



Government Mid-year Financial Projections Statement

2023-24

December 2023



2023-24

**Government Mid-year Financial
Projections Statement**

DECEMBER 2023

2023-24 Government Mid-year Financial Projections Statement
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ISSN 1444-9110 (print)
ISSN 1839-9002 (on-line)

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Under Treasurer's Certification

The *Government Financial Responsibility Act 2000* (GFRA) requires that the Treasurer release a Government Financial Strategy Statement at least once every year (section 11), and a *Government Mid-year Financial Projections Statement* (or Mid-year Review) updating the Budget-time forecasts by 31 December each year (section 13). The required content of these statements is detailed in sections 11 and 13 of the GFRA.

For the purposes of these GFRA requirements:

- the Government Financial Strategy Statement and associated financial targets disclosures are detailed in Chapter 3: *Fiscal Outlook and Strategy* in Budget Paper No. 3: *Economic and Fiscal Outlook*, presented to the Legislative Assembly on 11 May 2023;
- the content of this Mid-year Review meets the requirements of section 13 of the GFRA. In particular:
 - Appendix 1 details the projections required by section 13(2)(a) of the GFRA;
 - Chapters 1 and 2 detail the economic and other assumptions underlying the Mid-year Review projections (section 13(2)(b));
 - Chapter 1 details the compliance of the projections with the Government's financial targets (section 13(2)(c)); and
 - the Statement of Risks in Chapter 1 details the sensitivity of the projections to various economic and financial assumptions and other risks (sections 13(2)(d) and (e)); and
- this certification gives effect to the requirements of sections 13(2)(f) and 13(6).

This Mid-year Review is based upon Government decisions that I was aware of or that were made available to me by the Treasurer, together with other relevant information known to Treasury, on or before the Mid-year Review cut-off date of 27 November 2023 and which have a material effect on the State's financial projections.

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It has been prepared in accordance with applicable Australian Accounting Standards and Government Finance Statistics principles, and is based on the economic forecasts and assumptions outlined in Chapter 1: *Financial Projections and Strategy* and Chapter 2: *The Western Australian Economy*. These assumptions were finalised by Treasury, under my direction, on 27 November 2023.



Michael Barnes PSM FIPAAWA
UNDER TREASURER

19 December 2023

Financial Projections and Strategy

HIGHLIGHTS

- In the face of global uncertainty and economic headwinds, including higher interest rates, Western Australia's domestic economy has been stronger than expected, resulting in the general government revenue estimates being revised up since the 2023-24 Budget. Across the forward estimates period, this additional revenue has been invested in:
 - significant new infrastructure, including the \$2.8 billion Alkimos Seawater Desalination Plant and more than \$700 million to upgrade the State's main electricity network and unlock renewable energy generation opportunities; and
 - priority service delivery areas, including new spending on health and mental health initiatives, providing care to children in State stewardship, accommodation and outreach services for people experiencing homelessness, family and domestic violence initiatives, and measures to boost housing supply.
- This Mid-year Review also accommodates \$2.8 billion over 2023-24 to 2026-27 for negotiation of industrial agreements under the Government's new principles-based Public Sector Wages Policy.
- The stronger economic and revenue outlook compared to the 2023-24 Budget has resulted in the general government operating surplus for 2023-24 being revised up from \$3.3 billion at Budget to \$3.7 billion in this Mid-year Review, with operating surpluses also forecast over the remainder of the forward estimates period.
- Net debt is now expected to decline for a fifth consecutive year to \$27.2 billion by 30 June 2024, which is \$2.2 billion lower than estimated in the 2023-24 Budget and more than \$16 billion lower than projected when the Government came to office. A forecast increase in net debt across the forward estimates period is predicated on conservative revenue assumptions and a record \$43.9 billion Asset Investment Program.

Introduction

Western Australia’s domestic economy (excluding exports and imports) is performing better than expected at the time of the 2023-24 Budget. State Final Demand (SFD) is now forecast to grow by 4.5% in 2023-24 – up from 3% growth forecast at Budget, and building on the 3.8% growth recorded for 2022-23.

Stronger conditions in the State’s economy, combined with an elevated iron ore price, have resulted in a stronger revenue outlook relative to the 2023-24 Budget. This Mid-year Review invests the additional revenue in new infrastructure essential for the State’s future, key service delivery priorities, and fair and reasonable pay rises for the State’s public sector workers under the Government’s new principles-based Public Sector Wages Policy.

A \$3.7 billion general government operating surplus is now forecast for 2023-24. This is \$426 million higher than the \$3.3 billion surplus forecast in the 2023-24 Budget, and follows the \$5.1 billion surplus outcome for 2022-23. Operating surpluses are also forecast over the three outyears.

Total public sector net debt is now expected to be \$27.2 billion at 30 June 2024, \$2.2 billion lower than forecast in the 2023-24 Budget and the fifth consecutive annual decline in net debt. It is projected to reach \$38.1 billion by 30 June 2027, \$2.2 billion higher than at Budget, based on conservative revenue assumptions and in support of a record \$43.9 billion Asset Investment Program over the next four years. Nonetheless, at just 10% of Gross State Product (GSP), this forecast level of net debt remains modest relative to other jurisdictions and broadly in line with projections at Budget.

The following table summarises the key financial aggregates for the 2023-24 Mid-year Review.

Table 1

KEY BUDGET AGGREGATES						
Western Australia						
	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget Estimate	Mid-year Revision	Outyear	Outyear	Outyear
GENERAL GOVERNMENT SECTOR						
Net Operating Balance (\$m)	5,120	3,293	3,719	3,457	2,360	2,906
Revenue (\$m)	43,601	43,218	45,478	43,511	42,271	43,482
Revenue Growth (%)	4.7	0.3	4.3	-4.3	-2.8	2.9
Expenses (\$m)	38,481	39,925	41,760	40,054	39,911	40,576
Expense Growth (%)	8.0	2.7	8.5	-4.1	-0.4	1.7
TOTAL PUBLIC SECTOR						
Net Debt at 30 June (\$m)	27,358	29,389	27,167	30,886	35,139	38,109
Net Debt as a share of GSP (%)	6.1	7.7	6.4	8.2	9.4	10.0
Asset Investment Program (\$m)	9,235	10,405	9,825	11,960	11,375	10,698
Cash Surplus/Deficit (\$m)	2,120	-1,155	570	-3,257	-3,960	-2,677

Key assumptions underlying the Mid-year Review financial projections are shown in the following table. A detailed discussion of the economic outlook is provided in Chapter 2: *The Western Australian Economy*.

Table 2

KEY ASSUMPTIONS ^(a)
Western Australia

	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Mid-year Revision	Outyear	Outyear	Outyear
Real Gross State Product growth (%) ^(b)	3.5 (4.25)	1.75 (2.25)	2.0 (1.75)	2.0	1.75 (1.5)
Real State Final Demand growth (%) ^(b)	3.8 (3.25)	4.5 (3.0)	3.0 (2.5)	2.75	2.75 (2.5)
Employment growth (%)	2.8 (1.75)	2.5 (1.0)	1.75 (1.25)	1.25	1.5
Unemployment rate (%) ^(c)	3.5	3.75 (4.0)	4.0 (4.25)	4.25 (4.5)	4.5
Wage Price Index growth (%) ^(d)	4.2 (4.25)	4.25 (4.0)	3.5 (3.75)	3.25	3.0
Perth Consumer Price Index growth (%) ^(d,e)	5.0 (5.75)	4.0 (3.5)	3.0 (2.75)	2.5	2.5
Iron ore price (\$US/tonne CFR) ^(c,f)	109.6 (112.3)	104.2 (74.1)	66.0	66.0	66.0
Iron ore volumes (million dry tonnes)	861	867 (865)	885	898	890
Crude oil price (\$US per barrel) ^(c)	86.5 (88.2)	81.8 (79.6)	78.4 (74.9)	74.9 (71.6)	72.3 (69.0)
Exchange rate (US cents) ^(c)	67.3 (67.4)	65.3 (67.7)	67 (69.5)	70.6 (71.4)	72.3
Population growth (%) ^(d)	3.1 (2.2)	2.4 (1.7)	1.7 (1.6)	1.7 (1.6)	1.7 (1.6)
Interest rate assumptions (%):					
– Public Bank Account earnings ^(c)	2.6	3.9 (3.0)	4.2 (3.7)	4.1 (3.8)	4.2 (3.8)
– Consolidated Account borrowings ^(c)	3.0 (3.3)	3.6 (3.3)	3.5 (3.1)	3.4 (3.1)	3.4 (3.1)

(a) 2023-24 Budget assumptions shown in parentheses where different.

(b) Based on 2022-23 State Accounts data and State Final Demand for the September quarter 2023.

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

(d) Data expressed in year-ended terms.

(e) The CPI growth rates are based on the total index excluding the electricity sub-index as a result of the Household Electricity Credit provided across the State.

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

General Government Sector

Operating Statement

A general government operating surplus of \$3.7 billion is forecast for 2023-24, \$426 million higher than the \$3.3 billion surplus forecast at Budget. Operating surpluses are also forecast over the period 2024-25 to 2026-27, revised up by a total \$932 million since the 2023-24 Budget.

The following table summarises the changes in general government revenue and expenses since the 2023-24 Budget estimates were finalised on 11 April 2023.

Table 3

**SUMMARY OF GENERAL GOVERNMENT REVENUE AND EXPENSE
VARIATIONS SINCE THE 2023-24 BUDGET**

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	Total \$m
2023-24 BUDGET - NET OPERATING BALANCE	3,293	2,367	2,540	2,883	
Revenue					
<i>Taxation</i>	<i>1,007</i>	<i>980</i>	<i>938</i>	<i>1,120</i>	<i>4,046</i>
- Payroll Tax	493	700	808	955	2,956
- Total Duty on Transfers	368	178	116	120	782
- Vehicle Licence Duty	162	118	27	40	347
- Other Taxes	-15	-16	-13	5	-39
<i>Commonwealth Grants</i>	<i>-324</i>	<i>1,808</i>	<i>605</i>	<i>760</i>	<i>2,850</i>
- GST Grants	51	110	192	362	714
- Pilbara Ports Common User Upgrades	69	164	230	61	524
- Transport Grants	207	348	-15	-32	508
- Training and Skills Agreements	43	53	68	82	246
- Disaster Recovery Funding Arrangements	1	4	25	209	238
- Health Grants	106	15	35	23	179
- North West Shelf/Condensate Compensation	36	59	34	23	152
- Pilbara Hydrogen Hub Agreement	6	20	20	25	70
- Business Support Payments	69	-	-	-	69
- DisabilityCare Australia Fund Grant	-1,008	1,008	-	-	-
- Other Commonwealth Grants	95	28	17	10	150
<i>Royalty Income</i>	<i>2,719</i>	<i>84</i>	<i>-37</i>	<i>-22</i>	<i>2,744</i>
- Iron Ore	2,998	192	57	-	3,247
- Lithium	-247	-79	-50	23	-354
- Other Royalties	-32	-29	-44	-45	-149
Revenue from Public Corporations	-1,234	-20	-26	-47	-1,327
Interest	84	53	57	87	280
All Other	8	39	55	59	160
TOTAL REVENUE	2,260	2,944	1,593	1,957	8,753

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

Table 3 (cont.)

**SUMMARY OF GENERAL GOVERNMENT REVENUE AND EXPENSE
VARIATIONS SINCE THE 2023-24 BUDGET**

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	Total \$m
Expenses					
Public Sector Wages Provision:					
- 2023-24 Mid-year Review Provision	150	585	896	1,167	2,799
- Removal of 2023-24 Budget Provision	-44	-93	-83	-	-221
WA Health					
- Long-Stay Transition Care Program Reform	31	28	30	32	122
- Commonwealth Agreements	111	4	1	-	115
- WA Country Health Service - Revised Financial Forecasts	103	-	-	-	103
- Elective Surgery Waitlist Reduction	40	-	-	-	40
- All Other	72	80	62	56	269
Operating Subsidies					
- Public Transport Authority	54	62	88	68	272
- DevelopmentWA	8	38	3	-	49
- All Other	47	8	19	27	101
Communities					
- Out-of-Home Care Services	50	62	55	56	222
- Homelessness Services	-	15	16	16	48
- Family and Domestic Violence and Crisis Response	4	22	20	2	48
- All Other	92	24	1	-15	101
Training and Workforce Development					
- National Skills Agreement	25	53	55	68	202
- Fee-Free TAFE - Tranche 2	7	15	15	7	45
- All Other	15	7	7	7	38
Jobs, Tourism, Science and Innovation					
- Investment Attraction Fund Top-up	-	50	30	30	110
- Lower Carbon and GreenTech Hub	2	22	2	15	40
- Destination Marketing	-	12	12	-	24
- Event Tourism	17	1	1	1	19
- All Other	22	36	6	4	68
Griffin Coal - Financial Support	96	70	70	-	236
Fire and Emergency Services	83	89	25	27	224
Justice	75	39	38	28	181
Consolidated Account Interest	54	47	38	42	181
Western Australian Stolen Wages Class Action	15	165	-	-	180
Main Roads	207	19	-19	-47	160
Ecological Thinning Program (Forest Management Plan 2024-33)	21	41	43	46	151
Energy, Mines, Industry Regulation and Safety	22	35	47	40	144
Transport	32	26	-7	67	118
Superannuation Interest Costs	49	38	22	8	117
Local Government, Sport and Cultural Industries	45	25	19	18	108
Education	55	27	12	10	104
All Other	273	203	251	151	877
TOTAL EXPENSES	1,834	1,854	1,773	1,934	7,395
TOTAL VARIANCE	426	1,090	-180	23	1,358
2023-24 MID-YEAR REVIEW - NET OPERATING BALANCE	3,719	3,457	2,360	2,906	

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

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

The higher general government operating surplus has allowed the Government to address a range of priority issues outlined in the rest of this Chapter and in Appendix 3: *Major Spending Changes*.

HOUSING INITIATIVES

The State Government has made significant additional investments since the 2023-24 Budget to boost housing supply and affordability in Western Australia. These include:

- A \$24.4 million package to fund the **WA Rent Relief Program**, providing one-off rent relief payments of up to \$5,000 per household to help eligible tenants who are experiencing rental stress or are at risk of eviction because their rent is in arrears, to negotiate with their landlords to extend their tenancy.
- The **Short-Term Rental Accommodation Incentive Scheme** offering a \$10,000 financial incentive to existing owners of un-hosted short-term rental accommodation properties, to transfer their property to the long-term rental market for at least 12 months to support people seeking a rental home.
- \$13.9 million for **off-the-plan transfer duty concessions for under-construction apartments**. Purchasers of new apartments who sign a purchase contract after construction commences but before construction is completed between 31 August 2023 and 30 June 2025 are eligible to receive a transfer duty concession.
- \$8.1 million of **land tax relief for homeowners affected by construction delays**. The Western Australian Government has announced a temporary extension to the two-year land tax exemptions provided to people constructing or refurbishing their future home. The temporary extension (up to three or four years depending on the circumstances) is available to homeowners who signed their building contract between 1 July 2020 and 30 June 2023.
- **Changes to Keystart's interest rate setting policy** which see Keystart's interest rates now set based on movements in the Reserve Bank of Australia's official cash rate, plus a fixed margin of 350 basis points. This change in policy has meant that Keystart customers are paying nearly one percentage point (0.91%) less on their home loans than under the previous policy, providing mortgage relief for households.
- \$190.6 million from 2023-24 to 2026-27 (\$209.2 million to 2027-28) to **deliver social housing** in accordance with Western Australia's Social Housing Accelerator Payment implementation plan. This is estimated to provide for the refurbishment of 333 existing dwellings and the construction of 265 new dwellings. This investment will be funded via Western Australia's share of the Commonwealth's \$2 billion Social Housing Accelerator Payment, and builds on the State Government's pre-existing commitment to deliver 4,000 new social housing dwellings by 2026-27.
- **A dedicated Housing Supply Unit** within the Department of Treasury to drive new measures to boost housing supply and affordability in Western Australia. This Unit will work across Government and with industry to develop market-driven housing policies and expand workforce capacity. The new Housing Supply Unit is anticipated to be operational from January 2024.

Revenue

Relative to the 2023-24 Budget, the increase in the general government revenue estimates over the four years to 2026-27 mainly reflects:

- higher taxation revenue (up \$4 billion), mainly due to:
 - payroll tax (up \$3 billion), reflecting stronger than expected employment growth, particularly in the resources sector;
 - total transfer duty (up \$782 million), driven by stronger than expected activity in the established housing market, and additional revenue from large commercial property transactions; and
 - vehicle licence duty (up \$347 million), as new car sales have risen further recently, and prices for both new and used cars remain elevated;
- higher Commonwealth grants (up \$2.8 billion), including:
 - a \$714 million increase in GST grants, reflecting higher estimated national GST collections and an upward revision to Western Australia's population share of these collections;
 - \$524 million towards common user port facilities in the Pilbara, comprising \$450 million for Lumsden Point and \$74 million for the Dampier Cargo Wharf;
 - a \$508 million increase in Commonwealth transport grants, largely driven by additional funding for road and rail project cost increases (\$596 million) and the re-timing of project funding from 2022-23 (\$542 million), partially offset by the re-cashflow of some expenditure outside the forward estimates and the withdrawal of funding by the Commonwealth Government for a number of joint State and Commonwealth-funded projects (\$630 million in total);
 - a \$246 million increase in training and skills funding, reflecting the State's participation in the five year National Skills Agreement commencing 1 January 2024, and extension of the 2023 Fee-Free TAFE Agreement to provide free TAFE places in the 2024, 2025 and 2026 training years;
 - a \$238 million increase in Disaster Recovery Funding Arrangements, mainly for the partial reimbursement of the recovery assistance provided to Kimberley communities impacted by Ex-Tropical Cyclone Ellie, and funding for the replacement and enhancement of the Fitzroy River Bridge and repair of other roads;
 - a \$179 million increase in health-related grants, primarily extending funding for existing programs including the Multi-Purpose Services Program and Aged Care Assessment Program, and additional funding to reform and expand the Long Stay Transition Care Program to assist older people to transition from hospital into community settings;

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- higher North West Shelf grants and condensate compensation (up \$152 million), as a result of slightly higher oil and LNG price forecasts and a lower assumed \$A/\$US exchange rate;
- \$70 million towards the jointly funded Pilbara Hydrogen Hub; and
- a \$69 million Commonwealth contribution to Business Support Payments for businesses under State COVID-19 support packages;
- higher royalty income (up \$2.7 billion), primarily due to:
 - higher iron ore royalties (up \$3.2 billion), reflecting:
 - an upward revision to the assumed iron ore price in 2023-24, from \$US74.1 per tonne at Budget to \$US104.2 per tonne in this Mid-year Review. This reflects higher average prices to date over 2023-24, supported by demand from infrastructure and manufacturing activity in China; and
 - a lower assumed \$A/\$US exchange rate (boosting the Australian dollar value of sales) in line with futures market movements since Budget cut-off; and
 - lower lithium royalty income (down \$354 million), largely due to downward revisions to price assumptions as a more balanced market has flowed through to lower spot prices over 2023-24 to date. This has been partly offset by upward revisions to volume forecasts and the lower \$A/\$US exchange rate;
- lower revenue from public corporations (down \$1.3 billion), primarily due to a decision in this Mid-year Review for Government Trading Enterprises (with the exception of the Western Australian Treasury Corporation and the Insurance Commission of Western Australia) to retain their 2023-24 dividends (totalling \$1.3 billion), to help fund future infrastructure investments such as the Alkimos Desalination Plant; and
- higher interest revenue (up \$280 million), reflecting the impact of higher interest rate assumptions and higher than expected cash and investments held in the Public Bank Account.

Detailed forecasts of general government sector revenue are available in Appendix 2: *General Government Operating Revenue*.

Expenses

The additional revenue capacity that has emerged since the 2023-24 Budget has permitted the Government to address key spending priorities in this Mid-year Review. Material expense changes since Budget include:

- a provision for wages and conditions to be negotiated with public sector unions under the Government's new Public Sector Wages Policy (\$2.8 billion over 2023-24 to 2026-27, partly offset by removal of a \$221 million provision included in the 2023-24 Budget, see feature box later in this section);

- an additional \$650 million spending on health services, including:
 - \$122 million to reform and expand the Transition Care Program, which assists older people at the end of their hospital stay to transition into community settings;
 - \$115 million under various Commonwealth funding agreements, primarily to extend funding for existing programs including the Multi-Purpose Services, Aged Care Assessment, Commonwealth Home Support and Indigenous Australians' Health Programs;
 - \$103 million in 2023-24 to address WA Country Health Service workforce pressures and associated use of agency medical and nursing staff;
 - \$98 million in spending carried over from 2022-23 (mainly for re-timed spending by the Future Health Research and Innovation Fund, and on long-stay and Emergency Department reform initiatives, and the Human Resource Management Information System);
 - \$55 million for additional health ICT-related expenditure;
 - \$48 million for the Community Aids and Equipment Program and Continence Subsidy Scheme functions transferred from the Department of Communities; and
 - \$40 million in 2023-24 to support a continued reduction in the elective surgery waitlist;
- \$422 million in additional operating subsidies, mainly to the Public Transport Authority (primarily to meet the costs of operating the Morley-Ellenbrook Line and Bayswater Station, increased salaries spending under new industrial agreements and the impact of higher interest rates on borrowing costs) and DevelopmentWA (to meet the impact of higher operating costs, including contracted labour costs and carryover from 2022-23, across a range of subsidised projects);
- higher recurrent spending by the Department of Communities (up \$420 million over 2023-24 to 2026-27), primarily driven by the combined impact of:
 - an additional \$270 million to support commissioning of services including re-contracting out-of-home care services and transition to new models of care (\$222 million), and extension of existing contracts to maintain accommodation and outreach services for people experiencing homelessness (\$48 million);
 - an additional \$48 million to boost family and domestic violence (FDV) and crisis response across the State. This investment is part of a \$70.6 million FDV package over the period, which includes investment to construct a refuge in Stirling funded from the Department of Communities' existing Crisis Accommodation Program; and
 - further spending on a range of other initiatives (\$101 million), such as housing and homelessness services, essential municipal services for remote Aboriginal communities, and disaster recovery assistance for residents displaced by the impacts of Ex-Tropical Cyclone Ellie;

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- an increase of \$284 million in recurrent spending by the Department of Training and Workforce Development, mainly due to:
 - the Government’s approval of the National Skills Agreement, which takes effect from 1 January 2024 and will result in additional spending of \$202 million over 2023-24 to 2026-27; and
 - an extension to the 2023 Fee-Free TAFE agreement, which will see the Government invest \$45 million over the forward estimates to provide fee-free TAFE places in 2024, 2025 and 2026;
- \$262 million through the Department of Jobs, Tourism, Science and Innovation, largely to support the diversification of the Western Australian economy, including:
 - a \$110 million boost to the Investment Attraction Fund (bringing total spending on this initiative to \$395 million), to continue attracting new and emerging industries to Western Australia;
 - \$45 million for additional tourism initiatives, including a \$24 million boost to continue marketing Western Australia as a tourism destination, and a \$19 million boost to the Major Events Fund;
 - \$40 million to deliver a Lower Carbon Grants Program and Green Tech Hub, to support start-ups and the research and development of decarbonisation technology in Western Australia (with the cost of this initiative met from funds provided by Chevron Australia Pty Ltd);
 - \$27 million for various initiatives carried over from 2022-23, including grant payments from the Investment Attraction Fund (\$10 million) and the Native Forest Transition Program (\$6 million); and
 - \$18 million to support delivery of road and intersection upgrades at Lumsden Point (with this spending to be funded by the Commonwealth);
- financial support for the Griffin Coal receivers and managers to ensure continuity of coal supply and energy system security (\$236 million);
- an additional \$224 million for the Department of Fire and Emergency Services, including:
 - \$112 million for Disaster Recovery Funding Arrangements, mainly in support of recovery efforts following Ex-Tropical Cyclone Ellie;
 - \$16 million for an upward revision to depreciation expenses following revaluation of asset values;
 - \$13 million for higher than expected costs such as aviation services, fuel and utilities, fleet and equipment maintenance, and ICT services;
 - \$12 million for higher employee costs under industrial agreements, including \$5 million carried over from 2022-23;

- \$7 million for the Commonwealth Agreement awarded to Western Australia under the Disaster Ready Fund – Round One to deliver resilience and risk reduction initiatives aimed at mitigating the impacts of natural disasters; and
- \$6 million to implement the Next Generation Emergency WA (NextGen) platform;
- a \$181 million increase in Consolidated Account interest costs, reflecting the impact of higher interest rates;
- \$181 million of additional spending by the Department of Justice, including:
 - \$64 million for additional staffing, employee attraction and retention incentives, and expensed infrastructure upgrades across the youth custodial estate;
 - a \$56 million increase in service costs, primarily reflecting higher than forecast growth in the prison population; and
 - \$35 million for higher depreciation expenses driven by the flow-on impact of 2022-23 valuation outcomes and completion of new facilities such as the Armadale Court House and Police Complex;
- the settlement of a class action claim lodged in the Federal Court in 2020 relating to wages withheld from Aboriginal workers between 1936 and 1972 (\$180 million);
- an increase in recurrent road spending (up \$160 million), largely reflecting the retiming of expenditure from 2022-23 (\$187 million), road recovery works following Ex-Tropical Cyclone Ellie (\$32 million) and payments for works completed by local governments (\$22 million), partially offset by a reduction in grant payments to the Public Transport Authority for the Canning Bridge Bus Interchange;
- a \$151 million general government contribution over the four years to 2026-27 to conduct ecological thinning works under the 2024-33 Forest Management Plan, administered by the Forest Products Commission, which will reduce moisture stress and promote forest health;
- an increase in spending by the Department of Energy, Mines, Industry Regulation and Safety (up \$144 million), mainly due to:
 - \$96 million to address priority safety and remediation works under the Abandoned Mines Program;
 - \$13 million over the forward estimates to lead regulatory changes, the coordination of environmental studies and Aboriginal engagement that will support the achievement of a green energy transition in the Pilbara; and
 - \$10 million over 2023-24 to 2026-27 to establish PoweringWA to coordinate the delivery of new electricity infrastructure needed to facilitate decarbonisation and deliver on immediate priorities including planning for Renewable Generation Hubs;

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- a \$118 million increase in spending by the Department of Transport, primarily due to the re-timing of expenditure from 2022-23 for a range of projects (\$77 million), Westport business case and environmental-related work (\$16 million), the Joondalup Driver Assessment Centre (\$10 million), remediation work for maritime facilities (\$8 million) and continuation of the Driving Access and Equity Program (\$4 million);
- higher (non-cash) superannuation interest expenses (up \$117 million), mainly reflecting movements in discount rate forecasts used to value unfunded superannuation entitlements;
- an increase of \$108 million in spending by the Department of Local Government, Sport and Cultural Industries, largely due to:
 - additional services to the Gaming and Wagering Commission of Western Australia to support the administration of the *Casino Control Act 1984* and regulation of the Perth Casino (\$35 million);
 - a contribution of \$10 million towards re-roofing and delivery of additional courts at the Mike Barnett Sports Complex in Rockingham;
 - additional expenditure of \$9 million over 2023-24 to 2026-27 on screen production attraction incentives, marketing and promotion-related activity to support the Screen Production Facility; and
 - \$14 million for a range of smaller grants and spending carried over from 2022-23; and
- higher Department of Education expenses (up \$104 million), including:
 - the National Student Wellbeing Boost (\$16 million) and Scaling Up Success in Remote Schools Program (\$10 million);
 - an extension of temporary attraction and retention incentives for teachers and school administrators in regional and remote public schools (\$15 million); and
 - \$55 million for higher depreciation costs and a range of smaller cost increases and initiatives, including \$7 million to benefit students in isolated regional and remote locations, or who are unable to attend mainstream schooling, through the School of Isolated and Distance Education.

Further detail on material changes in recurrent spending by general government agencies is available in Appendix 3: *Major Spending Changes*.

NEW PUBLIC SECTOR WAGES POLICY

A new principles-based Public Sector Wages Policy (the Wages Policy) has been agreed by the State Government for negotiation of new public sector industrial agreements.

The Wages Policy will deliver wage increases and conditions of employment that are reasonable in the context of each negotiation and are financially sustainable. This provides flexibility in bargaining to focus on and address the industrial issues most important to the State's public sector workforce.

The Wages Policy applies to public sector agreements replacing agreements that expired on or after 1 October 2023 for a term of up to three years.

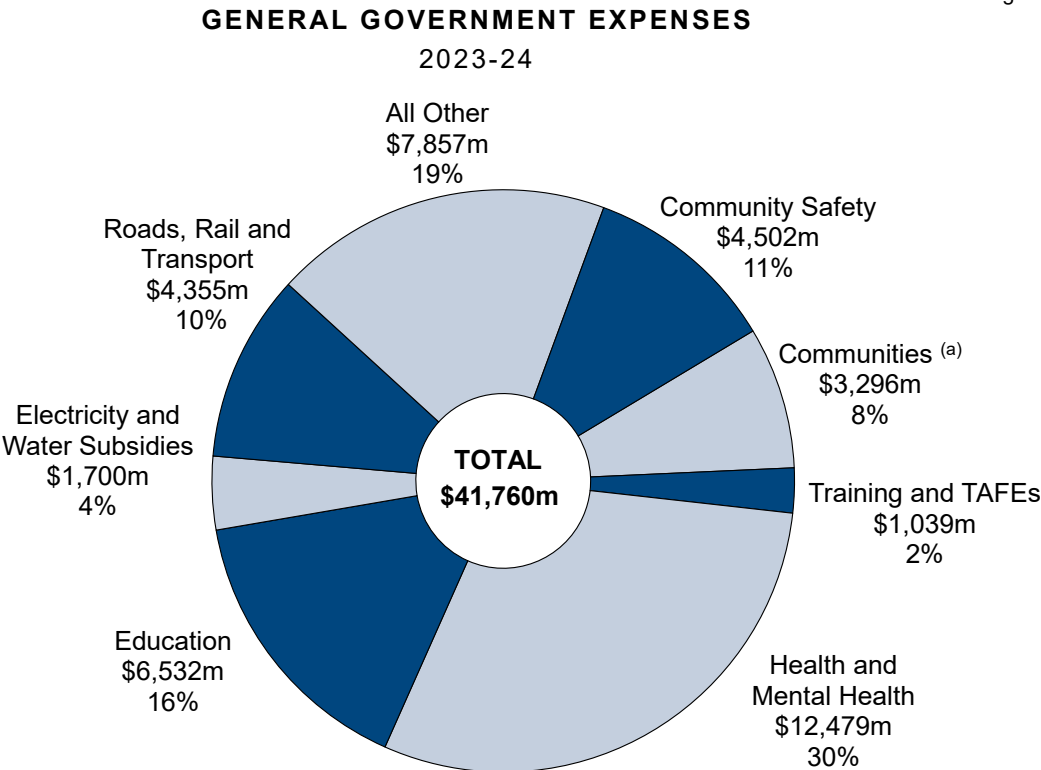
Almost all public sector industrial agreements, covering approximately 160,000 public sector employees, expire between now and early 2025.

The financial impact of replacing all public sector industrial agreements under the Wages Policy will not be known with certainty until all agreements are settled, given the bargaining flexibility offered under the Wages Policy and the timing of negotiations.

A \$2.8 billion global provision has been included in this Mid-year Review to reflect the estimated financial impact of the new Wages Policy over the forward estimates period (2023-24 to 2026-27). Partly offset by removal of a Budget-time wages provision (\$221 million), this represents the single largest item of new expenditure (recurrent or capital) since the 2023-24 Budget.

The global provision reflected in this Mid-year Review is to accommodate the impact of bargaining with public sector unions on wages and non-wage workforce conditions. The outcomes for public sector industrial agreements to be settled over the forward estimates are not yet known, with the global provision providing a maximum funding envelope for negotiations.

Figure 1



(a) The \$3.3 billion in this chart represents the general government portion of the Department of Communities' recurrent spending (with some expenditure from the former Housing Authority remaining within the public non-financial corporations sector for the purpose of whole-of-government reporting).

Note: Segments may not add due to rounding.

Balance Sheet

The net worth of the general government sector is forecast to increase from \$152 billion at 30 June 2023 to \$172.6 billion by 30 June 2027. This \$20.6 billion projected increase over the forward estimates is \$3 billion more than forecast at the time of the Budget, and mainly reflects the combined impact of:

- a \$2.2 billion increase in the value of the general government sector's ownership interest in public corporations, due mainly to higher holdings of physical assets in the public non-financial corporations sector (underpinned by higher projected infrastructure spending);
- a \$1.7 billion reduction in liquid financial assets (cash and deposits, advances paid and investments, loans and placements), reflecting the use of cash and other liquid investments to fund infrastructure and other priority commitments;
- a \$1 billion reduction in deposits held on behalf of public corporations, mainly reflecting draw downs of retained dividends for planned infrastructure spending; and
- a \$846 million reduction in unfunded superannuation liabilities, reflecting the impact of a higher forecast discount rate.

Table 4

GENERAL GOVERNMENT Balance Sheet at 30 June

	2023	2024	2025	2026	2027
	\$m	\$m	\$m	\$m	\$m
2023-24 MID-YEAR REVIEW					
Assets	194,950	204,330	208,457	212,034	216,603
Liabilities	42,973	44,623	44,016	43,890	44,018
<i>Net Worth</i>	<i>151,977</i>	<i>159,707</i>	<i>164,442</i>	<i>168,144</i>	<i>172,585</i>
Net Debt	18,223	21,112	24,116	26,042	26,853
2023-24 BUDGET					
Assets	182,225	189,149	194,550	198,813	202,560
Liabilities	43,476	44,333	46,411	46,812	46,225
<i>Net Worth</i>	<i>138,749</i>	<i>144,817</i>	<i>148,139</i>	<i>152,002</i>	<i>156,335</i>
Net Debt	19,085	22,060	25,527	26,704	27,073
VARIANCE					
Assets	12,725	15,181	13,907	13,221	14,044
Liabilities	-503	290	-2,396	-2,921	-2,207
<i>Net Worth</i>	<i>13,229</i>	<i>14,891</i>	<i>16,302</i>	<i>16,142</i>	<i>16,251</i>
Net Debt	-863	-948	-1,411	-662	-220

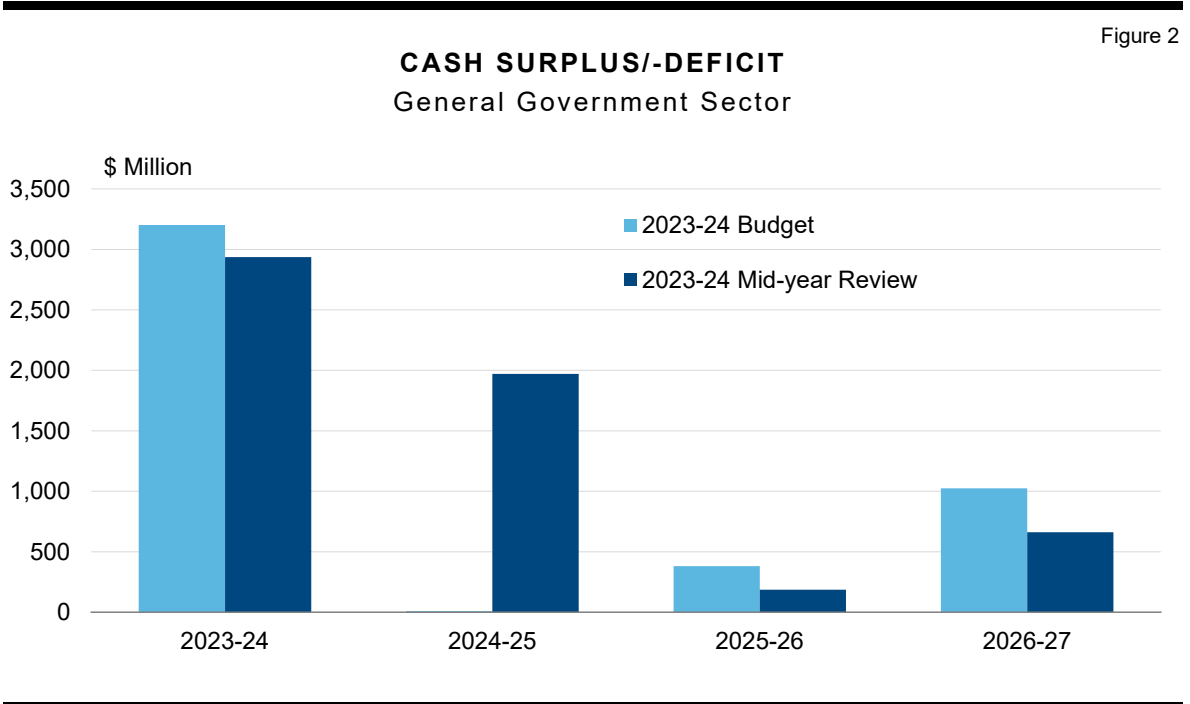
Note: Columns may not add due to rounding.

Cash Flow Statement

A general government cash surplus of \$2.9 billion is forecast for 2023-24, \$266 million lower than forecast at Budget, reflecting higher infrastructure spending (see Asset Investment Program later in this Chapter).

A \$2 billion cash surplus is now forecast for 2024-25, up from just \$9 million at Budget. This substantial revision primarily reflects later expected timing of Western Australia's DisabilityCare Australia Fund grant (with the estimated \$1 billion grant funding delayed from 2023-24 to 2024-25), and the general government sector impact of a new infrastructure smoothing provision which re-times investment from 2024-25 to 2026-27 (see Asset Investment Program section).

General government sector cash surpluses remain in prospect for the remainder of the forward estimates period.



Total Public Sector

Summary

The total public sector operating outlook has strengthened since the 2023-24 Budget. Net debt at 30 June 2027 is now forecast to reach \$38.1 billion, up \$2.2 billion on Budget. This reflects a \$4.9 billion increase in infrastructure spending, partly offset by the stronger operating outlook.

The following table summarises the key financial aggregates for the total public sector.

Table 5

TOTAL PUBLIC SECTOR						
Summary Financial Statement						
	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
OPERATING STATEMENT						
Revenue	78,341	80,108	83,654	81,105	80,138	81,605
Expenses	73,604	77,585	79,853	78,742	79,192	80,434
Net Operating Balance	4,738	2,523	3,801	2,363	946	1,171
BALANCE SHEET AT 30 JUNE						
Assets	237,808	228,918	244,739	251,141	257,860	265,702
Liabilities	85,831	84,102	85,032	86,699	89,716	93,117
Net Worth	151,977	144,817	159,707	164,442	168,144	172,585
STATEMENT OF CASHFLOWS						
Net Cash Flow s from Operating Activities	10,872	8,789	9,946	8,134	6,712	7,275
Asset Investment Program	9,235	10,405	9,825	11,960	11,375	10,698
Cash Surplus/Deficit	2,120	-1,155	570	-3,257	-3,960	-2,677
<i>Memorandum Item: Net Debt at 30 June</i>	<i>27,358</i>	<i>29,389</i>	<i>27,167</i>	<i>30,886</i>	<i>35,139</i>	<i>38,109</i>

Note: Columns may not add due to rounding.

Operating Statement¹

An operating surplus of \$3.8 billion is now expected for the total public sector in 2023-24, \$1.3 billion higher than forecast at Budget.

¹ Consolidation of the sub-sectors of the public sector removes transactions between each part of government. In aggregate, the operating balance of the total public sector is equal to the sum of the general government and public corporations sectors' operating balances, less transactions between these sectors (such as dividend transfers). Under Australian accounting standards, the dividend costs of the public corporations sectors are not classified as expenses, although the associated dividend income (mainly recorded by the general government sector) is recognised as revenue.

Table 6

TOTAL PUBLIC SECTOR OPERATING BALANCE
By Sector

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
			\$m			
Net Operating Balance						
General government sector	5,120	3,293	3,719	3,457	2,360	2,906
Public non-financial corporations sector	-596	608	224	481	259	38
Public financial corporations sector	437	82	82	15	8	-9
<i>less</i>						
General government dividend revenue	145	1,423	205	1,579	1,671	1,757
Public non-financial corporations dividend revenue ^(a)	81	39	21	13	11	9
Agency depreciation costs on right of use assets leased from other government sectors ^(b)	-3	-2	-2	-2	-3	-2
Total public sector net operating balance	4,738	2,523	3,801	2,363	946	1,171

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

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

Note: Columns may not add due to rounding.

Public Non-Financial Corporations (PNFC)

Relative to Budget, the PNFC sector's operating surpluses have been revised down by an aggregate \$1.6 billion over the four years to 2026-27. Revenue increases totalling \$704 million (or 0.4%) are more than offset by a \$2.3 billion (or 1.4%) increase in expenses over the period. These revisions include:

- the flow-on impact to depreciation expenses of upward revaluations of electricity generation and distribution, ports and water infrastructure assets brought to book in the *2022-23 Annual Report on State Finances* (up \$644 million);
- an increase in revenue (up \$208 million) and expenses (up \$711 million) for the Public Transport Authority, with:
 - higher depreciation costs on completed works (\$408 million);
 - additional operating costs, primarily related to the Morley-Ellenbrook Line and Bayswater Station projects (\$229 million); and
 - higher operating subsidies on the back of other changes to the Authority's operating outlook (up \$272 million), higher fare and other revenues (up \$52 million), lower capital grants (\$86 million) reflecting works now being delivered by Main Roads, and revenue deferred following the post-Budget review of the Government's Asset Investment Program;

- higher revenue (up \$84 million) and expenses (up \$333 million) for Western Power, largely driven by higher network tariff revenue and associated operating expenses as a result of the Economic Regulation Authority's Final Decision on Western Power's Fifth Network Access Arrangement, and the cost of Network Control Services related to the maintenance of power system security and reliability of the network;
- higher revenue (up \$42 million) and expenses (up \$211 million) for Synergy, largely driven by:
 - higher operating subsidies to meet the cost of a Customer Offset agreed between Synergy and the Economic Regulation Authority as a result of breaches of Wholesale Electricity Market rules in 2016 and 2017. The subsidy will meet the cost of the credit that will be available to eligible customers in 2023-24;
 - higher depreciation costs following commissioning of battery storage assets in Kwinana and Collie;
 - increased maintenance costs related to the safety and reliability of Synergy's electricity generation assets; and
 - other movements across a range of Synergy's operating costs;
- lower revenue (down \$149 million) for the Department of Communities (Housing Services), primarily driven by reduced Keystart dividend projections (due to lower forecast loan volumes and associated interest receipts from customers);
- higher revenue (up \$83 million) and expenses (up \$133 million) for the Water Corporation, reflecting additional operating subsidies, developer contributions and customer revenue, expensed works on the Alkimos Seawater Desalination Plant and the Kwinana Water Reclamation Plant, and escalation across other operating costs;
- higher revenue (up \$45 million) and expenses (up \$92 million) for Horizon Power, largely reflecting additional income from a new energy supply agreement, a one-off increase in operating subsidy in 2023-24, higher borrowing costs, costs related to Sectoral Emissions Reduction Strategies, and the impact of tender outcomes and contract negotiations on operating costs; and
- higher revenue (up \$60 million) and lower expenses (down \$13 million) for DevelopmentWA, primarily due to operating subsidies changes (noted earlier) and lower tax expenses.

Public Financial Corporations (PFC)

The operating outlook for the PFC sector has been revised down over the four year period to 2026-27. An operating surplus of \$82 million is forecast for 2023-24 (unchanged from Budget), with smaller surpluses expected out to 2025-26 and a modest \$9 million operating deficit forecast in 2026-27.

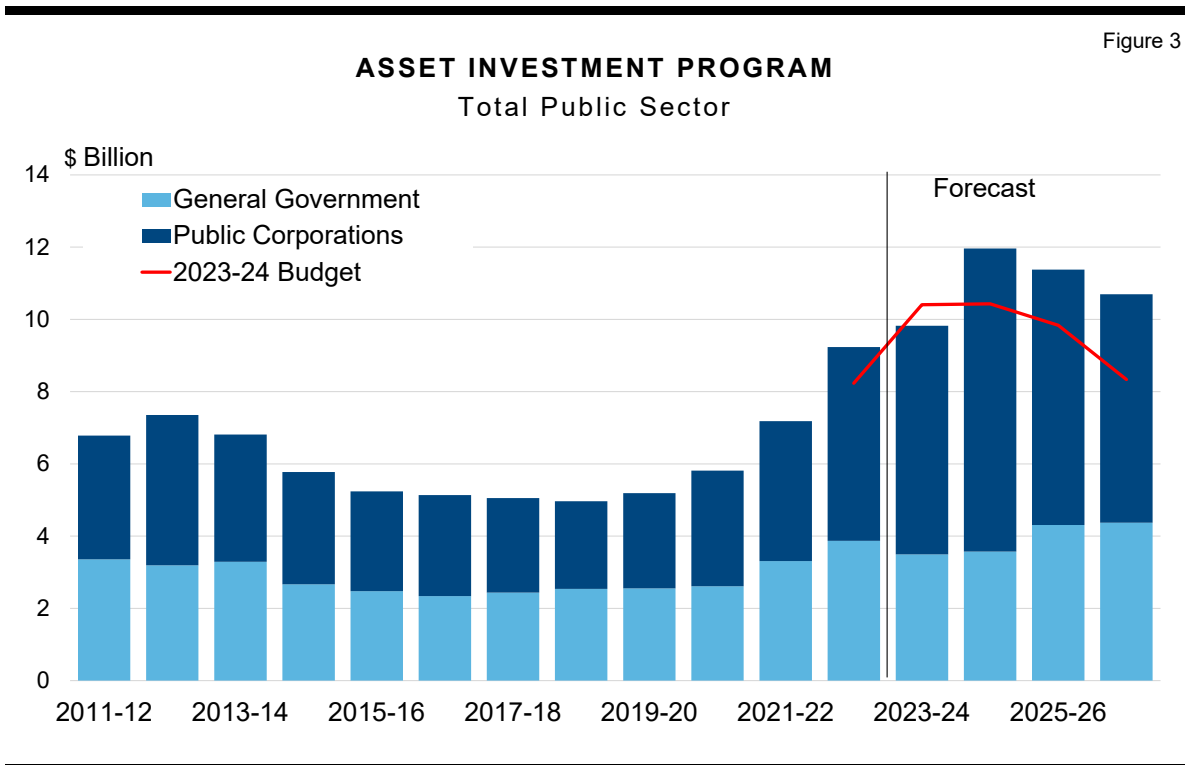
2023-24 Government Mid-year Financial Projections Statement

PFC sector revenue and expense estimates have been revised up over the four years to 2026-27 by \$180 million and \$246 million respectively, largely reflecting the impact of:

- higher interest revenue and expenses (up around \$250 million respectively) for the Western Australian Treasury Corporation, largely reflecting higher interest rate forecasts;
- higher revenue for the Insurance Commission of Western Australia (up \$122 million), reflecting updated vehicle growth rate forecasts on premiums for Compulsory Third Party and Catastrophic Injury Support Cover; and
- lower Keystart revenue (down \$194 million), largely due to a reduction in the size of Keystart’s loan book, partly offset by lower associated interest expenses (down \$44 million).

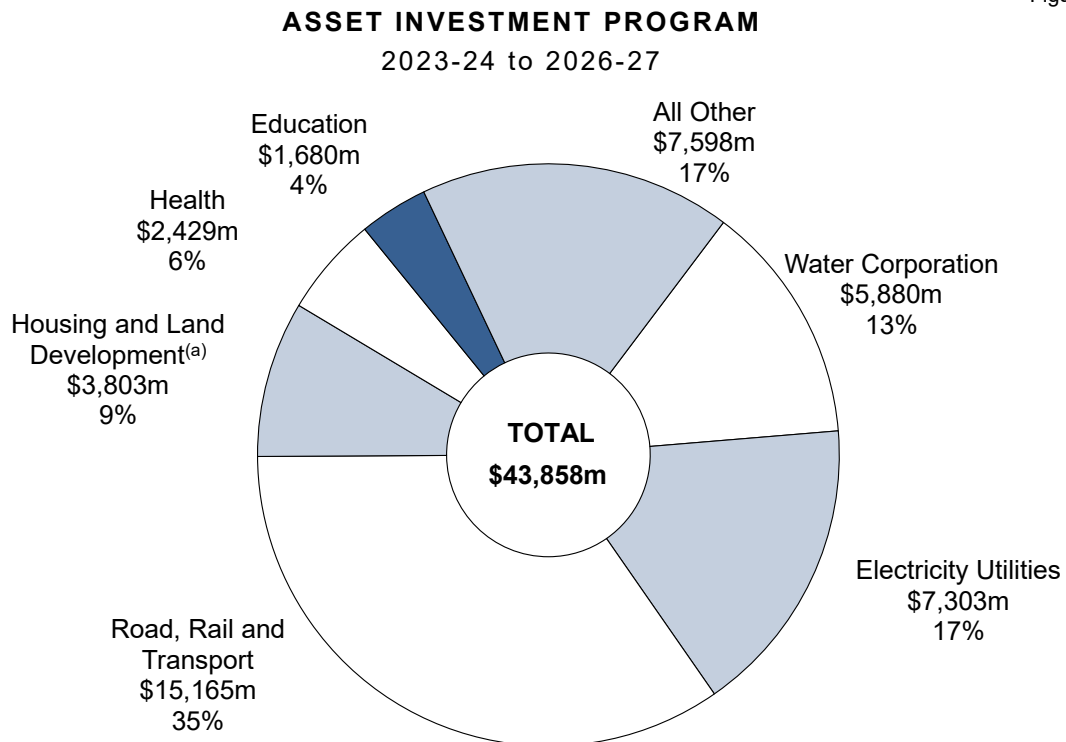
Asset Investment Program

The Government continues to focus on delivery of its record Asset Investment Program (AIP). Across the four years to 2026-27, the AIP has increased by \$4.9 billion since Budget, to \$43.9 billion. This includes new works, the impact of carryover spending from 2022-23, other re-timed works, and a Government review of the AIP to accommodate and address delivery challenges in the current construction market.



Significant areas of investment across the forward estimates continue to be in road, rail and transport (\$15.2 billion), electricity (\$7.3 billion), water (\$5.9 billion), housing and land development (\$3.8 billion), health (\$2.4 billion), and education (\$1.7 billion).

Figure 4



(a) Includes the Department of Communities (Housing Services), DevelopmentWA, the Western Australian Planning Commission and the Department of Planning, Lands and Heritage.

Note: Segments may not add due to rounding.

Major spending changes relative to the 2023-24 Budget include:

- a \$2.5 billion increase in the Water Corporation's capital expenditure, largely comprising:
 - \$2.4 billion on the Alkimos Seawater Desalination Plant (with an additional \$85 million spent on pre-works and \$316 million to be spent in 2027-28), to support long-term water security for more than 2.5 million Western Australians who receive drinking water through the Integrated Water Supply Scheme; and
 - \$81 million to upgrade and expand the Kwinana Water Reclamation Plant, to facilitate industrial activity in Kwinana;
- increased investment in road, rail and transport projects (up a net \$1.6 billion), mainly comprising:
 - a \$627 million increase in spending by Main Roads, primarily due to the replacement of the Fitzroy Crossing Bridge and road recovery works associated with Ex-Tropical Cyclone Ellie (\$372 million), market-driven cost pressures and updated project schedules across a range of works (\$329 million), and spending carried forward from 2022-23 (\$151 million), partially offset by the deferral of several State and Commonwealth-funded projects as part of the Government's AIP review (\$224 million);

2023–24 Government Mid-year Financial Projections Statement

- a \$212 million increase in the Public Transport Authority’s capital expenditure, largely reflecting an additional \$181 million for the Bayswater Station upgrade, \$30 million for electric bus depot land purchases, and a \$66 million increase due to the re-timing of project cashflows from 2022-23. These increases are partially offset by the transfer of a number of projects to Main Roads (\$93 million); and
- a \$701 million net increase to provisions included in the Budget for METRONET projects under development, to reflect updated project costs and timing;
- a \$682 million increase in the Pilbara Ports Authority’s capital expenditure, primarily due to investment in common user port upgrades at Lumsden Point and Dampier (\$574 million), and extension of the Port Hedland Voluntary Buy Back Scheme (\$70 million);
- a \$325 million increase in infrastructure investment by Western Power, mainly to align its investment with the Economic Regulation Authority’s Final Decision on the fifth Network Access Arrangement, and scoping work and the procurement of long-lead items to support transmission upgrades to the network identified in the South West Interconnected System Demand Assessment;
- an increase of \$242 million in infrastructure investment by the Department of Communities, mainly due to the delivery of additional social housing (\$191 million, funded from the Commonwealth’s Social Housing Accelerator Payment received in 2022-23) and \$23 million for temporary accommodation for flood-affected residents in the Fitzroy Valley;
- a \$135 million increase in the Department of Education’s investment program, largely due to:
 - the impact of cost pressures for high priority projects (\$57 million), including \$34 million allocated from the 2023-24 Budget provision for construction cost relief for projects impacted by FIRM Construction’s insolvency;
 - an additional \$25 million for refurbishments and upgrades in public schools under the School Upgrade Fund agreement with the Commonwealth;
 - timing updates for infrastructure projects across the Department’s AIP, including the solar and clean energy schools program and land acquisition program (\$23 million);
 - additional expenditure for the delivery of Brabham East and Eglinton South West Primary Schools to commence from the 2025 school year (\$19 million); and
 - targeted upgrades of fire services, facilities for students with disability and the piggery facilities at the Cunderdin College of Agriculture (\$5 million);
- a \$123 million increase for DevelopmentWA, largely due to the Pier Street Residential Redevelopment (\$137 million), partly offset by an update to spending under joint venture projects with the Department of Communities (\$11 million);

- a \$98 million increase for the Department of Biodiversity, Conservation and Attractions, mainly comprising:
 - essential start-up and visitor infrastructure relating to the implementation of five Indigenous Land Use Agreements and creation of new conservation estate under the Plan for Our Parks program (\$50 million);
 - maintenance of State assets (funded by the Asset Maintenance Fund), including the finalisation of essential repairs and upgrades at the Rottnest Island Main Jetty (\$11 million) and the replacement of the Hamelin Pool Boardwalk in the Shark Bay World Heritage area (\$3 million);
 - \$6 million of additional regional expenditure to undertake further works and meet cost pressures relating to sealing roads in the Karijini National Park, and to implement road-access and visitor accessibility improvements to the Wellington National Park; and
 - slope stabilisation works, drainage improvements and exotic vegetation removal on the Mount Eliza Scarp in Kings Park, following the removal of a large number of trees due to infestation with Polyphagous Shot Hole Borer (\$6 million);
- an \$87 million net reduction in WA Health’s infrastructure program, mainly due to the re-timing of works (\$215 million), partially offset by the carryover of project underspends from 2022-23 and new investment in the State Health Operations Centre (\$8 million) and the refurbishment of Royal Perth Hospital’s mental health Ward 2K (\$5 million);
- an increase of \$75 million in spending by Horizon Power, mainly comprising:
 - investments in renewable generation in regional towns including battery storage and rooftop solar photovoltaic systems (\$17 million) as part of the Government’s Sectoral Emissions Reduction Strategies;
 - cost escalation pressures on existing projects (\$39 million); and
 - the carryover of project underspends from 2022-23 (\$12 million); and
- a \$72 million increase in investment by Synergy, primarily reflecting carryover works from 2022-23 including spending on storage assets in Kwinana and Collie, the proposed King Rocks Wind Farm works, and Virtual Power Plants for Schools.

