

## Part 3

### Financial Administration

#### Introduction

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

#### Summary of Recurrent and Asset Investment Expenditure

Agency	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000
Treasury and Finance		
– Total Cost of Services.....	172,587	177,494
– Asset Investment Program .....	1,301	1,877
Western Australian Treasury Corporation		
– Asset Investment Program .....	275	100
Office of the Auditor General		
– Total Cost of Services.....	55,924	60,131
– Asset Investment Program .....	1,734	690
Insurance Commission of Western Australia		
– Asset Investment Program .....	6,108	4,426
Keystart		
– Asset Investment Program .....	1,150	1,150

## Ministerial Responsibilities

Minister	Agency	Services
Deputy Premier; Treasurer; Minister for Transport; Sport and Recreation  Minister for Mines and Petroleum; Finance; Electoral Affairs; Goldfields-Esperance	Treasury and Finance	1. Financial Management and Reporting
		2. Economic and Revenue Forecasts and Policy Development
		3. Evaluation and Planning of Government Service Delivery and Infrastructure Provision
		4. Revenue Assessment and Collection, and Grants and Subsidies Administration
		5. Development and Management of Common Use Contract Arrangements
Deputy Premier; Treasurer; Minister for Transport; Sport and Recreation	Western Australian Treasury Corporation	n.a.
	Office of the Auditor General	1. Public Sector Auditing
	Insurance Commission of Western Australia	n.a.
	Keystart	n.a.

# Division 11 Treasury and Finance

## Part 3 Financial Administration

### Appropriations, Expenses and Cash Assets <sup>(a)</sup>

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000			
<b>DELIVERY OF SERVICES</b>							
Item 14 Net amount appropriated to deliver services .....	113,477	120,168	120,767	<b>123,076</b>	117,708	119,635	121,368
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	2,847	3,054	3,054	<b>3,129</b>	3,211	3,287	3,369
Total appropriations provided to deliver services .....	116,324	123,222	123,821	<b>126,205</b>	120,919	122,922	124,737
<b>ADMINISTERED TRANSACTIONS</b>							
<i>Operating Subsidy Payments</i>							
Item 15 Bunbury Water Corporation .....	4,737	5,981	6,010	<b>9,168</b>	8,756	8,988	9,224
Item 16 Busselton Water Corporation .....	752	4,253	4,386	<b>4,359</b>	4,756	5,400	6,582
Item 17 Electricity Generation and Retail Corporation (Synergy).....	939,945	831,072	1,192,271	<b>778,483</b>	470,612	364,429	264,973
Item 18 Gold Corporation .....	-	-	4,270	<b>6,078</b>	-	-	-
Item 19 Southern Ports Authority .....	-	-	-	<b>2,851</b>	-	-	-
Item 20 Mid West Ports Authority .....	-	-	-	<b>6,029</b>	-	-	-
Item 21 Public Transport Authority of Western Australia .....	1,216,005	1,283,888	1,390,573	<b>1,412,781</b>	1,405,909	1,440,064	1,456,718
Item 22 Regional Power Corporation (Horizon Power) .....	44,611	29,342	51,143	<b>25,707</b>	20,383	20,838	21,026
Item 23 Water Corporation.....	694,310	681,355	596,630	<b>756,244</b>	829,711	905,389	893,743
Item 24 Western Australian Land Authority (DevelopmentWA).....	132,669	266,799	197,882	<b>217,073</b>	99,402	68,197	65,054
Item 25 Western Australian Land Authority (DevelopmentWA) - Provision for Lease Incentives (Strategic Industrial Areas) <sup>(b)</sup> .....	-	1,500	1,500	<b>1,700</b>	3,800	3,800	-
Fremantle Port Authority .....	326	-	-	-	-	-	-
Kimberley Ports Authority .....	2,500	2,500	2,500	-	-	-	-
<i>Grants, Subsidies and Transfer Payments</i>							
Item 26 Department of Creative Industries, Tourism and Sport <sup>(b)</sup> .....	50,299	70,100	37,645	<b>50,257</b>	34,389	-	-
Item 27 Department of Energy and Economic Diversification <sup>(b)</sup> .....	1,100	10,190	8,574	<b>10,139</b>	29,286	24,450	1,200
Item 28 Department of Housing and Works <sup>(b)</sup> .....	-	2,157	-	<b>86,298</b>	59,475	59,475	59,475
Item 29 Department of the Premier and Cabinet <sup>(b)</sup> .....	-	-	-	<b>19,000</b>	-	-	-
Item 30 Department of Transport and Major Infrastructure <sup>(b)</sup> .....	-	14,030	-	<b>4,900</b>	4,000	-	-
Item 31 Goods and Services Tax (GST) Administration Costs .....	68,086	76,800	67,600	<b>76,200</b>	76,800	77,000	77,100
Item 32 National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account.....	-	10,000	10,000	<b>82,001</b>	-	-	-
Item 33 Noongar Land Fund .....	2,800	5,600	5,600	<b>5,600</b>	5,600	5,600	5,600
Item 34 Provision for Government Wages Policy <sup>(c)</sup> .....	-	585,354	-	<b>149,940</b>	93,578	109,624	132,544
Item 35 Provision for National Disability Insurance Scheme Additional Contributions <sup>(d)</sup> .....	-	-	-	<b>163,100</b>	-	-	-
Item 36 Royalties for Regions <sup>(e)</sup> .....	866,108	936,406	740,134	<b>953,824</b>	847,566	802,850	811,882
Item 37 State Property - Emergency Services Levy .....	20,491	21,704	23,077	<b>23,361</b>	24,243	25,085	25,985
Item 38 WA Health <sup>(b)</sup> .....	14,599	27,826	26,092	<b>12,266</b>	12,279	12,279	12,279
Item 39 Western Australian Land Authority (DevelopmentWA) - Provision for Housing <sup>(b)</sup> .....	-	-	-	<b>61,631</b>	174,557	114,334	-

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
<b>Item 40 All Other Grants, Subsidies and</b>							
<b>Transfer Payments <sup>(f)</sup> .....</b>	<b>234,506</b>	<b>266,346</b>	<b>268,078</b>	<b>262,206</b>	<b>272,597</b>	<b>290,808</b>	<b>310,575</b>
<i>Comprising:</i>							
Acts of Grace/Ex Gratia Payments .....	-	200	150	200	200	200	200
Administration Costs - National Tax							
Equivalent Regime Scheme .....	112	125	125	125	125	125	125
Building Bonus Homebuyers Grant .....	7,980	500	500	500	-	-	-
Commonwealth COVID-19 Support							
Payment .....	1,322	-	-	-	-	-	-
COVID-19 - Business Assistance							
Package .....	20,230	-	-	-	-	-	-
Energy Concession Extension Scheme ...	2,863	3,037	3,731	3,514	3,663	3,818	3,980
Electricity Credits (State and							
Commonwealth) .....	7,501	6,600	14,056	1,354	-	-	-
Incidentals .....	89	200	4,353	200	200	200	200
Interest on Public Moneys Held in							
Participating Trust Fund Accounts .....	10,166	13,000	13,000	11,500	11,000	11,000	11,000
Life Support Equipment Subsidy Scheme...	1,468	1,548	1,531	1,596	1,664	1,735	1,808
National Partnership on Homebuilder .....	3,850	3,740	3,740	660	-	-	-
Off-the-Plan Duty Rebate Scheme .....	1,152	450	450	500	-	-	-
Payroll Tax Rebate Scheme .....	20	50	50	50	50	50	50
Pensioner Concessions - Emergency							
Services Levy .....	24,278	27,631	26,321	28,500	30,851	33,387	36,224
Pensioner Concessions - Local							
Government Rates .....	119,145	141,142	129,173	139,908	151,535	164,129	177,769
Refund of Past Years Revenue							
Collections - Public Corporations .....	-	10,000	10,000	10,000	10,000	10,000	10,000
Refund of Past Year Revenue							
Collections - Royalties .....	-	2,000	2,000	2,000	2,000	2,000	2,000
Refund of Past Year Revenue							
Collections - Taxation .....	31,486	52,950	52,950	55,500	58,063	60,779	63,659
Thermoregulatory Dysfunction Energy							
Subsidy .....	1,901	2,128	1,984	2,068	2,156	2,247	2,343
Western Australian Land Information							
Authority - Valuation Services .....	103	150	150	190	140	160	210
Western Australian Treasury Corporation							
Management Fees .....	840	895	895	922	950	978	1,007
WorkCover WA Authority .....	-	-	2,919	2,919	-	-	-
Asset Maintenance Fund .....	250,000	-	-	-	-	-	-
Department of Communities <sup>(b)</sup> .....	-	75,600	-	-	-	-	-
Ecological Thinning Program Account .....	20,883	129,691	129,691	-	-	-	-
Gaming and Wagering Commission <sup>(g)</sup> .....	4,100	4,200	4,200	-	-	-	-
Metropolitan Redevelopment Authority							
(DevelopmentWA) .....	573	-	-	-	-	-	-
Provision for Inner City Projects <sup>(h)</sup> .....	-	35,300	-	-	-	-	-
Provision for METRONET High Wycombe							
Community Hub <sup>(i)</sup> .....	-	12,500	-	-	-	-	-
Provision for Wages Policy Outcomes not							
yet Finalised <sup>(i)</sup> .....	-	766	-	-	-	-	-
<i>Authorised by Other Statutes</i>							
<b>Judges' Salaries and Pensions Act 1950 .....</b>	<b>21,621</b>	<b>21,264</b>	<b>20,582</b>	<b>21,182</b>	<b>21,817</b>	<b>22,472</b>	<b>23,146</b>
<i>Comprising:</i>							
Benefit Payments .....	21,426	20,924	20,315	20,925	21,552	22,199	22,864
Administration Expenses <sup>(k)</sup> .....	195	340	267	257	265	273	282
Parliamentary Superannuation Act 1970 .....	10,560	10,252	9,879	10,155	10,459	10,773	11,097
<i>Comprising:</i>							
Benefit Payments .....	10,331	9,853	9,566	9,853	10,148	10,452	10,766
Administration Expenses <sup>(k)</sup> .....	229	399	313	302	311	321	331
State Superannuation Act 2000 .....	343,128	442,043	451,808	435,532	438,434	438,915	486,836
<i>Comprising:</i>							
Pension Scheme .....	143,583	142,458	142,175	135,655	128,483	121,570	114,857
<i>Comprising:</i>							
Benefit Payments .....	142,396	141,222	140,948	134,503	127,392	120,543	113,885
Administration Expenses <sup>(k)</sup> .....	1,186	1,236	1,227	1,152	1,091	1,027	972
Gold State Super .....	199,545	299,585	309,633	299,877	309,951	317,345	371,979
<i>Comprising:</i>							
Benefit Payments .....	195,190	293,894	304,483	294,443	305,046	312,619	367,391
Administration Expenses <sup>(k)</sup> .....	4,172	5,374	4,876	5,143	4,603	4,415	4,267
Government Services <sup>(l)</sup> .....	183	317	274	291	302	311	321

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
First Home Owner Grant Act 2000 .....	34,274	54,221	44,681	53,182	62,912	72,079	80,784
Loan Acts - Interest .....	780,980	794,000	827,000	867,000	980,000	1,069,000	1,143,000
Racing and Wagering Western Australia Act 2003 .....	37,067	33,255	38,782	38,651	39,100	39,594	40,095
Petroleum (Submerged Lands) Act 1982 .....	141	211	59	-	-	-	-
Unclaimed Money Act 1990 .....	2,384	2,000	2,000	3,000	3,000	3,000	3,000
Western Australian Health Promotion Foundation Act 2016 .....	25,057	25,520	25,520	25,992	26,584	26,584	26,617
Western Australian Future Health Research and Innovation Fund Act 2012 .....	79,800	77,700	77,700	82,500	77,100	76,200	74,600
<b>TOTAL RECURRENT ADMINISTERED .....</b>	<b>5,904,412</b>	<b>6,851,726</b>	<b>6,265,867</b>	<b>6,718,390</b>	<b>6,137,105</b>	<b>6,097,227</b>	<b>6,043,135</b>
<b>CAPITAL</b>							
Item 106 Capital Appropriation .....	534	537	544	1,081	592	614	611
<i>Government Equity Contributions</i>							
Item 107 Busselton Water Corporation .....	-	-	-	437	1,553	1,632	4,316
Item 108 Bunbury Water Corporation .....	-	-	-	5,325	13,889	2,909	-
Item 109 Department of Biodiversity, Conservation and Attractions <sup>(b)</sup> .....	-	12,562	250	350	500	1,650	-
Item 110 Department of Creative Industries, Tourism and Sport <sup>(b)</sup> .....	-	20,000	-	20,000	-	-	-
Item 111 Department of Housing and Works <sup>(b)</sup> .....	-	13,000	13,000	11,000	-	-	-
Item 112 Department of Transport and Major Infrastructure <sup>(b)</sup> .....	-	150	-	6,150	4,350	-	-
Item 113 Electricity Generation and Retail Corporation (Synergy) .....	-	1,073,820	1,068,218	419,538	132,131	-	-
Item 114 Electricity Networks Corporation (Western Power) .....	89,073	145,481	227,246	599,001	259,879	143,048	143,836
Item 115 Fremantle Port Authority .....	-	-	-	3,635	6,700	19,665	-
Item 116 Kimberley Ports Authority .....	8,600	12,725	10,725	7,130	3,495	3,672	3,672
Item 117 Mid West Ports Authority .....	1,500	-	-	212	1,545	10,649	10,649
Item 118 Pilbara Ports Authority .....	32,437	211,416	174,560	341,274	97,857	44,042	34,303
Item 119 Provision for Aluminium Composite Panel Cladding <sup>(m)</sup> .....	-	41,749	-	10,352	-	-	-
Item 120 Provision for Public Transport Authority of Western Australia <sup>(b)</sup> .....	-	25,000	-	50,000	32,500	-	-
Item 121 Royalties for Regions <sup>(e)</sup> .....	207,302	342,307	248,348	320,657	180,217	66,874	16,634
Item 122 WA Health <sup>(b)</sup> .....	-	67,165	24,295	144,348	233,505	91,940	118,637
Item 123 Water Corporation .....	87,608	59,775	94,030	49,196	10,060	446	420
Item 124 Western Australian Meat Industry Authority <sup>(n)</sup> .....	-	1,628	1,628	2,673	-	-	-
Item 125 Western Australia Police Force <sup>(b)</sup> .....	2,149	11,817	-	13,088	14,016	1,190	-
Commissioner of Main Roads <sup>(b)</sup> .....	-	-	-	-	-	56,846	37,091
Department of Communities <sup>(b)</sup> .....	-	3,395	-	-	-	-	-
Department of Education <sup>(b)</sup> .....	1,000	11,137	-	-	-	-	-
Department of Justice <sup>(b)</sup> .....	5,700	-	-	-	-	-	-
Forest Products Commission .....	15,858	-	-	-	-	-	-
Metropolitan Redevelopment Authority (DevelopmentWA) .....	2,180	2,420	2,420	-	-	-	-
Provision for Decarbonisation of the South West Interconnected System <sup>(o)</sup> .....	224,699	192,039	-	-	-	-	-
Provision for Murdoch Health and Knowledge Precinct Infrastructure <sup>(p)</sup> .....	-	439	-	-	-	-	-
Regional Power Corporation (Horizon Power) .....	2,404	-	-	-	14,451	14,451	14,451
Southern Ports Authority .....	1,275	-	-	-	-	-	-
The Burswood Park Board <sup>(q)</sup> .....	427	-	-	-	-	-	-
Western Australian Energy Disputes Arbitrator <sup>(r)</sup> .....	400	-	-	-	-	-	-
Western Australian Land Authority (DevelopmentWA) .....	18,000	17,753	40,353	-	-	-	-

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
<i>Other</i>							
<b>Item 126 Digital Capability Fund .....</b>	-	458,151	458,151	<b>15,964</b>	-	-	-
<b>Item 127 Social and Affordable Housing</b>							
<b>Investment Fund .....</b>	450,000	400,000	400,000	<b>79,500</b>	246,036	-	-
<b>Item 128 Strategic Industries Fund .....</b>	-	500,000	500,000	<b>455,000</b>	25,000	20,000	-
<b>Climate Action Fund .....</b>	869,090	-	-	-	-	-	-
<i>Authorised by Other Statutes</i>							
<b>Loans (Co-operative Companies) Act 2004....</b>	14,514	-	12,000	-	-	-	-
<b>TOTAL CAPITAL ADMINISTERED .....</b>	<b>2,034,216</b>	<b>3,623,929</b>	<b>3,275,224</b>	<b>2,554,830</b>	<b>1,277,684</b>	<b>479,014</b>	<b>384,009</b>
<b>GRAND TOTAL .....</b>	<b>8,055,486</b>	<b>10,599,414</b>	<b>9,665,456</b>	<b>9,400,506</b>	<b>7,536,300</b>	<b>6,699,777</b>	<b>6,552,492</b>
<b>EXPENSES</b>							
Total Cost of Services .....	154,473	170,630	172,587	<b>177,494</b>	171,032	173,324	175,836
Net Cost of Services <sup>(s)</sup> .....	147,262	162,074	163,287	<b>168,467</b>	162,003	164,295	166,807
<b>CASH ASSETS <sup>(t)</sup> .....</b>	<b>26,725</b>	<b>20,411</b>	<b>21,228</b>	<b>21,647</b>	<b>22,066</b>	<b>22,485</b>	<b>22,312</b>

