



GOVERNMENT OF
WESTERN AUSTRALIA

2021-22

QUARTERLY FINANCIAL RESULTS REPORT

December 2021



2021-22

Quarterly Financial Results Report

December 2021

Acknowledgement of Country

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

Enquiries related to this report should be directed by email to info@treasury.wa.gov.au

An electronic copy of this report may be obtained at <http://www.treasury.wa.gov.au>
ISSN 1444-8548 (print)
ISSN 1447-9370 (on-line)

2021-22

Quarterly Financial Results Report

Six Months Ended 31 December 2021

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Foreword

This *Quarterly Financial Results Report* (QFRR) provides financial results for the Western Australian public sector for the six months to 31 December 2021.

Care should be exercised in extrapolating the likely outcome for the 2021-22 year based on the quarterly results to date, particularly in light of the seasonal and other timing factors that impact the State's finances. For example, the timing of grant revenue (from the Commonwealth), grant payments, and goods and services purchases and sales by agencies can be volatile, making comparisons between quarterly reporting periods difficult.

The presentation in this report is consistent with that used in the 2021-22 State Budget (presented to the Legislative Assembly on 9 September 2021).

The financial statements in this report have been prepared in accordance with applicable Australian Accounting Standards including AASB 134: *Interim Financial Reporting* and AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

In addition to the financial statements in Appendix 1 and details of operating revenue in Appendix 2, this report includes:

- Appendix 3: *Public Ledger*, which summarises information on the Consolidated Account, Treasurer's Special Purpose Accounts and the Treasurer's Advance;
- Appendix 4: *Special Purpose Accounts*, which details movements in balances for a number of Special Purpose Accounts established for the delivery of key Government policy outcomes; and
- Appendix 5: *General Government Salaries*, which summarises interim salaries spending by general government sector agencies.

Information presented in this QFRR is not audited.

Statement of Responsibility

The following Interim Financial Statements and accompanying notes for the general government sector and the whole-of-government have been prepared by the Department of Treasury from information provided by agencies.

In our opinion, the statements are a true and fair presentation of the operating statements and cash flows of these sectors for the six months ended 31 December 2021 and of the balance sheets of these reporting entities at 31 December 2021. The statements have been prepared in accordance with applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and, where there is no conflict with these standards, they are also consistent with the Australian Bureau of Statistics' *Government Finance Statistics Concepts, Sources and Methods 2015*.

Differences between accounting and economic aggregates are detailed in the notes as Convergence Differences, consistent with the requirements of AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.



MICHAEL BARNES PSM
UNDER TREASURER



MAGDALENA WITTEK
MANAGER
FINANCIAL REPORTING

25 February 2022

Overview

Summary

The general government sector recorded an operating surplus of almost \$4.8 billion for the six months to 31 December 2021, a \$1.8 billion increase on the surplus reported for the same period in 2020-21.

- General government revenue for the first six months of 2021-22 was \$2.7 billion higher than the same period last year. This mainly reflects higher Commonwealth grants (up \$1.9 billion), tax revenue (up \$844 million) and royalty income (up \$464 million), partially offset by lower dividends from public corporations (down \$657 million).
- General government expenses were \$879 million higher than the December 2020 outturn. This increase was largely due to higher salaries expenditure in key frontline agencies (up \$417 million) and higher patient support and other health spending (up \$238 million).

Total public sector net debt was \$28.4 billion at 31 December 2021, \$5.1 billion lower than the \$33.5 billion outcome recorded at 30 June 2021. This reflects the impact of the general government operating surplus for the first half of 2021-22, which provides an important non-debt source of funding for the Government's infrastructure program.

Results Compared to Prior Year

General Government Sector

The general government sector recorded an operating surplus of \$4,751 million for the six months to 31 December 2021. This was \$1,806 million higher than the operating surplus reported for the same period in 2020-21.

Table 1

SUMMARY OF GENERAL GOVERNMENT SECTOR FINANCES
Western Australia

	2021-22			2020-21		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(b) \$m
Net operating balance	348	4,751	2,446	912	2,945	5,838
Net worth		118,866	117,532		105,967	112,582
Movement in cash balances	1,325	4,173	653	71	739	1,298
<i>Memorandum items</i>						
Net lending	-33	4,116	686	848	2,822	3,649
Net debt		18,105	21,617		23,157	22,788
Cash surplus/-deficit	2,217	5,230	2,819	426	1,485	2,620

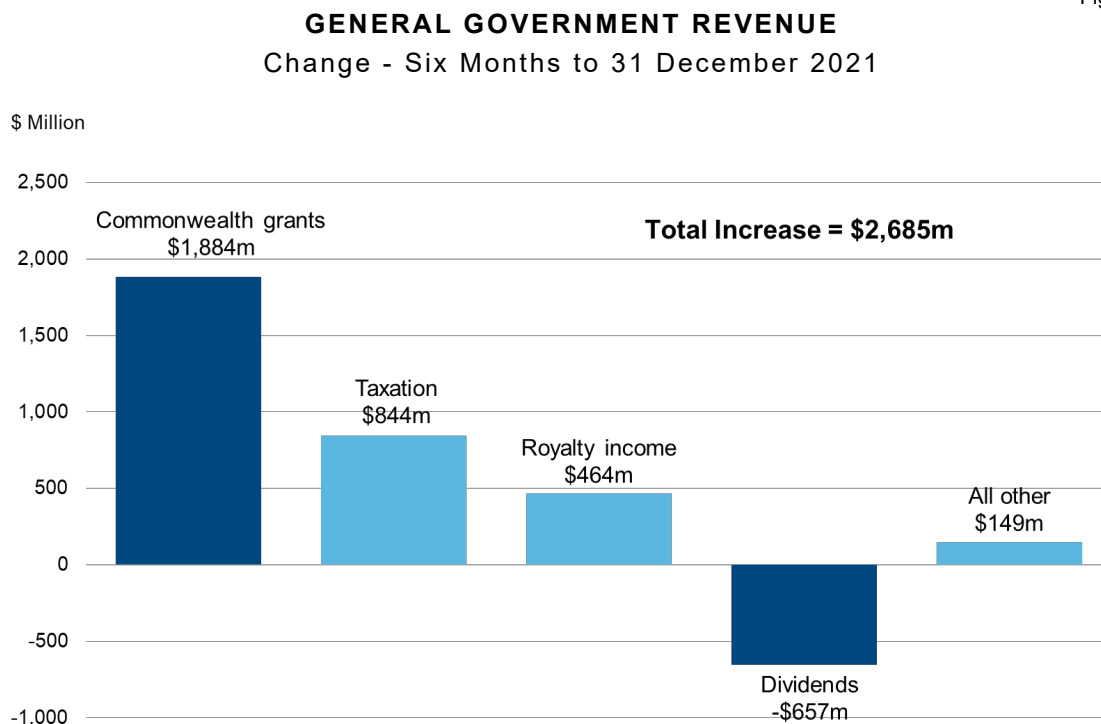
(a) Consistent with the revised estimated outcome published in the Mid-year Review, released on 16 December 2021.

(b) Consistent with the final audited data contained in the 2020-21 *Annual Report on State Finances*, released on 24 September 2021.

Revenue

Revenue for the six months to 31 December 2021 totalled \$21,832 million, \$2,685 million higher than the same period last year.

Figure 1



The higher revenue outcome for the six months to 31 December 2021 primarily reflects:

- higher Commonwealth funding (up \$1,884 million), primarily due to the net impact of:
 - higher GST grants (up \$1,041 million), mainly due to growth in the pool of national GST collections;
 - higher North West Shelf petroleum grants (up \$308 million), mainly due to higher oil prices;
 - higher Homebuilder grant funding (up \$274 million), reflecting demand for new home construction stimulus grants; and
 - higher transport infrastructure funding (up \$120 million);
- higher taxation revenue (up \$844 million), primarily due to the net impact of:
 - higher payroll tax collections (up \$422 million), reflecting stronger payrolls in the year to December 2021 compared to the same period last year, mainly reflecting robust activity in mining and related industries;
 - higher transfer duty (up \$304 million), primarily due to higher collections from residential property transactions reflecting buoyant market conditions;
 - lower landholder duty (down \$74 million), reflecting a lower number and value of commercial transactions;

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- higher insurance duty (up \$62 million), due to stronger insurance market conditions over the year to December 2021, and the impact of a large annual payment from an international insurer in December 2021; and
- higher vehicle licence duty (up \$40 million), mainly reflecting a strong rise in average vehicle prices in the year to December 2021;
- lower dividend income (down \$657 million), mainly due to the 2021-22 Budget decision for most Government Trading Enterprises to retain 2021-22 dividends for future infrastructure investment; and
- higher royalty income (up \$464 million), largely due to the net impact of:
 - the benchmark iron ore price, which averaged \$US136.7 per tonne in the six months to 31 December 2021, compared to an average price of \$US125.6 per tonne in the same period in 2020-21; and
 - the \$US/\$A exchange rate, which averaged US73.2 cents in the six months to 31 December 2021, compared to an average of US72.3 cents for the corresponding period a year earlier.