This Mid-year Review also includes a new \$575 million provision for transmission network upgrades in the Northern Corridor (Stage 1), to be released to Western Power upon approval of the business case.

The 2023-24 Budget included a provision to smooth the AIP over the forward estimates, reflecting capacity constraints affecting the construction sector. This Mid-year Review includes an update to this provision, with \$1.5 billion of (as yet unidentified) project expenditure deferred from 2024-25 to 2026-27. The Budget-time smoothing provision for expected underspending in 2022-23 has been removed to recognise actual underspending that emerged to 30 June 2023, with re-timed spending now reflected in agency budgets as part of this Mid-year Review.

2023–24 Government Mid-year Financial Projections Statement

Further detail of material changes in infrastructure investment since the 2023-24 Budget is available in Appendix 3: *Major Spending Changes*.

Balance Sheet

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

Total public sector net debt is discussed later in this Chapter.

Cash Flow Statement

A total public sector cash surplus of \$570 million is forecast for 2023-24, a \$1.7 billion improvement on the cash deficit projected at Budget. Consistent with Budget forecasts, the outyears predict cash deficits from 2024-25 onwards.

Relative to Budget, the projected cash outcomes accommodate a \$4.9 billion increase in infrastructure spending, partially offset by the impact on cash of the stronger operating outlook.

TOTAL PUBLIC SECTOR CASH FLOW						
Summary						
	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	\$m	\$m	\$m	\$m
Net cash from operating activities	10,872	8,789	9,946	8,134	6,712	7,275
Net cash flows from investing in non-financial assets	-8,752	-9,943	-9,376	-11,391	-10,673	-9,952
Cash surplus/- deficit	2,120	-1,155	570	-3,257	-3,960	-2,677
<i>Financing transactions</i>						
Net cash flow from borrowings	-2,261	-422	-2,307	140	2,808	3,230
Run-down in cash and cash equivalents	344	2,332	1,999	3,594	1,945	380
All other financing	-203	-756	-262	-476	-792	-933
<i>Total Financing</i>	<i>-2,120</i>	<i>1,155</i>	<i>-570</i>	<i>3,257</i>	<i>3,960</i>	<i>2,677</i>

Note: Columns may not add due to rounding.

Net Debt²

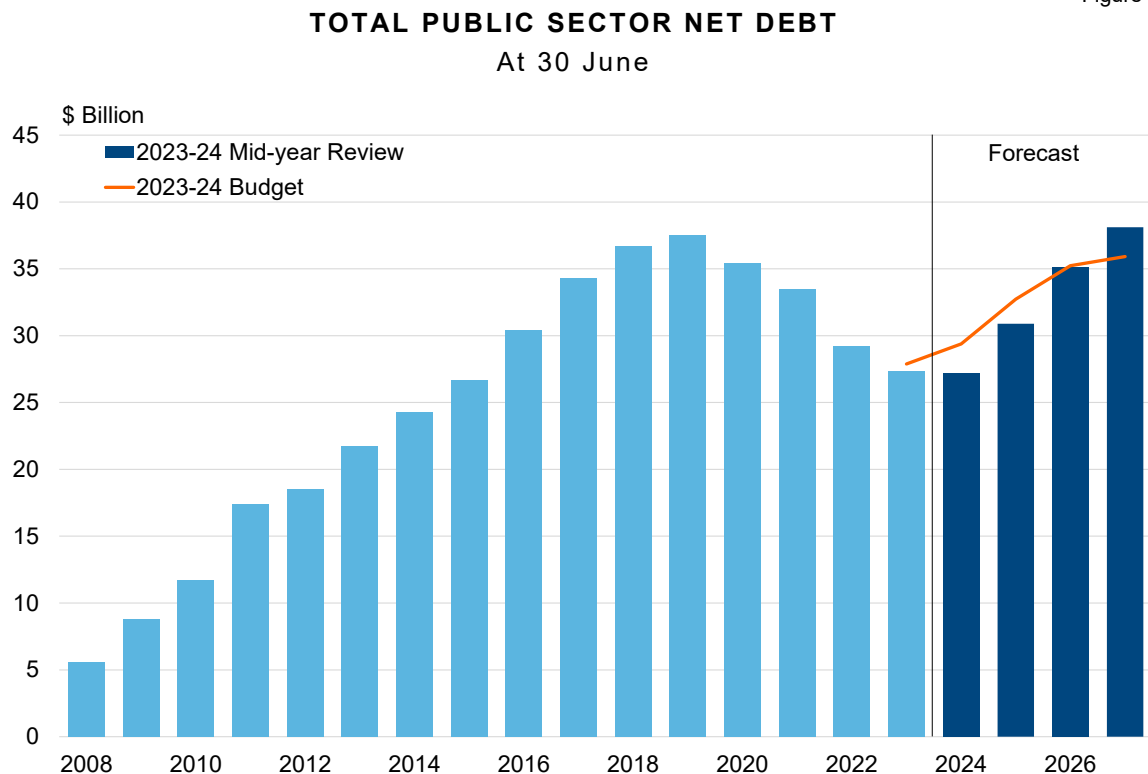
Consistent with the outlook at the time of the 2023-24 Budget, total public sector net debt is forecast to rise across the forward estimates period, reflecting conservative revenue assumptions and record infrastructure investment.

Total public sector net debt is forecast to be \$38.1 billion at 30 June 2027, \$2.2 billion higher than forecast in the 2023-24 Budget. This increase mainly reflects the net impact of:

- the increase in the State’s AIP (increasing net debt by \$4.9 billion over the four years to 2026-27);
- the impact on cash of the general government sector operating changes (reducing net debt by \$1.3 billion) and operating changes across the public corporations sectors (reducing net debt by \$853 million); and
- the better than expected net debt outcome for 2022-23 (\$521 million improvement), as reported in the 2022-23 *Annual Report on State Finances*.

Net debt at 30 June 2024 is now estimated to be \$27.2 billion. This compares to \$29.4 billion forecast at Budget, and marks the fifth consecutive year of declining net debt.

Figure 5



² Net debt is an important indicator of the strength of the public sector’s financial position and the sustainability of the sector’s future call on cash. It is calculated as the difference between financial liabilities that attract a debt servicing cost (such as borrowings and finance leases) and liquid financial assets.

2023-24 Government Mid-year Financial Projections Statement

The following table summarises changes to projected net debt levels since the 2023-24 Budget.

NET DEBT OF THE PUBLIC SECTOR AT 30 JUNE				
	2024	2025	2026	2027
	\$m	\$m	\$m	\$m
2023-24 Budget - Total Public Sector Net Debt	29,389	32,732	35,232	35,912
<i>Plus</i> Improvement from the 2022-23 outcome	-521			
<i>Less</i> change in net cash flows from operating activities and dividends paid				
- general government	42	1,338	-117	36
- public non-financial corporations	1,227	-30	-94	-172
- public financial corporations	-112	3	17	14
<i>Total public sector</i>	<i>1,157</i>	<i>1,311</i>	<i>-194</i>	<i>-122</i>
<i>Plus purchases of non-financial assets</i> ^(a)				
Synergy	847	1,090	87	-
Allocation from Decarbonisation Provision to Synergy for Kwinana and Collie Battery projects	-1,535	-416	-	-
Water Corporation	-193	643	1,261	782
Road, Rail and Transport	724	787	30	19
Pilbara Ports Authority	102	250	270	60
Provision for South West Interconnected System Demand Assessment - Northern Corridor Stage 1	17	128	193	238
Western Power	-80	221	98	86
Communities	-26	102	103	63
Education	-52	103	56	27
DevelopmentWA	-6	60	83	-14
Biodiversity, Conservation and Attractions	-14	51	37	23
Horizon Power	33	25	10	7
WA Health	-131	-53	-8	105
Removal of 2022-23 Smoothing Provision	-	-	-1,000	-750
2023-24 Mid-year Review Smoothing Provision	-	-1,500	-	1,500
All other ^(b)	-265	39	321	217
<i>Total purchase of non-financial assets</i>	<i>-580</i>	<i>1,529</i>	<i>1,541</i>	<i>2,363</i>
<i>Less</i> proceeds from sale of non-financial assets	-13	-98	-14	204
<i>Plus all other financing</i> ^(c)	23	61	4	9
<i>Cumulative impact on net debt at 30 June</i>	<i>-2,222</i>	<i>-1,846</i>	<i>-93</i>	<i>2,197</i>
2023-24 Mid-year Review - Total Public Sector Net Debt	27,167	30,886	35,139	38,109

(a) Material asset investment changes are outlined in Appendix 3: *Major Spending Changes*.

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

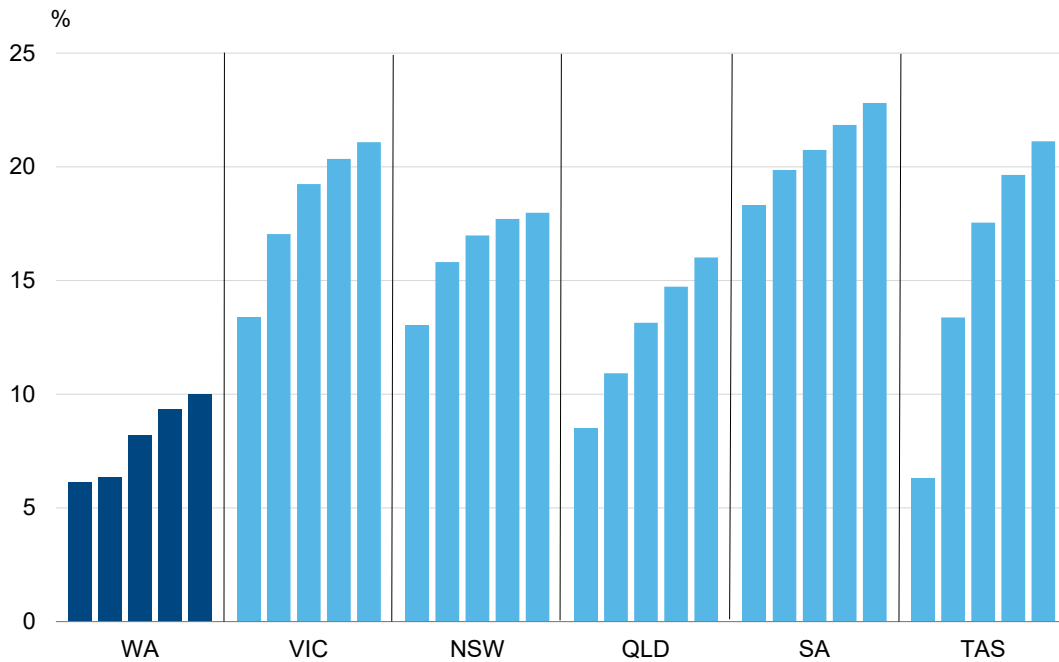
(c) Includes changes in lease liabilities and other movements in net debt attributable to issues such as revaluations of investment assets and debt liabilities, net acquisitions of financial assets for liquidity purposes, etc. These transactions have no associated operating or infrastructure cash flows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

Note: Columns may not add due to rounding.

By the end of the forward estimates period (2026-27), total public sector net debt is forecast to reach 10% of the State’s economy (GSP) – broadly in line with the 9.7% projection at Budget. While this is up from an estimated 6.4% in 2023-24, it remains low relative to other States (see following figure).

TOTAL PUBLIC SECTOR NET DEBT AS A SHARE OF GSP (a)(b)
2022-23 to 2026-27

Figure 6



- (a) Source: Data for Western Australia, Victoria, New South Wales and Queensland sourced from 2023-24 Mid-year Reviews, with all other data based on 2023-24 Budgets and 2022-23 outturn reports where available.
- (b) Where available, net debt projections reflect the total public sector. However, New South Wales, Queensland and South Australia only publish total non-financial public sector estimates (i.e. forecasts for these jurisdictions exclude the impact of public financial corporations).

Financial Strategy and Targets

This section provides an assessment of the Mid-year Review financial projections against the Government’s financial targets, as required by the *Government Financial Responsibility Act 2000*.

The Government’s financial targets are to:

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

All targets, other than the expense target (based on agency performance against Resource Agreement expense limits), are expected to be met in 2023-24. All of the Government’s financial targets are forecast to be met in each of the outyears.

Table 9

2023-24 MID-YEAR REVIEW – FINANCIAL TARGET COMPLIANCE				
	2023-24 Mid-year Revision	2024-25 Outyear	2025-26 Outyear	2026-27 Outyear
Maintain a net operating surplus for the general government sector on average over the forward estimates period				
- General government net operating balance (\$m)	3,719	3,457	2,360	2,906
- 2023-24 Mid-year Review compliance	Yes	Yes	Yes	Yes
- 2023-24 Budget compliance	Yes	Yes	Yes	Yes
Maintain disciplined general government expense management through:				
- delivering public sector wages outcomes in line with Government wages policy				
- 2023-24 Mid-year Review compliance	Yes	Yes	Yes	Yes
- 2023-24 Budget compliance	Yes	Yes	Yes	Yes
- ensuring key service delivery agency recurrent spending outcomes are in line with budgeted expense limits				
- 2023-24 Mid-year Review compliance	No	Yes	Yes	Yes
- 2023-24 Budget compliance	Yes	Yes	Yes	Yes
Maintain or increase net worth of the total public sector				
- Total public sector net worth (\$b)	159.7	164.4	168.1	172.6
- 2023-24 Mid-year Review compliance	Yes	Yes	Yes	Yes
- 2023-24 Budget compliance	Yes	Yes	Yes	Yes

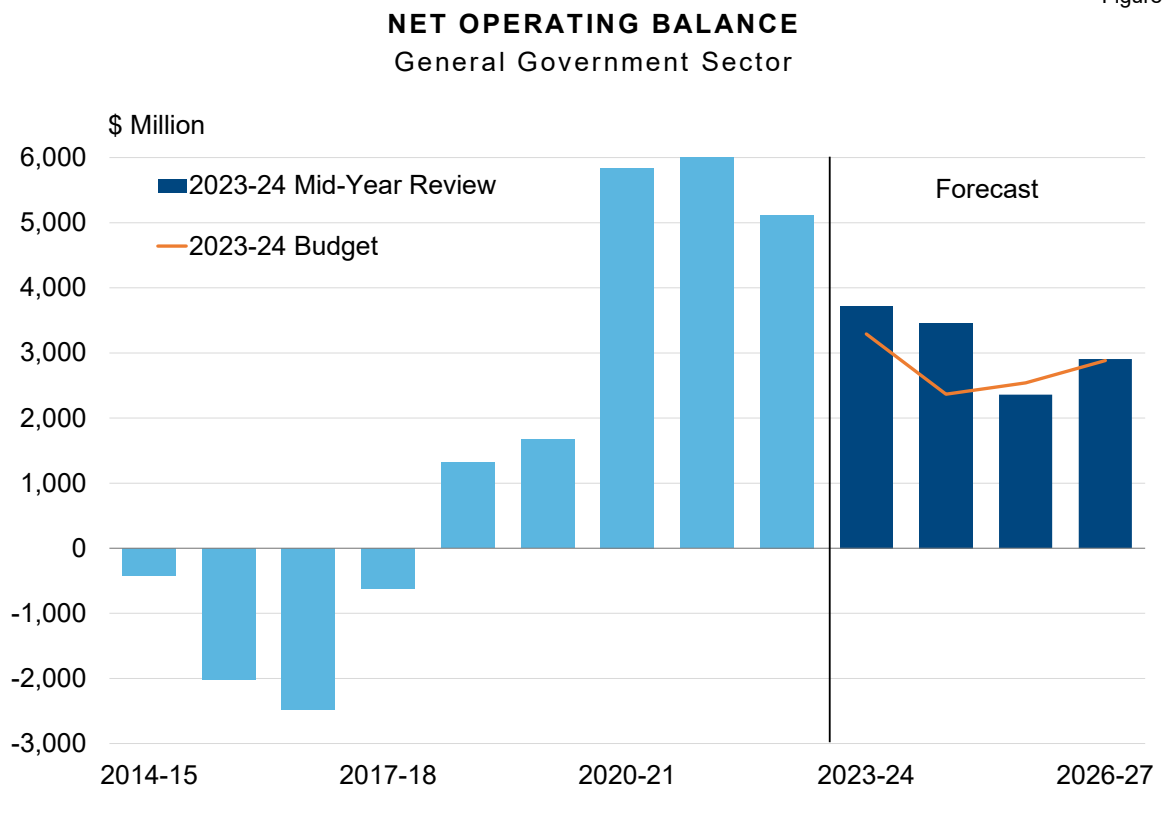
Maintain a net operating surplus for the general government sector on average over the forward estimates period

This target is expected to be met in 2023-24 and each outyear (see figure below), with an operating surplus of \$3.7 billion forecast for 2023-24 and surpluses ranging from \$2.4 billion to \$3.5 billion expected across the outyears.

The surplus for 2023-24 is \$426 million higher than forecast at Budget, and is largely due to higher royalty and taxation revenue, partially offset by the delayed receipt of DisabilityCare Australia funding from the Commonwealth (to 2024-25) and the decision in this Mid-year Review for Government Trading Enterprises to retain their 2023-24 dividends, as well as higher recurrent spending on public sector wages and front-line services.

Operating surpluses continue to provide a critical non-debt source of funding for the Government’s record AIP.

Figure 7



Maintain disciplined general government expense management

Disciplined management of recurrent spending in the general government sector is critical to achieving operating surpluses and maintaining a sustainable debt trajectory. The Government’s expense target is measured by the following two criteria.

Deliver public sector wages outcomes in line with Government Wages Policy

Public sector wage outcomes are forecast to be settled in accordance with the Government’s wages policy in 2023-24 and across the forward estimates period.

A total of 46 public sector industrial agreements covering over 140,000 employees or almost 90% of the public sector have been settled under the previous wages policy (which provided for a \$60 per week or 3% per annum increase, whichever was the greater)³.

Almost all public sector industrial agreements, covering approximately 160,000 public sector employees, are due to expire over the next 12 to 18 months. Accordingly, the Government has agreed a new principles-based Public Sector Wages Policy to apply to all public sector industrial agreements that expire on or after 1 October 2023, for a term of up to three years. Provisioned spending of \$2.8 billion is reflected in this Mid-year Review to accommodate bargaining under the new wages policy (see feature box earlier in this Chapter).

Table 10

EXPIRING KEY PUBLIC SECTOR INDUSTRIAL AGREEMENTS (a)			
Agreement	Employees	Expiry Date	Status
2022-23			
Registered Nurses	18,566	11 Oct 2022	Under Negotiation
2023-24			
PTA Transit Officers	314	6 Oct 2023	Under negotiation
School Teachers and Administrators	29,529	5 Dec 2023	Under negotiation
TAFE Lecturers	2,377	15 Dec 2023	Under negotiation
VenuesWest	364	31 Dec 2023	Under negotiation
Arts and Culture Trust	349	31 Dec 2023	Under negotiation
Main Roads Salaried Officers	914	31 Dec 2023	Upcoming Agreement
Prison officers	2,915	10 June 2024	Upcoming Agreement
Public Servants and Government Officers	32,438	12 June 2024	Upcoming Agreement
Social Trainers	474	12 June 2024	Upcoming Agreement
Insurance Commission Employees	473	12 June 2024	Upcoming Agreement
School Support Officers	4,537	12 June 2024	Upcoming Agreement
Miscellaneous Employees (AWU Agreement)	634	30 Jun 2024	Upcoming Agreement
Police Officers	6,641	30 Jun 2024	Upcoming Agreement
WA Health PACTS (Health Salaried Officers)	18,748	30 Jun 2024	Upcoming Agreement

(a) The table includes large key agreements that cover more than 300 employees.

³ Negotiations continue with the Australian Nursing Federation to replace its industrial agreements covering registered nurses and midwives in the Western Australian health and justice systems.

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

This target is met when recurrent spending outcomes for key service delivery agencies are within 2% of approved expense limits contained in their Resource Agreements.

The target is not expected to be met in 2023-24, with the following agencies projected to exceed the 2% threshold⁴.

- WA Health (forecast increase of \$331 million, or 2.8%), mainly due to spending on programs under various Commonwealth funding arrangements, addressing WA Country Health Service workforce pressures and associated use of agency medical and nursing staff, the carryover of expenditure deferred from 2022-23, and additional spending on hospital services activity to reduce the elective surgery waitlist.
- Communities (forecast increase of \$139 million, or 5.2%), primarily driven by the re-contracting of out-of-home care services and the transition to new models of care, spending on a range of community services, and other initiatives such as responding to family and domestic violence, housing and homelessness, and disaster recovery assistance for residents displaced by the impacts of Ex-Tropical Cyclone Ellie.
- Commissioner of Main Roads (forecast increase of \$207 million, or 9.6%), mainly for the re-timing of expenditure from 2022-23 and road recovery works following Ex-Tropical Cyclone Ellie, partially offset by a reduction in grant payments.
- Public Transport Authority (forecast increase of \$203 million, or 10.4%), due to the re-timing of expenditure from 2022-23, an increase in depreciation costs, operating costs for the Morley-Ellenbrook Line and Bayswater Station, and higher interest payments.
- Justice (forecast increase of \$78 million or 4.1%), primarily reflecting cost and demand pressures due to a higher prison population, and increased youth justice expenditure.
- Training and Workforce Development (forecast increase of \$37 million, or 4.5%), mainly reflecting higher spending following the State signing the National Skills Agreement and the extension of the 2023 Fee-Free TAFE agreement with the Commonwealth (\$32.6 million).
- Transport (forecast increase of \$19 million, or 2.7%), mostly due to the re-timing of expenditure from 2022-23, and the Westport business case and associated environmental work.

⁴ Spending increase adjusted for functional transfers between agencies and costs reflected in the Budget as provisions in 2023-24 (see table later in this section).

2023–24 Government Mid-year Financial Projections Statement

- Primary Industries and Regional Development (forecast increase of \$69 million, or 10.5%), reflecting the retiming of \$46.5 million in expenditure predominantly as a result of delays in the delivery of several projects, and new expenditure approved as part of this Mid-year Review, including:
 - \$6.5 million for Western Australia’s contribution to the nationally cost-shared Red Imported Fire Ant Eradication Program;
 - \$5 million for the Western Australia Regional Digital Connectivity Program Round 3;
 - \$3.6 million for Ex-Tropical Cyclone Ellie recovery initiatives;
 - \$3.2 million for the Marlamanu On-Country Youth Program;
 - \$2 million for the Magnium – Magnesium Refinery; and
 - \$1.9 million for the Perth Royal Show.
- Local Government, Sport and Cultural Industries (forecast increase of \$46 million, or 6.9%), largely due to the carryover of \$4.1 million of expenditure from 2022-23 to 2023-24 and new initiatives approved as part of this Mid-year Review, including:
 - \$10 million towards re-roofing and delivery of additional courts at the Mike Barnett Sports Complex in Rockingham;
 - \$6.5 million to support the administration of the *Casino Control Act 1984* and regulation of the Perth Casino;
 - a grant of \$3.8 million for capital upgrades to the Ellie Eaton Theatre at Claremont Showgrounds to support the relocation of the Spare Parts Puppet Theatre; and
 - \$2 million towards the celebration of the 40th Anniversary of Australia II winning the America’s Cup.
- Jobs, Tourism, Science and Innovation (forecast increase of \$42 million, or 6.6%), largely due to a \$14.4 million increase in spending to support additional tourism events, \$15.6 million of expenditure carried over from 2022-23 into 2023-24 for the delivery of existing commitments, \$6 million for a grant to the Pilbara Ports Authority for road and intersection upgrades at Lumsden Point as part of the Pilbara Hydrogen Hub, and \$2.4 million to develop and launch a new global brand for Western Australia.

Table 11

AGENCY RESOURCE AGREEMENTS (a)

	2023-24 Budget Resource Agreement \$m	Mid-year Review Total Cost of Service \$m	Less Section 25 Transfers^(b) \$m	Less spending provisioned in the 2023-24 Budget^(c) \$m	Adjusted Total Cost of Service \$m	Variance from Previous Limit %
WA Health	11,782	12,140	12	14	12,113	2.8
Education	6,425	6,532	-	5	6,526	1.6
Communities	2,654	2,793	-13	13	2,793	5.2
Commissioner of Main Roads	2,149	2,356	-	-	2,356	9.6
Public Transport Authority	1,962	2,165	-	-	2,165	10.4
Justice	1,890	1,969	-	1	1,969	4.1
Western Australia Police Force	1,893	1,926	-	-	1,926	1.8
Finance	1,689	1,735	-	45	1,690	0.0
Mental Health Commission	1,358	1,361	-	-	1,361	0.2
Training and Workforce Development	833	882	-	11	871	4.5
Transport	715	750	-	16	734	2.7
Primary Industries and Regional Development	657	726	-	-	726	10.5
Local Government, Sport and Cultural Industries	675	733	-	11	722	6.9
Jobs, Tourism, Science and Innovation	636	679	-	-	679	6.6
Biodiversity, Conservation and Attractions	566	560	-	-	560	-1.0

(a) The target is met when agencies' recurrent spending outcomes are no more than 2% higher than the amount specified in Resource Agreements signed for the Budget year.

(b) Appropriation allocated to another agency in the Budget, transferred to another agency.

(c) Spending forecast to be incurred in 2023-24, reflected in the Budget as a provision and now allocated to an agency.

Material changes to agency spending since the 2023-24 Budget are discussed earlier in this Chapter and in more detail in Appendix 3.

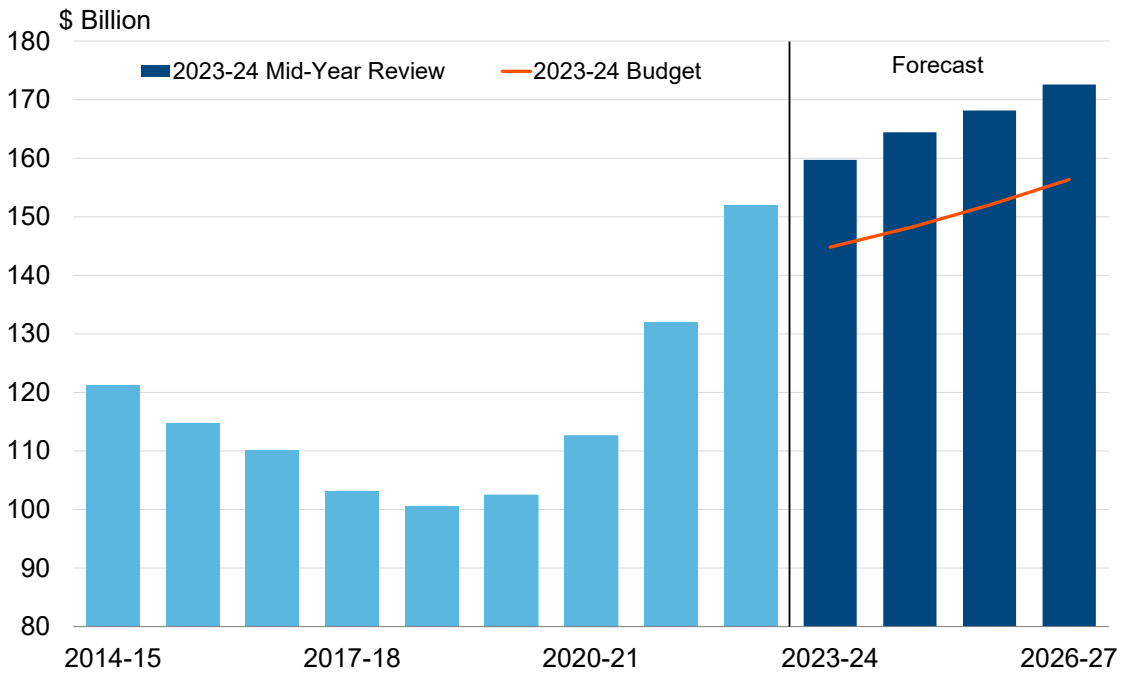
Maintain or increase net worth of the total public sector

This target is expected to be achieved across the entire forward estimates period, consistent with expectations in the 2023-24 Budget.

The net worth (i.e. total assets less total liabilities) of the public sector is forecast to increase from \$152 billion at 30 June 2023 to \$172.6 billion at 30 June 2027. This reflects a forecast increase in the value of total public sector assets, combined with lower liabilities as a result of sustained operating surpluses that are used as a non-debt source of funding for the Government’s record infrastructure program (see balance sheet discussion earlier in this Chapter).

Figure 8

TOTAL PUBLIC SECTOR NET WORTH
At 30 June



Statement of Risks

Changes since the 2023-24 Budget

The majority of the risk items outlined in the 2023-24 Budget remain current⁵. Where there has been no change to these risk items, they are not repeated here. The discussion below highlights changes to the Statement of Risks relative to the 2023-24 Budget.

The matters in relation to the following risks identified in the 2023-24 Budget have crystallised and the impacts are reflected in this Mid-year Review.

- Commonwealth Grants – Significant Agreements Under Negotiation in 2023-24;
 - National Skills and Workforce Development Agreement;
- Government Trading Enterprises;
 - Western Power Access Arrangement; and
- Contingent Assets and Liabilities;
 - Synergy – Investigation by the Electricity Review Board; and
 - Western Australian Stolen Wages Class Action.

The Budget also noted that the Australian Transaction Reports and Analysis Centre investigation into the Gold Corporation was still to be finalised. This review has now been completed and the matter is no longer considered to be a contingent liability.

Independent Review of the National Disability Insurance Scheme (NDIS Review) and Disability Royal Commission

Recommendations from the NDIS Review and the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability propose significant reforms to the delivery of disability services across Australia, including changes to the roles and responsibilities of the States, Territories and Commonwealth in the delivery of the different types of disability services.

The cost impost on Western Australia of the proposed new disability support ecosystem is not yet known. The financial implications associated with implementation of the recommendations will be considered by Government as part of future Budget processes.

Of note, Western Australia's transition agreement for the NDIS expired on 30 June 2023, with negotiations for the next agreement likely to be impacted by the proposed reforms.

⁵ See Statement of Risks, Chapter 3: *Fiscal Outlook and Strategy*, in 2023-24 Budget Paper No.3: *Economic and Fiscal Outlook* (pages 51-60).

Commonwealth Grants

Significant Agreements Under Negotiation in 2023-24

National Health Reform Agreement

The National Health Reform Agreement (NHRA) was the subject of a Mid-Term Review in 2023, alongside significant consideration by Health and First Ministers, leading to a range of proposals for reform of current arrangements. The current Addendum to the NHRA will expire on 30 June 2025, and negotiations on a new Addendum will likely commence in 2024.

National Housing and Homelessness Agreement

The National Housing and Homelessness Agreement one-year extension is due to expire on 30 June 2024. The Commonwealth has indicated that it will negotiate a new agreement with a greater emphasis on outcomes to take effect from July 2024. This Mid-year Review assumes a continuation of the current funding arrangements over the forward estimates period (apart from the cessation of the Social and Community Services Equal Remuneration Order funding).

Decarbonisation

In June 2022, the Government announced its plan for the gradual retirement of the State's coal-fired power stations by 2030 to meet its net zero emissions target by 2050. Additionally, in May 2023 the Government announced findings from the South West Interconnected System (SWIS) Demand Assessment outlining that an additional 4,000 km of new transmission lines and around 50 gigawatts of new renewable electricity and storage infrastructure will be required to support increased demand over the next 20 years and facilitate the State's decarbonisation objectives.

As part of this Mid-year Review and the 2023-24 Budget, \$2.9 billion has been approved by the Government for Synergy to undertake investments into renewable generation and storage. Additionally, more than \$830 million has also been committed to commence delivery of the first stage of network investments identified in the SWIS Demand Assessment. Further investment to support the remaining components of the plans will be considered as part of future Budget processes, and will be informed by updated market information (including any changes in private electricity generation activity).

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

Changes in Other Risks and Sensitivities

Many of the assumptions that underpin the State's financial projections are subject to continual change due to movements in economic conditions, agreements with external parties (such as the Commonwealth Government) and other factors.

The Commonwealth's 2023-24 Mid-year Economic and Fiscal Outlook had not been released by the cut-off date for this Mid-year Review. Therefore, in addition to specific risks around tied grant funding, any changes in the Commonwealth's estimates of general purpose funding (including GST grants) have not been reflected in these Mid-year Review estimates, unless these were known before the Mid-year Review cut-off date.

As detailed earlier in this Chapter, the revenue estimates outlined in the 2023-24 Budget have been revised in this Mid-year Review. Approximate annual impacts of changes in key economic parameters are shown in the following table.

Table 12

APPROXIMATE PARAMETER SENSITIVITY OF REVENUE ESTIMATES 2023-24

	Variability (\$m)	Detail
Royalty income and North West Shelf grants	±174	For each US1 cent decrease/increase in the \$US/\$A exchange rate (royalty income is inversely related to the \$US/\$A exchange rate).
Iron ore royalties	±93	For each \$US1 per tonne increase/decrease in the price of iron ore.
Petroleum royalties and North West Shelf grants	±8	For each \$US1 increase/decrease in the price of a barrel of oil.
Payroll tax	±55	For each 1% increase/decrease in taxable wages or employment growth (i.e. the total wages bill).
Underlying transfer duty		
• Prices	±26	For each 1% increase/decrease in average property prices.
• Transactions	±17	For each 1% increase/decrease in transaction levels.

Movements in the \$US/\$A exchange rate and the iron ore price represent substantial risks (both upside and downside) to the general government revenue estimates. The iron ore price is particularly volatile and has previously varied from forecast assumptions by large amounts. Iron ore prices fell from \$US160 per tonne in early April 2022 to \$US79 per tonne by the end of October 2022, but then increased to \$US133 per tonne by mid-March 2023. Consistent with the Budget methodology, this Mid-year Review is predicated on the assumption that the iron ore price will revert to its long-run average (of \$US66 per tonne) over the next six months (i.e. by June 2024).

2023-24 Government Mid-year Financial Projections Statement

The Western Australian Economy

HIGHLIGHTS

- The Western Australian economy continues to go from strength to strength, against the backdrop of a challenging global environment. As measured by Gross State Product (GSP), Western Australia's economy grew by 3.5% in 2022-23 – the strongest rate of growth in nine years.
- This primarily reflects continuing strength in the domestic economy, with forecast growth in State Final Demand (SFD) in 2023-24 revised up from 3% at Budget to 4.5% in this Mid-year Review, building on growth of 3.8% in 2022-23.
- The domestic economy is being supported by stronger than expected population growth, elevated consumer spending, and the State Government's record Asset Investment Program. Labour market conditions remain strong, with the average unemployment rate over 2023-24 revised down to 3.75% (from 4% at Budget), and employment growth in 2023-24 more than double the Budget forecast.
- In 2023-24, exports are expected to act as a moderator on overall economic growth, with agricultural exports expected to normalise from record highs as a result of hotter and dryer weather conditions.
- Inflation is expected to continue falling over 2023-24, to reach 4% by June 2024 (down from 5% in June 2023 and a peak of 8.6% in December 2022), as improved global supply chains continue to work their way through to consumer prices.

Western Australia

Gross State Product

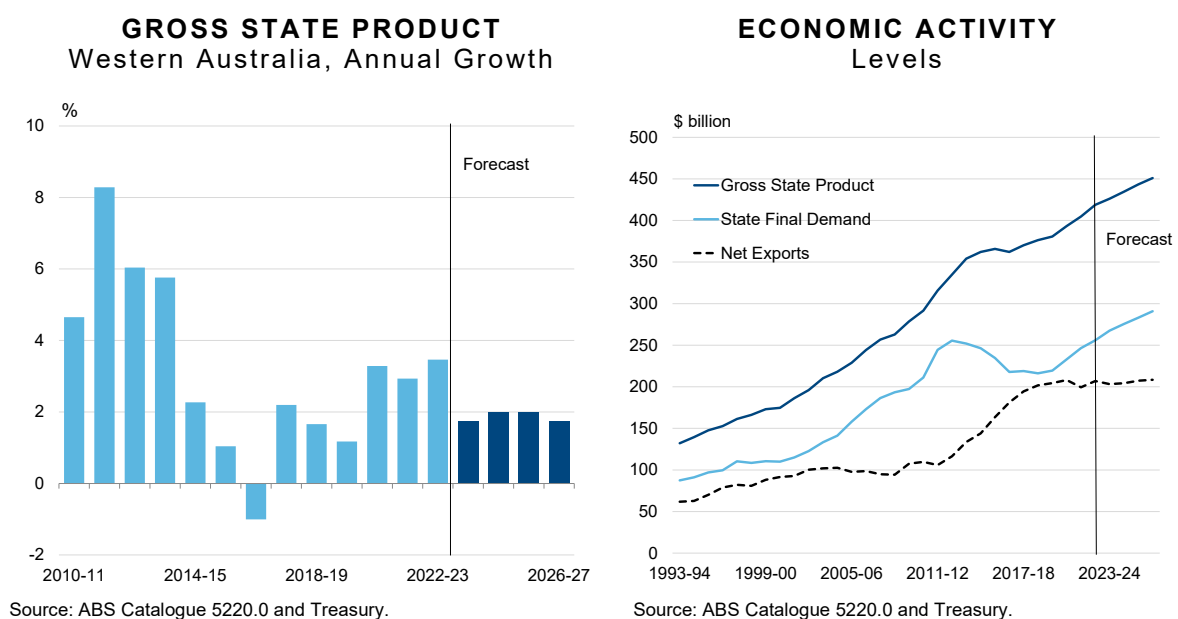
Despite higher interest rates and elevated consumer prices, the Western Australian economy has continued to perform well. GSP grew by 3.5% in 2022-23 – the strongest rate of growth since 2013-14 – supported by strong growth in the State’s domestic economy, with a record harvest and strong demand for the State’s commodities also boosting export performance.

The domestic economy (State Final Demand, SFD) grew by a stronger than expected 3.8% (compared to 3.25% at Budget) in 2022-23. This was underpinned by solid growth in household consumption, business investment, and Government investment – including the record \$9.2 billion Asset Investment Program delivered by the State Government in 2022-23.

SFD growth is expected to strengthen to 4.5% in 2023-24, revised up from 3% at Budget, marking a fourth consecutive year of above-average growth. Like 2022-23, domestic activity is likely to be broad-based. Aggregate household spending is expected to remain robust, supported by strong population growth, high incomes and solid increases in house prices, although per capita spend is expected to fall.

In addition, business investment is forecast to lift, driven by resource project spend, while growth in dwelling investment is projected to pick-up as the large pipeline of new homes is gradually completed and strong population growth supports additional demand. The State Government is also contributing to growth via investment in rail, road and transport projects and new water and energy infrastructure.

Figure 1



GSP growth is expected to slow to 1.75% in 2023-24, with goods exports falling slightly as agricultural production is impacted by hotter and dryer weather conditions. This is compounded by the gradual recovery back to pre-pandemic international travel patterns, with spend by Western Australians on overseas holidays exceeding inbound travel.

GSP growth is expected to remain steady around 2% over the outyears as growth in the domestic economy eases, with slower investment growth across the board. At the same time, net exports are expected to grow only moderately, with resource firms primarily focusing on sustaining current export volumes rather than adding to capacity.

Table 1

ECONOMIC FORECASTS
Western Australia, Annual Growth (%)

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget Year	Mid-year Revision	Outyear	Outyear	Outyear
Demand and Output ^(a)						
Household Consumption	3.5	1.5	2.5	2.25	2.5	2.5
Dwelling Investment	-2.5	6.5	12.0	7.75	0.25	2.0
Business Investment	4.3	6.75	8.5	5.5	4.75	3.75
Government Consumption	4.8	1.25	2.75	1.75	2.0	2.75
Government Investment	10.7	13.0	8.0	6.0	0.25	1.75
State Final Demand	3.8	3.0	4.5	3.0	2.75	2.75
Merchandise Exports	4.7	2.0	-0.5	1.75	1.75	0.75
Merchandise Imports	7.8	2.75	3.25	2.5	2.25	2.0
Net Exports ^(b)	3.8	1.25	-1.75	0.5	1.5	0.5
Gross State Product ^(c)	3.5	2.25	1.75	2.0	2.0	1.75
Labour Market						
Employment	2.8	1.0	2.5	1.75	1.25	1.5
Unemployment Rate ^(d)	3.5	4.0	3.75	4.0	4.25	4.5
Participation Rate ^(d)	69.1	68.7	68.9	68.8	68.5	68.4
Population						
Population ^(e)	3.1	1.7	2.4	1.7	1.7	1.7
Prices						
Consumer Price Index ^{(e)(f)}	5.0	3.5	4.0	3.0	2.5	2.5
Wage Price Index ^(e)	4.2	4.25	4.25	3.5	3.25	3.0
Median House Price	4.7	2.3	7.7	3.3	1.2	1.2
Other Key Parameters ^(d)						
Exchange Rate \$A/\$US (US cents)	67.3	67.7	65.3	67.0	70.6	72.3
Iron Ore Price (\$US/t) cost and freight inclusive (CFR)	109.6	74.1	104.2	66.0	66.0	66.0
Crude Oil Price (\$US/barrel)	86.5	79.6	81.8	78.4	74.9	72.3

(a) Based on 2022-23 annual State Accounts data, updated with the latest State Final Demand and Balance of Payments data for the September quarter 2023.

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

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

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

(e) Data expressed in year-ended terms.

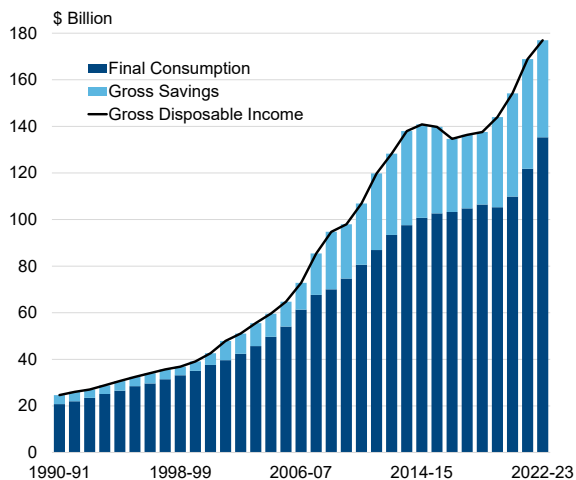
(f) The CPI growth rates are based on the total index excluding the electricity sub-index as a result of the Household Electricity Credit provided across the State.

Household consumption grew by a solid 3.5% in 2022-23 and is forecast to grow by a further 2.5% in 2023-24 (up from 1.5% at Budget), supported by strong population growth, robust employment growth, elevated incomes and rising house prices. These fundamentals mean that even though Western Australian households have the highest savings rate of all States, growth in household spending in Western Australia is outpacing the national equivalent. For instance, the Western Australian household spending indicator in the three months to October 2023 was 8.1% higher than in the same period in the previous year, the strongest of all the States and double the 4% growth at the national level (see figure below, right-hand panel). The expected easing in household consumption growth in 2023-24 (relative to 2022-23) primarily reflects the lagged effect of interest rate rises, which are still working their way through the economy.

Household spending growth is projected to ease further in 2024-25 to 2.25%, in line with a slowdown in discretionary spending from record levels during the pandemic (particularly in furnishings and vehicles). Growth is then forecast to lift moderately to 2.5% per annum over the outyears, supported by higher incomes and population.

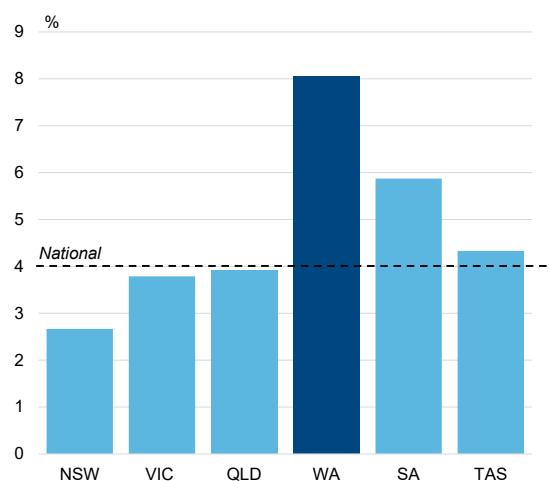
Figure 2

HOUSEHOLD DISPOSABLE INCOME
Western Australia, Annual Levels



Source: ABS Catalogue 5220.0 and Treasury.

HOUSEHOLD SPENDING INDICATOR
Three-month Year-ended, October 2023



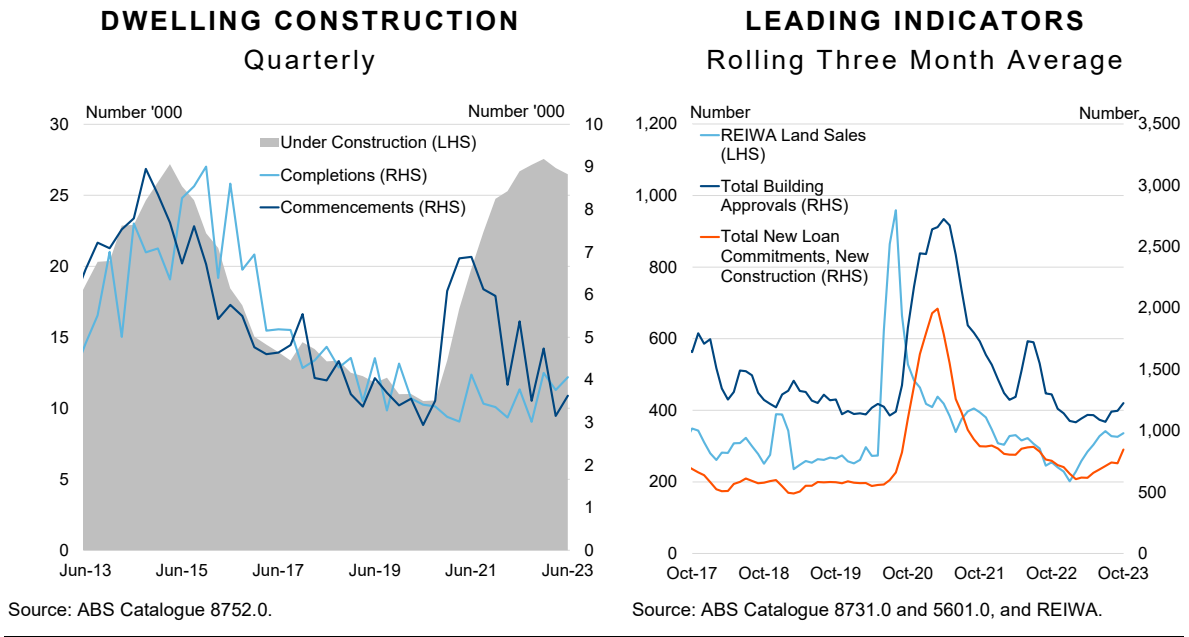
Source: ABS Catalogue 5682.0.

Dwelling investment contracted by 2.5% in 2022-23, broadly in line with the 1.75% decline projected at Budget, with the overall level of investment constrained by the availability of labour, particularly in the finishing trades.

A large volume of outstanding work (with 26,480 dwellings under construction at June 2023) and an anticipated increase in building starts, supported by strong population growth, are expected to support a lift in growth in dwelling investment to 12% in 2023-24 and a further 7.75% in 2024-25. A lift in land sales, as well as more recent increases in building approvals and finance commitments for construction (including owner occupiers and investors), suggests that new dwelling demand is rising. The prime first home owner age cohort of 25 to 34 years has also resumed increasing after a period of decline.

Dwelling investment is then expected to moderate in 2025-26 as the current pipeline of building work is largely completed, and return to steady growth in 2026-27, supported by sustained activity in the broader economy and population growth.

Figure 3



Business investment increased by 4.3% in 2022-23, supported by ongoing construction on major LNG projects including Scarborough/Pluto and Crux. Growth in business investment is forecast to lift to 8.5% in 2023-24 (up from 6.75% at Budget), as work ramps up on these LNG projects, as well as major iron ore projects including Onslow Iron and Western Range.

Business investment has been revised up in 2023-24 and across the entire forecast period, reflecting new major project investments announced since Budget that have commenced construction, including Perdaman’s Burrup Urea project and the Kemerton Lithium expansion project, as well as higher capital expenditure to sustain current operations across the resources sector.

Growth in business investment is expected to remain solid in the outyears, supported by a large pipeline of current and potential new mining projects across commodities, including oil and gas, iron ore, critical minerals, and green energy, along with a ramp-up in decarbonisation investment. Growth in the latter period also reflects work on projects that have extended their timeframes as a result of labour shortages and cost pressures.

Government consumption grew by 4.8% in 2022-23 in line with expectations, reflecting Government initiatives across key focus areas, including the \$3,000 cost of living payment as part of the previous Wages Policy, the provision of the Household Electricity Credit, and additional COVID-related spending in health services. Government consumption is expected to grow by 2.75% in 2023-24 and 1.75% in 2024-25, as the impact of these short-term initiatives unwinds, with average growth of around 2.5% per annum in the last two outyears.

In line with the State Government's record Asset Investment Program, **Government investment** increased by 10.7% in 2022-23 (exceeding growth of 6.25% expected at Budget), with a further substantial increase of 8% forecast for 2023-24. Growth is then expected to ease to 6% in 2024-25 and average 1% in 2025-26 and 2026-27 as investment levels stabilise (albeit at historically high levels).

Merchandise exports rose by 4.7% in 2022-23, due to a lift in exports across a range of commodities including iron ore, LNG, lithium, and wheat (reflecting the record grains harvest in 2022). Goods exports are expected to decline by 0.5% in 2023-24 (compared to 2% growth anticipated at Budget), primarily due to weaker grains production resulting from hotter and dryer weather conditions and a modest decline in LNG export volumes following record high levels of production in 2022-23.

Beyond 2023-24, growth in goods exports is expected to continue at a steady pace, before slowing in 2026-27. This is broadly in line with expectations at Budget, with only a slight upward revision to growth in 2025-26 supported by strength in iron ore and critical minerals including lithium, copper, and nickel exports. Strength in iron ore and minerals over the outyears is partially offset by LNG depletion, until a pickup in 2026-27, reflecting the commencement of production at the Scarborough/Pluto and Crux LNG projects.

Merchandise imports are estimated to grow by 3.25% in 2023-24 following an increase of 7.8% in 2022-23, reflecting higher imports of capital and consumer goods in line with strength in business investment and household consumption. Growth in imports is expected to moderate to 2% by 2026-27 consistent with more moderate growth in business investment.

Services exports grew by 58.6% in 2022-23, above the 40.75% growth expected at Budget, supported by a stronger than anticipated rebound in international students returning to the State. The unprecedented influx of students is anticipated to continue into 2023-24, supporting stronger than previously expected growth in education exports in 2023-24. The inflow of international students is then expected to return to more normal levels.

Expectations for international tourism and business travel (both inbound and outbound) have remained unchanged since Budget, with a full recovery anticipated in 2024-25. As a result, **services imports** are forecast to grow strongly over the next two years, before moderating over the outyears as travel patterns normalise.