- (a) The 2023-24 Actual, 2024-25 Budget and 2024-25 Estimated Actual financial data have been recast for comparative purposes due to Public Sector Reform changes which take effect on 1 July 2025.
- (b) Reflects funding provisioned for the agency, to be transferred to its appropriation item pending a further Government decision.
- (c) A provision to accommodate bargaining under the Government's public sector wages policy. Final outcomes for public sector industrial agreements to be settled over the forward estimates period are not yet known. The provision provides a maximum funding envelope for industrial negotiations.
- (d) A provision to provide for disputed NDIS contributions, subject to negotiations with the Commonwealth Government.
- (e) Appropriations to the Royalties for Regions Fund Special Purpose Account are split between payments for recurrent and capital purposes (based on project information). Further detail on the Royalties for Regions program is available in Budget Paper No. 3: *Economic and Fiscal Outlook*.
- (f) Includes all administered grants, subsidies and transfers not covered elsewhere by individual Acts.
- (g) Funding provided for the Sports Wagering Account associated with the introduction of the Point of Consumption Tax in January 2019. Following Royal Assent of the *Gambling Legislation Amendment Act 2024* on 6 December 2024, the administration of the Sports Wagering Account has transferred from the Gaming and Wagering Commission to the Department of Local Government, Industry Regulation and Safety.
- (h) A provision for State assistance towards the establishment of projects as part of the Inner City Projects. This provision has been allocated.
- (i) Reflects the provision for the construction of the High Wycombe Community Hub, with \$30 million provided by both the State and Commonwealth Governments. This provision has been allocated to relevant agency budgets.
- (j) A provision for industrial agreements and outcomes not yet finalised under the Government's previous public sector wages policy. This provision has been allocated to relevant agency budgets.
- (k) Superannuation scheme administration expense reflects the costs of administering an unfunded defined benefit superannuation/pension scheme by an appropriation from the Consolidated Account.
- (l) Reflects the costs for regulatory support of State superannuation schemes where the Government Employees Superannuation Board incurs these costs on behalf of the Government.
- (m) Reflects funding allocated to meet the cost of remediating remaining instances of non-compliant aluminium composite panel cladding that have been identified across WA Health's building portfolio.
- (n) Funding to support the viability of the Western Australian Meat Industry Authority.
- (o) A provision to fund decarbonisation investments approved as part of the 2023-24 Budget, including new wind generation investments, and storage assets in Kwinana and Collie to be progressed by Synergy. This provision has been allocated to relevant agency budgets.
- (p) A provision for the construction of infrastructure at the Murdoch Health and Knowledge Precinct. This provision has been allocated to relevant agency budgets.
- (q) Funding to meet cost escalation pressures associated with the Hydraulic Sewer and Principal Shared Path projects.
- (r) Reflects funding provisioned in 2023-24 to repay the Treasurer's Advance provided to the Western Australian Energy Disputes Arbitrator.
- (s) 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.
- (t) 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 2024-25 Budget to Parliament on 9 May 2024, are outlined below:

	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
<b>New Initiatives</b>					
Digital Capability Assurance Function .....	174	183	191	202	-
Domestic Gas Policy .....	200	-	-	-	-
Education Infrastructure .....	-	-	311	319	327
Justice Infrastructure .....	-	-	113	116	119
Strategic Industrial Areas .....	159	163	168	172	-
Target 120 Program .....	-	184	189	193	198
Westport Project .....	-	-	425	435	446
<b>Other</b>					
2025-26 Streamlined Budget Process Incentive Funding .....	-	1,578	-	-	-
2025-26 Tariffs, Fees and Charges .....	744	964	964	964	964
Commonwealth Energy Bill Relief .....	-	1,450	-	-	-
Public Sector Wages Policy .....	2,509	3,610	4,509	4,603	4,711
Transfer of GovNext function from the Department of the Premier and Cabinet .....	207	513	529	545	545

## Significant Initiatives

### Public Sector Reform

- Following the 2025 State General Election in March, the Government announced targeted reform involving nine departments which comes into effect on 1 July 2025. The reform includes moving revenue assessment and collection, grants and subsidies administration, and whole-of-government procurement policy functions (currently the responsibility of the Department of Finance) to the Department of Treasury, which will become the Department of Treasury and Finance.
- This integrated approach to whole-of-government financial management aims to drive stronger fiscal discipline and value for money outcomes. It also allows the Department of Housing and Works (renamed from the Department of Finance) to focus on its primary function of delivering infrastructure projects such as social housing, schools and police stations.

### Supporting Government Priorities

#### *First Home Owner Duty/Off-the-Plan Rebate Changes*

- The 2025-26 Budget includes changes to make home ownership more affordable for first home buyers in both the metropolitan and regional areas through increases in the first home owner rate of duty exemption and concession thresholds for established properties and vacant land. The Department is continuing to provide support to the Treasurer and the Minister for Finance regarding the required legislative amendments, and the implementation of the changes.

#### *Commonwealth Energy Bill Relief*

- In 2025-26, RevenueWA will administer a \$150 energy rebate on behalf of the Commonwealth Government. RevenueWA will make payments to eligible households not directly billed by Synergy or Horizon Power, such as residents of caravan parks, retirement villages, apartment buildings or communities supplied energy by local mining companies.

#### *Digital Capability Assurance Function*

- The Department works closely with the Office of Digital Government (at the Department of the Premier and Cabinet) to perform assurance for ICT projects, particularly those funded from the Digital Capability Fund. This includes providing program monitoring and strengthened project governance and financial controls. A key focus is working with the Department of Health in relation to its major ICT projects.

### *GovNext*

6. The GovNext Information and Communication Technology program is being replaced with new contractual arrangements from mid-2025. The resources that managed the GovNext program have been transferred from the Department of the Premier and Cabinet's Office of Digital Government to the Department to manage the new arrangement.

### *Infrastructure Oversight*

7. To support the delivery of Government priorities, an additional \$2.6 million will be spent over 2026-27 to 2028-29 to provide greater oversight of the planning and delivery of the Asset Investment Program for both the Departments of Justice and Education, and assist with Westport's multi-agency project planning and delivery.

### *Strategic Industrial Areas*

8. The Department will work with the Department of Energy and Economic Diversification to support the activation of the State's Strategic Industrial Areas by providing management expertise and oversight of the program from a whole-of-government perspective.

### *Target 120 Program*

9. The Department continues to work closely with the Department of Communities on the Target 120 Program. The Department provides regular program monitoring as well as more in-depth data analysis on program outcomes, return-on-investment and averted cost, using population-level linked data.

## **Commonwealth-State Financial Relations**

10. The Department supports the Treasurer in engagement with the Treasurers of other Australian Governments through the Council on Federal Financial Relations and the Board of Treasurers. These forums have a strong focus on considering national reforms and new Commonwealth Government funding agreements. In forming the State's position on key issues, the Department works closely with the Department of the Premier and Cabinet, and relevant line agencies and other jurisdictions to develop considered and coordinated approaches. Completing the national negotiations for health and disability funding reforms and advancing national competition reforms will be key priorities for the Department in 2025-26.
11. The Department engages regularly with the Commonwealth Grants Commission, advocating for significant deficiencies in their underlying methodologies to be addressed, and assists the Treasurer in defending the 2018 Goods and Services Tax (GST) distribution reforms, amidst ongoing pressure from other States. The Productivity Commission will undertake a review of these reforms (due by end of 2026), in which the Department will be actively engaged, led by a GST Project Director and two further additional staff members for which the Department was funded in the 2023-24 Budget.



## Resource Agreement

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

## Outcomes, Services and Key Performance Information

As a result of the Public Sector Reform changes, the Outcomes, Services and Key Performance Information reflects the reshaping of the Department of Treasury to become the Department of Treasury and Finance from 1 July 2025. Where practical, the 2023-24 Actual, 2024-25 Budget and 2024-25 Estimated Actual have been recast for comparative purposes.

## Relationship to Government Goals

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

Government Goal	Desired Outcomes	Services
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	Sustainable and transparent public sector finances.	1. Financial Management and Reporting
	A strong and competitive State economy.	2. Economic and Revenue Forecasts and Policy Development
	Value for money outcomes in service delivery and infrastructure provision.	3. Evaluation and Planning of Government Service Delivery and Infrastructure Provision
	Due and payable revenue is collected and eligible grants, subsidies and rebates paid.	4. Revenue Assessment and Collection, and Grants and Subsidies Administration
	Value for money from public sector procurement.	5. Development and Management of Common Use Contract Arrangements

## Service Summary

Expense	2023-24 Actual \$'000	2024-25 Budget \$'000	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
1. Financial Management and Reporting.....	9,819	11,573	11,662	11,506	10,934	11,188	11,495
2. Economic and Revenue Forecasts and Policy Development.....	14,570	16,633	17,749	18,774	17,484	17,495	17,980
3. Evaluation and Planning of Government Service Delivery and Infrastructure Provision.....	35,897	43,059	40,022	42,371	40,521	41,409	42,433
4. Revenue Assessment and Collection, and Grants and Subsidies Administration.....	75,563	79,274	82,950	84,544	81,695	82,309	82,405
5. Development and Management of Common Use Contract Arrangements.....	18,624	20,091	20,204	20,299	20,398	20,923	21,523
<b>Total Cost of Services.....</b>	<b>154,473</b>	<b>170,630</b>	<b>172,587</b>	<b>177,494</b>	<b>171,032</b>	<b>173,324</b>	<b>175,836</b>

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
<b>Outcome: Sustainable and transparent public sector finances:</b>					
Status of the State's credit rating.....	AAA/Aa1	AAA/Aaa	AAA/Aaa	AAA/Aaa	1
Unqualified audit opinion on the Annual Report on State Finances.....	Yes	Yes	Yes	Yes	2
Percentage of financial reports released as per agreed timeframes <sup>(b)</sup> .....	100%	100%	100%	100%	3
<b>Outcome: A strong and competitive State economy:</b>					
Accuracy of key general government revenue forecasts:					
Tax revenue.....	14.4%	±5%	9.5%	±5%	4
Royalty revenue.....	48.7%	±5%	28.0%	±5%	5
Accuracy of key economic forecasts (percentage point difference):					
Employment growth <sup>(c)</sup> .....	2.8	±0.5	1.25	±0.5	6
Real State Final Demand (SFD) growth <sup>(c)</sup> .....	2.7	±2	0.00	±2	
<b>Outcome: Value-for-money outcomes in service delivery and infrastructure provision:</b>					
Percentage of Ministerially endorsed Strategic Asset Plans (SAPs) for the upcoming year received and reviewed by the Department before the commencement of the Budget bilateral process.....	100%	100%	62%	100%	7
Percentage of advice provided to the Expenditure Review Committee at least 5 days prior to their consideration.....	85%	100%	65%	100%	8
<b>Outcome: Due and payable revenue is collected and eligible grants, subsidies and rebates paid:</b>					
Debt as a percentage of revenue raised.....	0.92%	0.81%	0.84%	0.87%	9
Extent to which correct grants, subsidies and rebates are paid.....	100%	100%	100%	100%	
<b>Outcome: Value for money from public sector procurement: <sup>(d)</sup></b>					

(a) Further detail in support of the key effectiveness indicators is provided in the 2023-24 Annual Reports of the Departments of Treasury and Finance.

(b) Includes whole-of-government financial reports prepared by the Department to meet the requirements and reporting deadlines laid out in the *Government Financial Responsibility Act 2000*.

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

(d) Due to the Public Sector Reform and resulting changes to the Department's Outcome Based Management (OBM) structure, key effectiveness indicators are under review and will be developed in 2025-26.

**Explanation of Significant Movements**

(Notes)

1. Western Australia currently holds triple-A credit ratings (with a 'stable' outlook) from both Moody's and S&P Global. This is the highest rating available and highlights the strength of the State's finances and economy, and reinforces Western Australia's strong reputation as a safe and attractive investment destination.
2. The Auditor General issued an unqualified audit opinion for the 2023-24 Annual Report on State Finances (released on 27 September 2024).
3. Statutory deadlines for the release of whole-of-government financial reports are detailed in the *Government Financial Responsibility Act 2000* (the Act). The Department's processes support the timely release of such reports in line with the requirements of the Act.
4. The 2024-25 Estimated Actual for tax revenue is expected to be higher than forecast in the 2024-25 Budget. This primarily reflects stronger than anticipated demand in the property and vehicle markets in Western Australia, which has flowed through to higher than forecast revenue from transfer duty and motor vehicle taxes.

5. Royalty revenue is estimated to be higher in the 2024-25 Estimated Actual than forecast in the 2024-25 Budget largely due to higher than assumed iron ore prices. Despite volatility, the average year-to-date iron ore price is well above the conservative price assumptions used in the 2024-25 Budget.
6. Employment growth is estimated to be stronger for the 2024-25 Estimated Actual than forecast in the 2024-25 Budget. This reflects stronger than anticipated demand for labour, including robust growth in the public sector, construction and utilities employment. It also reflects solid growth in the State's population, enabling the strong demand for jobs to be met.
7. Of the 13 agency SAPs subject to the key effectiveness indicator, eight SAPs were received as part of the 2025-26 Budget submission process and reviewed before the commencement of the Budget bilateral process on 14 April 2025, resulting in a reported rate of 62%. Of the five outstanding SAPs, the Department was provided the drafts of four of these, which were reviewed prior to the first Budget bilateral meeting.
8. The 2024-25 Estimated Actual was lower than anticipated, as some Expenditure Review Committee papers required additional analysis prior to delivery to the Committee.
9. One large duties debt and an increase in payroll tax insolvencies increased the outstanding debt in 2023-24.

## Services and Key Efficiency Indicators

### 1. Financial Management and Reporting

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

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
Total Cost of Service .....	\$'000 9,819	\$'000 11,573	\$'000 11,662	\$'000 11,506	1
Less Income .....	6	9	9	9	
Net Cost of Service .....	9,813	11,564	11,653	11,497	
Employees (Full-Time Equivalents) .....	48	53	50	50	

### Explanation of Significant Movements

(Notes)

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

## 2. Economic and Revenue Forecasts and Policy Development

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

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service .....	14,570	16,633	17,749	18,774	1
Less Income .....	6	10	10	10	
Net Cost of Service .....	14,564	16,623	17,739	18,764	
Employees (Full-Time Equivalents) .....	70	76	72	73	

### Explanation of Significant Movements

(Notes)

1. The 2024-25 Estimated Actual is higher than the 2023-24 Actual predominantly due to the establishment of the Housing Supply Unit to deliver a holistic and coordinated approach to housing policy advice.

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

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

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service .....	35,897	43,059	40,022	42,371	1
Less Income .....	27	41	41	41	
Net Cost of Service .....	35,870	43,018	39,981	42,330	
Employees (Full-Time Equivalents) .....	166	175	166	173	

### Explanation of Significant Movements

(Notes)

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

#### 4. Revenue Assessment and Collection, and Grants and Subsidies Administration <sup>(a)</sup>

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

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
Total Cost of Service .....	\$'000 75,563	\$'000 79,274	\$'000 82,950	\$'000 84,544	
Less Income .....	4,264	6,449	7,193	6,920	1
Net Cost of Service .....	71,299	72,825	75,757	77,624	
<b>Employees (Full-Time Equivalents) .....</b>	<b>284</b>	<b>284</b>	<b>284</b>	<b>298</b>	
<b>Efficiency Indicators</b>					
Average cost per revenue determination .....	\$32.95	\$33.12	\$34.84	\$37.59	2
Average cost per grant or subsidy determination .....	\$17.80	\$14.93	\$15.59	\$15.99	

(a) The full-time equivalents and prior year amounts do not reconcile back to the prior year Budget Papers as adjustments have been made to reflect the Corporate Services support to the Department provided by the Department of Housing and Works, as outlined in the Service Level Agreement between the two agencies.

#### Explanation of Significant Movements

(Notes)

1. The increase from the 2023-24 Actual to the 2024-25 Estimated Actual and beyond is due to additional income received from the Land Tax Liability Enquiry Fees as a result of increased activity in the housing market.
2. The 2025-26 Budget Target is higher than the 2024-25 Estimated Actual due to costs for valuation services, systems maintenance, and wages growing in line with the public sector wages policy.

#### 5. Development and Management of Common Use Contract Arrangements <sup>(a)</sup>

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

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
Total Cost of Service .....	\$'000 18,624	\$'000 20,091	\$'000 20,204	\$'000 20,299	
Less Income .....	2,908	2,047	2,047	2,047	
Net Cost of Service .....	15,716	18,044	18,157	18,252	
<b>Employees (Full-Time Equivalents) .....</b>	<b>105</b>	<b>108</b>	<b>108</b>	<b>108</b>	
<b>Efficiency Indicator</b>					
Cost of developing and managing whole-of-government common use contract arrangements as a percentage of the total annual value of purchases through the arrangements .....	0.8%	0.9%	0.9%	1%	

(a) The full-time equivalents and prior year amounts do not reconcile back to the prior year Budget Papers as adjustments have been made to reflect the Corporate Services support to the Department provided by the Department of Housing and Works, as outlined in the Service Level Agreement between the two agencies.

