33,805 | 33,805 | 33,805 | 33,805 | 33,805 |
| Total current liabilities..... | 618,533 | 498,641 | 453,440 | 446,179 | 446,678 | 446,779 | 446,802 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 11,342 | 12,203 | 11,342 | 11,342 | 11,342 | 11,342 | 11,342 |
| Borrowings and leases | 3,232,916 | 3,139,621 | 4,514,922 | 3,821,727 | 3,440,600 | 3,518,964 | 3,626,743 |
| Other..... | 148,260 | 142,144 | 142,794 | 137,328 | 131,862 | 126,396 | 120,930 |
| Total non-current liabilities..... | 3,392,518 | 3,293,968 | 4,669,058 | 3,970,397 | 3,583,804 | 3,656,702 | 3,759,015 |
| TOTAL LIABILITIES | 4,011,051 | 3,792,609 | 5,122,498 | 4,416,576 | 4,030,482 | 4,103,481 | 4,205,817 |
| EQUITY | | | | | | | |
| Contributed equity..... | 8,307,048 | 11,085,780 | 10,278,323 | 13,589,030 | 14,993,457 | 15,276,264 | 15,424,878 |
| Accumulated surplus/(deficit)..... | (3,589,353) | (3,802,913) | (3,936,907) | (4,181,408) | (4,515,416) | (5,156,932) | (5,839,049) |
| Reserves | 5,964,731 | 4,845,597 | 5,964,731 | 5,964,731 | 5,964,731 | 5,964,731 | 5,964,731 |
| Total equity | 10,682,426 | 12,128,464 | 12,306,147 | 15,372,353 | 16,442,772 | 16,084,063 | 15,550,560 |
| TOTAL LIABILITIES AND EQUITY | 14,693,477 | 15,921,073 | 17,428,645 | 19,788,929 | 20,473,254 | 20,187,544 | 19,756,377 |

(a) Full audited financial statements are published in the Authority'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 | 1,110,355 | 1,112,720 | 1,211,879 | 1,284,271 | 1,291,338 | 1,316,577 | 1,338,831 |
| Capital appropriation..... | 1,412,331 | 2,983,621 | 1,949,314 | 3,310,123 | 1,520,725 | 515,964 | 358,379 |
| Administered equity contribution..... | - | - | - | 25,000 | 25,000 | 32,500 | - |
| Holding Account drawdowns | 90,410 | 124,998 | 105,671 | 24,967 | 14,119 | 10,709 | - |
| Major Treasurer's Special Purpose Account(s) | | | | | | | |
| Climate Action Fund | 199 | 197 | 197 | - | - | - | - |
| Digital Capability Fund | - | 4,778 | 2,149 | 3,017 | 3,160 | - | - |
| Royalties for Regions Fund | | | | | | | |
| Regional Community Services Fund | 79,942 | 79,940 | 81,047 | 82,221 | 82,305 | 82,393 | 82,393 |
| Regional Infrastructure and Headworks Fund | - | 12,020 | 26,275 | - | - | - | - |
| Receipts paid into Consolidated Account | - | (29,220) | (6,660) | - | (6,000) | - | - |
| Other..... | 241,407 | 402,999 | 359,309 | 378,029 | 396,096 | 95,309 | 29,041 |
| Administered appropriations | - | 10,341 | - | - | - | - | - |
| Net cash provided by Government | 2,934,644 | 4,702,394 | 3,729,181 | 5,107,628 | 3,326,743 | 2,053,452 | 1,808,644 |
| CASHFLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee benefits | (251,997) | (303,018) | (310,109) | (372,542) | (398,130) | (403,088) | (405,830) |
| Grants and subsidies | (606,597) | (600,162) | (625,556) | (661,013) | (637,663) | (661,539) | (672,562) |
| Supplies and services | (448,120) | (346,242) | (427,187) | (365,541) | (382,497) | (383,596) | (393,036) |
| Accommodation | (31,670) | (40,491) | (40,840) | (45,811) | (55,154) | (56,593) | (56,584) |
| GST payments | (308,305) | (226,253) | (226,253) | (173,432) | (173,432) | (173,432) | (173,432) |
| Finance and interest costs | (104,270) | (127,869) | (164,741) | (140,218) | (145,851) | (152,236) | (159,084) |
| Other payments | (41,826) | (40,658) | (48,084) | (47,720) | (45,603) | (47,540) | (47,573) |
| Receipts | | | | | | | |
| Regulatory fees and fines | 3,373 | 4,420 | 4,036 | 3,871 | 4,420 | 4,420 | 4,420 |
| Grants and subsidies | 5,764 | 2,000 | 4,100 | 900 | - | - | - |
| Sale of goods and services | 171,106 | 170,688 | 165,665 | 194,578 | 219,761 | 235,973 | 243,917 |
| GST receipts | 308,006 | 226,253 | 226,253 | 173,432 | 173,432 | 173,432 | 173,432 |
| Other receipts | 55,266 | 40,783 | 49,523 | 40,843 | 40,843 | 39,681 | 39,681 |
| Net cash from operating activities | (1,249,270) | (1,240,549) | (1,393,193) | (1,392,653) | (1,399,874) | (1,424,518) | (1,446,651) |
| CASHFLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets | (2,045,484) | (3,279,954) | (3,634,115) | (3,048,709) | (1,445,813) | (438,029) | (258,727) |
| Proceeds from sale of non-current assets | 19 | - | - | - | 6,000 | - | - |
| Net cash from investing activities | (2,045,465) | (3,279,954) | (3,634,115) | (3,048,709) | (1,439,813) | (438,029) | (258,727) |
| CASHFLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings and leases | (420,084) | (724,465) | (1,274,465) | (1,059,858) | (841,628) | (404,380) | (404,510) |
| Other payments | - | (100,503) | - | (27,433) | (138,458) | (265,657) | (209,765) |
| Proceeds from borrowings | 797,886 | 620,134 | 2,385,823 | 360,428 | 456,792 | 481,316 | 511,009 |
| Net cash from financing activities | 377,802 | (204,834) | 1,111,358 | (726,863) | (523,294) | (188,721) | (103,266) |
| NET INCREASE/(DECREASE) IN CASH HELD..... | 17,711 | (22,943) | (186,769) | (60,597) | (36,238) | 2,184 | - |
| Cash assets at the beginning of the reporting period | 349,548 | 87,000 | 367,259 | 180,490 | 119,893 | 83,655 | 85,839 |
| Cash assets at the end of the reporting period | 367,259 | 64,057 | 180,490 | 119,893 | 83,655 | 85,839 | 85,839 |

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

METRONET Projects Under Development

Part 9 Transport

Asset Investment Program

1. An \$839.3 million provision is incorporated for various METRONET projects under development, including the High Capacity Signalling program of works and the Morrison Road Level Crossing Removal. Funding will be allocated to specific projects upon completion of tender processes and final investment decisions.

| | Estimated 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 |
|---|-----------------------------------|--|---|-------------------------------------|------------------------------|------------------------------|------------------------------|
| NEW WORKS | | | | | | | |
| METRONET Projects Under Development..... | 839,313 | - | - | 28,433 | 139,458 | 266,657 | 251,765 |
| Total Cost of Asset Investment Program | 839,313 | - | - | 28,433 | 139,458 | 266,657 | 251,765 |
| FUNDED BY | | | | | | | |
| Capital Appropriation | | | - | 12,433 | 110,958 | 210,657 | 209,765 |
| Capital Appropriation - Sourced from Commonwealth | | | - | 15,000 | 27,500 | 55,000 | 21,000 |
| Motor Vehicle Licence Fee Revenue | | | - | 1,000 | 1,000 | 1,000 | 21,000 |
| Total Funding | | | - | 28,433 | 139,458 | 266,657 | 251,765 |

Fremantle Port Authority

Part 9 Transport

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... | 20,418 | 21,482 | 20,839 | 21,635 | 20,371 | 21,885 | 23,312 |
| Local Government Rates Equivalent | 937 | 865 | 698 | 985 | 1,010 | 1,035 | 1,061 |
| Dividends ^{(a)(b)} | - | 33,151 | - | 35,118 | 33,685 | 34,988 | 37,400 |
| EXPENSES FROM GENERAL GOVERNMENT SECTOR | | | | | | | |
| Operating Subsidies | 317 | 326 | 326 | - | - | - | - |
| Other Subsidies | - | 2,000 | 4,884 | 1,953 | 200 | - | - |
| RATIOS | | | | | | | |
| Dividend Payout Ratio (%) | 75 | 75 | 75 | 75 | 75 | 75 | 75 |
| GOVERNMENT TRADING ENTERPRISE INFORMATION | | | | | | | |
| Revenue from Operations | 252,679 | 258,202 | 252,518 | 276,131 | 282,290 | 292,756 | 303,089 |
| Revenue from Government | 317 | 2,326 | 5,210 | 1,953 | 200 | - | - |
| Total Expenses ^(c) | 186,009 | 193,963 | 192,662 | 210,585 | 219,433 | 224,897 | 230,726 |
| Total Borrowings | 135,913 | 209,645 | 177,646 | 232,318 | 252,705 | 264,988 | 262,054 |
| NET PROFIT AFTER TAX | 46,569 | 46,452 | 45,546 | 47,249 | 44,140 | 47,501 | 50,655 |
| CASH ASSETS ^(d) | 136,135 | 131,478 | 154,969 | 125,268 | 114,408 | 118,724 | 128,579 |

(a) The Authority will retain 2023-24 dividend payments to contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise (GTE) for further detail.

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

(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 Authority'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 | | | | | |
| Revision of Financial Forecasts ^(a) | 559 | 292 | (5,945) | (9,537) | (8,856) |
| Other | | | | | |
| 2023-24 Dividend Retention | (34,557) | - | - | - | - |

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

Significant Issues Impacting the Government Trading Enterprise

Infrastructure Investment Supporting Government Objectives

1. The Authority works collaboratively with Westport, the Future of Fremantle and other strategic Government initiatives to successfully deliver and shape the metropolitan port of the future.
2. The Authority is committed to investing in sustaining works and capital works as required to facilitate trade. This Budget includes a number of new projects to sustain infrastructure in the Inner and Outer Harbour.

Safety

3. The safety of workers, other port users and visitors will continue to be a primary focus for the Authority. The Authority's safety strategy includes programs to improve fatality prevention, mental and physical wellbeing, marine safety and safety leadership.

Westport and Port Development

4. The Authority will continue to actively support the Westport process through positive leadership and technical expertise. Parallel to the Westport process, the Authority is preparing a port development plan that will articulate how the port will develop to ensure business continuity prior to the delivery of Government's Westport and Future of Fremantle initiatives. The port development plan will ultimately integrate with Westport and Future of Fremantle to create a strategic path for the development of the port, and its logistic infrastructure, over the next 50 years.

Supply Chain Visibility

5. The Authority has committed to lead Western Australia's supply chain improvements through enablement and investment. The Authority will continue to measure its progress on this commitment and will continue to work with government and industry specialists to understand constraints and areas for improvement.

Victoria Quay Waterfront Strategy

6. Working with Planning, Lands and Heritage, the Authority has commenced implementation of a transformation program for Victoria Quay Waterfront. The program seeks to enhance amenities and create a vibrant waterfront destination that benefits the broader community. The program includes the delivery of a strategy and implementation framework to drive improvements and guide the development of Victoria Quay Waterfront in the short to medium term, in alignment with the Future of Fremantle vision.

Sustainability

7. The Authority has a strong commitment to creating a sustainable port and supply chain with clear targets to embrace and support the energy transition of its assets, business and infrastructure. To address sustainability more broadly, the Authority is in the process of finalising a sustainability approach that will help deliver economic, environmental and social returns over the long term.

Retained Dividend

8. The Authority will retain its forecast 2023-24 dividend payment, together with previously retained dividend payments resulting in a total of \$132.1 million to fund future infrastructure investments. Of the dividends retained, funds have been allocated to upgrade the Kwinana Bulk Terminal's import and export facilities, maintain product handling infrastructure and equipment at the Kwinana Bulk Jetty, and the Victoria Quay Activation project. The investment of remaining funds is pending approval of future business cases relating to the infrastructure requirements of the Authority.

Annual Performance Statement

The following performance information is the subject of an Annual Performance Statement adopted by the GTE.

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

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

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

Outcomes and Key Performance Indicators

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|--|-------------------|----------------------|--------------------------------|-----------------------------|------|
| Outcome: Achieve financial targets: | | | | | |
| Earnings before interest, taxes, depreciation and amortisation (\$'000) | 90,909 | 97,227 | 91,826 | 102,902 | 1 |
| Return on assets ^(a) | 11% | 10.2% | 9.9% | 9.8% | |
| Economic rate of return ^(b) | 8.7% | 8.3% | 7.5% | 7.4% | |
| Debt to equity ratio | 41% | 56% | 45% | 54% | 2 |
| Outcome: Highly efficient port operations that promote trade growth: | | | | | |
| Total number of vessel visits ^(c) | 1,528 | 1,605 | 1,605 | 1,581 | |
| Total port trade ('000 tonnes) | 31,255 | 30,709 | 30,709 | 29,505 | |
| Outcome: High levels of customer satisfaction: | | | | | |
| Customer satisfaction score ^(d) | 60% | n.a. | 50% | n.a. | |
| Outcome: Achieve community satisfaction targets: | | | | | |
| Community satisfaction | 60% | 67% | 61% | 67% | |
| Outcome: Maintain safety and quality management systems in line with best practice: | | | | | |
| Lost time injury frequency rate (LTIFR) ^(e) | 5.6 | nil or 10% reduction | 4 | nil or 10% reduction | |
| Number of reportable environmental incidents | 2 | nil | 1 | nil | 3 |

(a) Return on assets indicator is a new Budget key performance indicator now included to align with the Authority's Annual Report.

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

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

(d) The Authority uses Net Promoter Score as the measure of customer satisfaction. Score provided indicates shipping line/agent survey services level of overall satisfaction with the Authority's services.

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

Explanation of Significant Movements

(Notes)

1. The increase in the 2024-25 Budget Target is due to the combined impact of trade expectations and continued investment in the Authority's organisational capability to support future operations.
2. The 2024-25 Budget Target increase in debt-to-equity ratio is reflective of funding assumptions associated with the AIP.
3. The reportable environmental incidents in 2022-23 relate to product spillage at the Kwinana Bulk Jetty. In 2023-24, the Authority elected to report to the Department of Water and Environmental Regulation the infrastructure damage sustained from a fire at the Kwinana Bulk Jetty in February 2024.

Asset Investment Program

1. The Authority's AIP for 2024-25 to 2027-28 totals \$264.5 million, investing in projects across the Inner and Outer Harbour to support the economic growth of the State through the import and export of containers, motor vehicles, bulk commodities and other trades.

Inner Harbour and Outer Harbour Refurbishment

2. A total of \$47.1 million in 2024-25 and \$84.7 million over the forward estimates period is forecast to be spent on Inner and Outer Harbour berth upgrades. The upgrades will allow the Inner Harbour to accommodate larger vessels and to allow for heavy-duty use. The refurbishment program includes three new projects:
 - 2.1. upgrades to Berths F and G Fenders and Deck Strengthening;
 - 2.2. a Bollard Replacement and Refurbishment Program to support safe mooring; and
 - 2.3. Kwinana Bulk Jetty Deck Soffit and Impressed Current Cathodic Protection System Replacement to extend the life of the jetty and protect against marine erosion.