Figure 2

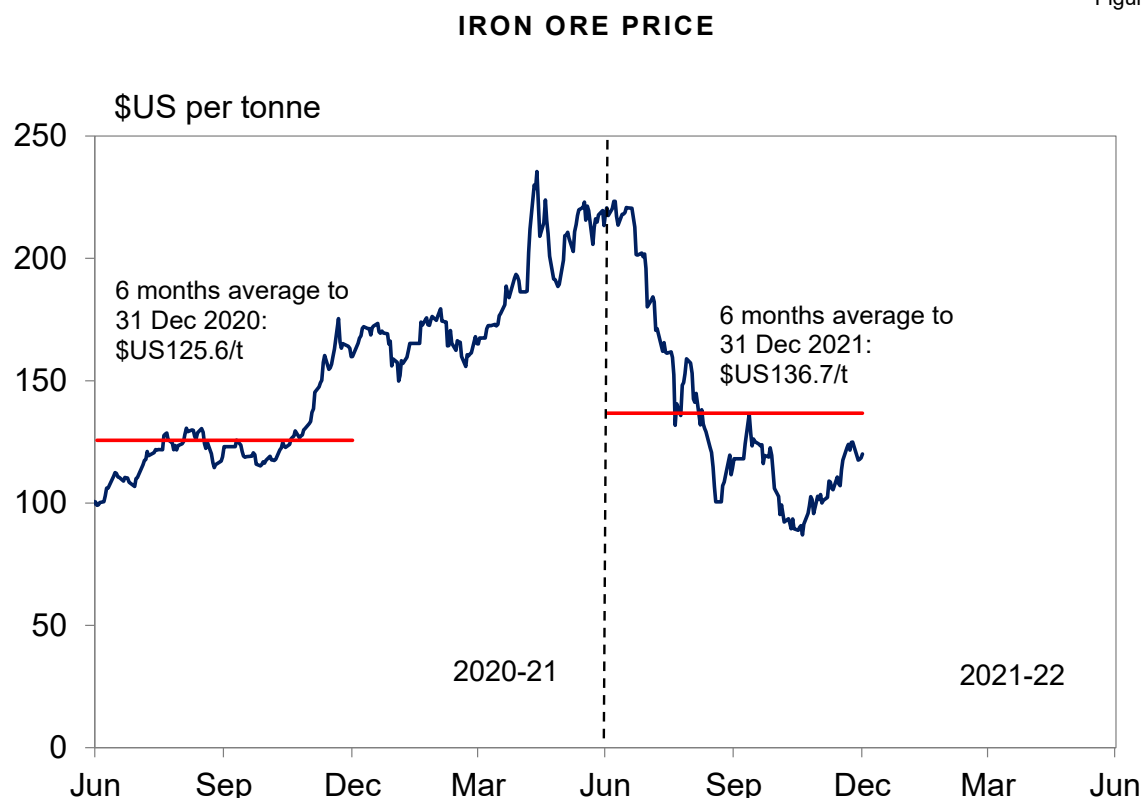
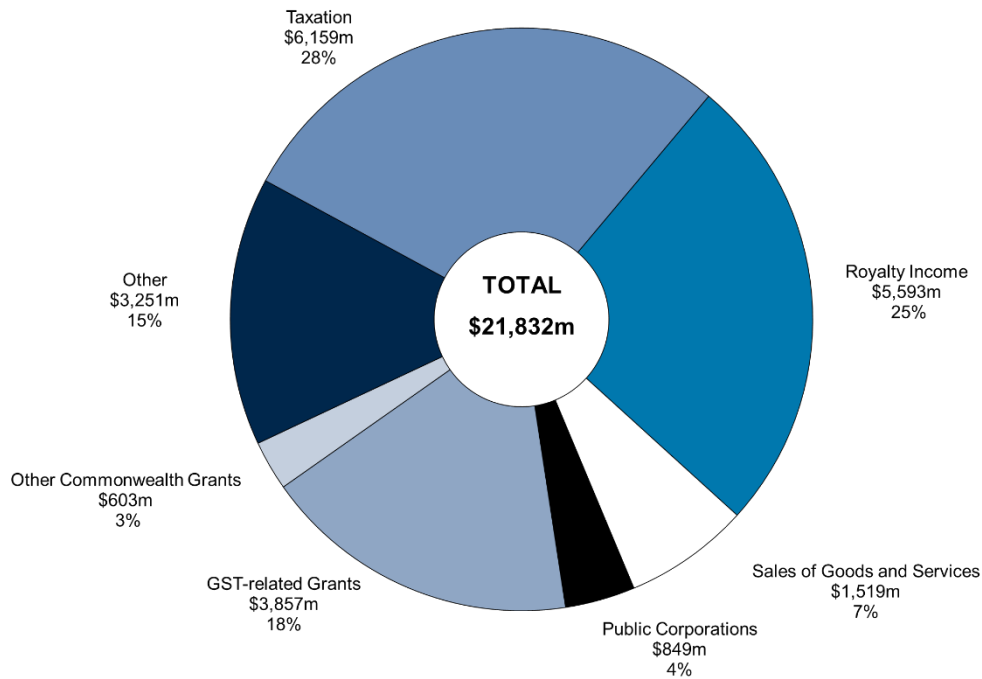


Figure 3

GENERAL GOVERNMENT REVENUE (a)
Six Months to 31 December 2021



(a) Segments may not add due to rounding.

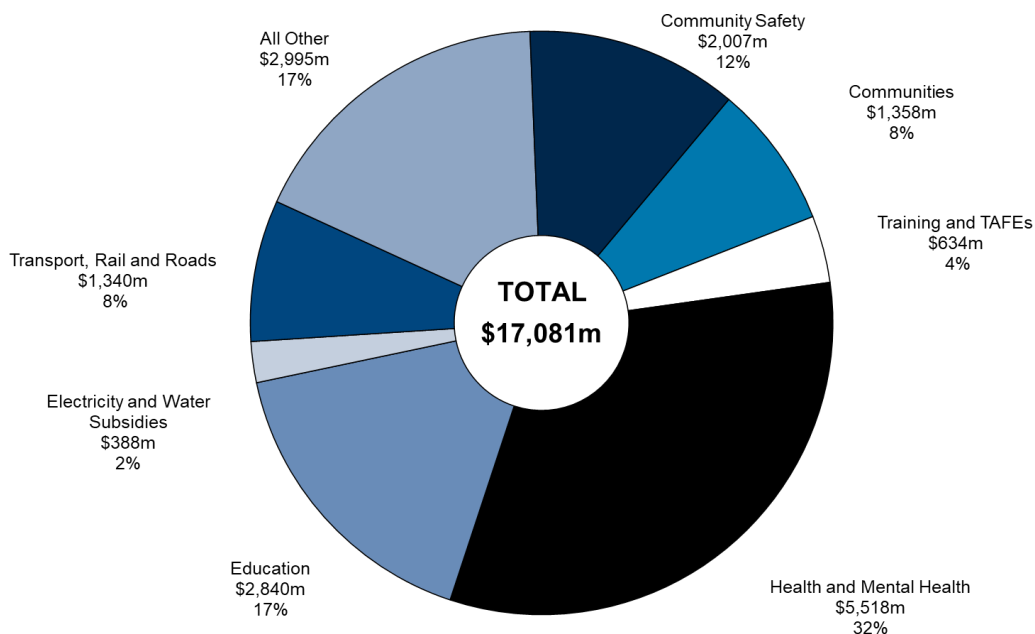
Expenses

Expenses for the six months to 31 December 2021 totalled \$17,081 million, up \$879 million (or 5.4%) on the same period in 2020-21. This increase mainly reflects:

- higher salaries spending (up \$417 million), primarily due to growth in workforce numbers in frontline service agencies (Health, Education and the Western Australia Police Force) and increases in wage rates under industrial agreements; and
- higher ‘other gross operating expenses’ (up \$282 million), largely due to higher health spending, reflecting higher private sector contract costs and other patient support costs.

Figure 4

GENERAL GOVERNMENT EXPENSES (a)
Six Months to 31 December 2021



(a) Segments may not add due to rounding.

Balance Sheet

General government sector net worth increased by an estimated \$6.3 billion during the six months to 31 December 2021, to stand at \$118.9 billion¹. This increase mainly reflects the combined impact of:

- an increase in the value of equity in public corporations (up \$2.6 billion), reflecting the value of physical assets (mainly plant and equipment and service concession assets) and operating surpluses recorded by this sector;
- higher liquid assets (up \$3.9 billion), mainly due to the timing of cash receipts and payments through the Public Bank Account;
- lower receivables (down \$1.5 billion), mainly reflecting movements in royalty accruals as assessed royalty income is received from producers; and
- a \$531 million decrease in borrowings, due mainly to the Government’s 2021-22 Budget decision to apply dividend revenue from the Insurance Commission of Western Australia and the Western Australian Treasury Corporation to debt repayment; and
- a \$426 million decrease in payables across the general government sector.

¹ Net worth is the widest measure of financial value of the public sector and includes the value of all assets less the value of all liabilities recorded on the balance sheet.

Cash Flow

A cash surplus of \$5,230 million was recorded by the general government sector for the six months to 31 December 2021, an increase of \$3,745 million compared to the cash surplus reported for the same period in 2020-21. This largely reflects the impact on cash of the operating surplus detailed earlier, partially offset by a \$529 million increase in asset investment (discussed later in this chapter).

Total Public Sector

Operating Statement

The total public sector recorded an operating surplus of \$4,794 million for the six months to 31 December 2021, \$1,801 million higher than the operating surplus recorded in the same period a year earlier.

Table 2

SUMMARY OF TOTAL PUBLIC SECTOR FINANCES
Western Australia

	2021-22			2020-21		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(b) \$m
Net operating balance	508	4,794	2,689	82	2,993	5,537
Net worth		118,866	117,532		105,967	112,582
Movement in cash balances	1,596	3,509	1,065	-660	623	1,607
<i>Memorandum items</i>						
Net lending	-816	3,315	-445	800	2,109	3,382
Net debt		28,422	32,621		34,580	33,482
Cash surplus/-deficit	1,604	4,764	1,209	-185	1,307	2,454

(a) Consistent with the revised estimated outcome published in the Mid-year Review, released on 16 December 2021.

(b) Consistent with the final audited data contained in the 2020-21 *Annual Report on State Finances*, released on 24 September 2021.

The total public sector operating surplus for the six months to 31 December 2021 incorporates:

- the \$4,751 million operating surplus for the general government sector outlined earlier;
- an operating surplus of \$219 million for the public non-financial corporations sector, broadly in line with the surplus recorded in the same period in 2020-21; and
- an operating surplus of \$338 million for the public financial corporations sector, \$664 million lower than the surplus reported in the same period in 2020-21, mainly due to the timing of the Bell Group settlement proceeds (\$665 million) received by the Insurance Commission of Western Australia in September 2020.

Table 3

TOTAL PUBLIC SECTOR OPERATING BALANCE By Sector

	2021-22			2020-21		Actual ^(b) \$m
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	
Net Operating Balance						
General government sector	348	4,751	2,446	912	2,945	5,838
Public non-financial corporations sector	248	219	823	75	218	780
Public financial corporations sector	-88	338	129	47	1,002	434
<i>less</i>						
General government dividend revenue	-	516	589	952	1,172	1,362
Public non-financial corporations dividend revenue ^(c)	-	-	121	-	-	156
Agency depreciation costs on right of use assets leased from other government sectors ^(d)	-1	-2	-2	-	-1	-3
Total public sector net operating balance	508	4,794	2,689	82	2,993	5,537

(a) Consistent with the revised estimated outcome published in the Mid-year Review, released on 16 December 2021.

(b) Consistent with the final audited data contained in the 2020-21 *Annual Report on State Finances*, released on 24 September 2021.

(c) Dividends received from Keystart (a public financial corporation) by the Housing Authority (a public non-financial corporation).

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

Balance Sheet

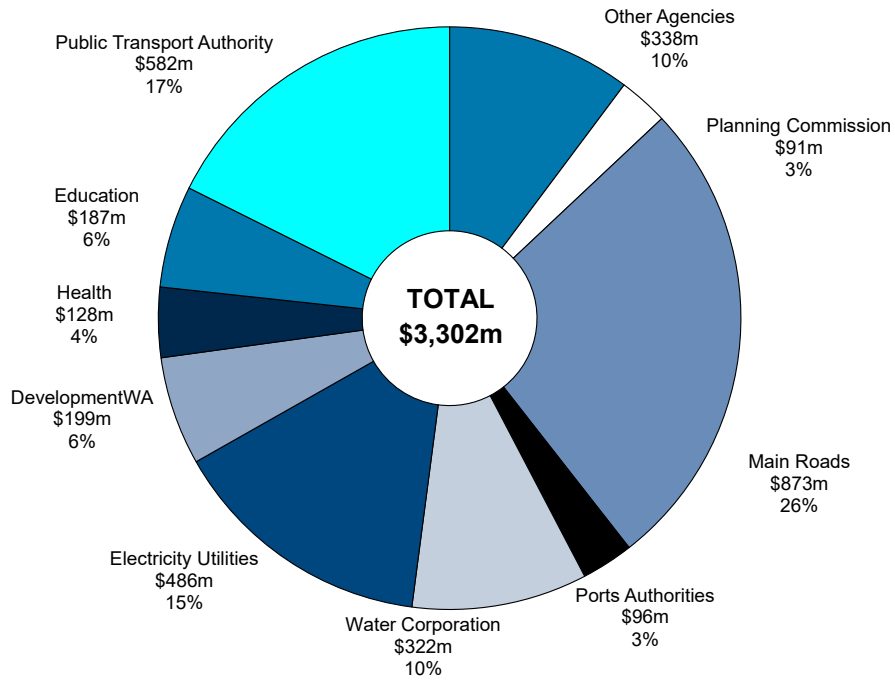
The value of the total public sector balance sheet (measured by net worth, or total assets less total liabilities) is identical to that of the general government sector (discussed earlier). This is because the net worth of the public corporations sectors is recognised as an investment asset of the general government sector.