## Asset Investment Program

1. The Department's Asset Investment Program largely facilitates a rolling ICT program to replace and/or upgrade critical corporate ICT infrastructure.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-25 \$'000	2024-25 Estimated Expenditure \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
<b>COMPLETED WORKS</b>							
ICT - Replacement/Upgrade							
Treasury and Finance Business Systems - 2024-25 Program .....	1,301	1,301	1,301	-	-	-	-
<b>NEW WORKS</b>							
Household Electricity Credits - 2025-26 Program .....	250	-	-	250	-	-	-
ICT - Replacement/Upgrade							
Treasury and Finance Business Systems							
2025-26 Program .....	894	-	-	894	-	-	-
2026-27 Program .....	915	-	-	-	915	-	-
2027-28 Program .....	936	-	-	-	-	936	-
2028-29 Program .....	936	-	-	-	-	-	936
ICT Replacement							
2025-26 Program .....	40	-	-	40	-	-	-
2026-27 Program .....	40	-	-	-	40	-	-
2027-28 Program .....	40	-	-	-	-	40	-
2028-29 Program .....	40	-	-	-	-	-	40
Procurement Systems Replacement							
2025-26 Program .....	431	-	-	431	-	-	-
2026-27 Program .....	431	-	-	-	431	-	-
2027-28 Program .....	431	-	-	-	-	431	-
2028-29 Program .....	431	-	-	-	-	-	431
Royalties Management System 2025-26 Program .....	262	-	-	262	-	-	-
<b>Total Cost of Asset Investment Program .....</b>	<b>7,378</b>	<b>1,301</b>	<b>1,301</b>	<b>1,877</b>	<b>1,386</b>	<b>1,407</b>	<b>1,407</b>
<b>FUNDED BY</b>							
Capital Appropriation .....			544	1,006	515	536	536
Holding Account .....			831	871	871	871	871
Internal Funds and Balances .....			(74)	-	-	-	-
<b>Total Funding .....</b>			<b>1,301</b>	<b>1,877</b>	<b>1,386</b>	<b>1,407</b>	<b>1,407</b>

## Financial Statements

As a result of the Public Sector Reform changes, the financial data reflects the reshaping of the Department of Treasury to become the Department of Treasury and Finance from 1 July 2025. Where practical, the 2023-24 Actual, 2024-25 Budget and 2024-25 Estimated Actual have been recast for comparative purposes.

### Income Statement

#### Expenses

1. Employee benefits expense increases in the 2025-26 Budget Year, primarily reflecting the repositioning of funding due to delays in filling vacant positions.

#### Income

2. Service appropriations increase in the 2025-26 Budget Year, reflecting the repositioning of funding for employee benefits.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits <sup>(b)</sup> .....	90,705	102,739	103,975	108,916	107,220	109,613	112,729
Grants and subsidies <sup>(c)</sup> .....	129	167	167	167	167	167	167
Supplies and services .....	48,346	51,639	52,661	52,785	47,616	47,899	47,211
Accommodation .....	5,115	6,473	5,673	6,015	6,395	6,549	7,504
Depreciation and amortisation .....	6,294	6,609	7,108	6,597	6,613	6,065	5,183
Finance and interest costs .....	9	11	11	12	11	11	13
Other expenses .....	3,875	2,992	2,992	3,002	3,010	3,020	3,029
<b>TOTAL COST OF SERVICES .....</b>	<b>154,473</b>	<b>170,630</b>	<b>172,587</b>	<b>177,494</b>	<b>171,032</b>	<b>173,324</b>	<b>175,836</b>
<b>Income</b>							
Sale of goods and services .....	6,680	8,134	8,878	8,605	8,607	8,607	8,607
Grants and subsidies .....	167	-	-	-	-	-	-
Other revenue .....	364	422	422	422	422	422	422
<b>Total Income .....</b>	<b>7,211</b>	<b>8,556</b>	<b>9,300</b>	<b>9,027</b>	<b>9,029</b>	<b>9,029</b>	<b>9,029</b>
<b>NET COST OF SERVICES .....</b>	<b>147,262</b>	<b>162,074</b>	<b>163,287</b>	<b>168,467</b>	<b>162,003</b>	<b>164,295</b>	<b>166,807</b>
<b>INCOME FROM GOVERNMENT</b>							
Service appropriations .....	116,324	123,222	123,821	126,205	120,919	122,922	124,737
Resources received free of charge .....	40,265	38,418	38,387	41,486	40,851	41,139	41,283
Major Treasurer's Special Purpose Account(s)							
Royalties for Regions Fund							
Regional and State-wide Initiatives .....	105	134	110	134	134	134	134
Strategic Alliance Fund .....	33	397	397	417	38	39	-
Other revenues .....	1,672	1,192	967	644	480	480	480
<b>TOTAL INCOME FROM GOVERNMENT .....</b>	<b>158,399</b>	<b>163,363</b>	<b>163,682</b>	<b>168,886</b>	<b>162,422</b>	<b>164,714</b>	<b>166,634</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b>	<b>11,137</b>	<b>1,289</b>	<b>395</b>	<b>419</b>	<b>419</b>	<b>419</b>	<b>(173)</b>

(a) Full audited financial statements are published in the 2023-24 Annual Reports of the Departments of Treasury and Finance.

(b) The full-time equivalents for 2023-24 Actual, 2024-25 Estimated Actual and 2025-26 Budget Year are 673, 680 and 702 respectively.

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

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
Contributions to the Australian Accounting Standards Board .....	52	50	50	50	50	50	50
Contributions to the Board of Treasurers Secretariat .....	77	117	117	117	117	117	117
<b>TOTAL .....</b>	<b>129</b>	<b>167</b>	<b>167</b>	<b>167</b>	<b>167</b>	<b>167</b>	<b>167</b>

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
<b>CURRENT ASSETS</b>							
Cash assets.....	26,701	19,259	21,077	21,367	21,655	21,941	21,633
Restricted cash.....	24	29	24	24	24	24	24
Holding Account receivables .....	400	400	400	400	400	400	400
Receivables .....	403	823	322	1,266	2,676	4,087	5,578
Other.....	166	283	109	109	109	109	109
<b>Total current assets.....</b>	<b>27,694</b>	<b>20,794</b>	<b>21,932</b>	<b>23,166</b>	<b>24,864</b>	<b>26,561</b>	<b>27,744</b>
<b>NON-CURRENT ASSETS</b>							
Holding Account receivables .....	14,556	14,571	17,711	18,901	23,233	27,016	29,917
Property, plant and equipment.....	284	282	313	437	519	619	638
Receivables .....	1,061	-	1,061	1,061	1,061	1,061	1,061
Intangibles .....	39,976	33,839	34,240	32,408	27,166	22,493	18,225
Restricted cash <sup>(b)</sup> .....	-	1,123	127	256	387	520	655
<b>Total non-current assets.....</b>	<b>55,877</b>	<b>49,815</b>	<b>53,452</b>	<b>53,063</b>	<b>52,366</b>	<b>51,709</b>	<b>50,496</b>
<b>TOTAL ASSETS .....</b>	<b>83,571</b>	<b>70,609</b>	<b>75,384</b>	<b>76,229</b>	<b>77,230</b>	<b>78,270</b>	<b>78,240</b>
<b>CURRENT LIABILITIES</b>							
Employee provisions.....	20,403	15,833	15,943	19,102	19,102	19,102	19,102
Payables.....	856	1,322	550	550	550	550	550
Borrowings and leases .....	49	59	70	72	69	62	85
<b>Total current liabilities.....</b>	<b>21,308</b>	<b>17,214</b>	<b>16,563</b>	<b>19,724</b>	<b>19,721</b>	<b>19,714</b>	<b>19,737</b>
<b>NON-CURRENT LIABILITIES</b>							
Employee provisions.....	4,770	3,485	4,486	4,485	4,485	4,485	4,485
Borrowings and leases .....	78	66	78	69	62	76	121
<b>Total non-current liabilities.....</b>	<b>4,848</b>	<b>3,551</b>	<b>4,564</b>	<b>4,554</b>	<b>4,547</b>	<b>4,561</b>	<b>4,606</b>
<b>TOTAL LIABILITIES .....</b>	<b>26,156</b>	<b>20,765</b>	<b>21,127</b>	<b>24,278</b>	<b>24,268</b>	<b>24,275</b>	<b>24,343</b>
<b>EQUITY</b>							
Contributed equity.....	37,463	30,515	33,910	31,185	31,777	32,391	32,466
Accumulated surplus/(deficit).....	19,952	19,329	20,347	20,766	21,185	21,604	21,431
<b>Total equity .....</b>	<b>57,415</b>	<b>49,844</b>	<b>54,257</b>	<b>51,951</b>	<b>52,962</b>	<b>53,995</b>	<b>53,897</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>83,571</b>	<b>70,609</b>	<b>75,384</b>	<b>76,229</b>	<b>77,230</b>	<b>78,270</b>	<b>78,240</b>

(a) Full audited financial statements are published in the 2023-24 Annual Reports of the Departments of Treasury and Finance.

(b) Effective from the 2023-24 financial year, the classification of the 27<sup>th</sup> pay cash balances held by Treasury and Finance Administered on behalf of agencies was revised from Restricted cash to Receivables.



**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASHFLOWS FROM GOVERNMENT</b>							
Service appropriations .....	110,372	114,401	115,444	121,017	115,716	118,268	120,965
Capital appropriation.....	534	537	544	1,081	592	614	611
Holding Account drawdowns .....	400	831	831	871	871	871	871
Major Treasurer's Special Purpose Account(s)							
Digital Capability Fund .....	-	547	-	-	-	-	-
Royalties for Regions Fund							
Regional and State-wide Initiatives .....	105	134	110	134	134	134	134
Strategic Alliance Fund .....	9	397	397	417	38	39	-
Receipts paid into Consolidated Account .....	(1,612)	(1,412)	(1,672)	-	-	-	-
Other.....	1,778	1,365	1,140	644	480	480	480
<b>Net cash provided by Government .....</b>	<b>111,586</b>	<b>116,800</b>	<b>116,794</b>	<b>124,164</b>	<b>117,831</b>	<b>120,406</b>	<b>123,061</b>
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(89,243)	(102,738)	(103,974)	(108,916)	(107,220)	(109,614)	(112,730)
Grants and subsidies .....	(129)	(167)	(167)	(167)	(167)	(167)	(167)
Supplies and services .....	(7,719)	(12,960)	(17,911)	(11,431)	(6,896)	(6,890)	(6,059)
Accommodation .....	(5,077)	(6,473)	(5,673)	(6,015)	(6,395)	(6,549)	(7,504)
GST payments .....	(1,273)	(2,557)	(2,561)	(2,541)	(2,483)	(2,485)	(2,487)
Finance and interest costs .....	(9)	(11)	(11)	(12)	(11)	(11)	(13)
Other payments .....	(3,699)	(2,992)	(2,992)	(3,002)	(3,010)	(3,020)	(3,029)
<b>Receipts <sup>(b)</sup></b>							
Grants and subsidies .....	167	-	-	-	-	-	-
Sale of goods and services .....	350	7,052	7,796	7,246	7,246	7,246	7,246
GST receipts .....	1,253	2,557	2,561	2,541	2,483	2,484	2,487
Other receipts .....	6,891	2,016	2,016	504	504	504	504
<b>Net cash from operating activities .....</b>	<b>(98,488)</b>	<b>(116,273)</b>	<b>(120,916)</b>	<b>(121,793)</b>	<b>(115,949)</b>	<b>(118,502)</b>	<b>(121,752)</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(6,511)	(1,301)	(1,301)	(1,877)	(1,386)	(1,407)	(1,407)
<b>Net cash from investing activities .....</b>	<b>(6,511)</b>	<b>(1,301)</b>	<b>(1,301)</b>	<b>(1,877)</b>	<b>(1,386)</b>	<b>(1,407)</b>	<b>(1,407)</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings and leases .....	(67)	(67)	(74)	(75)	(77)	(78)	(75)
Other payments .....	(189)	-	-	-	-	-	-
<b>Net cash from financing activities .....</b>	<b>(256)</b>	<b>(67)</b>	<b>(74)</b>	<b>(75)</b>	<b>(77)</b>	<b>(78)</b>	<b>(75)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD.....</b>	<b>6,331</b>	<b>(841)</b>	<b>(5,497)</b>	<b>419</b>	<b>419</b>	<b>419</b>	<b>(173)</b>
Cash assets at the beginning of the reporting period .....	20,394	21,252	26,725	21,228	21,647	22,066	22,485
<b>Cash assets at the end of the reporting period .....</b>	<b>26,725</b>	<b>20,411</b>	<b>21,228</b>	<b>21,647</b>	<b>22,066</b>	<b>22,485</b>	<b>22,312</b>

(a) Full audited financial statements are published in the 2023-24 Annual Reports of the Departments of Treasury and Finance.

(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)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>GST Receipts</b>							
GST Input Credits .....	1,193	2,281	2,281	2,281	2,281	2,281	2,281
GST Receipts on Sales .....	340	276	280	260	202	203	206
<b>Other Receipts</b>							
Electronic Lodgement Network Fee .....	-	225	225	225	225	225	225
Land Tax Liability Enquiry Fee .....	4,469	4,280	5,024	4,474	4,474	4,474	4,474
Merchant Fees .....	350	500	500	500	500	500	500
Other Receipts .....	438	2,559	2,559	874	874	874	874
Receipts from the Department of Communities for the Target 120 Program...	552	374	149	-	-	-	-
Receipts from the Department of Education for Education Infrastructure .....	-	179	179	-	-	-	-
Receipts from the Department of Justice for the Justice Pipeline Model .....	9	50	50	50	50	50	50
Receipts from the Department of Training and Workforce Development for the Development of a Cost and Demand Model .....	-	159	159	164	-	-	-
Senior Officer Vehicle Scheme Receipts .....	38	60	60	60	60	60	60
Sustainable Health Review - Funding and Commissioning .....	142	-	-	-	-	-	-
Whole of Sector Credit Card Incentive .....	2,908	2,047	2,047	2,047	2,047	2,047	2,047
<b>TOTAL .....</b>	<b>10,439</b>	<b>12,990</b>	<b>13,513</b>	<b>10,935</b>	<b>10,713</b>	<b>10,714</b>	<b>10,717</b>

(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

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>							
<b>Taxation</b>							
Betting Tax .....	124,568	110,850	129,272	128,838	130,333	131,981	133,650
Commonwealth Mirror Taxes .....	65,443	73,222	73,816	77,314	81,021	85,122	89,318
Foreign Buyers Surcharge Duty .....	32,880	32,023	25,825	14,192	19,802	36,003	36,003
Insurance Duty .....	1,000,463	1,031,459	1,071,979	1,128,258	1,187,491	1,249,835	1,315,451
Land Tax .....	845,525	888,869	900,153	988,580	1,020,614	1,054,191	1,088,983
Landholder Duty .....	325,644	194,578	255,978	195,000	195,000	195,000	195,000
Metropolitan Region Improvement Tax .....	95,763	101,036	101,991	110,992	114,580	118,361	122,267
Payroll Tax .....	5,388,220	5,820,987	5,869,031	6,132,979	6,438,970	6,760,925	7,098,970
Transfer Duty .....	2,579,916	2,363,367	3,123,729	3,000,199	2,767,981	2,533,134	2,537,323
Vehicle Licence Duty .....	755,299	542,611	782,636	678,349	642,100	596,888	588,590
<b>Total Taxation .....</b>	<b>11,213,721</b>	<b>11,159,002</b>	<b>12,334,410</b>	<b>12,454,701</b>	<b>12,597,892</b>	<b>12,761,440</b>	<b>13,205,555</b>
<b>Commonwealth Grants</b>							
Compensation for Crude Oil Excise							
Condensate .....	34,117	23,621	32,817	20,085	14,967	12,983	9,707
GST Grants .....	6,564,843	7,263,522	7,362,029	7,840,220	9,145,009	9,488,914	9,880,464
North West Shelf Grants .....	694,133	590,519	596,666	365,180	272,123	236,058	176,494
Other .....	1,007,001	3,685,958	2,639,885	2,611,321	844,497	481,200	287,152
<b>Total Commonwealth Grants .....</b>	<b>8,300,094</b>	<b>11,563,620</b>	<b>10,631,397</b>	<b>10,836,806</b>	<b>10,276,596</b>	<b>10,219,155</b>	<b>10,353,817</b>
<b>GOVERNMENT ENTERPRISES</b>							
<b>Dividends</b>							
Bunbury Water Corporation .....	-	1,190	2,922	6,559	14,656	6,423	3,564
Busselton Water Corporation .....	-	1,770	3,646	5,717	4,472	4,662	12,774
Electricity Networks Corporation							
(Western Power) .....	-	273,560	71,398	362,118	284,851	297,658	335,265
Fremantle Port Authority .....	-	35,118	32,373	23,333	21,541	25,627	26,893
Gold Corporation .....	-	6,761	-	-	10,042	5,538	7,288
Insurance Commission of							
Western Australia .....	171,723	54,271	61,960	60,670	61,775	62,504	62,762
Kimberley Ports Authority .....	-	1,671	2,310	4,424	930	2,483	2,784
Keystart .....	35,232	-	5,391	-	-	-	-
Mid West Ports Authority .....	-	31,367	18,678	21,395	24,002	87,024	87,024
Pilbara Ports Authority .....	-	220,085	257,524	615,586	196,788	231,467	248,214
Regional Power Corporation							
(Horizon Power) .....	-	5,844	6,457	6,019	6,007	6,061	9,523
Southern Ports Authority .....	-	33,984	12,027	6,794	8,276	13,428	14,135
Water Corporation of Western Australia .....	146	842,526	-	1,614,146	877,940	861,920	910,708
Western Australian Land Authority							
(DevelopmentWA) .....	5,416	48,717	53,184	45,041	34,823	34,196	173,055
Western Australian Treasury Corporation .....	32,841	13,964	18,965	16,038	12,227	11,949	13,522
<b>Total Dividends .....</b>	<b>245,358</b>	<b>1,570,828</b>	<b>546,835</b>	<b>2,787,840</b>	<b>1,558,330</b>	<b>1,650,940</b>	<b>1,907,511</b>
<b>Income Tax Equivalent Regime</b>							
Bunbury Water Corporation .....	2,039	2,621	1,726	3,814	6,222	3,022	2,282
Busselton Water Corporation .....	1,619	1,592	2,243	1,754	1,828	5,010	1,327
Electricity Generation and Retail							
Corporation (Synergy) .....	210	-	-	-	-	-	-
Electricity Networks Corporation							
(Western Power) .....	40,639	155,028	116,200	164,251	190,014	187,327	176,208
Forest Products Commission .....	-	693	693	1,950	1,372	2,782	3,094
Fremantle Port Authority .....	20,830	21,635	18,284	13,336	13,574	16,779	16,743
Gold Corporation .....	72	3,253	-	-	-	-	5,823
Insurance Commission of							
Western Australia .....	145,036	18,714	71,458	30,699	19,285	15,189	10,040
Kimberley Ports Authority .....	-	658	658	2,347	269	1,382	1,189
Mid West Ports Authority .....	12,213	18,524	10,282	12,873	13,996	49,232	49,232
Pilbara Ports Authority .....	107,339	111,158	113,708	86,567	84,993	105,549	107,613
Regional Power Corporation							
(Horizon Power) .....	1,904	3,947	4,419	3,080	3,549	3,430	6,112
Southern Ports Authority .....	16,152	20,288	6,088	3,148	5,258	8,479	6,344
Water Corporation of Western Australia .....	459,121	497,182	485,145	507,371	518,581	482,300	500,964
Western Australian Land Authority							
(DevelopmentWA) .....	29,219	5,692	15,082	19,898	19,542	10,791	11,479
Western Australian Treasury Corporation .....	10,885	7,946	9,165	6,987	6,828	7,726	7,845
<b>Total Income Tax Equivalent Regime .....</b>	<b>847,278</b>	<b>868,931</b>	<b>855,151</b>	<b>858,075</b>	<b>885,311</b>	<b>898,998</b>	<b>906,295</b>

