



Annual Report on State Finances

2025-26

September 2026



2025-26

Annual Report on State Finances

SEPTEMBER 2026

Acknowledgement of Country

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

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

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2025-26

Annual Report on State Finances

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Foreword

This *Annual Report on State Finances* (ARSF) provides detail on the State's public sector financial results for 2025-26. It includes disclosure of material differences between these outcomes and estimated outcomes contained in the recent 2026-27 Budget, as well as the original 2025-26 Budget.

The *Government Financial Responsibility Act 2000* requires the release of audited whole-of-government financial results, consistent with external reporting requirements, within 90 days of the financial year-end.

For the purposes of this ARSF, 'external reporting requirements' are embodied in Australian Accounting Standards Board (AASB) 1049: *Whole of Government and General Government Sector Financial Reporting*.

All Australian State, Territory and Commonwealth governments publish financial disclosures consistent with AASB 1049, and with the requirements of the Uniform Presentation Framework (UPF). The UPF ensures consistent minimum levels of detail in whole-of-government disclosures. Western Australia's disclosures in this ARSF are consistent with the requirements of AASB 1049, other applicable accounting standards, Government Finance Statistics concepts, sources and methods, and exceed the minimum requirements specified in the UPF.

This ARSF contains information on the Western Australian whole-of-government (and its sub-sectors) for:

- the actual outturn for 2025-26, which is the focus of this report;
- movements relative to the 2025-26 estimated outturn contained in the 2026-27 Budget, released on 7 May 2026;
- movements relative to the 2025-26 Budget estimates, presented to the Legislative Assembly on 19 June 2025 (detailed in Appendix 4);
- material Special Purpose Accounts (Appendix 5);
- quarterly results for June 2026, completing the State's quarterly reporting series for 2025-26 (Appendix 6); and
- the Public Ledger outcomes for the year ending 30 June 2026, which includes the Consolidated Account, the Treasurer's Advance Account, and the Treasurer's Special Purpose Accounts (Appendix 7).

General government sector salary outcomes and expense limit outcomes under Resource Agreements for appropriation-funded agencies are also included in Appendices 8 and 9 respectively.

Unless otherwise indicated, data in this ARSF are rounded to the nearest million dollars (\$m). As a consequence, totals discussed in text and/or shown in tables may not always add due to rounding.

Statement of Responsibility

This ARSF is a statutory requirement of the *Government Financial Responsibility Act 2000*. It contains whole-of-government financial information in the same format as the State's Budget presentations, reflecting applicable Australian Accounting Standards and the Australian Bureau of Statistics' (ABS') accrual Government Finance Statistics standards.

The consolidated financial statements included in this report have been prepared by the Department of Treasury and Finance from information provided by State public sector agencies.

In our opinion, the financial information presented in this report:

- fairly represents the operating results and cash flows of the Government of Western Australia for the year ended 30 June 2026, and the public sector's financial position at 30 June 2026; and
- has been prepared in accordance with Australian Accounting Standard AASB 1049: *Whole of Government and General Government Sector Financial Reporting*, other applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and complies with statistical standards promulgated by the ABS.

At the date of signing, we are not aware of any circumstances which would cause any information included in the financial disclosures in this report to be misleading or inaccurate.



MICHAEL COURT
A/UNDER TREASURER



MAGDALENA WITTEK FCA
ASSISTANT DIRECTOR
FINANCIAL REPORTING

25 September 2026

Opinion of the Auditor General

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Auditor General

INDEPENDENT AUDITOR'S REPORT

2026

Annual Report on State Finances

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Government of Western Australia for the year ended 30 June 2026 which comprise:

- the operating statement, balance sheet, statement of changes in equity and cash flow statement for general government, public non-financial corporations, total non-financial public sector, public financial corporations and total public sector (Appendix 1)
- notes comprising a summary of material accounting policies and other explanatory information (Appendix 1)
- the comparison of final outcomes to original budget for the year ended 30 June 2026 for the general government sector and total public sector (Appendix 4)
- the public ledger (Appendix 7).

In my opinion, the financial statements are:

- properly drawn up so as to present fairly, in all material respects, the operating results and cash flows of the Government of Western Australia for the year ended 30 June 2026 and the financial position as at the end of that year; and
- prepared in accordance with Australian Accounting Standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, other applicable Australian Accounting Standards and the *Government Financial Responsibility Act 2000*.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibility for the audit of the financial statements section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Acting Under Treasurer is responsible for the other information. The other information is the information in the Annual Report on State Finances for the year ended 30 June 2026, but not the financial statements as defined above and my auditor's report.

My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

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In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Acting Under Treasurer for the financial statements

The Acting Under Treasurer is responsible for:

- preparation and fair presentation of the Annual Report on State Finances that includes the preparation of the financial statements in accordance with Australian Accounting Standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, other applicable Australian Accounting Standards and the *Government Financial Responsibility Act 2000*
- such internal control as the Acting Under Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error
- disclosing matters related to going concern, if applicable, and using the going concern basis of accounting, unless this is assessed as not appropriate.

Auditor's responsibilities for the audit of the financial statements

As required by the *Government Financial Responsibility Act 2000*, my responsibility is to express an opinion on the financial statements based on my audit. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf.

My independence and quality management relating to the report on financial statements

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Matters relating to the electronic publication of the audited financial statements

This auditor's report relates to the financial statements of the Government of Western Australia for the year ended 30 June 2026 included on the Department of Treasury and Finance's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the Annual Report on State Finances. If users of the financial statements are concerned with the inherent risks arising from publication on a website, they are advised to contact the Department to confirm the information contained in the website version.



Caroline Spencer
Auditor General for Western Australia
Perth, Western Australia
25 September 2026

2025-26 Annual Report on State Finances

Financial Results

HIGHLIGHTS

- The general government sector recorded an eighth consecutive operating surplus of \$4.2 billion in 2025-26, up \$684 million on the estimated actual in the recent 2026-27 Budget.
 - Revenue was a modest \$113 million (or 0.2%) higher than expected, mainly due to additional revenue from public corporations and agency sales of goods and services.
 - Expenses were \$571 million (or 1.2%) lower than expected, largely reflecting timing changes in grants and contract payments that are likely to be caught up in 2026-27.
- The Government's continued focus on the delivery of priority infrastructure projects is reflected in a \$12.3 billion Asset Investment Program, with significant investments in electricity, water and port infrastructure to support economic growth and diversification, combined with ongoing investments in housing and land development, transport projects, schools and hospitals to meet the demands of a growing population.
- Total public sector net debt at 30 June 2026 was \$33.4 billion, \$1.1 billion lower than estimated in the 2026-27 Budget and \$5.6 billion lower than forecast in the original 2025-26 Budget. As a share of the economy, net debt has fallen from its peak of 13.5% in 2017-18 to an estimated 6.9% in 2025-26.
- Western Australia continues to be the only State to have a triple-A credit rating with 'stable' outlook from both S&P Global and Moody's Ratings.

Introduction¹

Stronger outcomes were recorded for the State's finances in 2025-26 relative to the estimates contained in the 2026-27 Budget delivered on 7 May 2026. This is reflected in Western Australia recording a higher general government net operating surplus and lower level of total public sector net debt. The following table summarises key financial outcomes for 2025-26.

KEY BUDGET AGGREGATES
Western Australia

Table 1

	2024-25	2025-26			
	Actual	Budget	Estimated Actual (EA) (1)	Actual (2)	Variation on EA (2) - (1)
GENERAL GOVERNMENT SECTOR					
Net Operating Balance (\$m)	3,652	2,414	3,507	4,191	684
Revenue (\$m)	49,689	50,257	52,646	52,759	113
Revenue Growth (%)	8.1	3.9	6.0	6.2	0.2
Expenses (\$m)	46,037	47,844	49,140	48,568	-571
Expense Growth (%)	11.0	4.3	6.7	5.5	-1.2
TOTAL PUBLIC SECTOR					
Net Debt at 30 June (\$m)	30,172	38,968	34,484	33,412	-1,073
Net Debt as a Share of GSP (%) ^(a)	6.6	9.1	7.1	6.9	-0.2
Asset Investment Program (\$m)	13,132	12,061	12,226	12,269	43
Cash Surplus/Deficit (\$m)	-1,718	-4,837	-3,736	-2,844	892

(a) Estimate for 2025-26 Actual. The final outcome for Gross State Product is not expected to be available from the Australian Bureau of Statistics until November 2026.

Note: Where additive, key aggregates and/or variances may not add due to rounding.

¹ This Chapter mainly focuses on variations in outcomes between the estimated actual published in the State's 2026-27 Budget and the final outcomes for 2025-26 reported in this ARSF. Comparisons to the original 2025-26 Budget projections (presented to the Legislative Assembly on 19 June 2025) are available in Appendix 4: *Comparison of Final Outcomes to Original Budget for the Year Ending 30 June 2026*.

Key economic parameters for 2025-26 are summarised in the following table.

KEY ECONOMIC PARAMETERS Western Australia					Table 2
	2024-25	2025-26			
	Actual	Budget	Estimated Actual	Actual	
Demand and Output (%) ^{(a)(b)}					
Household Consumption	2.5	2.75	2.75	3.0	
Dwelling Investment	5.9	9.25	9.5	9.2	
Business Investment	-0.9	2.75	6.75	6.5	
Government Consumption	5.6	3.0	3.25	3.9	
Government Investment	10.4	-5.5	-8.0	-6.3	
State Final Demand	3.0	2.5	3.5	3.5	
Merchandise Exports	-4.4	2.0	2.5	2.5	
Merchandise Imports	-0.4	1.5	3.25	7.9	
Net Exports ^(c)	-6.0	2.25	3.0	1.0	
Gross State Product ^(d)	1.3	2.5	3.25	3.25	
Labour Market (%)					
Population ^{(e)(f)}	2.3	1.8	1.8	1.8	
Employment ^(a)	3.1	1.75	1.5	1.6	
Unemployment Rate ^(g)	3.7	3.75	4.0	4.2	
Participation Rate ^(g)	69.1	68.9	68.6	68.7	
Prices (%)					
Consumer Price Index ^{(f)(h)}	2.8	2.75	5.5	4.0	
Wage Price Index ^(f)	3.7	3.5	3.75	3.3	
Perth Median House Price ^(a, i)	18.6	4.3	13.5	18.6	
Other Key Parameters ^(g)					
Exchange Rate \$US/\$A (cents)	64.8	64.6	67.4	67.9	
Iron Ore Price (\$US/t) (CFR)	100.9	77.6	104.7	104.3	
Iron Ore Volumes (million dry tonnes) ⁽ⁱ⁾	864	878	895	904	
Crude Oil Price (\$US/barrel)	73.4	63.0	79.9	76.2	
Interest Rate Assumptions (%) ^(g)					
Public Bank Account Earnings	4.5	3.7	4.3	4.4	
Consolidated Account Borrowings	3.6	3.6	3.9	3.7	

(a) Annual growth.

(b) Based on State Final Demand and Balance of Payments data published for the June quarter 2026. Actual data for 2025-26 for Gross State Product is not available until 18 November 2026.

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

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

(e) Actual population figure for 2025-26 is not available until 17 December 2026.

(f) Year-ended growth.

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

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

(i) 2025-26 actual is based on preliminary data and is subject to revision.

Note: Statistical outcomes sourced from the Australian Bureau of Statistics and are subject to periodic revision by that organisation. Interest rate assumptions provided by the Western Australian Treasury Corporation.

Results Compared to Estimated Actual

General Government Sector

Operating Statement

The general government sector recorded an operating surplus of \$4.2 billion in 2025-26 – the eighth consecutive operating surplus. This outcome is \$684 million higher than the estimated actual for 2025-26 in the 2026-27 Budget, and reflects lower than anticipated expenses (down \$571 million), and higher than expected revenue (up \$113 million).

Table 3

GENERAL GOVERNMENT Operating Statement

	2024-25 Actual \$m	2025-26			
		Budget \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	Variation on EA \$m (2)-(1)
REVENUE					
Taxation	14,849	15,113	17,024	16,867	-156
Current grants and subsidies	15,226	15,776	15,260	15,107	-153
Capital grants	3,447	3,031	2,148	1,740	-408
Sales of goods and services	3,704	3,377	3,711	4,051	340
Interest income	314	280	266	294	28
Revenue from public corporations					
Dividends	518	2,788	1,494	1,570	76
Tax equivalent income	910	898	936	1,445	510
Royalty income	9,806	8,245	10,822	10,582	-240
Other	915	749	986	1,102	116
Total	49,689	50,257	52,646	52,759	113
EXPENSES					
Salaries	18,370	19,041	19,782	19,697	-84
Superannuation					
Concurrent costs	2,069	2,280	2,376	2,329	-48
Superannuation interest cost	157	206	232	141	-91
Other employee costs	431	452	485	480	-5
Depreciation and amortisation	2,320	2,406	2,541	2,559	18
Services and contracts	3,562	4,755	4,650	3,803	-847
Other gross operating expenses	7,985	7,144	7,625	8,513	889
Interest					
Interest on leases	190	152	159	182	23
Other interest	1,017	1,023	1,104	1,095	-9
Current transfers	9,159	9,713	9,455	9,070	-384
Capital transfers	776	670	730	698	-33
Total	46,037	47,844	49,140	48,568	-571
NET OPERATING BALANCE	3,652	2,414	3,507	4,191	684

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

The following table summarises key changes to the general government sector operating surplus relative to the estimated actual in the 2026-27 Budget. Detail of key movements between the original 2025-26 Budget and the final outcome is available in Appendix 4 of this report.

Table 4

**SUMMARY OF 2025-26 GENERAL GOVERNMENT REVENUE AND EXPENSE
VARIATIONS SINCE THE 2026-27 BUDGET ESTIMATED ACTUAL**

	\$m
NET OPERATING BALANCE - ESTIMATED ACTUAL (2026-27 BUDGET)	3,507
Revenue	
Taxation, comprising:	
- Total duty on transfers	-157
- All other taxes	1
<i>Sub-Total</i>	<i>-156</i>
Commonwealth grants, comprising:	
- Transport grants	-463
- Health grants	-75
- GST grants	61
- Pilbara Ports Common User Upgrades Agreement	-33
- All other grants	-50
<i>Sub-Total</i>	<i>-561</i>
Revenue from Public Corporations	586
Royalty income, comprising:	
- Gold royalties	-114
- Iron ore royalties	-100
- All other royalty income	-26
<i>Sub-Total</i>	<i>-240</i>
Sales of goods and services	340
All other revenue	144
TOTAL REVENUE	113
Expenses	
Material increases:	
- Main Roads	130
- Public Corporation Operating Subsidies	100
- Planning, Lands and Heritage (administered)	80
- Extension of maintenance uplift program (Housing Authority)	66
- Justice	44
Material decreases:	
- Transport and Major Infrastructure	-190
- Primary Industries and Regional Development	-172
- Creative Industries, Tourism and Sport	-150
- Fire and Emergency Services (administered)	-96
- Energy and Economic Diversification	-94
- Education	-84
- Communities (administered)	-62
- Superannuation Interests Costs	-91
All other net movements in expenses	-52
TOTAL EXPENSES	-571
TOTAL VARIANCE	684
NET OPERATING BALANCE - 2025-26 ANNUAL REPORT ON STATE FINANCES	4,191

Note: Column may not add due to rounding.

Revenue

General government revenue totalled \$52.8 billion in 2025-26, \$113 million (or 0.2%) higher than the estimated actual in the 2026-27 Budget. The higher revenue outcome mainly reflects:

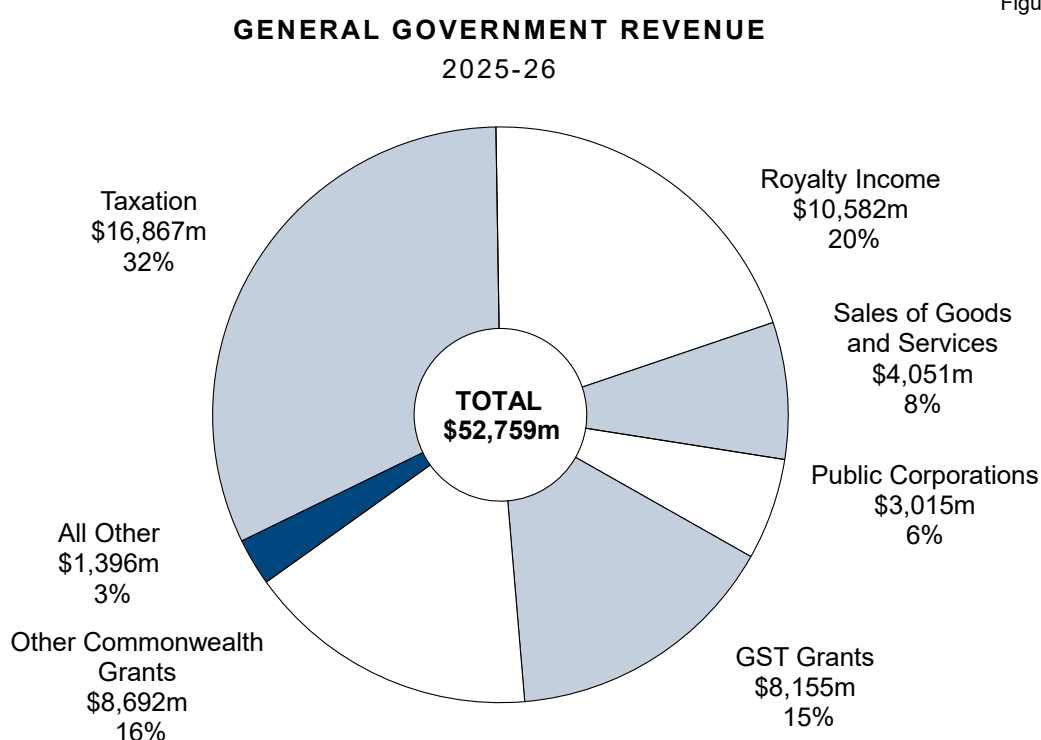
- additional revenue from public corporations (up \$586 million), mainly due to stronger accounting profit outcomes for:
 - the Insurance Commission of Western Australia (resulting in a general government revenue increase of \$390 million), due mainly to lower than expected claim costs and stronger than forecast investment performance²;
 - DevelopmentWA (up \$113 million), largely due to the impact of higher land sales revenue from metropolitan, residential, and regional programs; and
 - the Water Corporation (up \$55 million), mainly driven by the impact of stronger revenue performance from increased water consumption, population growth, ongoing development activity and higher than expected third party asset transfers, partially offset by increased repairs and maintenance expenditure;
- lower Commonwealth grants revenue (down \$561 million), mainly due to the net impact of:
 - lower transport-related grants (down \$463 million), largely due to delayed receipts for jointly funded road projects, including Stephenson Avenue Extension, Fremantle Traffic Bridge, and Duncan Road and Gordon Downs Road upgrades. These lower contributions were partly offset by higher receipts (brought forward from 2026-27) for METRONET projects, including for the Thornlie-Cockburn Link, Byford Rail Extension and Midland Station;
 - lower health-related grants (down \$75 million), reflecting delays in the receipt of funding for Bentley Hospital Surgicentre, Peel Health Campus, Graylands Reconfiguration and Forensics Project, Laverton Hospital and Geraldton Radiation Oncology. These delays reflect revised project delivery timelines, resulting in the deferral of associated Commonwealth funding beyond 2025-26;
 - higher GST grants (up \$61 million), reflecting a higher estimate of the national GST pool in the 2026-27 Commonwealth Budget, and an increase in Western Australia's share of the national population for 2025-26; and
 - lower grants from the Pilbara Ports Common User Upgrades agreement (down \$33 million), following revised timing of some project milestones;
- higher sales of goods and services (up \$340 million), due to higher than expected activity and demand for services, particularly for Local Government, Industry Regulation and Safety (up \$119 million) and Main Roads (up \$90 million);

² Gains and losses on investments that form part of the Commission's profit for tax equivalent purposes are not revenue transactions in the context of the public financial corporation operating balance, discussed later in this Chapter.

- lower royalty income (down \$240 million), mainly due to:
 - lower gold royalties (down \$114 million), following weaker than expected production volumes; and
 - lower iron ore royalties (down \$100 million), reflecting the impact of a stronger than expected exchange rate, higher shipping deductions and price discounts, partly offset by higher than expected production volumes;
- lower taxation revenue (down \$156 million), driven by lower collections from total duty on transfers (down \$157 million) due to weaker than expected property market conditions (particularly in the June quarter) and fewer than assumed high value commercial property transactions; and
- stronger outcomes across all other revenue (up by a total \$144 million), including for interest income, fines and infringements, non-cash land assets transferred from local government, and contributions for various Resource Community Investment Initiative projects.

Relative to 2024-25, general government revenue increased by 6.2% in 2025-26, broadly consistent with estimated growth of 6% in the 2026-27 Budget.

Figure 1



Note: Segments may not add due to rounding.

Expenses

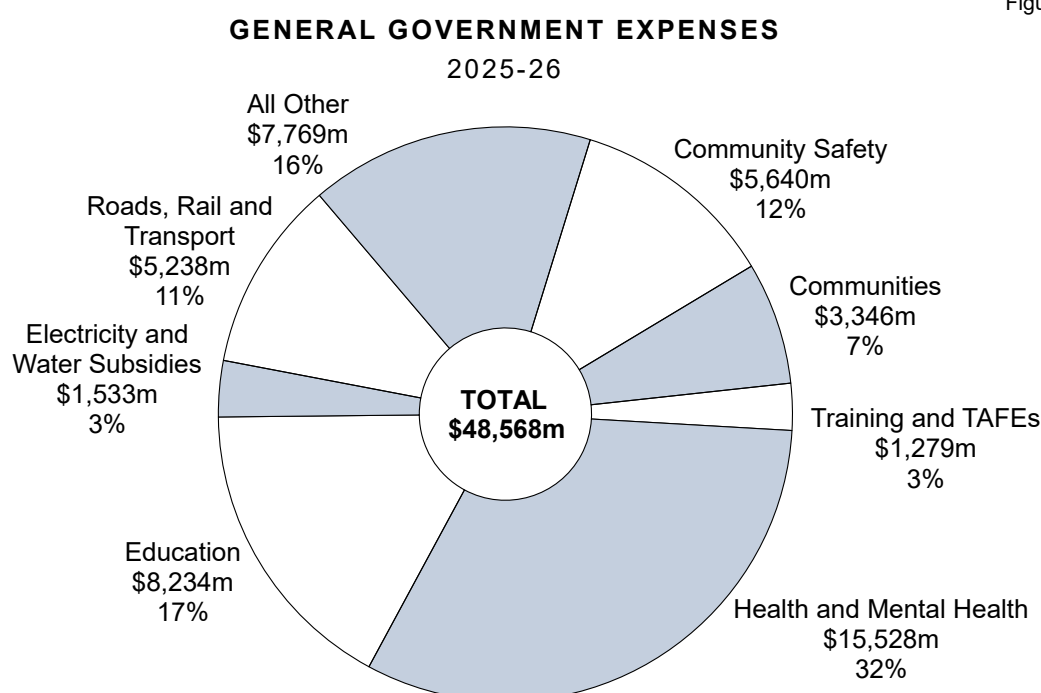
General government expenses totalled \$48.6 billion in 2025-26, \$571 million lower than the estimated outturn in the 2026-27 Budget. This is largely due to the net impact of:

- higher expenses for:
 - Main Roads (up \$130 million), largely reflecting higher than anticipated spending on road maintenance, ICT contracts and services, grant payments to local governments for local road projects, and increases in depreciation due to upward end of year asset valuations;
 - operating subsidies for public non-financial corporations (up \$100 million), mainly reflecting increased bus contract, fuel and insurance costs for the Public Transport Authority;
 - administered activities of the Department of Planning, Lands and Heritage (up \$80 million), reflecting higher than forecast Crown land transfers (up \$62 million, including transfers to local governments and incorporated community groups following the granting of management orders), and land transfers under Indigenous Land Use Agreements (\$17 million);
 - higher than budgeted appropriation to the Department of Housing and Works (on-passed to the Housing Authority, a public corporation, up \$66 million) largely to support increases in maintenance activity and costs; and
 - the Department of Justice (up \$44 million), primarily due to higher than expected accrued leave expenses, building maintenance, and prison supplies and services due to higher than assumed prisoner numbers; and
- lower expenses for:
 - Transport and Major Infrastructure (down \$190 million), largely reflecting the retiming of expenditure across a number of programs, including Westport (due to procurement delays and the impact of skills shortages), and retiming of grant payments into 2026-27, including for the Wadandi Track, Regional Airstrip Pavement Upgrade program and Regional Boating Facilities Scheme;
 - Primary Industries and Regional Development (down \$172 million), mainly due to lower payments across the Department's program of controlled grants and subsidies, services and contracts expenses, and costs under the Fisheries Adjustment Scheme;
 - Creative Industries, Tourism and Sport (down \$150 million), mainly reflecting timing of grant expenditure, with the funding to be realigned with later than expected achievement of agreed grant application milestones across many individual programs;
 - administered activities for Fire and Emergency Services (down \$96 million), mainly due to lower disaster recovery expenditure, including later than expected claims under the Disaster Recovery Funding Arrangements (including for Severe Tropical Cyclone Narelle);

- Energy and Economic Diversification (down \$94 million), driven primarily by delays in grant milestone achievements and project commencements, including for the Lower Carbon and Green Tech Hub, Housing and Innovation Fund, Investment Attraction Fund, and Collie Industrial Transition Fund, and reduced marketing and consultancy services expenditure for international education and energy transition initiatives;
- superannuation interest costs (down \$91 million), mainly resulting from the net impact of lower than assumed carrying costs for unfunded superannuation obligations (reflecting year-end actuarial valuation of these liabilities), and lower than forecast interest income on superannuation investment assets;
- Education (down \$84 million), mainly due to lower than projected salary costs following movements in the Department's workforce composition; and
- the State's contributions (down \$62 million) to the National Disability Insurance Scheme (NDIS), resulting from offsets for in-kind services delivered by the State on behalf of the NDIS.

The following chart shows that over 70% of general government recurrent spending is associated with frontline services, including health and mental health, education and training, community services and community safety.

Figure 2



Note: Segments may not add due to rounding.

Relative to 2024-25, expenses grew by 5.5% in 2025-26, down from estimated growth of 6.7% in the 2026-27 Budget and materially below annual growth of 11% in 2024-25.

Balance Sheet

The net worth of the general government sector (i.e. the value of total assets less total liabilities) increased by \$28.5 billion over the year to 30 June 2026 to \$220.7 billion, a \$16.4 billion increase on the estimated outcome at the time of the 2026-27 Budget. This mainly reflects the net impact of:

- an increase in the value of general government non-financial asset holdings following year-end valuations (with property, plant and equipment up \$6 billion, and land holdings up \$5.1 billion), with these increases mainly from roads and land under roads respectively;
- a \$4.6 billion increase in the general government sector's equity holding in public corporations, reflecting higher land and property, plant and equipment holdings (up \$3.6 billion, also attributable to year end valuations), and higher inventory values (up 891 million, mainly precious metal holdings by the Gold Corporation);
- higher receivables (up \$1 billion), largely reflecting the timing of receipts for accruing State taxation assessments, and Tax Equivalent Regime revenue from public corporations (particularly for the Insurance Commission of Western Australia);
- lower liquid cash assets (down \$899 million), mainly lower than projected Public Bank Account cash and investments on behalf of public corporations; and
- lower total liabilities (down \$294 million), reflecting the net impact of:
 - lower than expected deposits held on behalf of other sectors (down \$1.2 billion), mainly due to the budget-time assumption that underspending on asset investment by public non-financial corporations would result in higher cash holdings in the Public Bank Account but were instead largely reflected as lower borrowings;
 - a \$639 million increase in payables and other liabilities, primarily due to timing of cash payments for spending obligations that are yet to be paid (including the accrued cost of future WA Stolen Generations Redress Scheme compensation payments administered by the Department of the Premier and Cabinet), transport-related contract liabilities and income received in advance from the Commonwealth;
 - higher borrowings (up \$431 million), primarily reflecting \$449 million of short-term borrowings by Main Roads to deliver capital road projects, following delays in the receipt of associated contributions from the Commonwealth; and
 - a net change in employee-related liabilities (down \$37 million), including lower unfunded superannuation obligations (down \$302 million, largely due to lower than expected superannuation interest costs and the impact of a reduction in aggregate unfunded obligations following actuarial remeasurements at 30 June 2026), partly offset by higher other employee benefits (up \$265 million, driven by higher leave accruals mainly for WA Health).

Information on the general government sector balance sheet position relative to the original 2025-26 Budget forecasts can be found in Appendix 4: *Comparison of Final Outcomes to Original Budget for the Year Ending 30 June 2026*.