Labour Market

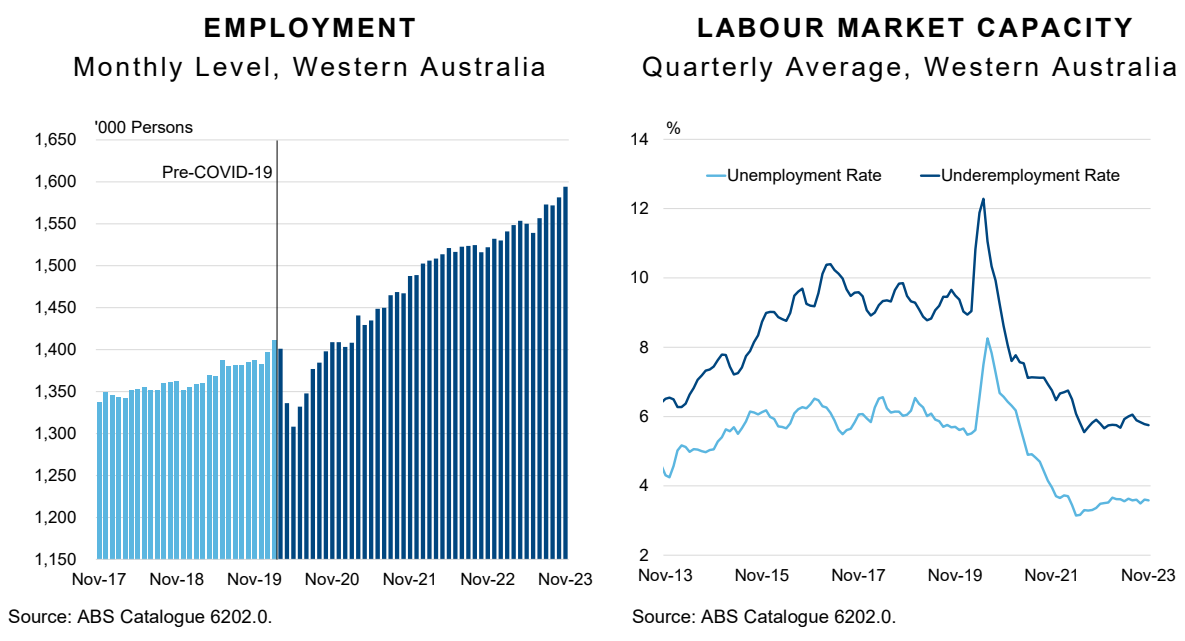
Employment is forecast to grow by 2.5% in 2023-24 (above the Budget forecast of 1%), in line with stronger growth in the domestic economy. This builds on employment growth of 2.8%¹ in 2022-23 (which is above the 1.75% estimated at Budget). Employment growth in 2024-25 is forecast to ease to 1.75%, followed by 1.25% growth in 2025-26 and 1.5% growth in 2026-27. The moderation in employment growth is consistent with more modest growth in the domestic economy over the Budget period.

¹ Since Budget, the Australian Bureau of Statistics has re-benchmarked the labour force aggregates to reflect the impact of the upward revision to Western Australia's population as a result of the 2021 Census.

In line with stronger than expected employment growth, the **unemployment rate** is forecast to average 3.75% in 2023-24, lower than the Budget forecast of 4%. The unemployment rate is then forecast to gradually rise thereafter, reaching 4.5% by 2026-27. Nevertheless, labour market conditions are expected to remain tight, with the unemployment rate to remain well below the decade-average of 5.4%.

Consistent with stronger than anticipated employment growth, the **participation rate** averaged 69.2% in the year to November 2023, well above the decade-average of 68.3%. Workforce participation is expected to ease over the forecast period (in response to steadier employment growth), averaging 68.4% by 2026-27.

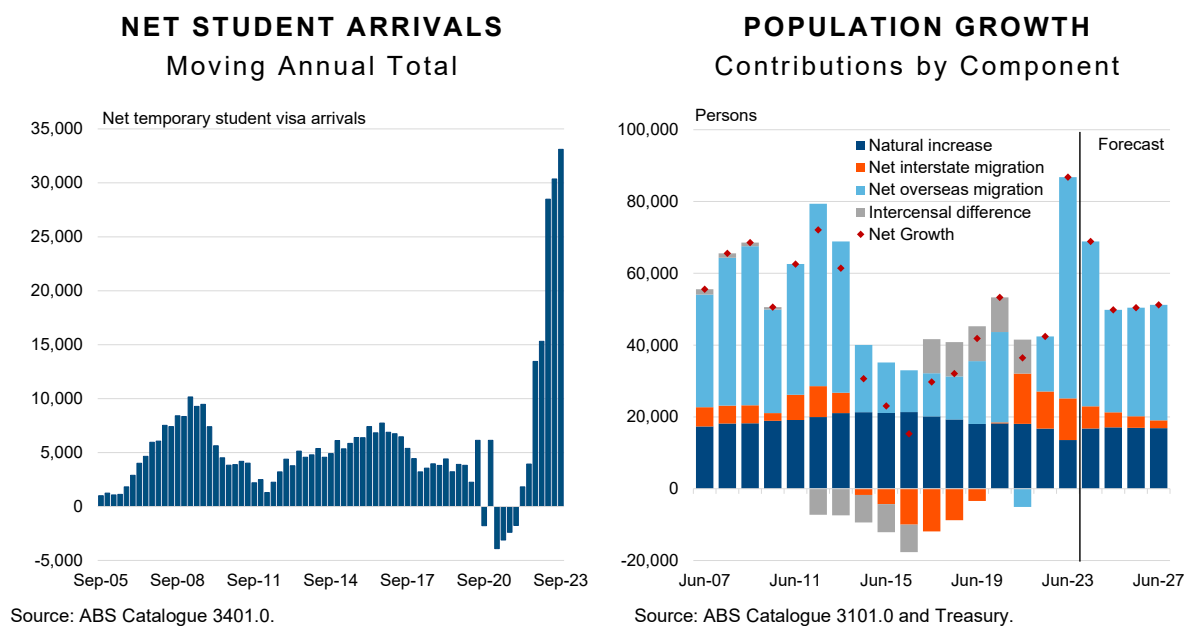
Figure 4



Population growth has been revised up since Budget. Overseas migrants have rapidly returned following the removal of international border restrictions in early 2022, propelling Net Overseas Migration (NOM) to a record 61,591 persons in the year to June 2023 (latest data available). The sharp recovery in NOM continues to be primarily driven by a substantial influx of overseas students (accounting for almost half of NOM in the year to the June quarter). It also reflects that fewer temporary migrants are departing, a trend that is expected to persist in the near term.

The State's population grew by 3.1% in 2022-23 (compared to the Budget forecast of 2.2% in year-ended terms), and is forecast to grow by an above-average 2.4% in 2023-24 before moderating to 1.7% per annum over the remainder of the outlook period as migration flows return to more normal levels. The large revisions to NOM and Net Interstate Migration (NIM) mean that population growth is expected to be 21,123 persons higher in the June quarter 2024 than estimated at Budget.

Figure 5



Western Australia’s **Wage Price Index (WPI)** grew by 1.9% in the September quarter 2023 and by 4.6% in year-ended terms – the highest rate since June 2012. Along with tight labour market conditions, this growth was boosted by implementation of Federal and State minimum and award wage decisions, a 15% pay increase for aged care workers, and the roll-out of the State Government’s previous Wages Policy.

Wage growth is expected to remain robust at 4.25% to June 2024 before moderating to 3.5% by June 2025. This aligns with the expected modest easing in labour market conditions and lower inflation. WPI growth is then forecast to moderate to around its long-run average (3.2%) in the remaining outyears.

Consumer Price Index

Growth in Perth’s Consumer Price Index (CPI²) has continued to slow since Budget, falling to 4.8% in year-ended terms to September 2023 – compared to 8.6% just nine months earlier. This sharp decline was led by goods items, such as new dwellings and household furnishings and equipment, as global supply chains normalised. Inflation has also eased considerably for holiday travel, as well as for food and non-alcoholic beverages.

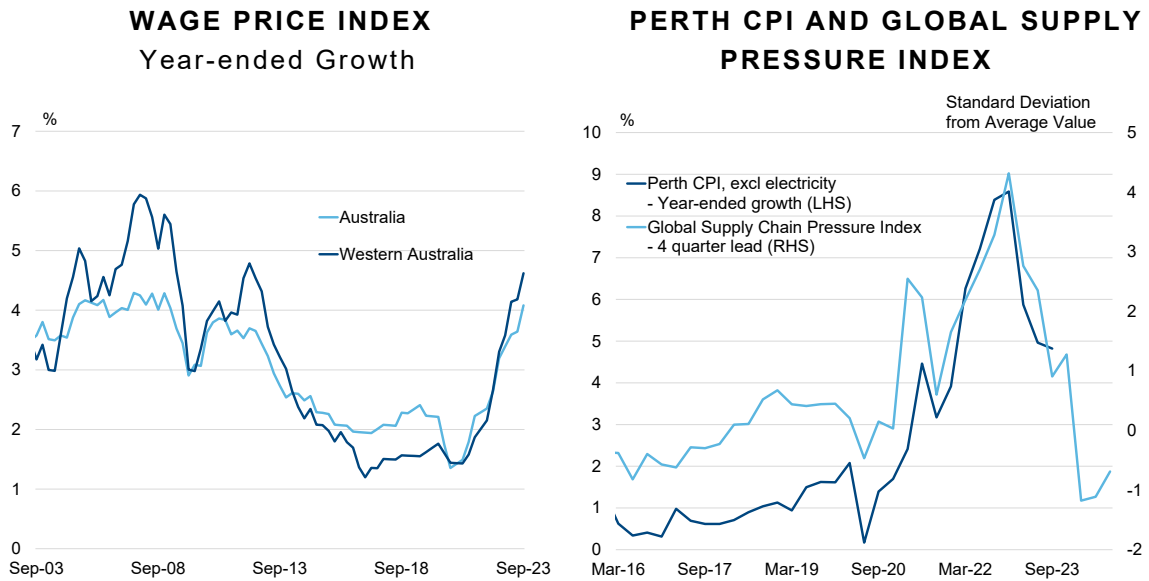
While inflation is expected to slow further to 4% by June 2024 as improvements in supply chains continue to work their way through to consumer prices, this is higher than the 3.5% forecast at Budget. Most notably, automotive fuel prices have lifted since Budget as oil-producing countries reduced supply and as the Australian dollar exchange rate has drifted lower.

² References to CPI refer to the CPI excluding the electricity subindex. This reflects that the successive Household Electricity Credits have resulted in significant volatility in the headline CPI for Perth.

CPI growth this year is also likely to be supported by persistent inflation for services items (partly driven by elevated business costs) and rent prices (as market conditions remain tight).

Inflation is expected to return to the Reserve Bank of Australia’s (RBA) target band by June 2025, as growth in domestic demand eases and wage pressures lessen.

Figure 6



Source: ABS Catalogue 6345.0.

Source: ABS Catalogue 6401.0 and US Federal Reserve New York.

Housing Market

The State is experiencing the tightest property market conditions in a number of years. Sales in the established housing market have remained robust since Budget, despite the sharp increase in lending rates over the last 12-18 months. This likely reflects a combination of strong population growth and improved investor interest. Strong sales and tight supply have resulted in the median house price reaching a record level.

While the overall number of homes in Western Australia will lift as homes currently under construction are completed, on-going demand from a growing population is expected to support further increases in the median house price over the forward estimates period, though at a more moderate pace than in 2023-24.

Risks

While the Western Australian economy has navigated the impact of higher interest rates to date, the higher rate environment continues to pose a risk to the State's domestic economy.

After being on hold for four consecutive months, the RBA lifted the cash rate to a 12-year high of 4.35% in November 2023, citing that inflation remained too high. The impacts of this fresh hike, along with the substantial increases to date, are yet to be fully felt by the economy. This reflects that interest rate changes flow through to repayments with a lag, and that there is still a sizeable portion of loans on lower fixed rates that are yet to expire.

Encouragingly, the RBA notes that most borrowers who have rolled off fixed rates to date have managed the transition well. Furthermore, the State's households are generally better placed than nationally due to higher average incomes and lower average mortgage repayments. Still, the risk of further hikes by the RBA and the full expiry of all fixed rate loans will likely result in a further slowing in discretionary spending.

Western Australia's economy is dominated by the mining industry, which directly accounted for almost 50% of total output in 2022-23. To date, the State's key commodity prices have remained elevated and have translated to the real economy through higher incomes and investment. However, history has shown that commodity prices can turn rapidly, posing a clear risk to the State's economic activity and revenue collections (noting that this risk is mitigated by the conservative assumptions underpinning the forward estimates, particularly in relation to the iron ore price).

Geopolitical tensions remain elevated, with the ongoing war in Ukraine and conflict in Gaza, which has emerged since Budget. Whether they will have broader spill-over effects to the global economy remains uncertain.

Global Outlook

Since the release of the 2023-24 Budget, forecasts for global growth have only been revised modestly. The United States economy has been resilient with strong GDP growth in the September quarter, in the Euro Area growth has been very weak, while in China growth has been modest. Across major economies, the services sector has outpaced manufacturing, reflecting a shift in consumer demand from goods to services. As a result, Manufacturing Purchasing Managers' Indexes (PMIs)³ have largely been in contraction throughout the last year (see figure below, left-hand panel).

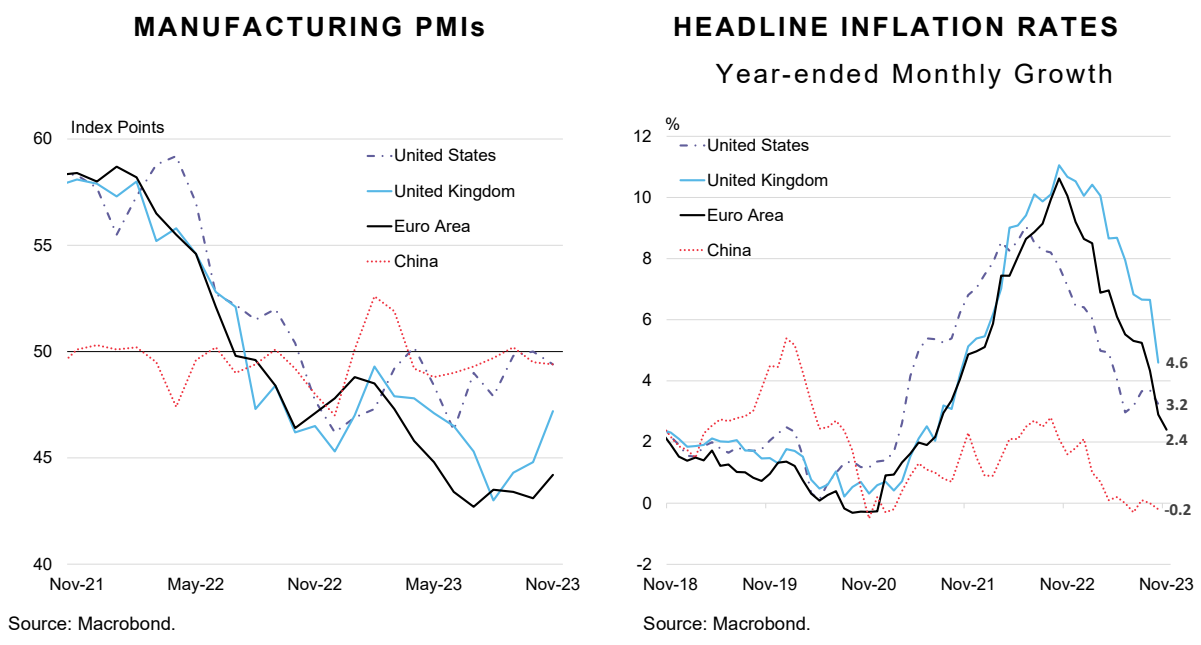
The International Monetary Fund (IMF) released updated forecasts in October 2023, leaving its 2023 global growth forecast unchanged at 3%, while reducing its 2024 forecast from 3% to 2.9%.

³ A PMI is a measure of the prevailing direction of business conditions in a given sector and is based on a periodic survey of how managers in each sector view the economy as performing.

The slight downward revision for 2024 is consistent with the IMF’s view that the probability of a hard landing has fallen but the balance of risks to global growth remains tilted to the downside. The IMF’s medium-term expectations for global growth are the lowest in decades, highlighting concerns about:

- the potential global impacts from China’s property sector downturn;
- rising short-term inflation expectations combined with resilient labour markets leading to sticky core inflation; and
- the prospect that policy rates may stay higher for longer than previously expected.

Figure 7



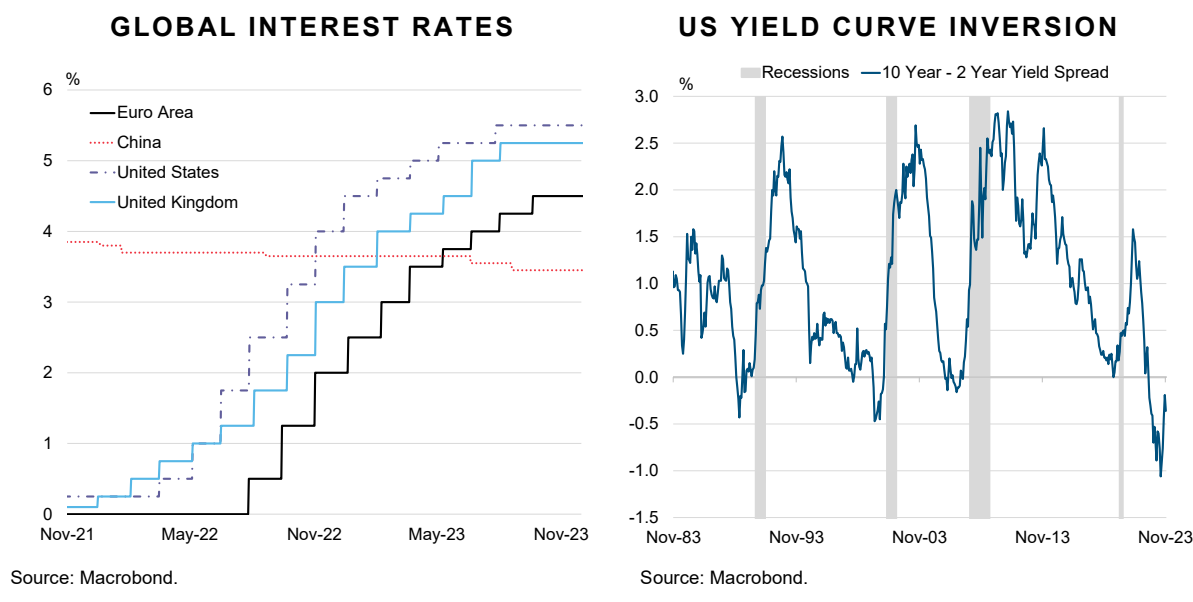
Across advanced economies, headline inflation has trended down over 2023 (see figure above, right-hand panel), while core inflation rates, which remove volatile items such as energy and food, have fallen more gradually. Slowing inflation has been underpinned by:

- tighter monetary and fiscal policy dampening economic activity;
- the continued easing of global supply chain pressures; and
- falling energy prices, as markets have adjusted to the disruptions from the Russia-Ukraine conflict, and with lower demand due to the slowing global economy.

Moving forward, these factors will likely continue to weigh on inflation, though upside risks are present. An escalation of the Gaza conflict poses risks to oil and gas markets (although the oil price has not been impacted materially to date), while higher wage growth could contribute to price pressures.

Policy rates appear to be at or very close to a peak across major economies (see figure below, left-hand panel) as inflation has trended down.

Figure 8



A market indicator of a potential US recession is that every recession in the past 45 years was preceded by the inversion of the interest rate yield curve (10-year bond yield minus 2-year bond yield). The US yield curve remains inverted but has closed considerably in the second half of 2023 as long-term yields rose faster than short-term yields. Historically, normalisation of the curve precedes recessions, with short-term yields falling faster than long-term yields in anticipation of rate cuts (see figure above, right-hand panel).

Overall, the global economy has been relatively resilient in the face of central banks’ rapid tightening programs, but risks to global growth remain as the delayed effects of rate hikes impact economies. Growth has slowed in many advanced economies and several face the prospect of mild recessions.

While the likelihood of a soft landing has improved, this outcome will still require central banks to thread the needle of returning inflation sustainably to target without causing a recession, and subsequently loosening policy to a degree that is able to support growth without fuelling another spike in inflation. Further, elevated public debt levels following the pandemic may limit the capacity of countries to respond to future crises.

Western Australia's economy has proven resilient during recent periods of slower global growth, supported by robust Chinese demand for our commodity exports, particularly iron ore. However, China faces substantial economic challenges, including a prolonged property sector downturn, subdued private sector sentiment, and weaker global demand for manufactured goods. Consumer confidence remains historically low (see figure below, left-hand panel), evident in reduced household lending, declining property sales, minimal consumer price inflation, and a significant accumulation of savings. Additionally, authorities face structural challenges such as a declining and ageing population (see figure below, right-hand panel) and a slowing rate of urbanisation.

Figure 9



In contrast to most advanced economies, Chinese authorities have implemented monetary policy easing to support economic growth. These measures include policy rate cuts, reduced reserve requirement ratios, and strategies to ease constraints in the property market, along with various fiscal policy responses. Despite these challenges, China appears to remain on track to achieve its 2023 growth target of 5%, supported by public-led activity.

Commodity Markets

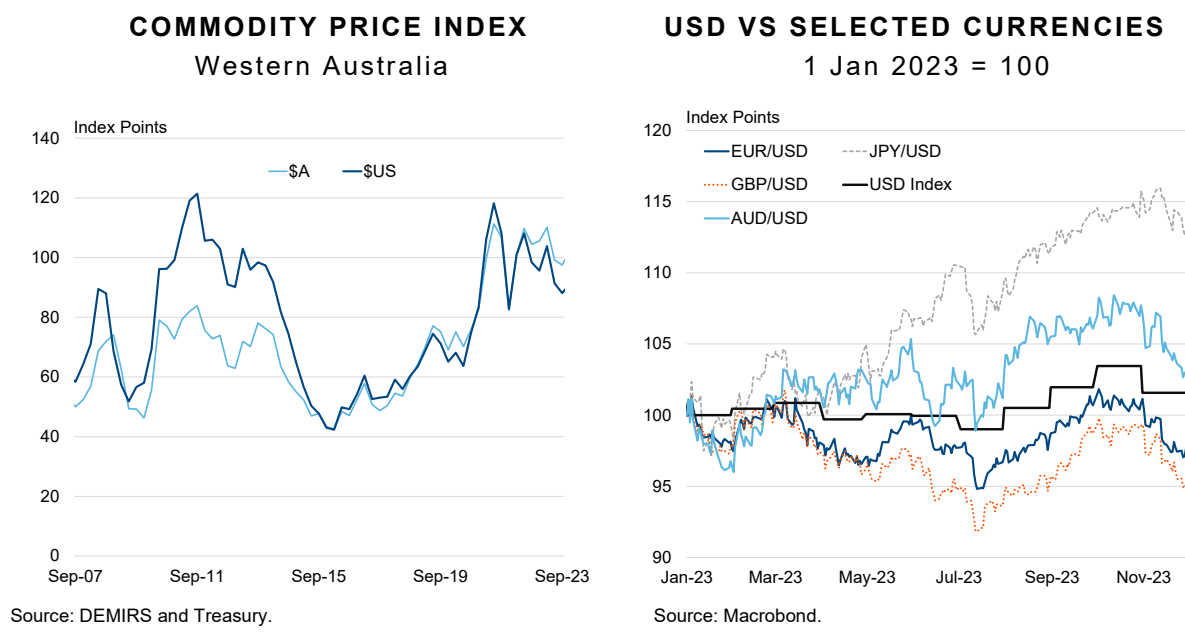
Commodity prices have declined from their recent peaks but remain elevated compared to pre-pandemic levels. Even though the latest conflict in the Middle East initially affected commodity markets, the impact has been mild, and risk premiums initially added to most commodity prices disappeared within a month of the onset of the conflict.

The Western Australian commodity price index⁴ has declined through 2023 to date, primarily reflecting declines in LNG and lithium prices (see figure below, left-hand panel). Iron ore prices have had a relatively minor impact on the commodity price index this year as they have remained elevated.

A stronger US dollar, due to the expectation that US interest rates will stay higher for longer, has resulted in a depreciation of major currencies against the US dollar, including the Australian dollar until late October (see figure below, right-hand panel). Since November, the US dollar has weakened on expectations that the Federal Reserve's monetary policy tightening cycle has peaked. The depreciation of the Australian dollar through 2023 to date has partially offset the impact of falling commodity prices on export revenue, as most commodities are priced in US dollars.

⁴ The commodity price index is a weighted index of iron ore, gold, oil, condensate, LNG, copper, nickel, zinc, lithium and alumina.

Figure 10



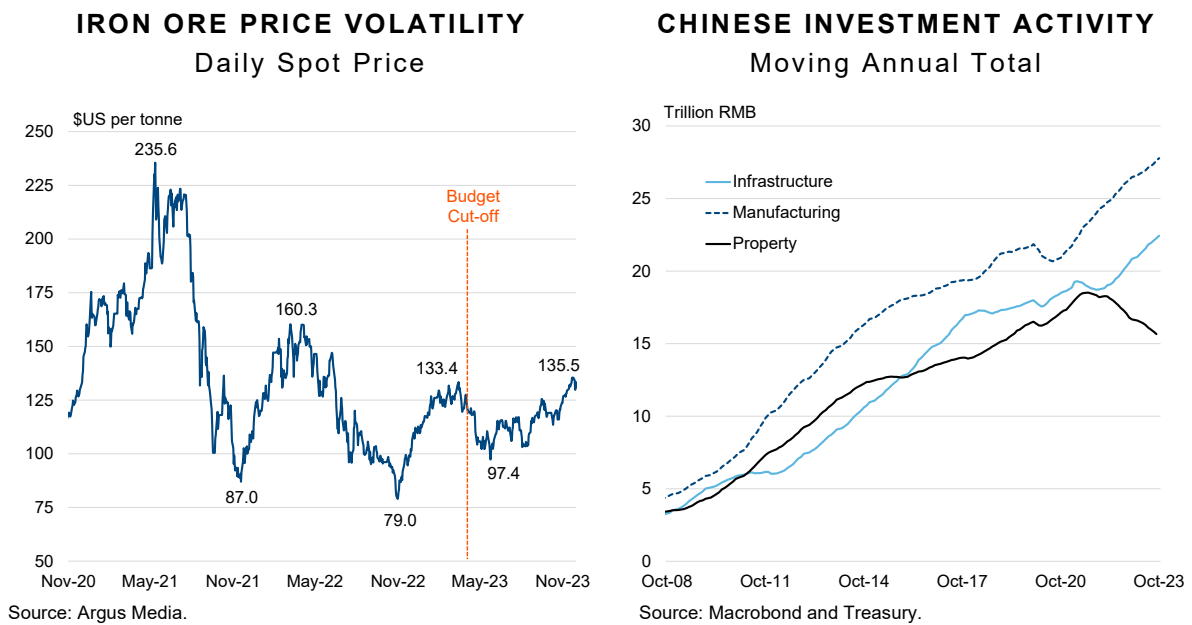
Iron Ore Market

Iron ore prices fell following the 2023-24 Budget cut-off, touching a low of \$US97.4 per tonne in late May 2023, before stabilising and then trending higher, increasing to a 17-month high of \$US135.5 per tonne in the lead-up to the Mid-year Review cut-off (see figure below, left-hand panel).

Despite a somewhat uneven recovery in the Chinese economy, steel (and iron ore) demand has proven surprisingly robust through 2023. This has largely been supported by Government investment in infrastructure and manufacturing (see figure below, right-hand panel), along with resilient export performance in steel and steel-related products. These factors have counterbalanced the continued decline in demand from China’s property sector, facilitating ongoing procurement from steel mills and maintaining robust steel production throughout the year.

The recent strength in iron ore prices reflects improved market sentiment after Chinese authorities announced further policy support for the country's property market. Additionally, the Chinese Parliament approved a rare mid-year increase in the budget deficit (from 3% to 3.8% of GDP) in late October. The additional funds, totalling RMB 1 trillion (\$US137 billion), are for infrastructure projects to support disaster relief and recovery following heavy flooding in China’s northern regions in September 2023. This is expected to support demand for steel (and iron ore) in 2024 and 2025.

Figure 11



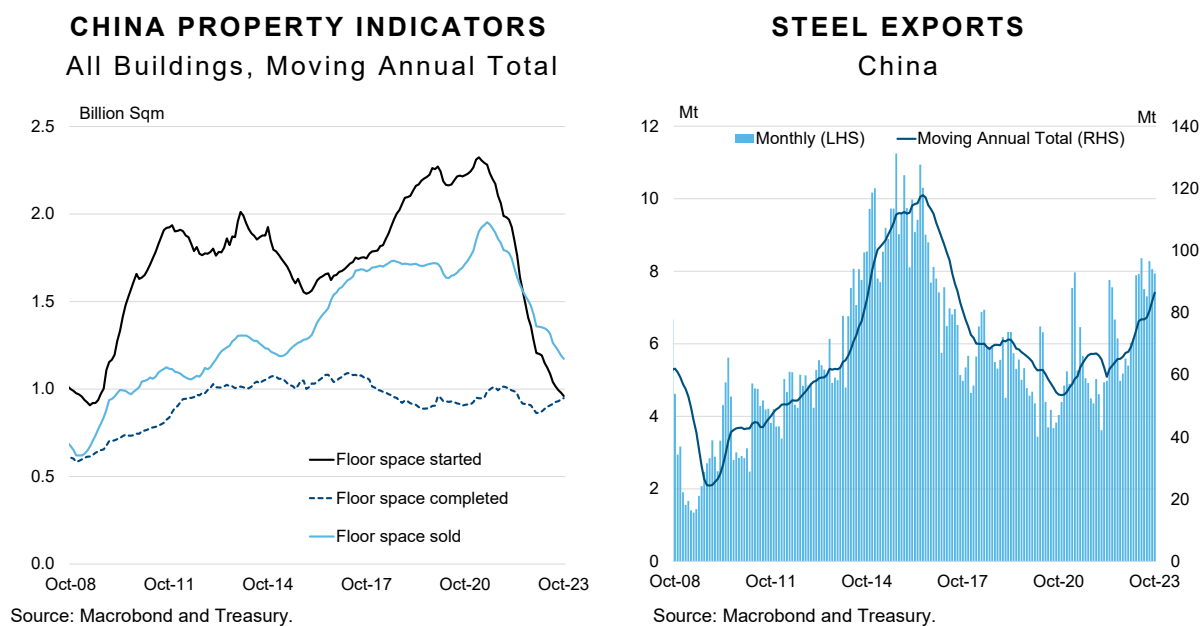
Steel rebar (largely used in construction) has not followed the upward trend of iron ore prices. This is largely due to ongoing weakness in China’s property market. As a result, steel mill margins have remained under pressure for most of the year, contributing to mills maintaining historically low iron ore inventories.

Recent data indicates that suppressed steel margins have translated to a notable fall in crude steel output from China’s largest steel producers, with daily average crude steel production falling sharply at the end of October. Combined with anticipated winter season heating restrictions, these factors pose downside risks to iron ore prices.

The outlook for China's property sector remains the largest downside risk. Key housing sector indicators, including home sales, new construction starts and property investment, have mostly worsened in October, indicating homebuyer confidence remains low. New construction starts, a leading indicator for steel demand, have dropped by over 50% since 2020 due to restrictions on property developer leverage, returning to pre-GFC levels (see figure below, left-hand panel).

More broadly across the economy, the outlook for steel demand is more favourable, reflecting strength in infrastructure, machinery, and transport. Recent Chinese customs data indicates robust demand for direct steel exports (see figure below, right-hand panel).

Figure 12



Outside of China, iron ore demand in Japan-Korea-Taiwan has been slowly recovering through 2023, with steel production picking up from a low point in late 2022, following a gradual recovery in automotive steel demand. Iron ore demand in Europe remains subdued, reflecting high interest rates and energy costs weighing on manufacturing activities.

The global supply of iron ore from major exporters has marginally improved through 2023, but some countries are still affected by infrastructure disruptions – particularly South Africa and Ukraine. Brazilian exports have increased by 8% to 342 dry million tonnes in the year to October 2023, marking the highest annual level since the 2019 dam accident.

The iron ore price has remained elevated since the 2023-24 Budget, however risks to the global demand outlook remain skewed to the downside. The Chinese economy is in a structural transition phase adding to volatility and uncertainty. In this context, a pronounced global economic slowdown would exacerbate weak conditions in the steelmaking sector.

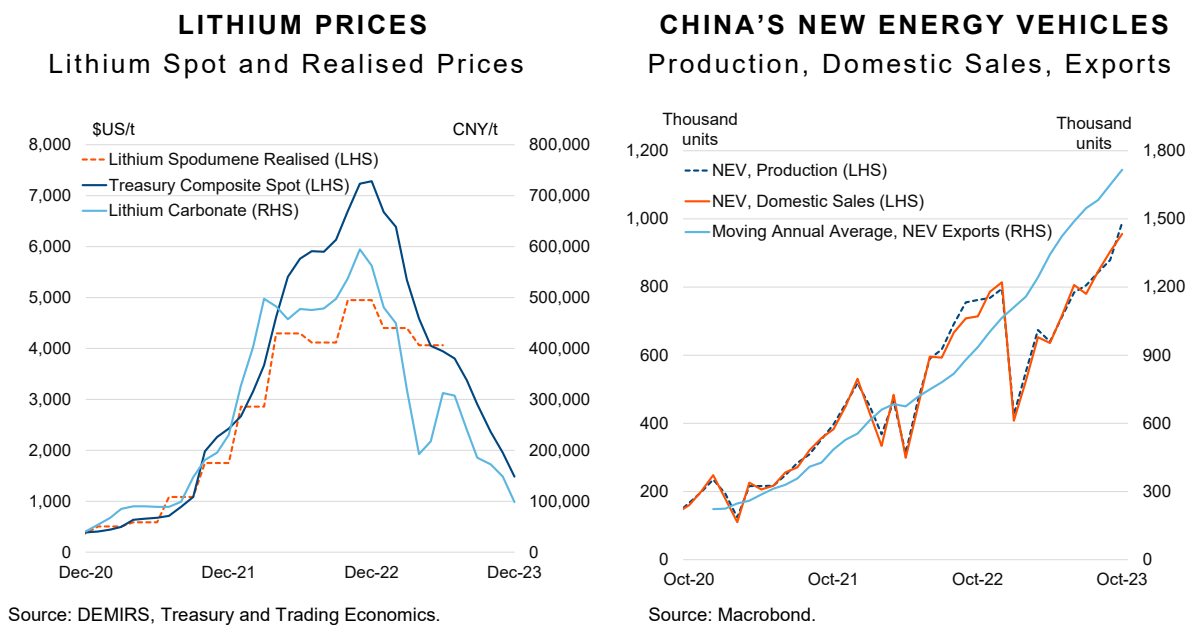
Incorporating recent trends, the iron ore price assumption in this Mid-year Review for 2023-24 has been revised up to \$US104.2 per tonne, with prices now assumed to fall to the long-run average of \$US66 per tonne by June 2024 (previously November 2023), reflecting the downside risks and the prudence of this price assumption for budgeting purposes.

Lithium Market

Lithium prices declined sharply from historical highs in late 2022 as the market has become more balanced (see figure below, left-hand panel). High prices in recent years incentivised increased global lithium supply, with higher production from existing producers as well as the entry of new producers. Western Australia continues to dominate global lithium supply, accounting for 42% of global output in 2022. However, its dominance is expected to decline over time as output from other countries increases at a faster rate.

Also contributing to lower prices was a sharp fall in new energy vehicle (NEV) sales in China at the beginning of 2023 following the expiration of production subsidies at the end of 2022. However, NEV sales have since recovered and surpassed the December 2022 sales levels within a period of seven months, supporting lithium demand. The prospects for lithium remain positive. Global NEV production as a share of total vehicle production is expected to be around 50% by early next decade, supported by decarbonisation policies in many advanced economies.

Figure 13



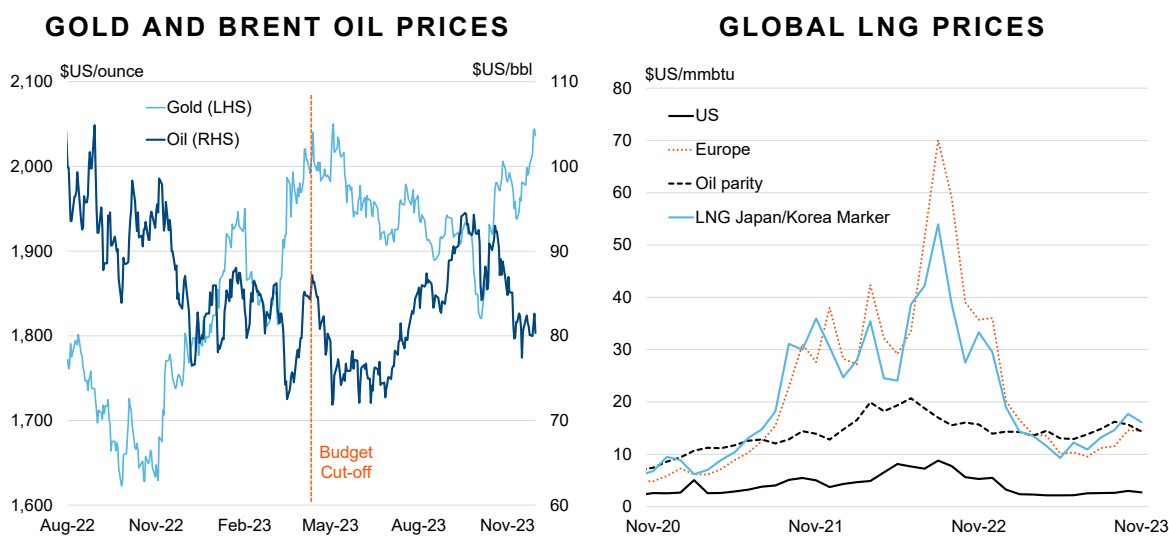
Lithium spot prices have declined sharply since Budget, necessitating downward revisions to the lithium price forecasts in this Mid-year Review, while volumes have been revised slightly upwards in accordance with new production guidance from companies. Prices are forecast to fall over the next few years as the lithium market enters a period of surplus.

Other Commodities

The gold price, which continues to be historically high, has nevertheless been volatile, moving with market sentiment about global risks and US interest rate expectations. Gold prices started 2023 at \$US1,824 per ounce but increased sharply in March 2023, in line with stresses in the global banking sector. From early May 2023 prices fell reflecting less appetite for gold as stresses in the global banking sector eased, but have rebounded more recently, supported by safe-haven demand for gold following commencement of the conflict in Gaza and US dollar weakness as US interest rates appear to have peaked.

Following the 2023-24 Budget cut-off, oil prices fell to a low of \$US72 per barrel in May 2023 before recovering to a high of \$US95 per barrel in September 2023 (see figure below, left-hand panel). Price movements have reflected a combination of a changing demand outlook and OPEC+ supply cuts. Since early October, the oil price has trended lower with signs of weaker demand in the US, except for a brief increase immediately following the commencement of the conflict in Gaza. The price outlook is particularly unclear with the potential for a widening conflict in the Middle East to disrupt supply, the risk of deeper OPEC+ supply cuts, and the uncertain trajectory for global oil demand.

Figure 14



Source: Macrobond.

Source: World Bank and Treasury.

Global LNG prices have been relatively stable through 2023, following very volatile movements in 2022 (see figure above, right-hand panel). Europe’s market supply is more stable coming into its 2023-24 winter and its storage levels are at capacity due to favourable weather conditions last winter and the realignment of global gas flows.

LNG prices remain elevated compared to prices over 2015 to 2020 and have picked up in recent months due to concerns about production outages across the globe. The key upside risk to LNG prices in 2024 is a colder than expected winter in Europe and/or Asia increasing gas consumption and reducing Europe’s stockpiles at the end of winter. More generally, Europe’s growing dependence on LNG has rendered global gas prices increasingly vulnerable to supply shocks.

Investing in Regional Western Australia

HIGHLIGHTS

- A record \$12.3 billion is being invested in regional infrastructure over the next four years, with new capital spending approved in this Mid-year Review including \$684 million for port and related infrastructure, \$372 million for road recovery works and a new Fitzroy River Crossing Bridge following Ex-Tropical Cyclone Ellie, and \$48 million on regional social housing.
- The State Government is committed to developing strong regional communities and economies, with the Royalties for Regions program totalling \$4 billion over 2023-24 to 2026-27 (unchanged from Budget), including an estimated \$1.3 billion to be spent in 2023-24.
- Other new regional initiatives in this Mid-year Review include \$126 million to progress the Government's Plan for Our Parks commitment, an additional \$70 million towards a Hydrogen Hub in the Pilbara, and \$35 million to attract and retain key government workers in the regions.

Since the 2023-24 Budget, new spending approved for regional initiatives includes:

- \$684 million for port and related infrastructure, including:
 - \$574 million over 2023-24 to 2026-27 (and an additional \$41 million in 2027-28) for Pilbara Ports Authority to deliver common user port upgrades at Lumsden Point and Dampier;
 - \$70.5 million over 2023-24 to 2025-26 to extend and implement changes to further incentivise participation in the Port Hedland Voluntary Buy-Back Scheme, which allows residents within Port Hedland's West End area the opportunity to voluntarily sell their property for a commercially attractive, Government-guaranteed market price;
 - \$13.8 million over 2023-24 and 2024-25 to complete construction of the Inner Harbour access road and bridge at the Port of Bunbury;

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- \$13.1 million over 2024-25 and 2025-26 to construct a new firefighting system at the Port of Geraldton using potable water to avoid corrosion and plumbing blockages in fire trucks; and
- \$12.2 million over 2024-25 and 2025-26 to complete Stages 2 and 3 of the Port Roads Upgrade project at the Port of Esperance;
- additional expenditure totalling \$547 million over 2023-24 to 2025-26, jointly funded by the State and Commonwealth, to assist communities in the Kimberley recover from the impacts associated with Ex-Tropical Cyclone Ellie, including:
 - \$371.6 million in capital expenditure (and \$32.3 million in recurrent spending) over 2023-24 and 2024-25 to complete road recovery works, including construction of the new Fitzroy River Crossing Bridge;
 - \$70.5 million over 2023-24 and 2024-25 for reconstruction and betterment works on local government roads;
 - \$29.8 million over 2023-24 and 2024-25 to procure and establish longer-term temporary accommodation for flood-affected residents in the Fitzroy Valley;
 - \$14 million over 2023-24 and 2024-25 for initiatives to support communities to access social support, legal assistance and other services as they recover from the flooding;
 - \$11.5 million over 2023-24 to 2025-26 to deliver a Temporary Workers Accommodation Package, which will provide accommodation facilities for workers undertaking community recovery, clean-up, restoration and rebuilding activities;
 - \$10.5 million over 2023-24 and 2024-25 to introduce four grant programs, which are intended to:
 - assist with the recovery of environmental, heritage and cultural assets (\$4.3 million);
 - help primary producers (\$2.6 million);
 - support small and medium business owners (\$1.9 million); and
 - assist homeowners to restore their homes to a more resilient standard (\$1.7 million);
 - \$5.1 million over 2023-24 to 2025-26 to deliver the National and Conservation Parks Clean-up Program; and
 - \$2.1 million in 2023-24 to enable Prescribed Body Corporates to participate in recovery activities;
- an additional \$126.6 million over four years to 2026-27 to conduct ecological thinning works under the 2024-33 Forest Management Plan, which will reduce moisture stress and promote forest health;

- \$125.6 million over 2023-24 to 2026-27 to progress the Government's Plan for Our Parks initiative. This expenditure will facilitate the implementation of five Indigenous Land Use Agreements (ILUAs), provide for joint management activities with Traditional Owners across several reserves, and support investment in start-up and visitor infrastructure, and comprises:
 - \$44.8 million to implement the Wajarri Yamaji Aboriginal Corporation ILUA and for the joint management of the proposed Mount Augustus National Park;
 - \$35 million to implement the Nganhurra Thanardi Garrbu Aboriginal Corporation ILUA and for the joint management of the proposed Giralalia National Park, Boologooro Nature Reserve, and Exmouth Gulf Marine Park;
 - \$22.5 million to implement the ILUA and support joint management arrangements with the Jidi Jidi Aboriginal Corporation for the proposed Waldburg National Park;
 - \$14.1 million to implement the Nyamal Aboriginal Corporation ILUA and for joint management of the proposed Meentheena Conservation Reserves; and
 - \$9.2 million to implement the Yurriyangem Taam Aboriginal Corporation ILUA and joint management of the proposed additions to the existing Fitzroy River National Park;
- an additional \$102.9 million to reflect an upward revision to WA Country Health Service expenditure in 2023-24, primarily to address workforce pressures and associated use of agency medical and nursing staff;
- \$96.3 million over 2023-24 to 2026-27, funded from the Mining Rehabilitation Fund, to address critical priority safety works under the Abandoned Mines program five-year plan, including continuation of remediation works at the Ellendale mine site and an expanded program of works on a number of abandoned legacy sites;
- \$70 million over 2023-24 to 2026-27 (funded by the Commonwealth), matching the State's investment, to deliver a \$140 million Hydrogen Hub in the Pilbara;
- \$56.4 million over 2023-24 to 2026-27 to support the recommissioning of out-of-home care services and transition to new contract arrangements and model of care for children who require care and protection in regional Western Australia;
- \$47.7 million on regional social housing from 2023-24 to 2026-27 as part of the Commonwealth's Social Housing Accelerator Payment, in accordance with Western Australia's implementation plan;
- \$45.2 million of additional expenditure to address cost increases across a number of regional road projects, including the Mandurah Estuary Bridge Duplication, Port Hedland Airport Deviation, and the Minilya to Exmouth road widening project;

2023-24 Government Mid-year Financial Projections Statement

- \$38.8 million will be spent over 2023-24 to 2026-27 under the North-West Aboriginal Housing Fund to establish two new programs:
 - the Pilbara Aboriginal Home Ownership Program (\$23 million), which will deliver affordable rental properties in the Pilbara for Aboriginal households with the aspiration to progress to home ownership; and
 - the Aboriginal Community-Controlled Organisation (ACCO) Aboriginal Housing Grants Program (\$15.8 million), which will assist ACCOs to purchase, refurbish or construct homes for their employees;
- an additional \$35.4 million over 2023-24 and 2024-25 to attract and retain key government employees in the regions, including teachers, nurses and midwives, and child protection workers;
- \$34 million to improve safety at a number of level crossings through the Regional Level Crossing Upgrades Fund, jointly funded by the Commonwealth and State Governments;
- \$28 million over 2023-24 to 2025-26 to improve digital infrastructure and connectivity in regional areas through participation in the Commonwealth Government's Regional Connectivity Program Round 3, including the Mobile Black Spot Program Round 7;
- \$20.8 million over 2023-24 and 2024-25 to address high priority maintenance issues at the Albany Entertainment Centre;
- \$13.4 million over 2023-24 to 2026-27 on a rebate scheme to assist with Aboriginal Heritage Survey costs for eligible holders of exploration and prospecting licences;
- \$11.3 million over 2024-25 to 2026-27 (and an additional \$3.8 million in 2027-28) to continue to treat priority bushfire risks on unallocated Crown land, unmanaged Crown reserves, and Crown reserves under the care of Local Government Authorities;
- an additional \$5.8 million over 2023-24 to 2025-26 to address construction cost pressures across several priority education projects, including Baler Primary School, Cassia Primary School and Albany Senior High School;
- an additional \$5.2 million in 2024-25 for the roads construction component of the Karijini National Park Upgrades project, which will deliver improved facilities including sealed road and carpark access to the most popular gorge and visitor sites;
- \$5.2 million in 2023-24 to roll out the Regional Supportive Landlord Model in Geraldton through the purchase of properties to house rough sleepers, funded from the Social Housing Investment Fund;
- \$4.9 million in 2024-25 towards the Stage 1 redevelopment of the Kununurra Aquatic and Leisure Centre, including the replacement of the existing six-lane 25-metre pool with an eight-lane 25-metre pool;
- \$4.8 million over 2023-24 and 2024-25 will be provided to the City of Albany, as part of an expected co-funding arrangement with the Commonwealth Government, to develop an artificial surf reef at Middleton Beach;

- \$4.6 million over 2023-24 to 2025-26 on the replacement of the Hamelin Pool boardwalk in the Shark Bay world heritage area, which was destroyed by Cyclone Seroja in 2021;
- a further \$4.1 million over 2023-24 and 2024-25 to extend the Driving Access and Equity Program in existing locations, which helps disadvantaged learner drivers in regional Western Australia to obtain their driver's licence;
- an additional \$3.7 million in 2023-24 to progress site works, finalise infrastructure planning and design, and undertake further work on the operational model for the Marlamanu On-Country Youth Program;
- \$3 million in 2023-24 for the remediation of illegally dumped asbestos within the Yinajalan Ngarrungunil Health and Wellbeing Campus in Broome;
- \$2.7 million over 2023-24 and 2024-25 to improve access to the Wellington National Park and pedestrian access to the Wellington Dam Mural;
- \$2.7 million over 2023-24 and 2024-25 to undertake repairs and upgrades to the Cape-to-Cape Track under the National Park Tourism Experience Development Program;
- \$2.1 million over 2024-25 to 2026-27 for 14 volunteer development services organisations in regional Western Australia to address service gaps and maintain current models of service delivery;
- \$2 million in 2023-24 to support a barramundi aquaculture project in the Kimberley, increasing the State's support for this project to \$5 million; and
- \$2 million in 2023-24 to support the development of a carbon neutral magnesium metal refinery in Collie and assist in meeting the requirements to enable a final investment decision on the project.

Spending under the Royalties for Regions program is estimated at \$1.3 billion in 2023-24 and a total of \$4 billion over the four years to 2026-27, as detailed in the following table.