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
<b>Local Government Rates Equivalent Regime</b>							
Bunbury Water Corporation .....	73	72	75	78	80	82	85
Busselton Water Corporation .....	68	70	70	77	79	81	83
Electricity Generation and Retail Corporation (Synergy) .....	739	640	640	640	640	640	640
Electricity Networks Corporation (Western Power) .....	1,801	1,734	1,734	1,769	1,813	1,858	1,904
Forest Products Commission .....	659	597	597	783	864	948	1,012
Fremantle Port Authority .....	1,155	985	985	1,137	1,165	1,194	1,224
Gold Corporation .....	65	212	66	66	67	68	71
Kimberley Ports Authority .....	155	145	145	155	159	163	167
Mid West Ports Authority .....	1,106	1,120	1,166	1,224	1,285	1,297	1,297
Pilbara Ports Authority .....	3,847	4,002	3,963	4,062	4,163	4,267	4,374
Regional Power Corporation (Horizon Power) .....	512	770	770	789	809	829	850
Southern Ports Authority .....	1,146	990	990	1,015	1,040	1,066	1,093
Water Corporation of Western Australia .....	7,858	8,575	8,575	8,790	9,009	9,234	9,465
Western Australian Land Authority (DevelopmentWA) .....	6,101	12,976	18,795	19,051	18,981	18,889	18,736
<b>Total Local Government Rates Equivalent Regime .....</b>	<b>25,285</b>	<b>32,888</b>	<b>38,571</b>	<b>39,636</b>	<b>40,154</b>	<b>40,616</b>	<b>41,001</b>
<b>TOTAL GOVERNMENT ENTERPRISES .....</b>	<b>1,117,921</b>	<b>2,472,647</b>	<b>1,440,557</b>	<b>3,685,551</b>	<b>2,483,795</b>	<b>2,590,554</b>	<b>2,854,807</b>
<b>Royalties</b>							
Alumina .....	108,652	98,813	133,005	111,055	112,731	113,875	114,817
Copper .....	52,219	46,868	43,250	47,341	36,735	33,400	33,181
Gold .....	518,603	608,880	738,713	918,106	952,202	863,091	741,303
Iron Ore .....	10,364,809	6,329,049	8,581,003	6,617,693	5,982,670	5,874,930	5,771,521
Lithium .....	562,751	377,539	208,235	286,153	358,544	454,682	519,790
Nickel .....	95,138	88,187	51,239	33,832	27,683	25,221	25,710
Petroleum - State Component .....	21,547	33,322	25,633	36,644	42,469	41,267	48,216
Other .....	142,763	189,971	165,215	194,472	197,991	209,223	209,840
<b>Total Royalties .....</b>	<b>11,866,482</b>	<b>7,772,629</b>	<b>9,946,293</b>	<b>8,245,296</b>	<b>7,711,025</b>	<b>7,615,689</b>	<b>7,464,378</b>
<b>Other</b>							
Consolidated Account Revenue Received from Agencies .....	2,019,818	1,978,260	2,167,965	2,180,656	2,309,271	2,392,569	2,465,603
Gold State Superannuation Reimbursement .....	55,976	54,555	54,555	48,882	43,716	38,841	34,412
Interest .....	384,144	303,125	288,050	243,625	253,370	267,238	295,117
Loan Guarantee Fees .....	132,195	135,281	137,362	158,383	169,464	180,873	189,279
Pension Recoups .....	11,756	8,925	8,865	8,931	9,037	9,188	9,353
Other Revenue .....	223,954	126,079	127,717	133,640	140,640	143,418	145,175
<b>Total Other .....</b>	<b>2,827,843</b>	<b>2,606,225</b>	<b>2,784,514</b>	<b>2,774,117</b>	<b>2,925,498</b>	<b>3,032,127</b>	<b>3,138,939</b>
<b>TOTAL ADMINISTERED INCOME .....</b>	<b>35,326,061</b>	<b>35,574,123</b>	<b>37,137,171</b>	<b>37,996,471</b>	<b>35,994,806</b>	<b>36,218,965</b>	<b>37,017,496</b>
<b>EXPENSES</b>							
<b>Interest .....</b>	<b>974,638</b>	<b>955,000</b>	<b>1,049,500</b>	<b>1,094,250</b>	<b>1,183,500</b>	<b>1,271,500</b>	<b>1,352,500</b>
<b>Superannuation .....</b>	<b>98,360</b>	<b>426,182</b>	<b>337,698</b>	<b>358,390</b>	<b>345,729</b>	<b>328,957</b>	<b>313,351</b>
<b>Appropriations for:</b>							
Operating Subsidies .....	3,035,313	3,096,884	3,517,769	3,150,267	2,843,540	2,817,323	2,717,325
Services .....	21,975,939	23,256,638	24,610,531	25,615,492	24,108,294	24,175,527	24,815,244
Salaries and Allowances .....	127,068	137,007	139,086	144,864	147,555	150,738	153,368
Other Appropriations .....	4,209,812	4,540,346	4,546,821	4,842,557	4,788,371	4,844,379	4,897,367
<b>Total Appropriations .....</b>	<b>29,348,132</b>	<b>31,030,875</b>	<b>32,814,207</b>	<b>33,753,180</b>	<b>31,887,760</b>	<b>31,987,967</b>	<b>32,583,304</b>
<b>Grants and Subsidies</b>							
Building Bonus Homebuyers Grant .....	7,980	500	500	500	-	-	-
Electricity Credits (State and Commonwealth) .....	7,501	6,600	14,056	1,354	-	-	-
Energy Concession Extension Scheme .....	2,863	3,037	3,371	3,514	3,663	3,818	3,980
First Home Owner Scheme .....	34,274	54,221	44,681	53,182	62,912	72,079	80,784
Life Support Equipment Subsidy Scheme .....	1,468	1,548	1,531	1,596	1,664	1,735	1,808
National Partnership on Homebuilder .....	3,850	3,740	3,740	660	-	-	-
Off-the-Plan Duty Rebate Scheme .....	1,152	450	450	500	-	-	-
Payroll Tax Rebates Scheme .....	20	50	50	50	50	50	50
Pensioner Concessions - Emergency Services Levy .....	24,278	27,631	26,321	28,500	30,878	33,446	36,224

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
Pensioner Concessions - Local							
Government Rates .....	119,145	141,142	129,173	139,908	151,535	164,129	177,769
<i>Petroleum (Submerged Lands) Act 1982</i> ....	141	211	59	-	-	-	-
Thermoregulatory Dysfunction Energy							
Subsidy .....	1,901	2,128	1,984	2,068	2,156	2,247	2,343
<b>Total Grants and Subsidies .....</b>	<b>204,573</b>	<b>241,258</b>	<b>225,916</b>	<b>231,832</b>	<b>252,858</b>	<b>277,504</b>	<b>302,958</b>
<b>All Other Expenses</b>							
Royalties for Regions .....	861,096	910,758	648,396	894,896	830,627	799,931	802,923
Refund of Past Years Tax Revenue .....	31,486	52,950	52,950	55,500	58,063	60,779	63,659
Refunds of Past Years Royalties Revenues ...	-	2,000	2,000	2,000	2,000	2,000	2,000
Other Expenses .....	198,524	341,315	392,894	400,232	263,376	218,433	206,819
<b>Total All Other Expenses .....</b>	<b>1,091,106</b>	<b>1,307,023</b>	<b>1,096,240</b>	<b>1,352,628</b>	<b>1,154,066</b>	<b>1,081,143</b>	<b>1,075,401</b>
<b>TOTAL ADMINISTERED EXPENSES .....</b>	<b>31,716,809</b>	<b>33,960,338</b>	<b>35,523,561</b>	<b>36,790,280</b>	<b>34,823,913</b>	<b>34,947,071</b>	<b>35,627,514</b>

# Western Australian Treasury Corporation

## Part 3 Financial Administration

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

	2023-24 Actual \$'000	2024-25 Budget \$'000	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
<b>REVENUE TO GENERAL GOVERNMENT SECTOR</b>							
National Tax Equivalent Regime - Income Tax ....	10,885	7,946	9,165	<b>6,987</b>	6,828	7,726	7,845
Dividends <sup>(a)</sup> .....	19,745	13,964	18,965	<b>16,038</b>	12,227	11,949	13,522
<b>RATIOS</b>							
Dividend Payout Ratio (%) .....	75	75	75	<b>75</b>	75	75	75
<b>GOVERNMENT TRADING ENTERPRISE INFORMATION</b>							
Revenue from Operations .....	1,713,617	1,804,941	1,996,283	<b>2,092,854</b>	2,267,064	2,456,813	2,634,606
Total Expenses <sup>(b)</sup> .....	1,677,454	1,778,461	1,965,754	<b>2,069,583</b>	2,244,321	2,431,077	2,608,473
<b>NET PROFIT AFTER TAX</b> .....	25,286	18,534	21,364	<b>16,284</b>	15,915	18,010	18,288
<b>CASH ASSETS</b> <sup>(c)</sup> .....	659,207	692,498	690,328	<b>685,805</b>	685,468	685,763	685,164

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

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

(c) As at 30 June each financial year.

## Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Corporation's Income Statement since presentation of the 2024-25 Budget to Parliament on 9 May 2024, are outlined below:

	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
Flow-on Impact of Updated Borrowing Requirements and Market Conditions .....	6,220	<b>1,174</b>	(3,204)	(3,811)	(2,119)

## Significant Initiatives

1. The Corporation is the State's central financial services provider, working with its government sector clients to achieve sound financial outcomes. The Corporation's principal activities involve funding and debt management, asset and investment management, financial advisory services, financial risk management, and treasury management services and systems, with a focus on the continued efficient delivery of the Corporation's core functions and to continue to support the financial management of the State.
2. Changes to the Corporation's Income Statement since the 2024-25 Budget are driven by updates to interest expense, interest revenue and administration margin earned by the Corporation on its borrowings. These items are impacted by refinements in the timing and quantum of client loans, the composition of debt raised and the flow on impact of changes in the global interest market impacting interest rates paid on debt and earned on client loans and investments.

## Statement of Corporate Intent

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

## Objectives, Outcomes and Key Performance Information

### Relationship to Government Goals

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

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

### Outcomes and Key Performance Indicators

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
<b>Outcome: Deliver valued financial solutions to clients:</b>					
Assessment of client satisfaction.....	100	90	100	90	
<b>Outcome: Achieve interest rate savings for clients:</b>					
Estimated interest rate savings .....	>0.00%	>0.00%	>0.00%	>0.00%	
<b>Outcome: Deliver scale benefits to the State by keeping administrative expenses in proportion to revenue:</b>					
Administration cost ratio .....	0.04%	<0.06%	0.05%	<0.06%	
<b>Outcome: Maintain an adequate profit:</b>					
Pre-tax profit.....	\$36.2 million	\$26.5 million	\$30.5 million	\$23.3 million	1
<b>Outcome: Continual improvement of employee engagement:</b>					
Staff engagement.....	77%	>65%	68%	>65%	

## Explanation of Significant Movements

(Notes)

1. The 2023-24 Actual is elevated due to higher interest revenue on the Corporation's investments, reflecting rapid increases to short-term interest rates over the period. This has moderated from 2024-25, with lower investment holdings and smaller average interest margins. The 2024-25 Estimated Actual profit before tax exceeds the 2024-25 Budget due to slower than anticipated recruitment of employees, and supplies and services expenditure falling below forecast. Recruitment and contract activity is expected to align to forecasts from 2025-26, reducing the pre-tax profit from 2025-26.

## Asset Investment Program

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

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-25 \$'000	2024-25 Estimated Expenditure \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
<b>COMPLETED WORKS</b>							
Computer Hardware and Software - 2024-25 Program .....	275	275	275	-	-	-	-
<b>NEW WORKS</b>							
Computer Hardware and Software							
2025-26 Program .....	100	-	-	100	-	-	-
2026-27 Program .....	145	-	-	-	145	-	-
2027-28 Program .....	120	-	-	-	-	120	-
2028-29 Program .....	370	-	-	-	-	-	370
<b>Total Cost of Asset Investment Program .....</b>	<b>1,010</b>	<b>275</b>	<b>275</b>	<b>100</b>	<b>145</b>	<b>120</b>	<b>370</b>
<b>FUNDED BY</b>							
Internal Funds and Balances .....			275	100	145	120	370
<b>Total Funding .....</b>			<b>275</b>	<b>100</b>	<b>145</b>	<b>120</b>	<b>370</b>

## Financial Statements

1. The Corporation's aggregate borrowings, loans to authorities and interest costs have been updated to reflect the whole-of-State consolidated position as at the 19 May 2025 Budget cut-off date. Consequential changes may be required to the interest expense, interest revenue from clients and administration margin at the 2025-26 Mid-year Review to reflect the allocation of debt against individual portfolios.
2. The Corporation presents its valuations based on a mark-to-market basis under AASB 9: *Financial Instruments*. Other agencies prepare forecasts on a face value basis. As most agency borrowings are raised by the Corporation, these differences are removed on consolidation for the State's whole-of-government financial forecasts.

## Income Statement

### Revenue

3. Revenue includes interest from client authorities and interest earned on investments, with movements reflecting changes to the levels of client debt, updated assumptions on investment returns across the forward estimates period, and any changes to interest rates since the last published update. Long-term interest rates have increased on average 10 basis points over the forward estimates period since the 2024-25 Mid-Year Review, reflecting global long-term rates remaining elevated.

### Expenses

4. The 2024-25 Estimated Actual finance and interest cost show an increase of \$191 million compared to the 2024-25 Budget, reflecting the overall increase in long-term interest rates over the year, with the anticipated reduction to short-term rates offset by longer dated debt remaining elevated.