Cash Flow Statement

The general government sector recorded a \$1.2 billion cash surplus in 2025-26. This is the seventh consecutive cash surplus outcome and is \$118 million lower than the estimated actual in the 2026-27 Budget. The lower than expected surplus mainly reflects:

- higher net operating cashflows (up \$81 million), largely due to the impact on cash of the higher accrual operating surplus outlined earlier; and
- higher infrastructure payments (up \$244 million, see *Asset Investment* section later in this Chapter), partly offset by higher proceeds from the disposal of non-financial assets (mainly land sales, up \$45 million).

Total Public Sector³

Summary

The total public sector recorded a \$2.8 billion operating surplus for 2025-26, \$1.1 billion higher than the estimated actual in the 2026-27 Budget (and a \$3.1 billion turnaround on the operating deficit projection at the time of the 2025-26 Budget⁴). The stronger than expected operating surplus resulted in an \$892 million reduction in the cash deficit (to \$2.8 billion) relative to the estimated outturn.

Mainly reflecting the lower cash deficit outcome, net debt stood at \$33.4 billion at 30 June 2026. This is \$1.1 billion lower than the estimated actual in the 2026-27 Budget and represents just 6.9% of estimated Gross State Product in 2025-26. The net debt outcome at 30 June 2026 is a very substantial \$5.6 billion lower than the forecast level in the original 2025-26 Budget.

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

Table 5

TOTAL PUBLIC SECTOR Summary Financial Aggregates					
	2024-25	2025-26			
	Actual \$m	Budget \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	Variation on EA \$m (2)-(1)
OPERATING STATEMENT					
Revenue	94,895	92,446	112,974	108,001	-4,973
Expenses	91,274	92,731	111,241	105,165	-6,076
Net Operating Balance	3,621	-285	1,733	2,836	1,103
BALANCE SHEET					
Assets	286,389	281,107	302,566	320,084	17,517
Liabilities	94,201	95,453	98,285	99,399	1,114
Net Worth	192,188	185,654	204,281	220,684	16,403
CASH FLOW STATEMENT					
Change in net cash held	-1,023	-1,743	-1,670	-1,965	-295
Cash surplus/-deficit	-1,718	-4,837	-3,736	-2,844	892
Memorandum Item: Net Debt	30,172	38,968	34,484	33,412	-1,073

Note: Columns may not add due to rounding.

³ The total public sector consolidates the general government, public non-financial corporations and public financial corporations sectors. The total public sector is also known as the whole-of-government. Detailed financial disclosures for each of these sectors are contained in Appendix 1: *Financial Statements*.

⁴ Detail of variations to the original Budget are available in Appendix 4.

Operating Statement

The total public sector operating surplus of \$2.8 billion in 2025-26 was \$1.1 billion higher than estimated in the 2026-27 Budget. This outcome reflects the stronger general government operating surplus (up \$684 million discussed earlier), and a higher operating surplus for the public non-financial corporations (PNFC) sector (up \$526 million), partially offset by a lower operating surplus from the public financial corporations (PFC) sector (down \$31 million).

Table 6

TOTAL PUBLIC SECTOR OPERATING BALANCE					
By Sector					
	2024-25	2025-26			
	Actual \$m	Budget \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	Variation on EA \$m (2)-(1)
Net Operating Balance					
General government sector	3,652	2,414	3,507	4,191	684
Public non-financial corporations sector	219	67	-394	132	526
Public financial corporations sector	278	20	111	80	-31
<i>less</i>					
General government dividend revenue	518	2,788	1,494	1,570	76
Public non-financial corporations dividend revenue ^(a)	13	-	-	-	-
Agency depreciation costs on right of use assets leased from other government sectors ^(b)	-3	-3	-3	-3	- ^(c)
Total public sector net operating balance	3,621	-285	1,733	2,836	1,103

(a) Dividends received from Keystart (a PFC) by the Housing Authority (a PNFC). From 2025-26 these are paid to the Consolidated Account.

(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. Non-cash depreciation costs between internal sectors of government contribute to expenses (and the operating balance) in the sector in which the lessee is classified, but these costs are 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.

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

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

Public Non-Financial Corporations

The PNFC sector recorded a \$132 million operating surplus in 2025-26, \$526 million higher than estimated in the 2026-27 Budget. Significant movements include stronger surplus contributions from:

- Western Power, mainly reflecting higher than forecast customer contributions from growing network connections and sales of transmission-related materials to third party contractors;
- the Water Corporation, primarily driven by higher developer contributions (including transfer of water and sewerage assets) following strong growth in lot development activity, particularly in the metropolitan area, and increased water sales to residential, industrial and mining customers;

- the Lotteries Commission, mainly due to higher than forecast sales volumes, largely driven by higher prize moneys, player participation rates and higher ticket prices for Powerball and Saturday Lotto; and
- Synergy, largely due to lower than anticipated costs for electricity market purchase and renewable energy certificates, partially offset by lower electricity sales revenue (reflecting lower contestable sales volumes).

Public Financial Corporations

A lower than forecast operating surplus of \$80 million was recorded for the PFC sector in 2025-26, down from \$111 million in the 2026-27 Budget. This mainly reflects movements in revenue and expenses across the Insurance Commission of Western Australia⁵ and the RiskCover Fund.

Asset Investment

A total public sector infrastructure spend of \$12.3 billion was delivered through the Government's Asset Infrastructure Program (AIP) in 2025-26. This outcome was \$43 million higher than estimated in the 2026-27 Budget. This is the second highest recorded level of investment in land and fixed assets (following the record \$13.1 billion infrastructure spend in 2024-25).

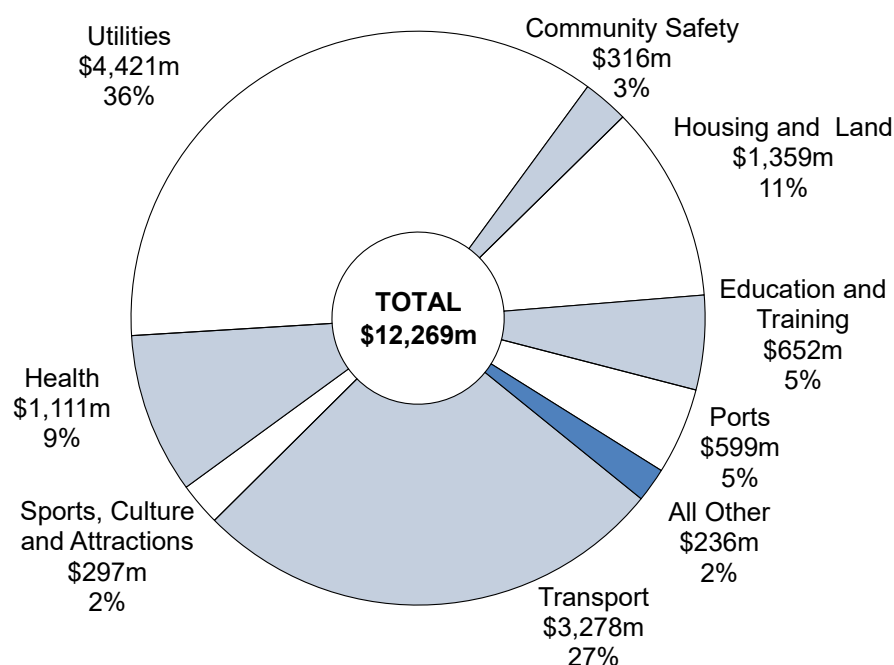
In line with last year's outcome, the public non-financial corporations delivered the majority of infrastructure investment in 2025-26 (at \$7.9 billion or almost two thirds of the total AIP). In 2025-26, the State's infrastructure spending was mainly focused on the delivery of electricity and water infrastructure (\$4.4 billion), rail and transport projects (\$3.3 billion), housing and land (\$1.4 billion), health facilities and equipment (\$1.1 billion), and education and training projects (\$652 million).

⁵ The operating balance for each sector of government discussed in this Chapter is defined in the Government Finance Statistics framework as the difference between revenue and expenses from transactions (transactions are explained in Appendix 10: *Key Terms Used in the Financial Report*). The contribution of the Insurance Commission of Western Australia to the PFC and total public sector operating balance excludes revenue and expenses that are defined as 'other economic flows' such as gains and losses on investments. Such non-transaction revenue and expense items form part of the Commission's profit for tax accounting purposes which impacts general government Tax Equivalent Revenue discussed earlier in this Chapter.

Figure 3

2025-26 ASSET INVESTMENT PROGRAM

Total Public Sector



Note: Segments may not add due to rounding.

Net underspending by agencies in 2025-26 totalled \$2.9 billion, which fully offset an underspending provision of the same magnitude contained in the 2026-27 Budget, resulting in a marginally higher than expected outcome to 30 June 2026.

Material agency variances since the 2026-27 Budget are primarily due to:

- the Public Transport Authority (down \$477 million), reflecting revised timing of works and payments for railcars, rail infrastructure, High Capacity Signalling, bus infrastructure, and a range of other projects;
- WA Health (down \$380 million), reflecting revised project delivery schedules, movements in construction sequencing, delayed procurement and implementation activities, facility readiness constraints, and the need for additional planning requirements;
- Main Roads (down \$288 million), primarily due to lower than expected spending on works associated with Toodyay Road – Dryandra to Toodyay and Fiona Stanley Precinct – Carparks, and changes to the timing of land acquisition for Thomas and Anketell Roads Freight Upgrade – Stages 1 and 2 Planning, Environmental Offsets for Anketell Road and Anketell Road Definition;

- the Water Corporation (down \$249 million), primarily due to a reclassification of \$113 million for the Dampier Seawater Desalination Plant outside the AIP, and delays to major projects including the Alkimos Seawater Desalination Plant Program and Goldfields and Agricultural Water Supply Scheme Capacity Upgrade. The delays were mainly driven by adverse ocean conditions, supply chain disruptions affecting materials procurement and changes to delivery schedules;
- DevelopmentWA (down \$214 million), reflecting delays in land acquisitions for the Western Trade Coast (down \$173 million) and lower than expected spending on Housing Australia Future Fund projects (\$19 million);
- Pilbara Ports Authority (down \$189 million), largely due to slower than expected construction work at the Lumsden Point General Cargo Facility and Logistics Hub, and at the Dampier Bulk Handling Facility;
- Synergy (down \$168 million), mainly due to revised schedules for long-lead gas projects and lower than expected cost for the completion of the Collie Battery Energy Storage System;
- Housing Authority (down \$148 million), largely reflecting the timing of payments for land acquisitions and the impact of market conditions on housing program delivery schedules;
- Creative Industries, Tourism and Sport (down \$73 million), mainly due to slower than expected spending on the Perth Cultural Centre, Australian Hockey Centre, Perth Film Studio, Perth Concert Hall Redevelopment, Aboriginal Cultural Centre, Art Gallery of Western Australia Vision and Malaga Sports Precinct;
- Western Australian Planning Commission (down \$57 million), reflecting delays in planned land acquisitions across the Perth metropolitan area and regional Western Australia, and revised delivery timelines for buildings and infrastructure at Whiteman Park; and
- the Department of Education (down \$51 million), reflecting updated project delivery schedules and the timing of payments across the Department's infrastructure program, mainly driven by changes in environmental conditions and scheduling adjustments to mitigate construction market pressures. This lower spending was partially offset by faster than anticipated construction progress at Rockingham Senior High School and Banksia Grove West Primary School.

Table 7

INFRASTRUCTURE INVESTMENT

	2024-25	2025-26			Variation on EA \$m (2)-(1)
	Actual \$m	Budget \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	
<i>General Government</i>					
WA Health	507	1,102	1,490	1,110	-380
Commissioner of Main Roads	2,089	1,865	2,070	1,783	-288
Creative Industries, Tourism and Sport	-	173	197	124	-73
WA Planning Commission	68	48	72	15	-57
Education	555	669	662	611	-51
All Other General Government Agencies	992	1,304	1,172	815	-358
Provision for Asset Investment Program					
Underspending	-	-1,200	-1,450	-	1,450
Total General Government	4,211	3,961	4,213	4,457	244
<i>Public Corporations</i>					
Public Transport Authority	2,986	1,998	1,878	1,401	-477
Water Corporation	1,271	2,222	2,068	1,820	-249
Port Authorities	612	744	827	599	-229
Western Australian Land Authority (DevelopmentWA)	542	981	943	729	-214
Synergy (Electricity Generation and Retail Corporation)	1,190	568	629	462	-168
Housing and Works (Housing Authority)	826	750	763	615	-148
All Other Public Corporations	1,628	2,087	2,443	2,280	-163
Provision for Asset Investment Program					
Underspending	-	-1,200	-1,450	-	1,450
Total Public Corporations	9,055	8,150	8,101	7,905	-196
Internal Purchases Between Sectors	-134	-50	-89	-93	-5
TOTAL PUBLIC SECTOR	13,132	12,061	12,226	12,269	43

Balance Sheet

The 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 recorded as an asset on the general government sector balance sheet. Net debt is discussed later in this Chapter.

Cash Flow Statement

A total public sector cash deficit of \$2.8 billion was recorded in 2025-26, \$892 million lower than the \$3.7 billion deficit forecast in the 2026-27 Budget. This reflects the net impact on cash of stronger operating surpluses across the general government and public corporations sectors.

The lower than expected cash deficit for 2025-26 is almost \$2 billion lower than the deficit forecast at the time of the 2025-26 Budget (see Appendix 4).

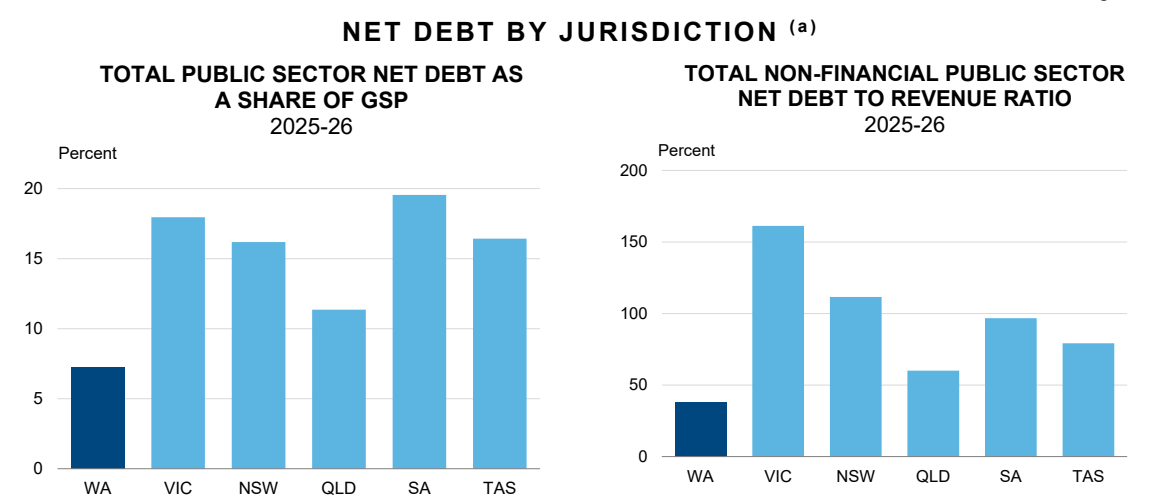
Net Debt⁶

Total public sector net debt at 30 June 2026 was \$33.4 billion. This was \$1.1 billion lower than estimated in the 2026-27 Budget (\$34.5 billion), and \$5.6 billion lower than the forecast level of net debt in the original 2025-26 Budget (\$39 billion).

This better than expected net debt outcome reflects the net impact of the lower than estimated cash deficit discussed above (in turn due to stronger cash operating outcomes across the general government and public corporations sectors), and higher than forecast sales of non-financial assets such as land. Also contributing to the lower than expected net debt outcome were higher holdings of investment assets by the Insurance Commission of Western Australia (which are offset against borrowings and other debt liabilities for net debt purposes), and non-cash movements in lease liabilities across the public sector⁷.

As a share of the State’s economy (Gross State Product), total public sector net debt was an estimated 6.9% in 2025-26⁸, down from an estimated 7.1% in the 2026-27 Budget, and well below levels forecast in other States. Western Australia’s ratio of total non-financial public sector net debt to revenue (a key net debt affordability metric) is also the lowest of all other States.

Figure 4



(a) Source: 2025-26 ARSF (Western Australia). 2026-27 Budgets (all other jurisdictions).

⁶ Net debt consists of the State’s gross debt liabilities (including borrowings, deposits held and leases), less cash and other liquid assets (which include cash holdings and investments, and loans and advances to other sectors).

⁷ Leases are recorded as a form of borrowing in accordance with AASB 16: *Leases* and are included as debt liabilities for the purposes of calculating net debt.

⁸ The ratio of net debt and Gross State Product (GSP) remains an estimate at the time of releasing this ARSF. Final GSP outcomes for each State will be released by the Australian Bureau of Statistics in November 2026.

While lower than expected at 30 June 2026, net debt increased by \$3.2 billion compared with the equivalent level at 30 June 2025. This reflects the funding requirements of the State's Asset Investment Program which continues at very high levels of investment (discussed earlier in this Chapter).

TOTAL PUBLIC SECTOR NET DEBT
At 30 June

Table 8

	2025 \$m	2026 \$m	Change in Net Debt \$m
Leases and Service Concession Liabilities	3,887	3,770	-117
Other Borrowings:			
Consolidated Account	22,887	26,887	4,000
Western Power	7,990	8,441	451
Water Corporation	4,304	4,305	— ^(a)
Western Australian Treasury Corporation ^(b)	7,677	5,997	-1,680
Public Transport Authority	4,152	3,606	-546
Housing Authority ^(c)	1,978	62	-1,916
Keystart ^(c)	—	1,520	1,520
Horizon Power	878	921	43
Synergy	477	663	186
Main Roads	457	449	-7
Education	409	409	— ^(a)
Western Australian Sports Centre Trust	317	305	-12
All Other Agency Borrowings	672	845	173
Deposits Held and Advances	322	474	152
less: Liquid Financial Assets	26,236	25,243	994
Total Public Sector Net Debt at 30 June	30,172	33,412	3,240

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

(b) WATC borrowings excluding borrowings reported by agencies. Includes forward lending creditors (financial instrument transactions undertaken prior to 30 June 2026 and due for settlement after 30 June 2026) and borrowings supporting assets held for liquidity management purposes (with broadly equivalent assets held in Liquid Financial Assets in this table).

(c) Prior to 2025-26, Keystart borrowings (\$1,885 million at 30 June 2025) were undertaken by the Housing Authority.

The following table reconciles movements in net debt at 30 June 2026 relative to the 2026-27 Budget.

SUMMARY OF TOTAL PUBLIC SECTOR NET DEBT VARIATIONS SINCE 2026-27 BUDGET		Table 9
	\$m	
2026-27 Budget - Total Public Sector Net Debt	34,484	
<i>Less</i> change in net cash flows from operating activities and dividends paid		
- General government	81	
- Public non-financial corporations	608	
- Public financial corporations	78	
- Internal transactions	-10	
<i>Total Public Sector</i>	<i>757</i>	
<i>Plus</i> purchases of non-financial assets		
- Public Transport Authority	-477	
- WA Health	-380	
- Commissioner of Main Roads	-288	
- Water Corporation	-249	
- Western Australian Land Authority (DevelopmentWA)	-214	
- Pilbara Ports Authority	-189	
- Synergy	-168	
- Housing and Works (Housing Authority)	-148	
- Creative Industries, Tourism and Sport	-73	
- Western Australian Planning Commission	-57	
- Removal of 2026-27 Budget Underspend Provision	2,900	
- All other	-616	
<i>Total purchases of non-financial assets</i>	<i>43</i>	
<i>Less</i> proceeds from sale of non-financial assets	<i>177</i>	
<i>Plus</i> all other financing transactions ^(a)	<i>-181</i>	
<i>Cumulative impact on net debt at 30 June</i>	<i>-1,073</i>	
2025-26 Annual Report on State Finances - Total Public Sector Net Debt	33,412	
(a) 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.		

Financial Targets

The *Government Financial Responsibility Act 2000* requires that the Government report on performance against its medium-term financial targets each year in the *Annual Report on State Finances*.

The targets set out in the Government's 2025-26 Budget were to:

- maintain a net operating surplus for the general government sector each year;
- maintain disciplined general government expense management by:
 - delivering public sector wage outcomes in line with the Government's 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.

In line with expectations at the time of the 2026-27 Budget, all of the Government's financial targets were met in 2025-26 except for the expense management target relating to expense limits set in agency Resource Agreements. Despite this target not being met, the 2025-26 outcomes include a larger than expected general government operating surplus, lower than projected net debt, and higher than forecast net worth. Performance against each target is summarised in the following table and described in the remainder of this section.

Table 10

2025-26 FINANCIAL TARGETS

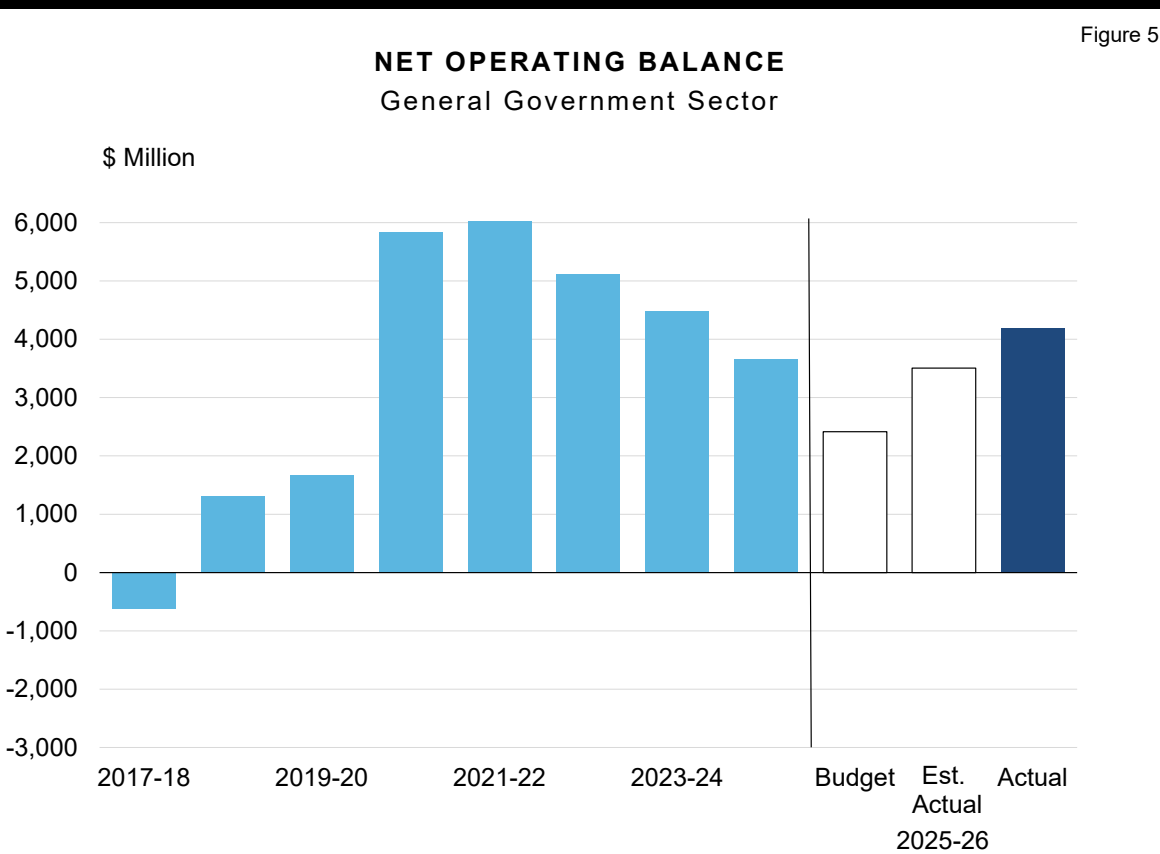
	2025-26 Budget	2026-27 Budget Estimated Actual	Actual
Maintain a net operating surplus for the general government sector each year			
- General government net operating balance (\$m)	2,414	3,507	4,191
- Target Met	Yes	Yes	Yes
Maintain disciplined general government expense management through:			
- delivering public sector wage outcomes in line with Government wages policy			
- Target Met	Yes	Yes	Yes
- ensuring key service delivery agency recurrent spending outcomes are in line with budgeted expense limits			
- Target Met	Yes	No	No
Maintain or increase net worth of the total public sector			
- Total public sector net worth (\$b)	185.7	204.3	220.7
- Target Met	Yes	Yes	Yes

Performance Against Financial Targets

Maintain a Net Operating Surplus⁹ for the General Government Sector Each Year

This target was met in 2025-26, with the general government sector recording an operating surplus of \$4.2 billion, the eighth consecutive surplus.

The operating surplus outcome for 2025-26 is \$684 million higher than the estimated actual contained in the 2026-27 Budget. This is largely attributable to lower than anticipated expenses (down \$571 million or 1.2%), and higher than expected revenue (up \$113 million or 0.2%). These movements are discussed in more detail earlier in this Chapter.



Operating surpluses are an important non-debt source of funding for the Government’s record Asset Investment Program.

⁹ The net operating balance is an accrual-based measure of the day-to-day operations of the general government sector (excluding capital spending on infrastructure). An operating surplus indicates that the Government can sustainably deliver day-to-day services, financing recurrent costs from revenue generated in that financial year.

Maintain Disciplined General Government Expense Management

This target was partially met in 2025-26. No industrial agreements expired or were settled in 2025-26. However, three of the sector's largest spending agencies exceeded approved expense limits by more than 2%.

Deliver public sector wage outcomes in line with the Government's wages policy

Salaries and concurrent superannuation costs are the single largest expense for the general government sector, together representing around 45% of recurrent spending in 2025-26.

No agreements expired or were settled in 2025-26, while a number of agreements that expired in earlier years were finalised or are progressing.

Table 11

INDUSTRIAL AGREEMENTS ^(a)

Agreement	Employees	Expiry Date	Status in 2025-26
2013-14			
School Traffic Wardens	681	1 April 2014	Agreed in-principle ^(b)
2023-24			
Youth Custodial Officers	370	12 June 2024	Registered
AWU Miscellaneous Public Sector Employees	561	30 June 2024	Registered
2024-25			
PTA Salaried Officers	1,647	26 Oct 2024	Registered
Police Auxiliary Officers	419	1 Nov 2024	Registered
PTA Railcar Drivers	501	16 Mar 2025	Registered
Firefighters	1,327	8 Jun 2025	In arbitration
2025-26			

No agreements expired or settled this year.

(a) Includes agreements that cover more than 300 employees.

(b) Agreement not renegotiated since 2014, as salaries and conditions agreed under the Public Sector CSA Agreement automatically flow through to school traffic wardens. However, in future, the agreement for school traffic wardens is to be separately and regularly negotiated.

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

This target is met when the 15 largest appropriation-funded agencies remain within 2% of approved expense limits for the financial year. While most of these agencies achieved spending outcomes in line with, or below, approved expense limits, the following agencies exceeded the 2% threshold.

- The Public Transport Authority (up \$147 million or 5.9%), mainly due to increased operating costs, including bus contracts, fuel, insurance premiums and depreciation expenses (arising from the growth in the Authority's asset base as completed projects have entered service).

- The Commissioner of Main Roads (up \$147 million or 6.4%), mainly reflecting higher than anticipated spending on road maintenance, ICT contracts and services, and grants payments to local governments for local road projects.
- Biodiversity, Conservation and Attractions (up \$33 million or 5%), largely reflecting additional expenditure arising from bushfire suppression activities, depreciation (driven by increases to the agency's asset base from completed works), and services funded from own-source revenue.

Table 12

AGENCY RECURRENT SPENDING OUTCOMES ^(a)

2025-26

	2026-27 Budget Resource Agreement (b)	Transfers Since Approved Limit (c)	Revised Limit (1)	Outcome for Target (2)	Variance from Revised Limit	
	\$m	\$m	\$m	\$m	\$m	% (3)/(1)
WA Health	15,222	-	15,222	15,175	-46	-0.3
Education	7,819	-	7,819	7,700	-119	-1.5
Housing and Works ^(d)	3,300	1.6	3,302	3,351	50	1.5
Justice	2,530	-	2,530	2,575	46	1.8
Public Transport Authority	2,504	-	2,504	2,651	147	5.9
Western Australia Police Force	2,370	-	2,370	2,343	-27	-1.1
Commissioner of Main Roads	2,313	-	2,313	2,460	147	6.4
Communities	2,043	-	2,043	1,993	-50	-2.5
Mental Health Commission	1,643	-	1,643	1,646	3	0.2
Transport and Major Infrastructure ^(d)	1,528	-	1,528	1,203	-325	-21.2
Training and Workforce Development	1,040	-	1,040	1,040	- ^(e)	-
Creative Industries, Tourism and Sport	916	-	916	758	-158	-17.2
Primary Industries and Regional Development	834	-	834	673	-161	-19.3
Fire and Emergency Services	698	-	698	706	9	1.2
Biodiversity, Conservation and Attractions	670	-	670	703	33	5.0

(a) The target is met when recurrent spending outcomes for the 15 largest appropriation-funded agencies are no more than 2% higher than the amount approved for Resource Agreements for the year.