Expenditure in the Outer Harbour

3. To support the projected volumes of export and import of bulk commodities at the Kwinana Bulk Jetty the Authority will spend an additional \$7.8 million in 2024-25 and \$4.9 million over the forward estimates period to maintain product handling infrastructure and equipment.
4. A total of \$29.4 million in 2024-25 and \$2.5 million in 2025-26 is forecast to be spent on the replacement and upgrade of assets at the Kwinana Bulk Terminal to facilitate the ongoing import and export of bulk materials for customers.

Expenditure in Victoria Quay

5. Work continues on the Fremantle Waterfront Implementation Plan, to support the developments and land uses identified in the Fremantle Waterfront Masterplan for the western end of Victoria Quay, with expenditure of \$10.2 million planned in 2024-25 and \$2.5 million in 2025-26. This includes the existing approved Victoria Quay Activation project of \$7.5 million and an additional \$5 million over 2024-25 and 2025-26 for upgrades to B Shed.

Other Expenditure

6. A total of \$22.4 million in 2024-25 and \$53.1 million over the forward estimates period is forecast to be spent to sustain existing assets including a new sustaining works capital project which includes previous allocations for miscellaneous minor works.

| | 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 | | | | | | | |
| Inner and Outer Harbour - Security Upgrades Stage 2 | 3,724 | 3,184 | - | 540 | - | - | - |
| Inner Harbour Infrastructure Refurbishment Program | 36,263 | 6,500 | 4,366 | 20,393 | 7,818 | 1,552 | - |
| North Quay - Land Acquisitions | 22,150 | 18,705 | - | 3,445 | - | - | - |
| Outer Harbour | | | | | | | |
| Kwinana Bulk Jetty - Export-Import Infrastructure | 11,100 | 3,738 | 1,547 | 6,372 | 990 | - | - |
| Kwinana Bulk Terminal | | | | | | | |
| Infrastructure, Equipment Replacement and Upgrade..... | 35,459 | 28,669 | 13,077 | 5,790 | 1,000 | - | - |
| Material Handling Infrastructure Renewal of Import | | | | | | | |
| System..... | 94,600 | 72,486 | 56,539 | 22,114 | - | - | - |
| Plant and Equipment | | | | | | | |
| Replace Floating Plant..... | 11,000 | 8,878 | 4,579 | 2,122 | - | - | - |
| Replacement of Navigational Aids..... | 5,683 | 2,023 | - | 840 | 420 | 400 | 400 |
| Victoria Quay | | | | | | | |
| Activation Stage One..... | 7,500 | 500 | 500 | 7,000 | - | - | - |
| Fremantle Waterfront Implementation Plan | 10,935 | 10,275 | 403 | 660 | - | - | - |
| COMPLETED WORKS | | | | | | | |
| Inner Harbour | | | | | | | |
| Photovoltaic System Passenger Terminal | 950 | 950 | 66 | - | - | - | - |
| Replacement of High Voltage (HV) Cable from Main | | | | | | | |
| Substation to Substation 4 | 720 | 720 | 720 | - | - | - | - |
| Minor Works - 2023-24 Program | 6,386 | 6,386 | 6,386 | - | - | - | - |
| Outer Harbour | | | | | | | |
| Kwinana Bulk Terminal | | | | | | | |
| Direct Conveyor | 5,400 | 5,400 | 5,400 | - | - | - | - |
| HV Power System Upgrade | 6,000 | 6,000 | 714 | - | - | - | - |
| Victoria Quay - H Berth Fender Replacement | 5,095 | 5,095 | 40 | - | - | - | - |
| NEW WORKS | | | | | | | |
| Inner and Outer Harbour | | | | | | | |
| Bollard Replacement and Refurbishment Program ^(a) | - | - | - | - | - | - | - |
| Sustaining Capital Works..... | 66,335 | - | - | 14,424 | 14,011 | 18,241 | 19,659 |
| Inner Harbour | | | | | | | |
| Berths F and G Fenders/Deck Strengthening..... | 35,500 | - | - | - | 18,900 | 16,600 | - |
| Provision of Alternative Vehicular Access..... | 1,000 | - | - | 1,000 | - | - | - |
| Outer Harbour | | | | | | | |
| Kwinana Bulk Jetty | | | | | | | |
| Deck Soffit and ICCP System Replacement ^(a) | - | - | - | - | - | - | - |
| Replacement of Conveyor Structures and Equipment..... | 5,300 | - | - | 1,400 | 1,400 | 2,500 | - |
| Kwinana Bulk Terminal - Export Stockyard Area Concreting... | 3,000 | - | - | 1,500 | 1,500 | - | - |
| Victoria Quay - Activation Stage Two | 5,000 | - | - | 2,500 | 2,500 | - | - |
| Total Cost of Asset Investment Program | 467,210 | 179,509 | 94,337 | 116,810 | 67,539 | 49,593 | 30,559 |
| FUNDED BY | | | | | | | |
| Borrowings | | | 53,000 | 65,800 | 30,912 | 22,841 | 7,659 |
| Internal Funds and Balances..... | | | 41,337 | 51,010 | 36,627 | 26,752 | 22,900 |
| Total Funding | | | 94,337 | 116,810 | 67,539 | 49,593 | 30,559 |

(a) Confidential. Amounts undisclosed to avoid prejudicing negotiations.

Financial Statements

Income Statement

Revenue

1. The Authority's revenue forecasts primarily reflect expectations on trade mix and growth, ships and shipping services, and rental revenue from port tenancies.
2. The Authority will receive a government subsidy (captured in other subsidies) from 2023-24 to 2025-26 to undertake feasibility studies on Westport enabling works and to provide technical expertise and support on the future Westport container port statutory requirements and other technical aspects of the program.

Expenses

3. Employee benefits reflect organisational changes following a comprehensive management review of organisational structure and competencies. The 2024-25 Budget includes roles identified to facilitate security objectives together with continued investment in the Authority's organisational capability to support future operations. Salary increases are in accordance with the previous public sector wages policy.
4. Supplies and services includes expenditure for Westport and enabling works across the period 2023-24 and into the forward estimates period.
5. Movements in depreciation and interest costs are driven by changes in the Authority's AIP.

Statement of Financial Position

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

Statement of Cashflows

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

INCOME STATEMENT ^(a)
(Controlled)

| | 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 | | | | | | | |
| Sale of goods and services..... | 249,098 | 255,509 | 249,825 | 273,404 | 279,523 | 289,948 | 300,238 |
| Other revenue..... | 3,581 | 2,693 | 2,693 | 2,727 | 2,767 | 2,808 | 2,851 |
| Revenue from Government | | | | | | | |
| Operating subsidies..... | 317 | 326 | 326 | - | - | - | - |
| Other subsidies..... | - | 2,000 | 4,884 | 1,953 | 200 | - | - |
| TOTAL REVENUE | 252,996 | 260,528 | 257,728 | 278,084 | 282,490 | 292,756 | 303,089 |
| Expenses | | | | | | | |
| Employee benefits ^(b) | 60,759 | 61,681 | 61,644 | 67,032 | 69,248 | 71,315 | 73,485 |
| Supplies and services..... | 64,070 | 64,774 | 67,374 | 68,094 | 68,732 | 69,047 | 70,727 |
| Accommodation..... | 7,225 | 6,466 | 6,299 | 8,080 | 8,282 | 8,489 | 8,702 |
| Depreciation and amortisation | 18,433 | 22,841 | 20,158 | 24,609 | 28,761 | 30,518 | 31,873 |
| Finance and interest costs..... | 5,489 | 7,821 | 6,602 | 10,794 | 11,612 | 11,880 | 11,424 |
| Other expenses | 30,033 | 30,380 | 30,585 | 31,976 | 32,798 | 33,648 | 34,515 |
| TOTAL EXPENSES | 186,009 | 193,963 | 192,662 | 210,585 | 219,433 | 224,897 | 230,726 |
| NET PROFIT/(LOSS) BEFORE TAX | 66,987 | 66,565 | 65,066 | 67,499 | 63,057 | 67,859 | 72,363 |
| National Tax Equivalent Regime | | | | | | | |
| Current tax equivalent expense | 20,418 | 21,482 | 20,839 | 21,635 | 20,371 | 21,885 | 23,312 |
| Deferred tax equivalent expense | - | (1,369) | (1,319) | (1,385) | (1,454) | (1,527) | (1,604) |
| NET PROFIT/(LOSS) AFTER TAX | 46,569 | 46,452 | 45,546 | 47,249 | 44,140 | 47,501 | 50,655 |
| Dividends | - | 33,151 | - | 35,118 | 33,685 | 34,988 | 37,400 |

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

(b) The full-time equivalents for 2022-23 Actual, 2023-24 Estimated Actual and 2024-25 Budget Year are 365, 362 and 382 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 | | | |
| CURRENT ASSETS | | | | | | | |
| Cash assets..... | 59,635 | 33,911 | 48,045 | 29,244 | 30,884 | 45,500 | 65,855 |
| Cash assets - Retained dividends | 76,500 | 97,567 | 106,924 | 96,024 | 83,524 | 73,224 | 62,724 |
| Receivables | 35,633 | 27,939 | 27,754 | 31,960 | 32,456 | 33,648 | 34,857 |
| Other..... | 8,383 | 5,881 | 5,970 | 6,206 | 6,345 | 6,522 | 6,703 |
| Total current assets..... | 180,151 | 165,298 | 188,693 | 163,434 | 153,209 | 158,894 | 170,139 |
| NON-CURRENT ASSETS | | | | | | | |
| Property, plant and equipment..... | 475,543 | 570,854 | 551,362 | 644,185 | 683,341 | 702,507 | 702,016 |
| Intangibles | - | - | - | - | - | - | - |
| Other..... | 26,924 | 29,905 | 28,270 | 29,683 | 31,167 | 32,725 | 34,361 |
| Total non-current assets..... | 502,467 | 600,759 | 579,632 | 673,868 | 714,508 | 735,232 | 736,377 |
| TOTAL ASSETS | 682,618 | 766,057 | 768,325 | 837,302 | 867,717 | 894,126 | 906,516 |
| CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 16,848 | 16,161 | 16,976 | 17,537 | 18,061 | 18,572 | 19,072 |
| Payables..... | 10,064 | 21,360 | 13,787 | 13,742 | 12,339 | 13,240 | 13,905 |
| Borrowings and leases | 1,870 | 2,561 | 1,968 | 1,265 | 1,298 | 1,226 | 1,340 |
| Other..... | 21,206 | 11,657 | 14,767 | 16,233 | 16,478 | 16,776 | 17,077 |
| Total current liabilities..... | 49,988 | 51,739 | 47,498 | 48,777 | 48,176 | 49,814 | 51,394 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 9,761 | 10,423 | 10,257 | 10,568 | 10,884 | 11,209 | 11,543 |
| Borrowings and leases | 135,351 | 210,088 | 177,484 | 232,673 | 252,846 | 264,705 | 261,848 |
| Other..... | 2,159 | 4,118 | 2,181 | 2,248 | 2,320 | 2,394 | 2,472 |
| Total non-current liabilities..... | 147,271 | 224,629 | 189,922 | 245,489 | 266,050 | 278,308 | 275,863 |
| TOTAL LIABILITIES | 197,259 | 276,368 | 237,420 | 294,266 | 314,226 | 328,122 | 327,257 |
| NET ASSETS | 485,359 | 489,689 | 530,905 | 543,036 | 553,491 | 566,004 | 579,259 |
| EQUITY | | | | | | | |
| Contributed equity..... | 105,059 | 105,059 | 105,059 | 105,059 | 105,059 | 105,059 | 105,059 |
| Accumulated surplus/(deficit)..... | 380,300 | 384,630 | 425,846 | 437,977 | 448,432 | 460,945 | 474,200 |
| TOTAL EQUITY | 485,359 | 489,689 | 530,905 | 543,036 | 553,491 | 566,004 | 579,259 |

(a) Full audited financial statements are published in the Authority'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 | | | | | | | |
| Sale of goods and services..... | 208,450 | 226,238 | 231,784 | 235,776 | 243,707 | 252,625 | 262,207 |
| GST receipts..... | 25,856 | 25,784 | 26,367 | 27,541 | 27,978 | 28,995 | 30,025 |
| Other receipts..... | 41,323 | 34,479 | 34,569 | 38,397 | 38,243 | 38,966 | 39,704 |
| Payments | | | | | | | |
| Employee benefits..... | (58,964) | (60,843) | (61,068) | (66,182) | (68,422) | (70,486) | (72,662) |
| Supplies and services..... | (64,070) | (64,774) | (67,374) | (68,094) | (68,732) | (69,047) | (70,727) |
| Accommodation ^(b) | (6,288) | (5,601) | (5,601) | (7,095) | (7,272) | (7,454) | (7,641) |
| GST payments..... | (25,832) | (25,480) | (25,061) | (27,321) | (27,668) | (28,767) | (29,898) |
| Finance and interest costs..... | (5,374) | (7,564) | (6,467) | (9,938) | (11,424) | (11,780) | (11,373) |
| Other payments..... | (29,898) | (32,884) | (38,187) | (32,885) | (32,521) | (33,167) | (33,711) |
| Net cash from operating activities..... | 85,203 | 89,355 | 88,962 | 90,199 | 93,889 | 99,885 | 105,924 |
| CASHFLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Purchase of non-current assets..... | (62,543) | (95,300) | (94,337) | (116,810) | (67,539) | (49,593) | (30,559) |
| Net cash from investing activities..... | (62,543) | (95,300) | (94,337) | (116,810) | (67,539) | (49,593) | (30,559) |
| CASHFLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| Proceeds from borrowings..... | - | 78,000 | 78,000 | 90,800 | 55,912 | 47,841 | 32,659 |
| Other proceeds..... | 959 | 864 | 864 | - | - | - | - |
| Payments | | | | | | | |
| Repayment of borrowings and leases..... | (12,184) | (37,695) | (37,494) | (37,088) | (36,411) | (36,467) | (36,574) |
| Other payments..... | - | (548) | (135) | (135) | (91) | (34) | (34) |
| Net cash from financing activities..... | (11,225) | 40,621 | 41,235 | 53,577 | 19,410 | 11,340 | (3,949) |
| CASHFLOWS FROM GOVERNMENT | | | | | | | |
| Receipts | | | | | | | |
| Operating subsidies..... | 317 | 326 | 326 | - | - | - | - |
| Other subsidies..... | - | 2,000 | 4,884 | 1,953 | 200 | - | - |
| Payments | | | | | | | |
| Dividends to Government..... | - | (33,151) | - | (35,118) | (33,685) | (34,988) | (37,400) |
| National Tax Equivalent Regime - Income Tax.... | (22,207) | (11,775) | (21,538) | (22,517) | (22,125) | (21,293) | (23,100) |
| Local Government Rates Equivalent..... | (937) | (865) | (698) | (985) | (1,010) | (1,035) | (1,061) |
| Net cash provided to Government..... | 22,827 | 43,465 | 17,026 | 56,667 | 56,620 | 57,316 | 61,561 |
| NET INCREASE/(DECREASE) IN CASH HELD..... | (11,392) | (8,789) | 18,834 | (29,701) | (10,860) | 4,316 | 9,855 |
| Cash assets at the beginning of the reporting period..... | 147,527 | 140,267 | 136,135 | 154,969 | 125,268 | 114,408 | 118,724 |
| Cash assets at the end of the reporting period..... | 136,135 | 131,478 | 154,969 | 125,268 | 114,408 | 118,724 | 128,579 |