5. Finance and interest costs over the forward estimates period are aligned with the State's net debt forecast. Weighted average interest rates over the period track up modestly, as low interest debt raised over the previous decade is refinanced into the higher interest rate environment.
6. Small changes to the timing and level of borrowings, as well as small variances to the interest rate margin between borrowing and investments can have a material year-on-year impact on the Corporation's pre-tax profit. The 2023-24 Actual Profit was elevated due to higher interest revenue on the Corporation's investments, reflecting rapid increases to short-term interest rates over the period. This has moderated from 2024-25, with lower investment holdings, and smaller average interest margins. The 2024-25 Estimated Actual Profit Before Tax exceeds the 2024-25 Budget due to slower than anticipated recruitment of employees, and supplies and services expenditure falling below forecast. The Corporation is forecasting to deliver a modest Net Profit Before Tax over the forward estimates period, reflecting the low administration margin charged on client loans and employee and contract activity is expected to align to forecasts from 2025-26, reducing the pre-tax profit from 2025-26.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>REVENUE</b>							
<b>Revenue from operations</b>							
Other revenue .....	1,713,617	1,804,941	1,996,283	2,092,854	2,267,064	2,456,813	2,634,606
<b>TOTAL REVENUE .....</b>	<b>1,713,617</b>	<b>1,804,941</b>	<b>1,996,283</b>	<b>2,092,854</b>	<b>2,267,064</b>	<b>2,456,813</b>	<b>2,634,606</b>
<b>Expenses</b>							
Employee benefits <sup>(b)</sup> .....	14,190	16,508	15,700	17,561	18,139	18,847	19,591
Supplies and services .....	4,508	6,632	4,898	6,412	6,932	7,178	7,529
Accommodation .....	930	1,037	903	1,073	1,100	1,127	1,155
Depreciation and amortisation .....	540	838	849	523	450	255	221
Finance and interest costs .....	1,655,163	1,749,492	1,940,219	2,039,887	2,213,460	2,399,308	2,575,492
Other expenses .....	2,123	3,954	3,185	4,127	4,240	4,362	4,485
<b>TOTAL EXPENSES .....</b>	<b>1,677,454</b>	<b>1,778,461</b>	<b>1,965,754</b>	<b>2,069,583</b>	<b>2,244,321</b>	<b>2,431,077</b>	<b>2,608,473</b>
<b>NET PROFIT/(LOSS) BEFORE TAX .....</b>	<b>36,163</b>	<b>26,480</b>	<b>30,529</b>	<b>23,271</b>	<b>22,743</b>	<b>25,736</b>	<b>26,133</b>
National Tax Equivalent Regime							
Current tax equivalent expense .....	10,885	7,946	9,165	6,987	6,828	7,726	7,845
Deferred tax equivalent expense .....	(8)	-	-	-	-	-	-
<b>NET PROFIT/(LOSS) AFTER TAX .....</b>	<b>25,286</b>	<b>18,534</b>	<b>21,364</b>	<b>16,284</b>	<b>15,915</b>	<b>18,010</b>	<b>18,288</b>
<b>Dividends .....</b>	<b>19,745</b>	<b>13,964</b>	<b>18,965</b>	<b>16,038</b>	<b>12,227</b>	<b>11,949</b>	<b>13,522</b>

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

(b) The full-time equivalents for 2023-24 Actual, 2024-25 Estimated Actual and 2025-26 Budget Year are 79, 91 and 99 respectively.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CURRENT ASSETS</b>							
Cash assets.....	659,207	692,498	690,328	685,805	685,468	685,763	685,164
Receivables.....	326,215	348,552	348,552	399,963	429,963	461,252	461,252
Other investments.....	2,254,128	1,741,253	1,741,253	2,491,253	2,491,253	2,491,253	2,491,253
Government securities.....	2,292,231	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000
Loans to Authorities.....	8,296,902	6,697,873	8,525,248	6,969,005	7,362,143	7,720,207	7,928,709
Total current assets.....	13,828,683	11,230,176	13,055,381	12,296,026	12,718,827	13,108,475	13,316,378
<b>NON-CURRENT ASSETS</b>							
Property, plant and equipment.....	190	431	424	268	148	155	319
Intangibles.....	1,738	540	540	297	156	14	-
Loans to Authorities.....	36,709,369	39,547,051	37,554,625	44,041,029	48,118,813	50,447,842	52,379,354
Other.....	1,057	1,049	1,049	1,049	1,049	1,049	1,049
Total non-current assets.....	36,712,354	39,549,071	37,556,638	44,042,643	48,120,166	50,449,060	52,380,722
<b>TOTAL ASSETS</b> .....	<b>50,541,037</b>	<b>50,779,247</b>	<b>50,612,019</b>	<b>56,338,669</b>	<b>60,838,993</b>	<b>63,557,535</b>	<b>65,697,100</b>
<b>CURRENT LIABILITIES</b>							
Employee provisions.....	3,140	3,192	3,192	3,192	3,192	3,192	3,192
Payables.....	12,997	1,461,611	12,714	12,714	12,714	12,714	12,714
Borrowings and leases.....	15	8	16	10	14	14	5
Interest payable.....	461,235	462,255	462,255	462,255	462,255	462,255	462,255
Borrowings.....	8,239,486	9,058,864	8,212,982	9,658,477	10,182,634	10,660,210	10,938,233
Other.....	2,033,515	373,288	2,420,356	2,842,616	2,868,439	2,893,055	2,887,754
Total current liabilities.....	10,750,388	11,359,218	11,111,515	12,979,264	13,529,248	14,031,440	14,304,153
<b>NON-CURRENT LIABILITIES</b>							
Employee provisions.....	381	340	340	340	340	340	340
Borrowings and leases.....	27	24	10	-	25	10	2
Borrowings.....	39,617,732	39,248,849	39,325,245	43,183,910	47,130,537	49,340,841	51,202,935
Other.....	3	4	4	4	4	4	4
Total non-current liabilities.....	39,618,143	39,249,217	39,325,599	43,184,254	47,130,906	49,341,195	51,203,281
<b>TOTAL LIABILITIES</b> .....	<b>50,368,531</b>	<b>50,608,435</b>	<b>50,437,114</b>	<b>56,163,518</b>	<b>60,660,154</b>	<b>63,372,635</b>	<b>65,507,434</b>
<b>NET ASSETS</b> .....	<b>172,506</b>	<b>170,812</b>	<b>174,905</b>	<b>175,151</b>	<b>178,839</b>	<b>184,900</b>	<b>189,666</b>
<b>EQUITY</b>							
Accumulated surplus/(deficit).....	172,506	170,812	174,905	175,151	178,839	184,900	189,666
<b>TOTAL EQUITY</b> .....	<b>172,506</b>	<b>170,812</b>	<b>174,905</b>	<b>175,151</b>	<b>178,839</b>	<b>184,900</b>	<b>189,666</b>

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
GST receipts.....	690	-	-	-	-	-	-
Other receipts.....	1,709,131	1,804,941	1,996,283	2,092,854	2,267,066	2,456,813	2,634,606
<b>Payments</b>							
Employee benefits.....	(14,190)	(16,508)	(15,700)	(17,560)	(18,139)	(18,846)	(19,590)
Supplies and services.....	(4,517)	(6,632)	(4,898)	(6,412)	(6,932)	(7,178)	(7,530)
Accommodation <sup>(b)</sup> .....	(930)	(1,037)	(903)	(1,073)	(1,100)	(1,127)	(1,155)
GST payments.....	(417)	-	(273)	-	-	-	-
Finance and interest costs.....	(1,608,909)	(1,749,492)	(1,939,199)	(2,039,887)	(2,213,460)	(2,399,308)	(2,575,492)
Other payments.....	(1,817)	(3,120)	(2,351)	(4,127)	(4,240)	(4,362)	(4,486)
<b>Net cash from operating activities.....</b>	<b>79,041</b>	<b>28,152</b>	<b>32,959</b>	<b>23,795</b>	<b>23,195</b>	<b>25,992</b>	<b>26,353</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Other receipts.....	5,907,970	4,000,000	4,000,000	4,750,000	4,750,000	4,750,000	4,750,000
<b>Payments</b>							
Purchase of non-current assets.....	(1,610)	(275)	(275)	(100)	(145)	(120)	(370)
Other payments.....	(5,801,919)	(4,000,000)	(3,962,391)	(4,750,000)	(4,750,000)	(4,750,000)	(4,750,000)
<b>Net cash from investing activities.....</b>	<b>104,441</b>	<b>(275)</b>	<b>37,334</b>	<b>(100)</b>	<b>(145)</b>	<b>(120)</b>	<b>(370)</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
Proceeds from borrowings.....	15,600,492	15,390,059	15,127,641	20,126,918	18,968,762	18,381,208	17,134,817
Other proceeds.....	12,226,847	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
<b>Payments</b>							
Repayment of borrowings and leases.....	(28,016,807)	(25,395,288)	(25,138,683)	(30,132,111)	(28,973,094)	(28,387,109)	(27,140,032)
<b>Net cash from financing activities.....</b>	<b>(189,468)</b>	<b>(5,229)</b>	<b>(11,042)</b>	<b>(5,193)</b>	<b>(4,332)</b>	<b>(5,901)</b>	<b>(5,215)</b>
<b>CASHFLOWS FROM GOVERNMENT</b>							
<b>Payments</b>							
Dividends to Government.....	(32,841)	(13,964)	(18,965)	(16,038)	(12,227)	(11,949)	(13,522)
National Tax Equivalent Regime - Income Tax.....	(18,623)	(7,946)	(9,165)	(6,987)	(6,828)	(7,727)	(7,845)
<b>Net cash provided to Government.....</b>	<b>51,464</b>	<b>21,910</b>	<b>28,130</b>	<b>23,025</b>	<b>19,055</b>	<b>19,676</b>	<b>21,367</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD.....</b>	<b>(57,450)</b>	<b>738</b>	<b>31,121</b>	<b>(4,523)</b>	<b>(337)</b>	<b>295</b>	<b>(599)</b>
Cash assets at the beginning of the reporting period.....	716,657	691,760	659,207	690,328	685,805	685,468	685,763
<b>Cash assets at the end of the reporting period.....</b>	<b>659,207</b>	<b>692,498</b>	<b>690,328</b>	<b>685,805</b>	<b>685,468</b>	<b>685,763</b>	<b>685,164</b>

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

## Division 12      **Office of the Auditor General**

### Part 3              Financial Administration

#### Appropriations, Expenses and Cash Assets

	2023-24 Actual \$'000	2024-25 Budget \$'000	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
<b>DELIVERY OF SERVICES</b>							
Item 41 Net amount appropriated to deliver services .....	13,158	13,858	14,754	16,016	15,857	16,189	16,505
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975.....	852	878	878	904	927	950	974
Total appropriations provided to deliver services .....	14,010	14,736	15,632	16,920	16,784	17,139	17,479
<b>CAPITAL</b>							
Item 129 Capital Appropriation .....	1,970	300	544	300	300	300	300
<b>TOTAL APPROPRIATIONS</b> .....	15,980	15,036	16,176	17,220	17,084	17,439	17,779
<b>EXPENSES</b>							
Total Cost of Services .....	53,325	53,781	55,924	60,131	63,166	64,163	65,435
Net Cost of Services <sup>(a)</sup> .....	40,902	41,276	43,419	46,076	48,113	48,907	49,887
<b>CASH ASSETS</b> <sup>(b)</sup> .....	1,915	2,570	1,410	1,979	2,566	3,148	3,699

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

(b) As at 30 June each financial year.

#### Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Office's Income Statement since presentation of the 2024-25 Budget to Parliament on 9 May 2024, are outlined below:

	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
<b>New Initiative</b>					
Corporate ICT and Cyber Security Uplift .....	747	-	-	-	-
<b>Other</b>					
2025-26 Streamlined Budget Process Incentive Funding .....	-	402	-	-	-
Audit Services .....	-	802	2,954	2,540	1,794
Government Office Accommodation .....	91	125	129	134	138
Public Sector Wages Policy .....	805	1,248	1,578	1,617	1,617
State Fleet Updates .....	-	-	-	-	3

## Significant Initiatives

1. Spending on audit services is projected to increase by \$8.1 million over the forward estimates period as a result of increases in public sector wages, professional services costs and the time required to resolve prior-year audit findings. The spending is largely offset by audit fees, with costs recovered from the State and local government sector as shown under Tariffs, Fees and Charges.
2. To help meet the legislative requirement set by Parliament that the Auditor General audit the financial statements and controls of all state and local government entities plus the key performance indicators of state entities, the Office engages contract audit firms, undertaking 47% of State and 87% of local government financial audits (by number). Recent tender submissions from these firms show a significant average increase of approximately 19% in rates for professional services, driving up input costs. Similar rate increases are being observed across public audit offices in Australia and New Zealand, driven by global shortages of skilled auditors. Furthermore, approximately 66 contracts across all firms engaged by the Office are due for renewal within the next 12 months. The Office continues to seek efficiencies to reduce the impact of unavoidable cost increases.
3. The Office is focused on driving efficiencies within its internal operations, recognising the growing pressure that rising costs place on agencies. In response, the Office is taking a targeted approach to audit planning by carefully determining audit risks and tailoring procedures that reflect the current operating environment. In addition, the Office is pursuing broader operational improvements across the Office, including the increased use of data analytics to enhance audit delivery.

## Outcomes, Services and Key Performance Information

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

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

## Service Summary

Expense	2023-24 Actual \$'000	2024-25 Budget \$'000	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
1. Public Sector Auditing .....	53,325	53,781	55,924	60,131	63,166	64,163	65,435
<b>Total Cost of Services.....</b>	<b>53,325</b>	<b>53,781</b>	<b>55,924</b>	<b>60,131</b>	<b>63,166</b>	<b>64,163</b>	<b>65,435</b>

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
<b>Outcome: An informed Parliament on public sector accountability and performance:</b>					
The extent that the Office is effective in informing the Parliament about the public sector accountability and performance is measured by the number of tabled reports compared to targets for each of the following categories of audit matter:					
Service delivery - Reports tabled .....	4	8	8	8	
Economic development - Reports tabled .....	1	4	4	4	
Social and environment - Reports tabled .....	1	4	3	5	
Governance - Reports tabled .....	20	12	11	12	

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

**Services and Key Efficiency Indicators****1. Public Sector Auditing**

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

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service .....	53,325	53,781	55,924	60,131	1
Less Income .....	12,423	12,505	12,505	14,055	
Net Cost of Service .....	40,902	41,276	43,419	46,076	
<b>Employees (Full-Time Equivalents) .....</b>	<b>224</b>	<b>255</b>	<b>245</b>	<b>255</b>	
<b>Efficiency Indicators</b>					
Total audit cost (attest and non-attest) per \$ million of total public sector expenditure .....	\$610	\$625	\$592	\$641	
Total attest audit cost per \$ million of total public sector expenditure .....	\$490	\$470	\$468	\$482	
State attest audit cost per \$ million of total public sector expenditure .....	\$371	\$357	\$351	\$364	
Local government attest audit cost per \$ million of total public sector expenditure .....	\$119	\$113	\$117	\$118	
Total non-attest audit cost per \$ million of total public sector expenditure .....	\$120	\$155	\$124	\$159	
Average number of days taken after balance date to issue financial audit opinions for state government entities .....	73	68	67	68	
Average number of days taken after legislated submission date to issue financial audit opinions for local government entities .....	78	68	66	68	

**Explanation of Significant Movements**

(Notes)

- The increase between the 2024-25 Budget, 2024-25 Estimated Actual and the 2025-26 Budget Target is mainly due to additional expenditure for the public sector wages policy, ICT projects and cyber security enhancements, and depreciation.

## Asset Investment Program

1. The Office's Asset Investment Program provides for the replacement of corporate applications, ICT infrastructure and office equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-25 \$'000	2024-25 Estimated Expenditure \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
<b>COMPLETED WORKS</b>							
Computer Hardware and Software							
2023-24 Program.....	2,304	2,304	500	-	-	-	-
2024-25 Program.....	1,234	1,234	1,234	-	-	-	-
<b>NEW WORKS</b>							
Computer Hardware and Software							
2025-26 Program.....	690	-	-	690	-	-	-
2026-27 Program.....	690	-	-	-	690	-	-
2027-28 Program.....	690	-	-	-	-	690	-
2028-29 Program.....	690	-	-	-	-	-	690
<b>Total Cost of Asset Investment Program .....</b>	<b>6,298</b>	<b>3,538</b>	<b>1,734</b>	<b>690</b>	<b>690</b>	<b>690</b>	<b>690</b>
<b>FUNDED BY</b>							
Capital Appropriation.....			544	300	300	300	300
Holding Account .....			390	390	390	390	390
Internal Funds and Balances.....			500	-	-	-	-
Major Treasurer's Special Purpose Account(s)							
Digital Capability Fund.....			300	-	-	-	-
<b>Total Funding.....</b>			<b>1,734</b>	<b>690</b>	<b>690</b>	<b>690</b>	<b>690</b>

## Financial Statements

### Income Statement

#### Expenses

1. Total Cost of Services is estimated to increase by \$6.4 million in the 2025-26 Budget Year compared to the 2024-25 Budget, mainly due to the public sector wages policy, and depreciation and amortisation expense linked to several capitalised critical assets.
2. A budget deficit of \$1.2 million is estimated in 2024-25, however this is expected to improve to a small budget surplus over the forward estimates period. The current estimated deficit is largely driven by increased employee costs to meet auditing demands and supplies and services due to rising contractors' fees providing external services to the Office.

#### Income

3. The increase in total income and Total Income from Government in the 2025-26 Budget Year relative to the 2024-25 Budget reflects the increase in funding associated with the cost of service delivery for financial and information systems, and forensic audits. The allocation between other revenue (local government financial audit fees) and other revenue from Government that will be reviewed annually to confirm that the cost recovery allocation remains appropriate.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits <sup>(b)</sup> .....	29,111	32,080	32,885	34,692	34,927	35,778	36,641
Supplies and services .....	19,627	16,995	17,742	19,705	22,382	22,417	22,769
Accommodation .....	2,019	2,148	2,239	2,327	2,386	2,391	2,395
Depreciation and amortisation .....	926	730	1,230	1,535	1,552	1,571	1,571
Finance and interest costs .....	9	11	11	10	10	8	11
Other expenses .....	1,633	1,817	1,817	1,862	1,909	1,998	2,048
<b>TOTAL COST OF SERVICES .....</b>	<b>53,325</b>	<b>53,781</b>	<b>55,924</b>	<b>60,131</b>	<b>63,166</b>	<b>64,163</b>	<b>65,435</b>
<b>Income</b>							
Other revenue .....	12,423	12,505	12,505	14,055	15,053	15,256	15,548
<b>Total Income .....</b>	<b>12,423</b>	<b>12,505</b>	<b>12,505</b>	<b>14,055</b>	<b>15,053</b>	<b>15,256</b>	<b>15,548</b>
<b>NET COST OF SERVICES .....</b>	<b>40,902</b>	<b>41,276</b>	<b>43,419</b>	<b>46,076</b>	<b>48,113</b>	<b>48,907</b>	<b>49,887</b>
<b>INCOME FROM GOVERNMENT</b>							
Service appropriations .....	14,010	14,736	15,632	16,920	16,784	17,139	17,479
Resources received free of charge .....	-	467	467	467	467	467	467
Other revenues .....	26,361	26,147	26,147	28,787	30,978	31,425	32,062
<b>TOTAL INCOME FROM GOVERNMENT .....</b>	<b>40,371</b>	<b>41,350</b>	<b>42,246</b>	<b>46,174</b>	<b>48,229</b>	<b>49,031</b>	<b>50,008</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b>	<b>(531)</b>	<b>74</b>	<b>(1,173)</b>	<b>98</b>	<b>116</b>	<b>124</b>	<b>121</b>

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

(b) The full-time equivalents for 2023-24 Actual, 2024-25 Estimated Actual and 2025-26 Budget Year are 224, 245 and 255 respectively.