(b) Approved 2025-26 Total Cost of Services reflected in the 2026-27 Budget.

(c) Includes allocations from Budget provisions since the 2026-27 Budget was finalised.

(d) The 2025-26 Total Cost of Services estimates for these agencies vary from those disclosed in the 2026-27 Budget Paper No. 2: *Budget Statements*. Budget Paper No. 2 disclosures for 2025-26 in these Budget included adjustments to reflect the full-year impact of Public Sector Reforms from 1 July 2025 for comparative purposes. For expense limit purposes, responsibility for the Office of Major Infrastructure Delivery function was transferred from the Department of Housing and Works to the Department of Transport and Major Infrastructure during 2025-26.

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

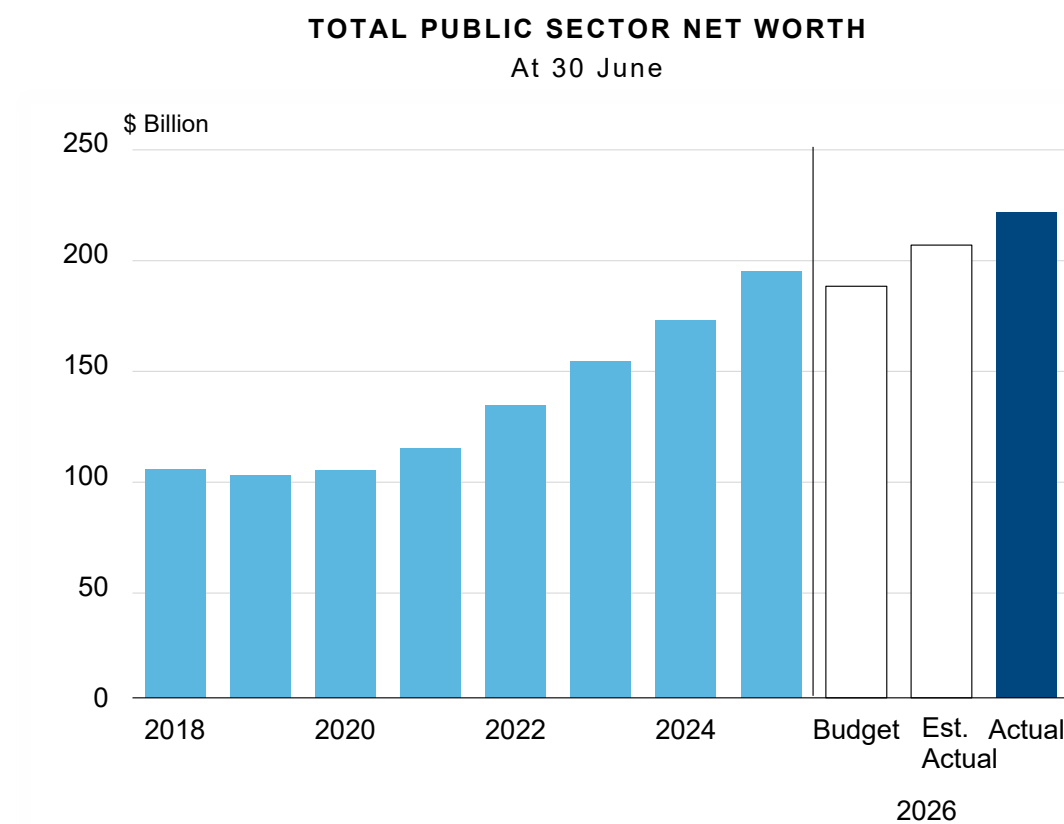
Note: Columns/rows may not add due to rounding

Maintain or Increase the Net Worth (i.e. Net Assets) of the Total Public Sector

This target was met in 2025-26, with public sector net worth increasing from \$192.2 billion at 30 June 2025 to \$220.7 billion at 30 June 2026.

This increase largely reflects financial outcomes across the general government and public corporations sectors, and substantial year-end valuations for the public sector's significant holdings of land and property, plant and equipment.

Figure 6



Financial Statements

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Introduction

Financial information presented in this Appendix has been prepared in accordance with Australian Accounting Standards and pronouncements, in particular AASB 1049: *Whole of Government and General Government Sector Financial Reporting*, and requirements under section 14A(3) of the *Government Financial Responsibility Act 2000*. The formats used in this report are the same as those used in the 2025-26 and 2026-27 Budget Papers presented to the Legislative Assembly on 19 June 2025 and 7 May 2026 respectively, facilitating comparisons between estimates and outturns.

These financial statements (Operating Statement, Balance Sheet, Statement of Changes in Equity and Cash Flow Statement) also comply with Uniform Presentation Framework (UPF) disclosure requirements by reporting the finances of all sub-sectors of government. These sub-sectors are:

- the general government sector;
- the public non-financial corporations sector;
- the total non-financial public sector, representing the consolidation of the general government sector and the public non-financial corporations sector;
- the public financial corporations sector; and
- the total public sector (or whole-of-government).

Other UPF disclosure requirements are included in the notes to the financial statements, and in Appendices 2 and 3 of this report.

Table 1.1

GENERAL GOVERNMENT (a)
Operating Statement

		2024-25	2025-26				
	Notes		Budget Year	MYR Revision	Estimated Actual (EA)	Actual	Variation
		\$m	\$m	\$m	\$m	\$m	on EA
					(1)	(2)	\$m
							(2) - (1)
RESULTS FROM TRANSACTIONS							
REVENUE							
Taxation		14,849	15,113	16,093	17,024	16,867	-156
Current grants and subsidies		15,226	15,776	15,045	15,260	15,107	-153
Capital grants		3,447	3,031	2,781	2,148	1,740	-408
Sales of goods and services		3,704	3,377	3,652	3,711	4,051	340
Interest income		314	280	260	266	294	28
Revenue from public corporations							
Dividends from other sectors		518	2,788	1,854	1,494	1,570	76
Tax equivalent income		910	898	913	936	1,445	510
Royalty income		9,806	8,245	9,968	10,822	10,582	-240
Other		915	749	839	986	1,102	116
Total	6	49,689	50,257	51,406	52,646	52,759	113
EXPENSES							
Salaries		18,370	19,041	19,407	19,782	19,697	-84
Superannuation							
Concurrent costs		2,069	2,280	2,331	2,376	2,329	-48
Superannuation interest cost		157	206	215	232	141	-91
Other employee costs		431	452	461	485	480	-5
Depreciation and amortisation	7	2,320	2,406	2,458	2,541	2,559	18
Services and contracts		3,562	4,755	4,660	4,650	3,803	-847
Other gross operating expenses	8	7,985	7,144	7,684	7,625	8,513	889
Interest	9						
Interest on leases		190	152	152	159	182	23
Other interest		1,017	1,023	1,061	1,104	1,095	-9
Current transfers	10	9,159	9,713	9,736	9,455	9,070	-384
Capital transfers	10	776	670	739	730	698	-33
Total		46,037	47,844	48,903	49,140	48,568	-571
NET OPERATING BALANCE (b)		3,652	2,414	2,503	3,507	4,191	684
Other economic flows - included in the operating result							
Net gains on assets/liabilities	8	-133	-133	-138	-145	-74	71
Provision for doubtful debts	-51	-15	-15	-15	-15	-90	-76
Changes in accounting policy/adjustment of prior periods	4	-	-	-	-	-54	-54
Total other economic flows		-39	-147	-153	-159	-218	-59
OPERATING RESULT		3,613	2,266	2,349	3,347	3,972	625
All other movements in equity							
Items that will not be reclassified to operating result							
Revaluations	11,629	4,421	4,285	5,759	17,021	11,262	
Net actuarial gains/-loss - superannuation	-85	173	347	431	599	168	
Gains recognised directly in equity	-0	-1	-1	-8	-2	6	
Change in net worth of the public corporations sectors	6,560	-504	2,178	2,563	6,905	4,342	
All other	-	-	-	-	-	-	
Total all other movements in equity	18,104	4,089	6,809	8,746	24,524	15,778	
TOTAL CHANGE IN NET WORTH (c)		21,717	6,355	9,159	12,093	28,496	16,403
KEY FISCAL AGGREGATES							
NET OPERATING BALANCE							
Less Net acquisition of non-financial assets		3,652	2,414	2,503	3,507	4,191	684
Purchase of non-financial assets	4,211	3,961	4,329	4,213	4,457	244	
Changes in inventories	-21	-	-	-12	20	32	
Other movement in non-financial assets	-10	-	18	163	138	-26	
less:							
Sales of non-financial assets	73	83	82	101	145	45	
Depreciation	2,320	2,406	2,458	2,541	2,559	18	
Total net acquisition of non-financial assets	1,786	1,472	1,807	1,722	1,910	188	
NET LENDING/-BORROWING		1,866	941	695	1,785	2,280	496

(a) The accompanying notes form part of these financial statements.

(b) Also known as the 'Net Result from Transactions'.

(c) Also known as the 'Comprehensive Result'.

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

Table 1.2

GENERAL GOVERNMENT (a)
Balance Sheet at 30 June

		2025	2026				
	Notes	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	Variation on EA \$m (2) - (1)
ASSETS							
Financial assets							
Cash and deposits		3,571	1,740	2,921	3,386	3,250	-136
Advances paid		737	955	943	917	906	-11
Investments, loans and placements		3,478	2,326	3,749	5,065	4,313	-752
Receivables	11	5,102	5,004	4,966	5,541	6,559	1,019
Shares and other equity							
Investments in other public sector entities - equity method		69,664	66,028	71,842	72,227	76,569	4,342
Investments in other public sector entities - direct injections		24,552	28,757	29,158	28,362	28,605	243
Investments in other entities		69	89	79	78	87	8
Other financial assets		10	-	-	-	-	-
Total financial assets		107,183	104,900	113,659	115,575	120,289	4,714
Non-financial assets							
Land	12	53,693	53,122	57,356	59,089	64,157	5,068
Property, plant and equipment	13,14	72,089	71,207	75,116	74,743	80,763	6,020
Right of use assets	16,17	2,525	2,480	2,474	2,488	2,453	-35
Service concession assets	18	1,180	986	1,139	1,136	1,275	138
Biological assets	19	9	6	9	9	10	1
Inventories	20						
Land inventories		-	-	-	-	-	-
Other inventories		221	243	221	209	241	32
Intangibles	21	795	826	887	888	921	33
Assets classified as held for sale	22	24	17	18	41	62	21
Investment property	23	2	-	2	2	-	-2
Other		428	511	390	422	542	120
Total non-financial assets		130,967	129,396	137,612	139,029	150,425	11,396
TOTAL ASSETS		238,151	234,296	251,270	254,604	270,714	16,110
LIABILITIES							
Deposits held		3,316	3,189	4,172	4,568	3,332	-1,236
Advances received		288	414	454	423	429	6
Borrowings	24						
Lease liabilities		2,879	2,888	2,849	2,889	2,792	-97
Service concession liabilities		-	-	-	-	-	-
Other borrowings		24,197	27,730	27,727	27,731	28,162	431
Superannuation	25	4,023	3,516	3,576	3,508	3,206	-302
Other employee benefits	26	5,255	4,872	5,375	5,372	5,636	265
Payables		3,010	2,872	2,966	3,059	3,416	357
Other liabilities	27	2,994	3,161	2,805	2,773	3,055	282
TOTAL LIABILITIES		45,962	48,642	49,923	50,323	50,029	-294
NET ASSETS		192,188	185,654	201,347	204,281	220,684	16,403
Of which:							
Contributed equity		-	-	-	-	-	-
Accumulated surplus		33,378	35,058	35,839	36,825	37,979	1,154
Other reserves		158,811	150,596	165,508	167,456	182,705	15,249
NET WORTH		192,188	185,654	201,347	204,281	220,684	16,403
MEMORANDUM ITEMS							
Net financial worth		61,221	56,257	63,735	65,252	70,260	5,007
Net financial liabilities		32,995	38,528	37,265	35,337	34,915	-422
Net debt							
Gross debt liabilities		30,680	34,221	35,202	35,612	34,716	-896
less: liquid financial assets		7,787	5,021	7,612	9,367	8,468	-899
Net debt		22,893	29,200	27,589	26,244	26,247	3

(a) The accompanying notes form part of these financial statements.

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

Table 1.3

GENERAL GOVERNMENT
Statement of Changes in Equity

	Asset Revaluation Surplus \$m	Accumulated net gain on equity investments in other sector entities \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2024</i>	77,519	63,104	29,848	170,471
Operating result	-	-	3,613	3,613
All other movements in equity	11,628	6,560	-84	18,104
<i>Total change in net worth</i>	11,628	6,560	3,529	21,717
Balance at 30 June 2025	89,147	69,664	33,378	192,188
<i>Balance at 1 July 2025</i>	89,147	69,664	33,378	192,188
Operating result	-	-	3,972	3,972
All other movements in equity	16,989	6,905	629	24,524
<i>Total change in net worth</i>	16,989	6,905	4,602	28,496
Balance at 30 June 2026	106,137	76,569	37,979	220,684

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

GENERAL GOVERNMENT (a)
Cash Flow Statement

Table 1.4

		2024-25	2025-26					
	Notes	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	Variation on EA \$m (2) - (1)	
CASH FLOWS FROM OPERATING ACTIVITES								
Cash received								
Taxes received		14,796	15,143	16,115	17,046	16,111	-935	
Grants and subsidies received		21,556	21,429	20,453	19,935	20,028	93	
Receipts from sales of goods and services		3,868	3,293	3,580	3,644	3,964	321	
Interest receipts		341	280	260	266	270	4	
Dividends and tax equivalents		1,393	3,696	2,823	2,512	2,647	136	
Other		12,901	11,168	13,357	13,659	13,730	71	
Total cash received		54,855	55,009	56,588	57,062	56,751	-312	
Cash Paid								
Wages, salaries and supplements, and superannuation		-20,398	-21,563	-21,985	-22,405	-22,045	359	
Payments for goods and services		-12,059	-12,449	-12,956	-12,832	-12,921	-89	
Interest paid		-1,150	-1,124	-1,161	-1,209	-1,256	-47	
Grants and subsidies paid		-11,486	-12,933	-12,736	-12,263	-12,134	129	
Dividends and tax equivalents		-	-	-	-	-	-	
Other payments		-2,963	-1,828	-2,820	-2,929	-2,890	40	
Total cash paid		-48,057	-49,897	-51,657	-51,638	-51,245	393	
NET CASH FLOWS FROM OPERATING ACTIVITIES	28	6,799	5,112	4,930	5,424	5,505	81	
CASH FLOWS FROM INVESTING ACTIVITES								
Cash flows from investments in non-financial assets								
Purchase of non-financial assets		-4,211	-3,961	-4,329	-4,213	-4,457	-244	
Sales of non-financial assets		73	83	82	101	145	45	
Total cash flows from investments in non-financial assets		-4,138	-3,878	-4,247	-4,112	-4,312	-199	
Cash flows from investments in financial assets								
Cash received								
For policy purposes		27	10	10	10	25	15	
For liquidity purposes		83	46	53	47	80	33	
Cash paid								
For policy purposes		-5,210	-5,028	-5,067	-4,283	-4,098	185	
For liquidity purposes		-93	-108	-85	-91	-84	8	
Total cash flows from investments in financial assets		-5,192	-5,080	-5,088	-4,318	-4,077	241	
NET CASH FLOWS FROM INVESTING ACTIVITIES		-9,330	-8,958	-9,335	-8,430	-8,389	42	
CASH FLOWS FROM FINANCING ACTIVITIES								
Cash received								
Advances received		18	32	19	20	19	-1	
Borrow ings		65	4,117	4,116	4,116	4,049	-67	
Deposits received		574	-	856	1,252	15	-1,237	
Other financing receipts		483	15	15	28	878	850	
Total cash receipts from financing activities		1,140	4,164	5,006	5,416	4,961	-455	
Cash paid								
Advances paid		-18	-32	-19	-20	-19	1	
Borrow ings repaid		-292	-822	-575	-575	-72	503	
Deposits paid		-	-249	-	-	-	-	
Other financing payments		-988	-430	-434	-444	-1,419	-975	
Total payments for financing activities		-1,298	-1,533	-1,027	-1,039	-1,510	-471	
NET CASH FLOWS FROM FINANCING ACTIVITIES		-158	2,631	3,979	4,377	3,451	-926	
Net increase in cash and cash equivalents		-2,690	-1,215	-426	1,371	567	-803	
Cash and cash equivalents at the beginning of the year		9,196	4,707	6,506	6,506	6,506	-	
Cash and cash equivalents at the end of the year	29	6,506	3,492	6,080	7,877	7,074	-803	
KEY FISCAL AGGREGATES								
Net cash flow s from operating activities								
Net cash flow s from investing in non-financial assets		-4,138	-3,878	-4,247	-4,112	-4,312	-199	
Cash surplus/-deficit		2,661	1,233	683	1,312	1,194	-118	

(a) The accompanying notes form part of these financial statements.

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

Table 1.5

PUBLIC NON-FINANCIAL CORPORATIONS
Operating Statement

	2024-25	2025-26				
	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	Variation on EA \$m (2) - (1)
RESULTS FROM TRANSACTIONS						
REVENUE						
Current grants and subsidies	4,496	4,215	4,222	4,015	4,249	234
Capital grants	388	358	426	386	384	-2
Sales of goods and services	45,774	44,674	56,809	61,641	57,327	-4,314
Interest Income	356	171	206	224	228	3
Other	731	597	608	605	813	208
Total	51,746	50,014	62,270	66,871	63,001	-3,870
EXPENSES						
Salaries	1,690	1,881	1,739	1,836	1,883	47
Superannuation						
Concurrent costs	195	239	209	221	226	6
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	70	54	55	61	68	7
Depreciation and amortisation	3,694	3,872	4,034	4,013	4,058	45
Services and contracts	1,090	1,071	1,133	1,143	1,102	-41
Other gross operating expenses	40,673	39,369	51,775	56,494	51,949	-4,545
Interest						
Interest on leases	74	70	72	78	76	-3
Other interest	845	734	738	740	623	-117
Tax equivalents	805	860	865	871	985	114
Current transfers	2,360	1,733	1,728	1,734	1,869	135
Capital transfers	33	65	101	76	31	-45
Total	51,527	49,948	62,450	67,265	62,869	-4,396
NET OPERATING BALANCE (a)	219	67	-180	-394	132	526
Other economic flows - included in the operating result						
Net gains on assets/liabilities	-90	-111	-82	5	38	33
Provision for doubtful debts	-10	-45	-45	-55	-19	36
Changes in accounting policy/adjustment of prior periods	-48	-	-	-	51	51
Total other economic flows	-148	-157	-128	-49	71	120
OPERATING RESULT	71	-90	-307	-443	203	646
Other non-owner movements in equity						
Items that will not be reclassified to operating result						
Revaluations	6,349	2,111	3,947	3,904	7,658	3,754
Net actuarial gains/-loss - superannuation	-41	2	10	15	-39	-54
Gains recognised directly in equity	-	-1	-1	-1	-	1
All other	-	-	-	-	-	-
Total other non-owner movements in equity	6,308	2,112	3,956	3,918	7,620	3,701
Movements in owner equity						
Dividends	-436	-2,711	-1,768	-1,405	-1,480	-75
Capital injections	5,285	5,004	4,681	3,885	4,054	169
Total movements in owner equity	4,849	2,293	2,913	2,480	2,573	94
TOTAL CHANGE IN NET WORTH (b)	11,228	4,315	6,562	5,955	10,396	4,441
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	219	67	-180	-394	132	526
Less Net acquisition of non-financial assets						
Purchase of non-financial assets	9,005	8,094	8,306	8,033	7,890	-142
Changes in inventories	2,183	359	349	1,437	2,328	891
Other movement in non-financial assets	233	195	177	195	312	117
less:						
Sales of non-financial assets	669	563	661	716	904	188
Depreciation	3,694	3,872	4,034	4,013	4,058	45
Total net acquisition of non-financial assets	7,057	4,213	4,137	4,936	5,569	633
NET LENDING/-BORROWING	-6,839	-4,147	-4,316	-5,329	-5,436	-107

(a) Also known as the 'Net Result from Transactions'.

(b) Also known as the 'Comprehensive Result'.

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

Table 1.6

PUBLIC NON-FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2025	2026				Variation on EA \$m (2) - (1)
	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	
ASSETS						
<i>Financial assets</i>						
Cash and deposits	4,803	4,343	5,381	5,626	4,396	-1,231
Advances paid	-	-	-	-	-	-
Investments, loans and placements	2,968	729	816	839	1,124	285
Receivables	1,947	1,787	1,765	1,733	2,023	290
Shares and other equity						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	17	56	52	52	23	-29
Other financial assets	156	142	142	142	142	-
Total financial assets	9,892	7,057	8,156	8,392	7,708	-684
<i>Non-financial assets</i>						
Land	11,976	11,827	13,089	13,089	13,875	786
Property, plant and equipment	90,740	92,766	96,692	96,475	99,314	2,839
Right of use assets	454	426	491	485	471	-14
Service concession assets	2,994	2,511	2,972	2,972	3,750	778
Biological assets	201	250	211	212	148	-64
Inventories						
Land inventories	1,409	1,884	1,799	1,800	1,548	-252
Other inventories	10,641	9,410	10,990	12,079	12,970	891
Intangibles	335	472	364	346	367	22
Assets classified as held for sale	6	8	6	6	149	143
Investment property	28	23	28	28	24	-4
Other	354	366	347	336	445	109
Total non-financial assets	119,136	119,943	126,989	127,828	133,061	5,233
TOTAL ASSETS	129,028	127,000	135,144	136,220	140,769	4,549
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	288	414	454	423	429	6
Borrowings						
Lease liabilities	886	759	887	902	914	12
Service concession liabilities	278	283	270	270	262	-8
Other borrowings	20,105	19,657	19,675	20,080	18,367	-1,713
Superannuation	66	55	53	63	61	-2
Other employee benefits	607	574	621	621	687	66
Payables	12,911	11,235	12,912	14,158	15,468	1,310
Other liabilities	3,285	2,536	3,106	3,143	3,581	437
TOTAL LIABILITIES	38,423	35,514	37,978	39,660	39,768	108
NET ASSETS	90,605	91,486	97,167	96,560	101,001	4,441
<i>Of which:</i>						
Contributed equity	24,807	29,087	29,488	28,692	28,860	169
Accumulated surplus	17,509	16,387	16,127	16,364	16,148	-216
Other reserves	48,289	46,012	51,552	51,504	55,993	4,489
NET WORTH	90,605	91,486	97,167	96,560	101,001	4,441
MEMORANDUM ITEMS						
<i>Net financial worth</i>	-28,532	-28,457	-29,822	-31,268	-32,060	-793
<i>Net debt</i>						
Gross debt liabilities	21,556	21,113	21,285	21,675	19,972	-1,703
less: liquid financial assets	7,771	5,072	6,197	6,465	5,520	-946
Net debt	13,785	16,041	15,088	15,209	14,452	-757

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

Table 1.7

PUBLIC NON-FINANCIAL CORPORATIONS
Statement of Changes in Equity

	Contributed Equity \$m	Asset Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2024</i>	19,522	41,963	17,892	79,377
Operating result	-	-	71	71
All other movements in equity	-	6,326	-18	6,308
<i>Total change in net worth</i>	-	6,326	53	6,379
<i>Transactions with owners in their capacity as owners</i>				
Contributed Capital	5,285	-	-	5,285
Dividends	-	-	-436	-436
<i>Total</i>	5,285	-	-436	4,849
Balance at 30 June 2025	24,807	48,289	17,509	90,605
<i>Balance at 1 July 2025</i>	24,807	48,289	17,509	90,605
Operating result	-	-	203	203
All other movements in equity	-	7,704	-84	7,620
<i>Total change in net worth</i>	-	7,704	119	7,823
<i>Transactions with owners in their capacity as owners</i>				
Contributed Capital	4,054	-	-	4,054
Dividends	-	-	-1,480	-1,480
<i>Total</i>	4,054	-	-1,480	2,573
Balance at 30 June 2026	28,860	55,993	16,148	101,001

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

Table 1.8

PUBLIC NON-FINANCIAL CORPORATIONS
Cash Flow Statement

	2024-25	2025-26				
	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	Variation on EA \$m (2) - (1)
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Grants and subsidies received	4,922	4,646	4,724	4,528	4,669	141
Receipts from sales of goods and services	34,912	29,744	35,867	43,449	21,857	-21,592
Interest receipts	346	171	208	222	221	-1
Dividends and tax equivalents	35	4	13	13	13	-
Other	2,257	1,959	1,937	1,939	2,391	453
<i>Total cash received</i>	<i>42,472</i>	<i>36,525</i>	<i>42,750</i>	<i>50,150</i>	<i>29,151</i>	<i>-20,999</i>
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-1,871	-2,084	-1,932	-2,025	-2,090	-65
Payments for goods and services	-28,369	-23,227	-29,600	-36,962	-15,147	21,815
Interest paid	-896	-758	-747	-755	-795	-40
Grants and subsidies paid	-1,008	-1,141	-1,149	-1,158	-1,188	-29
Tax equivalents	-729	-831	-841	-891	-908	-17
Other payments	-5,648	-4,677	-5,036	-5,014	-4,994	20
<i>Total cash paid</i>	<i>-38,520</i>	<i>-32,719</i>	<i>-39,305</i>	<i>-46,805</i>	<i>-25,122</i>	<i>21,683</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,952	3,806	3,445	3,345	4,029	684
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-9,005	-8,094	-8,306	-8,033	-7,890	142
Sales of non-financial assets	669	563	661	716	904	188
<i>Total cash flows from investments in non-financial assets</i>	<i>-8,336</i>	<i>-7,531</i>	<i>-7,645</i>	<i>-7,317</i>	<i>-6,986</i>	<i>331</i>
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	-	124	132	142	84	-57
<i>Cash paid</i>						
For policy purposes	-	-6	-6	-19	-	19
For liquidity purposes	-67	-84	-84	-88	-229	-141
<i>Total cash flows from investments in financial assets</i>	<i>-67</i>	<i>34</i>	<i>42</i>	<i>35</i>	<i>-144</i>	<i>-179</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-8,403	-7,497	-7,603	-7,282	-7,130	151
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	50	143	185	180	160	-20
Borrowings	4,638	4,433	4,796	4,997	4,194	-803
Deposits received	-	-	-	-	-	-
Other financing receipts	5,228	5,281	5,071	4,288	4,105	-183
<i>Total cash received</i>	<i>9,916</i>	<i>9,857</i>	<i>10,051</i>	<i>9,465</i>	<i>8,459</i>	<i>-1,006</i>
<i>Cash paid</i>						
Advances paid	-18	-32	-19	-20	-19	1
Borrowings repaid	-4,400	-3,408	-3,339	-3,159	-4,046	-887
Deposits paid	-	-	-	-	-	-
Other financing payments	-804	-233	-1,138	-1,478	-331	1,147
Dividends paid	-436	-2,711	-1,768	-1,405	-1,482	-76
<i>Total cash paid</i>	<i>-5,657</i>	<i>-6,384</i>	<i>-6,263</i>	<i>-6,061</i>	<i>-5,877</i>	<i>185</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	4,259	3,473	3,788	3,403	2,582	-821
Net increase in cash and cash equivalents	-192	-218	-370	-533	-519	14
Cash and cash equivalents at the beginning of the year	3,601	3,112	3,409	3,409	3,409	-
Cash and cash equivalents at the end of the year	3,409	2,895	3,039	2,875	2,889	14
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	3,952	3,806	3,445	3,345	4,029	684
Net cash flows from investing in non-financial assets	-8,336	-7,531	-7,645	-7,317	-6,986	331
Dividends paid	-436	-2,711	-1,768	-1,405	-1,482	-76
Cash surplus/-deficit	-4,820	-6,436	-5,967	-5,377	-4,439	938

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

Table 1.9

TOTAL NON-FINANCIAL PUBLIC SECTOR

Operating Statement

	2024-25	2025-26				
	Actual	Budget	MYR	Estimated		Variation
	\$m	Year	Revision	Actual (EA)	Actual	on EA
		\$m	\$m	\$m	\$m	\$m
				(1)	(2)	(2) - (1)
RESULTS FROM TRANSACTIONS						
REVENUE						
Taxation	14,224	14,485	15,469	16,410	16,212	-198
Current grants and subsidies	15,226	15,776	15,045	15,260	15,107	-153
Capital grants	3,447	3,031	2,781	2,148	1,740	-408
Sales of goods and services	48,556	47,357	59,609	64,456	60,366	-4,089
Interest income	549	360	326	351	385	34
Royalty income	9,806	8,245	9,968	10,822	10,582	-240
Dividends and tax equivalents	201	114	134	153	550	397
Other	1,569	1,299	1,387	1,549	1,854	305
Total	93,578	90,667	104,720	111,148	106,796	-4,352
EXPENSES						
Salaries	20,060	20,922	21,146	21,617	21,580	-37
Superannuation						
Concurrent costs	2,264	2,520	2,540	2,597	2,555	-42
Superannuation interest cost	157	206	215	232	141	-91
Other employee costs	381	378	386	417	427	11
Depreciation and amortisation	6,011	6,276	6,489	6,551	6,613	62
Services and contracts	4,652	5,833	5,801	5,801	4,906	-896
Other gross operating expenses	47,547	45,671	58,461	63,076	59,269	-3,806
Interest						
Interest on leases	255	214	217	227	246	19
Other interest	1,750	1,674	1,667	1,715	1,593	-122
Other property expenses	-	-	-	-	-	-
Current transfers	6,642	6,824	6,845	6,785	6,276	-509
Capital transfers	421	377	395	420	343	-77
Total	90,140	90,895	104,162	109,438	103,950	-5,487
NET OPERATING BALANCE (a)	3,439	-228	558	1,711	2,846	1,135
Other economic flows - included in the operating result						
Net gains on assets/liabilities	-82	-244	-221	-139	-35	104
Provision for doubtful debts	-62	-60	-60	-69	-109	-40
Changes in accounting policy/adjustment of prior periods	-43	-	-	-	-3	-3
Total other economic flows	-187	-304	-281	-208	-147	61
OPERATING RESULT	3,252	-532	277	1,502	2,699	1,196
All other movements in equity						
Items that will not be reclassified to operating result						
Revaluations	17,979	6,533	8,381	9,812	24,679	14,867
Net actuarial gains/-loss - superannuation	-127	176	357	447	560	114
Gains recognised directly in equity	-3	-5	-5	-12	-5	7
Change in net worth of the public corporations sectors	616	184	148	344	562	219
All other	-	-	-	-	-	-
Total all other movements in equity	18,465	6,887	8,881	10,590	25,797	15,207
TOTAL CHANGE IN NET WORTH (b)	21,717	6,355	9,159	12,093	28,496	16,403
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	3,439	-228	558	1,711	2,846	1,135
Less Net acquisition of non-financial assets						
Purchase of non-financial assets	13,119	12,055	12,627	12,220	12,266	46
Changes in inventories	2,161	359	349	1,425	2,349	924
Other movement in non-financial assets	222	195	195	358	449	92
less:						
Sales of non-financial assets	645	646	736	791	969	177
Depreciation	6,011	6,276	6,489	6,551	6,613	62
Total net acquisition of non-financial assets	8,847	5,688	5,947	6,661	7,482	822
NET LENDING/-BORROWING	-5,408	-5,917	-5,389	-4,950	-4,636	314

(a) Also known as the 'Net Result from Transactions'.