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

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

Kimberley Ports Authority

Part 9 Transport

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..... | - | 855 | 996 | 658 | 823 | 156 | 258 |
| Local Government Rates Equivalent | 144 | 125 | 172 | 145 | 149 | 149 | 149 |
| Dividends ^{(a)(b)} | - | 2,782 | - | 1,671 | 1,758 | 726 | 523 |
| EXPENSES FROM GENERAL GOVERNMENT SECTOR | | | | | | | |
| Operating Subsidies | 2,500 | 2,500 | 2,500 | 2,500 | - | - | - |
| EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR | | | | | | | |
| Equity Contributions | 3,922 | 57,500 | 8,600 | 12,725 | 5,130 | 3,495 | 3,672 |
| RATIOS | | | | | | | |
| Dividend Payout Ratio (%) | - | 75 | 75 | 75 | 75 | 75 | 75 |
| GOVERNMENT TRADING ENTERPRISE INFORMATION | | | | | | | |
| Revenue from Operations | 21,617 | 28,532 | 30,593 | 32,883 | 35,634 | 33,134 | 33,176 |
| Revenue from Government | 2,500 | 2,500 | 2,500 | 2,500 | - | - | - |
| Total Expenses ^(c) | 23,914 | 27,612 | 29,110 | 32,750 | 32,343 | 32,511 | 32,144 |
| Total Borrowings | 6,208 | 4,377 | 4,377 | 2,827 | 2,095 | 1,365 | 635 |
| NET PROFIT AFTER TAX | 203 | 2,565 | 2,987 | 1,975 | 2,468 | 467 | 774 |
| CASH ASSETS ^(d) | 17,105 | 18,063 | 19,571 | 21,430 | 24,509 | 26,829 | 29,723 |

(a) The Authority will retain 2023-24 dividend payments to contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise (GTE) for further detail.

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

(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 Authority'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 |
|---------------------------------------|--|-------------------------------------|------------------------------|------------------------------|------------------------------|
| 2023-24 Retained Dividend | (486) | - | - | - | - |
| Revision of Financial Forecasts | (389) | (1,163) | (1,409) | (4,292) | (4,393) |

Significant Issues Impacting the Government Trading Enterprise

Kimberley Ports Amalgamation

1. The Authority continues to work with port operators at the Ports of Wyndham and Derby to ensure Management and Lease Agreement obligations are being met and improved maintenance and asset planning is being undertaken. Ongoing financial support will be required over the forward estimates period to support operations.

First Point of Entry

2. The Authority will work with Commonwealth Government border agencies on the requirements to secure expanded first point of entry status for the Port of Broome. This would allow more cargo to be directly imported into the Port of Broome, supporting local industries to bring in materials and bolstering local trade capacity.

Trade Outlook (Commodities, Cargo and Cruise)

3. The Authority is positioned to take advantage of the growing exploration and development of the resource industry including oil and gas and minerals sands.
4. Global demand for agricultural commodities (primarily cattle), resources such as mineral sands (for technological uses), general cargo, and oil and gas support services is expected to continue in 2024-25. The cruise industry is adapting to changing circumstances, with small cruise shipping on the rise and larger cruise ships adjusting their planned/proposed itineraries.
5. Port of Wyndham trade will see a major decline, due to the Port's loss of bulk trade driven by falling nickel prices. Unfortunately, this price slump is expected to persist, with no short-term turnaround anticipated, as the nickel market undergoes fundamental shifts.

Dividend Retention

6. The Authority will retain 2023-24 dividend payments to contribute to funding future infrastructure investment, with a forecast balance of \$1.3 million.

Annual Performance Statement

The following performance information is the subject of an Annual Performance Statement adopted by the GTE.

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

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

| Government Goals | Strategic Objectives | Desired Outcomes |
|--|---|---|
| Strong and Sustainable Finances: Responsible, achievable, affordable budget management. | Achieve financial targets in line with State Government expectations in accordance with prudent commercial principles. | <ol style="list-style-type: none"> 1. Consistent with the <i>Port Authorities Act 1999</i>, facilitate trade, plan for future growth and development in a safe and efficient port 2. Achieve rate of return and profitability targets |
| Safe, Strong and Fair Communities: Supporting our local and regional communities to thrive. | Maintain our safety, environmental and quality management systems in line with best practice and our existing certifications. | <ol style="list-style-type: none"> 3. Seek accreditation for ISO 45001:2018 <i>Occupational Health and Safety Management</i> and ISO 14001:2015 <i>Environmental Management Systems</i> at Port of Broome |

Outcomes and Key Performance Indicators

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Outcome: Consistent with the <i>Port Authorities Act 1999</i>, facilitate trade, plan for future growth and development in a safe and efficient port: | | | | | |
| Customer satisfaction with services ^(a) | 75% | 78% | n.a. | 78% | |
| Employee satisfaction rating ^(b) | 74% | 76% | 76% | 76% | |
| Berthing availability | 37% | 62% | 32% | 35% | 1 |
| Trade growth tonnages ('000) ^(c) | 3,172 | 2,466 | 4,387 | 5,010 | 2 |
| Number of ship visits | 1,562 | 1,637 | 1,620 | 1,556 | |
| Outcome: Achieve rate of return and profitability targets: | | | | | |
| Earnings before interest, taxes, depreciation and amortisation (\$'000) | \$4,736 | \$8,195 | \$8,755 | \$7,479 | 3 |
| Rate of return on assets | 0.22% | -3% | 3.73% | 2.38% | 4 |
| Economic rate of return ^(d) | 3% | -3% | 3% | 2.28% | 5 |
| Debt to equity ratio | 0.22 | 0.08 | 0.11 | 0.1 | |
| Outcome: Seek accreditation for ISO 45001:2018 Occupational Health and Safety Management and ISO14001:2015 Environmental Management Systems at Port of Broome: | | | | | |
| Environmental incidents | nil | nil | nil | nil | |
| Lost time injury frequency rate ^(e) | nil | nil | nil | nil | |

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

(b) Employee satisfaction rating from 2021. The next survey is due 2024.

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

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

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

Explanation of Significant Movements

(Notes)

1. The berthing availability target percentage for 2023-24 Budget is 38%, although it was noted as 62% in the previous publication. Berthing availability has been decreasing and is expected to continue to reduce as larger bulk vessels are mooring at the Port of Broome and staying for longer due to the increased loads onboard.
2. There has been an increase in trade growth tonnages due to the commencement of the Kimberley Mineral Sands bulk cargo trade. This increased trade will continue across the forward estimates period.
3. The increase in earnings before interest, taxes, depreciation and amortisation between the 2022-23 Actual and 2023-24 Budget is a result of business at the port recovering post-COVID-19. The decrease in 2023-24 Estimated Actual and the 2024-25 Budget Target can be attributed to increased employee benefits expenses. These expenses are expected to rise in alignment with the new Stevedoring and Maintenance Enterprise Agreement 2023. Additionally, more operational employees are needed to service the larger bulk export vessels visiting the Port of Broome.
4. The Authority had forecast a net loss for 2023-24 resulting in a negative rate of return on assets, however the Authority is expected to make a net profit in the 2023-24 Estimated Actual due to increased trade volumes. The decline in the rate of return on assets between the 2023-24 Estimated Actual and the 2024-25 Budget Target can be attributed to reduced net profit after tax and an expanded asset base.
5. The Authority had forecast a net loss for 2023-24 resulting in a negative economic rate of return, however the Authority is expected to make a net profit due to increased trade volumes. The decline in economic rate of return between 2023-24 Estimated Actual and the 2024-25 Budget Target can be attributed to the reduced net profit after tax.

Asset Investment Program

1. The Authority's Asset Investment Program (AIP) for 2024-25 to 2027-28 totals \$29.8 million, which will further support the continued economic growth of the Kimberley region. The Authority's 2024-25 AIP includes spending of:
 - 1.1. \$16.9 million over the forward estimates period for sustaining capital works across the Ports of Broome, Derby, Wyndham and Yampi Sound;
 - 1.2. \$6.9 million in 2024-25 to continue construction of wharf infrastructure to assist in efficient loading of bulk product at the Port of Broome; and
 - 1.3. \$6 million over 2024-25 and 2025-26 for the construction of inspection and washdown facilities at the Port of Broome. This new infrastructure will support direct imports of international containers and general cargo at Port of Broome as a first point of entry.

| | 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 | | | | | | | |
| Major Port Infrastructure - Wharf Facility Works (Port of Broome)..... | 15,000 | 8,100 | 8,100 | 6,900 | - | - | - |
| COMPLETED WORKS | | | | | | | |
| Minor Works | | | | | | | |
| 2022-23 Program..... | 2,619 | 2,619 | 351 | - | - | - | - |
| 2023-24 Program..... | 2,075 | 2,075 | 2,075 | - | - | - | - |
| Electrical Works - Other Ports (Derby)..... | 500 | 500 | 500 | - | - | - | - |
| Electrical Works - Other Ports (Wyndham)..... | 1,300 | 1,300 | 1,300 | - | - | - | - |
| NEW WORKS | | | | | | | |
| Major Port Infrastructure | | | | | | | |
| Port of Broome - New 90 Tonne Crane ^(a) | - | - | - | - | - | - | - |
| Port of Broome - First Point of Entry..... | 6,000 | - | - | 2,400 | 3,600 | - | - |
| Sustaining Capital Works ^(b) | 16,922 | - | - | 3,500 | 3,105 | 5,070 | 5,247 |
| Total Cost of Asset Investment Program | 44,416 | 14,594 | 12,326 | 14,300 | 6,705 | 5,070 | 5,247 |
| FUNDED BY | | | | | | | |
| Capital Appropriation..... | | | 8,600 | 12,725 | 5,130 | 3,495 | 3,672 |
| Internal Funds and Balances..... | | | 3,726 | 1,556 | 1,372 | 1,235 | 1,575 |
| Other | | | - | 19 | 203 | 340 | - |
| Total Funding..... | | | 12,326 | 14,300 | 6,705 | 5,070 | 5,247 |

(a) Confidential. Amounts undisclosed to avoid prejudicing negotiations.

(b) Minor works programs are included in the Sustaining Capital Works across the forward estimates period.

Financial Statements

Income Statement

Revenue

1. The sale of goods and services small decrease between the 2023-24 Budget and 2023-24 Estimated Actual was due to a non-approval of bulk cargo imports. The sale of goods and services will increase in the June quarter of 2023-24 due to the commencement of the Kimberley Mineral Sands bulk cargo trade which continues through the forward estimates period to 2027-28.
2. Lease and licence revenue increases in 2024-25 and over the forward estimates period (captured in other revenue) due to the Kimberley Marine Support Base Pty Ltd reaching a Final Investment Decision which activated rent payments to the Authority.

Expenses

3. Employee benefits will increase in line with the new Stevedoring and Maintenance Enterprise Agreement 2023 and an increase in operational employees to meet new export vessel demand.
4. Supplies and services shows an increase when compared to the 2023-24 Budget and the 2023-24 Estimated Actual and over the forward estimates period, primarily due to new accounting advice that pilotage expenses need to be included. This is offset by a corresponding increase in revenues so there is no net impact on the Income Statement.

Statement of Financial Position

5. The Authority is expected to remain a cash-positive operation in the 2024-25 Budget Year with the commencement of bulk cargo trade over the forward estimates period at the Port of Broome.
6. Total assets are expected to increase by 12% in the 2024-25 Budget Year compared to the 2023-24 Estimated Actual due to ongoing capital works projects.
7. Total liabilities are anticipated to decrease by 7% in the 2024-25 Budget Year compared to the 2023-24 Estimated Actual due to the repayment of Western Australian Treasury Corporation loans. There will be a financial increase in liabilities as employee provisions increase over the outyears.

Statement of Cashflows

8. The increase in contributed equity in 2024-25 and 2025-26 represents the funds to support the Authority's AIP.

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 | | | | | | | |
| Sale of goods and services..... | 20,490 | 27,706 | 27,376 | 29,293 | 31,872 | 29,041 | 29,041 |
| Other revenue..... | 1,127 | 826 | 3,217 | 3,590 | 3,762 | 4,093 | 4,135 |
| Revenue from Government | | | | | | | |
| Operating subsidies..... | 2,500 | 2,500 | 2,500 | 2,500 | - | - | - |
| TOTAL REVENUE | 24,117 | 31,032 | 33,093 | 35,383 | 35,634 | 33,134 | 33,176 |
| Expenses | | | | | | | |
| Employee benefits ^(b) | 10,634 | 12,937 | 12,188 | 15,372 | 14,569 | 14,596 | 14,153 |
| Supplies and services..... | 4,360 | 4,781 | 7,065 | 7,555 | 7,070 | 6,952 | 6,838 |
| Accommodation..... | 2,449 | 3,133 | 2,946 | 2,510 | 2,673 | 2,905 | 2,999 |
| Depreciation and amortisation..... | 4,072 | 4,309 | 4,327 | 4,375 | 5,044 | 5,050 | 5,157 |
| Finance and interest costs..... | 516 | 468 | 443 | 470 | 481 | 476 | 476 |
| Other expenses | 1,883 | 1,984 | 2,141 | 2,468 | 2,506 | 2,532 | 2,521 |
| TOTAL EXPENSES | 23,914 | 27,612 | 29,110 | 32,750 | 32,343 | 32,511 | 32,144 |
| NET PROFIT/(LOSS) BEFORE TAX..... | 203 | 3,420 | 3,983 | 2,633 | 3,291 | 623 | 1,032 |
| National Tax Equivalent Regime - Current tax equivalent expense | - | 855 | 996 | 658 | 823 | 156 | 258 |
| NET PROFIT/(LOSS) AFTER TAX..... | 203 | 2,565 | 2,987 | 1,975 | 2,468 | 467 | 774 |
| Dividends | - | 2,782 | - | 1,671 | 1,758 | 726 | 523 |