**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CURRENT ASSETS</b>							
Cash assets.....	1,915	1,928	1,410	1,428	1,464	1,495	1,495
Restricted cash.....	-	-	-	551	1,102	1,653	2,204
Receivables.....	15,520	14,438	15,569	15,651	15,732	15,823	15,945
Other.....	905	492	905	905	905	905	905
<b>Total current assets.....</b>	<b>18,340</b>	<b>16,858</b>	<b>17,884</b>	<b>18,535</b>	<b>19,203</b>	<b>19,876</b>	<b>20,549</b>
<b>NON-CURRENT ASSETS</b>							
Holding Account receivables.....	6,075	6,437	6,437	7,035	7,633	8,231	8,829
Property, plant and equipment.....	684	1,198	1,007	1,037	1,097	1,381	1,627
Receivables.....	789	-	789	789	789	789	789
Intangibles.....	6,123	5,264	6,313	5,401	4,489	3,377	2,265
Restricted cash <sup>(b)</sup> .....	-	642	-	-	-	-	-
<b>Total non-current assets.....</b>	<b>13,671</b>	<b>13,541</b>	<b>14,546</b>	<b>14,262</b>	<b>14,008</b>	<b>13,778</b>	<b>13,510</b>
<b>TOTAL ASSETS.....</b>	<b>32,011</b>	<b>30,399</b>	<b>32,430</b>	<b>32,797</b>	<b>33,211</b>	<b>33,654</b>	<b>34,059</b>
<b>CURRENT LIABILITIES</b>							
Employee provisions.....	5,728	4,880	5,728	5,728	5,728	5,728	5,728
Payables.....	2,629	1,633	2,629	2,629	2,629	2,629	2,629
Borrowings and leases.....	40	54	45	39	46	41	42
Other.....	2,457	1,712	2,457	2,457	2,457	2,457	2,457
<b>Total current liabilities.....</b>	<b>10,854</b>	<b>8,279</b>	<b>10,859</b>	<b>10,853</b>	<b>10,860</b>	<b>10,855</b>	<b>10,856</b>
<b>NON-CURRENT LIABILITIES</b>							
Employee provisions.....	995	1,472	995	995	995	995	995
Borrowings and leases.....	122	107	118	93	84	108	91
<b>Total non-current liabilities.....</b>	<b>1,117</b>	<b>1,579</b>	<b>1,113</b>	<b>1,088</b>	<b>1,079</b>	<b>1,103</b>	<b>1,086</b>
<b>TOTAL LIABILITIES.....</b>	<b>11,971</b>	<b>9,858</b>	<b>11,972</b>	<b>11,941</b>	<b>11,939</b>	<b>11,958</b>	<b>11,942</b>
<b>EQUITY</b>							
Contributed equity.....	15,322	15,144	16,913	17,213	17,513	17,813	18,113
Accumulated surplus/(deficit).....	4,718	5,397	3,545	3,643	3,759	3,883	4,004
<b>Total equity.....</b>	<b>20,040</b>	<b>20,541</b>	<b>20,458</b>	<b>20,856</b>	<b>21,272</b>	<b>21,696</b>	<b>22,117</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>32,011</b>	<b>30,399</b>	<b>32,430</b>	<b>32,797</b>	<b>33,211</b>	<b>33,654</b>	<b>34,059</b>

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

(b) Effective from the 2023-24 financial year, the classification of 27<sup>th</sup> pay cash balances held by Treasury and Finance Administered on behalf of agencies was revised from Restricted cash to Receivables.

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
<b>CASHFLOWS FROM GOVERNMENT</b>							
Service appropriations .....	13,241	13,984	14,880	15,932	15,796	16,150	16,490
Capital appropriation.....	1,970	300	544	300	300	300	300
Holding Account drawdowns .....	390	390	390	390	390	390	390
Major Treasurer's Special Purpose Account(s)							
Digital Capability Fund .....	1,145	-	1,047	-	-	-	-
Other.....	22,396	26,147	26,147	28,787	30,936	31,382	32,019
<b>Net cash provided by Government .....</b>	<b>39,142</b>	<b>40,821</b>	<b>43,008</b>	<b>45,409</b>	<b>47,422</b>	<b>48,222</b>	<b>49,199</b>
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(28,738)	(32,081)	(32,886)	(34,692)	(34,927)	(35,777)	(36,640)
Supplies and services .....	(17,809)	(17,001)	(17,748)	(19,731)	(22,425)	(22,488)	(22,871)
Accommodation.....	(1,935)	(1,697)	(1,788)	(1,876)	(1,935)	(1,940)	(1,944)
GST payments.....	(4,088)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)
Finance and interest costs.....	(9)	(11)	(11)	(10)	(10)	(8)	(11)
Other payments.....	(2,067)	(1,766)	(1,766)	(1,810)	(1,855)	(1,944)	(1,994)
<b>Receipts <sup>(b)</sup></b>							
GST receipts.....	3,815	1,800	1,800	1,800	1,800	1,800	1,800
Other receipts.....	15,388	12,464	12,464	14,014	15,053	15,256	15,548
<b>Net cash from operating activities .....</b>	<b>(35,443)</b>	<b>(40,092)</b>	<b>(41,735)</b>	<b>(44,105)</b>	<b>(46,099)</b>	<b>(46,901)</b>	<b>(47,912)</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(4,859)	(1,190)	(1,734)	(690)	(690)	(690)	(690)
<b>Net cash from investing activities .....</b>	<b>(4,859)</b>	<b>(1,190)</b>	<b>(1,734)</b>	<b>(690)</b>	<b>(690)</b>	<b>(690)</b>	<b>(690)</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings and leases.....	(50)	(43)	(44)	(45)	(46)	(49)	(46)
Other payments .....	(147)	-	-	-	-	-	-
<b>Net cash from financing activities .....</b>	<b>(197)</b>	<b>(43)</b>	<b>(44)</b>	<b>(45)</b>	<b>(46)</b>	<b>(49)</b>	<b>(46)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD.....</b>	<b>(1,357)</b>	<b>(504)</b>	<b>(505)</b>	<b>569</b>	<b>587</b>	<b>582</b>	<b>551</b>
Cash assets at the beginning of the reporting period .....	3,914	3,074	1,915	1,410	1,979	2,566	3,148
Net cash transferred to/from other agencies ....	(642)	-	-	-	-	-	-
<b>Cash assets at the end of the reporting period .....</b>	<b>1,915</b>	<b>2,570</b>	<b>1,410</b>	<b>1,979</b>	<b>2,566</b>	<b>3,148</b>	<b>3,699</b>

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

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

**NET APPROPRIATION DETERMINATION (a)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
<b>GST Receipts</b>							
GST Input Credits .....	491	170	170	170	170	170	170
GST Receipts on Sales .....	3,324	1,630	1,630	1,630	1,630	1,630	1,630
<b>Other Receipts</b>							
Audit Fees .....	37,784	38,611	38,611	42,801	45,989	46,638	47,567
<b>TOTAL .....</b>	<b>41,599</b>	<b>40,411</b>	<b>40,411</b>	<b>44,601</b>	<b>47,789</b>	<b>48,438</b>	<b>49,367</b>

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

# Insurance Commission of Western Australia

## Part 3 Financial Administration

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

	2023-24 Actual \$'000	2024-25 Budget \$'000	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
<b>INSURANCE COMMISSION OF WESTERN AUSTRALIA</b>							
<b>REVENUE TO GENERAL GOVERNMENT SECTOR</b>							
National Tax Equivalent Regime - Income Tax ....	145,036	18,714	71,458	30,699	19,285	15,189	10,040
Dividends <sup>(a)(b)</sup> .....	171,722	54,271	61,960	60,670	61,775	62,504	62,762
<b>GOVERNMENT TRADING ENTERPRISE INFORMATION</b>							
Revenue from Operations .....	1,531,283	1,613,089	1,625,969	1,804,448	1,890,823	1,982,047	2,074,706
Total Expenses <sup>(c)</sup> .....	887,199	1,396,533	1,233,598	1,532,783	1,642,709	1,731,231	1,824,453
<b>NET PROFIT AFTER TAX</b> .....	461,981	151,590	274,660	190,166	173,681	175,570	175,176
<b>CASH ASSETS</b> <sup>(d)</sup> .....	476,782	614,927	510,636	552,979	597,545	641,942	686,831
<b>RISKCORVER FUND</b>							
<b>GOVERNMENT TRADING ENTERPRISE INFORMATION</b>							
Revenue from Operations .....	779,720	667,392	686,939	809,843	850,982	905,048	963,704
Total Expenses .....	789,704	628,715	661,915	746,802	793,831	844,551	898,220
<b>NET PROFIT/(LOSS)</b> .....	(9,984)	38,677	25,024	63,041	57,151	60,497	65,484
<b>CASH ASSETS</b> .....	13,157	1	7	4	8	6	5

- (a) In determining dividend payments to general government, Net Profit After Tax may be adjusted based on other factors as permitted by relevant legislation.
- (b) The dividend ratio is adjusted based on the need to maintain appropriate capital adequacy and other factors or circumstances taken into account by the Board of the Commission.
- (c) Excludes current tax expense, deferred tax expense and dividend payments.
- (d) As at 30 June each financial year.

## Financial Changes

Net operating balance impact of adjustments, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the Commission's Income Statement since presentation of the 2024-25 Budget to Parliament on 9 May 2024, are outlined below:

	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
Motor Injury Insurance Premiums .....	-	975	1,940	2,075	1,879
Claims and Other Underwriting Activities .....	31,455	3,710	982	930	106
Financial Forecasts <sup>(a)</sup> .....	28,978	17,213	19,593	24,357	25,106

- (a) Based on revised vehicle growth rates by Treasury and Finance and valuations provided by the independent actuary (dated September 2024).

## Significant Initiatives

1. In 2025-26, motor injury insurance (MII) premiums will increase by 2.7%, below Treasury and Finance's Consumer Price Index (CPI) forecast for the same period (2.75%). This results in a MII premium of approximately \$458.88 for a family vehicle (inclusive of GST, and \$504.77 including insurance duty), which compares favourably to motor vehicle insurance premiums in other jurisdictions in Australia.
2. Over the 2024-25 Estimated Actual and the forward estimates period, the Commission's claims expenses are forecast to increase, driven primarily by a rising number of vehicles on the roads and increases in medical care costs.
3. The Commission's investments portfolio is continuing to grow and is forecast to deliver long-term target returns that result in an improvement in net operating balance over the period to 2028-29, followed by an increase in the National Tax Equivalent Regime (NTER) tax equivalent and dividends revenue to Government resulting from higher operating profits.

## Statement of Corporate Intent

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

## Objectives, Outcomes and Key Performance Information

### Relationship to Government Goals

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

Government Goal	Strategic Objective	Desired Outcomes
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	Best injury recovery outcomes. Partner in navigating risk and minimising loss. Customer confidence in service delivery.	<ol style="list-style-type: none"> <li>1. Sustainable financial resources to meet our objectives</li> <li>2. Fully funded Third Party Insurance Fund (TPIF), Catastrophic Injuries Fund (CIF) and RiskCover Fund</li> <li>3. Provide efficient, timely and affordable insurance services that deliver care and compensation to claimants and agencies</li> </ol>

**Outcomes and Key Performance Indicators <sup>(a)</sup>**

	2023-24 Actual	2024-25 Budget	2024-25 Estimated Actual	2025-26 Budget Target	Note
<b>Outcome: Sustainable financial resources to meet our objectives:</b>					
Solvency level .....	138.6%	133%	139.6%	137.8%	
Main Investment Fund:					
Investment rolling 7-year return .....	5.9%	5.8%	5.8%	5.8%	
Annual investment rate of return .....	6.8%	6%	6%	6.4%	
Investment management expense ratio .....	0.6%	0.5%	0.5%	0.6%	
CIF:					
Investment rolling 7-year return .....	5.5%	6%	6%	6%	
Annual investment rate of return .....	6.9%	6.3%	6.3%	6.6%	
Investment management expense ratio .....	0.6%	0.5%	0.5%	0.7%	
<b>Outcome: Fully funded TPIF, CIF and RiskCover Fund:</b>					
TPIF:					
Solvency level .....	144.4%	137.6%	143%	139.8%	
Net loss ratio .....	81%	107.7%	102.3%	108%	
Net expense ratio .....	8.1%	7.9%	8.3%	8.5%	
Net combined ratio .....	89.1%	115.6%	110.6%	116.5%	1
CIF:					
Solvency level .....	159.8%	144.8%	164.9%	158.7%	2
Net loss ratio .....	13.2%	99.6%	46.9%	95.5%	
Net expense ratio .....	6.1%	6%	6%	6.4%	
Net combined ratio .....	19.3%	105.6%	52.9%	101.9%	2
RiskCover Fund:					
Solvency level .....	107.6%	113.7%	108.9%	112.7%	
Net loss ratio .....	105.6%	101.9%	103.7%	98.4%	
Net expense ratio .....	7.5%	8.8%	9.2%	9.1%	
Net combined ratio .....	113.1%	110.7%	112.9%	107.5%	3
<b>Outcome: Provide efficient, timely and affordable insurance services that deliver care and compensation to claimants and agencies:</b>					
Motor Injury Insurance (MII):					
Affordability Index <sup>(b)</sup> .....	22.9%	25%	25%	25%	
Proportion of claims payments made for the direct benefit of claimants .....	94.3%	95%	95%	95%	
Timeliness of liability determination .....	89.1%	80%	80%	80%	
Claim administration costs as a ratio of gross claims paid .....	8.1%	7.2%	7.8%	8.1%	
Claimant satisfaction .....	70%	65%	65%	65%	
Median claim duration .....	18.5 months	17.5 months	17.5 months	17.5 months	
RiskCover Fund:					
Affordability index <sup>(c)</sup> .....	1.72%	1.45%	1.86%	2.25%	4
Proportion of claims payments made for the direct benefit of claimants .....	91.6%	90%	90%	90%	
Timeliness of liability determination .....	98.1%	90%	90%	90%	
Claim administration costs as a ratio of gross claims paid .....	9.9%	9.7%	10.3%	10.0%	
Claimant satisfaction .....	78%	80%	80%	80%	
Median claim duration .....	5.5 months	4.8 months	5.3 months	5.2 months	

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

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

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

## Explanation of Significant Movements

(Notes)

1. The TPIF's net combined ratio is forecast to increase from 89.1% in the 2023-24 Actual to 110.6% in the 2024-25 Estimated Actual, then increase to 116.5% in the 2025-26 Budget Target. The movement mainly reflects the actuary's assessment of the TPIF which noted increasing claims liabilities due to the continuing increase in the number of vehicles and claims medical care costs (due to inflation).
2. The CIF's solvency level is forecast to increase from 144.8% in the 2024-25 Budget to 164.9% in the 2024-25 Estimated Actual, reflecting strong profits from underwriting profit.

The CIF's net combined ratio is projected to increase from 19.3% in the 2023-24 Actual to 52.9% in the 2024-25 Estimated Actual, and then further increase to 101.9% in the 2025-26 Budget Target. The reduction between the 2024-25 Budget and 2024-25 Estimated Actual reflects strong underwriting profits. This result was mainly due to lower than expected increase in claims liabilities, driven by an increase in long-term discount rates (used to value the Fund's long-tail liabilities) and fewer new scheme participants with catastrophic injuries than anticipated, whilst partly offset by higher than forecast medical and care costs inflation.

3. The RiskCover Fund's net combined ratio of 113.1% in the 2023-24 Actual reflects the Fund's large underwriting loss for that year. The loss was mainly attributable to higher than expected claims costs driven by an increase in the number and cost of new claims in workers compensation, property and liability insurance classes. This ratio is forecast to decrease to 107.5% in the 2025-26 Budget Target, reflecting a continued but smaller underwriting loss forecast for the year.
4. The RiskCover Fund's affordability index is expected to increase from 1.45% in the 2024-25 Budget to 1.86% in the 2024-25 Estimated Actual and further increase to 2.25% in the 2025-26 Budget Target. The increasing trend reflects the growth in new claim volumes per full-time equivalents insured, coupled with an increase in average claims cost driven by an increasingly higher proportion of severe lost-time injury claims (which are of a longer duration).