(b) Also known as the 'Comprehensive Result'.

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

Table 1.10

TOTAL NON-FINANCIAL PUBLIC SECTOR
Balance Sheet at 30 June

	2025	2026				Variation on EA \$m (2) - (1)
	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	
ASSETS						
<i>Financial assets</i>						
Cash and deposits	5,111	2,931	4,173	4,487	4,363	-124
Advances paid	450	541	489	493	477	-17
Investments, loans and placements	6,234	2,890	4,362	5,676	5,189	-487
Receivables	6,826	6,547	6,520	7,112	8,204	1,092
Shares and other equity						
Investments in other public sector entities - equity method	3,611	3,299	3,834	4,029	4,174	144
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	86	145	131	130	110	-20
Other financial assets	10	-	-	-	-	-
Total financial assets	22,328	16,352	19,508	21,929	22,516	588
<i>Non-financial assets</i>						
Land	65,669	64,949	70,445	72,178	78,033	5,854
Property, plant and equipment	162,829	163,973	171,808	171,218	180,077	8,859
Right of use assets	2,979	2,905	2,964	2,973	2,924	-49
Service concession assets	4,174	3,496	4,111	4,108	5,024	916
Biological assets	210	256	221	222	159	-63
Inventories						
Land inventories	1,409	1,884	1,799	1,800	1,548	-252
Other inventories	10,863	9,652	11,211	12,288	13,211	924
Intangibles	1,130	1,298	1,250	1,234	1,288	55
Assets classified as held for sale	31	25	24	47	211	164
Investment property	30	23	30	30	24	-6
Other	779	876	735	756	986	231
Total non-financial assets	250,101	249,338	264,598	266,854	283,486	16,632
TOTAL ASSETS	272,429	265,691	284,106	288,783	306,002	17,219
LIABILITIES						
Deposits held	44	30	35	35	45	10
Advances received	288	414	454	423	429	6
Borrowings						
Lease liabilities	3,562	3,489	3,541	3,572	3,464	-108
Service concession liabilities	278	283	270	270	262	-8
Other borrowings	44,301	47,386	47,402	47,811	46,529	-1,282
Superannuation	4,089	3,571	3,629	3,571	3,268	-304
Other employee benefits	5,862	5,446	5,996	5,993	6,323	330
Payables	15,725	13,883	15,694	17,082	18,532	1,449
Other liabilities	6,093	5,534	5,739	5,745	6,467	722
TOTAL LIABILITIES	80,241	80,037	82,759	84,502	85,318	816
NET ASSETS	192,188	185,654	201,347	204,281	220,684	16,403
<i>Of which:</i>						
Contributed equity	-	-	-	-	-	-
Accumulated surplus	50,894	51,452	51,973	53,197	54,134	937
Other reserves	141,295	134,201	149,374	151,084	166,550	15,466
NET WORTH	192,188	185,654	201,347	204,281	220,684	16,403
MEMORANDUM ITEMS						
<i>Net financial worth</i>	-57,913	-63,685	-63,251	-62,573	-62,801	-228
<i>Net financial liabilities</i>	61,524	66,984	67,085	66,602	66,975	373
<i>Net debt</i>						
Gross debt liabilities	48,473	51,603	51,701	52,111	50,729	-1,382
less: liquid financial assets	11,795	6,362	9,023	10,657	10,029	-628
Net debt	36,678	45,241	42,678	41,454	40,699	-754

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

Table 1.11

TOTAL NON-FINANCIAL PUBLIC SECTOR
Statement of Changes in Equity

	Asset Revaluation Surplus \$m	Accumulated net gain on equity investments in other sector entities \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2024</i>	119,730	2,994	47,747	170,471
Operating result	-	-	3,252	3,252
All other movements in equity	17,954	617	-105	18,465
<i>Total change in net worth</i>	17,954	617	3,147	21,717
Balance at 30 June 2025	137,684	3,611	50,894	192,188
<i>Balance at 1 July 2025</i>	137,684	3,611	50,894	192,188
Operating result	-	-	2,699	2,699
All other movements in equity	24,693	562	542	25,797
<i>Total change in net worth</i>	24,693	562	3,240	28,496
Balance at 30 June 2026	162,377	4,174	54,134	220,684

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

Table 1.12

TOTAL NON-FINANCIAL PUBLIC SECTOR **Cash Flow Statement**

	2024-25	2025-26					Variation on EA \$m (2) - (1)
		Budget	MYR	Estimated			
	Actual \$m	Year \$m	Revision \$m	Actual (EA) \$m (1)	Actual \$m (2)		
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received							
Taxes received	14,170	14,518	15,495	16,430	15,442	-989	
Grants and subsidies received	21,556	21,429	20,453	19,935	20,028	93	
Receipts from sales of goods and services	37,693	32,239	38,493	46,093	24,733	-21,360	
Interest receipts	573	360	328	349	355	6	
Dividends and tax equivalents	264	159	228	228	271	43	
Other	14,653	12,611	14,777	15,081	15,606	525	
Total cash received	88,908	81,316	89,774	98,118	76,435	-21,683	
Cash paid							
Wages, salaries and supplements, and superannuation	-22,270	-23,648	-23,917	-24,430	-24,136	294	
Payments for goods and services	-38,985	-34,519	-41,243	-48,445	-26,652	21,793	
Interest paid	-1,932	-1,792	-1,767	-1,825	-1,915	-90	
Grants and subsidies paid	-7,538	-9,396	-9,129	-8,862	-8,611	251	
Dividends and tax equivalents	-	-	-	-	-	-	
Other payments	-7,981	-5,880	-7,235	-7,327	-7,213	114	
Total cash paid	-78,706	-75,234	-83,291	-90,888	-68,526	22,362	
NET CASH FLOWS FROM OPERATING ACTIVITIES	10,202	6,082	6,483	7,230	7,909	679	
CASH FLOWS FROM INVESTING ACTIVITIES							
Cash flows from investments in non-financial assets							
Purchase of non-financial assets	-13,119	-12,055	-12,627	-12,220	-12,266	-46	
Sales of non-financial assets	645	646	736	791	969	177	
Total cash flows from investments in non-financial assets	-12,474	-11,410	-11,892	-11,429	-11,298	131	
Cash flows from investments in financial assets							
Cash received							
For policy purposes	27	10	10	10	25	15	
For liquidity purposes	83	170	185	189	164	-24	
Cash paid							
For policy purposes	-25	-10	-10	-10	-27	-17	
For liquidity purposes	-160	-191	-169	-179	-312	-133	
Total cash flows from investments in financial assets	-75	-21	16	9	-151	-160	
NET CASH FLOWS FROM INVESTING ACTIVITIES	-12,549	-11,430	-11,875	-11,420	-11,448	-29	
CASH FLOWS FROM FINANCING ACTIVITIES							
Cash received							
Advances received	50	143	185	180	160	-20	
Borrowings	4,703	8,549	8,912	9,114	8,243	-870	
Deposits received	4	-	-	-	-	-	
Other financing receipts	502	9	9	9	898	889	
Total cash received	5,259	8,702	9,106	9,303	9,301	-2	
Cash paid							
Advances paid	-18	-32	-19	-20	-19	1	
Borrowings repaid	-4,692	-4,230	-3,914	-3,734	-4,118	-384	
Deposits paid	-	-	-	-	-	-	
Other financing payments	-1,084	-524	-577	-522	-1,577	-1,055	
Total cash paid	-5,793	-4,786	-4,510	-4,275	-5,714	-1,438	
NET CASH FLOWS FROM FINANCING ACTIVITIES	-535	3,916	4,597	5,028	3,588	-1,440	
Net increase in cash and cash equivalents	-2,882	-1,432	-796	838	48	-789	
Cash and cash equivalents at the beginning of the year	12,796	7,818	9,914	9,914	9,914	-	
Cash and cash equivalents at the end of the year	9,914	6,385	9,118	10,752	9,962	-789	
KEY FISCAL AGGREGATES							
Net cash flows from operating activities	10,202	6,082	6,483	7,230	7,909	679	
Net cash flows from investing in non-financial assets	-12,474	-11,410	-11,892	-11,429	-11,298	131	
Cash surplus/-deficit	-2,273	-5,328	-5,409	-4,199	-3,389	810	

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

Table 1.13

PUBLIC FINANCIAL CORPORATIONS
Operating Statement

	2024-25	2025-26				
	Actual	Budget	MYR	Estimated	Actual	Variation
	\$m	Year	Revision	Actual (EA)	\$m	on EA
		\$m	\$m	\$m	\$m	\$m
				(1)	(2)	(2) - (1)
RESULTS FROM TRANSACTIONS						
REVENUE						
Current grants and subsidies	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Sales of goods and services	1,840	1,871	1,904	1,878	1,975	97
Interest Income	2,034	2,279	2,205	2,333	1,994	-339
Other	182	161	161	176	149	-27
Total	4,055	4,311	4,269	4,387	4,119	-269
EXPENSES						
Salaries	87	97	98	98	99	1
Superannuation						
Concurrent costs	10	12	12	12	12	-
Superannuation interest cost	-	-	-	-	-	-
Other employee costs	457	404	404	421	533	111
Depreciation and amortisation	14	10	11	10	13	3
Services and contracts	7	9	9	9	6	-4
Other gross operating expenses	1,335	1,658	1,657	1,564	1,118	-446
Interest						
Interest on leases	3	3	3	3	3	-
Other interest	1,753	2,040	1,951	2,076	1,781	-295
Tax equivalents	105	38	48	65	461	396
Current transfers	6	21	17	17	14	-3
Capital transfers	-	1	1	1	-	-1
Total	3,777	4,291	4,210	4,276	4,039	-237
NET OPERATING BALANCE (a)	278	20	60	111	80	-31
Other economic flows - included in the operating result						
Net gains on assets/liabilities	434	288	241	226	571	345
Provision for doubtful debts	-	-	-	-	-	-
Changes in accounting policy/adjustment of prior periods	-	-	-	-	-	-
Total other economic flows	434	288	241	226	571	346
OPERATING RESULT	712	308	301	337	651	314
Other non-owner movements in equity						
Items that will not be reclassified to operating result						
Revaluations	2	-46	83	244	1	-243
Net actuarial gains/-loss - superannuation	1	-	-	-	1	1
Gains recognised directly in equity	-2	-	-	-	-2	-2
All other	-	-	-	-	-	-
Total other non-owner movements in equity	1	-46	83	244	1	-243
Movements in owner equity						
Dividends	-96	-77	-86	-88	-90	-1
Capital injections	-	-1	-74	-74	-	74
Total movements in owner equity	-96	-78	-161	-163	-90	73
TOTAL CHANGE IN NET WORTH (b)	617	184	223	418	562	144
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	278	20	60	111	80	-31
Less Net acquisition of non-financial assets						
Purchase of non-financial assets	13	6	6	6	2	-3
Changes in inventories	-	-	-	-	-	-
Other movement in non-financial assets	-	-	-	-	-	-
less:						
Sales of non-financial assets	-	-	-	-	-	-
Depreciation	14	10	11	10	13	3
Total net acquisition of non-financial assets	-1	-5	-5	-5	-11	-6
NET LENDING/-BORROWING	280	24	65	116	91	-25

(a) Also known as the 'Net Result from Transactions'.

(b) Also known as the 'Comprehensive Result'.

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

Table 1.14

PUBLIC FINANCIAL CORPORATIONS
Balance Sheet at 30 June

	2025	2026				
	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	Variation on EA \$m (2) - (1)
ASSETS						
<i>Financial assets</i>						
Cash and deposits	954	283	210	294	627	333
Advances paid	1,584	1,353	1,930	2,391	1,655	-736
Investments, loans and placements	57,639	60,359	59,129	59,518	59,010	-508
Receivables	1,080	1,047	1,081	812	1,152	341
Shares and other equity						
Investments in other public sector entities - equity method	-	-	-	-	-	-
Investments in other public sector entities - direct injections	-	-	-	-	-	-
Investments in other entities	2,748	3,360	3,032	3,027	2,908	-119
Other financial assets	2	8	2	8	9	1
Total financial assets	64,006	66,411	65,383	66,050	65,362	-689
<i>Non-financial assets</i>						
Land	-	-	-	-	-	-
Property, plant and equipment	8	6	7	7	6	-2
Right of use assets	36	29	32	32	32	-
Service concession assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Inventories						
Land inventories	-	-	-	-	-	-
Other inventories	-	-	-	-	-	-
Intangibles	23	19	23	23	18	-4
Assets classified as held for sale	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
Other	5	5	4	4	7	4
Total non-financial assets	72	59	65	65	63	-2
TOTAL ASSETS	64,079	66,470	65,448	66,116	65,425	-691
LIABILITIES						
Deposits held	-	-	-	-	-	-
Advances received	-	-	-	-	-	-
Borrowings						
Lease liabilities	47	44	44	44	44	-
Service concession liabilities	-	-	-	-	-	-
Other borrowings	53,624	55,679	54,250	55,189	53,960	-1,229
Superannuation	3	2	2	2	2	-
Other employee benefits	20	18	20	20	22	2
Payables	187	323	407	419	460	41
Other liabilities	6,587	7,104	6,891	6,411	6,763	352
TOTAL LIABILITIES	60,468	63,171	61,614	62,086	61,251	-835
NET ASSETS	3,611	3,299	3,834	4,029	4,174	144
<i>Of which:</i>						
Contributed equity	-255	-329	-329	-329	-255	74
Accumulated surplus	3,837	3,643	4,000	4,034	4,398	364
Other reserves	29	-15	163	325	30	-294
NET WORTH	3,611	3,299	3,834	4,029	4,174	144
MEMORANDUM ITEMS						
<i>Net financial worth</i>	3,539	3,240	3,769	3,964	4,110	146
<i>Net debt</i>						
Gross debt liabilities	53,671	55,723	54,294	55,233	54,004	-1,229
Less: liquid financial assets	60,178	61,996	61,268	62,203	61,292	-911
Net debt	-6,506	-6,273	-6,974	-6,969	-7,288	-318

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

Table 1.15

PUBLIC FINANCIAL CORPORATIONS
Statement of Changes in Equity

	Contributed Equity \$m	Asset Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2024</i>	-255	27	3,222	2,994
Operating result	-	-	712	712
Movements in equity	-	2	-1	1
<i>Total change in net worth</i>	-	2	711	713
<i>Transactions with owners in their capacity as owners</i>				
Contributed Capital	-	-	-	-
Dividends	-	-	-96	-96
<i>Total</i>	-	-	-96	-96
Balance at 30 June 2025	-255	29	3,837	3,611
<i>Balance at 1 July 2025</i>	-255	29	3,837	3,611
Operating result	-	-	651	651
Movements in equity	-	1	-	1
<i>Total change in net worth</i>	-	1	651	652
<i>Transactions with owners in their capacity as owners</i>				
Contributed Capital	-	-	-	-
Dividends	-	-	-90	-90
<i>Total</i>	-	-	-90	-90
Balance at 30 June 2026	-255	30	4,398	4,174

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

Table 1.16

PUBLIC FINANCIAL CORPORATIONS
Cash Flow Statement

	2024-25	2025-26				Variation on EA \$m (2) - (1)
	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Cash received</i>						
Grants and subsidies received	-	5	5	5	-	-5
Receipts from sales of goods and services	1,965	2,067	2,097	2,075	2,027	-48
Interest receipts	2,041	2,277	2,203	2,339	1,977	-362
Dividends and tax equivalents	-	-	-	-	-	-
Other	241	258	260	260	255	-4
Total cash received	4,248	4,606	4,565	4,678	4,259	-419
<i>Cash paid</i>						
Wages, salaries and supplements, and superannuation	-93	-108	-110	-110	-107	3
Payments for goods and services	-1,368	-1,525	-1,524	-1,519	-1,448	71
Interest paid	-1,712	-2,042	-1,955	-2,080	-1,616	464
Grants and subsidies paid	-	-	-	-	-	-
Tax equivalents	-146	-77	-128	-128	-168	-40
Other payments	-244	-275	-274	-273	-270	2
Total cash paid	-3,563	-4,028	-3,991	-4,109	-3,609	499
NET CASH FLOWS FROM OPERATING ACTIVITIES	684	578	574	570	650	80
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Cash flows from investments in non-financial assets</i>						
Purchase of non-financial assets	-13	-6	-6	-6	-2	3
Sales of non-financial assets	-	-	-	-	-	-
Total cash flows from investments in non-financial assets	-13	-5	-5	-5	-2	3
<i>Cash flows from investments in financial assets</i>						
<i>Cash received</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	10,286	9,349	9,363	10,053	11,410	1,357
<i>Cash paid</i>						
For policy purposes	-	-	-	-	-	-
For liquidity purposes	-9,314	-9,684	-10,151	-11,296	-13,632	-2,336
Total cash flows from investments in financial assets	971	-335	-789	-1,243	-2,222	-979
NET CASH FLOWS FROM INVESTING ACTIVITIES	958	-340	-794	-1,248	-2,224	-976
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Cash received</i>						
Advances received	-	-	-	-	-	-
Borrowings	26,449	29,090	28,047	28,518	40,400	11,882
Deposits received	-	-	-	-	-	-
Other financing receipts	-	-	-	-	-	-
Total cash received	26,449	29,090	28,047	28,518	40,400	11,882
<i>Cash paid</i>						
Advances paid	-	-	-	-	-	-
Borrowings repaid	-26,109	-29,555	-30,315	-30,243	-40,733	-10,490
Deposits paid	-	-	-	-	-	-
Other financing payments	-6	-1	-4	-4	-3	-
Dividends paid	-117	-82	-101	-101	-103	-2
Total cash paid	-26,233	-29,638	-30,419	-30,347	-40,839	-10,492
NET CASH FLOWS FROM FINANCING ACTIVITIES	216	-549	-2,372	-1,829	-440	1,390
Net increase in cash and cash equivalents	1,859	-311	-2,592	-2,508	-2,013	495
Cash and cash equivalents at the beginning of the year	2,018	2,022	3,877	3,877	3,877	-
Cash and cash equivalents at the end of the year	3,877	1,711	1,285	1,370	1,864	495
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	684	578	574	570	650	80
Net cash flows from investing in non-financial assets	-13	-5	-5	-5	-2	3
Dividends paid	-117	-82	-101	-101	-103	-2
Cash surplus/-deficit	554	491	468	464	545	81

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

Table 1.17

TOTAL PUBLIC SECTOR ^(a)
Operating Statement

		2024-25		2025-26		
	Notes	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Variation on EA \$m (2) - (1)
					Actual \$m (2)	
RESULTS FROM TRANSACTIONS						
REVENUE						
Taxation		14,219	14,464	15,453	16,393	16,198
Current grants and subsidies		15,226	15,776	15,045	15,260	15,107
Capital grants		3,447	3,031	2,781	2,148	1,740
Sales of goods and services		49,590	48,439	60,721	65,526	61,439
Interest income		857	1,031	954	1,101	932
Royalty income		9,806	8,245	9,968	10,822	10,582
Other		1,750	1,460	1,547	1,724	2,003
Total	6	94,895	92,446	106,470	112,974	108,001
EXPENSES						
Salaries		20,147	21,019	21,244	21,716	21,680
Superannuation						
Concurrent costs		2,274	2,531	2,552	2,609	2,567
Superannuation interest cost		157	206	215	232	141
Other employee costs		838	781	790	838	960
Depreciation and amortisation	7	6,025	6,285	6,499	6,561	6,626
Services and contracts		4,659	5,833	5,801	5,801	4,911
Other gross operating expenses	8	48,076	46,550	59,335	63,841	59,486
Interest	9					
Interest on leases		258	216	219	229	249
Other interest		1,777	2,106	2,042	2,208	1,926
Other property expenses		-	-	-	-	-
Current transfers	10	6,642	6,824	6,845	6,785	6,276
Capital transfers	10	422	378	396	421	343
Total		91,274	92,731	105,939	111,241	105,165
NET OPERATING BALANCE (b)		3,621	-285	532	1,733	2,836
<i>Other economic flows - included in the operating result</i>						
Net gains on assets/liabilities		352	44	21	87	536
Provision for doubtful debts		-62	-60	-60	-69	-109
Changes in accounting policy/adjustment of prior periods		-44	-	-	-	-3
Total other economic flows		247	-16	-40	17	424
OPERATING RESULT		3,868	-301	492	1,751	3,260
<i>All other movements in equity</i>						
<i>Items that will not be reclassified to operating result</i>						
Revaluations		17,981	6,486	8,315	9,907	24,681
Net actuarial gains/loss - superannuation		-126	176	357	447	562
Gains recognised directly in equity		-5	-5	-5	-12	-7
All other		-	-	-	-	-
Total all other movements in equity		17,849	6,656	8,667	10,342	25,236
TOTAL CHANGE IN NET WORTH (c)		21,717	6,355	9,159	12,093	28,496
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE		3,621	-285	532	1,733	2,836
<i>Less Net acquisition of non-financial assets</i>						
Purchase of non-financial assets		13,132	12,061	12,633	12,226	12,269
Changes in inventories		2,161	359	349	1,425	2,349
Other movement in non-financial assets		222	195	195	358	449
<i>less:</i>						
Sales of non-financial assets		646	646	736	792	969
Depreciation		6,025	6,285	6,499	6,561	6,626
Total net acquisition of non-financial assets		8,846	5,684	5,942	6,656	7,472
NET LENDING/-BORROWING		-5,225	-5,969	-5,410	-4,922	-4,636

(a) The accompanying notes form part of these financial statements.

(b) Also known as the 'Net Result from Transactions'.

(c) Also known as the 'Comprehensive Result'.

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

Table 1.18

TOTAL PUBLIC SECTOR ^(a)
Balance Sheet at 30 June

		2025	2026				
	Notes	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	Variation on EA \$m (2) - (1)
ASSETS							
<i>Financial assets</i>							
Cash and deposits		6,056	3,204	4,381	4,780	4,990	210
Advances paid		2,034	1,894	2,418	2,884	2,132	-752
Investments, loans and placements		18,147	16,309	16,537	17,845	18,121	276
Receivables	11	7,135	6,789	6,684	6,971	8,265	1,294
Equity - Investments in other entities		2,833	3,506	3,163	3,158	3,018	-140
Other financial assets	11	8	8	2	9	9	1
Total financial assets		36,216	31,710	33,186	35,647	36,535	888
<i>Non-financial assets</i>							
Land	12	65,669	64,949	70,445	72,178	78,033	5,854
Property, plant and equipment	13,14	162,837	163,980	171,815	171,226	180,083	8,857
Right of use assets	16,17	3,014	2,934	2,996	3,005	2,956	-49
Service concession assets	18	4,174	3,496	4,111	4,108	5,024	916
Biological assets	19	210	256	221	222	159	-63
Inventories	20						
Land inventories		1,409	1,884	1,799	1,800	1,548	-252
Other inventories		10,863	9,652	11,211	12,288	13,211	924
Intangibles	21	1,153	1,317	1,273	1,256	1,307	51
Assets classified as held for sale	22	31	25	24	47	211	164
Investment property	23	30	23	30	30	24	-6
Other		785	880	739	759	994	234
Total non-financial assets		250,174	249,397	264,663	266,920	283,549	16,629
TOTAL ASSETS		286,389	281,107	297,849	302,566	320,084	17,517
LIABILITIES							
Deposits held		34	20	34	34	45	11
Advances received		288	414	454	423	429	6
Borrowings	24						
Lease liabilities		3,609	3,533	3,585	3,616	3,508	-109
Service concession liabilities		278	283	270	270	262	-8
Other borrowings		52,199	56,124	54,699	55,651	54,411	-1,240
Superannuation	25	4,092	3,574	3,631	3,574	3,270	-304
Other employee benefits	26	5,882	5,464	6,017	6,013	6,345	332
Payables		15,511	13,780	15,495	16,864	18,230	1,365
Other liabilities	27	12,309	12,260	12,319	11,840	12,901	1,060
TOTAL LIABILITIES		94,201	95,453	96,502	98,285	99,399	1,114
NET ASSETS		192,188	185,654	201,347	204,281	220,684	16,403
<i>Of which:</i>							
Contributed equity		-	-	-	-	-	-
Accumulated surplus		54,731	55,096	55,973	57,231	58,533	1,302
Other reserves		137,457	130,558	145,374	147,050	162,152	15,102
NET WORTH		192,188	185,654	201,347	204,281	220,684	16,403
MEMORANDUM ITEMS							
<i>Net financial worth</i>		-57,985	-63,743	-63,316	-62,638	-62,865	-226
<i>Net financial liabilities</i>		57,985	63,743	63,316	62,638	62,865	226
<i>Net debt</i>							
Gross debt liabilities		56,408	60,375	59,041	59,994	58,654	-1,339
less: liquid financial assets		26,236	21,407	23,337	25,509	25,243	-267
Net debt		30,172	38,968	35,704	34,484	33,412	-1,073

(a) The accompanying notes form part of these financial statements.