Total public sector net debt decreased by \$5.1 billion during the six months to 31 December 2021 to stand at \$28.4 billion. This mainly reflects the cash surplus recorded in the six months to 31 December 2021 (see below).

Cash Flow

A cash surplus of \$4,764 million was recorded for the total public sector for the six months to 31 December 2021. This includes the general government cash outcome noted earlier, partly offset by lower operating cashflows for the public corporations sectors (down \$581 million). Asset investment spending for the six months to 31 December 2021 totalled \$3.3 billion, \$795 million higher than the same period in 2020-21. This is mainly due to higher spending on road projects (including Tonkin Gap, Bunbury Outer Ring Road, Armadale Road Bridge and the Leach Highway/Welshpool Road Interchange) and higher land acquisition costs by DevelopmentWA (for industrial land, commercial housing and the Ocean Reef Marina).

ASSET INVESTMENT PROGRAM (a)
Six Months to 31 December 2021



(a) Segments may not add due to rounding.

Interim Financial Statements

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Introduction

Financial information presented in this appendix has been prepared in accordance with Australian Accounting Standards and pronouncements, including AASB 134: *Interim Financial Reporting*, AASB 1049: *Whole of Government and General Government Sector Financial Reporting*, and requirements of the *Government Financial Responsibility Act 2000*. The formats used in this report are the same as those used in 2021-22 State Budget Papers presented to the Legislative Assembly on 9 September 2021, facilitating comparisons between estimates and outturns.

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These financial statements (Operating Statement, Balance Sheet and Cash Flow Statement) also comply with Uniform Presentation Framework (UPF) disclosure requirements. Other UPF disclosure requirements are included in the notes to the financial statements, and in Appendix 2 of this report.

Table 1.1

GENERAL GOVERNMENT OPERATING STATEMENT

	Note	2021-22			2020-21		Actual ^(b) \$m
		Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	
RESULTS FROM TRANSACTIONS							
REVENUE							
Taxation		3,048	6,159	10,943	2,450	5,315	10,153
Current grants and subsidies		2,454	6,697	11,251	1,893	5,188	9,421
Capital grants		388	605	1,882	140	230	1,131
Sales of goods and services		787	1,519	3,127	714	1,374	2,821
Interest income		34	56	106	50	68	110
Revenue from public corporations							
Dividends from other sectors		-	516	589	952	1,172	1,362
Tax equivalent income		179	334	690	202	391	956
Royalty income		2,025	5,593	8,730	2,691	5,129	12,181
Other		172	353	752	133	280	2,015
Total	2	9,085	21,832	38,071	9,225	19,147	40,151
EXPENSES							
Salaries		3,574	7,086	13,893	3,350	6,669	13,469
Superannuation							
Concurrent costs		394	738	1,448	329	661	1,323
Superannuation interest cost		26	46	130	18	33	60
Other employee costs		94	196	380	99	186	422
Depreciation and amortisation		452	890	1,853	421	840	1,741
Services and contracts		601	1,254	3,555	617	1,235	2,686
Other gross operating expenses		1,537	3,040	5,652	1,259	2,758	5,602
Interest							
Interest on leases		33	66	132	39	68	134
Other interest		158	316	637	163	324	654
Current transfers	3	1,547	2,844	6,651	1,840	3,217	7,458
Capital transfers	3	322	604	1,295	177	211	763
Total		8,737	17,081	35,625	8,313	16,202	34,313
NET OPERATING BALANCE		348	4,751	2,446	912	2,945	5,838
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		3	7	-8	-19	-2	-173
Provision for doubtful debts		1	-2	-17	-1	-2	-51
Changes in accounting policy/adjustments of prior periods		-37	-271	-	-49	15	9
Total other economic flows		-34	-265	-24	-69	12	-215
OPERATING RESULT		314	4,485	2,421	843	2,956	5,623
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		35	-580	1,424	243	-34	1,827
Net actuarial gains/loss - superannuation		160	173	120	282	219	1,072
Gains recognised directly in equity		3	3	-45	-	-	2
Change in net worth of the public corporations sectors		1,676	2,203	1,029	-364	388	1,620
All other		-	-	-	-	-	-
Total all other movements in equity		1,873	1,799	2,529	161	573	4,520
TOTAL CHANGE IN NET WORTH		2,187	6,284	4,950	1,004	3,529	10,144
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE		348	4,751	2,446	912	2,945	5,838
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		846	1,569	3,736	563	1,040	2,614
Changes in inventories		13	14	5	11	33	70
Other movement in non-financial assets		2	2	36	-72	-78	1,337
<i>less:</i>							
Sales of non-financial assets		27	59	165	16	32	90
Depreciation		452	890	1,853	421	840	1,741
Total net acquisition of non-financial assets		381	635	1,760	64	123	2,189
NET LENDING/-BORROWING		-33	4,116	686	848	2,822	3,649

(a) Consistent with the revised estimated outcome published in the Mid-year Review, released on 16 December 2021.

(b) Consistent with the final audited data contained in the 2020-21 Annual Report on State Finances, released on 24 September 2021.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.2

GENERAL GOVERNMENT BALANCE SHEET

	Note	For the period ending			
		31 Dec 2021	30 June 2022 ^(a)	31 Dec 2020	30 June 2021 ^(b)
		\$m	\$m	\$m	\$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		8,624	7,003	4,691	5,230
Advances paid		731	719	758	729
Investments, loans and placements	5	2,603	2,595	2,011	2,105
Receivables	6	4,412	3,722	4,619	5,942
Shares and other equity					
Investments in other public sector entities - equity method		44,784	43,610	41,349	42,581
Investments in other public sector entities - direct injections		12,153	12,794	11,305	11,751
Investments in other entities		30	30	22	30
Other financial assets		8	9	16	8
Total financial assets		73,346	70,482	64,773	68,376
<i>Non-financial assets</i>					
Land		37,222	38,855	35,181	37,821
Property, plant and equipment		47,851	50,057	45,945	47,428
Right-of-use assets		2,361	2,383	2,425	2,394
Service concession assets		782	775	760	798
Biological assets		54	54	109	54
Inventories					
Land inventories		-	-	-	-
Other inventories		192	183	141	179
Intangibles		577	609	552	586
Assets classified as held for sale		79	75	16	107
Investment property		7	7	7	7
Other		483	304	361	352
Total non-financial assets		89,607	93,302	85,496	89,726
TOTAL ASSETS		162,954	163,785	150,269	158,102
LIABILITIES					
Deposits held		1,076	2,986	1,122	1,333
Advances received		309	291	326	309
Borrowings	7				
Lease liabilities		2,727	2,762	2,707	2,753
Service concession liabilities		3	5	-	5
Other borrowings		25,948	25,891	26,463	26,451
Unfunded superannuation		5,239	5,210	6,483	5,516
Other employee benefits		4,010	3,902	3,680	3,875
Payables		2,112	2,556	942	2,537
Other liabilities		2,664	2,650	2,579	2,740
TOTAL LIABILITIES		44,087	46,252	44,302	45,520
NET ASSETS		118,866	117,532	105,967	112,582
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		18,906	18,806	10,773	14,298
Other reserves		99,960	98,727	95,194	98,284
NET WORTH		118,866	117,532	105,967	112,582
MEMORANDUM ITEMS					
<i>Net financial worth</i>		29,259	24,230	20,471	22,856
<i>Net financial liabilities</i>		27,679	32,174	32,184	31,476
<i>Net debt</i>					
Gross debt liabilities		30,063	31,935	30,618	30,851
less: liquid financial assets		11,958	10,318	7,461	8,063
Net debt		18,105	21,617	23,157	22,788

(a) Consistent with the revised estimated outcome published in the Mid-year Review, released on 16 December 2021.

(b) Consistent with the final audited data contained in the 2020-21 *Annual Report on State Finances*, released on 24 September 2021.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.3

GENERAL GOVERNMENT STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2021

	Asset Revaluation Surplus \$m	Accumulated net gain on equity investments in other sector entities \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2021</i>	55,702	42,581	14,298	112,582
Operating result	-	-	4,485	4,485
All other movements in equity	-526	2,203	122	1,799
<i>Total change in net worth</i>	-526	2,203	4,607	6,284
Balance at 31 December 2021	55,176	44,784	18,906	118,866

For the six months ended 31 December 2020

	Asset Revaluation Surplus \$m	Accumulated net gain on equity investments in other sector entities \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2020</i>	53,889	40,962	7,587	102,438
Operating result	-	-	2,956	2,956
All other movements in equity	-45	388	230	573
<i>Total change in net worth</i>	-45	388	3,186	3,529
Balance at 31 December 2020	53,844	41,349	10,773	105,967

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

Table 1.4

GENERAL GOVERNMENT CASH FLOW STATEMENT

	2021-22			2020-21		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	3,108	5,722	10,960	2,729	4,742	9,847
Grants and subsidies received	3,320	8,086	14,956	2,416	6,010	12,167
Receipts from sales of goods and services	651	1,474	3,080	666	1,401	2,858
Interest receipts	22	42	101	14	33	88
Dividends and tax equivalents	839	1,034	1,513	1,248	1,649	2,331
Other	4,174	8,637	12,981	3,039	5,875	12,694
<i>Total cash received</i>	12,114	24,995	43,591	10,112	19,709	39,985
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-3,700	-7,829	-15,632	-3,969	-7,354	-14,851
Payments for goods and services	-2,336	-4,850	-9,725	-2,177	-4,709	-8,904
Interest paid	-186	-371	-752	-198	-391	-803
Grants and subsidies paid	-2,325	-4,138	-9,463	-2,328	-3,781	-8,456
Dividends and tax equivalents	-	-	-	-	-	-
Other	-531	-1,067	-1,627	-467	-981	-1,828
<i>Total cash paid</i>	-9,079	-18,254	-37,200	-9,139	-17,216	-34,842
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,035	6,741	6,391	973	2,493	5,143
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-846	-1,569	-3,736	-563	-1,040	-2,614
Sales of non-financial assets	27	59	165	16	32	90
<i>Total cash flows from investments in non-financial assets</i>	-819	-1,510	-3,571	-547	-1,008	-2,524
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	5	9	10	3	5	14
For liquidity purposes	21	48	68	24	38	86
<i>Cash paid</i>						
For policy purposes	-297	-398	-1,319	-270	-721	-1,210
For liquidity purposes	-24	-38	-9	-15	-63	-94
<i>Total cash flows from investments in financial assets</i>	-295	-378	-1,250	-257	-741	-1,205
NET CASH FLOWS FROM INVESTING ACTIVITIES	-1,114	-1,889	-4,822	-804	-1,749	-3,728
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	18	-	-	18
Borrowings	22	31	151	11	178	198
Deposits received	-	-	-	-	-	-
Other financing receipts	43	56	26	71	117	233
<i>Total cash received</i>	65	87	195	82	295	449
<i>Cash paid</i>						
Advances paid	-	-	-18	-	-	-17
Borrowings repaid	-517	-528	-703	-6	-10	-45
Deposits paid	-	-	-	-	-	-
Other financing payments	-144	-239	-390	-174	-289	-503
<i>Total cash paid</i>	-661	-767	-1,111	-180	-299	-566
NET CASH FLOWS FROM FINANCING ACTIVITIES	-596	-680	-916	-98	-5	-117
Net increase in cash and cash equivalents	1,325	4,173	653	71	739	1,298
Cash and cash equivalents at the beginning of the year	9,790	6,943	6,943	6,313	5,645	5,645
Cash and cash equivalents at the end of the year	11,116	11,116	7,596	6,384	6,384	6,943
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	3,035	6,741	6,391	973	2,493	5,143
Net cash flows from investing in non-financial assets	-819	-1,510	-3,571	-547	-1,008	-2,524
Cash surplus/-deficit	2,217	5,230	2,819	426	1,485	2,620

(a) Consistent with the revised estimated outcome published in the Mid-year Review, released on 16 December 2021.