## Asset Investment Program

1. The Commission's Asset Investment Program across the forward estimates period totals \$18.6 million. The major components include:
  - 1.1. \$13.3 million for ICT software, incorporating systems developed for use by the Commission's stakeholders, application development software, performance monitoring and security applications, core insurance system enhancements, general desktop applications and expenditure to upgrade a range of systems identified in the Commission's Strategic Plan;
  - 1.2. \$3.1 million for motor vehicle fleet replacements under the Commission's Remuneration Benefit Vehicle Scheme; and
  - 1.3. \$1.7 million for ICT hardware, including scheduled replacement of laptops, network and server infrastructure, continual ICT security enhancements and enhanced disaster recovery capability.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-25 \$'000	2024-25 Estimated Expenditure \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
<b>COMPLETED WORKS</b>							
ICT Hardware - 2024-25 Program .....	2,820	2,820	2,820	-	-	-	-
ICT Software - 2024-25 Program .....	2,910	2,910	2,910	-	-	-	-
Motor Vehicles - 2024-25 Program .....	328	328	328	-	-	-	-
Other Fixed Assets - 2024-25 Program .....	35	35	35	-	-	-	-
Plant and Equipment - 2024-25 Program .....	15	15	15	-	-	-	-
<b>NEW WORKS</b>							
<b>ICT Hardware</b>							
2025-26 Program .....	152	-	-	152	-	-	-
2026-27 Program .....	176	-	-	-	176	-	-
2027-28 Program .....	1,139	-	-	-	-	1,139	-
2028-29 Program .....	195	-	-	-	-	-	195
<b>ICT Software</b>							
2025-26 Program .....	3,550	-	-	3,550	-	-	-
2026-27 Program .....	3,250	-	-	-	3,250	-	-
2027-28 Program .....	3,250	-	-	-	-	3,250	-
2028-29 Program .....	3,250	-	-	-	-	-	3,250
<b>Motor Vehicles</b>							
2025-26 Program .....	719	-	-	719	-	-	-
2026-27 Program .....	800	-	-	-	800	-	-
2027-28 Program .....	800	-	-	-	-	800	-
2028-29 Program .....	800	-	-	-	-	-	800
<b>Other Fixed Assets</b>							
2026-27 Program .....	120	-	-	-	120	-	-
2027-28 Program .....	120	-	-	-	-	120	-
2028-29 Program .....	120	-	-	-	-	-	120
<b>Plant and Equipment</b>							
2025-26 Program .....	5	-	-	5	-	-	-
2026-27 Program .....	60	-	-	-	60	-	-
2027-28 Program .....	60	-	-	-	-	60	-
2028-29 Program .....	60	-	-	-	-	-	60
<b>Total Cost of Asset Investment Program .....</b>	<b>24,734</b>	<b>6,108</b>	<b>6,108</b>	<b>4,426</b>	<b>4,406</b>	<b>5,369</b>	<b>4,425</b>
<b>FUNDED BY</b>							
Internal Funds and Balances .....			6,108	4,426	4,406	5,369	4,425
<b>Total Funding .....</b>			<b>6,108</b>	<b>4,426</b>	<b>4,406</b>	<b>5,369</b>	<b>4,425</b>



## Financial Statements

### Insurance Commission of Western Australia

#### Income Statement

##### *Revenue*

1. Total Revenue is forecast to increase by \$178.5 million from 2024-25 Estimated Actual to the 2025-26 Budget, due to forecast increases in premium revenue and investment income.

##### *Expenses*

2. Total Expenses are estimated to increase by \$346.4 million from the 2023-24 Actual to the 2024-25 Estimated Actual, and by a further \$299.2 million in the 2025-26 Budget. These movements mainly reflect increased claims expenses which are forecast to increase by \$295.9 million from the 2023-24 Actual to the 2024-25 Estimated Actual, and by a further \$252.9 million in the 2025-26 Budget.
3. Dividends will decrease by \$109.8 million from the 2023-24 Actual to the 2024-25 Estimated Actual. The 2023-24 Actual reflects a large dividend payment of \$171.7 million following the strong financial performance in the 2022-23 financial year.

#### Statement of Financial Position

4. The increase in property, plant and equipment of \$28.3 million from the 2024-25 Budget to the 2024-25 Estimated Actual is primarily due to the lease of new office space which was not budgeted in 2024-25.
5. Current borrowing and leases liabilities are expected to decrease by \$2.4 million from the 2024-25 Budget to the 2024-25 Estimated Actual due to the impending termination of the Commission's former leased office space.
6. Total Equity is forecast to increase by \$212.7 million from the 2023-24 Actual to the 2024-25 Estimated Actual, and then further increase by \$129.5 million in the 2025-26 Budget. These movements are largely due to forecast growth in investment assets, partially offset by the increase in motor injury insurance claims liabilities.

#### Statement of Cashflows

7. Closing cash assets balance increases by \$42.3 million from the 2024-25 Estimated Actual to the 2024-25 Budget, where it is forecast to reach \$553 million. This movement primarily reflects returns from investing activities, partially offset by dividend and NTER tax equivalent payments to Government.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
<b>REVENUE</b>							
<b>Revenue from operations</b>							
Premium revenue .....	995,105	1,047,009	1,060,572	1,131,349	1,173,898	1,210,522	1,245,511
Other revenue .....	536,178	566,080	565,397	673,099	716,925	771,525	829,195
<b>TOTAL REVENUE .....</b>	<b>1,531,283</b>	<b>1,613,089</b>	<b>1,625,969</b>	<b>1,804,448</b>	<b>1,890,823</b>	<b>1,982,047</b>	<b>2,074,706</b>
<b>Expenses</b>							
Claim expenses .....	659,911	1,125,816	955,796	1,208,713	1,300,898	1,372,168	1,447,182
Employee benefits <sup>(b)</sup> .....	52,459	58,655	57,263	69,210	71,673	73,466	75,301
Accommodation .....	275	300	300	300	307	315	323
Depreciation and amortisation .....	8,402	6,818	10,469	6,965	7,664	7,707	7,499
Finance and interest costs .....	68,869	93,485	94,420	112,478	115,914	125,638	135,692
Other expenses .....	97,283	111,459	115,350	135,117	146,253	151,937	158,456
<b>TOTAL EXPENSES .....</b>	<b>887,199</b>	<b>1,396,533</b>	<b>1,233,598</b>	<b>1,532,783</b>	<b>1,642,709</b>	<b>1,731,231</b>	<b>1,824,453</b>
<b>NET PROFIT/(LOSS) BEFORE TAX .....</b>	<b>644,084</b>	<b>216,556</b>	<b>392,371</b>	<b>271,665</b>	<b>248,114</b>	<b>250,816</b>	<b>250,253</b>
National Tax Equivalent Regime							
Current tax equivalent expense .....	145,036	18,714	71,458	30,699	19,285	15,189	10,040
Deferred tax equivalent expense .....	37,067	46,252	46,253	50,800	55,148	60,057	65,037
<b>NET PROFIT/(LOSS) AFTER TAX .....</b>	<b>461,981</b>	<b>151,590</b>	<b>274,660</b>	<b>190,166</b>	<b>173,681</b>	<b>175,570</b>	<b>175,176</b>
<b>Dividends .....</b>	<b>171,722</b>	<b>54,271</b>	<b>61,960</b>	<b>60,670</b>	<b>61,775</b>	<b>62,504</b>	<b>62,762</b>

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

(b) The full-time equivalents for 2023-24 Actual, 2024-25 Estimated Actual and 2025-26 Budget Year are 442, 469 and 512 respectively.

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CURRENT ASSETS</b>							
Cash assets.....	476,782	614,927	510,636	552,979	597,545	641,942	686,831
Receivables.....	60,422	54,740	60,339	60,242	60,141	60,071	60,006
Other investments.....	5,360,475	5,516,869	5,780,685	6,306,316	6,859,450	7,410,598	7,967,714
Government securities.....	319,065	337,149	344,094	375,402	408,349	441,177	474,361
Other.....	15,586	14,066	15,584	15,468	15,468	15,468	15,468
Total current assets.....	6,232,330	6,537,751	6,711,338	7,310,407	7,940,953	8,569,256	9,204,380
<b>NON-CURRENT ASSETS</b>							
Property, plant and equipment.....	40,069	6,894	35,197	31,711	27,654	24,643	20,990
Intangibles.....	16,112	14,478	16,349	16,999	17,502	17,879	18,162
Receivables.....	274,266	307,692	289,264	315,149	340,223	364,462	389,463
Other investments.....	1,509,664	1,718,066	1,628,091	1,776,227	1,932,116	2,087,447	2,244,458
Total non-current assets.....	1,840,111	2,047,130	1,968,901	2,140,086	2,317,495	2,494,431	2,673,073
<b>TOTAL ASSETS</b> .....	<b>8,072,441</b>	<b>8,584,881</b>	<b>8,680,239</b>	<b>9,450,493</b>	<b>10,258,448</b>	<b>11,063,687</b>	<b>11,877,453</b>
<b>CURRENT LIABILITIES</b>							
Outstanding claims.....	669,574	643,157	669,573	669,573	669,573	669,573	669,573
Employee provisions.....	9,492	9,177	9,449	9,462	9,475	9,488	9,501
Payables.....	163,541	165,358	252,466	259,418	257,504	255,841	253,937
Borrowings and leases.....	1,695	2,762	325	2,415	2,604	2,893	3,202
Other.....	1,473,845	1,625,935	1,598,172	1,737,180	1,924,899	2,115,181	2,312,673
Total current liabilities.....	2,318,147	2,446,389	2,529,985	2,678,048	2,864,055	3,052,976	3,248,886
<b>NON-CURRENT LIABILITIES</b>							
Outstanding claims.....	3,290,600	3,954,797	3,595,225	4,085,550	4,593,770	5,094,927	5,598,509
Employee provisions.....	6,777	7,556	6,852	6,929	7,008	7,089	7,171
Borrowings and leases.....	40,164	-	39,939	37,685	35,080	32,187	28,985
Other.....	167,468	46,252	46,253	50,800	55,148	60,055	65,035
Total non-current liabilities.....	3,505,009	4,008,605	3,688,269	4,180,964	4,691,006	5,194,258	5,699,700
<b>TOTAL LIABILITIES</b> .....	<b>5,823,156</b>	<b>6,454,994</b>	<b>6,218,254</b>	<b>6,859,012</b>	<b>7,555,061</b>	<b>8,247,234</b>	<b>8,948,586</b>
<b>NET ASSETS</b> .....	<b>2,249,285</b>	<b>2,129,887</b>	<b>2,461,985</b>	<b>2,591,481</b>	<b>2,703,387</b>	<b>2,816,453</b>	<b>2,928,867</b>
<b>EQUITY</b>							
Contributed equity.....	(55,233)	(55,233)	(55,233)	(55,233)	(55,233)	(55,233)	(55,233)
Accumulated surplus/(deficit).....	2,277,541	2,159,944	2,490,241	2,619,737	2,731,643	2,844,709	2,957,123
Reserves.....	26,977	25,176	26,977	26,977	26,977	26,977	26,977
<b>TOTAL EQUITY</b> .....	<b>2,249,285</b>	<b>2,129,887</b>	<b>2,461,985</b>	<b>2,591,481</b>	<b>2,703,387</b>	<b>2,816,453</b>	<b>2,928,867</b>

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Premium receipts.....	1,120,747	1,182,303	1,201,923	1,277,790	1,324,120	1,361,778	1,400,528
GST receipts.....	148,984	146,695	147,961	158,528	167,221	174,689	182,168
Other receipts.....	290,952	329,405	337,405	412,085	439,987	473,690	508,421
<b>Payments</b>							
Claim payments.....	(573,210)	(677,836)	(651,171)	(718,388)	(792,678)	(871,011)	(943,600)
Employee benefits.....	(52,677)	(58,533)	(57,176)	(69,121)	(71,582)	(73,371)	(75,206)
Accommodation.....	(280)	(300)	(300)	(300)	(307)	(315)	(323)
GST payments.....	(147,106)	(146,695)	(147,961)	(158,528)	(167,221)	(174,689)	(182,168)
Finance and interest costs.....	(68,869)	(93,485)	(94,420)	(112,478)	(115,914)	(125,638)	(135,692)
Other payments.....	(204,023)	(228,625)	(234,459)	(261,745)	(277,473)	(286,890)	(297,248)
<b>Net cash from operating activities.....</b>	<b>514,518</b>	<b>452,929</b>	<b>501,802</b>	<b>527,843</b>	<b>506,153</b>	<b>478,243</b>	<b>456,880</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Proceeds from sale of non-current assets.....	448	202	202	412	296	296	296
Other receipts.....	3,633,669	3,396,589	3,666,733	3,915,605	4,211,892	4,479,960	4,767,138
<b>Payments</b>							
Purchase of non-current assets.....	(7,575)	(6,108)	(6,108)	(4,426)	(4,406)	(5,369)	(4,425)
Other payments.....	(4,015,074)	(3,659,387)	(3,915,291)	(4,266,257)	(4,533,179)	(4,771,625)	(5,037,345)
<b>Net cash from investing activities.....</b>	<b>(388,532)</b>	<b>(268,704)</b>	<b>(254,464)</b>	<b>(354,666)</b>	<b>(325,397)</b>	<b>(296,738)</b>	<b>(274,336)</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>							
<b>Payments</b>							
Repayment of borrowings and leases.....	(2,481)	(3,896)	(1,524)	(164)	(2,416)	(2,604)	(2,893)
<b>Net cash from financing activities.....</b>	<b>(2,481)</b>	<b>(3,896)</b>	<b>(1,524)</b>	<b>(164)</b>	<b>(2,416)</b>	<b>(2,604)</b>	<b>(2,893)</b>
<b>CASHFLOWS FROM GOVERNMENT</b>							
<b>Payments</b>							
Dividends to Government.....	(171,722)	(54,271)	(61,960)	(60,670)	(61,775)	(62,504)	(62,762)
National Tax Equivalent Regime - Income Tax....	(36,095)	(72,000)	(150,000)	(70,000)	(71,999)	(72,000)	(72,000)
<b>Net cash provided to Government.....</b>	<b>207,817</b>	<b>126,271</b>	<b>211,960</b>	<b>130,670</b>	<b>133,774</b>	<b>134,504</b>	<b>134,762</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD.....</b>	<b>(84,312)</b>	<b>54,058</b>	<b>33,854</b>	<b>42,343</b>	<b>44,566</b>	<b>44,397</b>	<b>44,889</b>
Cash assets at the beginning of the reporting period.....	561,094	560,869	476,782	510,636	552,979	597,545	641,942
<b>Cash assets at the end of the reporting period.....</b>	<b>476,782</b>	<b>614,927</b>	<b>510,636</b>	<b>552,979</b>	<b>597,545</b>	<b>641,942</b>	<b>686,831</b>

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

## RiskCover Fund

### Income Statement

#### *Revenue*

1. Total Revenue is forecast to decrease by \$92.8 million from the 2023-24 Actual to the 2024-25 Estimated Actual, before increasing by \$122.9 million in the 2025-26 Budget. Elevated figures for the 2023-24 Actual, and 2025-26 Budget Year, reflect higher reinsurance recovery revenue arising from large property claims and higher premium revenue received during the year.

#### *Expenses*

2. Total Expenses are estimated to decrease by \$127.8 million from the 2023-24 Actual to the 2024-25 Estimated Actual, due to an increased number and cost of new claims in the workers compensation, liability and property classes in 2023-24. Total Expenses increase back up by \$84.9 million in the 2025-26 Budget Year.

### Statement of Financial Position

3. The increase in other current assets of \$14.8 million from the 2024-25 Budget to the 2024-25 Estimated Actual relates to higher premium receivables from agencies.
4. Current outstanding claims liabilities increase by \$86.5 million from the 2024-25 Budget to the 2024-25 Estimated Actual due to higher claims costs.
5. The increase in payables of \$8.8 million from the 2024-25 Budget to the 2024-25 Estimated Actual reflect premiums received in advance from agencies for the 2025-26 year.
6. Total Equity is forecast to increase by \$25 million from the 2023-24 Actual to the 2024-25 Estimated Actual, and by a further \$63 million in the 2025-26 Budget. These movements reflect a projected increase in investment assets arising from the flow-on impact of positive investment returns forecast by the Commission, partially offset by an increase in future outstanding claims liabilities.