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

Table 1.19

TOTAL PUBLIC SECTOR
Statement of Changes in Equity

	Asset Revaluation Surplus \$m	Accumulated Surplus/deficit \$m	Total Equity \$m
<i>Balance at 1 July 2024</i>	119,502	50,969	170,471
Operating result	-	3,868	3,868
All other movements in equity	17,955	-106	17,849
<i>Total change in net worth</i>	17,955	3,762	21,717
Balance at 30 June 2025	137,457	54,731	192,188
<i>Balance at 1 July 2025</i>	137,457	54,731	192,188
Operating result	-	3,260	3,260
All other movements in equity	24,694	542	25,236
<i>Total change in net worth</i>	24,694	3,802	28,496
Balance at 30 June 2026	162,152	58,533	220,684

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

Table 1.20

TOTAL PUBLIC SECTOR ^(a)
Cash Flow Statement

		2024-25	2025-26				
	Notes	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	Variation on EA \$m (2) - (1)
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received							
Taxes received		14,164	14,492	15,474	16,408	15,428	-980
Grants and subsidies received		21,556	21,429	20,453	19,935	20,028	93
Receipts from sales of goods and services		38,899	33,517	39,798	47,376	25,939	-21,436
Interest receipts		876	1,071	994	1,147	743	-404
Dividends and tax equivalents		-	-	-	-	-	-
Other		14,893	12,867	15,037	15,340	15,860	520
Total cash received		90,387	83,375	91,756	100,207	77,999	-22,208
Cash paid							
Wages, salaries and supplements, and superannuation		-22,363	-23,756	-24,027	-24,540	-24,243	297
Payments for goods and services		-39,593	-35,255	-41,974	-49,171	-27,279	21,892
Interest paid		-1,905	-2,267	-2,186	-2,363	-1,942	422
Grants and subsidies paid		-7,538	-9,391	-9,124	-8,857	-8,611	246
Dividends and tax equivalents		-	-	-	-	-	-
Other payments		-8,219	-6,128	-7,488	-7,577	-7,468	109
Total cash paid		-79,619	-76,797	-84,799	-92,508	-69,543	22,965
NET CASH FLOWS FROM OPERATING ACTIVITIES	28	10,769	6,578	6,957	7,699	8,456	757
CASH FLOWS FROM INVESTING ACTIVITIES							
Cash flows from investments in non-financial assets							
Purchase of non-financial assets		-13,132	-12,061	-12,633	-12,226	-12,269	-43
Sales of non-financial assets		646	646	736	792	969	177
Total cash flows from investments in non-financial assets		-12,487	-11,415	-11,897	-11,434	-11,300	134
Cash flows from investments in financial assets							
Cash received							
For policy purposes		27	10	10	10	25	15
For liquidity purposes		10,369	9,519	9,547	10,242	11,575	1,333
Cash paid							
For policy purposes		-25	-10	-10	-10	-27	-17
For liquidity purposes		-9,474	-9,876	-10,320	-11,475	-13,944	-2,469
Total cash flows from investments in financial assets		897	-356	-772	-1,234	-2,372	-1,139
NET CASH FLOWS FROM INVESTING ACTIVITIES		-11,590	-11,771	-12,669	-12,668	-13,672	-1,004
CASH FLOWS FROM FINANCING ACTIVITIES							
Cash received							
Advances received		50-	143	185	180	160	-20
Borrowings		21,762	24,861	24,135	24,796	36,282	11,486
Deposits received		-	-	-	-	-	-
Other financing receipts		502	9	9	9	898	889
Total cash received		22,314	25,014	24,329	24,985	37,340	12,355
Cash paid							
Advances paid		-18	-32	-19	-20	-19	1
Borrowings repaid		-21,411	-21,008	-21,405	-21,141	-32,490	-11,349
Deposits paid		-	-	-	-	-	-
Other financing payments		-1,086	-525	-581	-526	-1,580	-1,055
Total cash paid		-22,515	-21,564	-22,004	-21,686	-34,089	-12,402
NET CASH FLOWS FROM FINANCING ACTIVITIES		-201	3,449	2,325	3,299	3,251	-48
Net increase in cash and cash equivalents		-1,023	-1,743	-3,388	-1,670	-1,965	-295
Cash and cash equivalents at the beginning of the period		14,813	9,839	13,790	13,790	13,790	-
Cash and cash equivalents at the end of the period	29	13,790	8,095	10,402	12,120	11,825	-295
KEY FISCAL AGGREGATES							
Net cash flows from operating activities							
Net cash flows from investing in non-financial assets		-12,487	-11,415	-11,897	-11,434	-11,300	134
Cash surplus/-deficit		-1,718	-4,837	-4,940	-3,736	-2,844	892

(a) The accompanying notes form part of these financial statements.

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

Notes to the Financial Statements

NOTE 1: MISSION STATEMENT THE GOVERNMENT OF WESTERN AUSTRALIA

The Government of Western Australia (the reporting entity hereafter referred to as 'the public sector') is created by the *Western Australian Constitution Act 1889*.

The Executive Council is the governing body responsible for the control and management of the operations, affairs, concerns and property of the public sector. The Executive Council consists of the Governor, the Premier, and Ministers of the Crown, and is hereafter referred to as 'the Government'.

The principal office of the Government is situated at Parliament House, Harvest Terrace, West Perth, Western Australia.

The Government's mission is summarised in the following key goals:

- achievement of strong and sustainable finances;
- implementation of its WA Jobs Plan, and training for the jobs of the future, by promoting local manufacturing and production;
- creating safe, strong and fair communities; and
- protecting the environment and supporting thriving suburbs and regions.

The *Government Financial Responsibility Act 2000* (GFRA) requires the Treasurer to release a Government Financial Strategy Statement at least once each year. This statement appears each year in Budget Paper No.3 *Economic and Fiscal Outlook*. The Government Financial Strategy Statement is supported by the Government's medium-term financial targets.

The financial targets for 2025-26 were detailed in the 2025-26 Budget and remained unchanged from the previous year. In line with section 14A (3)(bb) of the GFRA, performance against the 2025-26 Budget financial targets for the year ending 30 June 2026 is discussed in the *Financial Results* chapter of this report.

The public sector is a not-for-profit entity funded primarily through Commonwealth grants, State taxation, and other own-source revenue (i.e. mining royalties, user charges and other own-source revenue).

NOTE 2: STATEMENT OF COMPLIANCE

Compliance Framework

The financial statements of the general government sector and the total public sector for the year ended 30 June 2026 have been prepared in accordance with applicable Australian Accounting Standards (AASs) and Interpretations, in particular AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

The Standard under which the general government sector financial statements are prepared does not require full application of AASB 127: *Separate Financial Statements* and AASB 139: *Financial Instruments: Recognition and Measurement*. Assets, liabilities, income, expenses and cash flows of government-controlled entities that are in the public non-financial corporations sector and the public financial corporations sector are not separately recognised in the general government sector financial statements. Instead, the general government sector financial statements recognise an asset, being the controlling equity investment in those entities, and recognise a gain or loss relating to changes in the carrying amount of that asset, measured in accordance with AASB 1049.

In compliance with AASB 1049, where consistent with accounting standards, Government Financial Statistics (GFS) concepts, sources and methods are used. In Australia, GFS standards are promulgated by the Australian Bureau of Statistics (ABS).

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

The whole-of-government financial statements of the Government of Western Australia constitute general purpose financial statements.

The financial statements and other information presented in this *Annual Report on State Finances* are required under section 14A(3) of the *Government Financial Responsibility Act 2000* and the regulations supporting that Act.

(b) Reporting Entity

The reporting entities are the Government of Western Australia (also referred to as the total public sector and/or whole-of-government) and the general government sector, and includes entities under their control.

The general government sector is a component of the total public sector reporting entity. The purpose of the general government sector financial statements is to provide users with information about the Government's stewardship of central government, and accountability for the resources entrusted to it. The statements also provide information about the financial position, changes in net assets/liabilities, performance and cash flows of the general government sector.

The statistical framework classifies the sub-sectors of the public sector (including the general government sector, the public corporations sectors and consolidated non-financial public sector and total public sector) in accordance with the principles and rules contained in the ABS' *Australian System of Government Finance Statistics: Concepts, Sources and Methods, Australia 2015* (ABS GFS Manual). The entities forming part of each sector are referred to as agencies in these financial statements and Note 38: *Composition of sectors* contains a full list of agencies forming each of the sectors listed below.

General government sector

The general government sector comprises public sector agencies that are engaged mainly in the provision of services outside the normal market mechanism, or that provide for the transfer of income for public policy purposes. Costs are financed predominantly from centrally-collected revenue such as taxes, Commonwealth grants and mining royalties.

Public non-financial corporation sector

The public non-financial corporation sector comprises those non-financial public sector agencies engaged mainly in the production of goods and services for sale in the market, with a key objective to recover at least a significant proportion of operating costs through charges for goods and services.

Public financial corporation sector

The public financial corporation sector comprises those public sector agencies engaged primarily in financial activities, such as providing central borrowing authority and public sector insurance services.

Control

The control of an agency by the Government is taken to exist where the:

- agency is accountable to the Government;
- the Government, through the public sector, has a residual financial interest in the net assets of that agency; and
- the Government has the power to control the financial and operating policies of an agency so as to obtain benefits for the State from its activities.

Where control of an agency is obtained during a financial year, results are included in the Operating Statement from the date on which control commenced. Where control of an agency ceased during a financial year, results are included for that part of the year for which control existed.

Specific details of agencies controlled by the Government and consolidated in the public sector are shown in Note 38: *Composition of sectors*. A detailed list of other entities nominally referred to as public sector agencies that are not included in the consolidated financial statements, is also shown in Note 38. Exclusion of these agencies is based on the criteria of control noted above, and ABS classifications in the GFS manual.

Most agencies have 30 June reporting dates. Where agencies have reporting dates other than 30 June, the data incorporated in this appendix are based on either:

- management accounts to 30 June; or
- the latest financial statements.

The use of management financial data or the latest financial statements in these cases does not have a material effect on these consolidated financial statements.

(c) Basis of Preparation

The financial statements of the total public sector and the general government sector have been prepared in accordance with applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) in particular, AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

AASB 1049 harmonises Government Finance Statistics (GFS) with Generally Accepted Accounting Principles (GAAP) to the extent that GFS does not conflict with GAAP. This requires the selection of options within the Australian Accounting Standards that harmonise with the ABS GFS Manual. Further details are contained in Note 4: *Convergence differences*.

The Balance Sheet and Operating Statement have been prepared on an accrual basis of accounting, and assets and liabilities are shown at fair value unless otherwise stated.

The accounting policies applied in the preparation of the financial statements have been consistently applied throughout all periods presented.

Assets and liabilities are recognised in the Balance Sheet, when and only when, it is probable that future economic benefits or financial obligations will flow to or from the reporting entity and the amounts of the assets or liabilities can be reliably measured.

Accounting policies are selected and applied in a manner that ensures the resulting financial information satisfies the concepts of relevance and reliability. The judgements made in the process of applying accounting policies consistent with AASs that had the most significant effect on the amounts recognised in the financial statements are disclosed, where applicable, in the relevant notes to the financial statements.

(d) Accounting Judgements, Estimates and Assumptions

In the preparation of the consolidated financial statements, public sector entities are required to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at reporting date and the reported revenue and expenses during the reporting period.

On an ongoing basis, the public sector and its controlled entities evaluate estimates and judgements in relation to assets, liabilities, contingent assets and liabilities, revenue and expenses, based on historical experience and various other factors (such as discount rates used in estimating provisions and estimating the useful life of key assets) that are believed to be reasonable under the circumstance, the results of which form the basis of making judgements about the carrying values of assets and liabilities. Actual results may differ from these estimates.

Contingent assets and liabilities are not recognised in the Balance Sheet but are discussed in a note to the consolidated financial statements. They may arise through uncertainty as to the existence, settlement or measurement of an asset or liability and are recognised once this uncertainty is removed.

Judgements, estimates and assumptions that have significant effects on the financial statements are disclosed in the notes to the financial statements. These judgements and assumptions relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 15: *Fair value measurements*);
- identifying leases within contracts, estimation of the lease term, determination of the appropriate discount rate to discount the lease payments and assessing whether the right-of-use assets need to be impaired (refer to Note 16: *Right-of-use assets*);
- superannuation expense and liability (refer to Note 25: *Unfunded superannuation*);
- the timing of recognising a provision or contingent liability in respect of native title compensation;
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 26: *Other employee benefits*); and
- provisions for outstanding insurance claims (refer Note: 27 *Other liabilities*).

(e) Presentation and Rounding of Amounts

The consolidated financial statements are presented in Australian dollars and all amounts are rounded to the nearest million dollars (\$m). As a consequence, totals for columns and rows shown in tables may not always add due to rounding.

(f) Foreign Currency

Transactions in currencies other than Australian dollars are recorded at the rates of exchange prevailing on the settlement date of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the exchange rates prevailing at that date.

In order to hedge its exposure to certain foreign exchange risks, the public sector enters into forward contracts and options (see Note 34: *Financial Instruments* for details of the public sector accounting policies in respect of such derivative financial instruments).

(g) Basis of Consolidation

The consolidated financial statements of the reporting entity include the assets and the liabilities of the public sector and its controlled agencies at the end of the financial year and the revenue and expenses of the public sector and its controlled agencies for the year.

The consolidated financial statements include the information and results of each controlled agency from the date on which the State Government obtained control and until such time as the Government ceased to control the agency.

For the purposes of reporting the public sector as a single economic entity, all material transactions and balances and unrealised gains between agencies under the Government's control are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, the accounting policies and reporting periods of controlled agencies have been aligned with those adopted by the public sector as a whole, to achieve consistency. This approach has not materially affected the revenue and expenses or the assets and liabilities at the reporting date.

(h) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable net of the amount of goods and services tax payable and net of discounts, rebates, concessions and allowances.

The policies adopted for the recognition of significant categories of revenue are as follows.

Taxation revenue

Revenue and income recognition are determined by the State based on the substance of the relevant arrangement in accordance with the requirements of AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-Profit Entities*.

Revenue is recognised when the underlying event that results in a right to receive income has occurred and assessments have been issued, or when the amount can be reliably measured.

Grants and subsidies income

Revenue from the Commonwealth, including GST grants, Specific Purpose, National Partnership and other grants is recognised when payment is received unless a contract (that creates enforceable rights and obligations) exists. Capital grants are recognised as income when agencies achieve the milestones specified in the grant agreements in line with AASB 15: *Revenue from Contracts with Customers*.

Sale of goods and services

Revenue from the sale of goods and services, including regulatory fees, is recognised (net of returns, discounts, rebates, concessions and allowances) when performance obligations are satisfied through transferring a promised good or service to a customer and is based upon the transfer of control rather than transfer of significant risks and benefits. The performance obligations may be satisfied over time or at a point in time.

Interest income

Interest revenue is accrued on a time proportion basis, by reference to the principal outstanding and taking into account the effective yield on the financial asset.

Revenue from public corporations

Dividends, income tax equivalent revenue and local government rate equivalent revenue for the general government sector represent income from other sectors of government. Dividends are recognised as revenue when the right to receive payment is established. Tax and rate equivalent revenue is recognised when assessment notices are issued.

Royalty income

Mineral and petroleum royalties from companies operating under Western Australian legislation are recognised when the taxable event occurs and the receivables arising from the taxable event can be measured reliably. Royalties are calculated in accordance with the substance of the relative agreements considering the base on which the royalty is calculated. Under current systems, the base can be production, royalty value, net cash flows or profit.

(i) Expense Recognition

Expenses are recognised when incurred and are reported in the financial year to which they relate. The policies adopted for the recognition of significant categories of expenses are as follows.

Salaries

Salaries include wages and salaries, leave entitlements, redundancy payments and district allowances incurred during the financial year.

Superannuation concurrent costs

The superannuation expense (concurrent cost) of defined benefit plans relates to current service cost which is the cost of employer financed benefits that are expected to accrue for defined benefit members during the reporting period.

The superannuation expense (concurrent cost) of defined contribution plans is recognised as and when the contributions fall due.

Actuarial gains or losses relating to remeasurement adjustments and changes in actuarial assumptions of the defined benefit plans are reported separately as 'other movements in equity'.

Superannuation interest cost

The carrying cost of superannuation liabilities is recognised as an interest cost. This cost is estimated by an actuary based on the value of the gross superannuation liability, less the expected return on plan assets' incorporating a range of demographic and financial assumptions.

Depreciation and amortisation

Depreciation of non-financial physical assets (excluding inventories) is generally provided on a straight-line basis at rates based on the expected useful lives of those assets. The expected useful life for each class of depreciable asset is provided at Note 3(k).

Amortisation is provided on leasehold improvements and intangible assets, and is calculated on a straight-line basis, generally over the expected useful lives of the underlying assets.

Other interest

Interest costs include interest charges and borrowing costs. Interest costs are expensed in the period in which they are incurred. Interest expense is recognised as it accrues and includes items of a similar nature realised in managing portfolios. Borrowing costs are recognised immediately as an expense, even when they are directly attributable to the acquisition, construction or production of a qualifying asset.

Current and capital transfers

Current and capital transfers include grants and subsidies and other payments made to other sectors of government and to non-government organisations for the delivery of services. They are recognised as an expense to the extent when the grantee meets conditions such as grant eligibility criteria, or has provided the service or facilities required under the grant agreement.

(j) Other Economic Flows

Other economic flows are changes in volume or value of an asset or liability that do not result from revenue or expense transactions.

Net gains on assets/liabilities

Realised gains (or losses) on disposal of non-financial assets

Net gains (or losses) arising on the disposal or retirement of a non-current asset are recognised when control of the asset and the significant risks and benefits incidental to ownership have passed to the buyer.

Impairment – non-financial assets

Impairment losses are recognised as a non-transaction cost when an asset's carrying amount exceeds its recoverable amount.

Net actuarial gains (or losses) – superannuation

Actuarial gains (or losses) on superannuation defined benefit plans are recognised in the period in which they occur.

(k) Land, and Other Property, Plant and Equipment

Initial recognition and measurement

All items of land and other property, plant and equipment are initially recognised at cost.

Subsequent recognition and measurement

After initial recognition, the public sector has adopted the following measurement models.

Class of Asset	Subsequent Measurement
Land (including land under roads)	Fair value
Buildings	Fair value less accumulated depreciation and accumulated impairment losses
Infrastructure – road network	Fair value less accumulated depreciation and accumulated impairment losses
Infrastructure – water storage and distribution	Fair value less accumulated depreciation and accumulated impairment losses
– electricity generation and transmission	
– other	
Plant, equipment and other	Fair value less accumulated depreciation and accumulated impairment losses

Revaluations

Non-financial physical assets are revalued with sufficient regularity to ensure that the carrying amount of an asset does not differ materially from its fair value at the end of the reporting period. Revaluation increases or decreases arise from differences between carrying value and fair value of an asset.

Net revaluation movements are recognised in 'all other movements in equity' and accumulated in equity under 'Other Reserves'.

Land

The fair value attributed to the land component of government-owned non-current real estate assets (excluding land under roads) for financial reporting purposes is determined on the basis of highest and best use taking into consideration the legal, physical and economic restrictions affecting the sites ability to realise that potential.

Fair value is defined in AASB 116: *Property, Plant and Equipment* as the amount for which an asset could be exchanged, between knowledgeable parties in an 'arm's length' transaction. There is a going concern presumption and it is assumed that an asset is exchanged after an adequate period of marketing.

The fair value of land under roads (i.e. land within road reserves) is based on the market value of the land adjoining the road reserve. The land values are provided by geographic location on an annual basis by the Western Australian Land Information Authority (Valuation Services) as follows:

- metropolitan area – median value for single residential land for each Local Government Area. Land parcels up to 899 m² are assumed to have a single residential zoning;
- South West region – nominal unimproved valuation rates covering the south west of the State from Geraldton to Esperance; and
- balance of State – nominal unimproved valuation rates based on leasehold rates for Crown land.

Buildings

The fair value of buildings is based on current market values determined by reference to recent market transactions. Where market evidence is not available, the fair value of buildings is determined on the basis of existing use where buildings are specialised. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset (i.e. the current replacement cost).

Building valuations are provided by the Western Australian Land Information Authority (Valuation Services), or by other independent professional valuers, with sufficient regularity, such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

In addition, for buildings under the current replacement cost basis, estimated professional and project management fees are included in the valuation of current use assets as required by AASB 2022-10: *Amendments to Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*. The fair value of these assets will increase with a higher level of professional and project management fees.

Professional and project management fees are estimated by individual government agencies and incorporated into the current replacement costs provided by Valuation Services for current use buildings.

Buildings in the course of construction are carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the asset is ready for its intended use.

Infrastructure

Road infrastructure is independently valued every three years by reference to the cost of a new asset and adjusted in the intervening years by reference to a cost index (ABS Road and Bridge Construction Cost Index or rates obtained from professional estimators specialising in road infrastructure works) to ensure the carrying values do not materially differ from fair value. The value of bridges at 30 June 2026 is based on the current replacement cost determined at 30 June 2026 calculated using construction unit rates provided by professional estimators and multiplying these by the units of relevant categories that form the infrastructure asset. The ABS Road and Bridge Construction Cost Index has been applied to roads and principal shared paths (earthworks, drainage, pavement and seals), bridges and road furniture assets to ensure asset values do not materially differ from fair value.

Fair value for other infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset (i.e. the current replacement cost). Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence and optimisation (where applicable). Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

Plant, equipment and other assets

Plant, equipment and other assets are stated at fair value which approximates carrying value (cost less accumulated depreciation and accumulated impairment losses).

Art collections and artefacts classified as heritage assets are stated at fair value. The revaluation of art works and artefacts is an independent valuation, provided by independent professional valuers, by reference to the current replacement cost as the assets are specialised and no market evidence of value is available.

Depreciation

All property, plant and equipment assets including service concession assets having a limited useful life are systematically depreciated over the asset's estimated useful life in a manner that reflects the consumption of its future economic benefits.

Land, the majority of earthworks, art collections and artifacts are not depreciated as they are deemed to have an indefinite life.

Depreciation is generally calculated using the straight-line method (as adjusted for any impairment), over the estimated useful lives of the assets. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

The following table summarises the expected useful lives for each class of depreciable asset in both the current and prior years used in compiling these financial statements.

Class of Asset	Depreciation Period
<i>Buildings</i>	17 - 80 years
<i>Infrastructure – Road network</i>	
Seals	7 - 19 years
Pavements	12 - 50 years
Drainage	50 – 80 years
Road furniture	5 - 50 years
Structures (mainly bridges)	50 - 100 years
Earthworks(a)	Up to 100 years
<i>Infrastructure – Water, storage and distribution</i>	
Pipelines and fittings	30 - 110 years
Drains and channels	20 - 150 years
Dams and reservoirs	40 - 120 years
<i>Infrastructure – Electricity generation and transmission</i>	2 - 50 years
<i>Infrastructure – Other</i>	
Public transport	5 - 120 years
Harbour and ports	2 - 80 years
<i>Plant, equipment and other(b)</i>	2 - 100 years

(a) While road earthworks are generally assumed to have an infinite life, a small percentage of earthworks are depreciated in accordance with UIG Interpretation 1055: *Accounting for Road Earthworks*.

(b) Heritage collections, works of art, and museum collections are anticipated to have an infinite life, their service potential has not, on any material sense, been consumed during the reporting period. State Library Collections are depreciated by expensing the value of the tenth oldest year's acquisitions.

Disposal

The gain or loss arising on disposal or retirement of an asset (calculated as the difference between the carrying amount of the asset at the time of disposal and the net disposal proceeds), is included in the Operating Statement in the period the item is disposed.

Where an asset that has been previously revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is retained in 'Other Reserves'.

(I) Right-of-use Assets

Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs, including dismantling and removing the underlying asset.

This includes all leased assets other than investment property right-of-use assets, which are measured in accordance with AASB 140: *Investment Property*.

In line with AASB 16: *Leases*, Western Australia's public sector agencies do not recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to an agency at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in Note 3(r): *Impairment of assets*.

(m) Service Concession Assets

Initial recognition and measurement

A service concession asset is recognised initially measured at current replacement cost in accordance with the cost approach to fair value in AASB 13: *Fair Value Measurement*.

Subsequent recognition and measurement

Subsequent to initial recognition, a service concession asset is depreciated or amortised in accordance with AASB 116: *Property, Plant and Equipment* or AASB 138: *Intangible Assets*, as appropriate, with any impairment recognised in accordance with AASB 136: *Impairment of Assets*.

(n) Biological Assets

Biological assets in the form of plantation timber are stated at fair value less estimated point-of-sale costs and costs necessary to get the assets to market.

The fair value of the biological asset is based on its present location and condition. As a result, fair value is determined based on historical volume increases and historical cash flows, adjusted for known variances.

Gains or losses arising from changes in the fair value of biological assets trees, are taken to account as 'net gains on assets/liabilities' in the Operating Statement.

(o) Investment Properties

Initial recognition and measurement

Investment properties are held for rental yield and capital appreciation and are initially recognised at cost.

Subsequent recognition and measurement

After initial recognition, the public sector has adopted the fair value model. Investment properties are carried at fair value and no depreciation is provided in respect of buildings.

The fair value of investment properties is determined by reference to market-based evidence, having regard to current economic and market conditions at reporting date. Valuations are performed annually by an independent professional valuer.

Gains and losses arising from changes in the fair value of investment properties are included in the Operating Statement in the year in which they arise.

(p) Intangible Assets

Acquired and internally developed intangible assets are initially measured at cost. The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Amortisation is calculated for the period of the expected benefit (estimated useful life) on a straight-line basis using rates which are reviewed annually. All intangible assets controlled by the public sector have a finite useful life and zero residual value.

Software-as-a-service (SaaS) expenses are recognised as incurred when the related services are delivered, unless they qualify for capitalisation as computer software because they are identifiable and controlled in a way that allows future economic benefits to be obtained, and others' access to those benefits can be restricted. Costs incurred to configure or customise, and the ongoing fees to obtain access to a cloud provider's application software, are recognised as operating expenses when the services are received. Some of the costs incurred are for the development of software code that enhances, modifies or creates additional capability to existing on-premise systems and meets the recognition criteria for an intangible asset.

Expected useful lives for all classes of intangible asset are assumed to be between 3 to 30 years.

(q) Assets Held for Sale

Assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell and are presented separately from other assets in the Balance Sheet. These assets are not depreciated or amortised while they are classified as held for sale.

(r) Impairment of Assets

Property, plant, equipment, infrastructure and intangible assets are tested for any indication of impairment at each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised as a revaluation decrement through 'All other movements in equity' in the Operating Statement. As the public sector is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of asset is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

Intangible assets not yet available for use or with an indefinite useful life are tested for impairment each reporting period irrespective of whether there is any indication of impairment. Tests are undertaken by agencies at each reporting period.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

(s) Leased Assets

AASB 16: *Leases* includes a comprehensive model for the identification of lease arrangements and requires lessees to recognise most leases (operating and finance leases) on the Balance Sheet as right-of-use assets and lease liabilities. This excludes short-term leases (lease terms of 12 months or less at commencement date) and low-value assets (valued less than \$5,000) which are expensed directly in the Operating Statement.

(t) Service Concession Assets

In addition to the recognition and measurement of Service Concession Assets detailed in Note (m), service concession arrangements may give rise to a public private partnership. AASB 1059: *Service Concession Arrangements: Grantors* addresses the accounting for a service concession arrangement by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. The service concession arrangement is a type of public private partnership which involves an operator that is contractually obliged to provide public services related to a service concession asset on behalf of the grantor and managing at least some of those services under its own discretion, rather than at the discretion of the grantor.

(u) Lease Liabilities

Initial recognition and measurements

Lease liabilities at commencement date, are measured at present value of lease payments that are not paid at that date. Lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, then the incremental borrowing rate provided by Western Australia Treasury Corporation is applied.

The lease payments that form part of the present value calculation of lease liabilities include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise of purchase options (where these are reasonably certain to be exercised); and
- payments for penalties for terminating a lease, where the lease term reflects the exercising of options to terminate leases.

Interest on lease liabilities is recognised in the Operating Statement over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liabilities, that are dependent on sales are recognised in the Operating Statement in the period in which the condition that triggers those payments occurs.

Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities, reducing the carrying amount to reflect the lease payments made, and remeasuring the carrying amount at amortised cost (subject to adjustments to reflect any reassessment or lease modifications).

(v) Service Concession liabilities

Initial recognition and measurement

If an amount is initially recognised as a service concession asset, the State recognises a corresponding liability, adjusted by the amount of any other consideration.

Subsequent recognition and measurement

Depending on the nature of the service concession arrangement, the State may compensate the operator by any combination of either making payments to the operator and/ or compensating through no-monetary exchange. The State recognises the liability based on the 'financial liability' model or 'grant of right to the operator' model (as deferred service concession assets revenue) or a combination of both.

(w) Inventories

Inventories, other than inventories held for distribution, are measured at the lower of cost and net realisable value. Costs are assigned using the weighted average cost or the 'first in first out' method.

Inventories consisting of land held for development and resale are valued at the lower of cost and net realisable value. Costs include the cost of acquisition and development.

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential.

Precious metal inventories are measured at fair value, being the applicable market prices ruling at the reporting date.

(x) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents also comprise restricted cash and cash equivalents (which includes cash held for specific purposes). These include cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

(y) Financial Instruments

Financial assets and liabilities are recognised on the Balance Sheet when the public sector becomes a party to the contractual provisions of the financial instrument. The public sector has the following categories of financial instruments:

- cash and deposits;
- receivables/payables;
- investments, loans and placements;
- advances paid/received;
- shares and other equity;
- deposits held;
- borrowings;
- other employee benefits; and
- other financial assets/liabilities.