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

(b) The full-time equivalents for 2022-23 Actual, 2023-24 Estimated Actual and 2024-25 Budget Year are 73, 85 and 86 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..... | 17,105 | 17,229 | 18,964 | 20,823 | 23,902 | 26,222 | 29,116 |
| Cash assets - Retained dividends | - | 834 | 607 | 607 | 607 | 607 | 607 |
| Receivables | 1,924 | 3,405 | 2,057 | 2,187 | 490 | 1,104 | 2,111 |
| Other..... | 438 | 112 | 438 | 438 | 381 | 381 | 381 |
| Total current assets..... | 19,467 | 21,580 | 22,066 | 24,055 | 25,380 | 28,314 | 32,215 |
| NON-CURRENT ASSETS | | | | | | | |
| Property, plant and equipment..... | 71,644 | 128,825 | 79,900 | 90,147 | 94,460 | 94,900 | 95,067 |
| Intangibles | 661 | 589 | 660 | 660 | 998 | 1,042 | 1,042 |
| Total non-current assets..... | 72,305 | 129,414 | 80,560 | 90,807 | 95,458 | 95,942 | 96,109 |
| TOTAL ASSETS | 91,772 | 150,994 | 102,626 | 114,862 | 120,838 | 124,256 | 128,324 |
| CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 2,752 | 3,434 | 3,905 | 4,677 | 5,470 | 6,307 | 7,106 |
| Payables..... | 1,273 | 1,282 | 1,216 | 1,201 | 1,235 | 1,310 | 1,386 |
| Borrowings and leases | 2,233 | 2,704 | 1,960 | 1,133 | 1,254 | 1,254 | 1,038 |
| Other..... | 70 | 439 | 70 | 70 | 130 | 130 | 130 |
| Total current liabilities..... | 6,328 | 7,859 | 7,151 | 7,081 | 8,089 | 9,001 | 9,660 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 70 | 69 | 70 | 70 | 51 | 51 | 51 |
| Borrowings and leases | 5,061 | 2,820 | 3,503 | 2,780 | 1,927 | 1,197 | 683 |
| Total non-current liabilities..... | 5,131 | 2,889 | 3,573 | 2,850 | 1,978 | 1,248 | 734 |
| TOTAL LIABILITIES..... | 11,459 | 10,748 | 10,724 | 9,931 | 10,067 | 10,249 | 10,394 |
| NET ASSETS..... | 80,313 | 140,246 | 91,902 | 104,931 | 110,771 | 114,007 | 117,930 |
| EQUITY | | | | | | | |
| Contributed equity..... | 78,932 | 136,432 | 87,532 | 100,257 | 105,387 | 108,882 | 112,554 |
| Accumulated surplus/(deficit)..... | (6,940) | (4,507) | (3,951) | (3,647) | (2,937) | (3,196) | (2,945) |
| Reserves | 8,321 | 8,321 | 8,321 | 8,321 | 8,321 | 8,321 | 8,321 |
| TOTAL EQUITY | 80,313 | 140,246 | 91,902 | 104,931 | 110,771 | 114,007 | 117,930 |

(a) Full audited financial statements are published in the Authority'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 | | | | | | | |
| Sale of goods and services..... | 18,689 | 24,848 | 23,666 | 25,234 | 24,372 | 20,315 | 20,310 |
| GST receipts..... | 2,221 | - | - | - | - | - | - |
| Other receipts..... | 4,243 | 3,696 | 6,939 | 7,652 | 11,136 | 12,685 | 12,727 |
| Payments | | | | | | | |
| Employee benefits..... | (9,803) | (12,204) | (11,033) | (14,600) | (13,795) | (13,759) | (13,354) |
| Supplies and services..... | (5,157) | (5,132) | (7,410) | (7,910) | (7,933) | (7,820) | (7,706) |
| Accommodation ^(b) | (2,305) | (3,008) | (2,774) | (2,365) | (2,524) | (2,756) | (2,850) |
| GST payments..... | (2,213) | - | - | - | - | - | - |
| Finance and interest costs..... | (509) | (468) | (443) | (470) | (481) | (476) | (476) |
| Other payments..... | (1,879) | (1,978) | (2,133) | (2,461) | (2,651) | (2,523) | (2,512) |
| Net cash from operating activities..... | 3,287 | 5,754 | 6,812 | 5,080 | 8,124 | 5,666 | 6,139 |
| CASHFLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Purchase of non-current assets..... | (2,531) | (61,226) | (12,326) | (14,300) | (6,705) | (5,070) | (5,247) |
| Net cash from investing activities..... | (2,531) | (61,226) | (12,326) | (14,300) | (6,705) | (5,070) | (5,247) |
| CASHFLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Repayment of borrowings and leases..... | (2,103) | (1,952) | (1,952) | (1,672) | (740) | (740) | (740) |
| Net cash from financing activities..... | (2,103) | (1,952) | (1,952) | (1,672) | (740) | (740) | (740) |
| CASHFLOWS FROM GOVERNMENT | | | | | | | |
| Receipts | | | | | | | |
| Operating subsidies..... | 2,500 | 2,500 | 2,500 | 2,500 | - | - | - |
| Equity contributions..... | 3,922 | 57,500 | 8,600 | 12,725 | 5,130 | 3,495 | 3,672 |
| Payments | | | | | | | |
| Dividends to Government..... | - | (2,782) | - | (1,671) | (1,758) | (726) | (523) |
| National Tax Equivalent Regime - Income Tax | - | (855) | (996) | (658) | (823) | (156) | (258) |
| Local Government Rates Equivalent..... | (144) | (125) | (172) | (145) | (149) | (149) | (149) |
| Net cash provided to Government..... | (6,278) | (56,238) | (9,932) | (12,751) | (2,400) | (2,464) | (2,742) |
| NET INCREASE/(DECREASE) IN CASH HELD..... | 4,931 | (1,186) | 2,466 | 1,859 | 3,079 | 2,320 | 2,894 |
| Cash assets at the beginning of the reporting period..... | 12,174 | 19,249 | 17,105 | 19,571 | 21,430 | 24,509 | 26,829 |
| Cash assets at the end of the reporting period..... | 17,105 | 18,063 | 19,571 | 21,430 | 24,509 | 26,829 | 29,723 |

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

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

Mid West Ports Authority

Part 9 Transport

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

| | 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..... | 10,834 | 19,137 | 16,116 | 18,524 | 32,665 | 51,228 | 49,232 |
| Local Government Rates Equivalent | 1,073 | 934 | 1,073 | 1,120 | 1,176 | 1,235 | 1,297 |
| Dividends ^{(a)(b)} | - | 29,973 | - | 31,367 | 50,980 | 81,525 | 87,024 |
| EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR | | | | | | | |
| Equity Contributions | - | 1,500 | 1,500 | - | 1,573 | 2,375 | 10,649 |
| Major Treasurer's Special Purpose Account(s)..... | 6,500 | 8,551 | 10,051 | 1,449 | - | - | - |
| RATIOS | | | | | | | |
| Dividend Payout Ratio (%) | 75 | 75 | 75 | 75 | 75 | 75 | 75 |
| GOVERNMENT TRADING ENTERPRISE INFORMATION | | | | | | | |
| Revenue from Operations | 100,020 | 141,113 | 129,481 | 149,337 | 209,426 | 292,718 | 288,121 |
| Total Expenses ^(c) | 64,272 | 77,321 | 75,762 | 87,586 | 100,539 | 121,964 | 124,013 |
| Total Borrowings | 6,143 | 43,759 | 8,851 | 95,186 | 253,373 | 287,677 | 269,793 |
| NET PROFIT AFTER TAX | 25,207 | 44,655 | 37,603 | 43,227 | 76,222 | 119,526 | 114,876 |
| CASH ASSETS ^(d) | 78,731 | 53,442 | 79,356 | 66,115 | 75,710 | 116,374 | 149,294 |

(a) The Authority will retain 2023-24 dividend payments to contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise (GTE) for further detail.

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

(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 Authority'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 | | | | | |
| Lease 88 Shed Recladding and Dust Extraction System | - | - | (104) | 4,235 | 5,282 |
| Other | | | | | |
| 2023-24 Retained Dividend | (29,973) | - | - | - | - |
| Revision of Financial Forecasts | (2,882) | (15,002) | (14,134) | 18,821 | 15,268 |

Significant Issues Impacting the Government Trading Enterprise

Trade Outlook

1. Trade throughput volumes continue to increase year-on-year, though the volatility in the iron ore price has impacted some junior miners' trade forecasts over the short to medium term, whilst one new proponent has commenced shipping in the last three months. Due to adverse weather conditions, grain throughput is substantially lower than in previous years, though it is anticipated that the next harvest is likely to rebound, but not to the levels seen in recent record years. Anticipated throughput from non-mineral sands proponents has not yet eventuated and is unlikely to do so until 2025-26.
2. The Authority is continuing to receive approaches from potential new customers on projects within the Mid West region, including mining projects and break-bulk cargoes, particularly wind turbines.

Major Capital Project Delivery

3. The Port Maximisation Project (PMaxP) design and delivery is progressing well with significant work on the various sub-projects underway. Detailed design is largely complete, and several sub-projects have progressed to the procurement stage.
4. A solution for the long-period wave, experienced by the Port of Geraldton, has been identified and incorporated into the PMaxP as part of the relocation of the tug harbour to the Berth 7 reclaim area. A new tug harbour will provide the rock wall which significantly reduces the wave energy entering the main harbour.
5. The Authority is undertaking a range of improvements to increase public and port user safety by addressing road access issues in the Port of Geraldton precinct, improving utilisation of existing berth infrastructure to increase ship loading efficiencies, and acquiring land to ease operational bottlenecks.

Retained Dividends

6. The Authority will retain its forecast 2023-24 dividend payment of \$30 million to contribute to funding future infrastructure investment. This is in addition to \$47 million which was retained previously. Of these retained dividends:
 - 6.1. \$18 million has been allocated to the design of the PMaxP;
 - 6.2. \$6 million allocated for the recladding and dust extraction system upgrade of the lease 88 storage facility;
 - 6.3. \$5.4 million has been set aside for the replacement of ring main units;
 - 6.4. \$1.8 million has been allocated to the construction of a wastewater treatment plant; and
 - 6.5. the investment of remaining funds is subject to the approval of future business cases relating to the infrastructure requirements of the Authority.

Operations

7. The Authority continues to implement dust improvement measures across the Port of Geraldton to increase public amenity. Over the last 18 months, the Authority has invested \$1.3 million towards dust mitigation activities, which includes the Berth 5 dry fog system on the conveyor and shiploader, and a DustTamer fence. Results collected over the last 12 months from air quality monitors, placed upwind and downwind from the DustTamer Wind Fence installed last financial year, demonstrate a 50% reduction of dust particles originating from in and around the talc stockpile lease and the Authority will continue to monitor the issue.

Economic Environment

8. Operating activities are seeing increased cost pressures due to the current economic environment, particularly with respect to salaries, interest rates and fuel.
9. Attraction and retention of staff is presenting as a significant issue as the current demand for experienced and qualified staff is exceeded by the current supply, particularly in regional areas.

10. Due to the increased activity within the Western Australian economy, current procurement processes are seeing a limited number of respondents to tenders and increased pricing pressures for (and availability of) labour and materials.

Oakajee and Other Port Developments

11. The Authority is becoming increasingly involved in the potential development of ports and terminals, particularly relating to the potential export of hydrogen-based products. This is largely a result of the region's strong solar and wind resources that provide the ability to drive renewable hydrogen production. The Authority is currently an active member of the Jobs, Tourism, Science and Innovation-led Oakajee Industry Reference Group and is focusing efforts on increasing break-bulk facilities at the Port of Geraldton for the importation of project cargo and undertaking port planning activities at the Port of Oakajee.
12. Other areas of potential port developments include Exmouth, Carnarvon, Murchison and Arrowsmith.

Annual Performance Statement

The following performance information is the subject of an Annual Performance Statement adopted by the GTE.

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

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

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

Outcomes and Key Performance Indicators

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Outcome: Improve revenue diversification and growth: | | | | | |
| Return on assets | 14.5% | 20.4% | 17.8% | 15.4% | 1 |
| Earnings before interest, tax, depreciation and amortisation (\$'000) | 43,775 | 76,389 | 65,962 | 82,515 | 1 |
| Total port trade (metric ton) | 17.4 | 21.3 | 18.6 | 19.5 | 2 |
| Number of vessel visits | 400 | 535 | 416 | 483 | 2 |
| Outcome: Improve underlying profit: | | | | | |
| Economic rate of return ^(a) | 4.1% | 9% | 6.9% | 9% | 3 |
| Outcome: To be a sustainable port: | | | | | |
| Number of reportable environmental incidents | 5 | <10 | <10 | <10 | |
| Annual Global Real Estate Sustainability Benchmark assessment | 1 star | 2 stars | 2 stars | ≥3 stars | |
| Outcome: To provide a safe workplace: | | | | | |
| Lost time injury frequency rate | nil | nil | nil | nil | |
| Total recordable injury frequency rate | 3.74 | nil | nil | nil | |
| Outcome: Operate in harmony with our stakeholders: | | | | | |
| All stakeholders' satisfaction survey score ^(b) | 74% | >80% | n.a. | >80% | |

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

(b) Customer satisfaction survey results are scheduled to be completed after the Budget Papers are published.

Explanation of Significant Movements

(Notes)

1. Return on assets and earnings before interest, tax, depreciation and amortisation have increased in the 2023-24 Estimated Actual relative to the 2022-23 Actual due to higher profit before tax, mainly driven by higher revenues. However, the 2023-24 Estimated Actual is lower than the 2023-24 Budget due to lower revenue than forecast, driven by lower grain and non-mineral sands throughput than forecast.
2. Total port trade and number of vessel visits results relative to target have been impacted by reduced throughput due to lower harvests and delays in new non-mineral sands projects. Number of vessel visits has also been impacted by an increase in larger vessels with multiple parcels loaded, resulting in lower vessel numbers in the 2023-24 Estimated Actual than forecast.
3. The 2023-24 Estimated Actual is lower than the 2023-24 Budget due to lower revenues than forecast and slower capital spend than budgeted.