**INCOME STATEMENT <sup>(a)</sup>**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
			\$'000	\$'000			
<b>REVENUE</b>							
<b>Revenue from operations</b>							
Premium revenue .....	634,579	567,260	592,810	686,604	725,528	770,117	815,464
Other revenue .....	145,141	100,132	94,129	123,239	125,454	134,931	148,240
<b>TOTAL REVENUE .....</b>	<b>779,720</b>	<b>667,392</b>	<b>686,939</b>	<b>809,843</b>	<b>850,982</b>	<b>905,048</b>	<b>963,704</b>
<b>Expenses</b>							
Claim expenses .....	699,125	528,134	561,835	628,049	665,191	705,151	749,720
Other expenses .....	90,579	100,581	100,080	118,753	128,640	139,400	148,500
<b>TOTAL EXPENSES .....</b>	<b>789,704</b>	<b>628,715</b>	<b>661,915</b>	<b>746,802</b>	<b>793,831</b>	<b>844,551</b>	<b>898,220</b>
<b>NET PROFIT/(LOSS) BEFORE TAX .....</b>	<b>(9,984)</b>	<b>38,677</b>	<b>25,024</b>	<b>63,041</b>	<b>57,151</b>	<b>60,497</b>	<b>65,484</b>

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

**STATEMENT OF FINANCIAL POSITION <sup>(a)</sup>**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CURRENT ASSETS</b>							
Cash assets.....	13,157	1	7	4	8	6	5
Receivables.....	16,723	60,684	86,139	87,936	88,338	87,405	88,657
Other investments.....	1,083,916	1,218,961	1,185,945	1,305,140	1,473,856	1,647,833	1,829,098
Other.....	68,664	7,606	22,422	22,422	22,422	22,422	22,422
Total current assets.....	1,182,460	1,287,252	1,294,513	1,415,502	1,584,624	1,757,666	1,940,182
<b>NON-CURRENT ASSETS</b>							
Receivables.....	278,064	144,470	278,064	278,064	278,064	278,064	278,064
Total non-current assets.....	278,064	144,470	278,064	278,064	278,064	278,064	278,064
<b>TOTAL ASSETS</b> .....	1,460,524	1,431,722	1,572,577	1,693,566	1,862,688	2,035,730	2,218,246
<b>CURRENT LIABILITIES</b>							
Outstanding claims.....	467,512	380,991	467,512	467,512	467,512	467,512	467,512
Payables.....	50,079	41,285	50,079	50,079	50,079	50,079	50,079
Total current liabilities.....	517,591	422,276	517,591	517,591	517,591	517,591	517,591
<b>NON-CURRENT LIABILITIES</b>							
Outstanding claims.....	839,500	836,951	926,529	984,477	1,096,448	1,208,993	1,326,025
Total non-current liabilities.....	839,500	836,951	926,529	984,477	1,096,448	1,208,993	1,326,025
<b>TOTAL LIABILITIES</b> .....	1,357,091	1,259,227	1,444,120	1,502,068	1,614,039	1,726,584	1,843,616
<b>NET ASSETS</b> .....	103,433	172,495	128,457	191,498	248,649	309,146	374,630
<b>EQUITY</b>							
Contributed equity.....	(323,788)	(323,788)	(323,788)	(323,788)	(323,788)	(323,788)	(323,788)
Accumulated surplus/(deficit).....	427,221	496,283	452,245	515,286	572,437	632,934	698,418
<b>TOTAL EQUITY</b> .....	103,433	172,495	128,457	191,498	248,649	309,146	374,630

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

**STATEMENT OF CASHFLOWS <sup>(a)</sup>**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Premium receipts .....	552,183	567,260	570,389	686,604	725,528	770,117	815,464
GST receipts .....	64,976	75,238	75,493	90,709	95,041	101,520	107,918
Other receipts .....	78,027	101,819	102,115	119,676	123,044	133,591	144,498
<b>Payments</b>							
Claim payments .....	(450,027)	(464,856)	(474,806)	(570,101)	(553,220)	(592,606)	(632,688)
GST payments .....	(65,254)	(75,239)	(75,493)	(90,709)	(95,041)	(101,520)	(107,919)
Other payments .....	(90,579)	(99,033)	(108,819)	(116,987)	(126,632)	(137,127)	(146,008)
<b>Net cash from operating activities .....</b>	<b>89,326</b>	<b>105,189</b>	<b>88,879</b>	<b>119,192</b>	<b>168,720</b>	<b>173,975</b>	<b>181,265</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>							
<b>Payments</b>							
Other payments .....	(142,596)	(105,189)	(102,029)	(119,195)	(168,716)	(173,977)	(181,266)
<b>Net cash from investing activities .....</b>	<b>(142,596)</b>	<b>(105,189)</b>	<b>(102,029)</b>	<b>(119,195)</b>	<b>(168,716)</b>	<b>(173,977)</b>	<b>(181,266)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(53,270)</b>	<b>-</b>	<b>(13,150)</b>	<b>(3)</b>	<b>4</b>	<b>(2)</b>	<b>(1)</b>
Cash assets at the beginning of the reporting period .....	66,427	1	13,157	7	4	8	6
<b>Cash assets at the end of the reporting period .....</b>	<b>13,157</b>	<b>1</b>	<b>7</b>	<b>4</b>	<b>8</b>	<b>6</b>	<b>5</b>

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



# Keystart

## Part 3 Financial Administration

### Interactions with the Consolidated Account, Dividend Payout Ratio and Government Trading Enterprise Information <sup>(a)</sup>

	2023-24 Actual \$'000	2024-25 Budget \$'000	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
<b>REVENUE TO GENERAL GOVERNMENT SECTOR</b>							
Dividends <sup>(b)</sup> .....	35,232	-	5,391	-	-	-	-
<b>GOVERNMENT TRADING ENTERPRISE INFORMATION</b>							
Revenue from Operations .....	222,376	169,294	171,133	117,676	119,741	151,711	198,272
Total Expenses <sup>(c)</sup> .....	187,144	169,548	165,742	130,206	135,878	159,482	191,807
Total Borrowings .....	2,505,000	2,084,561	1,885,000	1,424,504	1,793,817	2,373,923	3,150,732
<b>NET PROFIT AFTER TAX</b> .....	35,232	(254)	5,391	(12,530)	(16,137)	(7,771)	6,465
<b>CASH ASSETS</b> <sup>(d)</sup> .....	777,600	724,231	729,797	381,063	381,268	380,127	377,644

(a) The 2023-24 Actual, 2024-25 Budget and 2024-25 Estimated Actual financial data have been recast for comparative purposes due to Keystart becoming a Government Trading Enterprise (GTE) as of 1 July 2025.

(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 Keystart's Income Statement, are outlined below:

	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
Revision of Financial Forecasts.....	4,776	-	-	-	-

## Significant Initiatives

1. Keystart's objective is to assist more Western Australians to achieve home ownership by providing transitional finance through its low-deposit home loan products.

### Election Commitments

2. Keystart will pilot a new low-deposit Modular Home Loan product to make it easier for customers to access finance for new modular homes. This will provide more housing choice, particularly for those in rural and regional locations. It will also support the modular construction industry to grow in scale.
3. Keystart will also pilot a Graduate and Apprentice Loan, a low-deposit home loan product targeted at graduates and apprentices to be launched during the 2025-26 financial year.
4. The Government will expand its shared equity program to provide 1,000 shared equity loans for newly constructed apartment and townhouses, with the Government to make an equity contribution of up to 35% of the property value, or up to \$250,000, to be launched in the 2025-26 financial year.

5. Keystart will establish a \$75 million fund to support Build to Rent Loans that will provide up to 30% low-cost finance, or up to \$250,000 per apartment, for affordable build-to-rent developments. This will include no-interest loans during construction, and low-interest loans thereafter, with applications to open in 2025-26 and loans expected to be issued in 2026-27, or earlier.

### Establishment as a Government Trading Enterprise

6. The *Keystart Act 2024* established Keystart as a GTE and allowed for the repeal of the *Country Housing Authority Act 1998*. Keystart is expected to commence trading as a GTE on 1 July 2025.

### Changes to Economic Assumptions

7. The Reserve Bank of Australia (RBA) decreased its official cash rate (OCR) during 2024-25 and this was passed on to existing and new customers, reducing the cost of servicing their loans with Keystart.
8. The RBA's OCR may continue to fall during the 2025-26 Budget Year. A reduction in the OCR will benefit Keystart customers through lower interest rates and will negatively impact on investment returns as Keystart reinvests its cash reserves, required for liquidity and capital adequacy purposes, at lower rates.

### Policy Setting Adjustments

9. Rising house prices have allowed greater numbers of Keystart customers to transition their home loans to commercial lenders, in line with Keystart's operating model as a transitional, low-deposit, lender.
10. The Government approved an increase in Keystart's metropolitan and regional property price limits in December 2024 to \$730,000, which has resulted in an increase in applications from customers in the March quarter of 2025 than in the corresponding quarter in the prior year.

### Annual Performance Statement

A GTE is not required to adopt an Annual Performance Statement for the budget year in which it is first established as per section 75 (2) of the *Government Trading Enterprises Act 2023*. Keystart's first Annual Performance Statement will be produced for the 2026-27 Budget.

### Objectives, Outcomes and Key Performance Information

#### Relationship to Government Goals

Broad government goals are supported at GTE level by objectives and outcomes. Keystart's objectives, outcomes and key performance information will be produced for the 2026-27 Budget.

### Asset Investment Program

1. To support the delivery of its key lending services, Keystart's Asset Investment Program totals \$5 million over the forward estimates period and includes an ongoing ICT development program.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-25 \$'000	2024-25 Estimated Expenditure \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
<b>WORKS IN PROGRESS</b>							
ICT Systems.....	20,501	15,901	1,150	1,150	1,150	1,150	1,150
<b>Total Cost of Asset Investment Program .....</b>	<b>20,501</b>	<b>15,901</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>
<b>FUNDED BY</b>							
Internal Funds and Balances.....			1,150	1,150	1,150	1,150	1,150
<b>Total Funding.....</b>			<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>

## Financial Statements

1. Keystart's financial statements have been presented to reflect the *Keystart Act 2024*, consolidating the operations of the previous Keystart entities and the Country Housing Authority. The 2023-24 Actual, 2024-25 Budget and 2024-25 Estimated Actual financial data have been recast for comparative purposes due to Keystart becoming a GTE as of 1 July 2025.
2. Full audited financial statements will be published in Keystart's first Annual Report for the 2025-26 financial year.
3. Keystart is currently not registered for the National Tax Equivalency Regime, the effects of which have not been reflected in the financial statements.

### Income Statement

#### Revenue

4. Other revenue comprises interest paid by customer and interest earned on short-term investments. Movements in revenue reflect movements in the size of the customer loan book and updated assumptions on interest rates over the forward estimates period.

#### Expenses

5. Finance and interest costs include interest paid on borrowings obtained from the Western Australian Treasury Corporation. Reduction in finance and interest costs from the 2023-24 Actual to the 2025-26 Budget Year reflects reduced borrowings (as a result of a smaller loan book) and lower interest rates.

### Statement of Financial Position

6. Cash assets are high-quality liquid assets and short-term investments that Keystart holds as part of its liquidity management and capital adequacy requirements. Changes in cash balances reflects changes in liquidity requirements, debt repayment maturities and expected loan repayments and disbursements.
7. Loans and advances (current and non-current assets) represent the outstanding balance of loans made to customers. The loan balance at the 2024-25 Estimated Actual is lower than the 2024-25 Budget due to rising property prices resulting in more customers transitioning to commercial lenders.

### INCOME STATEMENT (Controlled)

	2023-24 Actual \$'000	2024-25 Budget \$'000	2024-25 Estimated Actual \$'000	2025-26 Budget Year \$'000	2026-27 Outyear \$'000	2027-28 Outyear \$'000	2028-29 Outyear \$'000
<b>REVENUE</b>							
<b>Revenue from operations</b>							
Other revenue.....	222,376	169,294	171,133	117,676	119,741	151,711	198,272
<b>TOTAL REVENUE .....</b>	<b>222,376</b>	<b>169,294</b>	<b>171,133</b>	<b>117,676</b>	<b>119,741</b>	<b>151,711</b>	<b>198,272</b>
<b>Expenses</b>							
Employee benefits <sup>(a)</sup> .....	19,937	23,728	23,474	23,470	22,955	23,881	24,546
Supplies and services .....	8,344	12,476	8,985	8,833	9,299	9,467	9,738
Accommodation .....	34	38	38	39	40	41	42
Depreciation and amortisation .....	2,161	2,594	2,594	2,362	2,462	2,462	2,562
Finance and interest costs .....	146,376	119,790	112,168	78,253	85,726	107,551	138,212
Other expenses .....	10,292	10,922	18,483	17,249	15,396	16,080	16,707
<b>TOTAL EXPENSES .....</b>	<b>187,144</b>	<b>169,548</b>	<b>165,742</b>	<b>130,206</b>	<b>135,878</b>	<b>159,482</b>	<b>191,807</b>
<b>NET PROFIT/(LOSS) BEFORE TAX .....</b>	<b>35,232</b>	<b>(254)</b>	<b>5,391</b>	<b>(12,530)</b>	<b>(16,137)</b>	<b>(7,771)</b>	<b>6,465</b>
<b>Dividends .....</b>	<b>35,232</b>	<b>-</b>	<b>5,391</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) The full-time equivalents for 2023-24 Actual, 2024-25 Estimated Actual and 2025-26 Budget Year are 136, 150 and 139 respectively.

**STATEMENT OF FINANCIAL POSITION**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Estimated	Budget	Outyear	Outyear	Outyear
	\$'000	\$'000	Actual	Year	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CURRENT ASSETS</b>							
Cash assets.....	777,600	724,231	729,797	381,063	381,268	380,127	377,644
Receivables.....	1,713	3,531	1,614	1,614	1,614	1,614	1,610
Loans and advances.....	733,382	505,958	514,345	470,875	592,137	790,955	1,061,432
Total current assets.....	1,512,695	1,233,720	1,245,756	853,552	975,019	1,172,696	1,440,686
<b>NON-CURRENT ASSETS</b>							
Property, plant and equipment.....	4,785	4,525	4,157	3,412	2,869	2,019	1,774
Intangibles.....	2,269	1,980	1,670	1,501	1,245	1,526	993
Loans and advances.....	1,353,516	1,180,323	969,161	882,538	1,126,225	1,516,651	2,043,849
Total non-current assets.....	1,360,570	1,186,828	974,988	887,451	1,130,339	1,520,196	2,046,616
<b>TOTAL ASSETS</b> .....	2,873,265	2,420,548	2,220,744	1,741,003	2,105,358	2,692,892	3,487,302
<b>CURRENT LIABILITIES</b>							
Employee provisions.....	2,064	2,751	2,507	2,956	3,191	3,191	2,612
Payables.....	41,324	5,395	9,114	2,036	12,598	27,797	39,786
Borrowings and leases.....	550,883	520,577	415,583	324,081	393,187	510,354	677,842
Interest payable.....	16,320	18,734	16,320	16,320	16,320	16,320	16,320
Other.....	305	268	284	243	243	243	243
Total current liabilities.....	610,896	547,725	443,808	345,636	425,539	557,905	736,803
<b>NON-CURRENT LIABILITIES</b>							
Employee provisions.....	353	711	484	617	879	879	605
Borrowings and leases.....	1,959,119	1,567,997	1,473,555	1,104,383	1,404,706	1,867,645	2,476,966
Other.....	449	2,589	449	449	453	453	453
Total non-current liabilities.....	1,959,921	1,571,297	1,474,488	1,105,449	1,406,038	1,868,977	2,478,024
<b>TOTAL LIABILITIES</b> .....	2,570,817	2,119,022	1,918,296	1,451,085	1,831,577	2,426,882	3,214,827
<b>NET ASSETS</b> .....	302,448	301,526	302,448	289,918	273,781	266,010	272,475
<b>EQUITY</b>							
Contributed equity.....	302,448	301,526	302,448	302,448	302,448	302,448	302,448
Accumulated surplus/(deficit).....	-	-	-	(12,530)	(28,667)	(36,438)	(29,973)
<b>TOTAL EQUITY</b> .....	302,448	301,526	302,448	289,918	273,781	266,010	272,475

**STATEMENT OF CASHFLOWS**  
**(Controlled)**

	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Year \$'000	Outyear \$'000	Outyear \$'000	Outyear \$'000
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Other receipts .....	217,007	166,941	166,932	117,675	119,742	151,712	198,272
<b>Payments</b>							
Employee benefits .....	(19,868)	(23,155)	(22,334)	(22,888)	(22,458)	(23,881)	(25,399)
Supplies and services .....	(7,448)	(7,837)	(4,191)	(3,984)	(4,064)	(3,965)	(4,017)
Accommodation .....	(34)	(38)	(38)	(39)	(40)	(41)	(42)
Finance and interest costs .....	(147,765)	(119,748)	(114,225)	(80,286)	(84,242)	(107,032)	(138,702)
Other payments .....	(9,521)	(20,365)	(28,711)	(25,935)	(21,817)	(21,688)	(21,607)
<b>Net cash from operating activities .....</b>	<b>32,371</b>	<b>(4,202)</b>	<b>(2,567)</b>	<b>(15,457)</b>	<b>(12,879)</b>	<b>(4,895)</b>	<b>8,505</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Other receipts .....	965,918	692,224	908,334	802,701	705,492	597,749	439,646
<b>Payments</b>							
Purchase of non-current assets .....	(288)	(1,150)	(1,150)	(1,150)	(1,150)	(1,150)	(1,150)
Other payments .....	(293,811)	(221,383)	(296,216)	(668,019)	(1,060,049)	(1,172,426)	(1,225,768)
<b>Net cash from investing activities .....</b>	<b>671,819</b>	<b>469,691</b>	<b>610,968</b>	<b>133,532</b>	<b>(355,707)</b>	<b>(575,827)</b>	<b>(787,272)</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
Proceeds from borrowings .....	360,000	124,427	650,000	576,828	950,784	685,062	783,431
<b>Payments</b>							
Repayment of borrowings and leases .....	(885,377)	(571,029)	(1,270,972)	(1,038,246)	(581,993)	(105,481)	(7,147)
<b>Net cash from financing activities .....</b>	<b>(525,377)</b>	<b>(446,602)</b>	<b>(620,972)</b>	<b>(461,418)</b>	<b>368,791</b>	<b>579,581</b>	<b>776,284</b>
<b>CASHFLOWS FROM GOVERNMENT</b>							
<b>Payments</b>							
Dividends to Government .....	(82,655)	(20,225)	(35,232)	(5,391)	-	-	-
<b>Net cash provided to Government .....</b>	<b>82,655</b>	<b>20,225</b>	<b>35,232</b>	<b>5,391</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>96,158</b>	<b>(1,338)</b>	<b>(47,803)</b>	<b>(348,734)</b>	<b>205</b>	<b>(1,141)</b>	<b>(2,483)</b>
Cash assets at the beginning of the reporting period .....	681,442	725,569	777,600	729,797	381,063	381,268	380,127
<b>Cash assets at the end of the reporting period .....</b>	<b>777,600</b>	<b>724,231</b>	<b>729,797</b>	<b>381,063</b>	<b>381,268</b>	<b>380,127</b>	<b>377,644</b>