Financial assets are measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification is based on two criteria:

- the business model for managing the assets; and
- whether contractual cash flows for the assets represent solely payments of principal and interest on the principal amount outstanding.

The following classifications are applied to financial assets and liabilities.

Financial assets are measured at amortised cost if they are held to collect the contractual cash flows and those cash flows are solely payments of principal and interest.

Financial assets are measured at fair value through other comprehensive income:

- for debt instruments – if the assets are held both to collect contractual cash flows, comprising solely payments of principal and interest, and to sell the financial assets; and
- for equity instruments – if they have been irrevocably elected to be measured at fair value through other comprehensive income.

Other financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

Payables are recognised when the public sector becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are usually settled within 30 days. Payables are measured at either amortised cost or at fair value through profit or loss.

Borrowings are initially recognised at the fair value of the net proceeds received. Subsequent fair value measurements are calculated using current lending rates for similar borrowings with remaining maturities consistent with the debt being valued. Unrealised gains or losses arising from changes in fair value are recognised in the Operating Statement. With the exclusion of leases and service concession liabilities measured using the financial liability model, borrowings are predominantly conducted by the Western Australian Treasury Corporation, which operates within the capital markets as the central borrowing authority of the public sector. Borrowings are measured at either amortised cost, at fair value through profit or loss, or at fair value through other comprehensive income.

Derivative financial instruments are recognised in the Balance Sheet and measured at fair value. The fair values for derivative financial instruments are obtained from quoted market prices. Application of hedge accounting will only be available where specific designation and effectiveness criteria are satisfied. Where hedge accounting cannot be achieved for ongoing risk mitigation activity, the changes in the fair value of derivative financial instruments are recognised in the Operating Statement as they arise. Derivative financial instruments are measured at fair value through profit or loss.

(z) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

Superannuation

The public sector provides superannuation benefits under two types of schemes: defined benefit plans and defined contribution plans.

In accordance with legislative requirements, the Government Employees Superannuation Board (GESB) administers, the following State public sector plans:

Defined Benefit Plans:

- Pension Scheme, which was closed to new members on 15 August 1986;
- Judges Pension Scheme which provides pension benefits to members upon retirement;
- Parliamentary Pension Scheme which provides pension benefits to members on death, retirement, or electoral defeat;
- Gold State Superannuation (GSS) Scheme, which was closed to new members on 29 December 1995.

Defined Contribution Plans:

- West State Superannuation (WSS) Scheme which was closed to new members on 16 April 2007; and
- GESB Super Scheme which commenced on 16 April 2007.

From 30 March 2012, existing members of the WSS, GESB Super Scheme and new employees have been able to choose their preferred superannuation fund provider. Agencies make contributions to GESB or other fund providers on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish agency liabilities for superannuation charges in respect of employees who are not members of defined benefit schemes.

The defined benefit plans are superannuation plans that define the benefit amount that an employee will be entitled to receive upon retirement taking into account expected future salary increases and other actuarial assumptions such as mortality and retirement rates. Defined benefit plan contributions are calculated based upon regulatory requirements and/or plan terms. The defined benefit obligations and the related services costs are determined separately for each plan at each reporting date by a qualified actuary, using the Projected Unit Credit method.

The expected future payments are discounted to present value using market yields at the reporting date on Commonwealth government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Actuarial gains and losses of the defined benefits superannuation plans are immediately recognised as other movements under 'all other movements in equity' in the Operating Statement.

The amounts recognised in the Balance Sheet represent the present value of the defined benefit obligations, reduced by the fair value of the associated plan assets. The assets of these plans are held separately from the public sector's general assets.

The value of unfunded liabilities reported in the ARSF will differ to the liabilities reported by GESB due to the application of different accounting standards which result in the application of different measurement methodologies¹.

The defined contribution plans are superannuation plans in which the employer pays a defined contribution amount into a separate fund. Contributions to defined contribution plans are charged to the Operating Statement as incurred. The public sector has no further obligation to the plans as scheme members assume the investment risk.

See also Note 3(i): *Expense Recognition*.

¹ Since 2016-17, GESB has valued and reported unfunded superannuation liabilities in accordance with the requirements of AASB 1056: *Superannuation Entities*, while for the purposes of the *Annual Report on State Finances*, the liabilities will continue to be valued in line with AASB 119: *Employee Benefits*. The two standards allow for the use of different discount factors which will result in a different valuation for the two entities. In addition, GESB reports an employer-sponsored receivable (being the difference between the defined benefit liability and the assets available to meet the liability). The employer sponsored receivable is not reciprocated in a separately identifiable payable in the *Annual Report on State Finances*.

Other employee benefits

Annual Leave and Long Service Leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments, consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match as closely as possible the estimated future cash payments.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the public sector does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Other compensated absences

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past experience indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As accumulated sick leave does not give rise to a liability should the employee leave the public sector, an expense is recognised in the Operating Statement for this leave as it is taken.

Other provisions

Employment On-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are not included as part of the salaries expense and the related on-cost liability is recognised separately from the employee benefit provision.

Decommissioning, Restoration and Rehabilitation

A provision is recognised where the public sector has a legal or constructive obligation in respect of plant decommissioning, restoration and site rehabilitation works. Estimates are based on the present value of expected future cash payments.

Where leased premises are required to be restored to original condition at the end of the respective lease terms, a provision is recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs are capitalised as part of the cost of leasehold improvements or right-of-use assets and are amortised over the shorter of the lease term and the useful life of the assets.

A restoration provision is recognised when:

- there is a present obligation as a result of activities undertaken by agencies;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the provision can be measured reliably.

Native Title Compensation

The Commonwealth's *Native Title Act 1993* provides the legal framework for recognising Native Title rights and interests in land and waters, and for compensating Native Title holders where those rights have been extinguished, impaired or otherwise affected by government actions (including legislation). The Department of the Premier and Cabinet is responsible for responding to Native Title compensation claims and settling Native Title compensation matters on behalf of the State.

Native Title determination confirms whether Native Title exists over particular land or waters and identifies the Native Title holder(s) and the nature and extent of their rights. However, a determination does not, of itself, determine that compensation is payable by the State. Such legal right to compensation is only confirmed through the Native Title compensation process or upon the formalisation of a settlement agreement.

The progression of litigation and development of evidence during the litigation process do not, of themselves, confirm that the State has a present legal obligation.

Significant judgement is involved in determining the timing of recognising a financial provision or liability, and/or when a contingent liability may be disclosed. This requires a case-by-case assessment based on available evidence at the end of each reporting period.

At the point when a court determines an outcome or the parties enter into an agreement, a financial liability is recognised.

A provision for Native Title settlement(s) is recognised when an expert valuation as a best estimate of the associated financial obligations based on agreed terms incorporated in negotiated settlements or court determinations is available. Until such financial obligations can be reliably estimated, the existence of an unquantified contingent liability is disclosed (refer Note 33: *Contingent Assets and Liabilities*).

In extremely rare circumstances, where the disclosure of the Native Title compensation claims is expected to seriously prejudice the position of the State in its dispute, reduced disclosure may be applied (to preserve or protect the State's negotiating position).

(aa) Future Impact of Australian Accounting Standards That Are Not Yet Operative

After assessment of Australian Accounting Standards and Interpretations with future commencement dates, it has been determined that these Standards and Interpretations are either not applicable or are not expected to have a material impact on the total public sector or the general government sector.

(bb) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

NOTE 4: CONVERGENCE DIFFERENCES

Where possible, AASB 1049 harmonises GFS and accounting concepts into a single presentation. Where harmonisation cannot be achieved as a result of differences in definition, recognition, measurement, classification and consolidation principles and rules, a convergence difference arises.

Full convergence on GFS and Generally Accepted Accounting Principles (GAAP) has not been achieved. This means that there are some differences between AASB 1049 aggregates in this report and the GFS information that the ABS reports.

The following key convergence differences relate to the 30 June 2026 results.

- GFS recognises dividends to owners by the public corporations sectors as a GFS expense, whereas under GAAP they are treated as a distribution to owners and therefore a direct reduction of accumulated funds. This difference does not flow through to the total public sector as dividends are eliminated on consolidation.
- GFS does not recognise an allowance for doubtful debts as the statistical framework only recognises bad debts when they are written off. Under GAAP, an allowance for doubtful debts is recognised in the balance sheet and doubtful debts are recognised in the Operating Statement as ‘other economic flows’.
- Transactions with owners as owners (such as equity injections) are excluded from the ‘total change in net worth’. However, these transactions are included in the movement in GFS net worth. These types of transactions result in a convergence difference as the total change in net worth under GAAP is disclosed before such transactions, while under GFS, these transactions are included in the movement in GFS net worth.

These convergence differences do not present material variations in the presentation of Western Australia’s data under GAAP and GFS.

NOTE 5: CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT

General Government		
	2026	2025
	\$m	\$m
EXPENSES		
General public services	2,206	1,803
Public order and safety	5,742	5,364
Economic affairs	2,593	3,096
Environmental protection	714	694
Housing and community amenities	1,973	1,817
Health	15,566	14,471
Recreation, culture and religion	1,329	1,179
Education	9,498	8,887
Social protection	4,364	4,405
Transport	4,582	4,320
TOTAL EXPENSES	48,568	46,037
ASSETS AT 30 JUNE		
General public services	12,365	10,794
Public order and safety	6,691	6,239
Economic affairs	3,592	3,224
Environmental protection	6,078	5,534
Housing and community amenities	6,381	5,115
Health	13,534	12,003
Recreation, culture and religion	5,690	5,241
Education	23,805	21,670
Social protection	343	321
Transport	87,061	73,794
<i>plus</i> Investments in other public sector entities	105,174	94,216
TOTAL ASSETS	270,714	238,151

Note: Columns may not add due to rounding.

**NOTE 5: CLASSIFICATION OF THE FUNCTIONS OF
GOVERNMENT (CONT.)**

Total Public Sector		
	2026	2025
	\$m	\$m
EXPENSES		
General public services	1,941	1,562
Public order and safety	5,632	5,290
Economic affairs	53,387	42,873
Environmental protection	701	670
Housing and community amenities	3,399	3,246
Health	15,459	14,368
Recreation, culture and religion	4,563	4,493
Education	9,289	8,689
Social protection	4,807	4,613
Transport	5,987	5,468
TOTAL EXPENSES	105,165	91,274
ASSETS AT 30 JUNE		
General public services	17,987	18,545
Public order and safety	6,688	6,234
Economic affairs	57,838	51,010
Environmental protection	6,075	5,532
Housing and community amenities	42,293	38,219
Health	13,534	12,003
Recreation, culture and religion	7,284	6,735
Education	23,805	21,670
Social protection	27,092	22,799
Transport	117,488	103,640
TOTAL ASSETS	320,084	286,389

Note: Columns may not add due to rounding.

NOTE 6: OPERATING REVENUE

A detailed disclosure of general government and total public sector operating revenue (which includes Uniform Presentation Framework requirements) is included in Appendix 2: *Operating Revenue*.

NOTE 7: DEPRECIATION AND AMORTISATION EXPENSE

General Government		
	2026	2025
	\$m	\$m
<i>Depreciation</i>		
Property, Plant and Equipment		
Buildings	829	700
Infrastructure	820	736
Plant, equipment and other	359	351
Right-of-use assets	429	404
Service concession assets		
Buildings	26	21
Infrastructure	1	1
Plant, equipment and other	2	2
<i>Total</i>	<i>2,465</i>	<i>2,215</i>
<i>Amortisation</i>		
Intangible assets	88	97
Service concession intangible assets	6	8
<i>Total</i>	<i>94</i>	<i>105</i>
Total depreciation and amortisation expenses	2,559	2,320
Total Public Sector		
	2026	2025
	\$m	\$m
<i>Depreciation</i>		
Property, Plant and Equipment		
Buildings	1,130	951
Infrastructure	3,716	3,394
Plant, equipment and other	954	913
Right-of-use assets	548	513
Service concession assets		
Buildings	55	45
Infrastructure	4	4
Plant, equipment and other	5	6
<i>Total</i>	<i>6,413</i>	<i>5,824</i>
<i>Amortisation</i>		
Intangible assets	207	193
Service concession intangible assets	6	8
<i>Total</i>	<i>213</i>	<i>201</i>
Total depreciation and amortisation expenses	6,626	6,025

Note: Columns may not add due to rounding.

NOTE 8: OTHER GROSS OPERATING EXPENSES

General Government		
	2026	2025
	\$m	\$m
Services purchased from non-government agencies	2,228	2,129
Health sector specific expenses	2,283	2,101
Education sector specific expenses	938	894
Consumable expenses	753	761
Other	2,311	2,099
Total	8,513	7,985

Total Public Sector		
	2026	2025
	\$m	\$m
Gold Corporation cost of goods sold	43,955	32,787
Betting dividends payouts	1,722	1,854
Health sector specific expenses	2,283	2,101
Services purchased from non-government agencies	2,241	2,141
Electricity, gas and other direct costs	2,048	2,115
Insurance claims expenses	946	1,155
Education sector specific expenses	938	894
Consumable expenses	543	558
Other	4,809	4,471
Total	59,486	48,076

Note: Columns may not add due to rounding.

NOTE 9: OTHER INTEREST

General Government		
	2026	2025
	\$m	\$m
Interest on leases	182	190
Other interest	1,095	1,017
Total	1,277	1,208

Total Public Sector		
	2026	2025
	\$m	\$m
Interest on leases	249	258
Other interest	1,926	1,777
Total	2,174	2,035

Note: Columns may not add due to rounding.

NOTE 10: TRANSFER EXPENSES

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

The following tables provide detail of current and capital transfer expenses of the general government sector and the total public sector, in line with Uniform Presentation Framework disclosure requirements.

TRANSFER EXPENSES		
General Government		
	2026	2025
	\$m	\$m
<i>CURRENT TRANSFERS</i>		
Local government	512	464
Private and not-for-profit sector	2,896	2,723
Other sectors of government	5,662	5,972
Total Current Transfers	9,070	9,159
<i>CAPITAL TRANSFERS</i>		
Local government	177	235
Private and not-for-profit sector	136	153
Other sectors of government	384	388
Total Capital Transfers	698	776
Total Public Sector		
	2026	2025
	\$m	\$m
Local government	552	468
Private and not-for-profit sector	4,311	4,699
Other sectors of government	1,414	1,476
Total Current Transfers	6,276	6,642
<i>CAPITAL TRANSFERS</i>		
Local government	178	240
Private and not-for-profit sector	166	181
Total Capital Transfers	343	422

Note: Columns may not add due to rounding.

NOTE 11: RECEIVABLES

General Government

	2026	2025
	\$m	\$m
Receivables	6,875	5,377
Provision for impairment of receivables	-315	-275
Total receivables	6,559	5,102
<i>Reconciliation of changes in the allowance for impairment of receivables:</i>		
<i>Balance at start of year</i>	275	190
Expected credit losses expense	90	51
Amounts written-off during the year	-46	32
Amounts recovered during the year	-4	2
Balance at the end of year	315	275

Total Public Sector

	2026	2025
	\$m	\$m
Receivables	8,766	7,582
Provision for impairment of receivables	-501	-447
Total receivables	8,265	7,135
<i>Reconciliation of changes in the allowance for impairment of receivables:</i>		
<i>Balance at start of year</i>	447	348
Expected credit losses expense	109	62
Amounts written-off during the year	-26	52
Amounts recovered during the year	-28	-14
Balance at the end of year	501	447

Note: Columns may not add due to rounding.

NOTE 12: LAND

General Government

	2026	2025
	\$m	\$m
Land, at fair value ^(a)	21,194	17,942
Land under roads, at fair value ^(b)	42,964	35,751
Total	64,157	53,693

Total Public Sector

	2026	2025
	\$m	\$m
Land, at fair value ^(a)	35,069	29,918
Land under roads, at fair value ^(b)	42,964	35,751
Total	78,033	65,669

(a) Land valuations are provided by the Western Australian Land Information Authority (Valuation Services Branch) each financial year with an effective date of 1 July. The valuation is based on information on the stock of land as at 30 June 2025. Land vested in local authorities of \$4,278 million (2025: \$3,175 million) is not recognised in the consolidated Balance Sheet, as it is not under State public sector control.

(b) Land under roads valuations are provided by the Western Australian Land Information Authority (Valuation Services) each financial year with an effective date of 1 July. The valuation for 30 June 2026 is based on information on the stock of land as at 30 June 2025.

Note: Columns may not add due to rounding.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

General Government		
	2026	2025
	\$m	\$m
Buildings, at fair value ^(a)	30,718	28,150
Accumulated Depreciation	-1,182	-934
Total	29,536	27,217
Road networks, at fair value ^(b)	60,088	51,811
Accumulated Depreciation	-21,025	-18,154
Total	39,063	33,657
Other infrastructure, at fair value	4,791	4,554
Accumulated Depreciation	-666	-542
Total	4,125	4,013
Plant, equipment and other, at fair value	6,477	6,136
Accumulated Depreciation	-3,155	-2,943
Total	3,322	3,194
Fixed assets under construction	4,717	4,008
Total Property, Plant and Equipment	80,763	72,089
Total Public Sector		
	2026	2025
	\$m	\$m
Buildings, at fair value ^(a)	45,696	40,153
Accumulated Depreciation	-2,827	-2,286
Total	42,868	37,867
Electricity generation and transmission, at fair value ^(c)	38,908	34,302
Accumulated Depreciation	-15,014	-13,435
Total	23,894	20,867
Road networks, at fair value ^(b)	60,111	51,832
Accumulated Depreciation	-21,027	-18,154
Total	39,084	33,679
Water storage and distribution, at fair value ^(d)	44,528	42,238
Accumulated Depreciation	-20,225	-18,893
Total	24,304	23,345
Other infrastructure, at fair value	51,925	48,530
Accumulated Depreciation	-27,873	-27,123
Total	24,052	21,406
Plant, equipment and other, at fair value	24,438	23,560
Accumulated Depreciation	-12,706	-11,988
Total	11,733	11,572
Fixed assets under construction	14,148	14,100
Total Property, Plant and Equipment	180,083	162,837

(a) Building valuations are provided by Western Australian Land Information Authority (Valuation Services) and by other independent professional valuers. Revaluations are made with sufficient regularity to ensure that the carrying amount does not materially differ from fair value at reporting date.

(b) Road infrastructure comprising roads, bridges and road furniture is measured at fair value based on current replacement cost methodologies. Asset values are determined using construction unit rates provided by independent professional valuers specialising in road infrastructure assets and adjusted using relevant cost indices to ensure carrying values do not materially differ from fair value.

(c) Electricity generation and transmission includes the cost of decommissioning of property, plant and equipment including the cost of dismantling and removing the asset and restoring the site on which it is located, to the extent that these costs are also recognised as a provision.

(d) Water storage and distribution, comprising pipelines, outfalls and fittings, dams, reservoirs, bores and tanks, ocean outfalls, pump stations and treatment plants, drains and channels and other structures, are reported at deemed cost, being a revalued amount prior to transition that approximates the fair value as at date of valuation.

Note: Columns may not add due to rounding.

NOTE 14: RECONCILIATION OF LAND AND PROPERTY, PLANT AND EQUIPMENT (a)

General Government

	Land	Land under Roads	Buildings	Road networks	Other Infra- structure	Plant, equip & other	Fixed Assets under Construction	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
30 June 2026								
<i>Carrying amount at beginning of year</i>	17,942	35,751	27,217	33,657	4,013	3,194	4,008	125,782
Assets classified as held for sale	-17	-	-5	-	4	-	-	-19
Additions	199	-	110	-	62	362	3,557	4,290
Disposals	-42	-	-43	-79	-2	-54	-3	-223
Transfers in/-out	36	8	1,057	1,645	65	204	-2,833	183
Revaluation increments/-decrements	3,078	7,204	2,041	4,533	109	-21	-	16,945
Depreciation	-	-	-829	-693	-127	-359	-	-2,008
Impairment losses	-	-	-	-	-	-	-1	-1
Other	-3	-	-11	-	2	-5	-11	-28
Carrying amount at end of year	21,194	42,964	29,536	39,063	4,125	3,322	4,717	144,921
30 June 2025								
<i>Carrying amount at beginning of year</i>	15,544	30,980	23,516	29,255	3,724	3,039	6,120	112,177
Assets classified as held for sale	-2	-	-	-	-	-	-	-2
Additions	76	-	63	-	19	343	3,515	4,016
Disposals	-8	-	-25	-63	-4	-41	-3	-144
Transfers in/-out	85	85	741	4,420	125	208	-5,604	60
Revaluation increments/-decrements ^(b)	2,228	4,686	3,602	668	263	5	-	11,451
Depreciation	-	-	-700	-622	-113	-351	-	-1,787
Other	20	-	21	-	-	-9	-20	11
Carrying amount at end of year	17,942	35,751	27,217	33,657	4,013	3,194	4,008	125,782

(a) Information on fair value measurements is provided in Note 15.

(b) Revaluation increments include the implementation of AASB 2022-10: *Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-profit Public Sector Entities*. The Western Australian Land Information Authority's (Valuation Services) methodology takes into consideration the comparable utility of land assets to service the functions of public sector agencies. Revaluation increments for buildings also reflects the inclusion of professional and project management fees.

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

NOTE 14: RECONCILIATION OF LAND AND PROPERTY, PLANT AND EQUIPMENT ^(a)(CONT.)

Total Public Sector										
	Land	Land under Roads	Buildings	Electricity generation and transmission	Road networks	Water storage and distribution	Other Infra-structure	Plant, equip & other	Fixed Assets under Construction	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
30 June 2026										
<i>Carrying amount at beginning of year</i>	29,918	35,751	37,867	20,867	33,679	23,345	21,406	11,572	14,100	228,506
Assets classified as held for sale	-17	-	-15	-	-	-	4	-127	-	-156
Additions	437	-	225	178	-	199	67	470	10,628	12,204
Disposals	-78	-	-78	-30	-79	-7	-8	-94	-4	-379
Transfers in/-out	-564	8	2,012	2,749	1,645	355	3,294	818	-10,549	-232
Revaluation increments/-decrements	5,375	7,204	3,953	1,670	4,533	988	124	59	-	23,907
Depreciation	-	-	-1,130	-1,612	-694	-578	-832	-954	-	-5,801
Impairment losses	-	-	-	-	-	-	-	-	-10	-10
Other	-2	-	35	72	-	-	-1	-10	-18	76
Carrying amount at end of year	35,069	42,964	42,868	23,894	39,084	24,304	24,052	11,733	14,148	258,115
30 June 2025										
<i>Carrying amount at beginning of year</i>	25,679	30,980	32,082	18,506	29,264	22,123	15,778	11,233	17,024	202,667
Assets classified as held for sale	-7	-	-1	-	-	-	-	-	-	-8
Additions	292	-	297	128	-	145	38	394	11,905	13,198
Disposals	-32	-	-59	-20	-63	-8	-20	-54	-4	-261
Transfers in/-out	182	85	1,322	1,644	4,432	520	5,878	867	-14,781	149
Revaluation increments/-decrements ^(b)	3,783	4,686	5,107	1,465	668	1,119	483	54	-	17,365
Depreciation	-	-	-951	-1,472	-622	-552	-747	-913	-	-5,257
Other	22	-	70	615	-	-	-2	-8	-44	652
Carrying amount at end of year	29,918	35,751	37,867	20,867	33,679	23,345	21,406	11,572	14,100	228,506

(a) Information on fair value measurements is provided in Note 15.

(b) Revaluation increments include the implementation of AASB 2022-10: *Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-profit Public Sector Entities*. The Western Australian Land Information Authority's (Valuation Services) methodology takes into consideration the comparable utility of land assets to service the functions of public sector agencies. Revaluation increments for buildings also reflects the inclusion of professional and project management fees.

Note: Columns/rows may not add due to rounding

NOTE 15: FAIR VALUE MEASUREMENTS

General Government

Assets measured at fair value

	Level 1 ^(a)	Level 2 ^(b)	Level 3 ^(c)	Fair value at end of period
	\$m	\$m	\$m	\$m
30 June 2026				
Assets classified as held for sale (Note 22)	-	15	47	62
Land (Note 12,14)	-	3,881	17,312	21,194
Land under roads (Note 12,14)	-	-	42,964	42,964
Buildings (Note 13,14)	-	597	28,939	29,536
Road networks (Note 13,14)	-	-	39,063	39,063
Other infrastructure (Note 13,14)	-	-	4,125	4,125
Plant, equipment and other (Note 13,14)	-	1	3,321	3,322
Service concession assets - Land (Note 18)	-	-	75	75
Service concession assets - Buildings (Note 18)	-	-	1,142	1,142
Service concession assets - Other infrastructure (Note 18)	-	-	32	32
Service concession assets - Plant, equipment and other (Note 18)	-	-	9	9
Biological assets (Note 19)	-	3	7	10
Investment property (Note 23)	-	-	-	-
Total	-	4,498	137,035	141,534

	Level 1 ^(a)	Level 2 ^(b)	Level 3 ^(c)	Fair value at end of period
	\$m	\$m	\$m	\$m
30 June 2025				
Assets classified as held for sale (Note 22)	-	10	14	24
Land (Note 12,14)	-	3,316	14,626	17,942
Land under roads (Note 12,14)	-	-	35,751	35,751
Buildings (Note 13,14)	-	575	26,642	27,217
Road networks (Note 13,14)	-	-	33,657	33,657
Other infrastructure (Note 13,14)	-	-	4,013	4,013
Plant, equipment and other (Note 13,14)	-	2	3,192	3,194
Service concession assets - Land (Note 18)	-	-	64	64
Service concession assets - Buildings (Note 18)	-	-	1,057	1,057
Service concession assets - Other infrastructure (Note 18)	-	-	33	33
Service concession assets - Plant, equipment and other (Note 18)	-	-	9	9
Biological assets (Note 19)	-	3	7	9
Investment property (Note 23)	-	2	-	2
Total	-	3,908	119,066	122,973

(a) Assets valued using quoted prices (unadjusted) in active markets for identical assets.

(b) Assets valued using inputs based on observable market data (either directly or indirectly).

(c) Assets valued using inputs not based on observable market data.

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

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

Measurement of fair values

Transfers between Level 1, 2 and 3

No material transfers between fair value hierarchy levels for agencies with significant asset values within the general government sector for the periods ended 30 June 2026 and 30 June 2025.

Valuation techniques to derive Level 2 fair values

There were no significant changes in valuation techniques during the period.

The following valuation techniques to derive Level 2 fair values have been identified for agencies with significant asset values within the general government sector.

Level 2 fair values of assets classified as held for sale, land, buildings, plant, equipment and 'other', biological assets and investment properties are derived using the market approach.

Market evidence of sales prices of comparable assets is used to determine price per square metre for land and buildings, with adjustments made for differences in key attributes.

Assets held for sale have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets.

Fair value of biological assets has been determined based on market prices of livestock of similar age, breed and generic merit.

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

General Government

Fair value measurements using significant unobservable inputs (Level 3)

	Fair value at start of period	Additions	Revaluation increments/- decrements(a)	Revaluation increments/- decrements(b)	Transfers from/to Level 2	Transfers between asset classes	Disposals	Depreciation	Other	Fair value at end of period
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
30 June 2026										
Assets classified as held for sale	14	-	2	-	-	7	-	-	23	47
Land	14,626	18	-	2,604	36	45	-14	-	-4	17,312
Land under Roads	35,751	73	-	7,143	-	-3	-	-	-	42,964
Buildings	26,642	407	-	1,896	-10	709	-41	-742	77	28,939
Road networks	33,657	3,177	-	4,533	-	-1,524	-87	-693	-	39,063
Other Infrastructure	4,013	62	-	109	-	68	-2	-127	2	4,125
Plant, equipment & other	3,192	362	-	-20	-	200	-54	-359	-1	3,321
Service Concession assets - Land	64	-	-	11	-	-	-	-	-	75
Service Concession assets - Buildings	1,057	21	-	90	-	-	-	-26	-	1,142
Service concession assets - Other infrastructure	33	-	-	-	-	-	-	-1	-	32
Service concession assets - Plant, equipment & other	9	2	-	-	-	-	-	-2	-	9
Biological assets	7	-	1	-	-	-	-1	-	-	7

(a) Recognised in Operating Statement.

(b) Recognised in 'All other movements in equity'.

Note: Rows may not add due to rounding.