Table 1

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	Total
	Actual	Budget	Mid-Year	Outyear	Outyear	Outyear	Four
	\$m	Estimate	Revision	\$m	\$m	\$m	Years
							\$m
INVESTING IN JOBS							
Aboriginal Pastoral Training Program	0.6	0.7	0.8	0.6	-	-	1.4
Aboriginal Ranger Program	11.0	13.8	15.1	19.6	16.5	16.5	67.7
Aboriginal Tourism Fund	2.5	4.9	4.8	3.6	-	-	8.4
Agrifood Activation Fund - Food Technology Facility Project (Peel)	2.7	3.5	6.5	1.5	1.5	-	9.5
Albany Middleton Beach Stage 2	0.1	-	1.0	-	-	-	1.0
Albany Wave Energy Demonstration	0.8	0.8	0.8	-	-	-	0.8
Aquaculture Development Plan	-	2.4	2.4	1.6	1.3	1.2	6.5
Aquaculture Development Zones	0.1	0.6	1.0	0.6	0.4	-	2.0
Boost to Food Industry Innovation	0.1	1.8	2.0	1.9	-	-	3.9
Brand WA - Destination Marketing	5.5	5.5	5.5	5.5	5.5	5.5	22.0
Brand WA - Event Tourism	6.4	6.9	6.7	7.7	7.6	8.1	30.1
Building Western Australian Grains Research and Development Capacity	12.3	12.5	13.4	11.4	10.0	10.0	44.8
Collie Adventure Trails	1.6	1.5	2.1	0.5	-	-	2.6
Collie Delivery Unit	0.8	1.4	1.4	0.5	0.5	-	2.5
Collie Emergency Services Vehicle Manufacturing	-(a)	-	-	-	-	-	-
Collie Futures Fund	3.4	5.4	7.3	2.5	-	-	9.8
Collie Green Steel - Electric Arc Furnace Steel Mill	-	2.7	2.7	-	-	-	2.7
Collie Recovery of Magnesium Hydroxide	-	-	2.0	-	-	-	2.0
Collie Replica Mine Upgrade Project	0.1	-	-	-	-	-	-
Collie Tourism Readiness and Economic Stimulation	0.8	0.6	0.9	-	-	-	0.9
Collie Visitor's Centre Upgrade Project	-	0.5	0.5	-	-	-	0.5
Country Firefighters Recruitment	3.2	4.6	4.6	4.6	5.0	4.6	18.9
Develop Serviced Land at Shotts and Kemerton	1.5	-	0.8	-	-	-	0.8
Emergency Access Way in East Keralup	-	-	0.2	-	-	-	0.2
Feasibility Study for AMTECH for Bunbury Geopraphe	0.1	0.8	1.9	-	-	-	1.9
Food Industry Innovation	1.1	2.3	2.0	2.4	1.5	1.5	7.4
Future Drought Fund Program Extension	-	2.3	10.1	-	-	-	10.1
Goldfields Major Solar Feasibility	-	0.3	0.4	-	-	-	0.4
Help Grain Growers to Better Manage Risk (e-Connected Grainbelt)	2.2	2.5	2.6	2.1	2.1	2.1	8.8
Industry Attraction and Development Fund – Collie	-	5.3	16.5	10.9	-	-	27.4
Industry Attraction and Development Fund – Collie - Administration	0.2	0.1	0.6	-	-	-	0.6
Industry Growth Partnership Processed Oats Industry	0.8	2.6	6.6	2.6	-	-	9.2
Industry Growth Partnership Wine Export	0.4	0.4	0.4	0.4	-	-	0.8
Koolinup Emergency Services Centre – Collie	-(a)	-	-	-	-	-	-

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE							
INITIATIVE	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	Total Four Years
	Actual	Budget Estimate	Mid-Year Revision	Outyear	Outyear	Outyear	
	\$m	\$m	\$m	\$m	\$m	\$m	
Kununurra Cotton Gin Infrastructure Support Package	-	-	3.5	-	-	-	3.5
Lake Kepwari	0.4	-	-	-	-	-	-
Magnium – Magnesium Refinery	-	-	2.0	-	-	-	2.0
Mount Augustus Tourism Infrastructure	0.6	3.6	1.8	3.9	3.6	-	9.3
Myalup-Wellington Water for Growth	0.4	2.8	3.2	3.8	10.2	15.6	32.8
Northern Beef Industry Strategy	1.1	1.7	2.1	0.2	-	-	2.2
Ord Channel Upgrade	-	-	0.4	-	-	-	0.4
Ord Channel Upgrade – Knox Development	3.1	28.7	29.8	28.9	17.3	-(a)	76.0
Ord-East Kimberley Expansion Project	2.5	2.0	3.4	4.9	1.8	-	10.1
Peel Harvey Catchment Council's Water Research Infrastructure Project	0.3	-(a)	0.1	-	-	-	0.1
Peel Business Park	-	-	-(b)	-	-	-	-
Plan for Our Parks - Indigenous Land Use Agreements	0.1	0.4	0.4	-	-	-	0.4
Port Hedland Water Front Revitalisation - Spoilbank Marina	47.9	26.2	9.9	-	-	-	9.9
Regional Local Content Initiative	-	-(a)	0.2	-	-	-	0.2
Regional Natural Resource Management - State Barrier Fence	0.1	3.8	3.7	-	-	-	3.7
Regional Telecommunications Project	5.4	9.5	9.5	6.7	1.4	-	17.6
Science and Agribusiness Connect Program	-	-(a)	0.2	-	-	-	0.2
Sheep and Goat Electronic Identification	0.9	12.2	12.2	11.9	0.6	-	24.7
South Coast Aquaculture Development Zone	-	0.1	0.4	0.1	-	-	0.4
Southern Forests Irrigation Scheme	0.2	3.4	3.7	11.9	-	-	15.6
Southern Rangelands Restoration Project	0.2	-	0.1	-	-	-	0.1
Special Regional Event Sponsorship	0.3	-	-	-	-	-	-
State Agricultural Telecommunications Infrastructure Improvement Fund	2.0	7.0	8.9	1.3	-	-	10.2
Strategic Industrial Areas	-	1.7	3.3	-	-	-	3.3
Sustainable Development of the Abrolhos Islands	4.4	0.3	0.2	-	-	-	0.2
2023 Total Solar Eclipse	1.1	3.1	4.4	-	-	-	4.4
Transform Peel - Phase 1	0.4	6.2	10.1	-	-	-	10.1
Transforming Agriculture in the Pilbara	0.1	0.5	0.9	-	-	-	0.9
Transforming Bunbury's Waterfront - Stages 1 and 2	1.5	0.4	3.1	-	-	-	3.1
Transforming Bunbury's Waterfront - Stage 3	2.2	18.7	10.2	62.0	4.8	-	76.9
Water Smart Farms Project	0.7	0.5	0.6	-	-	-	0.6
Wellington Dam Mural and Collie Art Trail	-(a)	-	-(a)	-	-	-	-(a)
Wellington National Park Public Access Improvements	-	-	1.4	1.3	-	-	2.7
Western Australia Regional Digital Connectivity Program	1.4	7.0	13.0	14.8	13.3	-	41.0
Western Australian Screen Fund	4.0	1.6	1.6	4.0	4.0	4.0	13.6
Western Australian Wine Industry Export Growth Partnership	0.3	0.4	0.4	0.3	-	-	0.7
Wild Dogs Action Plan	4.6	3.4	4.9	3.4	3.4	3.4	15.0
Yawuru Strategic Economic Development	0.3	0.3	0.4	-	-	-	0.4
Yerriminup Agribusiness Precinct Activation	-	-	4.0	-	-	-	4.0
TOTAL – INVESTING IN JOBS	144.8	231.8	278.5	239.4	112.2	72.5	702.7

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	Total
	Actual	Budget	Mid-Year	Outyear	Outyear	Outyear	Four
	\$m	\$m	Revision	\$m	\$m	\$m	Years
PUTTING PATIENTS FIRST							
Digital Innovation, Transport and Access to Care	66.9	64.3	64.3	63.9	63.9	63.9	255.9
Emergency and Acute Workforce	21.3	21.3	21.3	20.5	20.5	20.5	82.8
Health Services							
Albany General Dental Clinic	0.1	10.3	0.3	1.5	9.2	2.0	12.9
Albany Radiation Oncology	4.8	0.2	1.3	-	-	-	1.3
Find Cancer Early	0.4	0.4	0.4	0.4	0.4	0.4	1.6
Meet and Greet Service	0.4	0.8	0.8	0.5	0.5	0.5	2.3
Paid Paramedics for the Regions	0.0	12.3	12.3	8.9	9.0	9.0	39.1
Pilbara Health Initiatives	4.6	3.9	7.4	3.2	1.8	-	12.4
Regional Cancer Services	-	6.3	6.3	-	-	-	6.3
Regional Renal Support Teams	0.6	2.0	2.0	2.0	2.1	2.1	8.2
Renal Dialysis	3.4	3.7	4.3	3.4	3.4	3.4	14.5
Residential Aged and Dementia Care Investment Program	0.2	-	-	-	-	-	-
South West Aboriginal Medical Service Health Hub	-	10.0	0.3	2.0	7.7	8.3	18.3
Health Infrastructure							
Albany Health Campus Carpark	-	0.2	0.3	1.7	0.1	-	2.1
Bunbury Hospital	4.0	8.0	7.4	5.1	-	50.1	62.6
Carnarvon Residential Aged Care Facility	0.2	-	-(a)	1.5	-	-	1.5
Collie Hospital Upgrade	9.3	1.3	1.3	-	-	-	1.3
Community Alcohol and Other Drug Integrated Services in the South Metropolitan Health Service Region (Peel)	1.1	2.2	2.2	2.3	2.3	2.3	9.0
Critical Staff Accommodation Refurbishment Program	-	5.7	5.7	2.4	-	-	8.2
Derby Community Health Service	0.1	-	-	-	-	-	-
District Hospital Investment Program	-(a)	-	-	-	-	-	-
Dongara Aged Care	2.0	1.3	0.7	0.7	-	-	1.3
Geraldton Health Campus Redevelopment	0.7	31.5	11.0	48.1	-	-	59.1
Geraldton Hospital Co-location	0.3	1.3	0.8	0.8	-	-	1.6
Karratha Health Campus	1.1	-	-	-	-	-	-
Kimberley Mobile Dialysis Unit	0.4	-	-	-	-	-	-
Meekatharra Hospital	0.4	4.2	0.5	3.7	10.7	33.7	48.5
Newman Health Service Redevelopment project	5.6	0.5	0.5	-	-	-	0.5
Primary Health Centres Demonstration Program	1.7	4.3	0.3	0.3	1.0	3.1	4.6
Remote Indigenous Health Clinics	0.9	-	0.4	-	-	-	0.4
Tom Price Hospital Redevelopment	-(a)	4.7	-	-	-	4.9	4.9
Other Health Programs							
Newman Renal Dialysis Service	-	1.3	1.3	-	-	-	1.3
Warmun Facility upgrade	0.1	0.5	0.4	-	-	-	0.4
Women's Community Health Services - Kimberley Women's Health Program	-	0.8	-	-	0.3	1.2	1.5
Mental Health Programs							
Aboriginal Social and Emotional Wellbeing	6.5	6.7	6.7	3.6	-	-	10.3
East Kimberley Psychiatric Services	-	1.3	1.3	1.3	1.4	1.4	5.4
Geraldton Step Up/Step Down Facilities	2.1	2.5	2.5	2.5	2.5	2.5	9.9

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE							
INITIATIVE	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	Total Four Years
	Actual	Budget Estimate	Mid-Year Revision	Outyear	Outyear	Outyear	
	\$m	\$m	\$m	\$m	\$m	\$m	
Mental Health Anti-Ligature works at Regional Hospitals	1.1	-	0.3	-	-	-	0.3
Mental Health Step Up/Step Down facilities - Kalgoorlie/Goldfields 10 beds	2.3	2.6	2.6	2.6	2.6	2.6	10.5
Methamphetamine Action Plan - South West AOD Residential Rehabilitation and Treatment Service	2.8	2.9	2.9	2.9	2.9	2.9	11.7
North West Drug and Alcohol Support Program - Kimberley	6.9	7.1	7.1	7.1	7.1	7.1	28.3
Regional Men's Health	0.8	0.8	0.9	0.9	0.9	0.9	3.5
Sub-acute Mental Health Services in Bunbury	2.1	2.3	2.3	2.3	2.3	2.3	9.1
Sub-acute Mental Health Services in Karratha	0.2	7.3	4.7	5.8	2.7	2.7	15.9
Sub-acute Mental Health Services in South Hedland	0.1	6.8	6.3	7.8	3.8	3.8	21.7
WACHS Mental Health Emergency Telehealth Service	-	5.9	5.9	6.0	6.2	6.3	24.4
TOTAL – PUTTING PATIENTS FIRST	155.5	249.3	197.0	215.6	164.8	237.8	815.2
INVESTING IN OUR CHILDREN'S EDUCATION							
Aboriginal and Islander Education Officers	3.6	3.6	3.6	3.6	3.6	3.6	14.3
Agricultural and Farms Schools Lifecycle	-	2.8	2.8	0.9	2.0	1.1	6.8
Albany Senior High School	0.2	2.9	2.1	6.7	0.9	-	9.7
Baler Primary School	0.1	2.1	2.1	3.2	0.8	-	6.0
Baynton West Primary School	5.2	1.0	-	-	-	-	-
Better Beginnings - Early Literacy	0.2	0.3	0.3	0.3	0.3	0.3	1.0
Broome Senior High School	0.5	3.2	3.1	0.3	0.8	-	4.2
Bunbury Senior High School - Upgrades	0.2	-	-	-	-	-	-
Cassia Primary School	0.1	1.5	0.7	5.2	0.2	-	6.1
Clontarf Colleges	1.5	1.5	1.5	1.5	1.5	1.5	6.2
College of Agriculture - Cunderdin	-	-	0.1	1.5	-	-	1.6
Dampier Primary School	-	0.8	0.9	0.1	-	-	1.0
Donnybrook District High School	0.1	0.4	0.5	0.3	-	-	0.8
Eaton Community College	0.6	5.6	5.8	0.6	-	-	6.4
Feasibility Study Residential Colleges for Aboriginal Students in Newman	-	0.1	0.1	-	-	-	0.1
Halls Creek District High School	0.3	7.4	7.6	2.1	-	-	9.6
Improving Teacher Quality	1.9	1.9	1.9	1.9	1.9	1.9	7.7
Independent Learning Co-ordinators	1.3	1.5	1.5	1.5	1.5	1.5	6.0
Kimberley and Pilbara Solar Schools Program	3.3	-	0.9	-	-	-	0.9
Kimberley Schools Project	4.5	3.9	3.9	3.9	3.9	-	11.7
Mental Health Support	0.8	0.8	0.8	0.8	1.2	0.8	3.6
Puntukurnu Aboriginal Medical Service Jiji Program	-	0.4	0.8	-	-	-	0.8
Put Education Assistants Back in the Classroom	9.1	9.1	9.1	9.1	9.1	9.1	36.6
Regional Learning Specialists	1.5	1.5	1.5	1.5	1.5	1.5	6.0
Regional School Breakfast and Nutritional Education Program	0.2	0.2	0.2	0.2	0.2	0.2	0.9
Regional School Bus Services	79.9	79.9	81.0	82.2	82.3	82.4	327.9
Roebourne District High School Redevelopment	-	-	-	5.0	0.2	5.0	10.2
South Bunbury Education Support Centre	2.3	0.7	0.5	0.1	-	-	0.6
Tambrey Primary School	0.1	-	0.6	-	-	-	0.6
Vocational Education Regional Subsidies	45.4	45.4	45.4	45.4	45.4	45.4	181.6

2023-24 Government Mid-year Financial Projections Statement

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	Total Four Years
	Actual	Budget Estimate	Mid-Year Revision	Outyear	Outyear	Outyear	
	\$m	\$m	\$m	\$m	\$m	\$m	
Waggrakine Primary School	-	0.4	0.4	4.0	4.6	-(a)	9.0
Western Australian College of Agriculture – Kimberley	0.3	0.1	0.7	-	-	-	0.7
TOTAL – INVESTING IN OUR CHILDREN'S EDUCATION	163.5	178.9	180.5	181.9	161.9	154.4	678.7
INVESTING IN OUR COMMUNITIES							
Aboriginal Community-Controlled Organisation Aboriginal Housing Grants Program	-	-	0.6	7.9	7.4	0.1	15.8
Aboriginal Governance and Leadership Development Program	0.8	1.3	1.7	1.7	1.4	1.1	5.8
Aboriginal Tourism Initiatives	0.9	0.9	0.9	0.9	0.9	0.9	3.6
Air-conditioning at Five Remote Multifunctional Policing Facilities	-(a)	-	-(a)	-	-	-	-(a)
Albany (Emu Point) Maritime Facility – Jetty B Remediation	-	1.0	1.0	-	-	-	1.0
Albany Entertainment Centre	0.5	0.5	0.5	0.5	0.5	0.5	2.0
Albany Trails	-	1.5	1.5	1.7	-	-	3.2
Batavia Coast Marina Stage 2	0.2	-	-	-	-	-	-
Beach Emergency Numbering System	-(a)	0.4	0.5	-	-	-	0.5
Biosecurity Communications Campaign and Truck Wash Down Facilities Foot and Mouth Disease and Lumpy Skin Disease	0.7	1.2	1.2	1.2	-	-	2.3
Broome Aboriginal Short Stay Accommodation Facility	2.9	2.9	3.0	2.9	2.8	2.8	11.4
Broome Aboriginal-led Specialist Family Violence Court	-(a)	3.5	1.0	5.4	0.7	1.5	8.5
Broome Family and Domestic Violence Hub	-	4.9	4.9	3.7	3.9	3.9	16.3
Bunbury Prison Alcohol & Other Drug Unit	1.2	4.4	4.2	2.9	2.7	2.8	12.6
Capel Police Station	-(a)	-	-(a)	-	-	-	-(a)
Carnarvon One Mile Jetty	-	4.5	4.5	-	-	-	4.5
Carnarvon One Mile Jetty - Partial Demolition of Jetty	0.2	-	0.6	-	-	-	0.6
Collie Mineworkers Memorial Pool Enclosure	-	0.9	0.9	-	-	-	0.9
Community Chest Grants Scheme	-	-	0.1	-	-	-	0.1
Community Resource Centres	13.0	13.4	14.2	13.6	13.8	13.8	55.4
Community Safety Network	8.1	8.8	9.2	8.8	8.5	8.5	34.9
Country Age Pension Fuel Card	30.8	33.0	34.7	33.5	34.0	30.5	132.7
Country Water Pricing Subsidy	54.0	-	-	-	-	-	-
Culturally Appropriate Services to Victims of Domestic Violence	-	-	0.2	0.1	0.1	0.1	0.5
Dalyellup Family Centre	0.3	0.3	0.3	0.2	-	-	0.4
Dampier Peninsula Activation	0.3	1.9	2.1	-	-	-	2.1
Driving Access and Equity Program	-	-	0.4	3.7	-	-	4.1
East Kimberley Transitional Housing	-	1.2	1.8	1.0	1.0	1.0	4.9

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE							
INITIATIVE	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	Total Four Years
	Actual	Budget Estimate	Mid-Year Revision	Outyear	Outyear	Outyear	
	\$m	\$m	\$m	\$m	\$m	\$m	
Enhanced Driver Training and Education for Regional and Remote Communities	1.6	1.6	1.6	1.6	1.6	1.6	6.3
Essential and Municipal Services Improvement in Remote Aboriginal Communities	0.1	1.7	28.4	3.1	-	-	31.6
Ex-Tropical Cyclone Ellie - Clean-up Program	-	19.0	11.6	18.4	-	-	30.0
Ex-Tropical Cyclone Ellie – Community and Industry Recovery Officer Program	-	4.5	3.3	4.2	1.8	-	9.2
Ex-Tropical Cyclone Ellie - Freight Assistance Package	-	12.0	14.2	0.5	-	-	14.7
Ex-Tropical Cyclone Ellie - Prescribed Body Corporate Participation in Recovery Package	-	-	2.1	-	-	-	2.1
Ex-Tropical Cyclone Ellie - Temporary Accommodation	9.2	23.8	17.8	5.9	-	-	23.8
Family Domestic Violence Refuge – Peel	1.2	1.2	1.2	1.2	1.2	1.2	4.8
Financial Counselling Services	0.7	0.7	0.7	0.7	0.7	0.7	2.9
Geraldton Aboriginal Short Stay Accommodation	-	-	-	2.2	2.5	3.6	8.3
Geraldton Basketball Stadium Upgrade	1.5	-	-	-	-	-	-
Goldfields Arts Centre	0.1	0.1	0.1	0.1	0.1	0.1	0.6
Gwoonwardu Mia Aboriginal Heritage and Cultural Centre - Carnarvon	1.4	1.8	0.9	1.2	1.2	-	3.3
Halls Creek Town Development Masterplan - State Contribution	1.5	0.6	2.0	-	-	-	2.0
Harvey Trail Precinct	0.1	-	-	-	-	-	-
Hedland Transitional Housing	0.6	1.6	3.9	0.8	-	-	4.7
Indigenous Visitor Hostels	2.2	2.5	2.9	2.4	2.5	2.5	10.3
Jalbi Jiya (Your Home) Program	-(a)	0.4	0.7	0.4	0.3	-	1.5
Kalgoorlie Career Fire and Rescue Service Station Upgrade	0.2	-	2.4	-	-	-	2.4
Kalgoorlie Motorsports Precinct	-	-	1.0	1.0	-	-	2.0
Kimberley Aboriginal Law and Culture Centre to Document and Teach Traditional Languages	0.1	-	-	-	-	-	-
Kimberley Community Action Fund	0.8	1.4	1.2	-	-	-	1.2
Kimberley On-country Youth Facilities	0.3	5.0	6.0	5.0	3.4	3.8	18.2
Koombana Bay Park Facilities	1.4	0.2	0.4	-	-	-	0.4
Kununurra Aquatic and Leisure Centre	-	-	-	4.9	-	-	4.9
Leedal - Fitzroy Affordable Housing Project	-	1.6	0.8	1.0	4.3	13.9	19.9
Leonora Ageing in Place Project	1.2	0.5	0.5	-	-	-	0.5
Mira Mar Landslip	0.4	0.2	0.3	-	-	-	0.3
Motorplex Complex Albany	2.0	2.1	2.1	-	-	-	2.1
Multi-functional Policing Facilities Air-Conditioning System Replacement	2.7	0.6	1.4	-	-	-	1.4
North West Aboriginal Housing Initiative	-	6.1	-	-	-	-	-
Nyamba Buru Yawuru - Health and Wellbeing Campus	-	-	3.0	-	-	-	3.0
Olabud Doogethu Halls Creek Youth Justice Reinvestment Project	0.4	0.3	0.5	0.5	-	-	1.0
Operation Regional Shield	-	11.7	11.7	-	-	-	11.7
Oyster Harbour Ulster Road (Albany)	0.1	7.3	8.2	0.4	-	-	8.5
Peel Regional Trails	0.4	0.2	1.2	-	-	-	1.2
Pilbara Aboriginal Home Ownership Program	-	-	0.6	3.9	10.4	4.0	19.0
Pilbara Town Based Reserves	0.4	11.2	13.9	1.4	-	-	15.3
Police and Community Youth Centres safeSPACE Program	-	-	1.9	1.9	-	-	3.9
Police Radio Network	0.9	0.7	0.9	1.0	1.1	1.1	4.1

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	Total
	Actual	Budget	Mid-Year	Outyear	Outyear	Outyear	Four
	\$m	Estimate	Revision	\$m	\$m	\$m	Years
Regional Arts and Cultural Investment Program	5.3	4.9	4.9	5.4	5.4	4.9	20.6
Regional Athlete Support Program	1.3	1.6	1.6	1.6	1.7	1.7	6.6
Regional Economic Development Grants	4.3	5.0	12.7	5.0	5.0	5.0	27.7
Regional Enforcement Unit	5.1	5.5	5.5	5.5	5.5	5.5	21.9
Regional Exhibition Touring Boost	1.5	2.0	2.0	2.0	2.0	2.0	8.0
Regional Grants Scheme	-(a)	-	0.6	-	-	-	0.6
Regional Museum Grants - Regional Collections Development Program	0.3	0.2	0.2	0.2	0.2	-	0.6
Regional Police Incentives	2.5	2.5	2.5	2.5	2.5	2.5	10.0
Regional Renewal Program	6.7	8.4	11.3	-	-	-	11.3
Regional Volunteering Development Services Program	-	-	-	0.7	0.7	0.7	2.1
Regional Youth Justice Services	5.6	5.7	5.7	5.8	5.8	5.8	23.0
Remote Aboriginal Communities	72.7	67.3	80.1	69.1	63.6	53.8	266.7
Remote Aboriginal Communities COVID-19 Emergency Relief Fund	0.3	-	-	-	-	-	-
Remote Aboriginal Communities Support Fund	-	-	1.2	-	-	-	1.2
Remote Essential and Municipal Services	56.0	56.0	56.0	56.0	56.0	56.0	224.0
Remote Swimming Pools	0.8	0.6	0.6	0.6	0.6	0.6	2.5
Respectful Relationship Programs in Schools	0.1	0.2	0.2	0.1	0.1	0.1	0.5
Riverview Residence - Upgrade to Over 55's Estate	-	2.0	2.0	-	-	-	2.0
Rural, Regional and Remote Network	0.2	0.4	0.3	0.2	0.2	0.1	0.8
South Hedland and CBD Revitalisation - Stage 2	0.1	-	0.8	-	-	-	0.8
Southern Forests Food Council	-	0.4	0.4	-	-	-	0.4
Southern Ocean Surf Reef	-	-	0.6	4.2	-	-	4.8
Stockton Lake	-	-	0.3	-	-	-	0.3
Tjiwarl Aboriginal Corporation - Baseline Socio-Economic Study	0.4	-	-	-	-	-	-
Upgrades to Hay Park - Bunbury	-	-	0.1	-	-	-	0.1
Volunteer Fuel Card	0.5	1.0	1.0	1.0	1.0	1.0	4.0
Waroona Town Centre Revitalisation Project	-	2.4	2.4	-	-	-	2.4
Western Desert Justice Program	0.7	0.5	0.5	-	-	-	0.5
Yindjibarndi Ganallili Accommodation and Transitional Housing Program	5.5	1.9	3.5	0.1	-	-	3.6
Yura Yungi Employee Accommodation and Career Development Program	0.3	2.5	4.2	-	-	-	4.2
TOTAL – INVESTING IN OUR COMMUNITIES	315.9	377.9	440.8	313.2	258.9	239.5	1,252.4
INVESTING IN OUR ROADS AND PORTS							
AgLime Routes	-	-	0.4	-	-	-	0.4
Albany Ring Road - Design, Preconstruction and Construction Activities	14.1	10.4	-	-	-	-	-
Broome Marina Planning	-(a)	-	0.2	-	-	-	0.2
Bunbury Port - Inner Harbour Access Bridge	2.5	8.5	16.1	15.1	-	-	31.2
Chidlow-York Road and Forrest Street Intersection Upgrade	-	0.2	0.3	0.7	-	-	1.0
Collie Preston Region - Upgrades Over Multiple Local Roads	0.2	-	0.2	-	-	-	0.2
Covalent Lithium Mine Access Road	-	10.0	12.0	-	-	-	12.0
Derby-Broome Air Service	0.7	-	0.3	-	-	-	0.3
Dongara Road Alignment	0.2	-	-	-	-	-	-

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE							
INITIATIVE	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	Total Four Years
	Actual	Budget Estimate	Mid-Year Revision	Outyear	Outyear	Outyear	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Ex-Tropical Cyclone Ellie - Roads Recovery	66.4	-	13.6	-	-	-	13.6
Fishing Boat Harbour Boat Building Precinct	-	8.6	8.6	1.4	-	-	10.0
Forrest Highway (Vittoria Road)	0.1	0.9	0.9	3.0	-	-	3.9
Great Eastern Highway - Ghooli to Benari	5.7	7.2	6.1	8.4	12.0	8.3	34.8
Great Northern Highway - Broome to Kununurra - Nellie Springs to Sally Downs Well and Arthur Creek	0.3	1.0	1.7	2.0	3.5	3.5	10.7
Great Northern Highway - Newman to Port Hedland - Overtaking Lanes	0.4	2.5	3.5	2.5	2.5	1.1	9.6
Grain Freight Upgrades	3.8	12.0	0.6	-	-	-	0.6
Greenbushes Lithium Supply Chain	-	3.8	3.8	-	-	-	3.8
Indian Ocean Drive - Jurien Bay to Brand Highway	1.5	6.7	6.5	2.8	-	-	9.3
Karratha to Tom Price Road – Manuwarra Red Dog Highway	7.5	2.8	1.8	1.8	20.0	-	23.7
Koojan Downs Road Upgrade	0.8	-	0.2	-	-	-	0.2
Kununurra-Halls Creek-Balgo Regular Passenger Transport	-	0.2	0.2	0.2	0.2	0.2	0.8
Land Acquisition and Road Improvements	3.3	-	4.7	-	-	-	4.7
Local Government Commodity Freight Roads Fund	-(a)	-	-	-	-	-	-
Mandurah Estuary Bridge Duplication	1.6	45.3	60.5	5.0	-	-	65.5
Mandurah Train Station - New Parking Bays	0.1	-	1.2	-	-	-	1.2
Marble Bar Road Upgrade	0.8	3.3	5.0	5.2	0.5	-	10.7
Menang Drive-Chester Pass Road Grade Separation	-	5.0	5.0	2.4	-	-	7.4
Mid West and Great Southern Secondary Freight Network Program	0.1	2.3	2.3	3.0	1.7	-	7.1
Moonamang Road	0.3	-	1.3	-	-	-	1.3
Oakajee Strategic Industrial Area Access Road	-	7.0	2.0	17.2	-	-	19.2
Outback Way - Laverton to WA Border	-	-	-	-	-	12.0	12.0
Pinjarra Heavy Haulage Deviation	-(a)	0.1	0.4	-	0.4	2.0	2.8
Rail Future Fund	16.6	-	5.2	-	-	-	5.2
Regional Airfare Zone Cap for Regional Residents	12.6	22.5	22.5	5.4	-	-	27.9
Regional Blackspot Program	2.2	10.9	16.3	-	-	-	16.3
Square Kilometre Array Roads	1.0	5.0	5.0	5.0	5.0	9.2	24.2
Strategic Industrial Area Road Infrastructure	-	-	13.0	-	-	-	13.0
Tanami Road	-	-	-	0.2	4.0	12.0	16.2
Toodyay Road Upgrade - Dryandra to Toodyay	1.4	5.0	6.0	4.1	3.9	0.4	14.4
Truck Rest Stops	-	1.5	1.2	1.5	2.3	-	5.0
Warmun Airstrip Upgrade	-	2.3	5.0	-	-	-	5.0
Western Australian Agricultural Supply Chain Improvements	-	1.5	-	-	-	35.6	35.6
TOTAL – INVESTING IN OUR ROADS AND PORTS	144.4	186.4	233.6	86.9	56.1	84.3	460.8
INVESTING IN OUR ENVIRONMENT							
Buccaneer Archipelago Marine Parks	-	17.0	17.0	7.4	3.4	3.5	31.3
Bushfire Mitigation on Crown Land Regional Townsites	3.7	3.8	3.8	3.9	3.8	3.8	15.2

2023–24 Government Mid-year Financial Projections Statement

Table 1 (cont.)

ROYALTIES FOR REGIONS EXPENDITURE

INITIATIVE	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	Total
	Actual	Budget	Mid-Year	Outyear	Outyear	Outyear	Four
	\$m	Estimate	Revision	\$m	\$m	\$m	Years
Carnarvon Flood Mitigation Works - Stage 2	1.4	-	1.2	-	-	-	1.2
Climate Resilience Fund	1.2	5.1	5.9	3.5	3.8	-	13.2
Dampier Peninsula and Buccaneer Archipelago Visitor Plan	0.2	0.1	0.2	-	-	-	0.2
Dampier Peninsula Project	0.2	0.2	0.3	-	-	-	0.3
Danggu Geikie Gorge Upgrades	0.2	0.2	0.9	-	-	-	0.9
Drummond Cove Coastal Erosion Project and Boat Launching Facility	-	1.1	1.7	1.5	-	-	3.2
Dwellingup Gap Trails Project	0.3	0.9	0.7	1.2	-	-	1.9
Enhanced Prescribed Burning Program	5.5	5.5	5.5	5.5	5.5	5.5	22.0
Fitzroy River Catchment	-	0.1	0.1	-	-	-	0.1
Fitzroy River Management Plan	0.1	0.4	0.4	-	-	-	0.4
Healthy Estuaries WA	6.1	6.3	6.3	9.1	6.3	6.3	27.9
Implementing the Peel-Harvey Estuary Protection Plan	0.9	1.3	1.3	1.3	0.9	-	3.5
Kalbarri Island Rock	0.2	-	0.1	-	-	-	0.1
Kalgulup Regional Park	1.2	4.4	6.7	1.4	1.4	1.4	11.0
Karijini National Park Upgrades	0.4	13.3	13.3	5.0	-	-	18.3
Kimberley Wilderness Walk, Wunaamin Miliwundi Ranges	0.2	0.3	0.4	0.2	-	-	0.6
Managing Western Australia's Natural Resources - Supporting Community Involvement	-	-	0.1	-	-	-	0.1
Marine Parks Management	0.5	0.5	0.5	-	-	-	0.5
Murujuga Joint Management	1.0	1.1	1.1	1.1	1.1	1.1	4.4
Murujuga National Park (Conzinc Bay)	0.1	3.7	-	4.9	-	-	4.9
Natural Resource Management Program	6.1	6.6	7.8	7.5	6.2	6.2	27.8
Ngari Capes Marine Park	1.1	1.2	1.2	1.2	1.2	1.2	4.6
Ningaloo Coastal Reserve	1.5	1.3	1.8	1.3	1.3	1.3	5.7
Northern Native Seed Initiative	0.1	2.4	2.5	0.9	0.6	0.4	4.3
Peel Harvey Estuary	0.1	0.1	0.1	0.1	0.1	-	0.4
Pilbara Hydrogen Hub	0.3	21.5	5.0	8.8	20.0	36.2	70.1
Plan for Our Parks - Indigenous Land Use Agreement	2.7	1.6	1.9	-	-	-	1.9
Renewable Hydrogen Strategy	1.7	3.0	3.0	-	-	-	3.0
Rural Water Planning	0.7	3.8	6.3	3.3	-	-	9.6
Torndirrup National Park, The Gap	0.1	2.9	1.4	1.8	-	-	3.2
Watering Western Australia	0.3	0.5	0.5	-	-	-	0.5
William Bay National Park Infrastructure Project	-(a)	-	0.5	-	-	-	0.5
Yawuru Conservation Park	0.3	2.7	1.1	1.7	1.3	-	4.0
Yawuru Joint Management	1.0	1.1	1.2	1.1	1.1	1.1	4.6
TOTAL – INVESTING IN OUR ENVIRONMENT	39.5	113.8	101.8	73.7	58.0	67.9	301.3

Table 1 (cont.)

INITIATIVE	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	Total Four Years
	Actual	Budget Estimate	Mid-Year Revision	Outyear	Outyear	Outyear	
	\$m	\$m	\$m	\$m	\$m	\$m	
ADMINISTRATION AND ADMINISTERED ITEMS							
Administration ^(c)	74.2	85.9	88.0	83.7	84.0	84.4	340.0
Administered Items ^(d)	-	43.5	12.3	17.4	23.6	10.0	63.3
TOTAL – ADMINISTRATION AND ADMINISTERED ITEMS	74.2	129.4	100.3	101.1	107.5	94.4	403.3
Underspend Provision	-	-186.9	-258.8	-188.1	-66.5	-57.7	-571.0
TOTAL – ROYALTIES FOR REGIONS FUND	1,037.8	1,280.7	1,273.6	1,023.7	853.1	893.0	4,043.3
Regional Reform Fund Special Purpose Account Transfer ^(e)	4.0	17.5	13.4	12.5	3.4	3.8	33.0

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

(b) Commercial-in-confidence.

(c) Funding for costs associated with the administration of the Royalties for Regions Fund.

(d) Funding mainly for initiatives where further planning is required to deliver the proposals.

(e) Total Royalties for Regions contributions are forecast to be \$150 million.

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

Source: Department of Primary Industries and Regional Development.

2023-24 Government Mid-year Financial Projections Statement

Detailed Financial Projections

This Appendix contains detailed financial projections for the various sectors of the total public sector defined by the Government Finance Statistics (GFS) framework. The tables in this section satisfy Uniform Presentation Framework (UPF) requirements applicable for all States, Territories and the Commonwealth, and are also consistent with Australian Accounting Standards, in particular, AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

2023–24 Government Mid-year Financial Projections Statement

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Table 1.1

GENERAL GOVERNMENT
Operating Statement

	Note	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
		Actual	Budget	Mid-year	Outyear	Outyear	Outyear
		\$m	Year	Revision	\$m	\$m	\$m
			\$m	\$m			
<i>Results from Transactions</i>							
REVENUE							
Taxation		12,427	11,915	12,922	13,032	13,426	13,927
Current grants and subsidies		12,817	13,389	12,749	14,323	13,718	15,305
Capital grants		2,081	3,353	3,670	2,324	1,424	690
Sales of goods and services		3,296	3,149	3,064	3,169	3,218	3,217
Interest income		333	265	348	303	304	346
Revenue from public corporations							
Dividends from other sector entities	4	145	1,423	205	1,579	1,671	1,757
Tax equivalent income	4	705	785	769	882	932	966
Royalty income		11,045	7,982	10,701	7,129	6,931	6,649
Other		752	957	1,050	770	647	625
Total	3	43,601	43,218	45,478	43,511	42,271	43,482
EXPENSES							
Salaries		15,727	15,671	15,931	16,520	17,204	17,890
Superannuation							
Concurrent costs		1,759	1,776	1,871	1,997	2,145	2,214
Superannuation interest cost		160	165	215	212	209	208
Other employee costs		387	372	472	507	505	512
Depreciation and amortisation		1,977	2,150	2,185	2,169	2,154	2,156
Services and contracts		3,080	3,754	4,367	3,539	3,492	3,459
Other gross operating expenses		6,620	6,350	6,421	6,136	6,198	6,252
Interest							
Interest on leases		146	133	135	132	126	123
Other interest		809	741	900	832	837	898
Current transfers	5	7,358	8,024	8,455	7,583	6,897	6,729
Capital transfers	5	458	788	808	426	143	137
Total	6	38,481	39,925	41,760	40,054	39,911	40,576
NET OPERATING BALANCE		5,120	3,293	3,719	3,457	2,360	2,906
<i>Other economic flows - included in the operating result</i>							
Net gains on assets/liabilities		-302	-194	-264	-103	-126	-53
Provision for doubtful debts		-41	-14	-14	-14	-15	-15
Changes in accounting policy/adjustment of prior periods		63	-	-	-	-	-
Total other economic flows		-280	-208	-279	-117	-140	-68
OPERATING RESULT		4,841	3,085	3,440	3,340	2,219	2,838
<i>All other movements in equity</i>							
<i>Items that will not be reclassified to operating result</i>							
Revaluations		9,712	2,379	2,161	977	1,482	1,694
Net actuarial gains/-loss - superannuation		100	-191	127	112	83	101
Gains recognised directly in equity		-	-44	-45	-46	-46	-47
Change in net worth of the public corporations sectors		5,340	840	2,047	351	-36	-144
All other		-	-	-	-	-	-
Total all other movements in equity		15,153	2,984	4,290	1,394	1,483	1,604
TOTAL CHANGE IN NET WORTH		19,993	6,068	7,730	4,734	3,702	4,442
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE		5,120	3,293	3,719	3,457	2,360	2,906
<i>Less Net acquisition of non-financial assets</i>							
Purchase of non-financial assets	6	3,870	3,189	3,497	3,572	4,309	4,371
Changes in inventories		-349	-113	-20	-	-	-
Other movement in non-financial assets		10	246	249	136	-	-
<i>Less:</i>							
Sales of non-financial assets		86	119	119	89	66	66
Depreciation		1,977	2,150	2,185	2,169	2,154	2,156
Total net acquisition of non-financial assets		1,468	1,052	1,422	1,449	2,089	2,149
NET LENDING/-BORROWING		3,652	2,241	2,297	2,007	271	757

Note: Columns may not add due to rounding.

2023-24 Government Mid-year Financial Projections Statement

Table 1.2

**GENERAL GOVERNMENT
Balance Sheet at 30 June**

	2023	2024	2024	2025	2026	2027
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
		\$m	\$m			
ASSETS						
<i>Financial assets</i>						
Cash and deposits	3,734	2,632	2,109	1,185	973	946
Advances paid	697	763	758	829	889	856
Investments, loans and placements	5,776	3,983	6,174	3,612	1,869	1,457
Receivables	5,080	4,064	4,353	4,180	4,097	3,992
Shares and other equity						
Investments in other public sector entities - equity method	54,693	52,206	56,740	57,091	57,055	56,911
Investments in other public sector entities - direct injections	15,482	20,939	20,478	25,066	26,874	28,035
Investments in other entities	49	39	49	49	49	49
Other financial assets	9	9	9	10	-	-
Total financial assets	85,520	84,635	90,670	92,023	91,807	92,246
<i>Non-financial assets</i>						
Land	43,904	42,938	45,976	46,994	47,906	48,961
Property, plant and equipment	60,872	57,130	62,980	64,713	67,679	70,861
Right-of-use assets	2,365	2,287	2,373	2,381	2,300	2,218
Service concession assets	1,006	849	985	957	939	922
Biological assets	9	14	9	9	9	9
Inventories						
Land inventories	-	-	-	-	-	-
Other inventories	251	261	231	231	231	231
Intangibles	646	612	682	669	635	573
Non-current assets held for sale	32	21	20	20	20	20
Investment property	-	-	-	-	-	-
Other	347	403	403	460	507	562
Total non-financial assets	109,431	104,515	113,660	116,435	120,227	124,358
TOTAL ASSETS	194,950	189,149	204,330	208,457	212,034	216,603
LIABILITIES						
Deposits held	1,538	2,667	3,294	2,793	2,824	3,256
Advances received	273	332	332	405	465	440
Borrowings						
Lease liabilities	2,734	2,681	2,758	2,785	2,729	2,671
Service concession liabilities	-	-	-	-	-	-
Other borrowings	23,883	23,757	23,768	23,760	23,755	23,743
Unfunded superannuation	4,408	4,863	4,255	4,105	4,005	3,867
Other employee benefits	4,354	4,229	4,442	4,528	4,630	4,729
Payables	2,677	2,814	2,757	2,680	2,585	2,484
Other liabilities	3,104	2,989	3,016	2,960	2,898	2,827
TOTAL LIABILITIES	42,973	44,333	44,623	44,016	43,890	44,018
NET ASSETS	151,977	144,817	159,707	164,442	168,144	172,585
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	25,498	28,049	30,232	33,639	35,896	38,788
Other reserves	126,479	116,768	129,476	130,802	132,248	133,797
NET WORTH	151,977	144,817	159,707	164,442	168,144	172,585
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>42,546</i>	<i>40,302</i>	<i>46,047</i>	<i>48,007</i>	<i>47,917</i>	<i>48,228</i>
<i>Net financial liabilities</i>	<i>27,628</i>	<i>32,842</i>	<i>31,170</i>	<i>34,150</i>	<i>36,012</i>	<i>36,718</i>
<i>Net debt</i>						
Gross debt liabilities	28,429	29,438	30,153	29,743	29,773	30,111
Less : liquid financial assets	10,207	7,377	9,041	5,627	3,731	3,258
Net debt	18,223	22,060	21,112	24,116	26,042	26,853

Note: Columns may not add due to rounding.

Table 1.3

GENERAL GOVERNMENT
Cash Flow Statement

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
		\$m	\$m			
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	12,622	11,931	12,938	13,049	13,443	13,943
Grants and subsidies received	17,235	19,127	18,841	19,154	17,658	18,566
Receipts from sales of goods and services	3,338	3,133	3,055	3,134	3,176	3,214
Interest receipts	287	265	348	303	304	347
Dividends and tax equivalents	1,023	2,203	957	2,436	2,666	2,761
Other receipts	13,797	11,186	13,494	9,235	8,870	8,569
Total cash received	48,303	47,846	49,634	47,310	46,117	47,400
<i>Cash Paid</i>						
Wages, salaries and supplements, and superannuation	-17,339	-17,732	-18,036	-18,723	-19,508	-20,285
Payments for goods and services	-10,066	-10,499	-11,207	-10,291	-10,362	-10,369
Interest paid	-885	-855	-989	-962	-949	-1,002
Grants and subsidies paid	-9,837	-10,815	-11,380	-10,101	-9,118	-9,065
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-2,350	-1,672	-1,709	-1,780	-1,751	-1,711
Total cash paid	-40,476	-41,574	-43,320	-41,857	-41,688	-42,434
NET CASH FLOWS FROM OPERATING ACTIVITIES	7,827	6,272	6,314	5,453	4,429	4,967
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-3,870	-3,189	-3,497	-3,572	-4,309	-4,371
Sales of non-financial assets	86	119	119	89	66	66
Total cash flows from investments in non-financial assets	-3,784	-3,070	-3,378	-3,483	-4,243	-4,304
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	114	10	10	10	10	10
For liquidity purposes	48	16	17	40	8	9
<i>Cash paid</i>						
For policy purposes	-2,738	-5,777	-5,420	-4,599	-1,830	-1,170
For liquidity purposes	-75	-	-5	-26	-1	-1
Total cash flows from investments in financial assets	-2,651	-5,751	-5,399	-4,575	-1,812	-1,152
NET CASH FLOWS FROM INVESTING ACTIVITIES	-6,435	-8,821	-8,776	-8,058	-6,055	-5,456
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	18	18	18	25	32	25
Borrowings	188	116	123	115	113	111
Deposits received	-	-	-	-	-	-
Other financing receipts	316	37	42	5	10	8
Total cash receipts from financing activities	522	172	183	145	155	144
<i>Cash paid</i>						
Advances paid	-18	-18	-18	-25	-32	-25
Borrowings repaid	-2,151	-112	-243	-113	-108	-109
Deposits paid	-	-	-	-	-	-
Other financing payments	-689	-458	-457	-387	-376	-392
Total payments for financing activities	-2,858	-588	-718	-525	-516	-527
NET CASH FLOWS FROM FINANCING ACTIVITIES	-2,336	-417	-535	-379	-361	-383
Net increase in cash and cash equivalents	-944	-2,966	-2,998	-2,984	-1,987	-872
Cash and cash equivalents at the beginning of the year	10,037	7,994	9,093	6,095	3,111	1,124
Cash and cash equivalents at the end of the year	9,093	5,028	6,095	3,111	1,124	252
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	7,827	6,272	6,314	5,453	4,429	4,967
Net cash flows from investing in non-financial assets	-3,784	-3,070	-3,378	-3,483	-4,243	-4,304
Cash surplus/-deficit	4,043	3,202	2,936	1,970	186	662

Note: Columns may not add due to rounding.

Table 1.4

PUBLIC NON-FINANCIAL CORPORATIONS
Operating Statement

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
		\$m	\$m			
<i>Results from Transactions</i>						
REVENUE						
Current grants and subsidies	3,436	3,654	3,848	3,195	2,999	2,984
Capital grants	209	374	350	257	10	-
Sales of goods and services	34,990	38,252	38,260	39,064	39,445	39,760
Interest income	255	219	256	233	228	245
Other	549	445	427	528	551	569
Total	39,438	42,944	43,141	43,276	43,233	43,559
EXPENSES						
Salaries	1,371	1,485	1,522	1,564	1,589	1,605
Superannuation						
Concurrent costs	153	168	179	189	198	199
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	62	34	35	36	36	37
Depreciation and amortisation	3,138	3,126	3,368	3,509	3,719	3,888
Services and contracts	1,059	881	1,018	947	885	863
Other gross operating expenses	31,071	33,303	33,293	33,633	33,527	33,763
Interest						
Interest on leases	74	74	73	71	65	55
Other interest	656	654	815	679	747	852
Tax equivalents	670	754	731	853	905	943
Current transfers	1,756	1,839	1,860	1,304	1,286	1,309
Capital transfers	24	18	23	11	17	7
Total	40,034	42,336	42,917	42,796	42,975	43,521
NET OPERATING BALANCE	-596	608	224	481	259	38
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	7	-240	-277	-159	-9	105
Provision for doubtful debts	-17	-42	-35	-42	-41	-42
Changes in accounting policy/adjustment of prior periods	75	-	-	-	-	-
Total other economic flows	65	-282	-311	-201	-51	64
OPERATING RESULT	-531	326	-87	280	208	101
<i>Other non-owner movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	5,404	1,695	2,097	1,483	1,234	1,317
Net actuarial gains/-loss - superannuation	-21	2	5	1	1	1
Gains recognised directly in equity	-30	-1	17	-1	-1	-1
All other	-	-	-	-	-	-
Total other non-owner movements in equity	5,353	1,696	2,118	1,483	1,235	1,318
<i>Movements in owner equity</i>						
Dividends	-81	-1,348	-	-1,499	-1,590	-1,674
Capital injections	2,549	5,733	5,047	4,590	1,809	1,161
Total movements in owner equity	2,468	4,385	5,047	3,091	219	-513
TOTAL CHANGE IN NET WORTH	7,290	6,407	7,078	4,854	1,661	906
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	-596	608	224	481	259	38
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	5,405	7,304	6,417	8,395	7,059	6,321
Changes in inventories	660	133	139	86	-8	7
Other movement in non-financial assets	187	124	121	133	132	136
<i>Less:</i>						
Sales of non-financial assets	447	437	426	493	636	679
Depreciation	3,138	3,126	3,368	3,509	3,719	3,888
Total net acquisition of non-financial assets	2,667	3,998	2,884	4,612	2,830	1,897
NET LENDING/-BORROWING	-3,263	-3,390	-2,660	-4,131	-2,571	-1,859

Note: Columns may not add due to rounding.

Table 1.5

PUBLIC NON-FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2023	2024	2024	2025	2026	2027
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
		\$m	\$m			
ASSETS						
<i>Financial assets</i>						
Cash and deposits	3,511	4,766	4,682	4,034	4,024	4,464
Advances paid	-	-	-	-	-	-
Investments, loans and placements	4,038	3,921	3,504	3,278	3,375	3,519
Receivables	1,931	1,375	1,469	1,457	1,458	1,478
<i>Shares and other equity</i>						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	26	33	26	20	21	18
Other financial assets	287	162	162	122	92	49
Total financial assets	9,793	10,257	9,843	8,911	8,969	9,527
<i>Non-financial assets</i>						
Land	8,975	9,901	9,606	9,973	10,071	10,268
Property, plant and equipment	70,645	70,655	74,734	80,253	84,205	87,463
Right-of-use assets	395	357	356	385	345	308
Service concession assets	2,393	2,195	2,374	2,355	2,336	2,317
Biological assets	221	209	225	237	248	260
<i>Inventories</i>						
Land inventories	1,471	1,795	1,513	1,536	1,785	1,762
Other inventories	7,466	6,510	7,605	7,691	7,684	7,691
Intangibles	370	454	415	475	469	483
Non-current assets held for sale	8	13	8	8	8	8
Investment property	16	14	16	16	16	16
Other	602	222	319	383	433	491
Total non-financial assets	92,561	92,325	97,171	103,312	107,601	111,067
TOTAL ASSETS	102,355	102,582	107,014	112,223	116,570	120,594
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	273	332	332	405	465	440
<i>Borrowings</i>						
Lease liabilities	786	685	704	705	641	557
Service concession liabilities	309	329	303	297	289	282
Other borrowings	20,636	20,209	18,448	18,584	21,385	24,612
Unfunded superannuation	74	97	85	100	117	129
Other employee benefits	501	434	481	486	487	489
Payables	9,271	7,773	9,231	9,394	9,343	9,359
Other liabilities	3,145	2,179	2,992	2,963	2,890	2,867
TOTAL LIABILITIES	34,996	32,038	32,577	32,933	35,618	38,736
NET ASSETS	67,359	70,544	74,437	79,291	80,952	81,858
<i>Of which:</i>						
Contributed equity	15,735	21,243	20,782	25,372	27,181	28,342
Accumulated surplus	16,627	17,851	17,032	15,823	14,452	12,880
Other reserves	34,997	31,450	36,623	38,095	39,319	40,635
NET WORTH	67,359	70,544	74,437	79,291	80,952	81,858
MEMORANDUM ITEMS						
<i>Net financial worth</i>	-25,203	-21,781	-22,734	-24,022	-26,649	-29,209
<i>Net debt</i>						
Gross debt liabilities	22,005	21,555	19,788	19,991	22,781	25,891
Less : liquid financial assets	7,549	8,687	8,186	7,312	7,398	7,982
Net debt	14,456	12,868	11,602	12,679	15,382	17,908

Note: Columns may not add due to rounding.

Table 1.6

PUBLIC NON-FINANCIAL CORPORATIONS
Cash Flow Statement

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
			\$m			
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Grants and subsidies received	3,645	4,013	4,281	3,453	3,021	2,989
Receipts from sales of goods and services	26,931	27,909	28,018	28,475	28,772	29,079
Interest receipts	232	218	255	233	228	246
Dividends and tax equivalents	142	56	81	21	13	11
Other receipts	1,715	1,578	1,614	1,576	1,644	1,707
Total cash received	32,664	33,774	34,249	33,758	33,677	34,033
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-1,506	-1,643	-1,708	-1,731	-1,764	-1,772
Payments for goods and services	-21,555	-21,816	-22,009	-22,169	-22,381	-22,359
Interest paid	-704	-682	-794	-698	-764	-890
Grants and subsidies paid	-853	-875	-888	-849	-826	-820
Tax equivalents	-741	-700	-707	-777	-914	-924
Other payments	-4,384	-4,444	-4,649	-3,649	-3,451	-3,575
Total cash paid	-29,742	-30,160	-30,756	-29,873	-30,101	-30,340
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,922	3,614	3,493	3,885	3,577	3,693
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-5,405	-7,304	-6,417	-8,395	-7,059	-6,321
Sales of non-financial assets	447	437	426	493	636	679
Total cash flows from investments in non-financial assets	-4,959	-6,867	-5,992	-7,902	-6,423	-5,641
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	11	63	100	52	21	35
<i>Cash paid</i>						
For policy purposes	-34	-29	-34	-	-6	-
For liquidity purposes	-218	-54	-10	-48	-22	-38
Total cash flows from investments in financial assets	-241	-20	56	4	-7	-2
NET CASH FLOWS FROM INVESTING ACTIVITIES	-5,200	-6,886	-5,935	-7,898	-6,430	-5,644
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	77	77	98	92	-
Borrowings	3,254	5,042	2,466	4,055	7,151	6,465
Deposits received	-	-	-	-	-	-
Other financing receipts	2,725	5,892	5,535	4,629	1,850	1,204
Total cash received	5,979	11,011	8,078	8,782	9,093	7,669
<i>Cash paid</i>						
Advances paid	-18	-18	-18	-25	-32	-25
Borrowings repaid	-3,262	-5,486	-4,282	-3,732	-4,449	-3,394
Deposits paid	-	-	-	-	-	-
Other financing payments	-265	-286	-235	-176	-181	-187
Dividends paid	-81	-1,348	-	-1,499	-1,590	-1,674
Total cash paid	-3,626	-7,138	-4,535	-5,432	-6,253	-5,281
NET CASH FLOWS FROM FINANCING ACTIVITIES	2,352	3,874	3,544	3,350	2,840	2,388
Net increase in cash and cash equivalents	75	601	1,102	-663	-13	437
Cash and cash equivalents at the beginning of the year	3,725	4,378	3,800	4,902	4,239	4,226
Cash and cash equivalents at the end of the year	3,800	4,980	4,902	4,239	4,226	4,663
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	2,922	3,614	3,493	3,885	3,577	3,693
Net cash flows from investing in non-financial assets	-4,959	-6,867	-5,992	-7,902	-6,423	-5,641
Dividends paid	-81	-1,348	-	-1,499	-1,590	-1,674
Cash surplus/-deficit	-2,118	-4,601	-2,498	-5,516	-4,436	-3,623

Note: Columns may not add due to rounding.