(b) Consistent with the final audited data contained in the 2020-21 *Annual Report on State Finances*, released on 24 September 2021.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

TOTAL PUBLIC SECTOR OPERATING STATEMENT

Table 1.5

	Note	2021-22			2020-21		Actual ^(b) \$m
		Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	
<i>Results from Transactions</i>							
REVENUE							
Taxation		2,922	5,910	10,405	2,319	5,052	9,606
Current grants and subsidies		2,454	6,697	11,251	1,893	5,188	9,421
Capital grants		388	605	1,882	140	230	1,131
Sales of goods and services		7,846	17,258	40,587	10,874	22,576	41,172
Interest Income		114	218	406	139	261	478
Royalty income		2,025	5,593	8,730	2,691	5,129	12,181
Other		291	581	1,136	278	558	2,556
Total	2	16,040	36,861	74,397	18,334	38,994	76,545
EXPENSES							
Salaries		3,891	7,721	15,267	3,650	7,273	14,676
Superannuation							
Concurrent costs		427	803	1,591	359	721	1,454
Superannuation interest cost		26	46	130	18	33	60
Other employee costs		201	293	322	91	167	404
Depreciation and amortisation		1,144	2,313	4,426	1,038	2,016	4,235
Services and contracts		888	1,763	4,522	800	1,589	3,549
Other gross operating expenses		7,394	15,968	38,401	10,307	20,772	38,936
Interest							
Interest on leases		50	101	214	58	107	209
Other interest		244	489	1,047	279	580	1,116
Other property expenses		-	-	-	-	-	-
Current transfers	3	994	2,020	4,630	1,514	2,571	5,629
Capital transfers	3	272	551	1,158	137	173	741
Total		15,531	32,068	71,707	18,252	36,002	71,008
NET OPERATING BALANCE		508	4,794	2,689	82	2,993	5,537
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		127	221	71	318	414	471
Provision for doubtful debts		-10	-15	-52	17	11	-64
Changes in accounting policy/adjustment of prior periods		532	167	-	-55	-171	-98
Total other economic flows		649	374	19	280	254	309
OPERATING RESULT		1,157	5,168	2,708	362	3,246	5,846
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		872	1,017	2,149	339	62	3,251
Net actuarial gains/-loss - superannuation		161	175	129	284	220	1,071
Gains recognised directly in equity		-3	-76	-36	19	-	-24
All other		-	-	-	-	-	-
Total all other movements in equity		1,030	1,117	2,242	642	282	4,298
TOTAL CHANGE IN NET WORTH		2,187	6,284	4,950	1,004	3,529	10,144
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE		508	4,794	2,689	82	2,993	5,537
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets		1,816	3,302	8,080	1,358	2,507	5,816
Changes in inventories		742	638	-223	-883	601	-330
Other movement in non-financial assets		23	48	175	-41	-23	1,403
<i>less:</i>							
Sales of non-financial assets		113	197	471	113	185	499
Depreciation		1,144	2,313	4,426	1,038	2,016	4,235
Total net acquisition of non-financial assets		1,325	1,479	3,134	-718	883	2,155
NET LENDING/-BORROWING		-816	3,315	-445	800	2,109	3,382

(a) Consistent with the revised estimated outcome published in the Mid-year Review, released on 16 December 2021.

(b) Consistent with the final audited data contained in the 2020-21 *Annual Report on State Finances*, released on 24 September 2021.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.6

TOTAL PUBLIC SECTOR BALANCE SHEET

	Note	For the period ending			
		31 Dec 2021	30 June 2022 (a)	31 Dec 2020	30 June 2021 (b)
		\$m	\$m	\$m	\$m
ASSETS					
<i>Financial assets</i>					
Cash and deposits		10,890	7,736	6,318	7,113
Advances paid		4,974	6,044	5,572	5,621
Investments, loans and placements	5	14,165	17,388	17,418	19,670
Receivables	6	5,862	5,187	6,535	7,480
Equity - investments in other entities		2,553	2,682	2,452	2,776
Other financial assets		9	9	20	9
Total financial assets		38,454	39,046	38,315	42,669
<i>Non-financial assets</i>					
Land		44,604	47,133	43,499	46,015
Property, plant and equipment		106,941	110,266	102,289	105,501
Right-of-use assets		2,798	2,998	2,912	2,856
Service concession assets		2,793	982	971	1,005
Biological assets		255	269	317	264
Inventories					
Land inventories		1,982	1,565	1,765	1,566
Other inventories		6,742	5,880	7,034	6,104
Intangibles		1,109	1,161	1,030	1,097
Assets classified as held for sale		79	91	21	112
Investment property		24	22	33	28
Other		694	498	557	523
Total non-financial assets		168,021	170,864	160,428	165,069
TOTAL ASSETS		206,474	209,910	198,743	207,738
LIABILITIES					
Deposits held		18	12	10	13
Advances received		309	291	326	309
Borrowings	7	-	-	-	-
Lease liabilities		3,417	3,637	3,459	3,474
Service concession liabilities		337	340	-	348
Other borrowings		54,371	59,509	60,093	61,741
Unfunded superannuation		5,313	5,283	6,570	5,602
Other employee benefits		4,485	4,349	4,115	4,343
Payables		9,747	9,465	9,914	10,021
Other liabilities		9,612	9,491	8,289	9,304
TOTAL LIABILITIES		87,608	92,377	92,776	95,156
NET ASSETS		118,866	117,532	105,967	112,582
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		39,322	40,211	30,572	34,118
Other reserves		79,545	77,321	75,395	78,464
NET WORTH		118,866	117,532	105,967	112,582
MEMORANDUM ITEMS					
<i>Net financial worth</i>		-49,154	-53,331	-54,461	-52,487
<i>Net financial liabilities</i>		49,154	53,331	54,461	52,487
<i>Net debt</i>					
Gross debt liabilities		58,452	63,789	63,888	65,885
less: liquid financial assets		30,030	31,168	29,308	32,404
Net debt		28,422	32,621	34,580	33,482

(a) Consistent with the revised estimated outcome published in the Mid-year Review, released on 16 December 2021.

(b) Consistent with the final audited data contained in the 2020-21 Annual Report on State Finances, released on 24 September 2021.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Table 1.7

TOTAL PUBLIC SECTOR STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 December 2021

	Asset Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2021</i>	78,464	34,118	112,582
Operating result	-	5,168	5,168
All other movements in equity	1,080	36	1,117
<i>Total change in net worth</i>	<i>1,080</i>	<i>5,204</i>	<i>6,284</i>
Balance at 31 December 2021	79,545	39,322	118,866

For the six months ended 31 December 2020

	Asset Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2020</i>	75,355	27,083	102,438
Operating result	-	3,246	3,246
All other movements in equity	40	243	282
<i>Total change in net worth</i>	<i>40</i>	<i>3,489</i>	<i>3,529</i>
Balance at 31 December 2020	75,395	30,572	105,967

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

Table 1.8

TOTAL PUBLIC SECTOR CASH FLOW STATEMENT

	2021-22			2020-21		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outcome ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(b) \$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	3,038	5,570	10,407	2,647	4,571	9,294
Grants and subsidies received	3,320	8,086	14,956	2,416	6,010	12,167
Receipts from sales of goods and services	6,088	13,177	30,434	7,476	16,003	29,970
Interest receipts	111	229	393	106	241	466
Other receipts	4,507	9,347	14,255	3,294	6,531	13,901
<i>Total cash received</i>	17,063	36,409	70,445	15,939	33,355	65,797
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-4,042	-8,540	-17,169	-4,312	-8,037	-16,177
Payments for goods and services	-6,328	-13,281	-30,823	-7,232	-15,251	-28,895
Interest paid	-358	-744	-1,233	-386	-871	-1,688
Grants and subsidies paid	-1,659	-3,225	-7,149	-1,243	-2,389	-5,632
Other payments	-1,369	-2,750	-5,254	-1,706	-3,178	-5,635
<i>Total cash paid</i>	-13,756	-28,540	-61,628	-14,879	-29,726	-58,026
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,307	7,869	8,817	1,060	3,629	7,771
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-1,816	-3,302	-8,080	-1,358	-2,507	-5,816
Sales of non-financial assets	113	197	471	113	185	499
<i>Total cash flows from investments in non-financial assets</i>	-1,703	-3,105	-7,609	-1,244	-2,322	-5,317
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	5	9	10	3	5	14
For liquidity purposes	1,701	6,181	7,955	2,295	7,367	12,774
<i>Cash paid</i>						
For policy purposes	-4	-8	-10	-3	-6	-17
For liquidity purposes	-1,374	-3,634	-8,000	-3,930	-6,598	-12,616
<i>Total cash flows from investments in financial assets</i>	328	2,548	-45	-1,634	767	154
NET CASH FLOWS FROM INVESTING ACTIVITIES	-1,375	-556	-7,654	-2,879	-1,555	-5,162
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	4,381	9,855	21,430	6,145	13,975	29,482
Deposits received	-	-	-	-	-	-
Other financing receipts	45	60	10	64	119	232
<i>Total cash received</i>	4,425	9,915	21,441	6,209	14,093	29,714
<i>Cash paid</i>						
Advances paid	-	-	-18	-	-	-17
Borrowings repaid	-4,602	-13,441	-21,138	-4,883	-15,255	-30,138
Deposits paid	-	-	-	-	-	-
Other financing payments	-160	-278	-385	-167	-290	-560
<i>Total cash paid</i>	-4,761	-13,719	-21,540	-5,050	-15,545	-30,716
NET CASH FLOWS FROM FINANCING ACTIVITIES	-336	-3,803	-99	1,159	-1,452	-1,002
Net increase in cash and cash equivalents	1,596	3,509	1,065	-660	623	1,607
Cash and cash equivalents at the beginning of the year	14,513	12,600	12,600	12,277	10,994	10,994
Cash and cash equivalents at the end of the year	16,109	16,109	13,665	11,616	11,616	12,600
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	3,307	7,869	8,817	1,060	3,629	7,771
Net cash flows from investing in non-financial assets	-1,703	-3,105	-7,609	-1,244	-2,322	-5,317
Cash surplus/-deficit	1,604	4,764	1,209	-185	1,307	2,454

(a) Consistent with the revised estimated outcome published in the Mid-year Review, released on 16 December 2021.