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

General Government

Fair value measurements using significant unobservable inputs (Level 3)

	Fair value at start of period	Additions	Revaluation increments/- decrements(a)	Revaluation increments/- decrements(b)	Transfers from/-to Level 2	Transfers between asset classes	Transfers from/-to other sectors of government	Disposals	Depreciation	Other	Fair value at end of period
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
30 June 2025											
Assets classified as held for sale	14	-	-	-	-	-	-	-	-	-	14
Land	12,470	86	-	1,852	185	20	-	-11	-	22	14,626
Land under Roads	30,980	-	-	4,686	-	85	-	-	-	-	35,751
Buildings	23,003	146	-	3,397	63	667	-	-26	-668	59	26,642
Road networks	29,255	-	-	668	-	4,420	-	-63	-622	-	33,657
Other Infrastructure	3,724	28	-	263	-	29	88	-4	-113	-	4,013
Plant, equipment & other	3,037	340	-	4	-	208	-	-41	-351	-4	3,192
Service Concession assets - Land	64	-	-	7	-	-8	-	-	-	-	64
Service Concession assets - Buildings	935	48	-	150	-	-56	-	-	-21	-	1,057
Service concession assets - Other infrastructure	38	-	-	1	-	-5	-	-	-1	-	33
Service concession assets - Plant, equipment & other	12	-	-	-	-	-	-	-	-2	-	9
Biological assets	5	4	-1	-	-2	-	-	-	-	-	7

(a) Recognised in Operating Statement.

(b) Recognised in 'All other movements in equity'.

Note: Rows may not add due to rounding.

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

Valuation processes

There were no significant changes to valuation processes within the general government sector for the period ended 30 June 2026.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as assets held for sale as the State's Treasurer's Instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Valuation techniques to derive Level 3 fair values

There were no significant changes in valuation methodologies within the general government sector for the period ended 30 June 2026.

The following valuation techniques have been identified for agencies with significant Level 3 asset values within the general government sector, reflecting the accounting policy of the agencies with such assets.

Fair value for restricted-use land is based on comparison with market evidence for land with low-level utility (high restricted-use land). The relevant comparators of land with low-level utility is selected by Valuation Services and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

Fair value for current-use land assets is measured firstly by establishing the opportunity cost of public purpose land, which is termed the hypothetical alternate land use value. This approach assumes unencumbered land use based upon potential highest and best alternative use as represented by surrounding land uses and market analysis. Fair value of the land is then determined on the assumption that the site is rehabilitated to a vacant marketable condition. This requires costs associated with rehabilitation to be deducted from the hypothetical alternate land-use value of the land. Costs may include building demolition, clearing, planning approvals and time allowances associated with realising that potential. In some instances the legal, physical, economic and socio-political restrictions on a land parcel results in a minimal or negative current use land value. In this situation, the land value adopted is the higher of the calculated rehabilitation amount or the amount determined on the basis of comparison to market-corroborated evidence of land with low-level utility. Land of low-level utility is considered to be grazing land on the urban fringe of the metropolitan area with no economic farming potential or foreseeable development or redevelopment potential at the measurement date.

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

Fair value for existing use specialised buildings, other infrastructure, road networks, and plant, equipment and 'other' is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset (i.e. the current replacement cost). Current replacement cost is the current cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset. Obsolescence encompasses physical deterioration, functional (technological) obsolescence, and economic (external) obsolescence. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Valuation using current replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of an asset which is estimated by Valuation Services. The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings and infrastructure.

Professional and project management fees have been estimated and added to the current replacement costs provided by Valuation Services for current use buildings, representing significant Level 3 inputs used in the valuation process.

Current replacement cost for road networks is determined every three years by reference to the cost of a new asset and adjusted in the intervening years by reference to a cost index (ABS Road and Bridge Construction Cost index or rates obtained by professional estimators specialising in road infrastructure works) to ensure asset values do not materially differ from fair value.

The State Library of Western Australia adopts a cyclical approach to valuing its collections. Most items undergo a full valuation every five years, with items worth less than \$5,000 assessed using sampling techniques. Rare books and private archives are valued annually, with heritage collections and Works of Art occurring every five years.

Fair value for the Art Gallery of Western Australia's Works of Art collection and the Western Australian Museum collections are valued every five years. For the Art Gallery, a sampling methodology is employed due to the specialised nature of the collection, using specific criteria to estimate fair value in the absence of readily available market-based evidence. The Museum's collections are valued using a combination of market values and recollection costs as applicable.

Fair value for assets classified as held for sale or for distribution to owners has been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets.

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

The valuation of biological assets contains key estimates and assumptions made concerning the future, and other estimations of uncertainty as at 30 June 2026. Variations to these estimates carry a risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year. Fair value for biological assets is based on estimating the future harvests after considering constraints imposed by sustainable management, contracts and markets. The valuation model for standing timber considers the present value of the net cash flows to be generated from the forest.

The Level 3 inputs used are derived and evaluated as follows.

Selection of land with similar approximate utility

Fair value for restricted-use land is determined by comparison with market evidence for land with low-level utility. Relevant comparators of land with low-level utility are selected by Valuation Services.

Difference between hypothetical alternate land use value and current-use land value

For current-use land assets, fair value is measured firstly by establishing the opportunity cost of public purpose land, which is termed the hypothetical alternate land use value.

Selection of land adjoining road reserve

The fair value of road infrastructure comprising of land under roads is determined by comparison with the unimproved land values for land tax purposes maintained by Valuation Services.

Consumed economic benefit/obsolescence of assets

This is estimated by Valuation Services and applies to the majority of the asset classes.

Effective age

The effective age is determined by Valuation Services for buildings and by the Department of Education's valuer for its building sub-classes, after taking into account factors such as planned routine maintenance, building improvements and upgrades.

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

Percentage rate of add-on cost – buildings and land improvements

Valuation Services has determined that the costs relating to contingencies, headworks and demolitions are inherent in the building valuations and therefore should not be added to its valuations. This also applies to the building sub-classes.

Professional and project fees

Professional and project fees which are directly attributable to bringing the asset to the location and condition for use as intended.

Average installation costs – transportable

The cost of transportation and connection of services is determined by a quantity surveyor.

Residual value of 25% of current replacement cost

The straight-line method of depreciation is applied to derive the depreciated replacement cost, assuming a uniform pattern of consumption over the initial 37 years of asset life (up to 75% of current replacement costs). All specialised buildings are assumed to have a residual value of 25% of their current replacement costs.

Application of a building utilisation category cost rate per square metre

The application of building utilisation category cost rate per square metre for hospitals and medical centres, calculated from the historical construction costs of similar facilities adjusted by a building cost index, to derive fair value.

Application of regional building cost indices

The fair value for some hospitals and medical centres includes the application of regional building construction cost indices where applicable.

Historical cost per cubic metre – road networks

The fair value of road infrastructure comprising of earthworks, pavements, drainage and seals, bridges and road furniture is calculated using construction unit rates determined by a professional quantity surveying firm and multiplying these by the units that form the infrastructure asset.

The fair value of road infrastructure comprising of principal shared paths and certain road furniture are extracted from financial records of the Commissioner of Main Roads and indexed by movements in the ABS Road and Bridge Construction Cost index.

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

Historical cost per library and Works of Art collection

The cost approach is based on the principle that the price that a buyer in the market would pay no more for an asset than the cost to obtain an asset of equal utility or similar characteristics, whether by purchase, by construction or by fieldwork. The cost of works of art and fieldworks for collections is extracted from financial records of the State Library of Western Australia and the Art Gallery of Western Australia.

Recollection costs

The application of recollection costs is applied to the market values to derive fair value of museum collections.

Estimated variables associated with biological assets

Unobservable variables are mainly represented by estimated future timber market price per cubic metre, estimated average volume per annum, applying a discount rate to assess net present value of cash flows.

Information about significant unobservable inputs (Level 3) in fair value measurements

The following table shows the valuation techniques used in measuring Level 3 fair values for significant asset classes, including the significant unobservable inputs used.

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

SIGNIFICANT UNOBSERVABLE INPUTSGeneral Government ^(a)

Asset Measured at Fair Value	Valuation Technique(s)	Unobservable inputs
Assets classified as held for sale	Market Approach	Consumed economic benefit/obsolescence of asset
Land	Market Approach	Selection of land with restricted utility
Land under roads	Market Approach	Selection of land adjoining road reserve
Buildings	Current Replacement Cost	Effective Age Professional and project fees Percentage rate add-on cost buildings and land improvements Average installation costs - transportables Residual value of 25% of current replacement cost Consumed economic benefit/obsolescence of asset Application of a building utilisation category cost rate per square meter (m ²) Application of regional building cost indices
Road networks	Current Replacement Cost	Historical cost per cubic metre (m ³) Consumed economic benefit/obsolescence of asset
Other infrastructure	Current Replacement Cost	Consumed economic benefit/obsolescence of asset Effective Age Percentage rate add-on cost buildings and land improvements Average installation costs - transportables
Plant, equipment and other		
<i>State Library collections and works of arts</i>	Current Replacement Cost	Historical cost per library and artwork collection Consumed economic benefit/obsolescence of asset
<i>Museum Collections and the Art Gallery Works of Arts</i>	Market Approach	Recollection costs Consumed economic benefit/obsolescence of asset
Biological assets		
<i>Standing Timber (Sandalwood)</i>	Discounted Cash Flow	Estimated future timber market prices Estimated average volume per annum

(a) Reconciliations of the opening and closing balances are provided in Notes 14, 18, 19, 22 and 23.

Basis of valuation

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on the use and disposal of these assets when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

Total Public Sector

Assets measured at fair value

	Level 1 ^(a) \$m	Level 2 ^(b) \$m	Level 3 ^(c) \$m	Fair value at end of period \$m
30 June 2026				
Assets classified as held for sale (Note 22)	-	27	184	211
Land (Note 12,14)	-	15,074	19,995	35,069
Land under roads (Note 12,14)	-	-	42,964	42,964
Buildings (Note 13,14)	-	11,873	30,995	42,868
Electricity generation and transmission (Note 13,14)	-	-	23,894	23,894
Road networks (Note 13,14)	-	-	39,084	39,084
Water storage and distribution (Note 13,14)	-	-	24,304	24,304
Other infrastructure (Note 13,14)	-	-	24,052	24,052
Plant, equipment and other (Note 13,14)	-	721	11,012	11,733
Service concession assets - Land (Note 18)	-	1,672	75	1,747
Service concession assets - Buildings (Note 18)	-	1,906	1,142	3,047
Service concession assets - Water storage and distribution (Note 18)	-	-	131	131
Service concession assets - Other infrastructure (Note 18)	-	-	32	32
Service concession assets - Plant, equipment and other (Note 18)	-	-	50	50
Biological assets (Note 19)	-	3	155	159
Investment property (Note 23)	-	24	-	24
Total	-	31,301	218,067	249,368

	Level 1 ^(a) \$m	Level 2 ^(b) \$m	Level 3 ^(c) \$m	Fair value at end of period \$m
30 June 2025				
Assets classified as held for sale (Note 22)	-	15	15	31
Land (Note 12,14)	-	13,033	16,885	29,918
Land under roads (Note 12,14)	-	-	35,751	35,751
Buildings (Note 13,14)	-	9,250	28,618	37,867
Electricity generation and transmission (Note 13,14)	-	-	20,867	20,867
Road networks (Note 13,14)	-	-	33,679	33,679
Water storage and distribution (Note 13,14)	-	-	23,345	23,345
Other infrastructure (Note 13,14)	-	-	21,406	21,406
Plant, equipment and other (Note 13,14)	-	634	10,939	11,572
Service concession assets - Land (Note 18)	-	1,367	64	1,431
Service concession assets - Buildings (Note 18)	-	1,450	1,057	2,506
Service concession assets - Water storage and distribution (Note 18)	-	-	133	133
Service concession assets - Other infrastructure (Note 18)	-	-	33	33
Service concession assets - Plant, equipment and other (Note 18)	-	-	53	53
Biological assets (Note 19)	-	3	208	210
Investment property (Note 23)	-	30	-	30
Total	-	25,781	193,053	218,833

(a) Assets valued using quoted prices (unadjusted) in active markets for identical assets.

(b) Assets valued using inputs based on observable market data (either directly or indirectly).

(c) Assets valued using inputs not based on observable market data.

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

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

Measurement of fair values

Transfers between Level 1, 2 and 3

There were no material transfers between fair value hierarchy levels for agencies with significant asset values within the total public sector for the period ending 30 June 2026 and 30 June 2025.

Valuation techniques to derive Level 2 fair values

There were no significant changes in valuation techniques during the period.

The valuation techniques to derive Level 2 fair values disclosed in the general government sector above also applies to the total public sector. In addition, the disclosure below is specific to the total public sector.

The fair values of Level 2 plant, equipment and 'other' are derived using current replacement cost. These assets include buses owned by the Public Transport Authority. Market evidence of sales prices of bus contracts held by the Public Transport Authority are used to determine the fair value.

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

Total Public Sector

Fair value measurements using significant unobservable inputs (Level 3)

	Fair value at start of period	Additions	Revaluation increments/- decrements (a)	Revaluation increments/- decrements (b)	Transfers from/to Level 2	Transfers between asset classes	Disposals	Depreciation	Other	Fair value at end of period
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
30 June 2026										
Assets classified as held for sale	15	-	2	-	-	145	-1	-	23	184
Land	16,885	170	-	2,891	2	68	-18	-	-4	19,995
Land under Roads	35,751	73	-	7,143	-	-3	-	-	-	42,964
Buildings	28,618	475	-	2,011	-3	735	-46	-907	112	30,995
Electricity generation and transmission	20,867	350	-	1,670	-	3,150	-61	-2,226	143	23,894
Road networks	33,679	3,177	-	4,533	-	-1,524	-87	-694	-	39,084
Water storage and distribution	23,345	199	-	988	-	355	-7	-578	-	24,304
Other Infrastructure	21,406	3,209	-	124	-	219	-14	-875	-17	24,052
Plant, equipment & other	10,939	481	-	59	-	773	-113	-1,107	-19	11,012
Service Concession assets - Land	64	-	-	11	-	-	-	-	-	75
Service Concession assets - Buildings	1,057	21	-	90	-	-	-	-26	-	1,142
Service Concession Assets - Water storage and distribution	133	-	-	-	-	-	-	-3	-	131
Service concession assets - Other infrastructure	33	-	-	-	-	-	-	-1	-	32
Service concession assets - Plant, equipment & other	53	5	-	-	-	-	-	-9	-	50
Biological assets	208	12	-64	-	-	-	-	-	-	155

(a) Recognised in Operating Statement.

(b) Recognised in 'All other movements in equity'.

Note: Rows may not add due to rounding.

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

Total Public Sector

Fair value measurements using significant unobservable inputs (Level 3)

	Fair value at start of period	Additions	Revaluation increments/- decrements (a)	Revaluation increments/- decrements (b)	Transfers from/-to Level 2	Transfers between asset classes	Disposals	Depreciation	Other	Fair value at end of period
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
30 June 2025										
Assets classified as held for sale	102	1	-	-	-	-88	-	-	-	15
Land	14,308	174	-	2,253	119	21	-11	-	21	16,885
Land under Roads	30,980	85	-	4,686	-	-	-	-	-	35,751
Buildings	24,658	201	-	3,634	63	813	-30	-779	58	28,618
Electricity generation and transmission	18,506	128	-	1,465	-	1,644	-19	-1,472	615	20,867
Road networks	29,264	12	-	668	-	4,420	-63	-622	-	33,679
Water storage and distribution	22,123	145	-	1,119	-	520	-8	-552	-	23,345
Other Infrastructure	15,778	5,546	-	483	-	369	-20	-747	-2	21,406
Plant, equipment & other	10,648	468	-	36	-	697	-54	-852	-4	10,939
Service Concession assets - Land	64	-	-	7	-	-8	-	-	-	64
Service Concession assets - Buildings	935	48	-	150	-	-56	-	-21	-	1,057
Service Concession Assets - Water storage and distribution	136	-	-	-	-	-	-	-3	-	133
Service concession assets - Other infrastructure	38	-	-	1	-	-5	-	-1	-	33
Service concession assets - Plant, equipment & other	60	-	-	-	-	-	-	-6	-	53
Biological assets	230	18	-37	-	-2	-	-	-	-	208

(a) Recognised in Operating Statement.

(b) Recognised in 'All other movements in equity'.

Note: Rows may not add due to rounding.

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

Valuation processes

There were no significant changes to valuation processes for the period ended 30 June 2026.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as the State's Treasurer's Instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Valuation techniques to derive Level 3 fair values

There were no significant changes in valuation techniques during the period. In addition, the following valuation techniques have been identified for public corporations with significant Level 3 asset values within the total public sector.

Fair value for restricted-use land is based on comparison with market evidence for land with low-level utility (high restricted-use land). The relevant comparators of land with low-level utility is selected by Valuation Services and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

Fair value for existing-use specialised buildings, electricity generation and transmission, water storage and distribution, other infrastructure, road networks, and plant, equipment and 'other' is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset (i.e. the current replacement cost). Current replacement cost is the current cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Fair value for existing-use specialised infrastructure assets is calculated by reference to the historical cost indexed by a combination of the following price indices as published by the ABS.

- Producer Price Index for building construction in Western Australia (approximately 82% weighting).

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

- Labour Price Index for total hourly rates of pay excluding bonuses using the index covering Australia; private industry; electricity, gas, water and waste supply; and all occupations (approximately 15% weighting).
- Consumer Price Index for all groups in Perth (approximately 3% weighting).
- Professional, Scientific and Technical Services in Western Australia (67% weighting).
- Administrative and Support Services in Western Australia (33% weighting).

Fair value for biological assets is based on estimating the future harvests after considering constraints imposed by sustainable management, contracts and markets, as a result, fair value is determined based on historical volume increases and historical cash flows, adjusted for known variances. The valuation model for standing timber considers the present value of the net cash flows to be generated from the forest. The cash flow projections include specific estimates for Sandalwood Plantations of 12 years and standing timber softwood plantations of approximately 30 years dependant on species and market conditions. The expected net cash flows are discounted using a risk adjusted discounted rate.

The Level 3 inputs disclosed in the general government sector above also applies to the total public sector. In addition, the disclosures below are specific to the total public sector.

Historical cost of specialised electricity infrastructure per square kilometre

Historical cost of electricity infrastructure per square kilometre is extracted from the financial records of Western Power, then indexed by a combination of observable price indices for electricity-related goods and services.

Historical cost of specialised water storage and distribution

Historical cost of water storage and distribution is extracted from the financial records of the Water Corporation, then indexed by a combination of observable price indices.

Application of Channel dredging quantities and costs

The application of dredging quantities and recent dredging costs specific to channels is applied to specialised Port plant, equipment, and 'other' assets, to derive fair value.

Freight, Railway and Bus Infrastructure

The unobservable inputs for Public Transport Authority infrastructure assets have been estimated by a combination of internal asset management experts, applying relevant observable price indices and unit rates determined by a professional independent valuation.

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

Estimated variables associated with biological assets

The unobservable variables are mainly represented by estimated future timber market price per cubic metre, estimated production costs, estimated average volume per annum and changes in forward exchange rates, discounted at the rates for 2026 provided by an independent valuation obtained by the Forest Products Commission.

Information about significant unobservable inputs (Level 3) in fair value measurements

The following table shows the valuation techniques used in measuring Level 3 fair values, for significant asset classes, including the significant unobservable inputs used.

SIGNIFICANT UNOBSERVABLE INPUTS		
Total Public Sector ^(a)		
Asset Measured at Fair Value	Valuation Technique(s)	Unobservable inputs
Assets classified as held for sale	Market Approach	Consumed economic benefit/obsolescence of asset
Land	Market Approach	Selection of land with similar approximate utility Selection of land with restricted utility
Land under roads	Market Approach	Selection of land adjoining road reserve
Buildings	Current Replacement Cost	Effective Age Professional and project fees Percentage rate add-on cost buildings and land improvements Average installation costs - transportables Residual value of 25% of current replacement cost Application of a building utilisation category cost rate per square meter (m ²) Regional building cost indices Consumed economic benefit/obsolescence for asset
Electricity generation and transmission	Current Replacement Cost	Consumed economic benefit/obsolescence of electricity infrastructure Historical cost of specialised electricity infrastructure per km ²
Road networks	Current Replacement Cost	Historical cost per cubic metre (m ³) Consumed economic benefit/obsolescence of asset
Water, storage and distribution	Current Replacement Cost	Historical cost of specialised water storage and distribution Consumed economic benefit/obsolescence of asset
Other infrastructure		
<i>Freight Network Infrastructure</i>	Current Replacement Cost	Consumed economic benefit/obsolescence of asset Replacement cost per kilometre of network Replacement cost per kilometre of rail Replacement cost per cubic metres of ballast Replacement cost per sleeper

NOTE 15: FAIR VALUE MEASUREMENTS (CONT.)

SIGNIFICANT UNOBSERVABLE INPUTS

Total Public Sector ^(a)

Asset Measured at Fair Value	Valuation Technique(s)	Unobservable inputs
Other infrastructure		
<i>Railway Infrastructure</i>	Current Replacement Cost	Consumed economic benefit/obsolescence of asset Replacement cost per individual tunnel Replacement cost per station structure Replacement cost per kilometre of rail line Replacement cost per signal Replacement cost per sleeper Replacement cost per kilometre of overhead traction wiring
<i>Systems Infrastructure</i>	Current Replacement Cost	Consumed economic benefit/obsolescence of asset Replacement cost per individual items Replacement cost per kilometre of cabling
<i>Bus Infrastructure</i>	Current Replacement Cost	Consumed economic benefit/ obsolescence of asset Replacement cost per square metre floor area (m ²) Replacement cost per individual items
<i>Other</i>	Current Replacement Cost	Consumed economic benefit/obsolescence of asset Effective Age Percentage rate add-on cost buildings and land improvements Average installation costs - transportables
Plant, equipment and other	Current Replacement Cost	Consumed economic benefit/obsolescence of asset Application of channel dredging quantities and costs Historical cost of specialised water storage and distribution Application of a capital cost index
Biological assets		
<i>Standing Timber (Plantations)</i>	Discounted Cash Flow	The area stocked Estimated future timber market prices per cubic metre (m ³) Future wood flow projections
<i>Sandalwood Plantations</i>	Discounted Cash Flow	Estimated future timber market prices based on \$US/\$A forward exchange rates to 2037 provided by the Western Australian Treasury Corporation The weighted average price for products Estimated average volume per annum Estimated cost per tonne to harvest, produce and sell the volume over the forecast horizon
<i>Bluegum Plantations</i>	Market Approach	Consumed economic benefit/obsolescence of asset

(a) Reconciliations of the opening and closing balances are provided in Notes 14, 18, 19, 22 and 23.

Basis of valuation

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on the use and disposal of these assets when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

NOTE 16: RIGHT-OF-USE ASSETS

General Government

	2026	2025
	\$m	\$m
Depreciation expense of right-of-use assets	429	404
Lease interest expense	157	163
Expenses relating to variable lease payments not included in lease liabilities	105	103
Short-term leases	61	64
Low -value leases	29	27
Total amount recognised in the Operating Statement	780	761
Total cash outflow for leases	617	583

Total Public Sector

	2026	2025
	\$m	\$m
Depreciation expense of right-of-use assets	548	513
Lease interest expense	213	220
Expenses relating to variable lease payments not included in lease liabilities	105	103
Short-term leases	66	73
Low -value leases	31	28
Total amount recognised in the Operating Statement	963	937
Total cash outflow for leases	790	733

Note: Columns may not add due to rounding.

NOTE 17: RECONCILIATION OF RIGHT-OF-USE ASSETS

General Government

	Land	Buildings	Plant, Equipment and Other	Vehicles	Total
	\$m	\$m	\$m	\$m	\$m
30 June 2026					
<i>Carrying amount at beginning of year</i>	6	2,328	190	1	2,525
Additions	1	297	53	1	351
Transfers in/-out	-	-8	-	1	-7
Lease reassessment	-	41	-	-	41
Price changes/term extensions	-	54	-9	-	45
Disposals	-	-61	-	-	-61
Depreciation	-2	-386	-41	-1	-429
Other	-	-8	-3	-	-12
Carrying amount at end of year	5	2,257	189	2	2,453
Gross carrying amount	10	3,776	402	3	4,190
Accumulated depreciation and impairment loss	-5	-1,519	-213	-1	-1,737
	Land	Buildings	Plant, Equipment and Other	Vehicles	Total
	\$m	\$m	\$m	\$m	\$m
30 June 2025					
<i>Carrying amount at beginning of year</i>	6	2,311	65	1	2,384
Additions	1	314	163	1	479
Transfers in/-out	-	1	-	-1	-
Lease reassessment	-	50	-	-	50
Price changes/term extensions	-	39	-1	-	38
Disposals	-	-19	-	-	-19
Depreciation	-1	-366	-36	-	-404
Other	-	-1	-2	-	-3
Carrying amount at end of year	6	2,328	190	1	2,525
Gross carrying amount	10	3,652	384	1	4,047
Accumulated depreciation and impairment loss	-4	-1,324	-194	-1	-1,522

NOTE 17: RECONCILIATION OF RIGHT-OF-USE ASSETS (CONT.)

Total Public Sector

	Land	Buildings	Plant, Equipment and Other	Vehicles	Power purchase agreements	Total
	\$m	\$m	\$m	\$m	\$m	\$m
30 June 2026						
<i>Carrying amount at beginning of year</i>	26	2,486	251	70	182	3,014
Additions	6	317	56	37	3	419
Transfers in/-out	9	-17	-	1	-	-7
Lease reassessment	-	41	-	-	-	42
Price changes/term extensions	-	59	-9	1	69	119
Disposals	-	-63	-	-1	-	-64
Depreciation	-9	-426	-55	-26	-33	-548
Other	-	-8	-3	-6	-	-17
Carrying amount at end of year	32	2,388	239	75	222	2,956
Gross carrying amount	56	4,088	484	161	859	5,649
Accumulated depreciation and impairment loss	-24	-1,701	-244	-86	-637	-2,693
	Land	Buildings	Plant, Equipment and Other	Vehicles	Power purchase agreements	Total
	\$m	\$m	\$m	\$m	\$m	\$m
30 June 2025						
<i>Carrying amount at beginning of year</i>	23	2,464	102	52	194	2,836
Additions	5	367	230	46	14	662
Transfers in/-out	-	5	-6	-1	-	-2
Lease reassessment	-	41	-	-	-	41
Price changes/term extensions	-	44	-1	-	3	46
Disposals	-	-21	-43	-1	-	-64
Depreciation	-3	-412	-50	-19	-28	-513
Other	-	-2	18	-8	-	8
Carrying amount at end of year	26	2,486	251	70	182	3,014
Gross carrying amount	42	3,985	464	141	856	5,488
Accumulated depreciation and impairment loss	-16	-1,499	-213	-71	-674	-2,474

NOTE 18: SERVICE CONCESSION ASSETS (a)

General Government

	Land \$m	Buildings \$m	Other Infra- structure \$m	Plant, equip & other \$m	Commer- cialised assets \$m	Total \$m
30 June 2026						
Carrying amount at beginning of year	64	1,057	33	9	17	1,180
Additions	-	21	-	2	6	28
Transfers in/-out	-	1	-	-	-	-
Revaluation increments/-decrements	11	90	-	-	-	100
Depreciation and amortisation	-	-26	-1	-2	-6	-34
Carrying amount at end of year	75	1,142	32	9	17	1,275
Gross carrying amount	75	1,142	38	31	102	1,389
Accumulated depreciation and amortisation	-	-	-5	-22	-85	-114
30 June 2025						
Carrying amount at beginning of year	64	935	38	12	18	1,067
Additions	-	48	-	-	7	55
Transfers in/-out	-8	-56	-5	-1	-	-69
Revaluation increments/-decrements ^(b)	7	150	1	-	-	158
Depreciation and amortisation	-	-21	-1	-2	-8	-32
Carrying amount at end of year	64	1,057	33	9	17	1,180
Gross carrying amount	64	1,057	38	31	96	1,287
Accumulated depreciation and amortisation	-	-	-5	-22	-79	-107

(a) Information on fair value measurements is provided in Note 15.

(b) Revaluation increments include the implementation of AASB 2022-10: *Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-profit Public Sector Entities*.

NOTE 18: SERVICE CONCESSION ASSETS (CONT.)

Service concession arrangements are contracts between a grantor and an operator where an operator provides public services related to a service concession asset on behalf of a public sector grantor for a specified period and manages at least some of those services.

The following service concession arrangements have been identified for general government sector agencies with significant service concession asset values.

Queen Elizabeth II Medical Centre (QEIMC) Multi-Deck Car Park

In 2014, a public-private partnership project agreement was executed between the State Government of Western Australia and Capella Parking Pty Ltd, to facilitate the construction of the Queen Elizabeth II Medical Centre Multi-Deck car park. The project agreement requires Capella Parking Pty Ltd to own, operate and manage the car park, in exchange for the right to collect and retain car park charges. Upon expiry of the Agreement in November 2037, Capella is required to hand over the legal ownership of the Car Park to the State Government for nil consideration. In 2019, Capella assigned its rights under the Agreement to the International Parking Group (IPG), which established for IPG to own, operate and manage the multi-deck car park. A grant of the right to operate liability is recognised under AASB 1059 for the multi-deck car park, as the State does not have a contractual obligation to pay cash or another financial asset but grants the right to a private operator to earn revenue from the public use of the car park.