Table 1.7

TOTAL NON-FINANCIAL PUBLIC SECTOR
Operating Statement

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
		\$m	\$m			
<i>Results from Transactions</i>						
REVENUE						
Taxation	11,848	11,365	12,371	12,452	12,832	13,321
Current grants and subsidies	12,817	13,389	12,749	14,323	13,718	15,305
Capital grants	2,081	3,353	3,670	2,324	1,424	690
Sales of goods and services	37,434	40,672	40,647	41,593	41,984	42,300
Interest income	548	436	533	455	448	503
Royalty income	11,045	7,982	10,701	7,129	6,931	6,649
Dividend and tax equivalents	181	144	264	122	120	115
Other	1,158	1,321	1,400	1,241	1,149	1,147
<i>Total</i>	<i>77,112</i>	<i>78,663</i>	<i>82,335</i>	<i>79,639</i>	<i>78,605</i>	<i>80,031</i>
EXPENSES						
Salaries	17,098	17,156	17,454	18,084	18,793	19,494
Superannuation						
Concurrent costs	1,912	1,944	2,050	2,186	2,343	2,413
Superannuation interest cost	160	165	215	212	209	208
Other employee costs	363	315	416	450	449	455
Depreciation and amortisation	5,112	5,273	5,550	5,676	5,870	6,041
Services and contracts	4,133	4,645	5,394	4,494	4,385	4,331
Other gross operating expenses	36,632	38,763	38,876	38,968	38,884	39,171
Interest						
Interest on leases	217	203	205	199	188	175
Other interest	1,428	1,351	1,647	1,435	1,503	1,665
Current transfers	5,337	5,851	6,106	5,315	4,800	4,663
Capital transfers	273	442	477	180	150	144
<i>Total</i>	<i>72,666</i>	<i>76,108</i>	<i>78,390</i>	<i>77,198</i>	<i>77,574</i>	<i>78,760</i>
NET OPERATING BALANCE	4,446	2,555	3,945	2,441	1,031	1,272
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	-295	-434	-541	-261	-135	52
Provision for doubtful debts	-57	-57	-49	-56	-56	-57
Changes in accounting policy/adjustment of prior periods	140	-	-	-	-	-
<i>Total other economic flows</i>	<i>-211</i>	<i>-490</i>	<i>-590</i>	<i>-318</i>	<i>-191</i>	<i>-4</i>
OPERATING RESULT	4,234	2,065	3,355	2,123	840	1,267
<i>All other movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	15,116	4,076	4,359	2,463	2,718	3,013
Net actuarial gains/-loss - superannuation	79	-189	132	113	84	102
Gains recognised directly in equity	-32	-47	-30	-49	-50	-50
Change in net worth of the PFC sector	596	164	-86	85	109	109
All other	-	-	-	-	-	-
<i>Total all other movements in equity</i>	<i>15,759</i>	<i>4,004</i>	<i>4,375</i>	<i>2,611</i>	<i>2,862</i>	<i>3,174</i>
TOTAL CHANGE IN NET WORTH	19,993	6,068	7,730	4,734	3,702	4,442
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	4,446	2,555	3,945	2,441	1,031	1,272
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	9,225	10,398	9,818	11,953	11,369	10,691
Changes in inventories	311	19	119	86	-8	7
Other movement in non-financial assets	196	370	370	268	132	136
<i>Less:</i>						
Sales of non-financial assets	483	461	448	568	702	746
Depreciation	5,112	5,273	5,550	5,676	5,870	6,041
<i>Total net acquisition of non-financial assets</i>	<i>4,137</i>	<i>5,052</i>	<i>4,308</i>	<i>6,064</i>	<i>4,921</i>	<i>4,048</i>
NET LENDING/-BORROWING	308	-2,497	-362	-3,623	-3,890	-2,776

Note: Columns may not add due to rounding.

2023-24 Government Mid-year Financial Projections Statement

Table 1.8

TOTAL NON-FINANCIAL PUBLIC SECTOR
Balance Sheet at 30 June

	2023	2024	2024	2025	2026	2027
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
		\$m	\$m			
ASSETS						
<i>Financial assets</i>						
Cash and deposits	5,740	4,755	3,530	2,462	2,210	2,192
Advances paid	423	430	426	424	424	416
Investments, loans and placements	9,700	7,814	9,563	6,775	5,128	4,859
Receivables	6,934	5,353	5,780	5,517	5,446	5,345
Shares and other equity						
Investments in other public sector entities - equity method	2,816	2,601	2,781	2,867	2,977	3,088
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	75	72	75	69	70	68
Other financial assets	9	9	9	10	-	-
Total financial assets	25,697	21,034	22,164	18,124	16,256	15,968
<i>Non-financial assets</i>						
Land	52,879	52,839	55,582	56,967	57,977	59,229
Property, plant and equipment	131,517	127,785	137,714	144,967	151,884	158,324
Right-of-use assets	2,760	2,638	2,730	2,768	2,642	2,533
Service concession assets	3,398	3,044	3,359	3,312	3,275	3,239
Biological assets	229	223	234	246	257	269
Inventories						
Land inventories	1,471	1,795	1,513	1,536	1,785	1,762
Other inventories	7,717	6,771	7,836	7,922	7,915	7,922
Intangibles	1,016	1,066	1,097	1,143	1,104	1,056
Non-current assets held for sale	40	33	29	29	29	29
Investment property	16	14	16	16	16	16
Other	947	625	721	842	939	1,052
Total non-financial assets	201,992	196,834	210,832	219,748	227,823	235,430
TOTAL ASSETS	227,689	217,868	232,996	237,871	244,079	251,398
LIABILITIES						
Deposits held	28	22	28	30	32	34
Advances received	273	332	332	405	465	440
Borrowings						
Lease liabilities	3,411	3,272	3,353	3,381	3,257	3,124
Service concession liabilities	309	329	303	297	289	282
Other borrowings	44,519	43,966	42,217	42,344	45,140	48,356
Unfunded superannuation	4,483	4,961	4,340	4,205	4,122	3,997
Other employee benefits	4,856	4,663	4,922	5,014	5,117	5,218
Payables	11,878	10,502	11,954	11,962	11,826	11,727
Other liabilities	5,953	5,004	5,838	5,792	5,687	5,636
TOTAL LIABILITIES	75,711	73,051	73,289	73,430	75,936	78,813
NET ASSETS	151,977	144,817	159,707	164,442	168,144	172,585
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	42,132	45,900	47,271	49,469	50,355	51,676
Other reserves	109,845	98,917	112,437	114,972	117,789	120,910
NET WORTH	151,977	144,817	159,707	164,442	168,144	172,585
MEMORANDUM ITEMS						
<i>Net financial worth</i>	<i>-50,014</i>	<i>-52,017</i>	<i>-51,124</i>	<i>-55,306</i>	<i>-59,680</i>	<i>-62,845</i>
<i>Net financial liabilities</i>	<i>52,830</i>	<i>54,617</i>	<i>53,905</i>	<i>58,173</i>	<i>62,657</i>	<i>65,933</i>
<i>Net debt</i>						
Gross debt liabilities	48,541	47,922	46,234	46,457	49,183	52,235
Less : liquid financial assets	15,863	13,000	13,519	9,661	7,762	7,467
Net debt	32,679	34,922	32,715	36,796	41,421	44,768

Note: Columns may not add due to rounding.

Table 1.9

TOTAL NON-FINANCIAL PUBLIC SECTOR
Cash Flow Statement

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	12,039	11,383	12,388	12,470	12,849	13,338
Grants and subsidies received	17,235	19,127	18,841	19,154	17,658	18,566
Receipts from sales of goods and services	29,366	30,231	30,314	30,886	31,184	31,527
Interest receipts	485	435	532	455	448	504
Dividends and tax equivalents	343	212	331	181	174	174
Other receipts	15,101	12,332	14,666	10,333	10,035	9,800
Total cash received	74,570	73,720	77,073	73,480	72,349	73,909
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-18,845	-19,376	-19,744	-20,454	-21,272	-22,057
Payments for goods and services	-30,429	-31,194	-32,147	-31,385	-31,624	-31,609
Interest paid	-1,555	-1,489	-1,711	-1,580	-1,628	-1,804
Grants and subsidies paid	-7,013	-7,648	-7,948	-7,462	-6,890	-6,863
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-6,146	-5,567	-5,807	-4,850	-4,609	-4,681
Total cash paid	-63,987	-65,273	-67,357	-65,731	-66,022	-67,014
NET CASH FLOWS FROM OPERATING ACTIVITIES	10,583	8,447	9,716	7,749	6,327	6,895
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-9,225	-10,398	-9,818	-11,953	-11,369	-10,691
Sales of non-financial assets	483	461	448	568	702	746
Total cash flows from investments in non-financial assets	-8,742	-9,937	-9,369	-11,385	-10,666	-9,945
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	114	10	10	10	10	10
For liquidity purposes	59	80	117	91	28	44
<i>Cash paid</i>						
For policy purposes	-110	-10	-10	-10	-10	-10
For liquidity purposes	-294	-54	-16	-73	-22	-38
Total cash flows from investments in financial assets	-231	26	102	18	7	6
NET CASH FLOWS FROM INVESTING ACTIVITIES	-8,973	-9,911	-9,268	-11,367	-10,659	-9,940
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	77	77	98	92	-
Borrowings	3,442	5,159	2,590	4,171	7,264	6,576
Deposits received	-	-	-	-	-	-
Other financing receipts	290	8	8	5	4	8
Total cash received	3,732	5,243	2,674	4,273	7,360	6,584
<i>Cash paid</i>						
Advances paid	-18	-18	-18	-25	-32	-25
Borrowings repaid	-5,413	-5,598	-4,525	-3,844	-4,558	-3,503
Deposits paid	-	-	-	-	-	-
Other financing payments	-780	-528	-475	-432	-438	-446
Total cash paid	-6,211	-6,144	-5,018	-4,302	-5,027	-3,975
NET CASH FLOWS FROM FINANCING ACTIVITIES	-2,479	-901	-2,344	-29	2,333	2,609
Net increase in cash and cash equivalents	-870	-2,364	-1,896	-3,647	-2,000	-435
Cash and cash equivalents at the beginning of the year	13,762	12,371	12,892	10,996	7,349	5,349
Cash and cash equivalents at the end of the year	12,892	10,007	10,996	7,349	5,349	4,914
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	10,583	8,447	9,716	7,749	6,327	6,895
Net cash flows from investing in non-financial assets	-8,742	-9,937	-9,369	-11,385	-10,666	-9,945
Cash surplus/-deficit	1,840	-1,490	347	-3,636	-4,340	-3,050

Note: Columns may not add due to rounding.

PUBLIC FINANCIAL CORPORATIONS
Operating Statement

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
<i>Results from Transactions</i>						
REVENUE						
Current grants and subsidies	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Sales of goods and services	1,445	1,495	1,522	1,585	1,655	1,726
Interest income	1,772	2,064	2,165	2,034	2,049	2,092
Other	132	161	161	173	183	195
Total	3,349	3,720	3,848	3,792	3,887	4,014
EXPENSES						
Salaries	71	78	78	80	82	85
Superannuation						
Concurrent costs	8	9	9	10	10	11
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	274	285	285	300	309	320
Depreciation and amortisation	8	9	9	10	9	8
Services and contracts	11	13	13	14	14	14
Other gross operating expenses	984	1,336	1,337	1,449	1,531	1,624
Interest						
Interest on leases	-	-	-	-	-	-
Other interest	1,515	1,870	1,988	1,879	1,889	1,930
Tax equivalents	36	30	38	29	27	24
Current transfers	5	5	5	5	6	6
Capital transfers	1	1	1	1	1	1
Total	2,912	3,638	3,765	3,777	3,879	4,023
NET OPERATING BALANCE	437	82	82	15	8	-9
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	307	240	240	216	234	252
Provision for doubtful debts	-	-	-	-	-	-
Changes in accounting policy/adjustment of prior periods	-	-	-	-	-	-
Total other economic flows	306	240	240	216	234	252
OPERATING RESULT	743	322	323	231	242	243
<i>Other non-owner movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	2	-42	-81	-51	-38	-40
Net actuarial gains/-loss - superannuation	1	-	-	-	-	-
Gains recognised directly in equity	-2	-	-	-	-	-
All other	-	-	-	-	-	-
Total other non-owner movements in equity	1	-42	-81	-51	-38	-40
<i>Movements in owner equity</i>						
Dividends	-145	-114	-226	-93	-93	-91
Capital injections	-2	-1	-51	-1	-1	-1
Total movements in owner equity	-146	-115	-277	-94	-94	-92
TOTAL CHANGE IN NET WORTH	598	165	-35	86	110	110
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	437	82	82	15	8	-9
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	9	7	7	7	7	7
Changes in inventories	-	-	-	-	-	-
Other movement in non-financial assets	-	-	-	-	-	-
<i>Less:</i>						
Sales of non-financial assets	-	-	-	-	-	-
Depreciation	8	9	9	10	9	8
Total net acquisition of non-financial assets	1	-3	-2	-4	-3	-2
NET LENDING/-BORROWING	435	85	85	19	11	-7

Note: Columns may not add due to rounding.

Table 1.11

PUBLIC FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2023	2024	2024	2025	2026	2027
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
		\$m	\$m			
ASSETS						
<i>Financial assets</i>						
Cash and deposits	671	444	603	610	618	624
Advances paid	2,735	3,072	2,338	2,149	2,254	2,414
Investments, loans and placements	53,889	53,933	53,069	54,585	57,775	61,394
Receivables	969	912	981	994	1,007	1,021
<i>Shares and other equity</i>						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	2,478	2,550	2,701	2,895	3,093	3,295
Other financial assets	8	7	8	8	8	8
Total financial assets	60,749	60,918	59,700	61,241	64,753	68,756
<i>Non-financial assets</i>						
Land	-	-	-	-	-	-
Property, plant and equipment	4	5	5	5	6	6
Right-of-use assets	13	9	9	5	2	1
Service concession assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
<i>Inventories</i>						
Land inventories	-	-	-	-	-	-
Other inventories	-	-	-	-	-	-
Intangibles	16	14	17	17	17	17
Non-current assets held for sale	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
Other	5	3	5	5	5	5
Total non-financial assets	38	32	35	32	29	29
TOTAL ASSETS	60,787	60,950	59,735	61,273	64,782	68,785
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	3	3	3	3	2	2
<i>Borrowings</i>						
Lease liabilities	16	12	12	7	4	4
Service concession liabilities	-	-	-	-	-	-
Other borrowings	51,956	51,902	50,448	51,425	54,358	57,769
Unfunded superannuation	4	5	4	5	6	6
Other employee benefits	17	17	18	18	19	19
Payables	111	109	218	221	208	196
Other liabilities	5,864	6,302	6,253	6,728	7,208	7,700
TOTAL LIABILITIES	57,971	58,349	56,954	58,406	61,805	65,697
NET ASSETS	2,816	2,601	2,781	2,867	2,977	3,088
<i>Of which:</i>						
Contributed equity	-254	-304	-304	-306	-307	-308
Accumulated surplus	3,045	2,815	3,140	3,240	3,349	3,457
Other reserves	25	90	-55	-68	-65	-62
NET WORTH	2,816	2,601	2,781	2,867	2,977	3,088
MEMORANDUM ITEMS						
<i>Net financial worth</i>	2,778	2,569	2,745	2,835	2,948	3,059
<i>Net debt</i>						
Gross debt liabilities	51,975	51,916	50,462	51,434	54,364	57,775
Less: liquid financial assets	57,295	57,449	56,010	57,344	60,646	64,433
Net debt	-5,320	-5,533	-5,548	-5,910	-6,282	-6,658

Note: Columns may not add due to rounding.

Table 1.12

PUBLIC FINANCIAL CORPORATIONS
Cash Flow Statement

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
			\$m			
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Grants and subsidies received	-	5	5	5	5	5
Receipts from sales of goods and services	1,533	1,663	1,689	1,800	1,886	1,973
Interest receipts	1,710	2,064	2,165	2,034	2,049	2,092
Dividends and tax equivalents	-	-	-	-	-	-
Other receipts	191	203	206	216	228	239
Total cash received	3,433	3,935	4,065	4,056	4,167	4,310
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-78	-86	-86	-89	-91	-94
Payments for goods and services	-1,015	-1,214	-1,215	-1,296	-1,390	-1,483
Interest paid	-1,511	-1,871	-1,989	-1,879	-1,889	-1,930
Grants and subsidies paid	-	-	-	-	-	-
Tax equivalents	-138	-80	-58	-80	-80	-80
Other payments	-196	-212	-214	-225	-236	-248
Total cash paid	-2,939	-3,462	-3,562	-3,569	-3,688	-3,836
NET CASH FLOWS FROM OPERATING ACTIVITIES	494	473	503	487	480	474
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-9	-7	-7	-7	-7	-7
Sales of non-financial assets	-	-	-	-	-	-
Total cash flows from investments in non-financial assets	-9	-7	-7	-7	-6	-6
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	9,098	8,636	8,902	8,828	8,872	9,026
<i>Cash paid</i>						
For policy purposes	-	-1	-1	-1	-1	-1
For liquidity purposes	-8,558	-8,951	-8,851	-8,960	-9,292	-9,500
Total cash flows from investments in financial assets	541	-317	50	-134	-422	-476
NET CASH FLOWS FROM INVESTING ACTIVITIES	531	-323	43	-140	-428	-482
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	27,462	26,638	24,075	26,724	28,890	28,708
Deposits received	-	-	-	-	-	-
Other financing receipts	-	-	-	-	-	-
Total cash received	27,462	26,638	24,075	26,724	28,890	28,708
<i>Cash paid</i>						
Advances paid	-	-	-	-	-	-
Borrowings repaid	-27,752	-26,620	-24,446	-26,910	-28,789	-28,550
Deposits paid	-	-	-	-	-	-
Other financing payments	-4	-5	-5	-5	-4	-1
Dividends paid	-205	-131	-274	-101	-94	-94
Total cash paid	-27,962	-26,756	-24,724	-27,016	-28,886	-28,645
NET CASH FLOWS FROM FINANCING ACTIVITIES	-500	-118	-650	-293	4	63
Net increase in cash and cash equivalents	526	32	-103	54	55	55
Cash and cash equivalents at the beginning of the year	1,591	1,569	2,116	2,013	2,067	2,122
Cash and cash equivalents at the end of the year	2,116	1,601	2,013	2,067	2,122	2,177
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	494	473	503	487	480	474
Net cash flows from investing in non-financial assets	-9	-7	-7	-7	-6	-6
Dividends paid	-205	-131	-274	-101	-94	-94
Cash surplus/-deficit	280	335	223	379	379	373

Note: Columns may not add due to rounding.

Table 1.13

TOTAL PUBLIC SECTOR
Operating Statement

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
		\$m	\$m			
<i>Results from Transactions</i>						
REVENUE						
Taxation	11,843	11,360	12,365	12,447	12,826	13,316
Current grants and subsidies	12,817	13,389	12,749	14,323	13,718	15,305
Capital grants	2,081	3,353	3,670	2,324	1,424	690
Sales of goods and services	38,400	41,622	41,623	42,606	43,037	43,394
Interest income	868	917	983	861	869	907
Royalty income	11,045	7,982	10,701	7,129	6,931	6,649
Other	1,288	1,485	1,563	1,415	1,334	1,344
<i>Total</i>	<i>78,341</i>	<i>80,108</i>	<i>83,654</i>	<i>81,105</i>	<i>80,138</i>	<i>81,605</i>
EXPENSES						
Salaries	17,169	17,234	17,532	18,164	18,875	19,579
Superannuation						
Concurrent costs	1,920	1,953	2,059	2,196	2,353	2,424
Superannuation interest cost	160	165	215	212	209	208
Other employee costs	637	600	701	750	758	776
Depreciation and amortisation	5,120	5,283	5,559	5,686	5,880	6,049
Services and contracts	4,144	4,645	5,394	4,494	4,385	4,331
Other gross operating expenses	37,135	39,569	39,683	39,860	39,828	40,179
Interest						
Interest on leases	217	203	206	199	188	175
Other interest	1,490	1,638	1,921	1,685	1,765	1,906
Current transfers	5,337	5,851	6,106	5,315	4,800	4,663
Capital transfers	274	443	478	181	151	145
<i>Total</i>	<i>73,604</i>	<i>77,585</i>	<i>79,853</i>	<i>78,742</i>	<i>79,192</i>	<i>80,434</i>
NET OPERATING BALANCE	4,738	2,523	3,801	2,363	946	1,171
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities	12	-193	-301	-45	99	305
Provision for doubtful debts	-57	-57	-49	-56	-56	-57
Changes in accounting policy/adjustment of prior periods	137	-	-	-	-	-
<i>Total other economic flows</i>	<i>92</i>	<i>-250</i>	<i>-349</i>	<i>-102</i>	<i>43</i>	<i>248</i>
OPERATING RESULT	4,830	2,273	3,452	2,261	989	1,419
<i>All other movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations	15,118	4,032	4,177	2,409	2,678	2,970
Net actuarial gains/-loss - superannuation	80	-189	132	113	84	102
Gains recognised directly in equity	-35	-47	-30	-49	-50	-50
All other	-	-	-	-	-	-
<i>Total all other movements in equity</i>	<i>15,164</i>	<i>3,795</i>	<i>4,278</i>	<i>2,473</i>	<i>2,713</i>	<i>3,023</i>
TOTAL CHANGE IN NET WORTH	19,993	6,068	7,730	4,734	3,702	4,442
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	4,738	2,523	3,801	2,363	946	1,171
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets	9,235	10,405	9,825	11,960	11,375	10,698
Changes in inventories	311	19	119	86	-8	7
Other movement in non-financial assets	196	370	370	268	132	136
<i>Less:</i>						
Sales of non-financial assets	483	462	449	569	703	746
Depreciation	5,120	5,283	5,559	5,686	5,880	6,049
<i>Total net acquisition of non-financial assets</i>	<i>4,139</i>	<i>5,049</i>	<i>4,305</i>	<i>6,060</i>	<i>4,918</i>	<i>4,046</i>
NET LENDING/-BORROWING	599	-2,526	-504	-3,697	-3,972	-2,875

Note: Columns may not add due to rounding.

2023-24 Government Mid-year Financial Projections Statement

Table 1.14

**TOTAL PUBLIC SECTOR
Balance Sheet at 30 June**

	2023	2024	2024	2025	2026	2027
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
		\$m	\$m			
ASSETS						
<i>Financial assets</i>						
Cash and deposits	6,404	5,196	4,126	3,063	2,817	2,804
Advances paid	3,156	3,500	2,761	2,571	2,675	2,828
Investments, loans and placements	16,498	15,078	18,219	16,995	15,629	15,594
Receivables	7,151	5,671	5,973	5,751	5,715	5,647
Equity - Investments in other entities	2,553	2,621	2,776	2,965	3,162	3,362
Other financial assets	17	16	17	17	8	8
Total financial assets	35,779	32,083	33,872	31,361	30,007	30,243
<i>Non-financial assets</i>						
Land	52,879	52,839	55,582	56,967	57,977	59,229
Property, plant and equipment	131,521	127,791	137,719	144,972	151,889	158,330
Right-of-use assets	2,773	2,647	2,739	2,772	2,644	2,534
Service concession assets	3,398	3,044	3,359	3,312	3,275	3,239
Biological assets	229	223	234	246	257	269
Inventories						
Land inventories	1,471	1,795	1,513	1,536	1,785	1,762
Other inventories	7,717	6,771	7,836	7,922	7,915	7,922
Intangibles	1,032	1,080	1,115	1,160	1,121	1,073
Non-current assets held for sale	40	33	29	29	29	29
Investment property	16	14	16	16	16	16
Other	952	598	726	847	943	1,056
Total non-financial assets	202,029	196,835	210,867	219,779	227,853	235,459
TOTAL ASSETS	237,808	228,918	244,739	251,141	257,860	265,702
LIABILITIES						
Deposits held	23	19	22	22	22	22
Advances received	273	332	332	405	465	440
Borrowings						
Lease liabilities	3,427	3,284	3,365	3,387	3,261	3,128
Service concession liabilities	309	329	303	297	289	282
Other borrowings	49,384	49,200	48,252	49,404	52,224	55,465
Unfunded superannuation	4,486	4,965	4,344	4,210	4,127	4,003
Other employee benefits	4,873	4,680	4,940	5,032	5,136	5,238
Payables	11,810	10,453	11,916	11,928	11,795	11,700
Other liabilities	11,245	10,839	11,558	12,014	12,397	12,841
TOTAL LIABILITIES	85,831	84,102	85,032	86,699	89,716	93,117
NET ASSETS	151,977	144,817	159,707	164,442	168,144	172,585
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	45,177	48,715	50,411	52,710	53,704	55,133
Other reserves	106,801	96,102	109,297	111,732	114,439	117,452
NET WORTH	151,977	144,817	159,707	164,442	168,144	172,585
MEMORANDUM ITEMS						
<i>Net financial worth</i>	-50,052	-52,018	-51,160	-55,338	-59,709	-62,874
<i>Net financial liabilities</i>	50,052	52,018	51,160	55,338	59,709	62,874
<i>Net debt</i>						
Gross debt liabilities	53,417	53,164	52,273	53,515	56,261	59,335
Less : liquid financial assets	26,058	23,774	25,107	22,629	21,122	21,226
Net debt	27,358	29,389	27,167	30,886	35,139	38,109

Note: Columns may not add due to rounding.

Table 1.15

TOTAL PUBLIC SECTOR
Cash Flow Statement

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
		\$m	\$m			
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Taxes received	12,035	11,373	12,378	12,459	12,839	13,328
Grants and subsidies received	17,235	19,127	18,841	19,154	17,658	18,566
Receipts from sales of goods and services	30,454	31,348	31,457	32,113	32,467	32,868
Interest receipts	786	919	1,012	852	870	913
Dividends and tax equivalents	-	-	-	-	-	-
Other	15,288	12,533	14,870	10,547	10,260	10,037
Total cash received	75,798	75,299	78,558	75,126	74,094	75,711
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-18,922	-19,462	-19,830	-20,543	-21,363	-22,152
Payments for goods and services	-30,998	-31,859	-32,813	-32,107	-32,410	-32,459
Interest paid	-1,658	-1,779	-2,016	-1,821	-1,890	-2,051
Grants and subsidies paid	-7,013	-7,643	-7,943	-7,457	-6,885	-6,858
Dividends and tax equivalents	-	-	-	-	-	-
Other payments	-6,336	-5,768	-6,010	-5,064	-4,834	-4,917
Total cash paid	-64,926	-66,510	-68,612	-66,992	-67,382	-68,437
NET CASH FLOWS FROM OPERATING ACTIVITIES	10,872	8,789	9,946	8,134	6,712	7,275
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-9,235	-10,405	-9,825	-11,960	-11,375	-10,698
Sales of non-financial assets	483	462	449	569	703	746
Total cash flows from investments in non-financial assets	-8,752	-9,943	-9,376	-11,391	-10,673	-9,952
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	114	10	10	10	10	10
For liquidity purposes	9,157	8,716	9,019	8,918	8,900	9,069
<i>Cash paid</i>						
For policy purposes	-110	-10	-10	-10	-10	-10
For liquidity purposes	-8,851	-9,005	-8,867	-9,033	-9,314	-9,538
Total cash flows from investments in financial assets	310	-289	153	-115	-414	-469
NET CASH FLOWS FROM INVESTING ACTIVITIES	-8,442	-10,233	-9,223	-11,506	-11,087	-10,420
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	77	77	98	92	-
Borrowings	22,051	21,042	19,552	22,881	24,334	25,206
Deposits received	-	-	-	-	-	-
Other financing receipts	290	7	7	3	3	7
Total cash received	22,341	21,126	19,636	22,983	24,429	25,213
<i>Cash paid</i>						
Advances paid	-18	-18	-18	-25	-32	-25
Borrowings repaid	-24,313	-21,464	-21,859	-22,741	-21,526	-21,976
Deposits paid	-	-	-	-	-	-
Other financing payments	-785	-532	-480	-437	-441	-447
Total cash paid	-25,115	-22,014	-22,357	-23,204	-21,999	-22,448
NET CASH FLOWS FROM FINANCING ACTIVITIES	-2,774	-888	-2,721	-221	2,430	2,766
Net increase in cash and cash equivalents	-344	-2,332	-1,999	-3,594	-1,945	-380
Cash and cash equivalents at the beginning of the year	15,351	13,939	15,007	13,008	9,414	7,469
Cash and cash equivalents at the end of the year	15,007	11,606	13,008	9,414	7,469	7,089
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	10,872	8,789	9,946	8,134	6,712	7,275
Net cash flows from investing in non-financial assets	-8,752	-9,943	-9,376	-11,391	-10,673	-9,952
Cash surplus/-deficit	2,120	-1,155	570	-3,257	-3,960	-2,677

Note: Columns may not add due to rounding.

NOTE 1: STATEMENT OF COMPLIANCE

The public sector financial statements projections presented in this Appendix have been prepared in accordance with Australian Accounting Standards and the Australian Bureau of Statistics' *Government Finance Statistics Concepts, Sources and Methods 2015*.

The presentation in this Appendix is consistent with AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements constitute general purpose financial reports for the total public sector (also known as the whole of government), general government sector, and each of the subsidiary public corporations sectors. The financial projections of the consolidated general government (centrally funded agencies such as the Department of Education and WA Health) and the public non-financial corporations (such as water and electricity utilities, and the ports) are also presented as the total non-financial public sector.

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

(a) The reporting entity

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

The following table provides detail of current and capital transfer expenses of the general government sector, in line with UPF disclosure requirements.

(b) Basis of preparation

These financial projections do not include all the notes of the type normally included in an annual financial report. The accounting policies adopted in this publication are consistent with those outlined in the *2022-23 Annual Report on State Finances (ARSF)*, which are described in detail in Note 3: *Summary of Significant Accounting Policies* in Appendix 1 of the 2022-23 ARSF.

The projections are presented in Australian dollars and all amounts are rounded to the nearest million dollars (\$m).

(c) Unaudited data

These financial projections are not audited.

NOTE 3: GENERAL GOVERNMENT OPERATING REVENUE

A detailed dissection of general government revenue is included at Appendix 2: *General Government Operating Revenue*.

NOTE 4: GENERAL GOVERNMENT REVENUE FROM PUBLIC CORPORATIONS

The following table provides detail of general government revenue from public corporations (dividend and income tax equivalent income) in line with UPF disclosure requirements.

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
		\$m	\$m			
<i>Dividends</i>						
From public non-financial corporations	81	1,348	-	1,499	1,590	1,674
From public financial corporations	64	75	205	80	81	83
<i>Total dividends</i>	145	1,423	205	1,579	1,671	1,757
<i>Tax equivalent income</i>						
From public non-financial corporations	670	754	731	853	905	943
From public financial corporations	36	30	38	29	27	24
<i>Total tax equivalent income</i>	705	785	769	882	932	966
Total revenue from public corporations	850	2,208	974	2,461	2,603	2,723

Note: Columns may not add due to rounding.

NOTE 5: GENERAL GOVERNMENT TRANSFER EXPENSES

Transfer expenses are defined as the provision of something of value for no specific return or consideration and include transactions such as grants, subsidies, donations, and transfers of assets free of charge.

The following table provides detail of current and capital transfer expenses of the general government sector, in line with UPF disclosure requirements.

TRANSFER EXPENSES ^(a)

General Government

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT TRANSFERS						
Local government	383	467	532	495	393	356
Private and not-for-profit sector	2,308	2,490	2,625	2,413	1,978	1,828
Other sectors of government	4,667	5,067	5,298	4,675	4,527	4,545
<i>Total Current Transfers</i>	<i>7,358</i>	<i>8,024</i>	<i>8,455</i>	<i>7,583</i>	<i>6,897</i>	<i>6,729</i>
CAPITAL TRANSFERS						
Local government	99	174	185	34	33	30
Private and not-for-profit sector	151	250	273	135	100	106
Other sectors of government	209	364	350	257	10	-
<i>Total Capital Transfers</i>	<i>458</i>	<i>788</i>	<i>808</i>	<i>426</i>	<i>143</i>	<i>137</i>

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

Note: Columns may not add due to rounding.

NOTE 6: CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT

The following allocation of general government expenses and purchases of non-financial assets is consistent with the Classification of the Functions of Government (COFOG) which forms part of the GFS framework.

CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT (a) General Government

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
			\$m			
<i>Expenses</i>						
General public services	1,464	1,843	2,103	1,777	1,749	1,803
Public order and safety	4,494	4,432	4,655	4,645	4,555	4,607
Economic affairs	2,617	2,769	3,100	2,083	1,777	1,607
Environmental protection	501	622	620	603	558	559
Housing and community amenities	1,547	1,728	1,733	1,854	1,618	1,547
Health	12,519	12,154	12,521	12,199	12,523	12,970
Recreation, culture and religion	1,089	1,234	1,311	1,040	990	986
Education	7,682	7,913	7,998	8,226	8,388	8,520
Social protection	3,309	3,365	3,528	3,489	3,547	3,611
Transport	3,258	3,741	4,027	3,487	3,214	3,198
Provisions not allocated ^(b)	-	125	164	650	990	1,169
Total General Government Expenses	38,481	39,925	41,760	40,054	39,911	40,576
<i>Purchases of new non-financial assets</i>						
General public services	110	190	201	118	103	102
Public order and safety	196	346	274	297	168	105
Economic affairs	24	143	94	91	213	134
Environmental protection	90	140	138	138	89	52
Housing and community amenities	98	126	153	67	110	108
Health	465	801	659	576	476	756
Recreation, culture and religion	136	170	163	250	279	103
Education	620	742	715	633	353	215
Social protection	5	6	24	7	3	3
Transport	2,125	2,435	3,032	2,114	1,469	1,041
Provisions not allocated ^(b)	-	-1,910	-1,956	-719	1,047	1,750
Total Purchases of Non-financial Assets	3,870	3,189	3,497	3,572	4,309	4,371

(a) Data in this table are for consolidated general government aggregates and exclude internal transactions within the sector. The information in this table classifies spending by general government agencies by function as defined in the GFS framework.

(b) Provisions not allocated by COFOG.

Note: Columns may not add due to rounding.

2023-24 Government Mid-year Financial Projections Statement

APPENDIX 2

General Government Operating Revenue

This Appendix contains general government revenue estimates prepared on an accrual basis consistent with Australian Accounting Standards and Government Finance Statistics frameworks.

Table 2.1

OPERATING REVENUE
General Government

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	\$m	Revision	\$m	\$m	\$m
			\$m			
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	5,017	4,981	5,474	5,832	6,095	6,400
Property taxes						
<i>Land tax</i>	784	842	835	842	851	866
Transfer duty	2,113	1,847	2,166	2,025	2,109	2,146
Foreign Buyers Surcharge	29	23	30	32	35	36
Landholder duty	317	118	161	118	118	118
<i>Total duty on transfers</i>	2,459	1,989	2,357	2,175	2,263	2,301
Other stamp duties	- ^(a)	- ^(a)	- ^(a)	- ^(a)	- ^(a)	- ^(a)
Metropolitan Region Improvement Tax	89	97	95	95	96	97
Perth Parking Levy	53	60	60	63	65	67
Emergency Services Levy	399	398	398	433	451	488
Loan Guarantee Fees	128	136	134	140	143	145
Building and Construction Industry Training Fund Levy	70	50	50	52	54	56
<i>Total other property taxes</i>	739	741	737	783	809	852
Taxes on provision of goods and services						
Lotteries Commission	221	187	186	194	199	202
Video lottery terminals	- ^(a)	- ^(a)	- ^(a)	- ^(a)	- ^(a)	- ^(a)
Casino tax	56	54	54	54	54	54
Betting tax	128	116	118	108	110	112
<i>Total taxes on gambling</i>	405	356	358	357	364	369
Insurance duty	945	994	979	1,008	1,037	1,066
Other	21	20	20	22	23	23
<i>Total taxes on insurance</i>	967	1,015	1,000	1,030	1,059	1,089
<i>On-demand Transport Levy</i>	- ^(a)	-	-	-	-	-
Taxes on use of goods and performance of activities						
Vehicle licence duty	671	575	737	538	448	461
Permits - oversize vehicles and loads	11	8	8	8	8	8
Motor vehicle registrations	1,205	1,263	1,263	1,319	1,377	1,438
Other vehicle taxes	37	33	36	34	35	36
<i>Total motor vehicle taxes</i>	1,924	1,879	2,043	1,898	1,867	1,942
<i>Mining Rehabilitation Levy</i>	41	35	41	39	39	39
<i>Landfill Levy</i>	91	78	78	77	80	69
Total Taxation	12,427	11,915	12,922	13,032	13,426	13,927

Note: Columns may not add due to rounding.

Table 2.1 (cont.)

OPERATING REVENUE
General Government

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
		\$m	\$m			
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST grants	6,306	6,484	6,535	7,289	7,727	9,269
North West Shelf grants	1,366	635	669	538	404	297
Commonwealth compensation for changed crude oil excise arrangements	116	25	27	22	16	12
National Agreements						
Skills and Workforce Development	177	179	89	-	-	-
Skills	-	-	115	236	241	245
Housing and Homelessness	186	178	189	185	189	193
Mental Health and Suicide Prevention	-	3	3	3	3	-
Schools Reform - Quality Schools	1,120	1,217	1,217	1,275	1,334	1,383
Health Reform	2,754	2,984	2,984	3,159	3,333	3,518
National Partnerships/Other Grants						
Health	325	128	221	122	110	111
Transport	127	223	246	276	168	136
Disability Services	3	1,008	-	1,008	1	-
Other	337	326	454	211	191	143
Total Current Grants and Subsidies	12,817	13,389	12,749	14,323	13,718	15,305
CAPITAL GRANTS						
National Partnerships/Other Grants						
Transport	1,701	3,268	3,452	2,040	1,032	371
Other	380	85	218	283	392	319
Total Capital Grants	2,081	3,353	3,670	2,324	1,424	690

Note: Columns may not add due to rounding.

Table 2.1 (cont.)

OPERATING REVENUE
General Government

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
		\$m	\$m			
SALES OF GOODS AND SERVICES						
WA Health	783	827	838	867	884	884
Department of Transport	292	290	294	303	303	309
Department of Education	203	218	224	226	232	237
State Training Providers/TAFE Colleges	105	88	88	93	102	103
Department of Training and Workforce Development	21	25	23	32	38	39
Western Australian Land Information Authority	97	80	81	84	100	84
Department of Biodiversity, Conservation and Attractions	138	127	133	134	135	135
Department of Justice	153	161	161	174	177	177
Department of Energy, Mines, Industry Regulation and Safety	192	167	160	164	174	178
All Other	1,310	1,167	1,062	1,093	1,075	1,071
Total Sale of Goods and Services	3,296	3,149	3,064	3,169	3,218	3,217
INTEREST INCOME	333	265	348	303	304	346
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	145	1,423	205	1,579	1,671	1,757
Tax Equivalent Regime	705	785	769	882	932	966
Total Revenue from Public Corporations	850	2,208	974	2,461	2,603	2,723
ROYALTY INCOME						
Iron Ore	9,079	5,972	8,971	5,426	5,225	5,074
Other	1,966	2,010	1,730	1,703	1,706	1,574
Total Royalty Income	11,045	7,982	10,701	7,129	6,931	6,649
OTHER						
Lease rentals	158	154	170	154	154	154
Fines	248	218	229	231	231	229
Revenue not else here counted	346	585	651	384	262	241
Total Other	752	957	1,050	770	647	625
TOTAL REVENUE	43,601	43,218	45,478	43,511	42,271	43,482

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

Note: Columns may not add due to rounding.

Major Spending Changes

Changes to general government expenses and total public sector asset investment spending detailed in this Appendix include:

- all material decisions made between the 11 April 2023 cut-off date for the 2023-24 Budget and the 27 November 2023 cut-off date for this Mid-year Review; and
- parameter changes of a material nature affecting agency spending over the forward estimates period. These include the impact of issues such as variations in Commonwealth-funded programs, and higher cost and demand for government services.

Changes relating purely to timing, which are broadly net debt neutral across the forward estimates period, and changes to depreciation expense, are not included in this Appendix. Material timing changes are discussed in Chapter 1.

GOVERNMENT ADMINISTRATION

Table 3.1

MAJOR SPENDING CHANGES

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
PREMIER AND CABINET				
Expenses				
– Western Australian Stolen Wages Class Action	15.4	165.0	-	-
– Griffin Coal – Financial Support	50.5	-	-	-
– Telethon Donation	6.0	-	-	-
– Digital Capability Fund – Administration	-	-	0.8	0.8
– Western Australian Hub in Canberra	0.4	0.2	0.2	0.3
– Early Childhood Education and Care	0.9	-	-	-
– Malarngowem Native Title Compensation Claim ^(a)	-	-	-	-
WESTERN AUSTRALIAN ELECTORAL COMMISSION				
Expenses				
– Electoral Amendment (Finance and Other Matters) Bill 2023	0.6	7.8	1.0	1.1
– 2025 State General Election	-	7.3	-	-
– Local Government Elections	1.5	-	1.5	-
Asset Investment				
– Electoral Amendment (Finance and Other Matters) Bill 2023	0.4	0.4	-	-

(a) Subject to Court mediated confidentiality orders as part of an ongoing court mediated settlement involving the State.

Note: Rows may not add due to rounding.

Premier and Cabinet

Expenses

Western Australian Stolen Wages Class Action

The Government has reached a settlement agreement on a class action claim lodged in the Federal Court in 2020 relating to wages withheld from Aboriginal workers between 1936 and 1972. The settlement provides for \$16,500 per eligible claimant up to a total of \$165 million, in addition to \$15.4 million for the applicants' assessed legal costs, in recognition of the government policies and controls in place during this period. The settlement remains subject to court approval.

Griffin Coal – Financial Support

Additional expenditure of \$50.5 million will be incurred in 2023-24 to ensure continuity of coal supply in the short term (of which \$16.1 million has already been paid to the receivers and managers in 2023-24), with a further \$185 million set aside in a provision to meet further costs as they emerge.

Telethon Donation

The annual donation from the Government to Telethon was increased by \$6 million to a record total of \$12 million in 2023-24.

Digital Capability Fund – Administration

To continue resourcing the strategic oversight and assurance functions of the Digital Capability Fund, an additional \$1.6 million will be spent over 2025-26 and 2026-27.

Western Australian Hub in Canberra

The Western Australian Hub in Canberra, which will improve the State's engagement with the Commonwealth, will commence operation in early 2024. An amount of \$1.1 million over 2023-24 to 2026-27 will be spent on establishing and operating the new Hub.

Early Childhood Education and Care

The Government will spend \$940,000 in 2023-24 to examine options to enhance non-compulsory early learning in pre-school settings, including models in other jurisdictions, and to contribute to national developments.

Western Australian Electoral Commission**Expenses****Electoral Amendment (Finance and Other Matters) Bill 2023**

Following the expected passage of the Electoral Amendment (Finance and Other Matters) Bill 2023 in late 2023, the Western Australian Electoral Commission will spend an additional \$11.3 million from 2023-24 to 2026-27, comprising:

- \$6.5 million in 2024-25 to meet the forecast increases in the electoral expenditure reimbursed to parties and candidates;
- \$3.6 million from 2023-24 to 2026-27 to implement and administer amended reporting provisions related to the disclosure of political contributions. In addition, \$750,000 will be spent on the procurement, development and implementation of the online disclosure system for political contributions; and
- \$438,000 over 2023-24 and 2024-25 to develop and implement an online system and documentation necessary as a result of changes to voting provisions (includes allowing enrolment on election day).

2025 State General Election

The Government has allocated an additional \$7.3 million in 2024-25 to meet the expected costs for conducting the 2025 State General Election.

Local Government Elections

The Commission will spend an additional \$3 million over 2023-24 to 2025-26 to conduct local government elections, with this expenditure fully recouped through increased revenue.

Asset Investment**Electoral Amendment (Finance and Other Matters) Bill 2023**

See above.

FINANCIAL ADMINISTRATION

Table 3.2

MAJOR SPENDING CHANGES

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
TREASURY				
Expenses				
– COVID-19 Business Assistance Package Grants	20.2	-	-	-
– GST Administration Costs	2.3	5.3	6.4	6.0
– Performance Monitoring Unit	0.9	1.6	1.6	1.6
– Housing Supply Unit	0.7	1.4	1.5	1.5
– Digital Capability Fund – Treasury Advisory Team	-	0.5	0.6	0.6
– Network Infrastructure Consultancies – the South West Interconnected System and the Pilbara	1.3	-	-	-
– New Public Sector Wages Policy	0.1	0.5	-	-
OFFICE OF THE AUDITOR GENERAL				
Expenses				
– Audit Services	3.5	-	-	-
FINANCE				
Expenses				
– Sectoral Emissions Reduction Strategies – Fifty Per Cent State Electric Vehicle Target and Cost Analysis ^(a)	0.2	0.3	0.3	-
Asset Investment				
– Sectoral Emissions Reduction Strategies – Fifty Per Cent State Electric Vehicle Target and Cost Analysis ^(a)	-	-	4.8	4.8
– Asset Maintenance Fund – May Holman Building	0.9	-	-	-
– Off-the-plan Duty Concessions – IT Systems Update	0.8	-	-	-

(a) See Department of Water and Environmental Regulation.

Note: Rows may not add due to rounding.

Treasury

Expenses

COVID-19 Business Assistance Package Grants

The COVID-19 Business Assistance Package Grants program supported small businesses throughout the pandemic and received additional Commonwealth funding to provide further payments to eligible businesses in late 2022-23. Not all payments were able to be processed and paid prior to 30 June 2023, resulting in a \$20.2 million expense impact in 2023-24.

GST Administration Costs

Since the 2023-24 Budget aggregates were finalised for Western Australia, a proposed new Australian Taxation Office (ATO) compliance program has been approved by National Cabinet. As a result of this, the May 2023 Commonwealth Budget includes higher national costs than assumed in the State Budget, and these higher costs are now included in this Mid-year Review. This is partly offset by an expected refund in 2023-24 due to the ATO spending less than its budget in 2022-23.

Performance Monitoring Unit

A new Performance Monitoring Unit will be established from January 2024 at a cost of \$5.7 million over 2023-24 to 2026-27, to monitor and review the delivery of key Government priorities, work with relevant agencies to review progress, and develop solutions to effectively address any barriers to delivery.

Housing Supply Unit

A new Housing Supply Unit will be established from January 2024, at a cost of \$5 million over 2023-24 to 2026-27 through a transfer of budget from the Department of Communities. The Unit will work across Government and with industry on policies to boost housing supply, affordability, and expand workforce capacity in Western Australia.

The Unit will report to the Residential Lands and Housing Delivery Ministerial Oversight Committee and be responsible for the development of market-driven housing policies, including measures to boost supply and improve choice and affordability.

This will include regular consultation with the residential building industry and the property development sector, to identify specific barriers to increasing supply, and working with other agencies and Government Trading Enterprises to address those barriers.

Digital Capability Fund – Treasury Advisory Team

An additional \$1.7 million over 2024-25 to 2026-27 has been allocated to continue an existing team in Treasury that provides advice on ICT investment, project assurance and digitisation of government services through the Government's Digital Capability Fund.

Network Infrastructure Consultancies – the South West Interconnected System and the Pilbara

Additional funding of \$1.3 million in 2023-24 will assist the Government in its assessment of financing and cost recovery options for the new network infrastructure requirements in the South-West Interconnected System and the Pilbara, to help meet the State's decarbonisation objectives in a financially sustainable manner.

New Public Sector Wages Policy

A temporary uplift in resourcing has been allocated to support the renegotiation of multiple key industrial agreements under the Government's new Public Sector Wages Policy. An additional \$624,000 will be spent over 2023-24 and 2024-25 by Treasury and \$1.3 million by the Department of Energy, Mines, Industry Regulation and Safety.

Office of the Auditor General**Expenses*****Audit Services***

To reflect changes to the timing and level of collected audit fees and associated expenditure, the Office will spend an additional \$3.5 million in 2023-24 on auditing services that are fully recoverable from State and local government entities.

Finance

Asset Investment

Asset Maintenance Fund – May Holman Building

The electrical system in the May Holman Building will be upgraded at a cost of \$850,000 in 2023-24 to improve safety.

Off-the-Plan Duty Concessions – IT Systems Update

Finance's IT systems will be updated at a cost of \$829,000 in 2023-24 to administer concessions following amendments to the *Duties Amendment (Off-the-Plan Concession and Foreign Persons Exemptions) Act 2023*.

JOBS AND ECONOMIC DEVELOPMENT

Table 3.3

MAJOR SPENDING CHANGES				
	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
JOBS, TOURISM, SCIENCE AND INNOVATION				
Expenses				
– Investment Attraction Fund Top-up	-	50.0	30.0	30.0
– Lower Carbon and GreenTech Hub	1.6	21.6	1.6	15.2
– Destination Marketing	-	12.2	12.2	-
– Event Tourism	17.9	1.0	0.8	0.8
– Pilbara Hydrogen Hub Commonwealth Grant	6.0	11.5	-	-
– Streamline WA – Approvals Reform	0.9	1.8	1.8	1.9
– Sectoral Emissions Reduction Strategies - Carbon Capture, Utilisation and Storage Action Plan ^(a)	0.6	1.8	1.1	0.8
– Continuation of the Global Advanced Industries Hub	1.0	1.0	1.0	1.0
– Global State Marketing	2.4	-	-	-
– Barramundi Aquaculture	2.0	-	-	-
– Western Australian Marine Science Institution	-	0.2	0.2	0.2
– Choose Tourism Commonwealth Grant	0.5	-	-	-
– Outbound Ministerial Missions	0.4	-	-	-
PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT				
Expenses				
– Western Australia Regional Digital Connectivity Program Round 3 ^(b)	5.0	10.0	13.0	-
– National Red Imported Fire Ant Eradication Program	6.5	5.1	-	-
– Election Commitment - Southern Ocean Surf Reef	0.6	4.2	-	-
– Marlamamu On-Country Youth Program	3.2	-	-	-
– Magnium – Magnesium Refinery ^(c)	2.0	-	-	-
– 2023 Perth Royal Show	1.9	-	-	-
– Regional Development Commissions – Operational funding	1.8	-	-	-
– Northern Australia Plant Capacity and Response Network	0.8	-	-	-
– Regional Traineeship Program	0.6	-	-	-
– Coral Bay Workers Accommodation Facility	0.4	0.1	-	-
– Regional Men's Health	0.1	0.1	0.1	0.1
– Ex-Tropical Cyclone Ellie ^(d)				
– Environment, Heritage and Culture Grant Program	2.0	2.3	-	-
– Primary Producers Recovery Grant Program (including Tropical Cyclone Ilsa)	1.6	0.9	-	-
– Freight Assistance Package	-27.3	-	-	-
Asset Investment				
– Horticulture and Irrigated Agriculture Research Stations	0.3	-	-	-
ENERGY, MINES, INDUSTRY REGULATION AND SAFETY				
Expenses				
– Mining Rehabilitation Fund – Abandoned Mines Program	21.0	20.1	30.8	24.4
– Rent Relief Program	9.1	15.3	-	-
– Home Indemnity Insurance	6.7	-0.7	2.9	10.8
– Heritage Survey Assistance Program	3.6	3.7	3.8	2.4
– Pilbara Energy Transition	1.7	3.7	3.6	3.6
– Energy Safety Business Plan	-	2.0	2.0	7.3
– South West Interconnected System Demand Assessment (SWISDA) – PoweringWA	3.3	2.2	2.2	2.3
– Short-Term Rental Accommodation Registration Scheme	2.5	1.5	0.9	0.9
– Short-Term Rental Accommodation Incentive Scheme	1.3	1.4	-	-
– Heritage Survey Assistance Program	0.2	0.3	0.4	0.4
– New Public Sector Wages Policy ^(e)	0.3	1.0	-	-
– Asset Maintenance Fund – John Street Bentley	0.1	0.7	-	-

Note: Rows may not add due to rounding.

Table 3.3 (cont.)

MAJOR SPENDING CHANGES

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
Asset Investment				
– Asset Maintenance Fund – Mineral House	0.4	-	-	-
MINERALS RESEARCH INSTITUTE OF WESTERN AUSTRALIA				
Expenses				
– Sectoral Emissions Reduction Strategies (SERS) – Green Iron Pilot Facility ^(a)	0.5	-	-	-
SMALL BUSINESS DEVELOPMENT CORPORATION				
Expenses				
– Small Business Electricity Credit – Embedded Networks	4.2	-	-	-
– Ex-Tropical Cyclone Ellie – Small and Medium Business Recovery Grants Program ^(d)	1.2	0.7	-	-
ECONOMIC REGULATION AUTHORITY				
Expenses				
– Railways (Access) Code	0.7	1.0	1.0	1.0
FOREST PRODUCTS COMMISSION				
Expenses ^(f)				
– Forest Management Plan 2024-33 – Ecological Thinning	20.9	40.7	43.1	46.0
WESTERN AUSTRALIAN GREYHOUND RACING ASSOCIATION				
Expenses				
– Revenue and Expenditure Forecasts	5.7	5.7	5.7	5.7
BURSWOOD PARK BOARD				
Expenses				
– Perth Running Festival Sponsorship	0.6	0.6	0.6	-
– Asset Maintenance Fund – High Voltage Transformers	0.3	-	-	-
Asset Investment				
– Principal Shared Path Project	1.3	-	-	-
– High Voltage Transformer – Replacement	0.6	-	-	-

(a) See Department of Water and Environmental Regulation.

(b) Funded from the Administered Royalties for Regions Provision for the Western Australia Regional Digital Connectivity Program.

(c) Funded from the Royalties for Regions Collie Industry Attraction and Development Fund.

(d) See Department of Fire and Emergency Services.

(e) See Department of Treasury.

(f) Represented in General Government expenses as grants and subsidies, sourced from the Consolidated Account or a Treasurer’s Special Purpose Account and paid through the Department of Treasury.