(b) Consistent with the final audited data contained in the 2020-21 *Annual Report on State Finances*, released on 24 September 2021.

Note: Columns may not add due to rounding. The accompanying notes form part of these statements.

Notes to the Interim Financial Statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

The financial statements in this appendix constitute general purpose financial statements for the general government sector and the whole-of-government. The whole-of-government is also known as the total public sector.

The quarterly financial statements are a requirement of the *Government Financial Responsibility Act 2000*.

(b) The Reporting Entity

The reporting entity is the Government of Western Australia (the total public sector) and includes entities under its control.

The total public sector includes the general government sector and the public corporations sectors. The general government sector consists of those agencies and Crown entities that provide services that are predominantly funded from central revenue. Public corporations generally seek to recover the majority of the costs of operations through user charges and other own-source revenue.

(c) Basis of Preparation

The financial statements for the six months ended 31 December 2021 have been prepared in accordance with Australian Accounting Standards, in particular AASB 134: *Interim Financial Reporting*, and AASB 1049: *Whole of Government and General Government Sector Financial Reporting* and other authoritative pronouncements of the AASB.

This interim financial report does not include all the note disclosures that are included in an annual financial report. Accordingly, this report is to be read in conjunction with the audited Consolidated Financial Statements for the year ended 30 June 2021, presented in Appendix 1 of the *2020-21 Annual Report on State Finances (ARSF)* released on 24 September 2021. The accounting policies adopted in this publication are consistent with those outlined in the 2020-21 ARSF. The specific accounting policies of the Government of Western Australia are described in Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2020-21 ARSF.

The Interim Financial Statements are presented in Australian dollars and all amounts are rounded to the nearest million dollars (\$m). As a consequence, totals and sub-totals quoted in this report may not add due to rounding.

(d) Unaudited Data

The Interim Financial Statements are not audited.

NOTE 2: OPERATING REVENUE

A detailed dissection of general government sector and total public sector operating revenue is included in Appendix 2: *Operating Revenue*.

NOTE 3: TRANSFER EXPENSES

Transfer expenses are defined as the provision of something of value for no specific return or consideration and include grants, subsidies, donations, transfers of assets free of charge, etc. The following tables provide detail of current and capital transfer expenses of the general government sector and total public sector.

TRANSFER EXPENSES (a)

General Government						
	2021-22			2020-21		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(b) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(c) \$m
<i>CURRENT TRANSFERS</i>						
Local government	71	174	539	64	167	302
Private and not-for-profit sector	474	964	2,229	439	960	2,868
Other sectors of government	1,002	1,706	3,883	1,336	2,090	4,288
Total Current Transfers	1,547	2,844	6,651	1,840	3,217	7,458
<i>CAPITAL TRANSFERS</i>						
Local government	4	16	103	74	83	138
Private and not-for-profit sector	268	528	1,034	58	80	527
Other sectors of government	51	61	157	46	48	97
Total Capital Transfers	322	604	1,295	177	211	763
Total Public Sector						
	2021-22			2020-21		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(b) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(c) \$m
<i>CURRENT TRANSFERS</i>						
Local government	71	174	539	64	167	305
Private and not-for-profit sector	677	1,374	3,124	1,277	1,995	4,420
Other sectors of government	245	472	967	173	409	904
Total Current Transfers	994	2,020	4,630	1,514	2,571	5,629
<i>CAPITAL TRANSFERS</i>						
Local government	4	16	103	74	83	138
Private and not-for-profit sector	268	536	1,054	63	90	602
Total Capital Transfers	272	551	1,158	137	173	741

(a) Includes grants, subsidies and other transfer expenses.

(b) Consistent with the revised estimated outcome published in the Mid-year Review, released on 16 December 2021.

(c) Consistent with the final audited data contained in the 2020-21 *Annual Report on State Finances*, released on 24 September 2021.

Note: Columns may not add due to rounding.

NOTE 4: CONVERGENCE DIFFERENCES

Where possible, AASB 1049 harmonises GFS and accounting concepts into a single presentation. Where harmonisation cannot be achieved (e.g. the recognition of a doubtful debts provision is excluded from GFS net worth), a convergence difference arises. The standard requires that such differences are disclosed in annual outturn reports at the end of the financial year.

For Western Australia's financial statements, there are only minor differences between Generally Accepted Accounting Practices and GFS at a general government and total public sector level.

With the adoption of AASB 16: *Leases*, the distinction between operating leases and finances leases that were measured under previous accounting standards has been removed. This distinction is maintained by the GFS framework. However, in the absence of a basis for measuring a distinction between these types of leases, the AASB 1049 balance sheet in this report includes operating leases as a State borrowing liability (where GFS would not). The value of this convergence difference is not able to be calculated.

NOTE 5: INVESTMENTS, LOANS AND PLACEMENTS

General Government				
	2021-22		2020-21	
	31 Dec \$m	Estimated Outturn \$m	31 Dec \$m	Actual \$m
<i>Investments</i>				
Term deposits	2,599	2,590	2,006	2,100
Government securities	1	1	2	1
Total	2,601	2,592	2,008	2,102
<i>Loans and advances</i>				
Loans	3	3	3	3
Financial Assets held for trading/available for sale	-	-	-	-
Total	3	3	4	3
Total	2,603	2,595	2,011	2,105
Total Public Sector				
	2021-22		2020-21	
	31 Dec \$m	Estimated Outturn \$m	31 Dec \$m	Actual \$m
<i>Investments</i>				
Term deposits	9,158	10,018	9,236	9,752
Government securities	2,162	3,386	3,223	3,390
Total	11,320	13,404	12,459	13,143
<i>Loans and advances</i>				
Loans	2,220	3,091	4,097	5,627
Financial Assets held for trading/available for sale	625	893	862	901
Total	2,845	3,984	4,959	6,528
Total	14,165	17,388	17,418	19,670

NOTE 6: RECEIVABLES

General Government				
	2021-22		2020-21	
	31 Dec \$m	Estimated Outturn \$m	31 Dec \$m	Actual \$m
Accounts Receivable	4,596	3,918	4,865	6,138
Provision for impairment of receivables	-184	-196	-246	-197
Total	4,412	3,722	4,619	5,942

Total Public Sector				
	2021-22		2020-21	
	31 Dec \$m	Estimated Outturn \$m	31 Dec \$m	Actual \$m
Accounts Receivable	6,207	5,541	6,915	7,828
Provision for impairment of receivables	-345	-355	-380	-347
Total	5,862	5,187	6,535	7,480

NOTE 7: BORROWINGS

General Government				
	2021-22		2020-21	
	31 Dec \$m	Estimated Outturn \$m	31 Dec \$m	Actual \$m
Bank overdrafts	-	-	-	-
Lease liabilities	2,727	2,762	2,707	2,753
Finance leases	350	346	356	354
Service concession liabilities ^(a)	3	5	-	5
Borrowings	25,598	25,545	26,107	26,097
Total	28,678	28,658	29,170	29,209

Total Public Sector				
	2021-22		2020-21	
	31 Dec \$m	Estimated Outturn \$m	31 Dec \$m	Actual \$m
Bank overdrafts	-	-	-	-
Lease liabilities	3,417	3,637	3,459	3,474
Finance leases	350	346	708	354
Service concession liabilities ^(a)	337	340	-	348
Borrowings	54,021	59,163	59,385	61,387
Total	58,125	63,485	63,552	65,564

(a) AASB 1059: *Service Concession Arrangements* was first applied to the State's financial accounts for the year ending 30 June 2021. Interim accounts for the 2020-21 year (including the 31 December 2020 outturn) did not include measurements under AASB 1059.

NOTE 8: DETAILS OF AGENCIES CONSOLIDATED

The agencies included in these financial statements are detailed in Note 39: *Composition of Sectors* in the 2020-21 Annual Report on State Finances. Since that date, the State Solicitor's Office became an independent sub-department of the Department of Justice from 1 October 2021.

NOTE 9: CONTINGENT ASSETS AND LIABILITIES

Claims by Mr Clive Palmer, Mineralogy and International Minerals

A contingent liability for a legal dispute between Mineralogy Pty Ltd and International Minerals Pty Ltd, and the Western Australian Government was included in the 2020-21 *Annual Report on State Finances*.

The dispute related to a State Agreement originally made in 2002 and the subsequent impact of Ministerial decisions. The entities were claiming compensation of around \$28 billion (including interest penalties). However, legislation was enacted in 2020 which terminated the claims for compensation.

A constitutional challenge to the legislation brought by Mr Palmer and the entities was heard by the High Court in June 2021. On 13 October 2021, the High Court handed down its judgments in favour of the Western Australian Government.

Other actions commenced by Mineralogy and International Minerals in the Federal Court of Australia and in the Supreme Court of Queensland were adjourned pending the High Court outcome. The action in the Federal Court of Australia was subsequently discontinued by Mineralogy and International Minerals on 13 December 2021. The action in the Supreme Court of Queensland is being appealed and the appeal will be heard by the Court of Appeal of Queensland on 13 and 14 April 2022.

On 31 January 2022, International Minerals commenced new proceedings against the State in the Federal Court of Australia seeking a declaration that the State breached section 21 of the Australian Consumer Law. No damages are sought against the State. International Minerals has been ordered to file a Statement of Claim by 16 March 2022.

There have been no other material changes in the contingent assets and liabilities of the State since the 2020-21 *Annual Report on State Finances* disclosure.

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Operating Revenue

The tables in this appendix detail operating revenue of the general government and total public sectors. They provide detailed revenue information consistent with the operating statements presented in Appendix 1: *Interim Financial Statements*.

The total public sector consolidates internal transfers between the general government sector and agencies in the public corporations sectors.

Accordingly, some total public sector revenue aggregates may be smaller than the general government equivalent. For example, the general government sector collects payroll tax from some public corporations. These collections are internal to the whole-of-government and are not shown in the total public sector taxation revenue data which is thus smaller in magnitude than the general government taxation revenue aggregate.