Asset Investment Program

1. The Authority's Asset Investment Program for 2024-25 to 2027-28 totals \$384 million and includes spending for:
 - 1.1. the PMaxP to expand the capacity of the Port of Geraldton, which is forecast to cost \$350 million;
 - 1.2. sustaining capital works to improve services, upgrade existing infrastructure, security, environmental systems, computer systems and replacement of equipment, at a forecast cost of \$34 million;
 - 1.3. a port-wide firefighting system to provide fully compliant fire systems across the Port of Geraldton that meet standards and regulatory compliance requirements, which is forecast to cost \$26.6 million;
 - 1.4. a boat building precinct in the Fishing Boat Harbour in Geraldton to facilitate the PMaxP and support the local industry, which is forecast to cost \$10 million;
 - 1.5. the recladding of a storage facility and replacement of the dust extraction system, at a forecast cost of \$6 million; and
 - 1.6. the replacement of electrical ring main units to improve safety and environmental impact outcomes, which is forecast to cost \$5.4 million.

| | 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 | | | | | | | |
| Fishing Boat Harbour - Boat Building Precinct | 10,000 | 8,551 | 8,551 | 1,449 | - | - | - |
| Port Maximisation Project | 350,000 | 29,352 | 22,318 | 95,074 | 174,299 | 51,275 | - |
| Port-Wide Firefighting System | 26,644 | 5,252 | 4,395 | 17,621 | 3,771 | - | - |
| Replacement of Electrical Ring Main Units | 5,424 | 4,882 | 4,882 | 542 | - | - | - |
| COMPLETED WORKS | | | | | | | |
| Eastern Breakwater Jetty | 4,500 | 4,500 | 3,985 | - | - | - | - |
| Land Acquisition and Road Improvements | 8,000 | 8,000 | 4,661 | - | - | - | - |
| Minor Works - 2023-24 Program | 12,053 | 12,053 | 12,053 | - | - | - | - |
| Wastewater Treatment Plant | 1,775 | 1,775 | 1,775 | - | - | - | - |
| NEW WORKS | | | | | | | |
| Lease 88 Shed Recladding and Dust Extraction System | 6,000 | - | - | 3,060 | 2,940 | - | - |
| Sustaining Capital Works | 34,003 | - | - | 6,791 | 8,026 | 9,311 | 9,875 |
| Total Cost of Asset Investment Program | 458,399 | 74,365 | 62,620 | 124,537 | 189,036 | 60,586 | 9,875 |
| FUNDED BY | | | | | | | |
| Borrowings | | | 11,352 | 95,074 | 174,299 | 51,275 | - |
| Capital Appropriation | | | 1,500 | - | - | - | - |
| Internal Funds and Balances | | | 39,717 | 28,014 | 14,737 | 9,311 | 9,875 |
| Major Treasurer's Special Purpose Account(s) Royalties for Regions Fund | | | 10,051 | 1,449 | - | - | - |
| Total Funding | | | 62,620 | 124,537 | 189,036 | 60,586 | 9,875 |

Financial Statements

Income Statement

Revenue

1. Increases in the sale of goods and services over the forward estimates period are due to additional and new product throughput which will be enabled by the PMaxP. The reduction in the Authority's 2023-24 Estimated Actual revenue forecast (relative to 2023-24 Budget) is largely attributable to lower grain production due to a weak harvest in the Mid West.
2. Other revenue over the forward estimates period represents capital recovery and operational fees of new infrastructure provided by the PMaxP.

Expenses

3. Supplies and services increase during the 2025-26 Outyear due to a planned maintenance dredging campaign.
4. Depreciation costs increase significantly over 2026-27 and 2027-28 as new infrastructure is commissioned and operational.
5. Finance and interest cost increases over the forward estimates period are due to additional borrowings to fund the PMaxP.
6. Other expenses increase during 2026-27 due to increased insurance premiums on the new PMaxP infrastructure.

Statement of Financial Position

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

Statement of Cashflows

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

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 | | | | | | | |
| Sale of goods and services..... | 97,001 | 139,816 | 125,386 | 140,605 | 197,594 | 243,377 | 235,361 |
| Other revenue..... | 3,019 | 1,297 | 4,095 | 8,732 | 11,832 | 49,341 | 52,760 |
| TOTAL REVENUE | 100,020 | 141,113 | 129,481 | 149,337 | 209,426 | 292,718 | 288,121 |
| Expenses | | | | | | | |
| Employee benefits ^(b) | 29,131 | 30,664 | 30,009 | 32,537 | 33,335 | 35,433 | 36,799 |
| Supplies and services..... | 15,949 | 22,200 | 23,103 | 22,742 | 26,583 | 24,338 | 24,388 |
| Accommodation..... | 2,194 | 2,293 | 2,312 | 2,418 | 3,124 | 3,587 | 3,791 |
| Depreciation and amortisation | 8,268 | 10,237 | 9,863 | 11,382 | 11,943 | 29,648 | 30,551 |
| Finance and interest costs | 283 | 2,360 | 2,383 | 9,383 | 17,039 | 16,192 | 15,301 |
| Other expenses | 8,447 | 9,567 | 8,092 | 9,124 | 8,515 | 12,766 | 13,183 |
| TOTAL EXPENSES | 64,272 | 77,321 | 75,762 | 87,586 | 100,539 | 121,964 | 124,013 |
| NET PROFIT/(LOSS) BEFORE TAX | 35,748 | 63,792 | 53,719 | 61,751 | 108,887 | 170,754 | 164,108 |
| National Tax Equivalent Regime | | | | | | | |
| Current tax equivalent expense | 10,834 | 19,137 | 16,116 | 18,524 | 32,665 | 51,228 | 49,232 |
| Deferred tax equivalent expense | (293) | - | - | - | - | - | - |
| NET PROFIT/(LOSS) AFTER TAX | 25,207 | 44,655 | 37,603 | 43,227 | 76,222 | 119,526 | 114,876 |
| Dividends | - | 29,973 | - | 31,367 | 50,980 | 81,525 | 87,024 |

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

(b) The full-time equivalents for 2022-23 Actual, 2023-24 Estimated Actual and 2024-25 Budget Year are 155, 179 and 182 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..... | 57,696 | 28,974 | 28,979 | 19,340 | 31,875 | 72,539 | 105,459 |
| Cash assets - Retained dividends | 21,035 | 24,468 | 50,377 | 46,775 | 43,835 | 43,835 | 43,835 |
| Receivables | 11,901 | 14,508 | 11,739 | 11,985 | 11,736 | 11,798 | 11,819 |
| Other..... | 2,530 | 2,318 | 2,530 | 2,530 | 2,530 | 2,530 | 2,530 |
| Total current assets..... | 93,162 | 70,268 | 93,625 | 80,630 | 89,976 | 130,702 | 163,643 |
| NON-CURRENT ASSETS | | | | | | | |
| Property, plant and equipment..... | 150,588 | 239,817 | 204,455 | 317,740 | 495,909 | 527,263 | 506,761 |
| Other..... | 3,599 | 3,015 | 3,599 | 3,599 | 3,599 | 3,599 | 3,599 |
| Total non-current assets..... | 154,187 | 242,832 | 208,054 | 321,339 | 499,508 | 530,862 | 510,360 |
| TOTAL ASSETS | 247,349 | 313,100 | 301,679 | 401,969 | 589,484 | 661,564 | 674,003 |
| CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 6,484 | 5,484 | 6,484 | 6,484 | 6,484 | 6,484 | 6,484 |
| Payables..... | 7,817 | 10,386 | 9,961 | 11,285 | 13,579 | 11,136 | 3,382 |
| Borrowings and leases | 1,247 | 9,228 | 7,657 | 15,076 | 15,659 | 16,633 | 17,541 |
| Other..... | 11 | 13 | - | - | - | - | - |
| Total current liabilities..... | 15,559 | 25,111 | 24,102 | 32,845 | 35,722 | 34,253 | 27,407 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 3,117 | 3,249 | 3,117 | 3,117 | 3,117 | 3,117 | 3,117 |
| Borrowings and leases | 6,249 | 35,670 | 2,882 | 81,120 | 238,943 | 272,116 | 252,900 |
| Other..... | 1,733 | 1,464 | 1,733 | 1,733 | 1,733 | 1,733 | 1,733 |
| Total non-current liabilities..... | 11,099 | 40,383 | 7,732 | 85,970 | 243,793 | 276,966 | 257,750 |
| TOTAL LIABILITIES | 26,658 | 65,494 | 31,834 | 118,815 | 279,515 | 311,219 | 285,157 |
| NET ASSETS | 220,691 | 247,606 | 269,845 | 283,154 | 309,969 | 350,345 | 388,846 |
| EQUITY | | | | | | | |
| Contributed equity..... | 86,357 | 97,908 | 97,908 | 99,357 | 100,930 | 103,305 | 113,954 |
| Accumulated surplus/(deficit)..... | 133,546 | 148,949 | 171,149 | 183,009 | 208,251 | 246,252 | 274,104 |
| Reserves | 788 | 749 | 788 | 788 | 788 | 788 | 788 |
| TOTAL EQUITY | 220,691 | 247,606 | 269,845 | 283,154 | 309,969 | 350,345 | 388,846 |

(a) Full audited financial statements are published in the Authority'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 | | | | | | | |
| Sale of goods and services..... | 99,678 | 134,133 | 119,998 | 134,979 | 191,687 | 236,377 | 228,011 |
| GST receipts..... | 10,101 | 19,946 | 15,961 | 17,534 | 24,175 | 32,237 | 32,314 |
| Other receipts..... | 8,844 | 6,980 | 9,460 | 14,363 | 17,744 | 56,342 | 60,110 |
| Payments | | | | | | | |
| Employee benefits..... | (28,250) | (30,665) | (30,010) | (32,538) | (33,335) | (35,432) | (36,799) |
| Supplies and services..... | (15,949) | (22,200) | (23,103) | (22,742) | (26,583) | (24,338) | (24,388) |
| Accommodation ^(b) | (5,061) | (1,359) | (1,239) | (1,298) | (1,948) | (2,352) | (2,494) |
| GST payments..... | (10,261) | (19,948) | (15,415) | (17,548) | (23,257) | (31,234) | (31,909) |
| Finance and interest costs..... | (245) | (2,318) | (2,319) | (9,335) | (16,998) | (16,134) | (15,258) |
| Other payments..... | (11,773) | (9,567) | (8,071) | (9,105) | (8,502) | (12,748) | (13,161) |
| Net cash from operating activities..... | 47,084 | 75,002 | 65,262 | 74,310 | 122,983 | 202,718 | 196,426 |
| CASHFLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| Proceeds from sale of non-current assets..... | - | - | 23 | - | - | - | - |
| Payments | | | | | | | |
| Purchase of non-current assets..... | (17,738) | (91,954) | (62,620) | (124,537) | (189,036) | (60,586) | (9,875) |
| Net cash from investing activities..... | (17,738) | (91,954) | (62,597) | (124,537) | (189,036) | (60,586) | (9,875) |
| CASHFLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| Proceeds from borrowings..... | - | 34,550 | 5,152 | 95,074 | 174,299 | 51,275 | - |
| Payments | | | | | | | |
| Repayment of borrowings and leases..... | (1,262) | (2,985) | (3,282) | (9,597) | (17,009) | (17,602) | (18,525) |
| Net cash from financing activities..... | (1,262) | 31,565 | 1,870 | 85,477 | 157,290 | 33,673 | (18,525) |
| CASHFLOWS FROM GOVERNMENT | | | | | | | |
| Receipts | | | | | | | |
| Equity contributions..... | - | 1,500 | 1,500 | - | 1,573 | 2,375 | 10,649 |
| Major Treasurer's Special Purpose Account(s) | | | | | | | |
| Royalties for Regions Fund | | | | | | | |
| Regional Infrastructure and Headworks Fund..... | 6,500 | 8,551 | 10,051 | 1,449 | - | - | - |
| Payments | | | | | | | |
| Dividends to Government..... | - | (29,973) | - | (31,367) | (50,980) | (81,525) | (87,024) |
| National Tax Equivalent Regime - Income | | | | | | | |
| Tax..... | (12,708) | (17,117) | (14,388) | (17,453) | (31,059) | (54,756) | (57,434) |
| Local Government Rates Equivalent..... | (1,067) | (934) | (1,073) | (1,120) | (1,176) | (1,235) | (1,297) |
| Net cash provided to Government..... | 7,275 | 37,973 | 3,910 | 48,491 | 81,642 | 135,141 | 135,106 |
| NET INCREASE/(DECREASE) IN CASH HELD..... | 20,809 | (23,360) | 625 | (13,241) | 9,595 | 40,664 | 32,920 |
| Cash assets at the beginning of the reporting period..... | 57,922 | 76,802 | 78,731 | 79,356 | 66,115 | 75,710 | 116,374 |
| Cash assets at the end of the reporting period..... | 78,731 | 53,442 | 79,356 | 66,115 | 75,710 | 116,374 | 149,294 |

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

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

Pilbara Ports Authority

Part 9 Transport

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..... | 101,628 | 115,702 | 110,396 | 111,158 | 118,040 | 116,945 | 112,482 |
| Local Government Rates Equivalent | 3,900 | 3,210 | 3,895 | 4,002 | 4,102 | 4,205 | 4,310 |
| Dividends ^{(a)(b)} | - | 209,664 | - | 220,085 | 230,701 | 232,484 | 225,302 |
| EXPENSES FROM GENERAL GOVERNMENT SECTOR | | | | | | | |
| Other Subsidies | 8,699 | 8,699 | 12,994 | 18,481 | 6,940 | 6,908 | 6,899 |
| EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR | | | | | | | |
| Equity Contributions | 58,168 | 21,671 | 87,541 | 211,416 | 257,436 | 87,798 | 68,860 |
| Major Treasurer's Special Purpose Account(s)..... | 6,050 | 26,178 | 26,178 | - | - | - | - |
| RATIOS | | | | | | | |
| Dividend Payout Ratio (%) | 85 | 85 | 85 | 85 | 85 | 85 | 85 |
| GOVERNMENT TRADING ENTERPRISE INFORMATION | | | | | | | |
| Revenue from Operations | 656,080 | 736,409 | 778,595 | 759,800 | 789,445 | 787,576 | 827,628 |
| Revenue from Government | 8,699 | 8,699 | 12,994 | 18,481 | 6,940 | 6,908 | 6,899 |
| Total Expenses ^(c) | 321,738 | 376,894 | 402,720 | 408,310 | 413,175 | 410,540 | 450,426 |
| Total Borrowings | 138,573 | 176,724 | 176,725 | 165,641 | 168,305 | 131,703 | 92,818 |
| NET PROFIT AFTER TAX | 241,413 | 252,512 | 278,473 | 258,813 | 265,170 | 266,999 | 271,619 |
| CASH ASSETS ^(d) | 832,774 | 715,756 | 1,099,803 | 1,089,569 | 1,052,631 | 1,169,682 | 1,338,453 |

(a) The Authority will retain 2023-24 dividend payments to contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise (GTE) for further detail.

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

(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 Authority'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 Adjustments | | | | | |
| Extension of Port Hedland Voluntary Buy-Back Scheme | 3,813 | 4,332 | 1,466 | 7,928 | 27,817 |
| Iron Ore Transshipment at Port of Ashburton..... | - | 4,269 | 6,685 | 7,143 | 7,321 |
| Recruitment of Up to Eight Additional Marine Pilots | (1,938) | (974) | (160) | - | 2,017 |
| Transfer of Port of Barrow Island..... | - | 947 | 989 | 1,015 | 1,040 |
| Other | | | | | |
| 2023-24 Dividend Retention..... | (209,270) | - | - | - | - |
| Maintenance Dredging Budget Increase | (3,358) | (669) | - | - | - |
| Revision of Financial Forecasts..... | (3,532) | (3,645) | 711 | 11,633 | 13,356 |

Significant Issues Impacting the Government Trading Enterprise

Asset Growth

1. An amount of \$129.1 million was previously approved in the 2022-23 Budget and the 2022-23 Mid-year Review for construction of seawalls and bund walls (\$66.1 million), construction of a causeway (\$12 million) and inner harbour dredging (\$15 million) at Lumsden Point and for roads, corridor and the Great Northern Highway intersection (\$36 million). An additional \$500 million was approved in the 2023-24 Mid-year Review. This expenditure will facilitate the future development of additional general cargo facilities and a logistics hub at Port Hedland.
2. The Dampier Bulk Handling Facility includes development of a new land-backed wharf that will initially support the bulk export of urea from an industrial project in the region and redundancy for ageing infrastructure at the Port of Dampier. The new land-backed wharf will be a multi-user, multi-product facility capable of accommodating bulk carriers, cruise ships and general cargo vessels, as well as vessels supporting the offshore oil and gas industry.
3. In June 2020, the Government announced that the Authority would be the lead agency for the construction of the Spoilbank Marina in Port Hedland. Once constructed, ownership and operations of the marina will be transferred to Transport. The project is being delivered in two key stages.
 - 3.1. Stage one was delivered by Main Roads on behalf of Transport and involved the construction of the truck haulage road. Stage one reached practical completion at the end of March 2021.
 - 3.2. The Authority has progressed delivering stage two, which is comprised of bulk earthworks, revetments and breakwaters, dredging and reclamation works, marina structures and land-side civil works. The boat ramp and carpark area were opened for public use in January 2024. Completion of stage two works is expected in 2024-25.