Note: Rows may not add due to rounding.

Jobs, Tourism, Science and Innovation

Expenses

Investment Attraction Fund Top-up

To support the Government’s diversification agenda through attracting new and emerging industries to the State, an additional \$110 million has been allocated to the Investment Attraction Fund, boosting it to \$395 million. Further grants will be available to a number of industries including batteries and critical minerals, defence, manufacturing, renewable hydrogen and tourism.

Lower Carbon and GreenTech Hub

Chevron Australia Pty Ltd will provide \$40 million over the forward estimates period to support a Lower Carbon Grants Program and a GreenTech Hub. These initiatives will support start-ups and the research and development of decarbonisation technology in Western Australia.

Destination Marketing

The Government has increased Tourism WA's Destination Marketing budget by \$24.4 million over 2024-25 and 2025-26 to continue marketing Western Australia as a tourism destination at recent (boosted) funding levels. This activity includes promotion of the State's 'Walking On A Dream' campaign through multi-year global marketing deals.

Event Tourism

To deliver additional blockbuster and homegrown events, the Government has increased its Major Events Fund by \$19.4 million over the forward estimates period, bringing the Fund to \$49.4 million. Hosting major events motivates domestic and international tourists to visit Western Australia, supporting the tourism industry. A further \$1.1 million will also be spent over 2023-24 and 2024-25 on local and sporting tourism events.

Pilbara Hydrogen Hub Commonwealth Grant

The State will enter into a \$70 million grant agreement with the Commonwealth to deliver the \$140 million Pilbara Hydrogen Hub. The State's matching \$70 million contribution to the Hub was accounted for as part of the 2022-23 Mid-year Review. The Department will provide \$17.5 million of the Commonwealth grant to Pilbara Ports Authority to deliver road and intersection upgrades at Lumsden Point, with the remaining \$52.5 million provisioned for a hydrogen or ammonia pipeline, training centre and further studies.

Streamline WA – Approvals Reform

Western Australia's regulatory and approvals system is a critical enabler in the attraction of investment and jobs to the State, particularly in new and emerging industries. In recognition of this, the Government established Streamline WA in 2018 as an enduring whole-of-government initiative to make it easier to do business in Western Australia by improving regulation and regulatory practice.

As part of this Mid-year Review, an additional \$17.9 million has been allocated to support the implementation of an Action Plan, which will fast-track approvals reform to facilitate sustainable development and economic diversification. Included in this package is:

- \$1.5 million to be spent by the Department of Water and Environmental Regulation to implement the rapid assessment of current environmental approval processes to remove regulatory duplication, increase parallel processing and reduce approval times;
- \$6.4 million to establish a Coordinator General function in the Department of Jobs, Tourism, Science and Innovation, which will oversee and fast-track priority project approvals and recommend reforms. The Coordinator General will be supported by existing Streamline WA reform officers who will be centralised and utilised for targeted reform; and

2023-24 Government Mid-year Financial Projections Statement

- \$10 million for a Streamline WA Reform Fund to enable rapid independent reviews, and other urgent reform work.

Continuation of the Global Advanced Industries Hub

The Global Advanced Industries Hub is a major industrial region in Western Australia, targeting the renewable hydrogen, minerals processing, shipbuilding and sustainment industries. The Government has approved an additional \$4 million over the forward estimates period to finalise the economic development framework and land acquisition planning for the Hub.

Global State Marketing

The Department will spend \$2.4 million in 2023-24 to market Western Australia globally.

Barramundi Aquaculture

The Department will spend an additional \$2 million in 2023-24 to provide grant funding to Tassal Operations Pty Ltd contributing towards the cost of infrastructure for its barramundi aquaculture project in the Kimberley, bringing total Government support for the project to \$5 million.

Western Australian Marine Science Institution

To increase the Government's support for marine research, additional funding of \$620,000 over the period 2024-25 to 2027-28 has been allocated to the Western Australian Marine Science Institution.

Choose Tourism Commonwealth Grant

The State will spend \$472,000 in 2023-24 (funded from a Commonwealth grant) for the 'Choose Tourism' marketing campaign, which seeks to attract workers to the tourism industry through advertising and social media.

Outbound Ministerial Missions

To support outbound Ministerial missions and help attract investment and build trade partnerships, a further \$420,000 will be spent in 2023-24.

Primary Industries and Regional Development

Expenses

Western Australia Regional Digital Connectivity Program Round 3

The Government has allocated up to \$28 million over 2023-24 to 2025-26 to participate in the Commonwealth Government's Regional Connectivity Program Round 3, including the Mobile Black Spot Program Round 7. The program's aim is to improve digital infrastructure and connectivity in regional areas of Western Australia.

National Red Imported Fire Ant Eradication Program

Western Australia will allocate an extra \$11.6 million over 2023-24 and 2024-25 as its contribution to the National Red Imported Fire Ant (RIFA) Eradication Program, which seeks to eliminate RIFA in south-east Queensland and safeguard against its potential entry into Western Australia.

Election Commitment – Southern Ocean Surf Reef

Following the completion of a business case by the City of Albany (CoA), \$4.8 million over 2023-24 and 2024-25 will be provided to the CoA, as part of an expected co-funding arrangement with the Commonwealth Government, to advance the creation of an artificial surf reef at Middleton Beach, with the aim of improving surfing conditions for both local residents and tourists.

Marlamanu On-Country Youth Program

An additional \$3.2 million in 2023-24 will be spent to progress site works, finalise infrastructure planning and design, and undertake further work on the operational model for the Marlamanu On-Country Youth Program. In addition, the Department of Communities will spend \$466,000 in 2023-24 to assist in developing the operating model.

Magnium – Magnesium Refinery

To support the development of a carbon neutral magnesium metal refinery in Collie, \$2 million will be provided to Magnium Australia in 2023-24. The funding will assist in producing environmental impact studies and assessments, a local supply chain development plan, geologist report, and stakeholder engagement plans, which are required to enable a final investment decision on the project.

2023 Perth Royal Show

To allow the entrance fee to the Perth Royal Show to be reduced by 25%, \$1.9 million was provided to the Royal Agricultural Society of Western Australia in 2023-24.

Regional Development Commissions – Operational Funding

An additional \$1.8 million in 2023-24 will be provided across the nine Regional Development Commissions to meet increased operational costs and to provide additional capacity for small grant schemes.

Northern Australia Plant Capacity and Response Network

Commonwealth funding of \$805,000 will be spent in 2023-24 to support the establishment and operation of the Northern Australia Plant Capacity and Response Network, which will enhance biosecurity management and preparedness.

Regional Traineeship Program

An additional \$600,000 will be provided in 2023-24 as a one-off grant for the Regional Traineeship Program, which forms part of the broader Community Resource Centre (CRC) program, to assist the CRCs in providing training, skills and employment opportunities for people in regional communities.

Coral Bay Workers Accommodation Facility

Additional expenditure of \$532,000 over 2023-24 and 2024-25 has been approved for management services attributable to the one-year extension of the lease for the Coral Bay Workers Accommodation Facility and to carry out end-of-lease works.

Regional Men's Health

To meet cost pressures associated with delivering the Regional Men's Health Initiative, an additional \$320,000 over 2023-24 to 2026-27 will be provided to the Wheatbelt Men's Health organisation.

Asset Investment

Horticulture and Irrigated Agriculture Research Stations

An amount of \$282,000, funded from horticulture produce royalties, will be spent in 2023-24 on the purchase of capital equipment required for the continued operation of the research stations.

Energy, Mines, Industry Regulation and Safety

Expenses

Mining Rehabilitation Fund (MRF) – Abandoned Mines Program (AMP)

In accordance with the *Mining Rehabilitation Fund Act 2012*, expenditure of \$96.3 million over 2023-24 to 2026-27, fully funded from the MRF Special Purpose Account, has been approved to address priority safety works under the AMP five-year plan. This includes continuation of remediation works at the Ellendale mine site and an expanded program of works on a number of abandoned legacy sites.

Rent Relief Program

In recognition of the financial stress of rising rent payments, the Government has allocated \$24.4 million over 2023-24 and 2024-25 to establish the rent relief program. The program will assist eligible tenants in private rental homes who are experiencing rental stress, are in rental arrears and at risk of eviction, with one-off payments of up to \$5,000.

Home Indemnity Insurance

Due to an increase in claim limits for contracts entered into from 1 July 2020, cost increases across the construction industry, and revised allowances for completion delays, expenditure under the Home Indemnity Insurance Scheme has been revised up by \$19.7 million over 2023-24 to 2026-27.

Heritage Survey Assistance Program

To provide financial assistance to eligible holders of exploration and prospecting licences in obtaining land access for exploration, a rebate scheme will be established at a cost of \$13.4 million over 2023-24 to 2026-27. The Department will also spend \$1.3 million over 2023-24 to 2026-27 on resources to administer the Program, including supporting information for industry and increased audit and compliance activities.

Pilbara Energy Transition

As part of the Government's clean energy transformation, the Department will spend \$12.7 million over the forward estimates to lead regulatory changes, the coordination of environmental studies and Aboriginal engagement that will support the achievement of a green energy transition in the Pilbara.

In support of this transition, the Department of Planning, Lands and Heritage will spend an additional \$4.3 million over 2023-24 to 2026-27 to establish a team to provide bespoke land tenure advice and guidance to Pilbara proponents.

Energy Safety Business Plan

To deliver the energy safety statutory compliance obligations and activities under the 2024-25 Energy Safety Business Plan, the Department will spend an additional \$11.3 million over 2024-25 to 2026-27 (funded from the Energy Safety Levy).

SWISDA – PoweringWA

PoweringWA will be established at a cost of \$10 million over 2023-24 to 2026-27, to coordinate the delivery of new electricity infrastructure needed to facilitate decarbonisation and deliver on immediate priorities relating to planning for Renewable Generation Hubs.

Short-Term Rental Accommodation (STRA) Registration Scheme

To better manage the STRA sector, the Department will spend \$5.8 million over 2023-24 to 2026-27 on the implementation and administration of the STRA Registration Scheme. The Scheme will collect data on the number, location and types of short-term rental accommodation operating in the State.

Short-Term Rental Accommodation Incentive Scheme

To help increase the supply of rental properties, the Government has allocated \$2.7 million over 2023-24 and 2024-25 to establish and administer a Scheme to provide a \$10,000 grant to eligible property owners that convert their STRA to a long-term rental property for a minimum of 12 months.

Heritage Survey Assistance Program

See above.

Asset Maintenance Fund – John Street Bentley

To remove and dispose of asbestos-containing materials and demolish and dispose of redundant buildings and above ground infrastructure at John Street Bentley, an amount of \$749,000 will be spent over 2023-24 and 2024-25.

Asset Investment***Asset Maintenance Fund – Mineral House***

Additional remediation works of \$430,000 will be undertaken to remove asbestos-containing materials uncovered in a portion of the roof space at Mineral House.

Small Business Development Corporation

Expenses

Small Business Electricity Credit – Embedded Networks

The eligibility for the Small Business Electricity Credit of \$650 has been extended to include embedded network customers in Western Australia, at a cost of \$4.2 million in 2023-24.

Economic Regulation Authority

Expenses

Railways (Access) Code

The Government has approved expenditure of \$3.7 million over 2023-24 to 2026-27 (partly funded by industry) for additional administration and compliance monitoring related to the revised Railways (Access) Code 2020, which is coming into effect in 2024.

Forest Products Commission

Expenses

Forest Management Plan (FMP) 2024-33 – Ecological Thinning

Additional expenditure of \$150.6 million over the four years to 2026-27 has been approved to conduct ecological thinning works under the 2024-33 FMP, which will reduce moisture stress and promote forest health. The funding will be largely allocated towards contractor payments to undertake ecological thinning works, with relevant overheads, road management costs, and regeneration costs also being funded. The funds will be held in a Treasurer's Special Purpose Account (TSPA) and drawn down as needed. Of this amount, \$24 million had been allocated to the Department of Biodiversity, Conservation and Attractions in 2023-24, and has now been reallocated to the TSPA for the Forest Products Commission (FPC) to utilise.

Western Australian Greyhounds Racing Association

Expenses

Revenue and Expenditure Forecasts

The Western Australian Greyhound Racing Association has updated its revenue and expenditure forecasts from 2023-24 onwards to reflect the latest distributions from Racing and Wagering Western Australia, which results in increased expenditure of \$5.7 million per annum over 2023-24 to 2026-27.

Burswood Park Board

Expenses

Perth Running Festival Sponsorship

Commencing in 2023-24, the Burswood Park Board will spend \$600,000 per annum for three years to sponsor the Perth Running Festival.

Asset Maintenance Fund – High Voltage Transformers

To mitigate the risk of unplanned outages, the Government has allocated \$290,000 from the Asset Maintenance Fund in 2023-24 to repair and service two of the Board's six high voltage transformers.

Asset Investment

Principal Shared Path Project

The Principal Shared Path Project will be completed with \$1.3 million to be spent in 2023-24. The additional expenditure will address asbestos contamination, realign irrigation, water, drainage and sewerage services, and improve lighting.

High Voltage Transformer Replacement

The Burswood Park Board will invest an additional \$630,000 in 2023-24 to replace one of the Board's six high voltage transformers that has passed its useful life.

HEALTH

Table 3.4

MAJOR SPENDING CHANGES

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
WA HEALTH				
Expenses				
– Long Stay Transition Care Program Reform	31.5	28.5	30.4	32.1
– Commonwealth Agreements	110.9	3.6	0.8	-
– WA Country Health Service – Revised Financial Forecasts ^(a)	102.9	-	-	-
– ICT Investment	2.5	20.0	19.3	13.5
– Elective Surgery Waitlist Reduction	39.9	-	-	-
– State Health Operations Centre	3.7	5.2	5.4	5.5
– Peel Health Campus Transformation Transition Costs	12.1	5.9	-	-
– Temporary Regional Incentives for Nurses and Midwives	14.5	0.5	-	-
– Free Flu Vaccination Program	8.0	-	-	-
– Rapid Antigen Tests	4.0	-	-	-
– Advanced Cancer Trial Centre ^(a)	3.0	-	-	-
– Planning for Nurse/Midwife-to-Patient Ratios	1.1	-	-	-
– Refurbishment of Ward 2K at Royal Perth Hospital	1.0	-	-	-
– Digital Capability Fund – National Disability Data Asset ^(b)	- ^(c)	0.3	0.1	-
– St John of God Geraldton Hospital Clinical Services Agreement ^(d)	-	-	-	-
Asset Investment				
– State Health Operations Centre ^(a)	1.0	17.1	-	-
– Refurbishment of Ward 2K at Royal Perth Hospital	5.0	-	-	-
– Peel Health Campus Transformation Transition Costs	2.6	-	-	-
– Cost Increases				
– Fremantle Mental Health Beds	3.4	6.3	3.4	-
– Sir Charles Gairdner Hospital GMP Laboratories and Cyclotron	1.8	-	-	-
– Newman Health Service Redevelopment	1.3	-	-	-
– Aluminium Composite Panel (Cladding) Remediation – Joondalup Health Campus	1.0	1.5	-	-
MENTAL HEALTH COMMISSION				
Expenses				
– Community Treatment Uplift ^(a)	7.9	16.6	17.4	18.2
– Commonwealth Agreements	2.0	2.0	2.0	-
– Mental Health Advocacy Service Employment Expenses	0.1	0.1	0.1	0.1

(a) Expenditure has been reprioritised from within existing budget to support all or part of this initiative.

(b) See Department of Communities.

(c) Amount less than \$50,000.

(d) The funding amounts are not being disclosed reflecting ongoing negotiations.

Note: Rows may not add due to rounding.

WA Health

Expenses

Long Stay Transition Care Program (TCP) Reform

The Government has approved a \$122.4 million increase in expenditure over the forward estimates period to reform and expand the TCP (including additional State funding of \$51.9 million). The TCP is jointly funded by the Commonwealth and State Governments and assists older people at the end of their hospital stay to transition into community settings, which provides more appropriate care for patients and reduces hospital bed blockage.

Commonwealth Agreements

Under various Commonwealth funding agreements, a further \$115.3 million will be spent over 2023-24 to 2025-26. This primarily relates to extending funding for existing programs including the Multi-Purpose Services Program (\$50.2 million), Aged Care Assessment Program (\$14.2 million), Commonwealth Home Support Program (\$9.6 million) and Indigenous Australians' Health Program (\$8 million).

WA Country Health Service – Revised Financial Forecasts

To reflect an upward revision of WA Country Health Service expenditure for 2023-24, the Government has approved an additional \$102.9 million, predominantly for higher salaries costs due to workforce pressures and associated use of agency medical and nursing staff.

ICT Investment

The Government has allocated \$55.3 million over 2023-24 to 2026-27 for additional health ICT-related expenditure, including:

- \$39.5 million over 2023-24 to 2026-27 to meet estimated additional contracted costs associated with the renewal of WA Health's ICT infrastructure service contract with Atos Australia;
- \$10 million over 2023-24 to 2025-26 for the operating costs of the Electronic Medical Records (EMR) Stage 1 – Digital Medical Records project, as part of the prioritised, staged strategy to progress EMR across the Western Australian health system; and
- \$5.9 million over 2023-24 to 2026-27 for the Microsoft Enterprise Agreement, ensuring the security of critical servers.

Elective Surgery Waitlist Reduction

In order to support a continued reduction in the Elective Surgery Wait List, the Government has approved an additional \$39.9 million for hospital services activity in 2023-24.

State Health Operations Centre

To continue the establishment of a State Health Operations Centre, the Government has approved an additional \$19.7 million for recurrent expenditure over 2023-24 to 2026-27. A further \$18.1 million over 2023-24 and 2024-25 has also been approved for capital fit-out costs, with \$9.7 million of this funded by a reallocation from within WA Health's existing Asset Investment Program.

This brings the Government's total commitment to date to the State Health Operations Centre to \$47.2 million, which will enable the co-location of select services from WA Health, St John WA and the Royal Flying Doctor Service in a single facility, to deliver better co-ordination of essential emergency and medical care in Western Australia.

Peel Health Campus Transformation Transition Costs

To support the transition of staff and services at Peel Health Campus from Ramsay Health Care to the South Metropolitan Health Service by August 2024, the Government will invest an additional \$20.5 million over 2023-24 and 2024-25 (including \$2.6 million in asset investment). The additional funding supports further project resources to manage the complex transitioning of services (primarily related to ICT) and staff.

Temporary Regional Incentives for Nurses and Midwives

To continue to attract and retain nurses and midwives and ensure service continuity across 85 regional locations, the Government has allocated an additional \$15 million over 2023-24 and 2024-25 to extend temporary financial incentives at these locations.

Free Flu Vaccination Program

The Government has committed \$8 million to continue to provide free access to flu vaccinations for all Western Australians in 2024.

Rapid Antigen Tests

The Government has allocated \$4 million to support the disposal of expired Rapid Antigen Tests, including through the use of sustainable recycling options.

Advanced Cancer Trial Centre

To expand access to clinical cancer trials in Western Australia, the Government has committed \$3 million for Linear Clinical Research to develop an Advanced Cancer Trial Centre at Sir Charles Gairdner Hospital.

Planning for Nurse/Midwife-to-Patient Ratios

To support further planning for the implementation of Nurse/Midwife-to-Patient Ratios, an additional \$1.1 million in expenditure has been allocated for external consultancy costs in 2023-24.

Refurbishment of Ward 2K at Royal Perth Hospital

To refurbish and remodel Royal Perth Hospital's mental health Ward 2K, the Government has allocated \$6 million to WA Health in 2023-24 (\$1 million recurrent expenditure and \$5 million in asset investment).

St John of God Geraldton Hospital Clinical Services Agreement

To support the ongoing delivery of public hospital activity at the private St John of God Geraldton Hospital, the Government has committed additional funding for a new clinical service agreement with St John of God Health Care.

Asset Investment

State Health Operations Centre

See above.

Refurbishment of Ward 2K at Royal Perth Hospital

See above.

Peel Health Campus Transformation Transition Costs

See above.

Aluminium Composite Panel (Cladding) Remediation – Joondalup Health Campus

In order to address non-compliant cladding issues at the Joondalup Health Campus, the Government has allocated an additional \$2.5 million to WA Health from the State-wide provision for cladding remediation.

Mental Health Commission

Expenses

Community Treatment Uplift

The Government has approved the continuation of a 5% uplift to community treatment services totalling \$60.1 million over the forward estimates period. This will see the continued provision of clinical care in the community for individuals with mental health and alcohol and other drug issues.

Commonwealth Agreements

Commonwealth funding of \$6 million will be spent over 2023-24 to 2025-26 under the National Mental Health and Suicide Prevention Agreement – Head to Health Kids Hub and the Take Home Naloxone Program.

Mental Health Advocacy Service Employment Expenses

The Government has approved additional expenditure for the Mental Health Advocacy Service totalling \$500,000 over 2023-24 to 2026-27, to meet higher Advocate wage costs in line with the Public Sector Wages Policy.

EDUCATION AND TRAINING

Table 3.5

MAJOR SPENDING CHANGES

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
EDUCATION				
Expenses				
– National Student Wellbeing Boost	16.1	-	-	-
– Temporary Regional Incentives for Teachers	3.9	11.6	-	-
– Scaling Up Success in Remote Schools Program	1.8	3.2	3.3	1.7
– School of Isolated and Distance Education	3.5	3.6	-	-
– Schools Upgrade Fund	– ^(a)	0.1	0.1	-
– Highgate Primary School ^(b)	0.1	-	-	-
Asset Investment				
– Schools Upgrade Fund	2.5	12.4	9.9	-
– 2025 Primary Schools Program	-5.0	21.6	2.1	-
– Construction Cost Relief Provision				
– Kalamunda Senior High School	12.1	-	-	-
– Wellard Village Primary School	11.1	-	-	-
– Westminster Primary School	5.1	-	-	-
– Ocean Reef Senior High School	3.2	-	-	-
– Lakeland Senior High School	3.0	-	-	-
– Ridge View Secondary College (Stage 2)	1.1	-	-	-
– Bob Hawke College (Stage 2)	1.0	-	-	-
– John Forrest Secondary College	0.5	-	-	-
– Broome Primary School	0.3	-	-	-
– Margaret River Senior High School ^(b)	-	-	-	-
– Cost Increases				
– Roleystone Community College	-	4.3	0.7	-
– Rossmoyne Senior High School	-	4.0	0.4	-
– Duncraig Senior High School	-	2.0	0.7	-
– Baler Primary School	0.3	1.9	0.4	-
– Cassia Primary School	0.3	1.3	0.2	-
– Balga Senior High School	1.1	0.3	-	-
– Albany Senior High School	-	1.0	0.4	-
– Kelmscott Senior High School	-	-	0.9	-
– Caversham Valley Primary School	-0.9	-	-	-
– Asset Maintenance Fund – Fire Services Upgrade	2.0	-	-	-
– College of Agriculture – Cunderdin	0.1	1.5	-	-
– Asset Maintenance Fund – Castlereagh School – Disability Facilities Upgrades	– ^(a)	1.2	-	-
– Highgate Primary School	1.6 ^(b)	-	-	-
TRAINING AND WORKFORCE DEVELOPMENT/TAFE COLLEGES				
Expenses				
– National Skills Agreement	25.1	53.2	54.7	68.5
– Fee-Free TAFE – Tranche 2	7.4	14.8	14.8	7.4
– Group Training Organisation Wage Subsidy Program	2.1	4.8	5.6	5.9
– Public Sector Wages Policy	0.9	0.5	5.6	5.4
– Construction Visa Subsidy Program	11.0	-	-	-
– State Nominated Migration Program – Fee Waiver ^(b)	2.4	-	-	-
– Migration Support Office	1.4	0.7	-	-
– Subsidised Training for Secondary Visa Holders ^(b)	0.4	0.4	-	-
Asset Investment				
– Cost Increase – Kalgoorlie TAFE Engineering Workshop and Mandurah TAFE Hospitality, Hair and Beauty Training Centre	2.1	-	-	-
– Collie On-site Training Facilities ^(b)	6.3	-	-	-

Note: Rows may not add due to rounding.

MAJOR SPENDING CHANGES

Table 3.5 (cont.)

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD				
Expenses				
– Private Registered Training Organisations Capital Grants Program	5.0	-	-	-
– Women in Non-traditional Trades	0.4	0.3	0.3	0.3
– ICT Enhancements	1.0	-	-	-
Asset Investment				
– Cost Increase – Construction Futures Centre	0.4	-	-	-

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

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

Note: Rows may not add due to rounding.

Education
Expenses***National Student Wellbeing Boost***

The Government signed the National Student Wellbeing Boost agreement with the Commonwealth in May 2023, securing additional funding of \$16.1 million in 2023-24. Student wellbeing will be supported through additional school psychologists and improved access to social activities, including sports, school camps and excursions.

Temporary Regional Incentives for Teachers

Under an extension to the Temporary Regional Incentive initiative, the Government will spend \$15.5 million over 2023-24 and 2024-25 to support 66 regional and remote public schools by providing financial incentives to attract, recruit and retain teachers.

Scaling Up Success in Remote Schools Program

The Government signed the Scaling Up Success in Remote Schools Program Agreement in June 2023, resulting in additional Commonwealth funding of \$10 million to support 10 remote and disadvantaged schools with a high proportion of Aboriginal students.

School of Isolated and Distance Education

To address higher than estimated student enrolments at the School of Isolated and Distance Education in 2024, an additional \$7.1 million will be spent over 2023-24 and 2024-25 to provide education and online learning services to students living in isolated, regional or remote locations or who are unable to attend mainstream schooling.

Schools Upgrade Fund

See below.

Highgate Primary School

See below.

Asset Investment

Schools Upgrade Fund

Under the Schools Upgrade Fund agreement with the Commonwealth, additional funding of \$25 million has been secured for new buildings and facilities, major refurbishments and upgrades in Western Australian public schools.

2025 Primary Schools Program

The Government has committed an additional \$18.7 million over 2023-24 to 2025-26 to support the delivery of two new primary schools for the 2025 school year – Brabham East and Eglinton South West. This brings the total cost of these primary schools to \$39.9 million and \$41.2 million respectively.

Asset Maintenance Fund – Fire Services Upgrade

To improve the safety of staff and students, an additional \$2 million will be invested in 2023-24 to upgrade fire services at John Tonkin Secondary College (Tindale Campus).

College of Agriculture – Cunderdin

The Government has approved an investment of \$1.6 million over 2023-24 and 2024-25 to purchase and install modular piggery domes and to rebuild the abattoir pond at the Cunderdin College of Agriculture.

Asset Maintenance Fund – Castlereagh School – Disability Facilities Upgrades

The Government will invest \$1.2 million over 2023-24 and 2024-25 on the refurbishment of toilet and changeroom facilities at Castlereagh School to improve facilities for students with disability.

Highgate Primary School

The Government has approved \$1.6 million being allocated from the Department's asset investment program to upgrade power and fire services at Highgate Primary School. A further \$100,000 is being spent in 2023-24 to contribute to a shared-use agreement with the City of Vincent to provide student access to Birdwood Square.

Training and Workforce Development/TAFE Colleges

Expenses

National Skills Agreement

The Government has signed the five-year National Skills Agreement, which will take effect from 1 January 2024 and result in additional spending of \$201.5 million over 2023-24 to 2026-27 (or \$312.9 million to 2028-29) to expand and transform access to the VET sector, support quality training, and implement reforms to address critical skill needs in Western Australia.

Fee-Free TAFE – Tranche 2

In partnership with the Commonwealth, the Government will invest \$44.5 million over 2023-24 to 2026-27 to provide 22,200 Fee-Free TAFE places under an extension to the 2023 Fee-Free TAFE agreement.

Group Training Organisation Wage Subsidy Program

To support the State's building and construction industry, the Government will spend \$18.5 million over 2023-24 to 2026-27 to provide a further 150 places in 2024 under the Group Training Organisation Wage Subsidy Program (total cost of \$21.5 million to 2027-28).

Construction Visa Subsidy Program

Reflecting the transfer of an \$11 million spending provision included in the 2023-24 Budget to the Department, this program will support the State's building and construction industry with skilled migration-related grants through the Construction Visa Subsidy Program.

State Nominated Migration Program – Fee Waiver

The Government will spend \$2.4 million in 2023-24 for additional resources to process applications for the State Nominated Migration Program and forgo a further \$408,000 in revenue due to extending a waiver of the \$200 application fee to the end of 2024 to assist with reducing skill shortages.

Migration Support Office

To facilitate delivery of the Construction Visa Subsidy Program and support Western Australia's construction industry, a temporary Migration Support Office has been established for 18 months at a cost of \$2.1 million.

Subsidised Training for Secondary Visa Holders

Encouraging skilled migrants to pursue Western Australia as a relocation destination, the Government will extend access to publicly funded vocational training for secondary holders of temporary skill visas for the 2024 calendar year at an estimated cost of \$790,000.

Asset Investment**Collie On-site Training Facilities**

The Government will invest \$6.3 million in 2023-24 (including \$5 million already provisioned under the Climate Action Fund) to deliver new on-site training facilities in Collie for South Regional TAFE. These facilities will support local workers to retrain and transition from the coal sector to new opportunities in emerging industries.

Building and Construction Industry Training Board

Expenses

Private Registered Training Organisations Capital Grants Program

To increase the pipeline of skilled workers in the building and construction industry, the Building and Construction Industry Training Board (BCITB) will spend \$5 million in 2023-24 to pilot a new capital grants program to support private Registered Training Organisations (RTOs) to enhance their training capacity. The focus will be on electrical, plumbing, and clean energy-related courses.

Women in Non-traditional Trades

In line with the current TAFE scholarship program and to facilitate growth in workforce capacity, the BCITB will spend \$1.4 million from 2023-24 to 2026-27 to establish a four-year scholarship program, commencing in January 2024, providing 50 scholarships per annum for women in non-traditional building and construction trades studying at private RTOs.

ICT Enhancements

As a response to identified security vulnerabilities and to enhance key ICT systems, an additional \$1 million will be invested by the BCITB on its Customer Relationship Management and Financial Management Information Systems.

COMMUNITY SAFETY

MAJOR SPENDING CHANGES

Table 3.6

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
WESTERN AUSTRALIA POLICE FORCE				
Expenses				
– Firearms Reform Program				
– Firearms Buyback Scheme	20.0	-	-	-
– Firearms Reforms Resourcing	2.4	2.4	3.2	-
– New Forensic Register	-	1.0	1.1	1.1
– Police and Community Youth Centres (PCYC) safeSPACE Program	2.3	2.3	-	-
– Public Sector Wages Policy	7.3	4.0	4.1	4.2
Asset Investment				
– Asset Maintenance Fund – Mandurah District Police Complex	– (a)	0.8	-	-
– Firearms Reform Program – New Forensic Register	0.9	-	-	-
– Cost Increase				
– Construction Cost Relief Provision - Armadale Courthouse and Police Complex	3.8	-	-	-
– Forrestfield Police Station	-	1.5	-	-
– Baldivis Police Station	-	1.4	-	-
JUSTICE				
Expenses				
– Youth Justice Expenditure (b)	21.2	15.0	13.7	14.0
– Justice Services Expenditure	35.3	6.3	9.0	5.7
– Prison Pharmaceutical Costs	0.8	1.2	1.3	1.3
– Ex-Tropical Cyclone Ellie – Community Social Recovery Program (c)	2.0	2.1	-	-
– Election Commitment – Family Violence Restraining Order Shuttle Conferencing Program	0.9	0.9	-	-
– Temporary Regional Incentives	0.6	0.6	-	-
Asset Investment				
– Banksia Hill Detention Centre Crisis Care Unit	2.9	7.3	3.0	-
– Cost Increase				
– Casuarina Prison Expansion	-	-	-	3.3
– Broome Aboriginal-led Specialist Family Violence Court (d)	-	2.9	-	-
– Asset Maintenance Fund – Courts Maintenance	4.2	-	-	-
LEGAL AID COMMISSION OF WESTERN AUSTRALIA				
Expenses				
– Family Violence and Cross-Examination of Parties Scheme	2.5	2.5	2.5	0.4
FIRE AND EMERGENCY SERVICES				
Expenses				
– Ex-Tropical Cyclone Ellie				
– Infrastructure Package – Local Government	29.0	41.5	-	-
– Temporary Workers Accommodation Package	3.0	4.0	4.5	-
– Homeowners Recovery and Resilience Grant Program	0.7	1.0	-	-
– Prescribed Body Corporates Participation in Recovery Package	2.1	-	-	-
– Cost Increase – Operational Expenditure	13.3	-	-	-
– Disaster Ready Fund – Round One	3.9	1.7	1.6	-
– Digital Capability Fund – Next Generation Emergency WA	0.6	1.1	1.9	2.0
– Asset Maintenance Fund – Bush Fire Brigades	-	1.0	-	-
– Bushfire Centre of Excellence – Commonwealth Grant Agreements	0.7	-	-	-

Note: Rows may not add due to rounding.

Table 3.6 (cont.)

MAJOR SPENDING CHANGES

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
Asset Investment				
– Asset Maintenance Fund - Uninterrupted Power Supply System	2.7	-	-	-
– Asset Maintenance Fund – Career Fire and Rescue Service (CFRS) Stations Maintenance	2.4	-	-	-
– Cost Increase – Kalgoorlie CFRS Station Upgrade	1.4	-	-	-
– Disaster Ready Fund – Round One	0.1	0.1	-	-
OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS				
Expenses				
– Demand for Prosecution Services	1.0	2.0	2.0	-
CHEMISTRY CENTRE OF WA (CHEMCENTRE)				
Expenses				
– Additional Laboratory Accommodation	0.2	0.2	0.2	0.2
Asset Investment				
– Additional Laboratory Accommodation	3.3	1.4	-	-

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

(b) Partially offset by \$12.1 million from the existing Banksia Hill Detention Centre spending provision.

(c) See Department of Fire and Emergency Services.

(d) Funded from the Regional Infrastructure and Headworks Fund.

Note: Rows may not add due to rounding.

Western Australia Police Force

Expenses

Firearms Reform Program

The Government has committed an additional \$76.4 million over the forward estimates to continue implementation of the State’s firearms reform program. This includes:

- \$64.3 million for a voluntary firearms buyback scheme which will provide an opportunity for licence holders to surrender firearms ahead of legislative reforms being enacted. Of this amount, \$20 million will be provided to the Western Australia Police Force in 2023-24, with the remaining \$44.3 million held as a spending provision in 2024-25 pending the final design of the scheme;
- \$8 million over 2023-24 to 2025-26 for additional temporary resourcing to support the reforms and buyback scheme; and
- \$4.1 million for a new forensic register to improve the management of forensic evidence for firearms-related investigations.

Police and Community Youth Centres (PCYC) safeSPACE Program

To extend the safeSPACE diversionary initiative, the Government has approved additional spending of \$4.6 million over 2023-24 and 2024-25 which will provide educational and recreational opportunities for vulnerable children and at-risk young people across the State.

Asset Investment

Asset Maintenance Fund – Mandurah District Police Complex

The Western Australia Police Force will spend an additional \$851,000 across 2023-24 and 2024-25 for roof repairs and a new back-up generator for the Mandurah District Police Complex.

Firearms Reform Program – New Forensic Register

See above.

Justice

Expenses

Youth Justice Expenditure

To improve the safety and wellbeing of staff and detainees across the youth custodial estate, the Government has committed an additional \$77.1 million over 2023-24 to 2026-27, consisting of:

- \$49.5 million to increase staffing levels at the Banksia Hill Detention Centre (BHDC) and Unit 18 youth detention facility, including employee attraction and retention initiatives;
- \$19.4 million to further upgrade and improve infrastructure, comprising an additional \$13.2 million to deliver the BHDC Crisis Care Unit, \$5.2 million for facility maintenance and upgrades, including new body worn cameras and a digital evidence management system, and \$1 million to undertake planning for a new youth justice facility; and
- \$8.2 million for expanded Aboriginal health services, cultural enrichment and youth support programs, and facility cleaning services.

Justice Services Expenditure

To address unavoidable cost and demand pressures, the Government has approved a total of \$56.3 million in additional expenditure over 2023-24 to 2026-27, primarily reflecting growth in the prison population.

Prison Pharmaceutical Costs

Following changes to the Pharmaceutical Benefits Scheme, the Department will spend \$4.7 million over 2023-24 to 2026-27 to meet higher costs associated with purchasing, prescribing, and dispensing opioid substitution therapy medications.

Election Commitment – Family Violence Restraining Order Shuttle Conferencing Program

To support the Government's shuttle conferencing mediation initiative, an additional \$1.8 million will be spent over 2023-24 and 2024-25 to enable community legal service representation at mediation sessions.

Temporary Regional Incentives

The Government has approved expenditure of \$1.2 million over 2023-24 and 2024-25 on temporary employee incentives to attract and retain nurses, youth justice officers and essential court staff in regional locations.

Asset Investment

Banksia Hill Detention Centre Crisis Care Unit

See Youth Justice Expenditure above.

Asset Maintenance Fund – Courts Maintenance

To enhance public safety and support efficient court operations, the Government will invest \$4.2 million in 2023-24 to upgrade lifts at the Central Law Courts and undertake roof repairs at the Central Law Courts and the heritage-listed Stirling Gardens Supreme Court.

Legal Aid Commission of Western Australia

Expenses

Family Violence and Cross-Examination of Parties Scheme

The Commission will spend an additional \$7.8 million over 2023-24 to 2026-27, funded through the Commonwealth, to provide legal representation in family law proceedings where direct cross-examination is banned under the *Family Law Act 1975* and *Family Court Act 1997 (WA)*.

Fire and Emergency Services (DFES)

Expenses

Ex-Tropical Cyclone Ellie

In addition to the \$322.1 million that was committed as part of the 2023-24 Budget, the Government has made further investments totalling \$547.4 million over 2023-24 to 2025-26 to assist communities in the Kimberley recover from the impacts associated with Ex-Tropical Cyclone Ellie. The spending initiatives include the following jointly funded State and Commonwealth programs:

- \$403.9 million over 2023-24 and 2024-25 for Main Roads WA to replace and enhance the resilience of the Fitzroy River Bridge and repair other key impacted roads, including the Great Northern Highway, the Gibb River Road and the Broome-Cape Leveque Road;
- \$70.5 million over 2023-24 and 2024-25 for DFES to facilitate the reconstruction and betterment works on local government roads;
- \$29.8 million over 2023-24 and 2024-25 for the Department of Communities (Communities) to procure and establish longer-term temporary accommodation for flood-affected residents in the Fitzroy Valley;

- \$14 million over 2023-24 and 2024-25 for initiatives to support communities to access social support, legal assistance and other services as they recover from the flooding, delivered jointly by Communities, and the Departments of Justice and Local Government, Sport and Cultural Industries;
- \$11.5 million over 2023-24 to 2025-26 for DFES to deliver the Temporary Workers Accommodation Package which will provide accommodation facilities for workers undertaking community recovery, clean-up, restoration and rebuilding activities to properties damaged by the flooding;
- \$10.5 million over 2023-24 and 2024-25 to introduce four grant programs to be administered by:
 - the Small Business Development Corporation to assist small and medium business owners (\$1.9 million);
 - the Department of Primary Industries and Regional Development (DPIRD) to help primary producers (\$2.6 million), and for the recovery of environmental, heritage and cultural assets (\$4.3 million); and
 - DFES to assist homeowners to restore their homes to a more resilient standard (\$1.7 million);
- \$5.1 million over 2023-24 to 2025-26 for the Department of Biodiversity, Conservation and Attractions (DBCA) to deliver the National and Conservation Parks Clean-up Program; and
- \$2.1 million will be spent in 2023-24 by DFES to enable Prescribed Body Corporates to participate in Ex-Tropical Cyclone Ellie recovery activities.

The cost of the above investments is partially offset by a \$27.3 million underspend in the Freight Assistance Package (administered by DPIRD), which is no longer required as a result of lower than expected demand for freight assistance. This is mainly due to the earlier than expected completion of a temporary low-level crossing over the Fitzroy River suitable for heavy freight.

Disaster Ready Fund – Round One

Reflecting the Commonwealth Agreement, \$8.9 million will be spent over 2023-24 to 2025-26 (including capital expenditure of \$210,000) on 23 projects awarded to Western Australia under the Disaster Ready Fund – Round One. These projects relate to resilience and risk reduction initiatives aiming to mitigate the impacts of natural disasters and will be delivered by DBCA (\$1.3 million), the Department of Transport (\$126,000), DFES (\$550,000) and by local governments and other service organisations (\$6.9 million).

Digital Capability Fund – Next Generation Emergency WA

The Government will invest an additional \$5.5 million over 2023-24 to 2026-27 to implement the Next Generation Emergency WA (NextGen) platform. NextGen is expected to transform the way emergency information is delivered to Western Australians by providing real-time visual emergency spread alerts, two-way communication and language diversity capability.

Asset Maintenance Fund – Bush Fire Brigades (BFBs)

Funding of \$1 million will be provided to 10 Local Government Authorities in 2024-25 for urgent maintenance works in relation to regional and metropolitan BFB facilities, including the Serpentine, Byford and Gascoyne River BFBs. The maintenance works involve the installation of air-conditioning systems, new toilet and kitchenette facilities, electrical upgrades, and roof repair.

Bushfire Centre of Excellence (BCoE) – Commonwealth Grant Agreements

Under two Commonwealth Grant Agreements, \$260,000 will be spent in 2023-24 on the Strategic Partnership Model to expand the BCoE's network of partners and enhance its service delivery, with a further \$404,000 to be spent to relaunch the National Prescribed Burning Network, to be hosted by the BCoE.

Asset Investment

Asset Maintenance Fund – Uninterrupted Power Supply System

To ensure a more reliable power supply to the Cockburn Emergency Services Complex, which houses the Triple Zero Communications Centre, the Government will invest \$2.7 million in 2023-24 to provide a new Uninterrupted Power Supply system and associated electrical infrastructure.

Asset Maintenance Fund – Career Fire and Rescue Service (CFRS) Stations Maintenance

The Government will invest an additional \$2.4 million in 2023-24 for urgent maintenance works to mitigate the risk of flooding at two CFRS stations by replacing the roof on the Fremantle CFRS station and upgrading the stormwater management system at the Welshpool CFRS station.

Disaster Ready Fund – Round One

See above.

Office of the Director of Public Prosecutions

Expenses

Demand for Prosecution Services

To address increased demand for prosecution services as a result of growth in caseloads and complexity relating to sexual offence matters, the Government has approved expenditure of \$4.9 million over 2023-24 to 2025-26 for additional resources.

Chemistry Centre of WA (ChemCentre)

Expenses

Additional Laboratory Accommodation

See below.

Asset Investment

Additional Laboratory Accommodation

To provide for additional laboratory space at Technology Park Bentley, \$5.5 million will be spent over the four years to 2026-27 (and an additional \$200,000 in 2027-28). This will support operational pressures and emerging risks as laboratory capacity at ChemCentre's Bentley facility is currently exhausted. Of this amount, \$4.8 million will be spent to fit out new accommodation, with the remainder to fund lease costs and other outgoings expenditure.

COMMUNITY SERVICES

Table 3.7

MAJOR SPENDING CHANGES

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
COMMUNITIES				
Expenses				
– Commissioning of Services				
– Out-of-Home Care Services	49.7	61.7	55.0	56.1
– Homelessness Services	-	15.5	16.1	16.1
– Family and Domestic Violence Initiatives	3.6	22.5	19.9	2.2
– North-West Aboriginal Housing Fund				
– Pilbara Aboriginal Housing Program	0.6	3.9	10.4	8.0
– Aboriginal Community Controlled Organisation Aboriginal Housing Grants Program	0.6	7.9	7.4	0.1
– National Housing and Homelessness Agreement Extension	17.3	-	-	-
– National Partnership Agreement for Family, Domestic and Sexual Violence Responses Extension	4.5	5.9	6.1	0.7
– Ex-Tropical Cyclone Ellie ^(a)				
– Community Social Recovery Program	3.7	4.1	-	-
– Temporary Accommodation – Phase 2	6.7	-	-	-
– Temporary Regional Incentives for Child Protection Workers	3.3	0.4	-	-
– Foster Carer and Grand Carer Payments	3.6	-	-	-
– Safe Night Space for Women	1.6	1.6	-	-
– Occupational Violence and Aggression Works Program	1.2	1.6	-	-
– Child Sexual Abuse Therapeutic Services and Indigenous Healing Services	-	1.6	1.7	0.7
– Regional Volunteering Development Services Program	-	0.6	0.7	0.7
– Horsepower Hills	1.2	-	-	-
– Unsupervised Children in Northbridge – Home Safe Program	0.4	0.6	-	-
– Digital Capability Fund – National Disability Data Asset	0.2	0.5	0.2	-
– Marlamanu Youth Facility ^(b)	0.2	0.2	-	-
Asset Investment				
– Social Housing Accelerator Payment	10.9	39.8	79.2	60.7
– Ex-Tropical Cyclone Ellie – Temporary Accommodation – Phase 2 ^(a)	23.1	-	-	-
– Stirling Women’s Refuge ^(c)	-	2.8	13.3	6.3
– Regional Supportive Landlord Model	5.2	-	-	-
– Smith Street Build to Rent Ground Lease Project ^(d)	-	-	-	-
LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES				
Expenses				
– Services Provided to the Gaming and Wagering Commission of Western Australia	6.5	9.2	9.5	10.2
– Asset Maintenance Fund				
– Albany Entertainment Centre	5.8	15.0	-	-
– High Priority Maintenance Works	5.5	5.6	2.1	-
– City of Rockingham – Mike Barnett Sports Complex	10.0	-	-	-
– Screen Production – Industry Attraction Incentives	- ^(e)	0.2	3.9	4.7
– Spare Parts Puppet Theatre Relocation	3.8	-	-	-
– Cost Increase				
– Kununurra Aquatic and Leisure Centre	-	4.9	-	-
– Albany Surf Life Saving Club	0.5	-	-	-
– Artrage – Fringe World Festivals	-	1.0	1.0	0.9
– Lotteries Commission Act 1990 Grants	2.6	-	-	-
– Screenwest – Organisational Capacity	0.3	0.7	0.7	0.7
– 2023 FIFA Women’s World Cup Legacy Grants Program	1.2	1.2	-	-
– Perth Casino Royal Commission Response	1.2	1.2	-	-

Note: Rows may not add due to rounding.

MAJOR SPENDING CHANGES

Table 3.7 (cont.)

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
– Ex-Tropical Cyclone Ellie – Community Social Recovery Package ^(a)	1.2	1.0	-	-
– 40 th Anniversary Celebration of the America's Cup	2.0	-	-	-
– Arts and Culture Trust	1.7	-	-	-
– Perth Concert Hall	0.9	0.2	-	-
– Regional Arts and Cultural Investment Program – CinefestOz Film Festival	-	0.5	0.5	-
– Art Gallery of Western Australia	0.2	0.2	0.2	0.2
Asset Investment				
– Asset Maintenance Fund – Arts and Culture Trust	9.9	-	-	-
– Sam Kerr Football Centre – Stage Two	2.1	3.8	-	-
– Cost Increase				
– Sam Kerr Football Centre – Stage One	4.8	-	-	-
– Maritime Museum Cladding	1.2	-	-	-
WESTERN AUSTRALIAN SPORTS CENTRE TRUST				
Expenses				
– Sam Kerr Football Centre – Operational Funding	3.1	2.8	2.7	2.7
– Optus Stadium Operator Forecast	2.9	-	-	-
– Sam Kerr Football Centre – Football Festival Event	1.0	-	-	-
– HBF Arena Competition Pool Replacement ^(d)	-	-	-	-
Asset Investment				
– Asset Maintenance Fund – RAC Arena Underground Carpark	1.6	0.7	-	-
– HBF Arena Competition Pool Replacement ^(d)	-	-	-	-

(a) See Department of Fire and Emergency Services.

(b) See Department of Primary Industries and Regional Development.

(c) Expenditure has been reprioritised from within existing budget to support all or part of this initiative.

(d) The funding amounts are not disclosed as negotiations are ongoing.

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

Note: Rows may not add due to rounding.

Communities

Expenses

Commissioning of Services

The Government has committed to spend a further \$270.1 million over the forward estimates period to:

- support recommissioning of out-of-home care services and the transition to new contract arrangements and model of care, which will provide children in the State's care with the type and level of care that better align with their identified needs (\$222.5 million); and
- maintain current service levels through extending contracts, beyond 30 June 2024, for 15 accommodation and outreach services that provide 236 beds for people experiencing homelessness, while homelessness services are recommissioned (\$47.6 million).

Family and Domestic Violence (FDV) Initiatives

The Government will spend an additional \$48.2 million over 2023-24 to 2026-27 (\$50 million to 2027-28) to support a suite of 15 initiatives to boost FDV prevention and crisis response across the State. This investment is part of a \$70.6 million FDV package (\$72.6 million to 2027-28), which includes investment to construct a refuge in Stirling (see Asset Investment below).

North-West Aboriginal Housing Fund

An additional \$38.8 million will be spent over 2023-24 to 2026-27 under the North-West Aboriginal Housing Fund to establish two new programs:

- the Pilbara Aboriginal Home Ownership Program, at a cost of \$23 million (\$30.6 million to 2028-29), to deliver 28 affordable rental properties in the Pilbara which will be made available to employed Aboriginal households with the aspiration to progress to home ownership; and
- the Aboriginal Community-Controlled Organisation (ACCO) Aboriginal Housing Grants Program, which will see a total of \$15.8 million in grants provided to ACCOs to purchase, refurbish or construct a total of 33 affordable rental properties for their employees.

National Housing and Homelessness Agreement Extension

An additional \$17.3 million will be spent on housing and homelessness services in 2023-24 under a 12-month extension of the National Housing and Homelessness Agreement, which will now expire on 30 June 2024.

National Partnership Agreement for Family, Domestic and Sexual Violence Responses Extension

Services for victims and perpetrators of family, domestic and sexual violence will be boosted through an investment of \$17.2 million over the forward estimates period to support new community services workers and a new perpetrator response initiative aimed at improving engagement with perpetrators to reduce the risk of reoffending. The additional expenditure is funded by the Commonwealth under the extended National Partnership Agreement for Family, Domestic and Sexual Violence Responses.

Temporary Regional Incentives for Child Protection Workers

The Government will provide temporary regional incentives totalling \$3.7 million over 2023-24 and 2024-25 to attract and retain child protection workers in key regions.

Foster Carer and Grand Carer Payments

The Government will spend an additional \$3.6 million in 2023-24 to provide a one-off payment to approved foster carers – \$500 for one child and \$250 for each additional child, as well as \$500 to any carer household that had a child within the last 12 months.

Safe Night Space for Women

The Government has committed \$3.1 million over 2023-24 and 2024-25 to continue the Safe Night Space program, which provides access to a safe and accessible overnight service to women in crisis, including those at risk of experiencing family and domestic violence. Following the City of Perth's decision to close the premises that the service currently operates from, opportunities for alternative facilities are being explored to ensure that the service can continue.

Occupational Violence and Aggression Works Program

To improve the safety of Communities' staff, the Government will spend \$2.8 million over 2023-24 and 2024-25 to deliver a minor works program to upgrade security at office premises in the Midwest Gascoyne, Goldfields-Esperance, Kimberley and Pilbara regions.

Child Sexual Abuse Therapeutic Services (CSATS) and Indigenous Healing Services (IHS)

An additional \$1.9 million over 2024-25 and 2025-26 will be spent on CSATS and IHS to improve service sustainability. The Government will also invest a further \$2 million over 2024-25 to 2026-27 for the Kimberley Sexual Abuse and Prevention and Support Service to continue the provision of counselling services for child and adult victims of sexual abuse in Broome, Kununurra and surrounding remote communities.

Regional Volunteering Development Services Program

To support and improve volunteering in regional Western Australia, the Government will be spending an additional \$2.1 million over 2024-25 to 2026-27 to provide additional funding to 14 volunteer development services organisations to address service gaps and allow the continuation of the current service model of providing face-to-face support.

Horsepower Hills

The Government will provide Horsepower Hills with a grant of up to \$1.2 million in 2023-24 for the purchase of new premises to accommodate growing demand for equine therapy for children with disability.

Unsupervised Children in Northbridge – Home Safe Program

The current Northbridge Home Safe Program pilot will be extended to 30 June 2025 at a total cost of \$935,000 over 2023-24 and 2024-25. Implemented in 2022-23, the pilot aims to reduce the number of unsupervised children under the age of 16 years in Northbridge at night.

Digital Capability Fund – National Disability Data Asset

The Government will spend \$1.4 million over 2023-24 to 2025-26 (\$889,000 for the Department of Communities and \$472,000 for WA Health) to support data linkage and analysis to meet the State's data sharing obligations under Western Australia's National Disability Data Asset agreement with the Commonwealth. This will be funded from the original \$3.8 million provisioned in 2024-25, with the remaining \$2.4 million returned to the Digital Capability Fund Special Purpose Account.

Asset Investment

Social Housing Accelerator Payment

As part of the Commonwealth's Social Housing Accelerator Payment, \$190.6 million will be invested over 2023-24 to 2026-27 (\$209.2 million to 2027-28) to deliver social housing in accordance with Western Australia's implementation plan. This is estimated to result in the refurbishment of 333 existing dwellings and the construction of 265 new dwellings. This investment builds on the State Government's existing social housing delivery programs and is in addition to Government's pre-existing commitment to deliver 4,000 new social housing dwellings by 2026-27.