GENERAL GOVERNMENT
Operating Revenue

	2021-22			2020-21		
	Three Months to 31 Dec	Six Months to 31 Dec	Estimated Outturn ^(a)	Three Months to 31 Dec	Six Months to 31 Dec	Actual ^(b)
	\$m	\$m	\$m	\$m	\$m	\$m
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	1,099	2,224	4,266	897	1,801	3,748
Property taxes						
<i>Land tax</i>	250	692	763	130	652	755
Transfer duty	614	1,135	2,194	462	830	1,860
Foreign Buyers surcharge	5	12	22	4	4	17
Landholder duty	43	63	159	70	137	222
<i>Total duty on transfers</i>	662	1,210	2,376	537	972	2,099
Other stamp duties	-(c)	-(c)	-(c)	-(c)	-(c)	-(c)
Metropolitan Region Improvement Tax	49	83	84	24	78	84
Perth Parking Levy	35	51	56	33	48	53
Emergency Services Levy	151	248	373	106	235	354
Loan guarantee fees	32	65	133	32	66	141
Building and Construction Industry Training Fund Levy	7	17	37	12	21	46
<i>Total other property taxes</i>	274	464	683	207	447	679
Taxes on provision of goods and services						
Lotteries Commission	38	76	170	44	93	191
Video lottery terminals	-(c)	-(c)	-(c)	-(c)	-(c)	-(c)
Casino tax	14	27	52	10	26	55
Point of Consumption Tax	32	62	116	31	59	114
<i>Total taxes on gambling</i>	84	166	337	85	178	360
Insurance duty	228	443	771	178	380	727
Other	5	10	20	5	10	20
<i>Total taxes on insurance</i>	233	453	791	183	390	747
<i>On-demand Transport Levy</i>	11	17	39	10	18	44
Taxes on use of goods and performance of activities						
Vehicle licence duty	134	279	446	124	239	514
Permits - oversize vehicles and loads	2	5	8	3	5	10
Motor vehicle registrations	266	551	1,090	244	519	1,048
Other vehicle taxes	10	19	28	9	19	36
<i>Total motor vehicle taxes</i>	411	854	1,572	381	782	1,607
<i>Mining Rehabilitation Levy</i>	-	38	35	-	35	35
<i>Landfill Levy</i>	22	42	83	20	40	79
Total Taxation	3,048	6,159	10,943	2,450	5,315	10,153

Table 2.1 (cont.)

GENERAL GOVERNMENT
Operating Revenue

	2021-22			2020-21		
	Three Months to 31 Dec	Six Months to 31 Dec	Estimated Outturn (a)	Three Months to 31 Dec	Six Months to 31 Dec	Actual (b)
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST grants	951	1,741	3,328	634	1,269	3,006
Commonwealth-funded 70% floor	-	2,115	2,115	-	1,547	1,547
North West Shelf grants	296	463	750	99	155	425
Commonwealth compensation for changed crude oil excise arrangements	8	13	30	4	6	18
National Specific Purpose Payment Agreement Grants						
Skills and Workforce Development	41	82	164	41	81	163
National Disability Services	-	-	-	1	1	1
National Housing and Homelessness Agreement	46	87	174	44	86	172
National School Reform Agreement - Quality Schools	257	495	1,021	234	448	925
National Health Reform Agreement	654	1,301	2,661	625	1,250	2,418
National Partnerships/Other Grants						
Health	80	192	405	24	91	358
Transport	33	65	143	44	45	74
Disability Services	-	1	140	1	2	4
Other	88	140	320	143	207	309
Total Current Grants and Subsidies	2,454	6,697	11,251	1,893	5,188	9,421
CAPITAL GRANTS						
National Partnerships/Other Grants						
Transport	167	304	1,184	125	213	999
Other	221	301	698	15	17	133
Total Capital Grants	388	605	1,882	140	230	1,131
SALES OF GOODS AND SERVICES	787	1,519	3,127	714	1,374	2,821
INTEREST INCOME	34	56	106	50	68	110
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	-	516	589	952	1,172	1,362
Tax Equivalent Regime	179	334	690	202	391	956
Total Revenue from Public Corporations	179	849	1,279	1,153	1,563	2,319
ROYALTY INCOME						
Iron ore	1,797	5,154	7,685	2,485	4,717	11,355
Other	228	439	1,046	206	412	826
Total Royalty Income	2,025	5,593	8,730	2,691	5,129	12,181
OTHER						
Lease rentals	46	113	158	32	70	132
Fines	64	121	204	53	100	204
Revenue not elsewhere counted	61	119	391	49	110	1,679
Total Other	172	353	752	133	280	2,015
GRAND TOTAL	9,085	21,832	38,071	9,225	19,147	40,151

(a) Consistent with the revised estimated outcome published in the Mid-year Review, released on 16 December 2021.

(b) Consistent with the final audited data contained in the 2020-21 *Annual Report on State Finances*, released on 24 September 2021.

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

Note: Columns may not add due to rounding.

Table 2.2

TOTAL PUBLIC SECTOR
Operating Revenue

	2021-22			2020-21		
	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Estimated Outturn ^(a) \$m	Three Months to 31 Dec \$m	Six Months to 31 Dec \$m	Actual ^(b) \$m
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	1,074	2,174	4,171	873	1,754	3,651
Property taxes						
<i>Land tax</i>	233	657	663	113	619	687
Transfer Duty	614	1,135	2,194	462	830	1,860
Foreign Buyers surcharge	5	12	22	4	4	17
Landholder duty	43	63	159	70	137	222
<i>Total duty on transfers</i>	662	1,210	2,376	537	972	2,099
Other stamp duties	– (c)	– (c)	– (c)	– (c)	– (c)	– (c)
Metropolitan Region Improvement Tax	49	83	84	24	78	84
Perth Parking Levy	35	51	56	33	48	53
Emergency Services Levy	151	248	370	106	235	351
Loan Guarantee Fees	–	3	6	1	3	6
Building and Construction Industry Training Fund Levy	7	17	37	12	21	46
<i>Total other property taxes</i>	242	402	552	175	384	540
Taxes on provision of goods and services						
Video lottery terminals	– (c)	– (c)	– (c)	– (c)	– (c)	– (c)
Casino tax	14	27	52	10	26	55
Point of Consumption tax	18	36	72	17	31	61
Other	–	–	–	–	–	–
<i>Total taxes on gambling</i>	32	63	124	27	57	116
Insurance duty	228	443	771	178	380	727
Other	5	10	20	5	10	20
<i>Total taxes on insurance</i>	233	453	791	183	390	747
<i>On-demand Transport Levy</i>	11	17	39	10	18	44
Taxes on use of goods and performance of activities						
Vehicle licence duty	134	279	446	124	239	514
Permits - oversize vehicles and loads	2	5	8	3	5	10
Motor vehicle registrations	266	551	1,090	244	519	1,048
Other vehicle taxes	10	19	28	9	19	36
<i>Total motor vehicle taxes</i>	411	854	1,572	381	782	1,607
<i>Mining Rehabilitation Levy</i>	–	38	35	–	35	35
<i>Landfill Levy</i>	22	42	83	20	40	79
Total Taxation	2,922	5,910	10,405	2,319	5,052	9,606

Table 2.2 (cont.)

TOTAL PUBLIC SECTOR
Operating Revenue

	2021-22			2020-21		
	Three Months to 31 Dec	Six Months to 31 Dec	Estimated Outturn (a)	Three Months to 31 Dec	Six Months to 31 Dec	Actual (b)
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST grants	951	1,741	3,328	634	1,269	3,006
Commonwealth-funded 70% floor grant	-	2,115	2,115	-	1,547	1,547
North West Shelf grants	296	463	750	99	155	425
Commonwealth compensation for changed crude oil excise arrangements	8	13	30	4	6	18
National Specific Purpose Payment Agreement Grants						
Skills and Workforce Development	41	82	164	41	81	163
National Disability Services	-	-	-	1	1	1
National Housing and Homelessness Agreement	46	87	174	44	86	172
National School Reform Agreement Quality Schools	257	495	1,021	234	448	925
National Health Reform Agreement	654	1,301	2,661	625	1,250	2,418
National Partnerships/Other Grants						
Health	80	192	405	24	91	358
Transport	33	65	143	44	45	74
Disability Services	-	1	140	1	2	4
Other	88	140	320	143	207	309
Total Current Grants and Subsidies	2,454	6,697	11,251	1,893	5,188	9,421
CAPITAL GRANTS						
National Partnerships/Other Grants						
Transport	167	304	1,184	125	213	999
Other	221	301	698	15	17	133
Total Capital Grants	388	605	1,882	140	230	1,131
SALES OF GOODS AND SERVICES	7,846	17,258	40,587	10,874	22,576	41,172
INTEREST INCOME	114	218	406	139	261	478
ROYALTY INCOME						
Iron ore	1,797	5,154	7,685	2,485	4,717	11,355
Other	228	439	1,046	206	412	826
Total Royalty Income	2,025	5,593	8,730	2,691	5,129	12,181
OTHER						
Lease rentals	46	113	158	32	70	132
Fines	65	123	204	54	102	204
Revenue not elsewhere counted	179	345	774	192	387	2,220
Total Other	291	581	1,136	278	558	2,556
GRAND TOTAL	16,040	36,861	74,397	18,334	38,994	76,545

(a) Consistent with the revised estimated outcome published in the Mid-year Review, released on 16 December 2021.

(b) Consistent with the final audited data contained in the 2020-21 *Annual Report on State Finances*, released on 24 September 2021.

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

Note: Columns may not add due to rounding.

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Public Ledger

The Public Ledger, established by section 7 of the *Financial Management Act 2006* (FMA), includes those transactions and operations that are conducted through the Consolidated Account, the Treasurer's Advance Account and through the Treasurer's Special Purpose Accounts (TSPAs). Together with agency cash balances held at Treasury, the total of these accounts form the Public Bank Account.

Table 3.1

PUBLIC LEDGER BALANCES AT 31 DECEMBER			
	2021 \$m	2020 \$m	Variance \$m
THE PUBLIC LEDGER			
Consolidated Account ^{(a)(b)}	-15,385	-18,655	3,270
Treasurer's Special Purpose Accounts	18,991	17,908	1,083
Treasurer's Advance Account – Net Advances and Overdraw n Trusts	-8	-38	30
TOTAL	3,597	-785	4,382
Agency Special Purpose Accounts	7,739	6,729	1,010
TOTAL PUBLIC BANK ACCOUNT	11,336	5,944	5,392

(a) The balance of the Consolidated Account at 31 December 2021 includes non-cash appropriations of \$16,374 million (31 December 2020: \$15,004 million), representing the accumulated non-cash cost of agency services since accrual appropriations were introduced at 1 July 2001. These appropriations are credited to agency Holding Accounts that are included in the TSPAs balance. In cash terms, the Consolidated Account recorded a surplus of \$989 million at 31 December 2021 (compared with a cash deficit position of \$3,651 million at 31 December 2020).

(b) The balance of the Consolidated Account at 31 December 2020 has been restated by \$49.3 million to reflect the cumulative impact of accounting entries associated with the 2009-10 and 2012-13 payroll tax rebate schemes for small businesses (brought to book in the 2020-21 *Annual Report on State Finances*).

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

Consolidated Account

The *Constitution Act 1889* requires that all revenue of the Crown that is not permanently appropriated by legislation to another entity shall be credited to the Consolidated Account. The Act also requires that payments out of the Account must be appropriated by the Parliament.

Accordingly, Consolidated Account revenue is not available for use by agencies that collect it, and such receipts must be paid directly to the credit of the Account. Expenditure is authorised by the Parliament, with both the amount and the expressed purpose of each appropriation clearly specified.

2021-22 Quarterly Financial Results Report

The Consolidated Account accumulated deficit at 31 December 2021 was \$15,385 million, \$3.3 billion lower than the accumulated deficit at 31 December 2020. This included \$16,374 million associated with accrual (non-cash) appropriations for depreciation and leave entitlements, matched by equivalent non-cash balances in agency Holding Accounts.

In cash terms, the Consolidated Account had a surplus balance of \$989 million at 31 December 2021, a \$4,640 million turnaround on the \$3,651 million cash deficit at 31 December 2020.