Asset Maintenance and Replacement of Ageing Infrastructure

4. Utah Point Bulk Handling Facility commenced operations in 2010. The facility has consistently facilitated volumes well above its design capacity. Remediation of Utah Road will continue in 2024-25 with \$17 million invested in construction and design development with the ultimate objective of sustaining forecast throughput at the facility.
5. The Seafarers' Centre in Port Hedland is no longer fit-for-purpose. A replacement facility will be built at a cost of \$13.5 million. The upgrade of this facility recognises the valued contribution of seafarers in the facilitation of trade. The cost of this facility is being funded by proponent contributions via the Port Hedland Voluntary Buy-Back Scheme.

Port Hedland Voluntary Buy-Back Scheme

6. In June 2020, the Government announced a voluntary buy-back scheme for parts of Port Hedland's West End and that the scheme would be delivered by the Authority. There are 434 eligible properties.

Dividend Retention

7. The Authority will retain its forecast 2023-24 dividend payment of \$218.3 million to contribute to funding future infrastructure investment. This results in a total retained dividend of \$665.3 million after \$447 million was retained previously. Of the dividends retained, \$29.8 million has been allocated to the Spoilbank Marina project, \$137.4 million to the Dampier Bulk Handling Facility and \$17 million to Utah Point Bulk Handling Facility road projects. The remaining funds will be quarantined, pending Government approval of business cases for the strategic infrastructure requirements of the Authority as part of future Budgets.

Construction and Labour Market Cost Pressures

8. The Western Australian construction market is experiencing a period of unprecedented demand. This demand and the associated labour/skills shortage in related occupations have seen the cost of delivering construction projects increase significantly. The Authority continues to manage its procurement processes diligently, seeking to maximise value for money as it implements its Asset Investment Program. The Authority's focus on value for money and cost management are balanced with the overarching need to deliver the port infrastructure that contributes significantly to the growth of the State's economy and the achievement of its net zero policy outcomes.

Annual Performance Statement

The following performance information is the subject of an Annual Performance Statement adopted by the GTE.

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

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

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

Outcomes and Key Performance Indicators

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Outcome: Optimise capital structure of the Authority, including consideration of debt and equity funding of major value accretive capital investments: | | | | | |
| Rate of return on assets | 10.1% | 10.8% | 6.7% | 7.9% | 1 |
| Economic rate of return ^(a) | 11.2% | 11.3% | 7.9% | 9.2% | 2 |
| Debt to equity ratio | 0.31 | 0.29 | 0.32 | 0.32 | |
| Outcome: Maximise regional benefits through management of existing and future ports: ^(b) | | | | | |
| Port of Port Hedland | | | | | |
| Ship revenue earned per visit | \$148,415 | \$158,178 | \$158,646 | \$168,684 | |
| Port trade ('000 tonnes) | 566,548 | 578,185 | 580,675 | 584,151 | |
| Number of vessel visits | 3,289 | 3,381 | 3,371 | 3,391 | |
| Port of Dampier | | | | | |
| Ship revenue earned per visit | \$20,752 | \$18,484 | \$20,485 | \$22,449 | 3 |
| Port trade ('000 tonnes) | 173,992 | 170,195 | 170,560 | 171,621 | |
| Number of vessel visits | 3,059 | 3,323 | 2,999 | 3,017 | |

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

(b) Port of Ashburton, Port of Varanus Island and Port of Barrow Island information is not included for reasons of commercial confidentiality.

Explanation of Significant Movements

(Notes)

1. The rate of return on assets is forecast to be 6.7% in 2023-24 versus a budgeted target of 10.8%, mainly due to an increase in assets, and a decrease in adjusted earnings before interest, tax and depreciation. The rate of return on assets is forecast to increase from 6.7% in 2023-24 to 7.9% in 2024-25 mainly due to an increase in adjusted earnings before interest, tax and depreciation, partly offset by an increase in assets.
2. The economic rate of return is forecast to be 7.9% in 2023-24 versus a budgeted target of 11.3%, mainly due to an increase in assets, and a decrease in adjusted earnings before interest, tax and depreciation. The economic rate of return is forecast to increase from 7.9% in 2023-24 to 9.2% in 2024-25 mainly due to an increase in adjusted earnings before interest, tax and depreciation, partly offset by an increase in assets.
3. The ship revenue earned per visit at the Port of Dampier is forecast to be \$20,485 per visit in 2023-24 versus a budgeted target of \$18,484, mainly due to a forecast decrease in vessel visits.

Asset Investment Program

1. The Authority's Asset Investment Program totals \$1.2 billion over the forward estimates period and includes:
 - 1.1. the provision of sustaining works;
 - 1.2. revetment upgrades at the Port of Port Hedland;
 - 1.3. property purchases by Hedland Maritime Initiative;
 - 1.4. Utah Bulk Handling Facility road projects; and
 - 1.5. construction of the Port Hedland Spoilbank Marina, the Lumsden Point General Cargo Facility and Logistics Hub, the Dampier Bulk Handling Facility and Link Bridge, port infrastructure at the Port of Ashburton and the Port Hedland Seafarers' Centre.
2. The Lumsden Point General Cargo Facility and Logistics Hub will meet the demand for existing and new trade growth through the Pilbara region. Total expenditure is forecast to be \$629.1 million.
3. The Dampier Bulk Handling Facility project will provide an additional 200 metre length of berth at the Port of Dampier for the export of bulk solids and the import/export of general cargoes and other commodities. The total expenditure is forecast to be \$298.3 million.
4. The Hedland Maritime Initiative is a special purpose vehicle established to administer the Government's Port Hedland Voluntary Buy-back Scheme and facilitate the planning and development of a maritime precinct. The Hedland Maritime Initiative acquisition and refurbishment of residential and commercial properties is forecast to cost a total of \$245.8 million.
5. The construction of the Port Hedland Spoilbank Marina is forecast to cost a total of \$160 million. The expenditure is funded from Royalties for Regions, other State contributions and retained dividends.
6. Following Severe Tropical Cyclone Veronica in March 2019, work was undertaken to assess the extent of damage caused to the Port Hedland Inner Harbour. The cyclone was analysed as being a one in 50-year event. Four revetment locations were identified as requiring immediate upgrade. The Port Hedland Inner Harbour Revetment project has a total forecast expenditure of \$20 million and the Tug Haven Revetment Wall Upgrades project has forecast expenditure of \$72.5 million.
7. The Dampier Link Bridge required to facilitate major project cargoes is forecast to cost \$75 million.
8. The Dampier Cargo Wharf Refurbishment is forecast to cost \$40 million.
9. Chevron's handover of Port of Ashburton infrastructure was completed in 2018-19. Works to support future development of the multi-user facilities at the port are forecast to cost \$32.4 million.
10. The remediation of Utah Road will continue in 2024-25 with \$17 million invested in construction and design development with the ultimate objective of sustaining forecast throughput at the Utah Bulk Handling Facility.
11. The construction of a Seafarers' Centre in Port Hedland to replace the existing facility that is no longer fit-for-purpose is forecast to cost \$13.5 million.

| | 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 | | | | | | | |
| Port of Ashburton - Port Infrastructure Construction | | | | | | | |
| Project | 32,400 | 17,164 | 2,759 | 5,687 | 5,500 | 4,049 | - |
| Port of Dampier - Dampier Bulk Handling Facility | 298,279 | 35,404 | 35,369 | 98,923 | 124,551 | 39,401 | - |
| Port of Port Hedland | | | | | | | |
| Election Commitment - Spoilbank Marina | 159,960 | 135,771 | 60,841 | 24,189 | - | - | - |
| Hedland Maritime Initiative | 245,757 | 161,480 | 55,670 | 46,185 | 38,092 | - | - |
| Inner Harbour Revetment Upgrades | 20,000 | 17,686 | 5,578 | 2,314 | - | - | - |
| Lumsden Point General Cargo Facility and Logistics | | | | | | | |
| Hub | 629,095 | 70,994 | 57,934 | 274,286 | 283,815 | - | - |
| Tug Haven Revetment Wall Upgrades | 72,536 | 70,877 | 41,047 | 1,659 | - | - | - |
| COMPLETED WORKS | | | | | | | |
| All Pilbara Ports - 2023-24 Minor Works Program | 28,796 | 28,796 | 25,546 | - | - | - | - |
| NEW WORKS | | | | | | | |
| All Pilbara Ports - Sustaining Capital Works | 84,684 | - | - | 16,387 | 20,241 | 23,346 | 24,710 |
| Port of Dampier | | | | | | | |
| Dampier Cargo Wharf Refurbishment | 40,000 | - | - | - | - | 3,000 | 37,000 |
| Dampier Link Bridge | 75,000 | - | - | - | 39,000 | 36,000 | - |
| Port of Port Hedland | | | | | | | |
| Seafarers' Centre | 13,500 | - | - | - | 13,500 | - | - |
| Utah Access Road Refurbishment - Stage 5 | 15,000 | - | - | 7,500 | 7,500 | - | - |
| Utah Ring Road Pavement Refurbishment | 2,000 | - | - | 2,000 | - | - | - |
| Total Cost of Asset Investment Program | 1,717,007 | 538,172 | 284,744 | 479,130 | 532,199 | 105,796 | 61,710 |
| FUNDED BY | | | | | | | |
| Borrowings | | | 21,379 | 73,136 | 63,400 | - | - |
| Capital Appropriation | | | 69,300 | 163,800 | 230,100 | 60,800 | 41,000 |
| Internal Funds and Balances | | | 167,887 | 242,194 | 238,699 | 44,996 | 7,210 |
| Major Treasurer's Special Purpose Account(s) | | | | | | | |
| Royalties for Regions Fund | | | 26,178 | - | - | - | - |
| Other | | | - | - | - | - | 13,500 |
| Total Funding | | | 284,744 | 479,130 | 532,199 | 105,796 | 61,710 |

Financial Statements

Income Statement

Revenue

- Revenue growth is attributable to increased throughput, approved price increases and the addition of the Port of Barrow Island.
- There is a reduction between 2023-24 Estimated Actual and the 2024-25 Budget Year, mainly due to the receipt of a \$65 million contribution from port users for the development of Port Hedland in 2023-24.

Expenses

- Operating expenses are expected to rise from 2023-24 Budget due to:
 - changes to the workforce plan;
 - increased depreciation due to higher asset valuations and additions to the Asset Investment Program;
 - a \$21.7 million provision for a payment that may be required to DevelopmentWA for land activation in relation to the Hedland Maritime Initiative;
 - higher interest costs; and
 - higher general expenditure due to the current economic environment.

INCOME STATEMENT ^(a)
(Controlled)

| | 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 | | | | | | | |
| Sale of goods and services..... | 601,813 | 710,597 | 720,051 | 699,423 | 745,053 | 744,950 | 783,936 |
| Other revenue..... | 54,267 | 25,812 | 58,544 | 60,377 | 44,392 | 42,626 | 43,692 |
| Revenue from Government | | | | | | | |
| Other subsidies..... | 8,699 | 8,699 | 12,994 | 18,481 | 6,940 | 6,908 | 6,899 |
| TOTAL REVENUE | 664,779 | 745,108 | 791,589 | 778,281 | 796,385 | 794,484 | 834,527 |
| Expenses | | | | | | | |
| Employee benefits ^(b) | 67,230 | 72,085 | 78,152 | 85,360 | 86,232 | 88,285 | 90,269 |
| Grants and subsidies..... | - | 21,854 | 620 | 1,380 | 10,000 | 5,600 | 4,050 |
| Supplies and services..... | 67,018 | 84,278 | 102,544 | 98,057 | 85,019 | 80,896 | 88,594 |
| Accommodation..... | 42,218 | 46,531 | 45,170 | 46,413 | 47,572 | 48,763 | 49,982 |
| Depreciation and amortisation | 107,807 | 110,477 | 129,335 | 131,174 | 137,138 | 138,184 | 161,434 |
| Finance and interest costs..... | 7,196 | 8,697 | 9,761 | 8,990 | 8,930 | 10,045 | 16,374 |
| Other expenses | 30,269 | 32,972 | 37,138 | 36,936 | 38,284 | 38,767 | 39,723 |
| TOTAL EXPENSES | 321,738 | 376,894 | 402,720 | 408,310 | 413,175 | 410,540 | 450,426 |
| NET PROFIT/(LOSS) BEFORE TAX | 343,041 | 368,214 | 388,869 | 369,971 | 383,210 | 383,944 | 384,101 |
| National Tax Equivalent Regime - Current tax equivalent expense | 101,628 | 115,702 | 110,396 | 111,158 | 118,040 | 116,945 | 112,482 |
| NET PROFIT/(LOSS) AFTER TAX | 241,413 | 252,512 | 278,473 | 258,813 | 265,170 | 266,999 | 271,619 |
| Dividends | - | 209,664 | - | 220,085 | 230,701 | 232,484 | 225,302 |