Stirling Women's Refuge

Under the Government's \$70.2 million FDV Package (see Expenses above), \$22.4 million will be spent over 2024-25 to 2026-27 (\$22.6 million to 2027-28) to construct a women's refuge in Stirling, which will add 11 crisis units (for a total of 16) to the FDV refuges and safe houses systems by the end of the forward estimates period. This facility will be funded from the Department of Communities' existing Crisis Accommodation Program.

Regional Supportive Landlord Model

The Government continues to support Housing First homelessness initiatives with the roll-out of the Regional Supportive Landlord Model in Geraldton, where 13 properties will be purchased in 2023-24 to house 19 rough sleepers at a cost of \$5.2 million, to be allocated from the Social Housing Investment Fund.

Smith Street Build to Rent Ground Lease Project

The Government has made an initial funding commitment to progress early works and activities to support the Smith Street Build to Rent Ground Lease Project. This project represents the State's first build-to-rent development of its kind, and will see the Government partner with a Community Housing Provider to deliver social and affordable housing dwellings on the site.

Local Government, Sport and Cultural Industries

Expenses

Services Provided to the Gaming and Wagering Commission of Western Australia

The Commission is responsible for the administration of the *Casino Control Act 1984* and regulation of the Perth Casino, including the implementation of a regulatory uplift program arising from the findings and recommendations of the Perth Casino Royal Commission. To support the Commission in delivering its functions, the Department will provide additional services to the Gaming and Wagering Commission of Western Australia, at a cost of \$35.4 million over 2023-24 to 2026-27.

Asset Maintenance Fund – Albany Entertainment Centre

The Government will spend \$20.8 million over 2023-24 and 2024-25 to address high priority maintenance and safety issues at the Albany Entertainment Centre, including roof panel repairs, waterproofing and protective treatments.

Asset Maintenance Fund – High Priority Maintenance Works

To address high priority maintenance needs, an additional \$13.2 million will be spent over 2023-24 to 2025-26, including replacement of the Art Gallery of Western Australia's air handling units to maintain safe storage of the State's Art Collection, upgrading fire response at Camp Quaranup Recreation Camp and His Majesty's Theatre, and boardwalk repairs at the Western Australian Maritime Museum.

City of Rockingham – Mike Barnett Sports Complex

The State Government has committed \$10 million towards re-roofing and delivery of additional courts at the Mike Barnett Sports Complex in Rockingham.

Screen Production – Industry Attraction Incentives

Additional expenditure totalling \$8.9 million over 2023-24 to 2026-27 has been approved for screen production attraction incentives, marketing and promotion-related activity.

Spare Parts Puppet Theatre Relocation

Following the closure of the auditorium at Short Street, Fremantle in August 2022, the Government will provide funding of \$3.8 million in 2023-24 for capital upgrades to the Ellie Eaton Theatre at Claremont Showgrounds to support the relocation of the Spare Parts Puppet Theatre.

Artrage – Fringe World Festivals

The Government will provide an additional \$2.9 million over 2024-25 to 2026-27 to Artrage to assist in the staging of the 2025, 2026 and 2027 Fringe World Festivals.

Lotteries Commission Act 1990 Grants

Due to the continued strength in lottery sales during the year, grants made by the Department to the arts and sports sectors under the *Lotteries Commission Act 1990* will increase by \$2.6 million in 2023-24.

Screenwest – Organisational Capacity

To enhance Screenwest's operational capacity to deliver support to the Western Australian screen industry, an additional \$2.4 million will be spent over the forward estimates period. This will maintain the existing operational capacity of 25 FTE who provide services to the screen sector including industry training development and capacity building programs.

2023 FIFA Women's World Cup Legacy Grants Program

The Government has allocated \$2.4 million over 2023-24 and 2024-25 for facility improvement grants of up to \$300,000 each, for clubs in the Women's National Premier League Western Australia. The grant will support women's participation in sport.

Perth Casino Royal Commission Response

To continue the implementation of reforms in line with the Government's response to the recommendations of the Perth Casino Royal Commission Final Report, an additional \$2.4 million will be spent over 2023-24 and 2024-25.

40th Anniversary Celebration of the America's Cup

To mark the 40th Anniversary of Australia II winning the America's Cup, additional expenditure of \$2 million was approved for State celebrations.

Arts and Culture Trust

A total of \$1.7 million will be spent in 2023-24 to address operational issues across venues operated by the Arts and Culture Trust, including hire costs associated with equipment failure and live streaming equipment across multiple venues.

Perth Concert Hall

Additional expenditure of \$1.1 million has been approved over 2023-24 and 2024-25 for the ongoing costs of temporary propping and fencing, as well as operational and routine maintenance costs, associated with the transfer of the management of the Perth Concert Hall from the City of Perth to the State.

Regional Arts and Cultural Investment Program – CinefestOz Film Festival

The Government has approved additional expenditure of \$900,000 over 2024-25 and 2025-26 for the CinefestOz Film Festival. The festival plays a critical role in the promotion of screen culture and audience engagement for Western Australian-produced content.

Art Gallery of Western Australia

To enhance the security presence at the Art Gallery of Western Australia, additional expenditure totalling \$800,000 over 2023-24 to 2026-27 has been provided.

Asset Investment

Asset Maintenance Fund – Arts and Culture Trust

Expenditure of \$9.9 million has been allocated in 2023-24 to address critical equipment failure and provide for end-of-life replacement of technical equipment across Arts and Culture Trust venues.

Sam Kerr Football Centre – Stage Two

Stage Two of the Sam Kerr Football Centre includes the construction of two additional pitches at the site, at a cost of \$5.9 million over 2023-24 and 2024-25.

Western Australian Sports Centre Trust (VenuesWest)

Expenses

Sam Kerr Football Centre – Operational Funding

Following the completion of the Sam Kerr Football Centre, \$11.4 million over 2023-24 to 2026-27 has been allocated to VenuesWest to meet operating costs associated with co-managing the Centre with Football West.

Optus Stadium Operator Forecast

Forecast operating expenditure at Optus Stadium is expected to increase by \$2.9 million in 2023-24, reflecting the latest estimates of the number and type of events to be held at the Stadium and the costs of providing these events (which includes higher catering and corporate event costs). Revenue estimates at the Stadium have also been revised up (\$1.7 million higher in 2023-24), partially offsetting the impact of higher operating costs.

Sam Kerr Football Centre – Football Festival Event

To celebrate the official opening of the Centre and the legacy of hosting FIFA Women's World Cup matches, \$1 million was spent on a Football Festival Event in 2023-24.

HBF Arena Competition Pool Replacement

See below.

Asset Investment

Asset Maintenance Fund – RAC Arena Underground Carpark

VenuesWest will spend \$2.2 million over 2023-24 and 2024-25 on structural remediation works required in the basement carpark of RAC Arena.

HBF Arena Competition Pool Replacement

Following the closure of the 50-metre pool at HBF Arena due to structural issues and safety concerns, funding has been approved over 2023-24 to 2025-26 for its demolition and the design and construction of a new pool at HBF Arena, including a new air treatment system. The proposed amount of expenditure is unable to be disclosed at this time due to ongoing commercial negotiations.

TRANSPORT

Table 3.8

MAJOR SPENDING CHANGES

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
TRANSPORT				
Expenses				
– Westport Office				
– Environmental Measures	12.7	-	-	-
– Business Case	3.5	-	-	-
– Joondalup Driver Assessment Centre	3.5	6.4	-	-
– Asset Maintenance Fund – Maritime Facilities	0.9	5.9	-	-
– Driving Access and Equity Program	0.4	3.7	-	-
– Cost Increases				
– Tantabiddi Boat Ramp Redevelopment	0.7	0.3	-	-
– Derby-Broome Subsidised Air Travel	0.2	0.3	0.4	-
– Sectoral Emissions Reduction Strategies (SERS) – South West Road Freight Decarbonisation Strategy ^(a)	0.1	0.5	-	-
– Exmouth Boat Harbour Dredging	1.0	-	-	-
– Disaster Ready Fund – Round One ^(b)	0.1	0.1	-	-
Asset Investment				
– Driver and Vehicle Services System Enhancements	0.5	-	0.3	-
COMMISSIONER OF MAIN ROADS				
Expenses				
– Cost Increases				
– Oakajee Strategic Industrial Area Access Road	2.0	17.2	-	-
– Election Commitments	2.8	-	-	-
– Warmun Airstrip Upgrade	2.7	-	-	-
– Ex-Tropical Cyclone Ellie – New Fitzroy Crossing Bridge and Road Recovery Works ^(b)	32.3	-	-	-
– Updates to Commonwealth-Funded Projects	5.4	6.9	8.2	-0.6
– Extension of Funding for Jointly Funded Programs	0.7	1.4	2.0	-
Asset Investment				
– Ex-Tropical Cyclone Ellie – New Fitzroy Crossing Bridge and Road Recovery Works ^(b)	343.5	28.1	-	-
– Cost Increases				
– Joint State and Commonwealth-Funded Road Projects	193.1	-	-	121.5
– Burrup Strategic Industrial Area Road Infrastructure	13.0	-	-	-
– Election Commitments	3.0	-	-	-
– Principal Shared Path Program	1.7	-	-	-
– Regional Level Crossing Upgrades	2.0	6.4	9.6	16.0
– Extension of Funding for Jointly Funded Programs	2.9	5.3	1.9	-
– Transforming Perth’s Freeways – Kwinana Freeway	4.0	-	-	-
– AIP Review	-69.1	-15.7	-117.4	-176.4

Note: Rows may not add due to rounding.

MAJOR SPENDING CHANGES

Table 3.8 (cont.)

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
PUBLIC TRANSPORT AUTHORITY				
Expenses ^(c)				
– METRONET – Operating Costs				
– Morley-Ellenbrook Line	4.4	26.4	47.3	48.3
– Bayswater Station	4.8	6.6	7.0	7.1
– Interest Expenses	17.9	11.5	13.1	12.1
– Student Transport Conveyance Allowance	1.1	2.3	2.4	2.5
– Cost Increase – Tunnel Monitoring System	0.9	1.1	0.7	0.5
– SmartRider Upgrade	0.6	0.6	0.6	0.6
Asset Investment				
– Cost Increase - METRONET – Bayswater Station	118.4	63.1	-	-
– Electric Bus Depots and Land Purchases	34.0	60.0	1.5	-
– Sutherland Street Substation Upgrade	3.5	15.7	3.1	-
– SmartRider Upgrade	2.4	-	-	-
– SERS – Electric Vehicle Charging at New METRONET Train Stations ^(a)	1.1	1.1	-	-
– AIP Review	-17.6	-10.0	17.6	10.0
FREMANTLE PORT AUTHORITY				
Asset Investment				
– Material Handling Infrastructure Renewal of Import System	20.0	18.2	-	-
MID WEST PORTS AUTHORITY				
Asset Investment				
– Port-Wide Firefighting	-	9.4	3.8	-
PILBARA PORTS AUTHORITY				
Asset Investment				
– Pilbara Ports Common User Upgrades	119.3	163.8	230.1	60.8
– Port Hedland Voluntary Buy-Back Scheme	-3.3	35.7	38.1	-
SOUTHERN PORTS AUTHORITY				
Asset Investment				
– Election Commitment – Inner Harbour Access Bridge (Port of Bunbury)	6.9	6.9	-	-
– Port Roads Upgrade Stages 2 and 3 (Port of Esperance)	-	4.0	8.2	-

(a) See Department of Water and Environmental Regulation.

(b) See Department of Fire and Emergency Services.

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

Note: Rows may not add due to rounding.

Transport

Expenses

Westport Office – Environmental Measures

The Westport Office is commencing environmental offset work and will spend \$12.7 million in 2023-24 to identify high value environmental sites for acquisition, protection and rehabilitation, and to plan additional measures to mitigate potential environmental impacts.

Westport Office – Business Case

To expand the scope of the Westport business case, an additional \$3.5 million from the Westport Special Purpose Account has been allocated to the program of works in 2023-24.

Joondalup Driver Assessment Centre

Following the move of the Driver and Vehicle Services Centre from Joondalup to Butler in May 2023, the Joondalup Centre has been repurposed and reopened as a dedicated Driver Assessment Centre to improve access to practical driving assessments (PDAs) and other services for learner drivers. The Department will spend \$9.9 million to operate the new centre over 2023-24 and 2024-25, which will largely be funded from PDA fees.

Asset Maintenance Fund – Maritime Facilities

Remediation works will be undertaken on the southern breakwaters at Hillary's Boat Harbour and Fremantle Fishing Boat Harbour and on the Southern Training Wall and spur groyne at Dawesville, at a cost of \$6.8 million over 2023-24 and 2024-25. These works will ensure the continued protection of the State's maritime infrastructure at these sites.

Driving Access and Equity Program

The Driving Access and Equity Program, which helps disadvantaged learner drivers in regional Western Australia obtain their driver's licence, will be continued in its existing locations, with a further \$4.1 million to be spent across 2023-24 and 2024-25.

Exmouth Boat Harbour Dredging

The Department will spend an additional \$1 million on dredging in the Exmouth Boat Harbour in 2023-24, which will ensure that the channels and inner harbour remain safe to navigate.

Asset Investment

Driver and Vehicle Services System Enhancements

In response to the September 2022 Optus data breach, the Government committed to replacing driver's licenses for affected customers free of charge and to improve protections for those impacted by the breach. This included issuing new license numbers, which required the Department to invest an additional \$852,000 over the forward estimates period to modify its ICT systems.

Commissioner of Main Roads

Expenses

Updates to Commonwealth-Funded Projects

Main Roads will spend an additional \$19.9 million on a number of minor Commonwealth-funded projects over 2023-24 to 2025-26. This expenditure relates to works to be undertaken by third parties, including for the Neerabup Strategic Link - Flynn Drive Upgrade and the Gngalara Road Duplication.

Extension of Funding for Jointly Funded Programs

See below.

Asset Investment***Cost Increases – Joint State and Commonwealth-Funded Road Projects***

Main Roads will invest an additional \$314.6 million over 2023-24 to 2026-27 on a number of jointly funded road projects that are in construction and experiencing cost pressures as a result of market conditions.

Regional Level Crossing Upgrades

To improve safety at level crossings in regional areas, \$34 million will be spent on upgrades at railway crossings, which will be jointly funded by the Commonwealth and State Governments under the Regional Level Crossing Upgrades Fund.

Extension of Funding for Jointly Funded Programs

An additional \$14.1 million of State and Commonwealth funding has been committed to the Bridges Renewal Program and the Heavy Vehicle Safety and Productivity Program over 2023-24 to 2025-26. These programs are complementary and have, respectively, funded the replacement of bridges to enhance access into local communities and increase the productivity and safety of heavy vehicle movements in regional areas.

Transforming Perth's Freeways – Kwinana Freeway

To assess the viability and prepare a business case for the proposed Smart Freeways expansion between Russell Road and Anketell Road on the Kwinana Freeway, \$4 million (jointly funded by the Commonwealth and State Governments) will be spent in 2023-24.

Public Transport Authority**Expenses*****METRONET Operating Costs******Morley-Ellenbrook Line***

With the Morley-Ellenbrook Line scheduled for completion in 2024, the Authority will be provided with an operating subsidy totalling \$126.4 million over 2023-24 to 2026-27 to fund the costs of operating the new train services.

Bayswater Station

The southern concourse of the new Bayswater Station commenced operations in October 2023 to connect passenger services across the Midland and Airport Lines, with the northern concourse scheduled to open in 2024. The Authority will receive an additional operating subsidy totalling \$25.5 million over 2023-24 to 2026-27 to fund the operating costs of the new station (including cleaning and maintenance).

Interest Expenses

The operating subsidy paid to the Authority will increase by \$54.6 million over 2023-24 to 2026-27 to fund increased interest costs, which are the result of higher interest rates and changes in the timing of its asset investment expenditure.

Student Transport Conveyance Allowance

The Student Transport Assistance program provides students living in remote or rural areas and students with special needs attending education support facilities with transport assistance to attend school. The assistance provided includes the payment of a conveyance allowance to eligible parents or carers to assist with travel expenses, the rate for which will be increased from 25.24 to 55.6 cents per kilometre from 1 February 2024, at an estimated cost of \$8.3 million over 2023-24 to 2026-27.

SmartRider Upgrade

See below.

Asset Investment

Cost Increase – METRONET – Bayswater Station

An additional \$181.5 million has been allocated to complete the construction of Bayswater Station and meet the increased costs of materials, equipment and labour.

Electric Bus Depots and Land Purchases

As part of the Government's commitment to electrifying the State's bus fleet, \$65.5 million will be spent over 2023-24 to 2025-26 to construct the first tranche of electric bus-compatible depots in Whiteman, Malaga and Henley Brook, with funding for these works to be drawn from the \$250 million joint State and Commonwealth commitment. The Authority will also spend an additional \$30 million (funded by the State) over 2023-24 and 2024-25 to procure land for electric bus-compatible depots in Bayswater and Henley Brook.

Sutherland Street Substation Upgrade

To enable the Sutherland Street Substation to supply sufficient power for new METRONET services in addition to the existing rail network, an additional \$22.3 million will be spent over 2023-24 to 2026-27 to upgrade the substation's key infrastructure.

SmartRider Upgrade

Additional expenditure of \$2.4 million in 2023-24 has been approved to complete the roll out of infrastructure (including new Add Value Machines) under the SmartRider Upgrade project, which will modernise Transperth's payment systems and make it easier and more flexible for passengers to ride public transport. An additional operating subsidy of \$620,000 per annum will also be provided to the Authority from 2023-24 onwards for associated software licencing and maintenance fees.

Fremantle Port Authority

Asset Investment

Material Handling Infrastructure Renewal of Import System

Additional investment of \$38.2 million over 2023-24 and 2024-25 will accommodate electrical and hydraulic upgrades and design element changes to improve the reliability, safety and operability of the clinker facility (a key ingredient in cement production, facilitating the import of the material for construction purposes), and fund price escalation due to market conditions. The additional costs will be funded from retained dividends and a reprioritisation of the Authority's minor capital works budget.

Mid West Ports Authority

Asset Investment

Port-Wide Firefighting

The Mid West Ports Authority will spend an additional \$13.1 million over 2024-25 and 2025-26 to construct a new firefighting system at the Port of Geraldton to a revised design using potable water, to avoid corrosion and plumbing blockages in fire trucks.

Pilbara Ports Authority

Asset Investment

Pilbara Ports Common User Upgrades

Additional investment of \$574 million over the forward estimates (and further \$41 million beyond this period) will deliver a new multi-user facility and logistics hub at Lumsden Point, refurbish the Dampier Cargo Wharf, and provide a new land-backed wharf between the Dampier Cargo Wharf and the new Dampier Bulk Handling Facility. The Commonwealth Government has committed \$565 million towards these upgrades.

This builds on \$96.6 million previously invested by the Western Australian Government to enable the expansion of Lumsden Point in the Port of Port Hedland.

Port Hedland Voluntary Buy-Back Scheme

The Port Hedland Voluntary Buy-Back Scheme allows residents within Port Hedland's West End area (close to port operations) the opportunity to voluntarily sell their property for a commercially attractive, Government-guaranteed market price. Pilbara Ports Authority will spend an additional \$70.5 million over 2023-24 to 2025-26 to extend the Scheme and implement changes to further incentivise participation.

Southern Ports Authority

Asset Investment

Election Commitment – Inner Harbour Access Bridge (Port of Bunbury)

To progress the Government's election commitment to construct a new access road to the Port of Bunbury, an additional \$13.8 million will be spent over 2023-24 and 2024-25 (bringing the project's total cost to \$34.2 million). This project will increase port security, improve road safety and enable public access to Turkey Point and port access to the northern berths during the Inner Harbour expansion.

Port Roads Upgrade Project Stages 2 and 3 (Port of Esperance)

Additional expenditure of \$12.2 million over 2024-25 and 2025-26 has been approved to complete stages 2 and 3 of the Port Roads Upgrade project to reconfigure the heavy vehicle entrance to the Port of Esperance and renew dilapidated sections of internal port roads. These works will ensure port user safety and facilitate trade. This project has a total cost of \$19.6 million and is funded from retained dividends.

ENVIRONMENT

Table 3.9

MAJOR SPENDING CHANGES

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
WATER AND ENVIRONMENTAL REGULATION				
Expenses				
– Sectoral Emissions Reduction Strategy				
– Clean Energy Future Fund Extension	-	1.1	4.0	6.1
– Green Approvals	0.6	1.9	1.9	2.0
– Climate Action Fund – Whole-of-Government Emissions Monitoring System	0.2	1.2	0.9	0.8
– Streamline WA – Approvals Reform ^(a)	1.5	-	-	-
BIODIVERSITY, CONSERVATION AND ATTRACTIONS				
Expenses				
– Plan for Our Parks Indigenous Land Use Agreements Implementation and Joint Management				
– Mount Augustus National Park	4.3	6.4	6.8	6.9
– Giralia National Park, Boologooro Nature Reserve, and Exmouth Gulf Marine Park	5.1	6.1	6.5	6.7
– Waldburg National Park	2.6	3.0	3.1	3.0
– Meentheena Conservation Reserves	1.7	3.0	3.1	3.2
– Fitzroy River National Park (Yurriyangem Taam)	1.1	1.8	1.8	1.8
– Continuation of Bushfire Mitigation Activities	-	2.5	2.5	2.5
– Ex-Tropical Cyclone Ellie – Conservation and Marine Parks Clean-up Program ^(b)	1.8	1.8	0.5	-
– Zoological Parks Authority – Re-homing of Asian Elephants	1.9	0.2	-	-
– Disaster Ready Fund – Round One ^(b)	0.6	0.4	0.3	-
– Forest Management Plan 2024-33 – Ecological Thinning	-24.0	-	-	-
Asset Investment				
– Plan for Our Parks Indigenous Land Use Agreements Implementation and Joint Management				
– Mount Augustus National Park	1.4	8.2	6.8	4.1
– Giralia National Park, Boologooro Nature Reserve, and Exmouth Gulf Marine Park	1.3	4.4	4.7	-
– Waldburg National Park	1.4	5.6	2.7	1.1
– Meentheena Conservation Reserves	0.6	0.1	1.3	1.2
– Fitzroy River National Park (Yurriyangem Taam)	-	1.7	1.0	-
– Asset Maintenance Fund				
– Rottnest Island Authority	4.7	6.0	-	-
– Hamelin Pool Boardwalk Replacement	0.2	1.5	1.7	-
– Botanical Gardens and Parks Authority - Mount Eliza Scarp Stability Works	3.1	2.1	0.6	-
– Royalties for Regions				
– Karijini National Park Roads Upgrade	-	3.4	-	-
– Wellington National Park Access Improvement Project	1.4	1.3	-	-
– National Park Tourism Experience Program – Cape to Cape Track	1.4	1.4	-	-
– Ex-Tropical Cyclone Ellie – Conservation and Marine Parks Clean-up Program ^(b)	0.4	0.4	0.3	-

(a) See Department of Jobs, Tourism, Science and Innovation.

(b) See Department of Fire and Emergency Services.

Note: Rows may not add due to rounding.

Water and Environmental Regulation

Expenses

Sectoral Emissions Reduction Strategy

The Government will spend an additional \$74.4 million over 2023-24 to 2026-27 across seven agencies for 11 initiatives that will assist in transitioning Western Australia's economy to net zero emissions in line with the Government's Sectoral Emissions Reduction Strategy.

To support the decarbonisation of the electricity sector, funding has been provided to the Department of Water and Environmental Regulation to support the fast-tracking of environmental approvals for critical transmission infrastructure, assist green energy proponents with the environmental approvals process, and engage with the Commonwealth on environmental reforms (\$6.5 million).

Horizon Power will trial two long-duration energy storage systems in two microgrid locations; install community batteries in five regional towns; install rooftop solar on suitable social housing in five remote Aboriginal communities; and establish a decarbonisation program to facilitate land acquisition, early planning, and due diligence activities necessary to enable low-carbon generation solutions for its 38 microgrids (\$42 million).

A further \$16 million has been allocated for industry sector initiatives, including:

- \$11.2 million for the Department of Water and Environmental Regulation to deliver two more rounds under the Clean Energy Future Fund (\$15 million in grants to 2030-31);
- \$4.3 million for the Department of Jobs, Tourism, Science and Innovation to deliver a Carbon Capture Utilisation and Storage (CCUS) Action Plan; and
- \$500,000 for the Minerals Research Institute of WA to co-fund a detailed engineering design study for a common user, low-emissions green iron pilot facility.

To support the uptake of electric vehicles (EVs), the Public Transport Authority will install 69 dual chargers at all new METRONET stations (\$2.2 million). The Department of Finance will spend a net amount of \$7.1 million to support an increase in the Government's EV fleet target under the State EV Strategy from 25 to 50 per cent, for eligible vehicles purchased from 1 July 2025; and the Department of Transport will develop a road freight decarbonisation strategy for the South West (\$641,000).

Climate Action Fund – Whole-of-Government Emissions Monitoring System

The Department will spend \$3.1 million over the forward estimates period to progress the development of a whole-of-government emissions monitoring system. The system will be utilised to track emissions of government buildings against public sector emissions reduction targets.

Biodiversity, Conservation and Attractions

Expenses

Plan for Our Parks Indigenous Land Use Agreements Implementation and Joint Management

As part of the Plan for Our Parks (PfOP) initiative, the Government has approved additional expenditure of \$125.6 million over 2023-24 to 2026-27 (including \$47.6 million in asset investment). This will facilitate the implementation of five Indigenous Land Use Agreements (ILUAs) and joint management activities with Traditional Owners across several reserves, and investment in necessary infrastructure. This expenditure will contribute a further 1.5 million hectares to the State's conservation estate once the reserves are created, expanding on the 2.5 million hectares already created under the PfOP program since 2019-20.

Continuation of Bushfire Mitigation Activities

The Government will spend \$7.4 million over 2024-25 to 2026-27 to continue existing bushfire mitigation activities and treat priority bushfire risks on unallocated Crown land, unmanaged Crown reserves, and Crown reserves under the care of Local Government Authorities.

Zoological Parks Authority – Re-homing of Asian Elephants

Following the passing of matriarch elephant Tricia in 2022, \$2 million will be spent over 2023-24 and 2024-25 to meet the costs of re-homing the two remaining Asian Elephants at Perth Zoo to Monarto Safari Park in South Australia.

Forest Management Plan (FMP) 2024-33 – Ecological Thinning

Planned expenditure of \$24 million in 2023-24 for works relating to the ecological thinning component of the FMP 2024-33 will now be undertaken by the Forest Products Commission (see earlier in this Appendix).

Asset Investment

Plan for Our Parks Indigenous Land Use Agreements Implementation and Joint Management

See above.

Asset Maintenance Fund – Rottnest Island Authority

The Government will invest an additional \$10.7 million over 2023-24 and 2024-25 to complete the remaining urgent works under the Rottnest Island Main Jetty refurbishment and upgrade project. The funding will enable completion of the required works to Berths 1 to 3 and the Barge Laydown Area, enhancing safe and ongoing commercial and visitor access to Rottnest Island.

Asset Maintenance Fund – Hamelin Pool Boardwalk Replacement

The Government has approved expenditure of \$4.6 million over 2023-24 to 2025-26 for the replacement of the Hamelin Pool boardwalk in the Shark Bay world heritage area. The project will be funded through a \$2.2 million contribution from the Asset Maintenance Fund, \$1.2 million of existing Departmental cash, and the remainder funded through internal reprioritisation.

Botanical Gardens and Parks Authority – Mount Eliza Scarp Stability Works

The Government will spend \$5.8 million over 2023-24 to 2025-26 to undertake urgent slope stabilisation work, drainage improvements, and exotic vegetation removal on the Mount Eliza Scarp in Kings Park. The works will mitigate risks associated with soil erosion and rock movement following the unavoidable removal of a number of trees due to infestation with Polyphagous Shot Hole Borer.

Karijini National Park Roads Upgrade

An additional \$5.2 million will be spent in 2024-25 (\$3.4 million funded by Royalties for Regions and the remainder funded through internal reprioritisation) to undertake a broader scope of works and meet construction cost pressures associated with the roads construction component of the Karijini National Park (KNP) Upgrades project, which will deliver improved facilities including sealed road and carpark access to the most popular gorge and visitor sites within KNP.

Wellington National Park Access Improvement Project

To improve access to the Wellington National Park and pedestrian access to the Wellington Dam Mural, \$2.7 million over 2023-24 and 2024-25 has been allocated from the Collie Industry Attraction and Development Fund to widen access roads, and to install automated pedestrian access control gates on the walkway over Wellington Dam.

National Park Tourism Experience Program – Cape to Cape Track

Under the National Park Tourism Experience Development Program, the Department will spend \$2.7 million over 2023-24 and 2024-25 to undertake repairs and upgrades to the Cape-to-Cape Track, including updates to signage.

PLANNING AND LAND USE

MAJOR SPENDING CHANGES

Table 3.10

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
PLANNING, LANDS AND HERITAGE				
Expenses				
– Aboriginal Cultural Heritage Legislation Amendment Impacts	-2.3	3.8	1.7	1.3
– Pilbara Energy Transition ^(a)	0.4	1.3	1.3	1.3
– Mira Mar Landslide	1.2	0.3	- ^(b)	-
– Wittenoom Townsite Demolition	0.7	-	-	-
Asset Investment				
– Aboriginal Cultural Heritage Legislation Amendment Impacts	5.2	3.3	-	-
– Mira Mar Landslide ^(c)	-	-	-	-
WESTERN AUSTRALIAN LAND INFORMATION AUTHORITY (LANDGATE)				
Expenses				
– Digital Capability Fund – Spatial WA Program	-	19.3	37.5	26.2
DEVELOPMENTWA				
Expenses ^(d)				
– Peel Business Park ^(e)	-	-	-	-
Asset Investment				
– Pier Street	20.3	51.9	63.8	1.0
– Cost Increase – East Perth Power Station	6.2	-0.1	-	-
– Nyamba Buru Yawuru – Health and Wellbeing Campus	3.0	-	-	-
– Port Hedland Stables	0.6	1.4	-	-
– Chung Wah Subdivision	0.8	-	-	-
NATIONAL TRUST OF AUSTRALIA (WESTERN AUSTRALIA)				
Expenses				
– Asset Maintenance Fund – Geraldton Heritage Precinct	0.4	1.9	1.4	-
– Asset Maintenance Fund – High Priority Maintenance of Heritage Properties	0.3	0.4	0.3	-
Asset Investment				
– Asset Maintenance Fund – Geraldton Heritage Precinct	0.1	1.4	1.9	0.6

(a) See Department of Energy, Mines, Industry Regulation and Safety.

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

(c) Not able to be disclosed due to ongoing property acquisition negotiations.

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

(e) Commercial-in-confidence.

Note: Rows may not add due to rounding.

Planning, Lands and Heritage

Expenses

Aboriginal Cultural Heritage Legislation Amendment Impacts

See below.

Mira Mar Landslide

The Government has approved additional expenditure of \$1.5 million over 2023-24 to 2025-26 on project management, remediation design, risk mitigation, short-term accommodation, and moving expenses for the residents currently occupying the affected properties.

Wittenoom Townsite Demolition

An additional \$724,000 will be spent in 2023-24 to finalise the closure and demolition of the former Wittenoom townsite.

Asset Investment

Aboriginal Cultural Heritage Legislation Amendment Impacts

To deliver the requirements under the new *Aboriginal Heritage Legislation Amendment and Repeal Act 2023*, the Government has invested an additional \$8.4 million over 2023-24 and 2024-25 to reconfigure the Department's existing Aboriginal cultural heritage technology platform.

An additional \$4.5 million in recurrent expenditure will be incurred over 2023-24 to 2026-27 on the roll-out of the Keeping Place platform across native title organisations, delivery of the Government's 10-year Aboriginal Cultural Heritage Survey program, and additional staffing to support the legislative changes.

Western Australian Land Information Authority (Landgate)

Expenses

Digital Capability Fund – Spatial WA Program

An allocation of \$82.9 million from the Digital Capability Fund has been approved for the Spatial WA project from 2024-25 to 2026-27 (with an additional \$44.7 million allocated beyond this period), representing a significant advancement in infrastructure planning for the Western Australian public sector. The project involves the development of a Next Generation Spatial Cadastre and a Spatial Digital Twin platform, enabling a 3D/4D representation and comprehensive analysis of the built and natural environment.

DevelopmentWA

Expenses

Peel Business Park

The Peel Business Park was established to drive new industries, generate employment and diversify the Peel regional economy, with a focus on agribusiness and food and beverage manufacturing. Funding will be provided to DevelopmentWA to assist in securing a foundation tenant in the Park and provide an incentive for early build commencement. This initiative will help activate the existing investment in the Park and realise the vision of Transform Peel.

Asset Investment

Pier Street

Capital expenditure of \$137 million to 2026-27 has been approved to facilitate the construction of the Pier Street residential development. The expenditure will allow DevelopmentWA to finance the construction of an apartment building to deliver over 200 dwellings. The development will be operated by a Community Housing Provider and include both social and affordable rentals.

This project is leveraging Housing Australia grant funding and debt financing to assist in building the capacity of the community housing sector by establishing a sustainable model for build-to-rent developments.

Nyamba Buru Yawuru – Health and Wellbeing Campus

Additional expenditure of \$3 million in 2023-24 has been approved for the remediation of the illegally dumped asbestos within the Yinajalan Ngarrungunil Health and Wellbeing Campus.

Port Hedland Stables

DevelopmentWA will spend \$2 million over 2023-24 and 2024-25 to develop detailed business cases for five sites selected within the Port Hedland and South Hedland areas for potential residential development.

Chung Wah Subdivision

To enable the construction of a new Chung Wah Community Centre, \$750,000 will be spent in 2023-24 for demolition and subdivision works to create a site at the Bentley Redevelopment Project prior to the transfer of the site to the Chung Wah Association in 2024.

National Trust of Australia (Western Australia)

Expenses

Asset Maintenance Fund – Geraldton Heritage Precinct

The Government has invested \$7.6 million over 2023-24 to 2026-27 (\$3.7 million recurrent expenditure and \$3.9 million in asset investment) to undertake essential conservation works and address urgent public health and safety issues on a number of buildings in the Geraldton Heritage Precinct.

Asset Maintenance Fund – High Priority Maintenance of Heritage Properties

The Government has allocated \$1.1 million over 2023-24 to 2025-26 to undertake urgent repairs, maintenance and other works at a number of heritage properties across Western Australia. This includes conservation and maintenance, asbestos management, and provision of amenities such as universal access, parking and toilets.

2023-24 Government Mid-year Financial Projections Statement

Asset Investment

Asset Maintenance Fund – Geraldton Heritage Precinct

See above.

UTILITIES

MAJOR SPENDING CHANGES

Table 3.11

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
SYNERGY				
Expenses ^(a)				
– Economic Regulation Authority Settlement	30.0	-	-	-
Asset Investment				
– Decarbonisation of the South West Interconnected System	1,535.1	415.9	-	-
WESTERN POWER				
Asset Investment				
– Fifth Access Arrangement (AA5) Final Decision	132.0	21.1	16.0	23.6
– SWISDA – Scoping Works and Long-lead Items	31.7	100.8	-	-
HORIZON POWER				
Expenses ^(a)				
– Operating Subsidy	14.4	1.3	1.4	1.4
– Sunshine Saver Expansion	1.4	1.4	-	-
– Sectoral Emissions Reduction Strategies ^(b)				
– Kimberley Communities Solar Saver	2.3	2.3	-	-
– Long-Duration Energy Storage Trials	0.4	2.3	0.1	-
– Decarbonisation Planning	1.7	-	-	-
Asset Investment				
– Energy Supply Agreement – Customer Connection Works	4.1	-	-	-
– Mobile Electricity Generation Fleet	3.5	-	-	-
– Sectoral Emissions Reduction Strategies ^(b)				
– Community Batteries	-	3.2	1.9	1.3
– Long-Duration Energy Storage Trials	0.9	4.6	0.3	-
– Kimberley Communities Solar Saver	-	4.6	-	-
– Cost Increase				
– Asset Management Plan	6.1	5.9	6.0	6.2
– Burrup Transmission Line Augmentation	4.2	3.6	-	-
– Utility of the Future	2.4	-	-	-
– Mid West Solar Program	1.7	-	-	-
– Energy Storage in Regional Towns	1.2	-	-	-
WATER CORPORATION				
Expenses ^(a)				
– Alkimos Seawater Desalination Plant	0.3	6.6	17.4	26.0
Asset Investment				
– Alkimos Seawater Desalination Plant	28.3	579.1	984.5	760.2
– Kwinana Water Reclamation Plant – Upgrade and Expansion	3.1	29.9	47.6	-

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

(b) See Department of Water and Environmental Regulation.

Note: Rows may not add due to rounding.

Synergy

Expenses

Economic Regulation Authority Settlement

Synergy will be provided with a \$30 million operating subsidy in 2023-24 to meet the cost of the Customer Offset resulting from a breach of the Wholesale Electricity Market rules in 2016 and 2017. The Customer Offset will be distributed in 2023-24 as a further energy credit on the bills of eligible customers who use less than 50 megawatt hours of electricity per annum, and is equivalent to approximately \$30 per customer.

Asset Investment

Decarbonisation of the South West Interconnected System

Following the Government's approval of the business case to progress construction of battery storage assets in the Kwinana and Collie regions that will facilitate the decarbonisation of the South West Interconnected System, a total of \$2 billion over 2023-24 and 2024-25 has been allocated to Synergy from the provision established in the 2023-24 Budget.

Western Power

Asset Investment

Fifth Access Arrangement (AA5) Final Decision

Every five years, under Western Power's regulatory framework, the Economic Regulation Authority (ERA) assesses Western Power's revenue and expenditure to determine what is needed to maintain the safety and reliability of the network at an efficient cost. The ERA published its Final Decision for Western Power's AA5 in March 2023. Largely reflecting this decision, Western Power's capital expenditure was increased by \$192.6 million over 2023-24 to 2026-27, including for works to improve the reliability of its regional network and the resilience of its distribution network to extreme weather events.

SWISDA – Scoping Works and Long-lead Items

The Government will invest an additional \$132.5 million in Western Power's transmission network over 2023-24 and 2024-25 to undertake scoping works and procurement of long-lead items to enable the supply of low-emissions electricity and support upgrades to the electricity transmission network identified in the SWISDA.

Further investment of \$575 million over 2023-24 to 2026-27 has been approved for transmission network upgrades in the north region of the South West Interconnected System (see Provisions later in this Appendix).

Horizon Power

Expenses

Operating Subsidy

Horizon Power's operating subsidy will increase by \$14.4 million in 2023-24, largely reflecting tender outcomes and contract negotiations (\$6.9 million), the costs to deploy and operate emergency electricity generation in the Kimberley region (\$5.5 million), land acquisition activities (\$1.4 million) and the implementation of priority improvements to its retail business (\$0.6 million).

Sunshine Saver Expansion

To provide energy bill savings to eligible customers, Horizon Power will spend a further \$2.8 million of Commonwealth Community Solar Banks funding on an expansion of the Sunshine Saver customer product.

Asset Investment

Energy Supply Agreement – Customer Connection Works

Horizon Power will undertake connection works totalling \$4.1 million in 2023-24 before the commencement of an Energy Supply Agreement with a customer in Onslow.

Mobile Electricity Generation Fleet

Horizon Power will invest \$3.5 million in 2023-24 in a fleet of temporary electricity generation sets to respond during natural disaster events or outage situations and ensure the continuity of power supply in its service areas.

Water Corporation

Expenses

Alkimos Seawater Desalination Plant

See below.

Asset Investment

Alkimos Seawater Desalination Plant

The Water Corporation's Gnangara groundwater abstraction licence will reduce by 30 gigalitres per year from 1 July 2028. To manage this reduction, together with increasing demand due to population growth and the ongoing impacts of climate change on existing water sources, the Government will invest \$2.4 billion (\$2.35 billion in asset investment and \$50 million operating subsidy) over the four years to 2026-27 (with an additional \$84.6 million spent on pre-works and \$315.5 million to be spent beyond 2026-27) on the Alkimos Seawater Desalination Plant project works.

A contract to design, construct and operate the plant will be awarded in early 2024, with the first 50 gigalitre stage scheduled for completion in 2028.

Kwinana Water Reclamation Plant – Upgrade and Expansion

The Kwinana Water Reclamation Plant provides fit-for-purpose recycled water to customers in the Kwinana Strategic Industrial Area. The plant is scheduled to reach the end of its operational life in 2028, while demand for recycled water is increasing. To extend the life of the plant by 25 years and increase its capacity from 16.7 megalitres per day (ML/day) to 26.7 ML/day to meet forecast demand, the Government has approved additional investment of \$81 million over 2023-24 to 2025-26.

PROVISIONS

MAJOR SPENDING CHANGES

Table 3.12

	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
PROVISIONS				
Expenses				
– Public Sector Wages Provision:				
– 2023-24 Mid-year Review Provision	150.4	585.4	896.2	1,167.5
– Removal of 2023-24 Budget Provision	-43.9	-93.5	-83.2	-
– Griffin Coal - Financial Support	45.0	70.0	70.0	-
– Justice Services Expenditure	-	26.4	16.4	14.3
– Pilbara Hydrogen Hub Commonwealth Agreement	-	8.0	20.0	24.5
– Firearms Buyback Scheme	-	44.3	-	-
– Road Trauma Trust Account Spending	2.1	8.0	1.0	9.8
– Streamline WA – Approvals Reform ^(a)	5.0	5.0	-	-
– Strategic Industrial Area Rent Scheme	0.4	1.3	1.5	3.8
– Digital Capability Fund	-	0.7	-3.1	-
– Skilled Migrants Visa Subsidies	-11.0	-	-	-
– Banksia Hill Detention Centre – New Service Model	-	-3.3	-4.4	-4.3
– Temporary Regional Incentive for Public Sector Workforce	-25.0	-	-	-
– National Housing and Homelessness Agreement	-9.4	-5.2	-8.5	-9.7
– Asset Maintenance Fund	-92.2	-92.0	92.9	-
Asset Investment				
– METRONET Projects Under Development	-	600.0	150.0	-49.0
– SWISDA – Northern Corridor Stage 1	17.0	128.0	192.5	237.5
– Aluminium Cladding Replacement	-1.0	-1.5	-	-
– Social Housing Investment Fund	-5.2	-	-	-
– Westport Project	-14.1	2.8	2.9	3.0
– Climate Action Fund	-	-	-6.2	-
– New Construction Cost Relief	-44.7	-	-	-
– Asset Investment Program Provision				
– 2023-24 Mid-year Review Smoothing Provision	-	-1,500.0	-	1,500.0
– Removal of 2022-23 Smoothing Provision	-	-	-1,000.0	-750.0
– Decarbonisation of the South West Interconnected System				
– Allocation to Synergy for Kwinana and Collie Battery Projects	-1,535.1	-415.9	-	-
– Provision for King Rocks Wind Farm	-18.6	55.4	63.4	-
– Dampier Bulk Handling Facility - Cost Increase ^(b)	-	-	-	-

(a) See Department of Jobs, Tourism, Science and Innovation.

(b) The amounts are not disclosed due to the confidential nature of ongoing negotiations.

Note: Rows may not add due to rounding.

Provisions

Expenses

Public Sector Wages Provision

A \$2.8 billion provision has been included in this Mid-year Review to accommodate bargaining under the Government's new Public Sector Wages Policy. Final outcomes for public sector industrial agreements to be settled over the forward estimates period are not yet known. The provision provides a maximum funding envelope for industrial negotiations. The new wages provision replaces the residual \$220.6 million contingency for future agreements included in the 2023-24 Budget projections. The feature box in Chapter 1 provides further information.

Griffin Coal – Financial Support

Spending of \$185 million has been provisioned by the Government for ongoing support for Griffin Coal to ensure continuity in the supply of coal and energy system security. A further \$50.5 million (of which \$16.1 million has already been paid to the receivers and managers in 2023-24) is reflected in the Department of the Premier and Cabinet (discussed earlier in this Appendix).

Justice Services Expenditure

The Government has approved \$57.1 million over 2024-25 to 2026-27 to be provisioned for the Department of Justice, with funding to be released subject to progress against approved prison services reform milestones.

Pilbara Hydrogen Hub Commonwealth Agreement

The State is to enter into a \$70 million grant agreement with the Commonwealth to deliver the Pilbara Hydrogen Hub. A \$52.5 million provision has been established over the forward estimates period for spending on a hydrogen or ammonia pipeline, training centre and further studies. The remaining \$17.5 million will be spent by the Pilbara Ports Authority on road and intersection upgrades at Lumsden Point (disclosed earlier in this Appendix).

Firearms Buyback Scheme

The Government has provisioned \$64.3 million over 2023-24 and 2024-25 for a voluntary firearms buyback scheme. Of this amount, \$20 million will be provided to the Western Australia Police Force to support spending on initial buyback payments (disclosed earlier in this Appendix), with the balance held as a global provision, subject to the final design of the scheme.

Road Trauma Trust Account Spending

The 2023-24 Budget included a provision of \$15.8 million for anticipated spending over the forward estimates. Reflecting revised revenue forecasts and new spending on road safety programs and initiatives, the provision has been increased by \$20.8 million over the four years to 2026-27.

Strategic Industrial Area Rent Scheme

A \$7 million provision has been established in this Mid-year Review for the Strategic Industrial Area Rent Scheme. This scheme will deliver a rebate on lease fees and rent waiver for a set period for proponents, and will be available for projects in the Anketell, Boodarie, Maitland, Mungari, Oakajee and Shotts Strategic Industrial Areas.

Digital Capability Fund

Since the 2023-24 Budget, a net \$2.4 million of recurrent spending has been allocated from the Digital Capability Fund, leaving a residual balance of \$19.8 million of recurrent and capital expenditure provisioned across the forward estimates period.

Skilled Migrants Visa Subsidies

The provision in the 2023-24 Budget to support visa subsidies to attract skilled migrants to the construction sector has been fully allocated to the Department of Training and Workforce Development.

Banksia Hill Detention Centre – New Service Model

The remaining 2023-24 Budget provision of \$12.1 million that supported service delivery reform at the Banksia Hill Detention Centre has been allocated to meet staffing costs.

Temporary Regional Incentive for Public Sector Workforce

The \$25 million 2023-24 Budget provision to attract and retain frontline workers in regional areas to address critical service needs has been fully allocated to WA Health (\$15 million), the Department of Education (\$5.1 million), the Department of Communities (\$3.7 million) and the Department of Justice (\$1.2 million).

National Housing and Homelessness Agreement (NHHA)

The \$32.8 million provision included in the 2023-24 Budget for emerging cost pressures relating to homelessness and family and domestic violence community services contracts funded under the NHHA, has been fully allocated to the Department of Communities.

Asset Maintenance Fund

Since the 2023-24 Budget, \$91.3 million has been allocated from the Asset Maintenance Fund for targeted recurrent and capital investment in high priority maintenance works that address public safety and service delivery risks (disclosed earlier in this Appendix). A total of \$158.7 million remains in the provision and is available for future maintenance work on State-owned assets.

Asset Investment***METRONET Projects Under Development***

A further \$701 million, jointly funded by the State and Commonwealth Governments on a 50:50 basis, has been provisioned over 2024-25 to 2026-27 for METRONET projects, based on updated project costs and timing. Provisioned expenditure will be transferred to delivery agencies' budgets upon completion of detailed costings and following consideration by Government.

SWISDA – Northern Corridor Stage 1

A spending provision of \$575 million has been established over 2023-24 to 2026-27 for transmission network upgrades in the north region of the South West Interconnected System (Malaga to Three Springs). These upgrades will enable the connection of additional renewable power generation to the electricity network and support the transition away from coal fired power generation, and were identified as part of the South West Interconnected System Demand Assessment. Funds will be released to Western Power on approval of the business case.

Aluminium Cladding Replacement

An allocation of \$2.5 million has been made to WA Health for remediation of cladding at the Joondalup Health Campus. A residual \$84 million for further cladding replacement remains in the provision for future works.

Social Housing Investment Fund

The 2023-24 Budget included a \$450 million top-up to the Social Housing Investment Fund, with \$46 million set aside for the Regional Supportive Landlord Model to acquire houses for people sleeping rough in regional towns. An amount of \$5.2 million has been allocated to the Department of Communities to purchase 13 properties in Geraldton (disclosed earlier in this Appendix).

Westport Project

Rental income of \$11.3 million that has been derived from land acquisitions funded from the Special Purpose Account has been allocated to the provision over the period 2023-24 to 2026-27. In addition, capital expenditure of \$16.8 million has been allocated from the provision in 2023-24 to the Department of Transport, mainly for the commencement of environmental offset work.

Climate Action Fund

An \$8.4 million allocation has been made from the remaining Climate Action Fund provision since the 2023-24 Budget. This includes \$5 million for the Department of Training and Workforce Development for the Collie On-Site Training Facilities and other smaller allocations to the Departments of Jobs, Tourism, Science and Innovation, and Water and Environmental Regulation. These allocations were partly offset by \$2.2 million in unspent funds from 2022-23. A balance of \$94.1 million of capital expenditure remains provisioned in the Fund for future climate-related initiatives.

New Construction Cost Relief

A provision to cover escalation for head contractors and increased costs to complete projects impacted by the collapse of FIRM Construction was included in the 2023-24 Budget. As at the Mid-year Review cut-off, a total of \$44.7 million has been allocated from the provision.

Asset Investment Program Provision

Consistent with previous rounds of forward estimates, this Mid-year Review includes a provision for retiming agency infrastructure programs to account for unforeseen and unavoidable delays that can affect project delivery and spending. A new \$1.5 billion provision has been included to accommodate likely slippage in spending in 2024-25 to 2026-27. The Budget-time smoothing provision has also been adjusted to recognise actual underspending that emerged to 30 June 2023, with retimed spending now reflected in agency budgets as part of this Mid-year Review.

Decarbonisation of the South West Interconnected System

The 2023-24 Budget included a provision for Synergy to undertake projects that will facilitate decarbonisation of the South West Interconnected System. A total of \$2 billion has been allocated from the provision to Synergy for the Kwinana and Collie Battery projects since the Budget. A further \$100.1 million has been added to the remaining provision, associated with an expansion of the King Rocks Wind Farm to more than 140 MW, and updated procurement pricing informed by competitive tender processes and the finalised scope of associated works at the facility.

Dampier Bulk Handling Facility – Cost Increase

This Mid-year Review includes a provision for cost escalation on construction of the Dampier Bulk Handling Facility. The financial impacts cannot be disclosed at this time due to ongoing contract negotiations.

2023-24 Government Mid-year Financial Projections Statement

The Consolidated Account and the Treasurer's Advance

The 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 Consolidated Account must be appropriated by the Parliament.

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

In cash terms, the Consolidated Account is forecast to be in a \$9.4 billion overdraft position at 30 June 2024, a \$1.1 billion decrease on the \$10.5 billion cash deficit balance projected in the 2023-24 Budget. This primarily reflects the lower deficit outturn at 30 June 2023 reported in the *2022-23 Annual Report on State Finances*. The cash deficit position is expected to average around \$10.7 billion per annum across the outyears, driven by the impact on the Consolidated Account of both revenue and spending forecasts detailed in Chapter 1 and Appendix 3 of this Mid-year Review.

In line with expectations at the time of the Budget, no new Consolidated Account borrowings are expected across the forward estimates period, with borrowings projected to remain at \$22.9 billion. This level of borrowings remains below the \$34.5 billion cumulative limit approved by the *Loan Act 2017* and preceding Loan Acts¹.

¹ The *Loan Act 2017* received Royal Assent on 3 July 2017 and increased the cumulative loan limit under preceding Loan Acts from \$23.5 billion to \$34.5 billion. Consolidated Account borrowings cannot exceed the cumulative limit of these Loan Acts.