Following the repayment of \$500 million of State borrowings (funded from 2021-22 public corporation dividends, as detailed in the 2021-22 Budget), Consolidated Account borrowings totalled \$25.1 billion at 31 December 2021. Total proceeds from gross borrowings (i.e. excluding repayments of borrowings) stood at \$27.5 billion at 31 December 2021 and remain below the \$34.5 billion cumulative limit approved by the *Loan Act 2017* and preceding Loan Acts¹.

¹ Proceeds of borrowings by the Consolidated Account (i.e. gross borrowings excluding debt repayments) cannot exceed the cumulative limit authorised by the Loan Acts.

Table 3.2

CONSOLIDATED ACCOUNT TRANSACTIONS (a)
For the six months ended 31 December

	2021 \$m	2020 \$m	Variance \$m
REVENUE			
<i>Operating Activities</i>			
Taxation	4,696	3,855	841
Commonwealth grants (b)	4,541	2,986	1,555
Government enterprises	1,036	1,651	-615
Revenue from other agencies	8,151	5,437	2,714
Other receipts (b)	168	162	6
Total Operating Activities	18,592	14,090	4,502
<i>Financing Activities</i>			
Repayments of recoverable advances	- (c)	- (c)	- (c)
Transfers from the Debt Reduction Account	2,115	1,547	569
Borrowings	-	150	-150
Other receipts	8	6	-
Total Financing Activities	- (c)	1,703	-1,703
TOTAL REVENUE	20,716	15,794	4,922
EXPENDITURE			
<i>Recurrent</i>			
Authorised by other statutes	1,468	1,423	46
Appropriation Act (No. 1)	12,703	12,463	240
Recurrent expenditure under the Treasurer's Advance	-	-	-
Total Recurrent Expenditure	14,171	13,886	285
<i>Investing Activities</i>			
Authorised by other statutes	249	164	85
Appropriation Act (No. 2)	926	1,262	-336
Investing expenditure under the Treasurer's Advance	2	-	2
Total Investing Activities	1,177	1,426	-249
<i>Financing Activities</i>			
Loan repayments	500	-	500
Appropriation Act (No. 2)	2,115	1,547	569
Other financing	7	6	1
Total Financing Activities	2,622	1,553	1,070
TOTAL EXPENDITURE	17,970	16,864	1,106
NET MOVEMENT (REVENUE LESS EXPENDITURE)	2,745	-1,069	3,815
Consolidated Account Balance			
Opening balance at 1 July	-18,130	-17,584	-546
Closing balance at 31 December	-15,385	-18,655	3,270
Of which:			
Appropriations payable	-16,374	-15,004	-1,370
Cash balance at 31 December	989	-3,651	4,640

(a) Opening and closing balances of the Consolidated Account for the 2020-21 year have been restated by \$49.3 million to reflect the cumulative impact of accounting entries associated with the 2009-10 and 2012-13 payroll tax rebate schemes for small businesses (brought to book in the 2020-21 *Annual Report on State Finances*).

(b) Receipts of transport-related National Partnership funding and Commonwealth legal assistance receipts have been reclassified from 'other' receipts to Commonwealth grants in December 2020 comparative data.

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

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

Treasurer's Special Purpose Accounts

The Treasurer's Special Purpose Accounts (TSPAs) consist of:

- any account established by the Treasurer as a TSPA for the purposes determined by the Treasurer;
- suspense accounts established for the purposes of section 26 of the FMA;
- any account established to hold money transferred under section 39(5) of the FMA;
- the Public Bank Account Interest Earned Account, established for the purpose of holding money credited to that account under section 38(9) of the FMA pending its allocation and payment as required or permitted under the FMA or another written law;
- any account established under written law and determined by the Treasurer to be a TSPA; and
- any other account established to hold other money and determined by the Treasurer to be a TSPA.

Relative to 31 December 2020, aggregate TSPA balances were \$1,083 million higher at the end of December 2021, mainly reflecting:

- higher Holding Account balances for non-cash accrual appropriations to agencies for depreciation and accrued leave entitlements (up \$1,370 million);
- a decrease in the Royalties for Regions Fund (down \$430 million), reflecting the timing of appropriation payments to the Fund, and draw-downs for approved spending on individual programs;
- an increase in the balance of the Western Australian Future Health Research and Innovation Fund reflecting appropriation of 1% of forecast annual royalty receipts (\$101.4 million) and interest earnings on the balance of the Fund (\$31.9 million), partly offset by the transfer of \$32.4 million to the Western Australian Future Health Research and Innovation Account (see Appendix 4 for further information);
- an increase in the balance of agency accounts that hold cash for the cost of an extra pay period which falls due every 11 years (up \$54 million);
- a \$29 million increase in Commonwealth Grants for Specific Purposes relating to payments from the Commonwealth to partially fund expenditure incurred by agencies managing the COVID-19 pandemic; and
- a decrease in the National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account (down \$62 million), reflecting redress scheme payments and civil litigation costs incurred by State agencies.

A number of TSPAs and other agency accounts are discussed in Appendix 4: *Special Purpose Accounts*.

TREASURER'S SPECIAL PURPOSE ACCOUNTS
At 31 December

Table 3.3

	2021	2020	Variance
	\$m	\$m	\$m
Agency Holding Accounts	16,374	15,004	1,370
Royalties for Regions Fund	534	964	-430
Western Australian Future Health Research and Innovation Fund	1,577	1,476	101
National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account	62	124	-62
Agency 27th Pay Accounts	252	198	54
Commonwealth Grants for Specific Purposes	70	40	29
Other Treasurer's Special Purpose Accounts	122	102	20
TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 31 DECEMBER	18,991	17,908	1,083

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

Treasurer's Advance

The Treasurer's Advance allows for repayable advances to agencies for working capital purposes (known as 'net recoverable advances'), a short-term advance for an agency, and the provision of supplementary appropriation funding for unforeseen and/or extraordinary events during the year (known as 'excesses and new items').

A limit of \$820.5 million is authorised under section 29 of the FMA for the year ended 30 June 2022, compared with a total of \$688.8 million authorised limit applying at the same time last year.

TREASURER'S ADVANCE AT 31 DECEMBER

Table 3.4

	2021	2020	Variance
	\$m	\$m	\$m
AUTHORISED LIMIT	820.5	688.8	131.7
<i>Total Drawn Against Treasurer's Advance Account</i>	<i>10.4</i>	<i>38.1</i>	<i>-27.8</i>
Comprising:			
Net recoverable advances			
Petroleum and Geothermal Energy Safety	2.0	2.0	-
Western Australian Energy Disputes Arbitrator	0.2	0.2	-
Building Management and Works	-	30.0	-30.0
Sport and Recreation	1.0	1.0	-
Suitors Fund	2.5	2.5	-
Sundry Debtors	2.5	2.4	0.1
Overdraw n Special Purpose Accounts	-	-	-
Excesses and new items			
- recurrent	-	-	-
- capital	2.1	-	2.1

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

Transfers, Excesses and New Items

There were no transfers of appropriation between agencies or excesses impacting appropriations in the six months to 31 December 2021.

One new item was reported for Treasury (\$10.2 million), reflecting an operating subsidy to the Bunbury Water Corporation. The new subsidy supports the cost of the Bunbury Water Resource Recovery Scheme, and water network fluoridation planning costs.

Special Purpose Accounts

Special Purpose Accounts (SPAs) are established under various sections of the *Financial Management Act 2006* or by specific legislation (e.g. the Royalties for Regions Fund). Accounts established by legislation are governed by the relevant provisions of the statute, while accounts that are established administratively are governed by a special purpose statement (operating accounts) or a trust statement (trust accounts) that outline the purpose of the account.

This appendix details balances at 31 December 2021 for key SPAs established to deliver specific Government policy outcomes. The focus of this appendix is on major/material SPAs that were in existence at 31 December 2021. The SPA balances, and transactions in and out of these accounts, form part of the overall consolidated outcomes outlined elsewhere in this report.

Debt Reduction Account

The Debt Reduction Account was established in 2017-18 to apply windfall funds to the repayment of Consolidated Account borrowings.

A total of \$2.6 billion flowed through the account in the six months to 31 December 2021, comprising Western Australia's GST floor grant for 2021-22 of \$2.1 billion and \$500 million in dividends from the Insurance Commission of Western Australia (ICWA) and the Western Australian Treasury Corporation (WATC).

Consistent with arrangements in 2020-21, GST floor grants were redirected back to the Consolidated Account to reduce the need for new borrowings that would otherwise be required in 2021-22. In line with the 2021-22 Budget, the ICWA and WATC dividends have been applied to debt repayment (with remaining 2021-22 dividend revenue due to be received in the second half of the year to also be applied to debt repayment, as detailed in the Budget).

Table 4.1

DEBT REDUCTION ACCOUNT
At 31 December

	2021 \$m	2020 \$m
<i>Balance at 1 July</i>	-	-
Receipts	2,615	1,547
Payments	2,615	1,547
Closing Balance	-	-

Note: Columns may not add due to rounding.

METRONET Account

This SPA was established in 2017-18 to support the planning and construction of METRONET transport infrastructure projects.

Receipts for the six months to 31 December 2021 reflect capital appropriation of \$247.9 million for METRONET projects and an operating subsidy of \$19.9 million for the METRONET Office. Payments of \$460.3 million were for transport infrastructure planning and delivery (including the Thornlie-Cockburn link and the Yanchep Rail Extension) and for METRONET Office operating expenses (\$0.6 million).

Table 4.2

METRONET ACCOUNT
At 31 December

	2021 \$m	2020 \$m
<i>Balance at 1 July</i>	432	527
Receipts	268	217
Payments	461	240
Closing Balance	238	503

Note: Columns may not add due to rounding.

METRONET Roads Account

This SPA was established in December 2018 to hold funds for road works associated with METRONET, including projects under development.

Receipts are expected to be paid into the account during the second half of 2021-22. Major payments for the six months to 31 December 2021 were for works on Bayswater Station (\$14.7 million), the Yanchep Rail Extension (\$14.1 million) and the Thornlie-Cockburn Link (\$10 million).

METRONET ROADS ACCOUNT
At 31 December

Table 4.3

	2021 \$m	2020 \$m
<i>Balance at 1 July</i>	106	72
Receipts	-	-
Payments	47	45
Closing Balance	59	27

Note: Columns may not add due to rounding.

Metropolitan Region Improvement Account

This account was established under the *Metropolitan Region Improvement Tax Act 1959* to hold funds for the management of the Metropolitan Region Scheme.

Receipts for the six months to the end of December 2021 mainly reflect Metropolitan Region Improvement Tax collections (\$42.9 million), proceeds from the sale of land and buildings (\$5.9 million) and rent revenue (\$3.9 million). Payments from the fund were for works on the Yanchep Rail Extension (\$70 million), the acquisition of land and buildings (\$20.2 million), service delivery costs associated with the Account (\$14.7 million), compensation to landowners for compulsory property acquisitions (\$4.2 million), and funding for a range of smaller infrastructure projects (\$1.5 million).

METROPOLITAN REGION IMPROVEMENT ACCOUNT

At 31 December

Table 4.4

	2021 \$m	2020 \$m
<i>Balance at 1 July</i>	443	434
Receipts	55	52
Payments	111	48
Closing Balance	387	438

Note: Columns may not add due to rounding.