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

(b) The full-time equivalents for 2022-23 Actual, 2023-24 Estimated Actual and 2024-25 Budget Year are 353, 405 and 405 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..... | 304,977 | 288,574 | 457,677 | 491,571 | 510,954 | 649,105 | 824,804 |
| Cash assets - Retained dividends | 440,224 | 410,464 | 600,135 | 549,007 | 498,186 | 481,135 | 481,135 |
| Restricted cash | 87,573 | 16,718 | 41,991 | 48,991 | 43,491 | 39,442 | 32,514 |
| Receivables | 87,523 | 98,812 | 104,254 | 101,843 | 104,134 | 104,224 | 107,508 |
| Other..... | 10,305 | 16,630 | 11,590 | 11,381 | 11,580 | 11,588 | 11,873 |
| Total current assets..... | 930,602 | 831,198 | 1,215,647 | 1,202,793 | 1,168,345 | 1,285,494 | 1,457,834 |
| NON-CURRENT ASSETS | | | | | | | |
| Property, plant and equipment..... | 3,678,486 | 3,048,697 | 3,827,318 | 4,175,373 | 4,570,434 | 4,538,045 | 4,438,322 |
| Intangibles | 1,145 | 2,325 | 490 | - | - | - | - |
| Other investments..... | 269 | 280 | 269 | 269 | 269 | 269 | 269 |
| Other..... | 112,426 | 96,071 | 112,427 | 112,427 | 112,427 | 112,427 | 112,427 |
| Total non-current assets..... | 3,792,326 | 3,147,373 | 3,940,504 | 4,288,069 | 4,683,130 | 4,650,741 | 4,551,018 |
| TOTAL ASSETS | 4,722,928 | 3,978,571 | 5,156,151 | 5,490,862 | 5,851,475 | 5,936,235 | 6,008,852 |
| CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 12,940 | 11,447 | 12,923 | 12,923 | 12,923 | 12,923 | 12,923 |
| Payables | 29,079 | 18,501 | 35,506 | 37,546 | 37,102 | 37,146 | 37,612 |
| Borrowings and leases | 61,859 | 19,242 | 22,049 | 22,300 | 22,566 | 22,849 | 22,849 |
| Other..... | 22,174 | 19,004 | 18,695 | 18,695 | 18,695 | 18,695 | 18,695 |
| Total current liabilities..... | 126,052 | 68,194 | 89,173 | 91,464 | 91,286 | 91,613 | 92,079 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 1,252 | 1,193 | 1,246 | 1,246 | 1,246 | 1,246 | 1,246 |
| Borrowings and leases | 115,074 | 219,727 | 192,989 | 275,166 | 344,052 | 306,170 | 263,144 |
| Other..... | 969,552 | 605,262 | 969,552 | 969,552 | 969,552 | 969,552 | 969,552 |
| Total non-current liabilities..... | 1,085,878 | 826,182 | 1,163,787 | 1,245,964 | 1,314,850 | 1,276,968 | 1,233,942 |
| TOTAL LIABILITIES | 1,211,930 | 894,376 | 1,252,960 | 1,337,428 | 1,406,136 | 1,368,581 | 1,326,021 |
| NET ASSETS | 3,510,998 | 3,084,195 | 3,903,191 | 4,153,434 | 4,445,339 | 4,567,654 | 4,682,831 |
| EQUITY | | | | | | | |
| Contributed equity..... | 485,527 | 533,552 | 599,246 | 810,761 | 1,068,197 | 1,155,995 | 1,224,855 |
| Accumulated surplus/(deficit)..... | 939,154 | 970,856 | 1,217,628 | 1,256,356 | 1,290,825 | 1,325,342 | 1,371,659 |
| Reserves | 2,086,317 | 1,579,787 | 2,086,317 | 2,086,317 | 2,086,317 | 2,086,317 | 2,086,317 |
| TOTAL EQUITY | 3,510,998 | 3,084,195 | 3,903,191 | 4,153,434 | 4,445,339 | 4,567,654 | 4,682,831 |

(a) Full audited financial statements are published in the Authority'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 | | | | | | | |
| Sale of goods and services..... | 602,764 | 775,918 | 679,249 | 669,796 | 704,111 | 703,986 | 739,834 |
| GST receipts..... | 9,819 | - | - | - | - | - | - |
| Other receipts..... | 79,124 | 10,180 | 92,797 | 95,793 | 85,443 | 84,704 | 86,822 |
| Payments | | | | | | | |
| Employee benefits..... | (65,699) | (72,084) | (78,152) | (85,360) | (86,232) | (88,285) | (90,269) |
| Supplies and services..... | (116,809) | (79,524) | (97,586) | (92,963) | (79,798) | (75,543) | (83,108) |
| Accommodation ^(b) | (38,318) | (43,321) | (41,275) | (42,411) | (43,470) | (44,558) | (45,672) |
| GST payments..... | (10,109) | - | (271) | - | (1) | - | - |
| Finance and interest costs..... | (6,848) | (9,647) | (9,761) | (8,990) | (8,934) | (10,054) | (16,388) |
| Other payments..... | (25,008) | (122,783) | (45,886) | (44,142) | (56,230) | (51,586) | (51,465) |
| Net cash from operating activities..... | 428,916 | 458,739 | 499,115 | 491,723 | 514,889 | 518,664 | 539,754 |
| CASHFLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Purchase of non-current assets..... | (136,714) | (291,563) | (284,744) | (479,130) | (532,199) | (105,796) | (61,710) |
| Net cash from investing activities..... | (136,714) | (291,563) | (284,744) | (479,130) | (532,199) | (105,796) | (61,710) |
| CASHFLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| Proceeds from borrowings..... | 40,000 | 53,380 | 42,000 | 93,512 | 73,488 | - | - |
| Payments | | | | | | | |
| Repayment of borrowings and leases..... | (59,678) | (65,230) | (3,848) | (11,085) | (4,336) | (37,600) | (43,026) |
| Net cash from financing activities..... | (19,678) | (11,850) | 38,152 | 82,427 | 69,152 | (37,600) | (43,026) |
| CASHFLOWS FROM GOVERNMENT | | | | | | | |
| Receipts | | | | | | | |
| Equity contributions..... | 58,168 | 21,671 | 87,541 | 211,416 | 257,436 | 87,798 | 68,860 |
| Other subsidies..... | 8,699 | 8,699 | 12,994 | 18,481 | 6,940 | 6,908 | 6,899 |
| Major Treasurer's Special Purpose Account(s) Royalties for Regions Fund Regional Infrastructure and Headworks Fund..... | 6,050 | 26,178 | 26,178 | - | - | - | - |
| Payments | | | | | | | |
| Dividends to Government..... | - | (209,664) | - | (220,085) | (230,701) | (232,484) | (225,302) |
| National Tax Equivalent Regime - Income Tax..... | (117,855) | (115,702) | (108,312) | (111,064) | (118,353) | (116,234) | (112,394) |
| Local Government Rates Equivalent..... | (3,900) | (3,210) | (3,895) | (4,002) | (4,102) | (4,205) | (4,310) |
| Net cash provided to Government..... | 48,838 | 272,028 | (14,506) | 105,254 | 88,780 | 258,217 | 266,247 |
| NET INCREASE/(DECREASE) IN CASH HELD..... | 223,686 | (116,702) | 267,029 | (10,234) | (36,938) | 117,051 | 168,771 |
| Cash assets at the beginning of the reporting period..... | 609,088 | 832,458 | 832,774 | 1,099,803 | 1,089,569 | 1,052,631 | 1,169,682 |
| Cash assets at the end of the reporting period..... | 832,774 | 715,756 | 1,099,803 | 1,089,569 | 1,052,631 | 1,169,682 | 1,338,453 |

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

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

Southern Ports Authority

Part 9 Transport

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

| | 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..... | 26,328 | 14,849 | 16,814 | 20,288 | 24,732 | 27,296 | 31,521 |
| Local Government Rates Equivalent | 1,104 | 855 | 855 | 990 | 1,020 | 1,045 | 1,071 |
| Dividends ^{(a)(b)} | - | 26,948 | - | 33,984 | 41,335 | 46,645 | 53,313 |
| EXPENSES FROM GENERAL GOVERNMENT SECTOR | | | | | | | |
| Operating Subsidies | 10,010 | - | - | - | - | - | - |
| EQUITY CONTRIBUTION FROM GENERAL GOVERNMENT SECTOR | | | | | | | |
| Equity Contributions | - | - | 1,417 | - | - | - | - |
| Major Treasurer's Special Purpose Account(s)..... | 3,767 | 8,525 | 15,400 | 15,943 | 3,700 | 3,700 | - |
| RATIOS | | | | | | | |
| Dividend Payout Ratio (%) | 75 | 75 | 75 | 75 | 75 | 75 | 75 |
| GOVERNMENT TRADING ENTERPRISE INFORMATION | | | | | | | |
| Revenue from Operations | 204,728 | 183,602 | 203,343 | 236,949 | 251,135 | 260,098 | 276,079 |
| Revenue from Government | 10,010 | - | - | - | - | - | - |
| Total Expenses ^(c) | 127,012 | 134,106 | 147,297 | 169,323 | 168,697 | 169,112 | 171,007 |
| Total Borrowings | 4,805 | 3,334 | 3,334 | 1,951 | 541 | 4 | 4 |
| NET PROFIT AFTER TAX | 61,398 | 34,647 | 39,232 | 47,338 | 57,706 | 63,690 | 73,551 |
| CASH ASSETS ^(d) | 138,822 | 74,360 | 135,477 | 109,834 | 96,659 | 104,179 | 124,449 |

(a) The Authority will retain 2023-24 dividend payments to contribute to funding future infrastructure investment. Refer to Significant Issues Impacting the Government Trading Enterprise (GTE) for further detail.

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

(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 Authority'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 Adjustments | | | | | |
| Port of Albany Pilot Station Precinct Development | - | - | - | - | (192) |
| Port of Bunbury Shed 8-3 Recladding | - | - | - | (220) | (262) |
| Port of Esperance Operations Centre | - | - | - | (33) | (39) |
| Port of Esperance Roads Upgrade (Stage 2 and 3) | - | - | - | (338) | (402) |
| Port of Esperance Tug Pen and Pilot Jetty Upgrade | - | - | - | (344) | (409) |
| Other | | | | | |
| 2023-24 Retained Dividend | (29,527) | - | - | - | - |
| Revision of Financial Forecasts ^(a) | 4,544 | (28,266) | (30,076) | (24,711) | 10,485 |

(a) Revision of financial forecasts are driven by pricing and trade projections.

Significant Issues Impacting the Government Trading Enterprise

Asset growth

1. The Authority is investing in a number of upgrade projects to facilitate existing and future growth as outlined in the Port Master Plans. The Authority will continue to work actively and in partnerships with current and potential customers and State entities to create competitive supply chains and secure trade and investment opportunities in the regions.

Trade Growth

2. Whilst broadening the Authority's trading options to better diversify risks across customers and commodities, iron ore, grain and alumina remain central to the Authority's portfolio. Recognizing the vulnerability of the nickel industry, which constitutes 1% of the Authority's revenue, the Authority has adjusted nickel raw material port pricing to align with the State's Royalty Relief Program and strengthen resilience for critical minerals.

Sustaining Capital Investment

3. An ongoing key priority is the development of life cycle asset management plans, funding of major maintenance and asset renewal plans necessary to sustain existing capacity and capability to facilitate trade. The Authority is investing in a number of sustaining capital projects from 2024-25 to 2027-28.

Construction and Labour Market Cost Pressures

4. The Authority has experienced significant increases in construction costs, primarily through escalating material and service costs. Constraints in the Western Australian labour market (particularly in regional areas) have impacted on the Authority's ability to deliver on previously approved capital projects in the anticipated timeframes.

Dividend Retention

5. The Authority is retaining its 2021-22, 2022-23 and 2023-24 dividend payment of \$66.7 million, \$41.6 million and \$29.5 million respectively, totalling \$137.8 million, of which \$75.4 million is yet to be allocated, to fund future investment.

Annual Performance Statement

The following performance information is the subject of an Annual Performance Statement adopted by the GTE.

Objectives, Outcomes and Key Performance Information

Relationship to Government Goals

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

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

Outcomes and Key Performance Indicators

| | 2022-23 Actual | 2023-24 Budget | 2023-24 Estimated Actual | 2024-25 Budget Target | Note |
|---|-------------------|-------------------------|--------------------------------|-----------------------------|------|
| Outcome: Maximise opportunities to create value for the State: | | | | | |
| Return on assets | 17.3% | 9.3% | 9.6% | 10.3% | 1 |
| Earnings before interest, taxes, depreciation and amortisation (\$'000) | 96,101 | 62,196 | 66,951 | 81,235 | 2 |
| Economic rate of return ^(a) | 13% | 6.2% | 5.4% | 6% | 1 |
| Debt to equity ratio | 0.09 | 0.08 | 0.08 | 0.07 | 3 |
| Outcome: Maintain a flexible and nimble organisational structure with clear accountabilities for competent and knowledgeable personnel: | | | | | |
| Customer satisfaction score - Corporate index score ^(b) | 73 | >65 | n.a. | >65 | |
| Lost time injury frequency rate | 3.1 | nil or 10% reduction | 3.7 | nil or 10% reduction | |
| Total number of vessel visits | 853 | 784 | 822 | 847 | 4 |
| Total port trade tonnes (Kt) | 37,162 | 36,520 | 35,945 | 38,964 | 5 |
| Outcome: Maintain a solid reputation with customers and the community for creating long-term value which protects the environment and heritage assets: | | | | | |
| Number of reportable environment incidents | 1 | nil or 10% reduction | nil | nil or 10% reduction | |

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

(b) Customer satisfaction survey is yet to be completed.

Explanation of Significant Movements

(Notes)

1. The higher return on assets and economic rate of return for the 2022-23 Actual is due to recognition of revenue from a one-off transfer of assets on termination of a lease arrangement amounting to \$26.8 million and the end of the Government support package for Koolyanobbing iron ore subsidy of \$10 million.
2. Earnings before interest, taxes, depreciation and amortisation declined from the 2022-23 Actual to the 2023-24 Estimated Actual due to one-off asset transfer of \$28.6 million and the end of the Government support package for the Koolyanobbing iron ore subsidy of \$10 million in 2022-23. The 21% increase forecasted for the 2024-25 Budget Target is mainly driven by a 5% increase in port pricing and a 17% increase in forecasted iron ore volumes.
3. The downward trend in debt to equity ratio is consistent with the annual decrease in borrowings in accordance with scheduled debt repayments on a Western Australian Treasury Corporation loan.
4. The increase in total number of vessel visits forecast in the 2024-25 Budget Target is mainly driven by increase in grain and iron ore trade volumes at Esperance Port.
5. The Authority consults with port users to obtain current trade forecasts, with the main movement in year-on-year trade increasing due to revised grain and iron ore volumes in the 2024-25 Budget Target.

Asset Investment Program

1. The Authority's Asset Investment Program for 2024-25 to 2027-28 totals \$176.2 million, investing in projects to support the regional development and economic growth of the State through the import and export of various commodities.

New Projects

2. The Authority will spend \$49.2 million over 2024-25 to 2027-28 on the following infrastructure projects:
 - 2.1. \$14.9 million on the Tug Pen and Pilot Jetty upgrade in Esperance to enable ongoing towage and pilotage services, which are essential to facilitation of trade through the port;
 - 2.2. \$12.2 million to upgrade the Esperance port entry and internal roads (Stage 2 and 3), providing safe and functional heavy vehicle access and supporting recent growth in non-iron ore trade transported by road;
 - 2.3. \$9.5 million on recladding Shed 8-3 in Bunbury to ensure continuation of existing and future trade and avoid potential safety issues;
 - 2.4. \$8.3 million on the Pilot Station Precinct Development in Albany to develop the heritage listed pilot station cottages and surrounding area;
 - 2.5. \$2.3 million on site investigations and concept designs for a new Operations Centre in Esperance; and
 - 2.6. \$2 million relating to design for a new general purpose berth in Albany to enable trade facilitation through the Great Southern region.