2023–24 Government Mid-year Financial Projections Statement

Table 4.1

CONSOLIDATED ACCOUNT TRANSACTIONS

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Actual	Budget	Mid-year	Outyear	Outyear	Outyear
	\$m	Year	Revision	\$m	\$m	\$m
		\$m	\$m			
REVENUE						
<i>Operating Activities</i>						
Taxation	10,355	9,658	10,556	10,440	10,780	11,194
Commonwealth Grants	8,834	10,120	9,009	9,995	8,540	9,892
Government Enterprises	1,020	2,203	957	2,436	2,666	2,761
Royalty receipts	11,385	9,427	11,626	7,593	7,169	6,900
Other receipts from agencies	1,404	1,525	1,718	1,723	1,794	1,848
Other	714	499	510	473	480	452
Total Operating Activities	33,710	33,432	34,376	32,660	31,428	31,355
<i>Financing Activities</i>						
Transfers from the Debt Reduction Account	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Other Receipts	12	1	6	1	-(a)	-(a)
Total Financing Activities	12	1	6	1	-(a)	-(a)
TOTAL REVENUE	33,722	33,433	34,382	32,661	31,429	31,355
EXPENDITURE						
<i>Recurrent</i>						
Authorised by Other Statutes	2,612	2,714	2,762	2,913	3,026	3,149
Appropriation Act (No. 1)	24,511	27,400	27,355	27,022	26,557	27,047
Recurrent Expenditure under the Treasurer's Advance ^(b)	2,398	-	1,426	-	-	-
Total Recurrent Expenditure	29,521	30,114	31,543	29,935	29,583	30,196
<i>Investing Activities</i>						
Authorised by Other Statutes	321	438	438	404	316	259
Appropriation Act (No. 2)	4,496	8,628	7,515	6,222	3,016	2,073
Investing Expenditure under the Treasurer's Advance ^(b)	274	-	426	-	-	-
Total Investing Activities	5,091	9,066	8,379	6,626	3,332	2,332
<i>Financing Activities</i>						
Loan repayments	2,100	-	-	-	-	-
Appropriation Act (No. 2)	-	-	-	-	-	-
Other financing	10	-	5	-	-	-
Total Financing Activities	2,110	-	5	-	-	-
TOTAL EXPENDITURE	36,721	39,180	39,927	36,561	32,915	32,528
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-2,999	-5,747	-5,545	-3,900	-1,487	519
Consolidated Account Balance						
Opening balance at 1 July	-20,977	-24,855	-23,976	-29,521	-33,421	-34,908
Closing balance at 30 June	-23,976	-30,602	-29,521	-33,421	-34,908	-34,389
<i>Of which:</i>						
Appropriations payable	-18,511	-20,109	-20,114	-21,827	-23,540	-25,235
Cash balance at 30 June	-5,465	-10,493	-9,407	-11,594	-11,368	-9,154
Memorandum item: Consolidated Account Borrowings at 30 June	22,887	22,887	22,887	22,887	22,887	22,887

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

(b) Additional expenditure authorised under the Treasurer's Advance is charged to the Consolidated Account and appropriated accordingly under section 27(3) of the *Financial Management Act 2006* (FMA). This follows amendments to the FMA by the *Financial Legislation Amendment Act 2021* which came into effect on 21 September 2021.

Note: Columns may not add due to rounding.

The Treasurer's Advance

The *Financial Management Act 2006* (FMA) provides the Treasurer with authorisation to make short-term recoverable advances to agencies for the temporary financing of works and services. In addition, new or supplementary funding can be provided during the year for extraordinary or unforeseen matters (also known as 'excesses and new items'), up to an approved limit. Recoverable advances, and new or supplementary funding, are charged to the Treasurer's Advance.

Based on the revised estimates included in this Mid-year Review, the total amount forecast to be drawn against recoverable advances, excesses and new items in 2023-24 is \$1,871.7 million, which exceeds the \$909.9 million limit for 2023-24 authorised by the FMA². Accordingly, approval of the Parliament will be required to increase the amount of the Treasurer's Advance for 2023-24 to accommodate any spending that exceeds \$909.9 million.

There have been no draw downs for excesses or new items to 27 November 2023, the cut-off date for this Mid-year Review. A \$20 million allowance is included for net recoverable advances that may be in place at 30 June 2023.

Table 4.2 shows the projected position of the Treasurer's Advance at 30 June 2024.

TREASURER'S ADVANCE			Table 4.2
	2022-23 Actual ^(a)	2023-24 Projection ^(b)	
	\$m	\$m	
AUTHORISED LIMIT	3,077.5	909.9	
<i>Total projected to be drawn against Treasurer's Advance authorisation</i>	2,789.6	1,871.7	
Comprising			
Net recoverable advances as at 30 June	117.8	20.0	
Overdrawn Special Purpose Accounts	-	-	
Excesses and New Items			
- recurrent	2,397.5	1,426.2	
- capital	274.3	425.5	

(a) The original \$977.5 million authority for 2022-23 was increased by \$2,100 million by the passage of the *Treasurer's Advance Authorisation Act 2023*.

(b) Detailed disclosure of the final audited outcome for 2023-24 will be available in the 2023-24 *Annual Report on State Finances*, due to be released by 28 September 2024.

Note: Columns may not add due to rounding.

Transfers, Excesses and New Items

Table 4.3 details excesses and/or new items that are projected to occur during 2023-24 and the expected impact of these on the Treasurer's Advance under the authority of section 27 of the FMA.

² Section 29 of the FMA authorises the Treasurer's Advance limit to be equivalent to 3% of the total amount appropriated for the previous year by the Appropriation Acts. For 2023-24, the \$909.9 million limit represents 3% of the total \$30.3 billion appropriated by Appropriation Bills 1 and 2 in the 2022-23 Budget.

2023-24 Government Mid-year Financial Projections Statement

The projections shown in Table 4.3 are subject to movements in agencies' appropriations through the remainder of 2023-24. Funding in excess of budget for appropriation items shown in the table will only occur if management responses do not achieve compensating shortfalls in other spending supported by these items prior to 30 June 2024.

Table 4.3

2023-24 TRANSFERS, EXCESSES AND NEW ITEMS

Item	Treasurer's Advance					Revised Appropriation Limit \$m	Drawn against Treasurer's Advance to date ^(b) \$m
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Approved Excesses \$m			
Recurrent Appropriations							
Parliamentary Services							
Item 3: Delivery of Services	21.3	-	-	0.1	21.4	-	-
Premier and Cabinet							
Item 5: Delivery of Services	168.4	-(c)	-	8.8	177.2	-	-
Item 6: Administered Grants, Subsidies and Other Transfer Payments	94.6	-	-	60.9	155.4	-	-
Western Australian Electoral Commission							
Item 9: Delivery of Services	11.3	-	-	0.3	11.5	-	-
Treasury							
Item 14: Delivery of Services	53.0	0.7	-	3.2	56.9	-	-
Item 15: Bunbury Water Corporation	2.3	-	-	-(c)	2.4	-	-
Item 16: Busselton Water Corporation	0.7	-	-	0.1	0.8	-	-
Item 17: Electricity Generation and Retail Corporation (Synergy)	925.1	-	-	42.5	967.6	-	-
Item 20: Public Transport Authority of Western Australia	1,112.4	20.6	-	33.5	1,166.5	-	-
Item 21: Regional Power Corporation (Horizon Power)	31.1	-	-	16.2	47.2	-	-
Item 22: Water Corporation	621.1	-	-	88.8	709.9	-	-
Item 23: Western Australian Land Authority (DevelopmentWA)	196.7	-	-	8.0	204.6	-	-
Item 26: Department of Jobs, Tourism, Science and Innovation	38.4	-	-	15.0	53.4	-	-
Item 28: Goods and Services Tax (GST) Administration Costs	72.8	-	-	2.3	75.1	-	-
Item 30: Provision for METRONET High Wycombe Community Hub	2.5	-	-	0.1	2.6	-	-
Item 32: Provision for Wages Policy Outcomes not yet Finalised	123.6	-147.5	-	39.4	15.5	-	-
Item 36: WA Health	14.6	-	-	138.7	153.3	-	-
Item 37: All Other Grants, Subsidies and Transfer Payments	29.3	-	-	23.3	52.6	-	-
New Item: Metropolitan Redevelopment Authority (DevelopmentWA)							
New Item: Provision for Strategic Industrial Area Rent Scheme	-	-	0.6	-	0.6	-	-
New Item: Department of Local Government, Sport and Cultural Industries	-	-	0.4	-	0.4	-	-
New Item: Department of Local Government, Sport and Cultural Industries	-	-	10.0	-	10.0	-	-
New Item: Ecological Thinning Program Account□	-	-	20.9	-	20.9	-	-
New Item: Provision for Streamline WA Reform	-	-	5.0	-	5.0	-	-
Office of the Auditor General							
Item 38: Delivery of Services	12.8	-	-	0.3	13.2	-	-
Finance							
Item 40: Administered Grants, Subsidies and Other Transfer Payments	283.4	-	-	0.6	283.9	-	-
Jobs, Tourism, Science and Innovation							
Item 41: Delivery of Services	398.0	-	-	5.8	403.8	-	-
Primary Industries and Regional Development							
Item 43: Delivery of Services	249.7	-(c)	-	12.1	261.8	-	-
Energy, Mines, Industry Regulation and Safety							
Item 46: Administered Grants, Subsidies and Other Transfer Payments	19.0	-	-	15.4	34.5	-	-
Small Business Development Corporation							
Item 47: Delivery of Services	15.5	-	-	4.4	19.9	-	-

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

2023-24 TRANSFERS, EXCESSES AND NEW ITEMS

Table 4.3 (cont.)

Item	Treasurer's Advance					Drawn against Treasurer's Advance to date ^(b)
	Budget	Transfers ^(a)	New Items	Approved Excesses	Revised Appropriation Limit	
	\$m	\$m	\$m	\$m	\$m	\$m
Economic Regulation Authority						
Item 49: Delivery of Services	1.7	-	-	0.8	2.5	-
Infrastructure WA						
Item 50: Delivery of Services	5.0	-	-	0.1	5.1	-
WA Health						
Item 51: Delivery of Services	6,472.2	49.9	-	86.5	6,608.7	-
Mental Health Commission						
Item 52: Delivery of Services	962.2	0.2	-	3.6	965.9	-
Item 53: Mental Health Advocacy Service	5.7	-	-	0.1	5.8	-
Item 55: Office of the Chief Psychiatrist	4.7	-(c)	-	-	4.7	-
Education						
Item 57: Delivery of Services	4,842.3	1.2	-	12.4	4,856.0	-
Training and Workforce Development						
Item 59: Delivery of Services	519.0	-	-	13.2	532.2	-
Western Australia Police Force						
Item 60: Delivery of Services	1,607.3	40.3	-	5.1	1,652.6	-
Item 61: Administered Grants, Subsidies and Other Transfer Payments	0.5	-	-	19.7	20.2	-
Justice						
Item 62: Delivery of Services	1,421.3	34.2	-	61.6	1,517.0	-
Fire and Emergency Services						
Item 64: Delivery of Services	103.7	0.2	-	14.0	117.9	-
Item 65: Administered Grants, Subsidies and Other Transfer Payments	89.1	-	-	444.2	533.3	-
Communities						
Item 71: Delivery of Services	1,261.8	-10.1	-	77.8	1,329.6	-
Local Government, Sport and Cultural Industries						
Item 73: Delivery of Services	233.6	0.1	-	14.6	248.3	-
Item 75: Art Gallery of Western Australia	9.9	-	-	0.2	10.1	-
Item 76: Arts and Culture Trust	12.1	-	-	4.6	16.6	-
Item 79: Western Australian Museum	36.9	-	-	1.7	38.6	-
Western Australian Sports Centre Trust						
Item 80: Delivery of Services	102.1	-	-	7.2	109.3	-
Commissioner of Main Roads						
Item 83: Delivery of Services	582.8	9.1	-	74.6	666.5	-
Biodiversity, Conservation and Attractions						
Item 85: Delivery of Services	370.7	1.1	-	-	371.8	-
Planning, Lands and Heritage						
Item 86: Delivery of Services	138.4	-	-	27.6	166.0	-
Total Recurrent		-	36.9	1,389.3		-

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

2023-24 Government Mid-year Financial Projections Statement

Table 4.3 (cont.)

2023-24 TRANSFERS, EXCESSES AND NEW ITEMS

Item	Treasurer's Advance					Revised Appropriation Limit \$m	Drawn against Treasurer's Advance to date ^(b) \$m
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Approved Excesses \$m			
Capital Appropriations							
Western Australian Electoral Commission							
Item 98: Capital Appropriation	-(c)	-	-	0.4	0.4	-	-
Treasury							
Item 102: Department of Communities	1.0	-	-	10.0	11.0	-	-
Item 109: Pilbara Ports Authority	21.7	-	-	73.1	94.8	-	-
Item 110: Provision for Aluminium Composite Panel Cladding	26.1	-1.0	-	-	25.1	-	-
Item 111: Provision for Construction Cost Relief	63.7	-44.7	-	-	19.0	-	-
New Item: Southern Ports Authority	-	-	1.4	-	1.4	-	-
New Item: Forest Products Commission	-	-	15.9	-	15.9	-	-
Finance							
Item 124: Capital Appropriation	75.1	-	-	6.3	81.4	-	-
WA Health							
Item 129: Capital Appropriation	340.0	2.3	-	-	342.3	-	-
Education							
Item 132: Capital Appropriation	564.5	37.3	-	-	601.8	-	-
Training and Workforce Development							
Item 133: Capital Appropriation	87.8	2.1	-	7.1	97.0	-	-
Western Australia Police Force							
Item 134: Capital Appropriation	140.5	3.8	-	-	144.2	-	-
Chemistry Centre (WA)							
Item 140: Capital Appropriation	2.7	-	-	3.3	6.0	-	-
Communities							
Item 141: Capital Appropriation	222.2	-	-	10.9	233.0	-	-
Local Government, Sport and Cultural Industries							
Item 142: Capital Appropriation	72.5	-	-	6.9	79.4	-	-
Item 144: Western Australian Museum	1.9	-	-	1.2	3.1	-	-
Commissioner of Main Roads							
Item 147: Capital Appropriation	239.0	-	-	70.6	309.5	-	-
Public Transport Authority of Western Australia							
Item 148: Capital Appropriation	2,883.1	-	-	212.6	3,095.7	-	-
Biodiversity, Conservation and Attractions							
Item 151: Capital Appropriation	94.4	0.1	-	-	94.5	-	-
Planning, Lands and Heritage							
Item 152: Capital Appropriation	4.0	-	-	5.8	9.8	-	-
Total Capital		-	17.3	408.2			
TOTAL		-	54.1	1,797.6			

(a) Authorised under section 25 of the FMA.

(b) Mid-year Review cut-off date, 27 November 2023.

(c) Amount less than \$50,000.

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

Transfers

Section 25 of the FMA allows appropriation originally allocated in the 2023-24 Budget to be transferred to other agencies for the provision of an appropriation-funded service that is now to be delivered by the other agency. These transfers have no impact on the Treasurer's Advance. Appropriation transfers approved since the presentation of the 2023-24 Budget include:

- \$147.5 million from the appropriation administered by Treasury for Provision for Wages Policy Outcomes Not Yet Finalised to various agencies to meet the costs of industrial agreements finalised since the 2023-24 Budget (see following table);
- \$44.7 million has been allocated from the \$63.7 million Provision for Construction Cost Relief to the Departments of Education, Training and Workforce Development, and Biodiversity, Conservation and Attractions, the Western Australia Police Force and WA Health to assist construction companies, including to complete projects impacted by the collapse of FIRM Construction;
- \$12 million from the Department of Communities to WA Health reflecting the transfer of administrative responsibility for the Community Aids and Equipment Program (\$7.5 million) and Contingence Subsidy Scheme (\$4.5 million), from 1 July 2023;
- \$1 million from the Provision for Aluminium Composite Panel Cladding to WA Health to address non-compliant cladding issues at the Joondalup Health Campus; and
- \$666,000 from the Department of Communities to the Department of Treasury for a new Housing Supply Unit that is to be established from January 2024 to work across government agencies and with industry on policies to boost housing supply, affordability, and expand workforce capacity in Western Australia.

Table 4.4

2023-24 PROVISION FOR WAGES POLICY OUTCOMES NOT YET FINALISED

Item	Agency	Transfer from Appropriation Item 32 \$m
5	Department Premier and Cabinet	_(a)
20	Public Transport Authority	20.6
43	Department of Primary Industries and Regional Development	_(a)
51	WA Health	37.9
52	Mental Health Commission	0.2
55	Office of the Chief Psychiatrist	_(a)
57	Department of Education	1.2
60	Western Australia Police Force	40.3
62	Department of Justice	34.2
64	Department of Fire and Emergency Services	0.2
71	Department of Communities	2.6
73	Department of Local Government, Sport and Cultural Industries	0.1
83	Commissioner of Main Roads	9.1
85	Department Biodiversity, Conservation and Attractions	1.1
Total		147.5

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

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

Excess and New Items

The following excesses and/or new appropriation items have been approved since the 2023-24 Budget.

Parliamentary Services

Item 3: **Delivery of Services** (\$147,000), reflecting higher leasing costs for the Parliamentary Precinct Project.

Premier and Cabinet

Item 5: **Delivery of Services** (\$8.8 million), largely for an increase in the Telethon donation (\$6 million), the assessment of options to enhance non-compulsory early learning for three and four year old children (\$940,000), higher accommodation lease expenditure (\$397,000), establishment of the Western Australian Hub in Canberra (\$381,000) and support for the Resources Community Investment Initiative Advisory Committee (\$100,000).

Item 6: **Administered Grants, Subsidies and Other Transfer Payments** (\$60.9 million), which provides funding for the Western Australian Stolen Wages Class Action settlement (\$15.4 million) and financial support to Griffin Coal to ensure continuity of coal supply in the short term (\$39.1 million). Additional funding has also been provided to meet the State's various obligations in relation to Aboriginal engagement and Native Title negotiations, with the details of assistance not disclosed at this time due to Court mediated confidentiality orders.

Western Australian Electoral Commission

Item 9: **Delivery of Services** (\$254,000), to implement and administer amended reporting provisions for the disclosure of political contributions (\$475,000), and to develop and implement documentation following changes to voting provisions in the *Electoral Act 1907* (\$143,000). These increases are partially offset by lower costs (\$364,000), pending anticipated amendments to the Act and the Electoral (Political Finance) Regulations 1996.

Item 98: **Capital Appropriation** (\$350,000), to commence the procurement, development and implementation of an online system for the disclosure of political contributions.

Treasury

Item 14: **Delivery of Services** (\$3.2 million), primarily for consultancies to assist the Government in its assessment of financing and cost recovery options for the proposed new network infrastructure requirements in the South West Interconnected System and the Pilbara (\$1.3 million), the establishment of a new Performance Monitoring Unit to monitor and review the delivery of key Government priorities, and to work with agencies to review, progress and develop solutions to address delivery barriers (\$915,000), and \$521,000 for accommodation and electricity expenses.

Item 15: **Bunbury Water Corporation** (\$12,000), supporting higher than expected annual pensioner and senior concession claims.

Item 16: **Busselton Water Corporation** (\$52,000), supporting higher than expected annual pensioner and senior concession claims.

Item 17: **Electricity Generation and Retail Corporation (Synergy)** (\$42.5 million), primarily to meet the cost of the Customer Offset resulting from breaches of the Wholesale Electricity Market rules in 2016 and 2017 (to be distributed as a further energy credit to eligible customers in 2023-24), and reimbursement for higher costs in 2022-23 for activities undertaken on behalf of the Government (such as the management and administration of rebates and concessions).

Item 20: **Public Transport Authority of Western Australia** (\$33.5 million), mainly for higher interest expenses as a result of interest rate rises and increased salaries expenses under industrial agreements.

2023-24 Government Mid-year Financial Projections Statement

Item 21: **Regional Power Corporation (Horizon Power)** (\$16.2 million), reflecting tender outcomes and contract negotiations (\$7 million), the costs to deploy and operate emergency electricity generation in the Kimberley region (\$5.5 million), additional expenditure associated with the delivery of renewable energy (\$1.7 million), land acquisition costs (\$1.4 million) and the implementation of priority improvements to the Corporation's retail business (\$584,000).

Item 22: **Water Corporation of Western Australia** (\$88.8 million), largely due to the reimbursement of subsidised costs for the delivery of country water services in late 2022-23.

Item 23: **Western Australian Land Authority (DevelopmentWA)** (\$8 million), to meet higher than expected costs for the East Perth ATCO gas works project, and land subdivision within the Bentley Redevelopment Project site (supporting the provision of land to the Chung Wah Association).

Item 26: **Department of Jobs, Tourism, Science and Innovation** (\$15 million), to support additional tourism spending from the Major Events Fund (\$13.8 million) and investment in aviation initiatives by the Aviation Recovery Fund (\$1.2 million).

Item 28: **Goods and Services Tax (GST) Administration Costs** (\$2.3 million), for higher costs associated with a new Australia Taxation Office (ATO) compliance program approved by National Cabinet subsequent to the State Budget, partly offset by an expected refund of over-recovered GST administration costs by the ATO in 2022-23.

Item 30: **Provision for METRONET High Wycombe Community Hub** (\$100,000), reflecting a carryover of State contribution that was not drawn in 2022-23 due to pending funding agreements with the Commonwealth.

Item 32: **Provision for Wages Policy Outcomes not yet Finalised** (\$39.4 million) related to the carryover from 2022-23 to 2023-24 of funding for industrial agreements that were yet to be finalised at the time of the 2023-24 Budget.

Item 36: **WA Health** (\$138.7 million), primarily to address workforce pressures in the Western Australian Country Health Service and associated use of agency medical and nursing staff (\$95 million), and to support a continued reduction in the Elective Surgery Wait List (\$39.9 million).

Item 37: **All Other Grants, Subsidies and Transfer Payments** (\$23.3 million), mainly due to the carryover of grants for the COVID-19 Business Assistance Package program, as not all payments were processed and paid prior to 30 June 2023 (\$20.2 million). A further \$3 million in supplementary funding supports the impact of higher interest rates applying to balances held in a number of interest-bearing trust accounts that receive income through the Consolidated Account.

New Item: **Metropolitan Redevelopment Authority (DevelopmentWA)** (\$573,000), to fund management costs of the Mardalup Park contaminated sediment containment cell.

New Item: **Provision for Strategic Industrial Area Rent Scheme** (\$400,000), for the expected uptake of the Scheme in 2023-24. This Scheme aims to attract large scale clean energy projects and will provide a rebate on lease fees and a rent waiver for a set period for proponents, and will be available for eligible projects in the Anketell, Boodarie, Maitland, Mungari, Oakajee and Shotts Strategic Industrial Areas.

New Item: **Department of Local Government, Sport and Cultural Industries** (\$10 million), representing a contribution towards the re-roofing and delivery of additional courts at the Mike Barnett Sports Complex in Rockingham, with funds to be released on confirmation of project costings.

New Item: **Ecological Thinning Program Account** (\$20.9 million), to establish a recurrent funding source in a new Treasurer's Special Purpose Account in support of ecological thinning works to be conducted by the Forest Products Commission under the 2024-33 Forest Management Plan.

New Item: **Provision for Streamline WA Reform** (\$5 million), to support Streamline WA to undertake rapid independent reviews and other urgent reform work.

Item 102: **Department of Communities** (\$10 million), to fund the procurement and establishment of longer-term temporary accommodation for flood-affected residents who have been displaced by Ex-Tropical Cyclone Ellie in the Fitzroy Valley.

Item 109: **Pilbara Ports Authority** (\$73.1 million), to on-pass \$69.3 million in Commonwealth funding to deliver common user port upgrades at Lumsden Point (that will be provided to the State following achievement of milestones) and additional funding of \$3.8 million to extend the Port Hedland Voluntary Buy-Back Scheme.

New Item: **Southern Ports Authority** (\$1.4 million), to compensate the Authority for the transfer of 12 hectares of land, seabed and waters to the Department of Transport, to facilitate Stage 3 of the Government's Transforming Bunbury's Waterfront Project election commitment.

New Item: **Forest Products Commission** (\$15.9 million), to offset losses on the Native Forest segment of the Commission's activities, and to maintain a suitable cash position to meet ongoing financial obligations.

Office of the Auditor General

Item 38: **Delivery of Services** (\$309,000), reflecting additional funding for higher employee costs under industrial agreement settings.

Finance

Item 40: **Administered Grants, Subsidies and Other Transfer Payments** (\$566,000), for increased expenditure on the Energy Concessions and Life Support Equipment Subsidy Schemes.

Item 124: **Capital Appropriation** (\$6.3 million), reflecting a reflow of expenditure for the completion of the Parliamentary Precinct Project (\$5.5 million) and changes to the Department of Finance’s ICT systems to support administration of concessions following amendments made by the *Duties Amendment (Off-the-Plan Concession and Foreign Persons Exemptions) Act 2023* (\$829,000).

Jobs, Tourism, Science and Innovation

Item 41: **Delivery of Services** (\$5.8 million), largely consisting of funding to support global marketing (\$2.4 million), additional tourism events (\$1.3 million), the continuation of the Global Advanced Industries Hub program (\$1 million) and approvals reform initiatives (\$877,000).

Primary Industries and Regional Development

Item 43: **Delivery of Services** (\$12.1 million), mainly reflecting increased spending on responses to biosecurity and emergency incidents (\$7.8 million), Western Australia’s contribution to the nationally cost-shared Red Imported Fire Ant Eradication Program (\$6.5 million), the recoup of funds for Yamatji Nation Indigenous Land Use Agreement expenditure incurred in 2022-23 (\$4.5 million), and a 25% subsidy for the 2023 Perth Royal Show for all ticket categories (\$1.9 million). These increases are partially offset by funding reflows in line with updated delivery schedules for a number of projects.

Energy, Mines, Industry Regulation and Safety

Item 46: **Administered Grants, Subsidies and Other Transfer Payments** (\$15.4 million), for the establishment of the rent relief program to assist eligible tenants in private rental homes who are experiencing rental stress, are in rental arrears and at risk of eviction (\$9 million), cashflow revisions to align with payment requirements under the Koolyanobbing and Potash Rebate Schemes (\$5.9 million) and co-funding to undertake an engineering design study for a common user low emissions green iron pilot facility (\$500,000).

Small Business Development Corporation

Item 47: **Delivery of Services** (\$4.4 million), primarily for the expansion of the Small Business Electricity Credit to include customers on an embedded network.

Economic Regulation Authority

Item 49: **Delivery of Services** (\$750,000), for additional administration and compliance monitoring related to the implementation phase of the revised Railways (Access) Code 2020.

Infrastructure WA

Item 50: **Delivery of Services** (\$92,000), with additional funding for higher employee costs under the Salaries and Allowances Tribunal determination (\$152,000), partially offset by costs now met under the *Salaries and Allowances Act 1975* (\$60,000).

WA Health

Item 51: **Delivery of Services** (\$86.5 million), mainly due to additional funding to reform and expand the Transition Care Program (\$23.7 million), the extension of temporary monetary incentives for nurses and midwives in regional locations (\$14.4 million), additional funding to support the transition of staff and services at Peel Health Campus (\$12.1 million), the continuation of the free flu vaccination program (\$8 million), additional costs of blood and blood products under the National Blood Agreement (\$4.8 million), funding related to the treatment of Western Australian residents in interstate hospitals (\$4.4 million), the transition of remote area nursing posts from Silver Chain to the Western Australian Country Health Service (\$3.9 million), and additional funding for the establishment of the State Health Operations Centre (\$3.7 million).

Mental Health Commission

Item 52: **Delivery of Services** (\$3.6 million), including \$2.1 million to reflect an update to the Non-Government Human Services Sector indexation rate applicable to not-for-profit sector contracts, and \$1.5 million for a continuation in 2023-24 of the 5% uplift to community treatment services.

Item 53: **Mental Health Advocacy Service** (\$123,000), to meet higher contracted Advocate wage costs.

Education

Item 57: **Delivery of Services** (\$12.4 million), reflecting higher than estimated student enrolments and cost parameters including for the School of Isolated and Distance Education (\$7.1 million), an extension of temporary attraction and retention initiatives to help 66 regional and remote public schools attract, recruit and retain teachers (\$3.9 million), updates to the repayment profile under the Western Australian Schools Public-Private Partnership Project (\$2.3 million), higher interest rate forecasts for the loans portfolio under the Low Interest Loans Scheme for non-government schools (\$1.2 million), and additional spending under Non-Government Human Services Sector contracts (\$932,000). These increases were partially offset by a downward revision to the timing of recurrent program cashflows (\$2 million), and lower than expected lease costs (\$1 million).

Training and Workforce Development

Item 59: **Delivery of Services** (\$13.2 million), largely reflecting the allocation of an \$11 million Budget provision for the Construction Visa Subsidy Program (CVSP). Additional funding has also been approved to provide 150 additional places in 2024 for the Group Training Organisation Wage Subsidy program (\$2.1 million), and for updates to costs related to industrial agreements (\$917,000). These increases are partly offset by funding movements within the Career Taster Program (\$800,000) and lower than expected CVSP staffing costs (\$148,000).

Item 133: **Capital Appropriation** (\$7.1 million), consisting of the bring forward into 2023-24 of the TAFE Modern Equipment Program (\$7 million) and a further increase of \$61,000 from updated equipment and motor vehicle lease costs.

Western Australia Police Force

Item 60: **Delivery of Services** (\$5.1 million), primarily reflecting the net impact of additional funding provided for finalisation of the Western Australia Police Force Industrial Agreement (\$7.3 million), and additional temporary resources to support the firearms reform program (\$2.4 million), partly offset by deferred payments for the Helicopter Replacement project in line with revised payment schedules (\$2.5 million), and a range of smaller reflows across a number of projects.

Item 61: **Administered Grants, Subsidies and Other Transfer Payments** (\$19.7 million), for additional funding provided for a voluntary firearms buyback scheme (\$20 million), partly offset by the lower than expected final spending outcomes of the prohibited firearms buyback scheme (\$254,000).

Justice

Item 62: **Delivery of Services** (\$61.6 million), mainly for higher costs largely associated with growth in the prison population (\$35.3 million), \$16.8 million for additional staffing and services and infrastructure upgrades across the youth custodial estate, and \$5 million for attraction and retention incentives to support increased staffing levels.

Fire and Emergency Services

Item 64: **Delivery of Services** (\$14 million), largely reflecting cost increases associated with aviation services, fuel and utilities, fleet and equipment maintenance, and ICT services (\$13.3 million), additional interest (\$395,000) and salaries (\$283,000) expenditure.

Item 65: **Administered Grants, Subsidies and Other Transfer Payments** (\$444.2 million), primarily for additional funding to assist communities in the Kimberley recover from the impacts associated with Ex-Tropical Cyclone Ellie, including to replace and enhance the resilience of the Fitzroy River Bridge and to repair other roads (\$404.8 million), to establish longer-term temporary accommodation for flood affected residents (\$19.8 million), costs to support community access to social and legal assistance (\$6.6 million), funding for a number of grant programs to assist small and medium business owners, primary producers, homeowners and for recovery of the environmental, heritage and cultural assets (\$6 million), costs for the provision of temporary accommodation facilities for workers undertaking community recovery (\$3 million), for the National and Conservation Parks Clean-up Program (\$2.2 million), and timing changes associated with the delivery of other various recovery programs (\$1.8 million).

Communities

Item 71: **Delivery of Services** (\$77.8 million), to support re-contracting of the Department's out-of-home care services and transition to new contract arrangements and model of care (\$49.7 million), a range of community services initiatives, including those responding to family and domestic violence and homelessness/rough sleeping (\$11.6 million), higher interest costs on loans with the Western Australian Treasury Corporation (\$10.7 million), and supporting the attraction and retention of child protection workers and enhancing the safety of the work environment for staff across regional areas (\$4.8 million).

Item 141: **Capital Appropriation** (\$10.9 million), reflecting increased funding to deliver new social housing under the Commonwealth's Social Housing Accelerator Payment agreement.

Local Government, Sport and Cultural Industries

Item 73: **Delivery of Services** (\$14.6 million), including funding for a capital grant for upgrades to the Ellie Eaton Theatre at Claremont Showground to support the relocation of the Spare Parts Puppet Theatre (\$3.8 million), State celebrations to mark the 40th Anniversary of Australia II winning the America's Cup (\$2 million), \$1.2 million for the 2023 FIFA World Cup Legacy Grants Program to provide grants to clubs participating in the Women's National Premier League Western Australia for facility improvements that support women's participation in the sport, and \$1.2 million to continue the implementation of reforms in line with the Government's response to the recommendations of the Perth Casino Royal Commission Final Report.

Item 75: **Art Gallery of Western Australia** (\$220,000), for an enhanced security presence at the Art Gallery of Western Australia.

Item 76: **Art and Culture Trust** (\$4.6 million), mainly to cover the shortfall in operating revenue for 2022-23 (\$2.6 million) due to lower-than-expected attendance rates and to address unforeseen operational issues across venues operated by the Trust (\$1.7 million).

Item 79: **Western Australian Museum** (\$1.7 million), to meet a shortfall in projected admission fee revenue in 2023-24 attributable to lower-than-expected visitations.

Item 142: **Capital Appropriation** (\$6.9 million), to finalise contractual obligations for Stage One of the Sam Kerr Football Centre, and the commencement of Stage Two through the construction of two additional pitches at the site.

Item 144: **Western Australian Museum** (\$1.2 million), to fund additional costs to replace aluminium composite panels at the Western Australian Maritime Museum.

Western Australian Sports Centre Trust

Item 80: **Delivery of Services** (\$7.2 million), comprising expenditure for a Football Festival Event held to open the Sam Kerr Football Centre (\$1 million) and for operating costs associated with co-managing the Centre with Football West (\$3.1 million), costs associated with the HBF Arena pool closure and demolition work (\$1.9 million), and higher operating expenditure at Optus Stadium to reflect the latest estimates of the number and type of events to be held at the Stadium (\$1.3 million).

Commissioner of Main Roads

Item 83: **Delivery of Services** (\$74.6 million), for increased State funding of the Moorine Rock to Mt Holland Road Upgrade following the withdrawal of funding by the Commonwealth Government (\$48 million) and the delivery of safety barriers on the Kwinana Freeway (\$19 million, with this project transferred from the Public Transport Authority), and cost increases across a number of other projects (\$7.6 million).

Item 147: **Capital Appropriation** (\$70.6 million), reflecting increased funding to address cost pressures for a number of road projects (\$45.4 million, including the Mitchell Freeway widening works from Hodges Drive to Hepburn Avenue), and for the Marble Bar Road Upgrade following the withdrawal of funding by the Commonwealth Government (\$25.2 million).

Planning, Lands and Heritage

Item 86: **Delivery of Services** (\$27.6 million), mainly for the impact of the *Aboriginal Heritage Legislation Amendment and Repeal Act 2023* (\$24.7 million), commencement of Mira Mar landslide remediation actions (\$1.2 million), finalisation of the closure and demolition of the former Wittenoom townsite (\$724,000), funding to support the Pilbara Energy Transition (\$385,000), and change in Service Delivery Agreement costs with the Department of Transport (\$241,000).

Item 152: **Capital Appropriation** (\$5.8 million), primarily for reconfigurations to the Department's existing Aboriginal cultural heritage technology platform to reflect the requirements under the *Aboriginal Heritage Legislation Amendment and Repeal Act 2023*, and integration with the Keeping Place cloud-based information management system which enables Aboriginal organisations to digitally capture, protect and share cultural knowledge.

Chemistry Centre (WA)

Item 140: **Capital Appropriation** (\$3.3 million), for costs relating to the fit-out of additional laboratory space at Technology Park, Bentley, which will support the Centre's operations and address emerging risks at the current Bentley facility.

Public Transport Authority of Western Australia

Item 148: **Capital Appropriation** (\$212.6 million), reflecting funding for increased costs on the Bayswater Station project, the acquisition of land for electric bus-compatible depots, and the impact of the retiming of project cashflows for the METRONET program of works.

Special Purpose Accounts

Special Purpose Accounts (SPAs) are established under various sections of the *Financial Management Act 2006* or by specific legislation (e.g. 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 statement that outlines the purpose of the account.

This Appendix contains information on key SPAs. It is not an exhaustive list of all SPAs, but covers the major/material SPAs in existence at the 27 November 2023 cut-off date for this Mid-year Review. The forecast SPA balances (and transactions in and out of these accounts) form part of the overall consolidated projections outlined elsewhere in this publication.

Details of new spending allocations are available in Appendix 3 of this Mid-year Review.

Asset Maintenance Fund

The Asset Maintenance Fund (AMF) was established in the 2023-24 Budget to fund high priority maintenance works, and ensure risks to service delivery, public safety and asset condition are addressed. A total of \$250 million was allocated to the Fund in the Budget.

This Mid-year Review includes \$42.2 million of allocations from the AMF in 2023-24 and a further \$49.1 million across 2024-25 to 2026-27 to 13 agencies. The major recipients of support from the Fund are the Department of Local Government, Sport and Cultural Industries (\$43.8 million), the Rottnest Island Authority (\$10.7 million), the National Trust of Australia (W.A.) (\$8.7 million), the Department of Transport (\$6.8 million), the Department of Fire and Emergency Services (\$6.1 million) and the Department of Justice (\$4.2 million).

The remaining funds held in the SPA will be allocated in future Budget processes for priority maintenance works on State assets held by general government agencies. The estimated payments from the Fund have been re-timed relative to the Budget to reflect approvals to date.

Table 5.1

ASSET MAINTENANCE FUND

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
<i>Opening Balance</i>	-	-	200	100	1
Receipts	-	250	-	-	-
Payments	-	50	100	99	1
Closing Balance	-	200	100	1	-

Note: Columns may not add due to rounding.

Climate Action Fund

The Climate Action Fund was established in 2022 to hold funds for future climate action and renewable energy initiatives. As part of the 2023-24 Budget an additional \$869 million was appropriated into the Fund, including \$369 million to replenish funds drawn in 2022-23 to support decarbonisation costs incurred by Synergy prior to 30 June 2023.

Funds expected to be drawn down in 2023-24 (\$624 million) and across the outyears (\$414 million) primarily reflect funding for the following projects and initiatives:

- \$372 million for Synergy decarbonisation works, including \$303 million for the Kwinana Battery Energy Storage System 2 and \$62 million for the King Rocks Wind Farm;
- \$260 million to the Department of Jobs, Tourism, Science and Innovation to continue support for the transition away from native forest logging, Collie's ongoing transition away from emissions-intensive industries, and for various climate action and renewable hydrogen initiatives; and
- \$306 million to be allocated to specific initiatives in future Budget processes.

Table 5.2

CLIMATE ACTION FUND

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
<i>Opening Balance</i>	167	168	414	176	15
Receipts	500	869	-	-	-
Payments	499	624	238	161	15
Closing Balance	168	414	176	15	-

Note: Columns may not add due to rounding.

Debt Reduction Account

In line with the Government's commitment to responsible financial management, a Debt Reduction Account was established in 2017-18 to apply windfall receipts to reduce Consolidated Account borrowings. A total of \$8.2 billion has flowed through the Account since its creation in 2017-18, with receipts and payments for future years subject to Budget decisions.

DEBT REDUCTION ACCOUNT

Table 5.3

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
<i>Opening Balance</i>	-	-	-	-	-
Receipts	2,100	-	-	-	-
Payments	2,100	-	-	-	-
Closing Balance	-	-	-	-	-

Note: Columns may not add due to rounding.

Digital Capability Fund

The Digital Capability Fund was established in 2021-22 to hold funds for the upgrade of ICT systems, improve government service delivery, enhance cyber security and mitigate operational risks. Originally established with the receipt of \$500 million in the 2021-22 Budget, a further \$400 million was credited to the Fund in 2022-23.

Payments from the Fund totalling \$341 million in 2023-24 and \$344 million across the outyears will be made to 29 agencies. The major recipients of these funds are WA Health (\$329.7 million), the Land Information Authority (Landgate) (\$95.5 million), the Department of Energy, Mines, Industry Regulation and Safety (\$39.3 million), and the Department of the Premier and Cabinet (\$34.5 million).

DIGITAL CAPABILITY FUND

Table 5.4

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
<i>Opening Balance</i>	427	645	304	226	127
Receipts	400	-	128	1	-
Payments	181	341	205	100	39
Closing Balance	645	304	226	127	89

Note: Columns may not add due to rounding.

Ecological Thinning Account

This Account has been established in this Mid-year Review, with funding set aside to conduct ecological thinning works under the 2024-33 Forest Management Plan to reduce moisture stress and promote forest health. A total of \$150.6 million will be appropriated to the Account over 2023-24 and 2024-25, with other receipts reflecting revenue from ecological thinning activities.

Drawdowns totalling \$20.9 million are forecast in 2023-24, with \$12.2 million being allocated towards contractor payments, \$6.2 million for relevant overheads and \$2.5 million for regeneration costs. A further \$130 million is allocated towards contractor payments, overheads, and regeneration costs through to 2026-27.

Table 5.5

ECOLOGICAL THINNING ACCOUNT

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
<i>Opening Balance</i>	-	-	14	135	130
Receipts	-	35	161	38	42
Payments	-	21	41	43	46
Closing Balance	-	14	135	130	127

Note: Columns may not add due to rounding.

METRONET Account

This SPA was established in August 2017 to support the delivery of METRONET transport infrastructure projects. Forecast receipts across the four years to 2026-27 reflect Commonwealth funding (\$2,109 million), State funding (\$1,515 million), payments from other government agencies (\$452 million) and proceeds from land sales (\$25 million).

The funds are to be drawn down as works progress on METRONET projects.

Table 5.6

METRONET ACCOUNT

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
<i>Opening Balance</i>	137	33	113	25	25
Receipts	1,734	2,614	1,380	87	20
Payments	1,838	2,534	1,468	87	20
Closing Balance	33	113	25	25	25

Note: Columns may not add due to rounding.

METRONET and Westport Roads Account

This SPA was established in 2018 to hold funds for road works associated with METRONET, including projects under development. The purpose of the Account has recently been expanded to also apply funds for the delivery of future Westport road-related infrastructure works and associated costs.

Forecast payments over the four years to 2026-27 include \$554.2 million for roads associated with METRONET and \$129 million for Westport road projects.

Table 5.7

METRONET AND WESTPORT ROADS ACCOUNT

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
<i>Opening Balance</i>	109	84	10	8	259
Receipts	177	217	261	305	354
Payments	202	292	263	55	74
Closing Balance	84	10	8	259	539

Note: Columns may not add due to rounding.

Metropolitan Region Improvement Fund

This Account was established under the *Metropolitan Region Improvement Tax Act 1959* to hold funds for the management of the Metropolitan Region Scheme, including receipts from the Metropolitan Region Improvement Tax (MRIT).

Receipts in the four years to 2026-27 mainly reflect MRIT collections (\$385 million), rent and interest income (\$79 million) and proceeds from the sale of land and buildings (\$47 million). Payments in the same period are mainly for the acquisition of land for transport infrastructure (\$25 million), the acquisition of other land and buildings (\$208 million), service delivery costs (\$115 million), and works in progress on a range of smaller infrastructure projects (\$13 million).

Table 5.8

METROPOLITAN REGION IMPROVEMENT FUND					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	385	403	410	458	507
Receipts	124	147	122	123	125
Payments	106	140	74	74	74
Closing Balance	403	410	458	507	558

Note: Columns may not add due to rounding.

Mining Rehabilitation Fund

The Mining Rehabilitation Fund was established in 2013 to hold levy collections under the *Mining Rehabilitation Fund Act 2012*.

Receipts reflect forecast levy contributions from mining operators and interest earned on the account balance. Funds can be used to undertake rehabilitation activities where a tenement operator fails to meet rehabilitation obligations, and all other options available to recover funds from the operator have been exhausted. Interest earnings are used to support administration of the Fund, and for rehabilitation works at abandoned mine sites.

Table 5.9

MINING REHABILITATION FUND					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	254	291	315	341	357
Receipts	47	50	51	52	52
Payments	10	26	25	36	29
Closing Balance	291	315	341	357	380

Note: Columns may not add due to rounding.

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

This Account was established in 2018 to meet the cost of payments associated with the State's participation in the National Redress Scheme, and to meet the cost of civil litigation claims of survivors of institutional child sexual abuse.

Forecast payments across the forward estimates period are to meet scheme payments, civil litigation claims and administration costs.

Table 5.10

NATIONAL REDRESS SCHEME AND CIVIL LITIGATION FOR SURVIVORS OF INSTITUTIONAL CHILD SEXUAL ABUSE ACCOUNT					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	27	143	71	41	20
Receipts	185	-	-	-	-
Payments	70	71	31	20	18
Closing Balance	143	71	41	20	2

Note: Columns may not add due to rounding.

New Women and Babies Hospital Account

This SPA was established in 2021-22 to support the construction of a new Women and Babies Hospital. A total of \$9.5 million was drawn in 2022-23 to progress planning and the development of a Business Case and Project Definition Plan.

The new Women and Babies Hospital Project includes the relocation of services from King Edward Memorial Hospital to a new hospital within the Fiona Stanley Hospital precinct in Murdoch and expansions to obstetrics, gynaecology and neonatal services at Osborne Park Hospital and neonatal services at Perth Children's Hospital. Payments totalling \$540 million are forecast to be made across 2023-24 to 2026-27.

Table 5.11

NEW WOMEN AND BABIES HOSPITAL ACCOUNT					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	1,787	1,778	1,763	1,713	1,579
Receipts	-	-	-	-	-
Payments	9	14	51	134	341
Closing Balance	1,778	1,763	1,713	1,579	1,238

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

This SPA was established in 1999 to hold funds to be used to encourage a balanced transport system and improve the amenity of the Perth city area. Receipts consist of licence fees, penalties and money appropriated by Parliament.

Funds drawn from the Account are spent on the Central Area Transit bus system, Free Transit Zone public transport services within central Perth, improving public transport access, enhancing the pedestrian environment, supporting bicycle access, improving the amenity and liveability of the Perth city area, and for administration of the *Perth Parking Management Act 1999*.

Table 5.12

PERTH PARKING LICENSING ACCOUNT					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	192	209	173	194	235
Receipts	53	60	63	65	67
Payments	37	96	42	24	24
Closing Balance	209	173	194	235	278

Note: Columns may not add due to rounding.

Remote Communities Fund

The Remote Communities Fund was established as part of the 2022-23 Budget, with a \$350 million State contribution to support essential infrastructure and services in remote Aboriginal communities in Western Australia.

Monies held in the Fund were allocated to projects as part of the 2022-23 Mid-year Review – to Horizon Power and the Water Corporation to upgrade water, wastewater, and power services (\$200 million), and for the Department of Communities (\$150 million) to build new houses, upgrade existing houses, and undertake municipal works.

Table 5.13

REMOTE COMMUNITIES FUND					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	-	340	261	127	22
Receipts	350	-	-	-	-
Payments	10	79	134	106	21
Closing Balance	340	261	127	22	- (a)

(a) Amount less than \$500,000.
Note: Columns may not add due to rounding.

Road Trauma Trust Account

This Account was established to provide for road safety initiatives. Receipts reflect prescribed penalties paid during the year, other funds collected under the *Road Traffic (Administration) Act 2008*, and interest revenue earned on the Account balance.

Drawdowns from the Account in 2023-24 are mainly for:

- Main Roads' Regional Road Safety Improvements project (\$20 million);

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- delivery of camera operations and infringements by the Western Australia Police Force (\$17.9 million);
- Main Roads' Metropolitan Intersections project (\$15.3 million);
- the Community Education and Engagement Program delivered by the Road Safety Commission (\$11.7 million);
- the Impaired Driving Detection Program delivered by the Western Australia Police Force (\$10.4 million);
- the Road Safety Commission for policy, research and governance (\$9.2 million);
- the Road Safety Commission for the Infringement Management Reform Program (\$5.9 million); and
- a range of other road safety initiatives, including electronic school zone signs, the School Drug Education and Road Aware Program, the Alcohol Interlock Scheme, the road trauma support service, and the post-crash response service (\$28.5 million).

The Account balance is forecast to reduce across the forward estimates period, as remaining funds are anticipated to be committed to road safety initiatives as part of future Budget decisions.

Table 5.14

ROAD TRAUMA TRUST ACCOUNT					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	71	95	73	58	43
Receipts	127	105	108	108	108
Payments	103	127	123	124	124
Closing Balance	95	73	58	43	27

Note: Columns may not add due to rounding.

Royalties for Regions Fund

The Royalties for Regions (RfR) Fund was established in 2008 to set aside a share of the State's annual royalty income to fund investment in regional Western Australia.

Receipts reflect interest on Fund balances, the return of unused funds by agencies, and the statutory funding for the program based on 25% of forecast royalty income adjusted for the \$1 billion legislated cap on the Fund balance. Payments from the Fund include transfers to agencies that deliver RfR projects supporting infrastructure, business, economic development and other regional activities.

Details of the RfR program (and other regional spending) are available in Chapter 3: *Investing in Regional Western Australia*.

ROYALTIES FOR REGIONS FUND

Table 5.15

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
<i>Opening Balance</i>	1,000	1,000	1,000	1,000	1,000
Receipts	989	1,236	1,024	853	893
Payments	989	1,236	1,024	853	893
Closing Balance	1,000	1,000	1,000	1,000	1,000

Note: Columns may not add due to rounding.

Royalties for Regions Regional Reform Fund

This SPA was approved as part of the 2015-16 Budget to receive \$150 million, transferred from the RfR Fund. It supports strategic reforms in regional Western Australia, with a focus on regional Aboriginal reform initiatives.

Payments of \$50 million over the four years to 2026-27 will support the North West Aboriginal Housing initiative, the Jalbi Jiya (Your Home) program, improvements to essential and municipal services in remote Aboriginal communities, Leedal-Fitzroy Affordable Housing Project, Marlamanu On-Country Youth Program and the East Kimberley and Hedland Transitional Housing projects.

ROYALITES FOR REGIONS REGIONAL REFORM FUND

Table 5.16

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m
<i>Opening Balance</i>	42	18	-	-	-
Receipts	4	13	12	3	4
Payments	28	31	12	3	4
Closing Balance	18	-	-	-	-

Note: Columns may not add due to rounding.

Social Housing Investment Fund

The Social Housing Investment Fund was established with an initial allocation of \$750 million as part of the 2021-22 Budget to fund initiatives to increase the supply of social housing. A further \$450 million was allocated as part of the 2023-24 Budget.

Over the four years to 2026-27, \$942.5 million is forecast to be spent from the Fund, to support progress towards the Government's commitment to delivering 4,000 new social housing dwellings by 2026-27.

This investment includes:

- \$520.1 million for the construction and spot purchase of new social housing dwellings;

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- \$77.5 million for the refurbishment of existing social housing dwellings; and
- \$56 million for the Metropolitan and Regional Supportive Landlord Models, to deliver new dwellings for people sleeping rough, in partnership with community housing providers.

A further \$254 million has been provisioned as asset investment pending the receipt of business cases for social housing and homelessness proposals.

SOCIAL HOUSING INVESTMENT FUND						Table 5.17
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	
<i>Opening Balance</i>	750	499	598	398	198	
Receipts	-	450	-	-	-	
Payments	251	351	200	200	192	
Closing Balance	499	598	398	198	6	

Note: Columns may not add due to rounding.

Softwood Plantation Expansion Fund

This Fund was established in 2021-22 as part of the Government's Climate Action package, with \$350 million set aside to expand the State's softwood plantation estate and support the Western Australian timber and construction industries. At the same time, Fund investment will offset carbon dioxide production and support regional employment.

Drawdowns totalling \$145.3 million are forecast across the four years to 2026-27, with \$113.3 million for the acquisition of land, and \$31.9 million for costs of establishing softwood plantations.

SOFTWOOD PLANTATION EXPANSION FUND						Table 5.18
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	
<i>Opening Balance</i>	350	319	283	248	214	
Receipts	-	-	-	-	-	
Payments	31	36	36	33	40	
Closing Balance	319	283	248	214	174	

Note: Columns may not add due to rounding.

Waste Avoidance and Resource Recovery Account

The Waste Avoidance and Resource Recovery Account was established in 2008 under section 79 of the *Waste Avoidance and Resource Recovery Act 2007* to hold revenue allocated from the waste levy. The purpose of the Account is to fund nominated programs and other waste management initiatives approved by the Minister for Environment.

Table 5.19

WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	41	42	28	27	27
Receipts	22	21	21	21	21
Payments	20	35	22	21	21
Closing Balance	42	28	27	27	27

Note: Columns may not add due to rounding.

Western Australian Future Health Research and Innovation Fund

The Western Australian Future Health Research and Innovation Fund (the Fund) was established under the *Western Australian Future Fund Amendment (Future Health Research and Innovation Fund) Act 2020*. This Act allocates 1% of forecast annual royalties to the Fund each year.

Forecast annual receipts include 1% of the Budget-time forecast of royalty income (\$79.8 million in 2023-24) and interest earned on the Fund balance (\$51.4 million in 2023-24).

Table 5.20

WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH AND INNOVATION FUND					
	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	1,597	1,682	1,762	1,831	1,892
Receipts	118	131	122	113	129
Payments	32	51	52	52	52
Closing Balance	1,682	1,762	1,831	1,892	1,969

Note: Columns may not add due to rounding.

Payments from the Fund each year reflect the on-passing of budgeted interest earnings to WA Health for medical and health research and innovation (forecast to be \$51.4 million in 2023-24 at the time of the Budget), and are held in the Western Australian Future Health Research and Innovation Account (see following table).

Drawdowns totalling \$261 million are forecast across the four years to 2026-27, supporting a range of health and medical research, innovation and commercialisation activities in Western Australia.

Table 5.21

**WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH
AND INNOVATION ACCOUNT**

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	24	55	19	20	13
Receipts	50	51	52	52	52
Payments	20	87	52	59	63
Closing Balance	55	19	20	13	3

Note: Columns may not add due to rounding.

Westport Account

This SPA was established with a \$400 million contribution as part of the 2021-22 Budget to support the Westport project. Funding is to be drawn down upon approval of relevant Westport enabling works, such as strategic land acquisitions, environmental offsets and feasibility studies.

Rental income of \$11.3 million, derived from land acquisitions funded from the SPA, is forecast to be paid into the Account over the period 2023-24 to 2026-27. Drawdowns totalling \$348 million are forecast across the same period for approved works, including Westport Office costs, strategic land acquisitions, feasibility studies on the Future of Fremantle, the Kwinana Rail Loop, and the possible relocation of the roll-on/roll-off, break and liquid bulk and livestock trades.

Table 5.22

WESTPORT ACCOUNT

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m
<i>Opening Balance</i>	399	336	205	53	-
Receipts	-	3	3	3	3
Payments	63	134	155	56	3
Closing Balance	336	205	53	-	-

Note: Columns may not add due to rounding.