Mining Rehabilitation Fund

The Mining Rehabilitation Fund was established in July 2013 to hold levy collections under the *Mining Rehabilitation Fund Act 2012*. Receipts for the six months to 31 December 2021 reflect levy contributions by mining operators. Payments for the year to date were for administration (\$0.3 million) and rehabilitation costs (\$0.3 million).

MINING REHABILITATION FUND

At 31 December

Table 4.5

	2021 \$m	2020 \$m
<i>Balance at 1 July</i>	219	185
Receipts	38	35
Payments	1	1
Closing Balance	256	219

Note: Columns may not add due to rounding.

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

This account was established in December 2018 to meet the cost of payments associated with the State's participation in the National Redress Scheme, and for civil litigation claims by victims of historical child sexual abuse.

During the six months to 31 December 2021, payments totalling \$15.1 million were drawn to meet the costs associated with the State's participation in the National Redress Scheme and for civil litigation claims by victims of historical child sexual abuse.

Table 4.6

NATIONAL REDRESS SCHEME AND CIVIL LITIGATION FOR SURVIVORS OF INSTITUTIONAL CHILD SEXUAL ABUSE ACCOUNT
At 31 December

	2021 \$m	2020 \$m
<i>Balance at 1 July</i>	77	141
Receipts	-	-
Payments	15	17
Closing Balance	62	124

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

This SPA was established in July 1999 under section 23(1) of the *Perth Parking Management Act 1999* to set aside funds to be used to encourage a balanced transport system for gaining access to the Perth city area. Money credited to the account reflects licence fees, penalties and money appropriated by the Parliament for the purposes of the Act.

Funds that are drawn from the account are to be used to support the Central Area Transit bus system, the Free Transit Zone public transport services in the Perth Central Business District, improvements to public transport access, enhancements to the pedestrian environment, support for bicycle access, other transport system initiatives and for the administration of the Act.

Table 4.7

PERTH PARKING LICENSING ACCOUNT
At 31 December

	2021 \$m	2020 \$m
<i>Balance at 1 July</i>	165	131
Receipts	51	47
Payments	1	9
Closing Balance	214	169

Note: Columns may not add due to rounding.

Perth Stadium Account

This SPA was established in October 2011 to hold funds in support of the construction of Perth Stadium and associated transport infrastructure. The stadium commenced operations in early 2018.

There were no payments or receipts during the six months to 31 December 2021.

PERTH STADIUM ACCOUNT			Table 4.8
At 31 December			
	2021 \$m	2020 \$m	
<i>Balance at 1 July</i>	23	12	
Receipts	-	11	
Payments	-	-	
Closing Balance	23	23	

Note: Columns may not add due to rounding.

Road Trauma Trust Account

This account was established to provide for road safety initiatives. Receipts to the end of 31 December 2021 reflect collections from prescribed penalties (\$54.5 million), interest revenue on the account balance (\$0.1 million), and other miscellaneous funds collected under the *Road Traffic (Administration) Act 2008* (\$0.2 million).

Projects funded from the account to 31 December 2021 included initiatives to:

- reduce run-off crashes on regional roads by applying treatments such as shoulder sealing, audible edge lines and installing safety barriers (\$10.6 million);
- manage speed on Western Australian roads (\$5.6 million);
- reduce the number and rate at which vulnerable road users are killed and seriously injured (\$6.1 million); and
- providing post-crash support (\$1.7 million).

A further \$6.6 million was spent on the operations of the Road Safety Commission, including community education campaigns, community grants, the Infringement Management Reform Program, and a range of other road safety initiatives.

ROAD TRAUMA TRUST ACCOUNT
At 31 December

Table 4.9

	2021 \$m	2020 \$m
<i>Balance at 1 July</i>	43	54
Receipts	55	48
Payments	31	41
Closing Balance	67	61

Note: Columns may not add due to rounding.

Royalties for Regions Fund

The Royalties for Regions Fund was established in December 2008 to set aside a share of the State's annual royalty income to fund investment in regional Western Australia. Under the *Royalties for Regions Act 2009*, the balance held in the Fund cannot exceed \$1 billion.

Receipts in the six months to 31 December 2021 reflect interest revenue earned on the account balance (\$1.3 million), and unused funds from associated projects returned to the Fund by agencies (\$1.6 million). With the later passage of the Appropriation Bills for the 2021-22 year, royalty revenue was paid into the account during the March quarter.

A total of \$468.7 million was disbursed from the Fund to support infrastructure, business and economic development, and other regional initiatives.

ROYALTIES FOR REGIONS FUND
At 31 December

Table 4.10

	2021 \$m	2020 \$m
<i>Balance at 1 July</i>	1,000	1,000
Receipts	3	553
Payments	469	589
Closing Balance	534	964

Note: Columns may not add due to rounding.

Royalties for Regions Regional Reform Fund

This SPA was established in June 2015 to fund strategic reform initiatives in regional Western Australia. During the six months to 31 December 2020, the Department of Communities returned almost \$0.5 million in unspent funding (relating to the Regional Services Reform Unit) and a payment of \$2.4 million was made to the Department of Education for the Kimberley Schools Project.

ROYALITES FOR REGIONS REGIONAL REFORM FUND
At 31 December

Table 4.11

	2021 \$m	2020 \$m
<i>Balance at 1 July</i>	57	69
Receipts	- ^(a)	-
Payments	2	2
Closing Balance	55	67

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

Note: Columns may not add due to rounding.

Waste Avoidance and Resource Recovery Account

The Waste Avoidance and Resource Recovery Account was established under the *Waste Avoidance and Resource Recovery Act 2007* to hold revenue allocated from the landfill levy. Funds are drawn from the Account to support programs and other initiatives related to the management, reduction, reuse, recycling, monitoring or measurement of waste.

Receipts totalling \$18.4 million were paid into the account to December 2021. This included \$10.4 million in Landfill Levy collections allocated to the account by Ministerial determination under the Act, a \$7.8 million loan repayment from Western Australian Return Recycle Renew Ltd. and miscellaneous receipts of \$0.3 million. Drawdowns totalling \$8.2 million were made for waste programs and the payment of administration costs incurred by the Department of Water and Environmental Regulation.

WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT
At 31 December

Table 4.12

	2021 \$m	2020 \$m
<i>Balance at 1 July</i>	30	40
Receipts	18	10
Payments	8	26
Closing Balance	40	24

Note: Columns may not add due to rounding.

Western Australian Future Health Research and Innovation Fund

The Western Australian Future Fund was established under the *Western Australian Future Fund Act 2012*. The *Western Australian Future Fund Amendment (Future Health Research and Innovation Fund) Bill 2019* received Royal Assent in late May 2020 and took effect from 24 June 2020. The amending Act discontinued the Future Fund and created the Western Australian Future Health Research and Innovation Fund into which the Future Fund balance was transferred and receipts totalling 1% of forecast annual royalties are to be paid each year. The Act also applies forecast annual investment income from the new fund to a new account that provides long term support for medical and health research, innovation and commercialisation activities in Western Australia (see below).

Receipts of \$117.6 million in the six months to 31 December 2021 included the Consolidated Account's annual contribution equivalent to 1% of annual forecast royalty revenue (\$101.4 million) and interest receipts (\$16.2 million).

Table 4.13

WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH AND INNOVATION FUND ^(a)

At 31 December

	2021 \$m	2020 \$m
<i>Balance at 1 July</i>	1,492	1,408
Receipts	118	102
Payments	32	34
Closing Balance	1,577	1,476

(a) The Fund is a Treasurer's Special Purpose Account.

Note: Columns may not add due to rounding.

Funds totalling \$32.4 million were drawn during the six months to 31 December 2021. These monies were held in the Western Australian Future Health Research and Innovation Account administered by the Minister for Health.

Table 4.14

WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH AND INNOVATION ACCOUNT ^(a)

At 31 December

	2021 \$m	2020 \$m
<i>Balance at 1 July</i>	15	-
Receipts	32	34
Payments	1	-
Closing Balance	46	34

(a) The Account is an agency Special Purpose Account administered by the Minister for Health.

Note: Columns may not add due to rounding.

2021-22 Quarterly Financial Results Report

General Government Salaries

Introduction

Salaries represent the single largest component of general government sector expenses (41.5% for December 2021, or 45.8% if concurrent superannuation costs are also included).

General government salaries for the first six months of 2021-22 grew by 6.3% to total \$7,086 million. Salaries in the health, education, law and order, and community services sectors account for 83% of the general government salaries costs in the December outcome, and represent most of the \$417 million net increase on the same period in 2020-21. This increase includes higher workforce numbers in the key service agencies such as WA Health, Education and the Western Australia Police Force, and increases in wage rates consistent with industrial agreements. Increases in staffing levels over the last year include the impact of the response to COVID-19.

The following table summarises salaries outcomes for general government agencies for the six months to 31 December 2021.

SALARIES COSTS
General Government Sector

	2021-22		2020-21	
	Six Months to 31 Dec	Estimated Outturn ^(a)	Six Months to 31 Dec	Actual ^(b)
	\$m	\$m	\$m	\$m
Health	2,738	5,226	2,488	5,101
Education	1,981	3,874	1,881	3,732
Western Australia Police Force	531	1,028	499	1,012
Justice	381	720	380	765
Communities	266	545	286	564
Fire and Emergency Services	104	205	98	203
Biodiversity, Conservation and Attractions	97	205	92	196
Primary Industries and Regional Development	91	187	88	181
Mines, Industry Regulation and Safety	86	170	88	171
Transport	71	148	68	135
North Metropolitan TAFE	62	124	59	117
South Metropolitan TAFE	59	117	59	116
Finance	58	126	54	108
Water and Environmental Regulation	48	101	48	90
Premier and Cabinet	46	94	46	93
Planning, Lands and Heritage	45	91	44	87
Local Government, Sport and Cultural Industries	44	100	43	88
Commissioner of Main Roads	34	61	40	68
WA Sports Centre Trust (Venues West)	27	45	17	42
Land Information Authority (Landgate)	24	51	25	48
Training and Workforce Development	24	50	23	45
Mental Health Commission	23	47	20	39
South Regional TAFE	21	39	20	41
Jobs, Tourism, Science and Innovation	20	45	17	40
Legal Aid Commission of Western Australia	19	45	17	35
Central Regional TAFE	19	36	18	36
Office of the Director of Public Prosecutions	18	36	17	36
North Regional TAFE	18	39	15	32
Treasury	16	33	16	32
Legislative Assembly	11	23	11	24
Office of the Auditor General	10	21	9	19
State Solicitor's Office	9	29	-	-
Public Sector Commission	8	18	8	17
Legislative Council	8	16	8	17
Corruption and Crime Commission	7	16	8	16
WorkCover WA Authority	7	14	7	13
Chemistry Centre (WA)	7	14	7	14
Parliamentary Services Dept	6	11	5	10
All other agencies (with annual salaries costs below \$10 million)	42	82	39	86
Provisions ^(c)	-	60	-	-
Total salaries	7,086	13,893	6,669	13,469

(a) Consistent with the revised estimated outcome published in the Mid-year Review, released on 16 December 2021.

(b) Consistent with the final audited data contained in the 2020-21 *Annual Report on State Finances*, released on 24 September 2021.

(c) The 2021-22 Mid-year-Review includes a number of provisions with allowances for salary costs.

Note: Columns may not add due to rounding.