Existing Projects

3. The Authority will spend \$127 million over the forward estimates period on the following projects:
 - 3.1. \$76.3 million for all ports sustaining capital works allocation (which includes the existing minor capital works budget) to enable the Authority to undertake works to maintain current port capacity and sustain its asset base;
 - 3.2. \$15 million on the design and construction of a new public access road and bridge to Turkey Point at the Port of Bunbury;
 - 3.3. \$14 million on operational technology renewals across the three ports to reduce the risk of operational down-time, device failure and security risk;
 - 3.4. \$11.5 million for recladding of Iron Ore Shed 3 in Esperance;
 - 3.5. \$4.8 million on electrical infrastructure upgrades in Albany and Bunbury to meet minimum compliance requirements and mitigate critical electricity reliability and fire risk issues;
 - 3.6. \$3.9 million to upgrade the Esperance port access road to provide safe and functional heavy vehicle access, supporting recent growth in non-iron ore trade transported by road; and
 - 3.7. \$1.5 million on Bunbury Berth 8 conveyor belt widening.

| | 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 | | | | | | | |
| All Southern Ports | | | | | | | |
| Electrical Infrastructure - Albany and Bunbury | 6,800 | 2,000 | 2,000 | 3,200 | 1,600 | - | - |
| Operational Technology Renewals - All Southern Ports | 17,400 | 3,397 | 3,397 | 8,200 | 5,803 | - | - |
| Sustaining Capital Works | 99,563 | 23,296 | 22,709 | 18,119 | 16,925 | 19,948 | 21,275 |
| Port of Bunbury | | | | | | | |
| Conveyor Widening Berth 8 | 5,700 | 4,200 | 4,200 | 1,500 | - | - | - |
| Inner Harbour Access Bridge | 34,220 | 19,167 | 16,138 | 15,053 | - | - | - |
| Port of Esperance | | | | | | | |
| Iron Ore Shed 3 Recladding | 14,580 | 3,075 | 2,500 | - | - | 11,505 | - |
| Port Roads Upgrade (Stage 1) | 7,400 | 3,500 | 3,500 | 1,900 | 2,000 | - | - |
| COMPLETED WORKS | | | | | | | |
| Port of Bunbury | | | | | | | |
| Berth 8 Capacity Upgrade | 8,882 | 8,882 | 1,014 | - | - | - | - |
| Berth 8 Precinct Fire Ring Main (Stage 2) | 3,230 | 3,230 | 2,609 | - | - | - | - |
| Berth 8 Substation Replacement | 1,500 | 1,500 | 1,114 | - | - | - | - |
| Pilot Launch Replacement | 3,577 | 3,577 | 2,622 | - | - | - | - |
| Port of Esperance | | | | | | | |
| Berth 2 Hardstand and Stormwater System (Stage 2) | 2,092 | 2,092 | 2,092 | - | - | - | - |
| Crane Repairs | 6,460 | 6,460 | 6,460 | - | - | - | - |
| NEW WORKS | | | | | | | |
| Port of Albany | | | | | | | |
| General Purpose Berth Works | 2,000 | - | - | 2,000 | - | - | - |
| Pilot Station Precinct Development | 8,290 | - | - | 890 | 3,700 | 3,700 | - |
| Port of Bunbury | | | | | | | |
| Shed 8-3 Recladding | 9,530 | - | - | 5,000 | 4,530 | - | - |
| Port of Esperance | | | | | | | |
| Operations Centre | 2,330 | - | - | 930 | 1,400 | - | - |
| Tug Pen and Pilot Jetty Upgrade | 14,860 | - | - | 8,280 | 6,580 | - | - |
| Port Roads Upgrade (Stage 2 and 3) | 12,200 | - | - | 4,000 | 8,200 | - | - |
| Total Cost of Asset Investment Program | 260,614 | 84,376 | 70,355 | 69,072 | 50,738 | 35,153 | 21,275 |
| FUNDED BY | | | | | | | |
| Internal Funds and Balances | | | 54,955 | 53,129 | 47,038 | 31,453 | 21,275 |
| Major Treasurer's Special Purpose Account(s) | | | | | | | |
| Royalties for Regions Fund | | | 15,400 | 15,943 | 3,700 | 3,700 | - |
| Total Funding | | | 70,355 | 69,072 | 50,738 | 35,153 | 21,275 |

Financial Statements

Income Statement

Revenue

1. Sale of goods and services are increasing over the forward estimates period due to an increase in tonnage throughput and increases in pricing reflecting return on investment on port services and infrastructure.
2. Other revenue in 2022-23 included a one-off revenue recognition arising from a transfer of assets with a fair value of \$28.6 million to the Authority on the termination of a lease arrangement. The higher other revenue in the 2023-24 Estimated Actual mainly relates to higher interest revenue arising from increased cash on deposits and increased interest rates.

Expenses

3. The increase in employee benefits flow from increases in full-time equivalents (FTEs) and labour market cost pressures. The FTE increase is due to higher maintenance activity, project management of ageing infrastructure, and the procurement function in support of increased maintenance and port ICT digitisation projects.
4. A significant portion of the increasing supplies and services in the 2024-25 Budget Year are costs relating to the maintenance of the ports' infrastructure.
5. The depreciation and amortisation increase in 2023-24 is consistent with the addition to property, plant and equipment of \$55 million. This is a continuing trend as capital projects are completed.

Statement of Financial Position

6. Movements in cash assets relate to timing of dividend payments and Asset Investment Program funding assumptions.
7. Property, plant and equipment – major projects driving the 2023-24 and 2024-25 increases include the sustaining capital works across all ports, Port of Bunbury Inner Harbour Access Bridge, all ports operational technology renewals, Port of Esperance Roads Upgrade and the Tug Pen and Pilot Jetty Upgrade as detailed in the Asset Investment Program section.
8. The progressive decrease in non-current receivables is due to a finance lease arrangement that will conclude during 2024-25.
9. The Authority has a loan agreement with the Western Australian Treasury Corporation that was utilised for the construction of assets at Esperance Port. This loan is due to expire in 2026-27. This explains the gradual reduction in non-current borrowings.
10. The increase in contributed equity is through Royalties for Regions program funding for the Bunbury Inner Harbour Access Bridge and Albany Pilot Station Precinct Development.

Statement of Cashflows

11. Receipts from sale of goods and services are increasing due to trade volume and pricing increases.
12. Employee benefits payments reflect increase in FTEs and current labour market cost pressures as detailed in the explanation to the Income Statement.
13. Rising supplier and services costs are in support of the higher maintenance activity on ageing infrastructure across all ports.
14. Dividends to Government were retained during the 2020-21 to 2023-24 financial years. Payments resume in 2024-25.

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 | | | | | | | |
| Sale of goods and services..... | 168,456 | 175,041 | 185,274 | 228,148 | 242,934 | 251,857 | 267,012 |
| Other revenue..... | 36,272 | 8,561 | 18,069 | 8,801 | 8,201 | 8,241 | 9,067 |
| Revenue from Government | | | | | | | |
| Operating subsidies..... | 10,010 | - | - | - | - | - | - |
| TOTAL REVENUE | 214,738 | 183,602 | 203,343 | 236,949 | 251,135 | 260,098 | 276,079 |
| Expenses | | | | | | | |
| Employee benefits ^(b) | 49,725 | 47,676 | 52,416 | 62,617 | 63,701 | 63,157 | 64,428 |
| Supplies and services..... | 46,040 | 52,696 | 60,297 | 69,513 | 64,233 | 63,492 | 62,735 |
| Accommodation..... | 8,747 | 9,826 | 9,826 | 10,699 | 11,115 | 11,054 | 11,321 |
| Depreciation and amortisation..... | 11,829 | 13,648 | 14,273 | 14,758 | 17,679 | 19,153 | 20,047 |
| Finance and interest costs..... | 488 | 264 | 264 | 246 | 160 | 86 | - |
| Other expenses | 10,183 | 9,996 | 10,221 | 11,490 | 11,809 | 12,170 | 12,476 |
| TOTAL EXPENSES | 127,012 | 134,106 | 147,297 | 169,323 | 168,697 | 169,112 | 171,007 |
| NET PROFIT/(LOSS) BEFORE TAX..... | 87,726 | 49,496 | 56,046 | 67,626 | 82,438 | 90,986 | 105,072 |
| National Tax Equivalent Regime - Current tax equivalent expense | 26,328 | 14,849 | 16,814 | 20,288 | 24,732 | 27,296 | 31,521 |
| NET PROFIT/(LOSS) AFTER TAX..... | 61,398 | 34,647 | 39,232 | 47,338 | 57,706 | 63,690 | 73,551 |
| Dividends | - | 26,948 | - | 33,984 | 41,335 | 46,645 | 53,313 |

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

(b) The full-time equivalents for 2022-23 Actual, 2023-24 Estimated Actual and 2024-25 Budget Year are 274, 298 and 329 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..... | 31,679 | 5,204 | 19,574 | 12,824 | 19,208 | 28,824 | 49,094 |
| Cash assets - Retained dividends | 107,143 | 69,156 | 115,903 | 97,010 | 77,451 | 75,355 | 75,355 |
| Receivables | 21,415 | 24,272 | 24,675 | 27,253 | 29,053 | 26,440 | 25,308 |
| Other..... | 8,543 | 7,745 | 8,882 | 9,216 | 9,449 | 9,649 | 9,853 |
| Total current assets..... | 168,780 | 106,377 | 169,034 | 146,303 | 135,161 | 140,268 | 159,610 |
| NON-CURRENT ASSETS | | | | | | | |
| Property, plant and equipment..... | 211,260 | 261,148 | 266,550 | 319,367 | 351,310 | 366,718 | 367,933 |
| Receivables | 4,972 | 3,402 | 3,425 | 1,777 | - | - | - |
| Other..... | 11,356 | 9,566 | 6,114 | 6,230 | 6,311 | 6,380 | 6,451 |
| Total non-current assets..... | 227,588 | 274,116 | 276,089 | 327,374 | 357,621 | 373,098 | 374,384 |
| TOTAL ASSETS | 396,368 | 380,493 | 445,123 | 473,677 | 492,782 | 513,366 | 533,994 |
| CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 8,675 | 9,714 | 9,336 | 9,747 | 10,033 | 10,276 | 10,529 |
| Payables..... | 11,561 | 4,327 | 11,656 | 11,737 | 11,793 | 11,841 | 11,890 |
| Borrowings and leases | 2,442 | 1,778 | 2,354 | 2,379 | 1,506 | 971 | 971 |
| Other..... | 2,095 | 4,187 | 2,281 | 2,366 | 2,425 | 2,476 | 2,528 |
| Total current liabilities..... | 24,773 | 20,006 | 25,627 | 26,229 | 25,757 | 25,564 | 25,918 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Employee provisions..... | 1,293 | 1,207 | 1,373 | 1,434 | 1,477 | 1,513 | 1,549 |
| Borrowings and leases | 6,459 | 2,461 | 5,074 | 3,668 | 3,131 | 3,127 | 3,127 |
| Other..... | 6,102 | 4,465 | 676 | 676 | 676 | 676 | 676 |
| Total non-current liabilities..... | 13,854 | 8,133 | 7,123 | 5,778 | 5,284 | 5,316 | 5,352 |
| TOTAL LIABILITIES | 38,627 | 28,139 | 32,750 | 32,007 | 31,041 | 30,880 | 31,270 |
| NET ASSETS | 357,741 | 352,354 | 412,373 | 441,670 | 461,741 | 482,486 | 502,724 |
| EQUITY | | | | | | | |
| Contributed equity..... | 98,667 | 107,191 | 114,067 | 130,010 | 133,710 | 137,410 | 137,410 |
| Accumulated surplus/(deficit)..... | 244,259 | 230,348 | 283,491 | 296,845 | 313,216 | 330,261 | 350,499 |
| Reserves | 14,815 | 14,815 | 14,815 | 14,815 | 14,815 | 14,815 | 14,815 |
| TOTAL EQUITY | 357,741 | 352,354 | 412,373 | 441,670 | 461,741 | 482,486 | 502,724 |

(a) Full audited financial statements are published in the Authority'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 | | | | | | | |
| Sale of goods and services..... | 146,624 | 158,049 | 165,274 | 206,896 | 222,134 | 232,667 | 247,597 |
| GST receipts..... | 17,408 | 18,137 | 18,137 | 23,335 | 24,906 | 26,058 | 27,610 |
| Other receipts..... | 27,694 | 22,387 | 34,903 | 29,940 | 29,327 | 29,783 | 30,538 |
| Payments | | | | | | | |
| Employee benefits..... | (49,768) | (46,949) | (51,689) | (62,179) | (63,396) | (62,895) | (64,160) |
| Supplies and services..... | (46,112) | (53,701) | (61,302) | (69,735) | (64,395) | (63,654) | (62,902) |
| Accommodation ^(b) | (7,643) | (8,971) | (8,971) | (9,709) | (10,095) | (10,009) | (10,250) |
| GST payments..... | (17,516) | (18,136) | (18,136) | (23,334) | (24,906) | (26,058) | (27,610) |
| Finance and interest costs..... | (416) | (264) | (264) | (246) | (160) | (86) | - |
| Other payments..... | (9,778) | (9,048) | (9,273) | (11,490) | (11,811) | (12,168) | (12,476) |
| Net cash from operating activities..... | 60,493 | 61,504 | 68,679 | 83,478 | 101,604 | 113,638 | 128,347 |
| CASHFLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| Proceeds from sale of non-current assets..... | 1,201 | - | - | - | - | - | - |
| Payments | | | | | | | |
| Purchase of non-current assets..... | (19,039) | (62,081) | (70,355) | (69,072) | (50,738) | (35,153) | (21,275) |
| Net cash from investing activities..... | (17,838) | (62,081) | (70,355) | (69,072) | (50,738) | (35,153) | (21,275) |
| CASHFLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| Other proceeds..... | 1,366 | 1,454 | 1,454 | 1,548 | 1,648 | 1,754 | - |
| Payments | | | | | | | |
| Repayment of borrowings and leases..... | (2,188) | (1,645) | (2,270) | (2,279) | (2,302) | (1,433) | (896) |
| Net cash from financing activities..... | (822) | (191) | (816) | (731) | (654) | 321 | (896) |
| CASHFLOWS FROM GOVERNMENT | | | | | | | |
| Receipts | | | | | | | |
| Operating subsidies..... | 10,010 | - | - | - | - | - | - |
| Equity contributions..... | - | - | 1,417 | - | - | - | - |
| Major Treasurer's Special Purpose Account(s) | | | | | | | |
| Royalties for Regions Fund | | | | | | | |
| Regional Infrastructure and Headworks Fund..... | 3,767 | 8,525 | 15,400 | 15,943 | 3,700 | 3,700 | - |
| Payments | | | | | | | |
| Dividends to Government..... | - | (26,949) | - | (33,984) | (41,335) | (46,645) | (53,314) |
| National Tax Equivalent Regime - Income Tax.... | (21,171) | (14,849) | (16,815) | (20,287) | (24,732) | (27,296) | (31,521) |
| Local Government Rates Equivalent..... | (1,104) | (855) | (855) | (990) | (1,020) | (1,045) | (1,071) |
| Net cash provided to Government..... | 8,498 | 34,128 | 853 | 39,318 | 63,387 | 71,286 | 85,906 |
| NET INCREASE/(DECREASE) IN CASH HELD..... | 33,335 | (34,896) | (3,345) | (25,643) | (13,175) | 7,520 | 20,270 |
| Cash assets at the beginning of the reporting period..... | 105,487 | 109,256 | 138,822 | 135,477 | 109,834 | 96,659 | 104,179 |
| Cash assets at the end of the reporting period..... | 138,822 | 74,360 | 135,477 | 109,834 | 96,659 | 104,179 | 124,449 |

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

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