Peel Health Campus

Peel Health Campus is a general hospital that was established in September 1997 by the State Government of Western Australia. The hospital was operated on behalf of the State Government under a 20 year service contract by Health Solutions WA until 2013 when the remainder of the licence was transferred to Ramsay Health Care. The agreement was made between South Metropolitan Health Service (Grantor) and Ramsay Health Care Australia Pty Ltd (Operator).

Control of the Peel Health Campus was returned to the State Government of Western Australia on 13 August 2024. On the date of transfer, service concession assets previously identified in the service agreement were reclassified to property, plant and equipment.

St John of God Health Care

St John of God Midland Public Hospital (SJOGMPH) is operated under a 20 year public-private partnership agreement, signed in 2012 between St John of God Midland Health Care and the State Government of Western Australia, for the provision of hospital services to public patients in Midland.

Where the Health Service identified existing assets which meet the conditions as set under AASB 1059, these assets have been reclassified as service concession assets.

NOTE 18: SERVICE CONCESSION ASSETS (CONT.)

Ramsay Health Care

Ramsay Health Care (Ramsay) holds a 20 year contract to provide a range of services to public patients at the Joondalup Health Campus. The contract specifies an annual maximum operating budget for required levels of activity and the services to be provided to public patients.

Where the Health Service identified existing assets which meet the conditions as set under AASB 1059, these assets have been reclassified as service concession assets.

Other

WA Health has four public-private partnership agreements with private providers who provide medical imaging and radiation oncology services in the South West and Great Southern regions. Under all four arrangements, services provided by these private contractors are delivered within buildings owned by the State.

Camp Schools and Landsdale Farm

The Department of Education has leased five camp schools to Fairbridge Western Australia Incorporated for a period of 15 years (renewable for another two, five year lease terms) for a nominal cost, and Landsdale Farm to Strive Community Services Incorporated for an initial period of five years (renewable for another two five year lease terms) at an annual rental amount.

Commercialised intangible assets

On 22 October 2019, Landgate entered into a Partial Commercialisation arrangement with Land Services WA for a maximum term of 40 years. In consideration of this arrangement Landgate received an upfront lump sum payment of \$1.4 billion. The agreement provides Land Services WA the exclusive right to provide digital land registry services to the Authority that includes document, plan, search, commercial products and information technology services. The information technology systems that deliver the services remain under the control of the State of Western Australia. However, Land Services WA is responsible for the ongoing support, maintenance, and enhancements to the existing digital services and delivery systems. The State Government of Western Australia continues to govern the statutory functions of the Registrar and Commissioner of Titles, who are responsible for the maintenance, security, integrity, and ownership of the Land Titles Register and for providing the State Guarantee of Title.

It has been determined that the Partial Commercialisation arrangement is a grant of the right to operate liability under AASB 1059. As part of the arrangement, the State granted Land Services WA a revocable, non-exclusive licence to use, reproduce, modify and create derivative works of land and property data solely for the purpose of developing, marketing and commercialising new products and services approved by Landgate. In return, the State receives an ongoing royalty based on revenue generated from these approved products and services.

Upon termination of the arrangement or following the disengagement date specified in the Commercial Services Agreement, Land Services WA is required, at Landgate's option and subject to an agreed fee, to grant Landgate a perpetual, non-exclusive and irrevocable licence to use, reproduce, maintain, support, modify and create derivative works of specified Land Services WA materials. The licence does not extend to the commercial exploitation of those materials.

NOTE 18: SERVICE CONCESSION ASSETS (CONT.) ^(a)

Total Public Sector							
	Land \$m	Buildings \$m	Water storage and distribution \$m	Other Infra- structure \$m	Plant, equip & other \$m	Commer- cialised assets \$m	Total \$m
30 June 2026							
Carrying amount at beginning of year	1,431	2,506	133	33	53	17	4,174
Additions	1	22	-	-	2	6	31
Transfers in/-out	44	114	-	-	-	-	158
Revaluation increments/-decrements	271	461	-	-	-	-	733
Depreciation and amortisation	-	-55	-3	-1	-5	-6	-70
Other	-	-1	-	-	-	-	-1
Carrying amount at end of year	1,747	3,047	131	32	50	17	5,024
Gross carrying amount	1,747	3,048	170	38	129	102	5,235
Accumulated depreciation and amortisation	-	-	-39	-5	-80	-85	-211
30 June 2025							
Carrying amount at beginning of year	1,256	2,108	136	38	60	18	3,616
Additions	-	48	-	-	-	7	55
Disposals	-	-1	-	-	-	-	-2
Transfers in/-out	-2	-32	-	-5	-1	-	-39
Revaluation increments/-decrements ^(b)	177	428	-	1	-	-	606
Depreciation and amortisation	-	-45	-3	-1	-6	-8	-62
Other	-	-	-	-	-	-	-1
Carrying amount at end of year	1,431	2,506	133	33	53	17	4,174
Gross carrying amount	1,431	2,506	170	38	129	96	4,371
Accumulated depreciation and amortisation	-	-	-36	-5	-76	-79	-197

(a) Information on fair value measurements is provided in Note 15.

(b) Revaluation increments include the implementation of AASB 2022-10: *Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-profit Public Sector Entities*.

NOTE 18: SERVICE CONCESSION ASSETS (CONT.)

In addition to those service concession arrangements identified for the general government sector, the following arrangements with significant service concession asset values have been identified for the total public sector.

Mundaring Water Treatment Plant

In 2012, the Water Corporation entered into a public-private partnership with Helena Water Pty Ltd (Helena Water) to privately finance, design, construct, own and operate Mundaring Water Treatment Plant under a 35 year operating concession.

The Water Corporation supplies raw water to Helena Water and purchases the treated product water that is pumped to Sawyer's Valley tank at the flow rate specified by the Water Corporation's operation centre.

The agreement with the Water Corporation requires Helena Water to use reasonable endeavours to obtain the most favourable terms from existing or potential financiers when refinancing. Gains or losses will be allocated to each party on ratios determined by the agreement with the next refinancing event scheduled for 2027.

The agreement allows for the review of goods and services costs at set intervals across the term of the contract. This review process has the potential to impact the monthly service charge. The purpose of the review and benchmarking process is to ensure that both parties receive a degree of protection from volatile price increase/decrease (outside of Consumer Price Index changes) on goods and services that are procured during the term of the contract.

Termination options for the Water Corporation include convenience, force majeure, substantial damage to infrastructure, and default events. The Water Corporation may step in to operate and maintain the infrastructure in certain circumstances. There were no changes to the arrangement during the reporting period ending 30 June 2026.

Social Housing Properties

The Department of Housing and Works (Housing Authority) has various agreements for the management and maintenance of social housing properties with Community Housing Organisations (CHOs), that they may or may not own. The Housing Authority as the grantor, controls the tenant allocation rights to these assets, while CHOs manage and maintain these properties as the operator.

The agreements for these service concession assets vary based on the specific program and contract. They typically involve the contribution of capital or property by the Housing Authority in exchange for the management services of the social housing properties by CHOs. The Housing Authority maintains its interest in these assets through certain limitations, such as caveats on property titles. The period of the agreements may differ based on contract specification. However, most agreements are ongoing indefinitely, subject to future reassessments. There were no changes to the arrangements during the reporting period ending 30 June 2026.

NOTE 19: BIOLOGICAL ASSETS (a)

General Government

	2026	2025
	\$m	\$m
Native and plantation standing trees ^(b)	3	2
Livestock and other	8	7
Total Biological Assets	10	9

Reconciliation of Biological Assets

Reconciliation of changes in the carrying amount of biological assets at the beginning and the end of the year are set out below .

30 June 2026	Standing Trees	Livestock and Other	Total
	\$m	\$m	\$m
<i>Carrying amount at beginning of year</i>	2	7	9
Gain/-loss from changes in fair value	1	1	2
Purchases	-	1	1
Other	-	-1	-1
Carrying amount at end of year	3	8	10

30 June 2025	Standing Trees	Livestock and Other	Total
	\$m	\$m	\$m
<i>Carrying amount at beginning of year</i>	3	3	6
Gain/-loss from changes in fair value	-1	1	-
Purchases	-	4	4
Other	-	-	-
Carrying amount at end of year	2	7	9

(a) Information on fair value measurements is provided in Note 15.

(b) Native and plantation standing trees consist of mature and maturing standing trees stated at fair value less estimated selling costs, based on discounted cash flow models using a pre-tax weighted average cost of capital, supported by market evidence.

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

NOTE 19: BIOLOGICAL ASSETS ^(a) (CONT.)

Total Public Sector

	2026	2025
	\$m	\$m
Native and plantation standing trees ^(b)	151	203
Livestock and other	8	7
Total Biological Assets	159	210

Reconciliation of Biological Assets

Reconciliation of changes in the carrying amount of biological assets at the beginning and the end of the year are set out below .

30 June 2026	Standing Trees	Livestock and Other	Total
	\$m	\$m	\$m
<i>Carrying amount at beginning of year</i>	203	7	210
Gain/-loss from changes in fair value	-64	1	-63
Purchases	12	1	13
Other	-	-1	-1
Carrying amount at end of year	151	8	159

30 June 2025	Standing Trees	Livestock and Other	Total
	\$m	\$m	\$m
<i>Carrying amount at beginning of year</i>	227	3	230
Gain/-loss from changes in fair value	-37	1	-36
Purchases	13	4	17
Other	-	-	-1
Carrying amount at end of year	203	7	210

(a) Information on fair value measurements is provided in Note 15.

(b) Native and plantation standing trees consist of mature and maturing standing trees stated at fair value less estimated selling costs, based on discounted cash flow models using a pre-tax weighted average cost of capital, supported by market evidence.

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

NOTE 20: INVENTORIES

General Government

	2026	2025
	\$m	\$m
<i>Land Inventories</i>	-	-
<i>Other Inventories</i>		
Other materials and stores	192	174
Other	49	47
<i>Total Other inventories</i>	<i>241</i>	<i>221</i>
Total Inventories	241	221

Total Public Sector

	2026	2025
	\$m	\$m
<i>Land Inventories</i>		
Land acquisition and development	1,548	1,409
<i>Total Land inventories</i>	<i>1,548</i>	<i>1,409</i>
<i>Other Inventories</i>		
Precious metals	12,318	10,029
Power station fuel stocks	180	163
Other materials and stores	648	605
Other	65	66
<i>Total Other inventories</i>	<i>13,211</i>	<i>10,863</i>
Total Inventories	14,759	12,271

Note: Columns may not add due to rounding.

NOTE 21: INTANGIBLE ASSETS

General Government

	2026	2025
	\$m	\$m
Computer software	1,641	1,592
Accumulated Amortisation and impairment losses	-1,263	-1,240
Total	378	352
Software in progress	402	319
Other	263	235
Accumulated Amortisation and impairment losses	-122	-110
Total	141	124
Total Intangible Assets	921	795

Reconciliation of Intangibles

	Computer Software	Software in progress	Other	Total
30 June 2026				
	\$m	\$m	\$m	\$m
Carrying amount at beginning of year	352	319	124	795
Additions	22	161	13	196
Disposals	-34	-	-1	-35
Transfers in/-out	82	-71	17	28
Amortisation	-75	-	-13	-88
Accumulated amortisation written back	33	-	1	34
Other	-3	-6	-	-10
Carrying amount at end of year	378	402	141	921
30 June 2025				
	\$m	\$m	\$m	\$m
Carrying amount at beginning of year	393	225	108	726
Additions	17	131	1	149
Disposals	-15	-	-4	-20
Transfers in/-out	43	-36	26	34
Amortisation	-87	-	-10	-97
Accumulated amortisation written back	2	-	4	6
Other	-2	-	-	-2
Carrying amount at end of year	352	319	124	795

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

NOTE 21: INTANGIBLES ASSETS (CONT.)

Total Public Sector

	2026	2025
	\$m	\$m
Computer software	3,494	3,313
Accumulated Amortisation	-2,827	-2,724
Total	667	589
Software in progress	404	332
Renewable Energy Certificates	20	37
Other	439	399
Accumulated Amortisation and impairment losses	-223	-204
Total	217	195
Total Intangible Assets	1,307	1,153

Reconciliation of Intangibles

	Computer Software	Software in progress	Renewable Energy Certificates	Other	Total
30 June 2026	\$m	\$m	\$m	\$m	\$m
Carrying amount at beginning of year	589	332	37	195	1,153
Additions	25	162	77	13	277
Disposals	-65	-	-94	-1	-160
Transfers in/-out	245	-85	-	29	189
Amortisation	-187	-	-	-20	-207
Accumulated amortisation written back	64	-	-	1	65
Other	-4	-5	-	-	-9
Carrying amount at end of year	667	404	20	217	1,307

	Computer Software	Software in progress	Renewable Energy Certificates	Other	Total
30 June 2025	\$m	\$m	\$m	\$m	\$m
Carrying amount at beginning of year	618	234	62	222	1,135
Additions	23	138	141	1	303
Disposals	-18	-	-166	-4	-188
Transfers in/-out	141	-39	-	-8	94
Amortisation	-174	-	-	-19	-193
Accumulated amortisation written back	2	-	-	4	6
Other	-3	-	-	-	-3
Carrying amount at end of year	589	332	37	195	1,153

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

NOTE 22: ASSETS CLASSIFIED AS HELD FOR SALE (a)

General Government

	2026	2025
	\$m	\$m
Land	57	20
Other	5	4
Total Current	62	24

Assets held for sale primarily relate to: the Trustees of the Public Education Endowment (\$28 million land held for sale), the Western Australian Planning Commission (\$16 million land held for sale), and the Department of Justice (\$5 million buildings held for sale).

Reconciliation of Assets classified as Held for Sale

Reconciliation of changes in the carrying amount of assets classified as held for sale at the beginning and the end of the year are set out below .

30 June 2026	Land	Other	Total
	\$m	\$m	\$m
Carrying amount at beginning of year	20	4	24
Assets reclassified as held for sale	17	1	19
Assets sold	-4	-1	-4
Revaluation increment/-decrement	2	-	2
Impairment losses	-1	-	-1
Transfers out/other	23	-	23
Carrying amount at end of year	57	5	62

30 June 2025	Land	Other	Total
	\$m	\$m	\$m
Carrying amount at beginning of year	17	5	22
Assets reclassified as held for sale	2	-	2
Assets sold	-	-1	-1
Transfers out/other	1	-	1
Carrying amount at end of year	20	4	24

(a) Information on fair value measurements is provided in Note 15.

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

NOTE 22: ASSETS CLASSIFIED AS HELD FOR SALE (CONT.) (a)

Total Public Sector		
	2026	2025
	\$m	\$m
Land	57	20
Other	154	11
Total Current	211	31

In addition to those disclosed for the general government sector, assets held for sale by the total public sector primarily relates to \$146 million Elizabeth Quay precinct assets held for sale by DevelopmentWA to the City of Perth.

Reconciliation of Assets classified as Held for Sale

Reconciliation of changes in the carrying amount of assets classified as held for sale at the beginning and the end of the year are set out below.

30 June 2026	Land	Other	Total
	\$m	\$m	\$m
Carrying amount at beginning of year	20	11	31
Assets reclassified as held for sale	17	138	156
Assets sold	-4	-3	-6
Revaluation increment/-decrement	2	-	2
Impairment losses	-1	-	-1
Transfers out/other	23	8	31
Carrying amount at end of year	57	154	211

30 June 2025	Land	Other	Total
	\$m	\$m	\$m
Carrying amount at beginning of year	19	99	118
Assets reclassified as held for sale	2	6	8
Assets sold	-	-6	-6
Transfers out/other	-1	-88	-89
Carrying amount at end of year	20	11	31

(a) Information on fair value measurements is provided in Note 15.

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

NOTE 23: INVESTMENT PROPERTIES ^(a)

General Government		
	2026	2025
	\$m	\$m
<i>Carrying amount at beginning of year</i>	2	-
Additions	-	2
Revaluation increments/-decrements	1	-
Reclassified as assets held for sale	-3	-
Carrying amount at end of year	-	2
Total Public Sector		
	2026	2025
	\$m	\$m
<i>Carrying amount at beginning of year</i>	30	23
Additions	-	2
Revaluation increments/-decrements	6	3
Reclassified to assets held for sale /-disposals	-12	3
Reclassification to distribution to owner	-	-
Carrying amount at end of year	24	30

(a) Information on fair value measurements is provided in Note 15.

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

NOTE 24: BORROWINGS

General Government		
	2026	2025
	\$m	\$m
Lease Liabilities	2,792	2,879
Loan Liabilities	305	317
Domestic and foreign borrowings ^(a)	27,857	23,880
Total ^(b)	30,955	27,076

(a) Foreign currency borrowings - the general government sector had no foreign currency borrowings at the reporting date or at the same time last year.

(b) Information on the maturity profile of Borrowings is provided in Note 34: *Financial Instruments*.

NOTE 24: BORROWINGS (CONT.)

Total Public Sector		
	2026	2025
	\$m	\$m
Lease Liabilities	3,508	3,609
Loan Liabilities	305	317
Service Concession Liabilities - financial liability ^(a)	262	278
Domestic and foreign borrowings ^(b)	54,106	51,883
Total ^(c)	58,180	56,086

(a) Service concession liabilities are recognised according to AASB 1059: *Service Concession Arrangements* : *Grantors*.

	2026	2025
	\$m	\$m
Minimum lease payments due:		
- not later than one year	15	16
- later than one year and not later than five years	58	59
- later than five years	189	203
Minimum lease payments	262	278
Future Finance charges	-	-
Total service concession liabilities	262	278
Amounts expected to be settled:		
- not later than one year	15	16
- later than one year	247	262

(b) The following foreign currency borrowings are reported at Australian dollar equivalents applicable at the reporting date.

2026	Current	Non-current
United States Dollars	-	-
Hong Kong Dollars	-	-
	-	-
2025	Current	Non-current
United States Dollars	120	-
Hong Kong Dollars	287	-
	406	-

At the reporting date, any foreign currency loans are either economically hedged, swapped or covered forward specifically or invested in the foreign currency. Consequently, any gain or loss on the translation of the overseas borrowing is matched by a corresponding loss or gain made on the foreign currency contract, the overseas investment or the back to back lending and the net exchange gain or loss is therefore zero.

(c) Information on the maturity profile of Borrowings is provided in Note 34: *Financial Instruments*.

Note: Columns may not add due to rounding.

NOTE 25: UNFUNDED SUPERANNUATION

General Government

	2026	2025
	\$m	\$m
Defined Benefit superannuation schemes:		
Pension Scheme	1,059	1,165
Gold State Super Scheme	1,455	2,113
Judges' Pension Scheme	549	591
Parliamentary Superannuation Scheme	143	154
Total Defined Benefit superannuation schemes	3,206	4,023

The superannuation liability for the general government sector at 30 June 2026 was \$3,206 million (2025: \$4,023 million). The liability represents 98.06% (2025: 98.32%) of the whole-of-government total superannuation liability of \$3,269 million at 30 June 2026 (2025: \$4,092 million).

The disclosure information included in the total public sector note below also applies to the general government sector.

Total Public Sector

	2026	2025
	\$m	\$m
Defined Benefit superannuation schemes:		
Pension Scheme	1,123	1,234
Gold State Super Scheme	1,455	2,113
Judges' Pension Scheme	549	591
Parliamentary Superannuation Scheme	143	154
Total Defined Benefit superannuation schemes	3,269	4,092

The Government Employee Superannuation Board (GESB) administers a range of defined benefit superannuation schemes provided in Note 3 (z): *Provisions (Superannuation)*.

Note: Columns may not add due to rounding.

NOTE 25: UNFUNDED SUPERANNUATION (CONT.)

The actuary has applied the following principal assumptions in assessing the defined benefit superannuation liabilities at the reporting date and for the following year expense.

	2026	2025
	%	%
Discount rate (gross of tax) ^(a)	4.8	3.8
Salary rate ^(b)	4.0	4.5
Inflation (pensions)	6.0	2.8

(a) The discount rate is based on the average term of liabilities.

(b) Assumed rate of salary inflation is 4% per annum for the first year and 3% per annum thereafter.

Major categories of defined benefit plan assets as a percentage of total fund assets are as follows ^(c).

	Class 1 ^(d) 2026 %	Class 2 ^(e) 2026 %	Class 3 ^(f) 2026 %	Total 2026 %
Equities	50	-	-	50
Cash and Investment funds	12	7	8	27
Others	1	22	-	23
	Class 1 ^(d) 2025 %	Class 2 ^(e) 2025 %	Class 3 ^(f) 2025 %	Total 2025 %
Equities	50	-	-	50
Cash and Investment funds	14	6	8	28
Others	-	22	-	22

(c) Only the Pension Scheme and Gold State Super Scheme have plan assets. The Judges' Pension and Parliamentary Superannuation Schemes are unfunded with no employer/employee contributions.

(d) Quoted in active markets.

(e) Significant observable inputs.

(f) Unobservable inputs.

Movement in net liability.

	2026 \$m	2025 \$m
Net liability/-asset in balance sheet at end of prior year	4,092	4,209
Expense recognised in profit and loss	228	242
Employer contributions	-489	-485
Remeasurements	-562	126
Net liability/-asset in balance sheet at end of year	3,269	4,092

The net liability of defined benefit plans recognised in the balance sheet is as follows.

	2026 \$m	2025 \$m
Total defined benefit obligations	6,949	7,615
Scheme assets	-3,679	-3,523
Net liability^(g)	3,269	4,092
Not later than one year	36	35
Later than one year	3,233	4,057
Total	3,269	4,092

(g) Based on the actuarial valuation.

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

NOTE 25: UNFUNDED SUPERANNUATION (CONT.)

Details of the deficit of the defined benefit plans measured in accordance with AASB 25: *Financial Reporting by Superannuation Plans* as determined from the plans' most recent financial report are shown below.

	Pension Scheme	Gold State Super Scheme	Judges' Pension Scheme	Parliamentary Superannuation Scheme	Total
	2026	2026	2026	2026	2026
	\$m	\$m	\$m	\$m	\$m
Gross accrued benefits	1,206	5,051	549	143	6,949
Net market value of plan assets	-84	-3,596	-	-	-3,679
Net liability	1,123	1,455	549	143	3,269

	Pension Scheme	Gold State Super Scheme	Judges' Pension Scheme	Parliamentary Superannuation Scheme	Total
	2025	2025	2025	2025	2025
	\$m	\$m	\$m	\$m	\$m
Gross accrued benefits	1,324	5,546	591	154	7,615
Net market value of plan assets	-90	-3,432	-	-	-3,523
Net liability	1,234	2,113	591	154	4,092

The amounts recorded for the Gold State Super Scheme relate to the scheme as a whole (i.e. the pre-transfer benefit component plus the concurrently funded benefit component). The funding policy in respect of the defined benefit plans is directed at ensuring that benefits accruing to members and beneficiaries are fully funded at the time the benefits become payable. As such, the actuary has considered long-term trends in such factors as scheme membership, salary growth and average market value of the schemes' assets when advising on employer and employee contribution rates.

The amounts recognised in the operating statement in respect of the defined benefit plans are as follows.

	2026	2025
	\$m	\$m
Total employer current service cost	87	86
Net interest cost	141	157
Recognised actuarial -gains/losses	-562	126
Total	-334	368

Reconciliation of the fair value of defined benefit superannuation assets at the beginning and at the end of the year are set out below.

	2026	2025
	\$m	\$m
<i>Fair value plan assets at beginning of year</i>	3,523	3,364
Employer contributions	489	485
Actual participant contributions	19	20
Actual benefit payments	-762	-707
Interest income	125	130
<i>Expected plan assets at end of year</i>	3,394	3,290
Return in excess of interest income	285	232
Fair value of plan assets at end of year	3,679	3,523

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

NOTE 25: UNFUNDED SUPERANNUATION (CONT.)

Reconciliation of the fair value of defined benefit superannuation obligations at the beginning and at the end of the year are set out in the following table.

	2026 \$m	2025 \$m
<i>Defined benefit obligation at beginning of year</i>	7,615	7,573
Employer service cost plus operating costs	86	85
Interest cost	266	286
Actual participant contributions	19	20
Actual benefit payments	-762	-707
<i>Expected defined benefit obligations at end of year</i>	7,224	7,256
Actuarial -gain/loss on liabilities	-273	357
Defined benefit obligation at end of year	6,949	7,615

Reconciliation of actuarial gain/loss on assets and liabilities are set out below.

	2026 \$m	2025 \$m
Actuarial -gain/loss due to demographic assumptions	-1	-44
Actuarial -gain/loss due to financial assumptions	-312	345
Actuarial -gain/loss arising from experience	36	57
Return in excess of interest income	-285	-232
Amount recognised during year in 'other changes in equity'	-562	126

Liabilities for defined benefit scheme at 30 June for the last five years are as follows.

	2026 \$m	2025 \$m	2024 \$m	2023 \$m	2022 \$m
Total defined benefit obligations	6,949	7,615	7,573	7,608	7,499
Net market value of plan assets	-3,679	-3,523	-3,364	-3,122	-2,896
Deficit/-surplus	3,269	4,092	4,209	4,486	4,603

Sensitivity analysis for the defined benefit obligation is presented on the following scenarios ^(h).

<i>Sensitivity to discount rate</i>	2026 +0.5 % discount	2026 -0.5 % discount
Discount rate (%)	5.3	4.3
Defined benefit obligation (\$m)	6,654	7,175
Changes in obligation (\$m)	-252	269
Percentage changes in obligation (%)	-3.8	3.8
<i>Sensitivity to discount rate</i>	2025 +0.5 % discount	2025 -0.5 % discount
Discount rate (%)	4.3	3.3
Defined benefit obligation (\$m)	7,274	7,894
Changes in obligation (\$m)	-299	322
Percentage changes in obligation (%)	-4.1	4.1

(h) Sensitivity figures do not include Gold State Super Scheme reserves amounting to \$43.2 million (30 June 2025: \$42.1 million).

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

NOTE 25: UNFUNDED SUPERANNUATION (CONT.)

<i>Sensitivity to future salary increase</i>	2026	2026
	+0.5% future salary increase	-0.5% future salary increase
Future salary increases	5.0% for the first year and 4.5% thereafter	4.0% for the first year and 3.5% thereafter
Defined benefit obligation (\$m)	6,970	6,844
Changes in obligation (\$m)	65	-61
Percentage changes in obligation (%)	1.0	-1.0
<i>Sensitivity to future salary increase</i>	2025	2025
	+0.5% future salary increase	-0.5% future salary increase
Future salary increases	5.0% for the first year and 4.5% thereafter	4.0% for the first year and 3.5% thereafter
Defined benefit obligation (\$m)	7,649	7,501
Changes in obligation (\$m)	77	-72
Percentage changes in obligation (%)	1.0	-1.0
<i>Sensitivity to pension indexation rate</i>	2026	2026
	+0.5% pension indexation rate	-0.5% pension indexation rate
Pension increases (%)	3.3	2.3
Defined benefit obligation (\$m)	7,122	6,701
Changes in obligation (\$m)	216	-204
Percentage changes in obligation (%)	3.0	-3.0
<i>Sensitivity to pension indexation rate</i>	2025	2025
	+0.5% pension indexation rate	-0.5% pension indexation rate
Pension increases (%)	3.3	2.3
Defined benefit obligation (\$m)	7,829	7,331
Changes in obligation (\$m)	257	-242
Percentage changes in obligation (%)	3.0	-3.0
<i>Sensitivity to mortality</i>	2026	2026
	1 year increase in future life expectancy	1 year decrease in future life expectancy
Defined benefit obligation (\$m)	7,001	6,812
Changes in obligation (\$m)	95	-93
Percentage changes in obligation (%)	1.0	-1.0
<i>Sensitivity to mortality</i>	2025	2025
	1 year increase in future life expectancy	1 year decrease in future life expectancy
Defined benefit obligation (\$m)	7,681	7,467
Changes in obligation (\$m)	109	-106
Percentage changes in obligation (%)	1.0	-1.0

Note: Columns may not add due to rounding.

NOTE 26: OTHER EMPLOYEE BENEFITS

General Government

	2026	2025
	\$m	\$m
Annual leave	1,695	1,552
Long service leave	2,689	2,595
Other	1,252	1,108
Total	5,636	5,255

Assessments indicate that actual settlement of the annual leave liabilities is expected to occur as follow s.

	2026	2025
	\$m	\$m
Within 12 months of reporting date	1,154	1,045
More than 12 months after reporting date	541	507
Total	1,695	1,552

Assessments indicate that actual settlement of the long service leave liabilities is expected to occur as follow s.

	2026	2025
	\$m	\$m
Within 12 months of reporting date	742	627
More than 12 months after reporting date	1,947	1,968
Total	2,689	2,595

Total Public Sector

	2026	2025
	\$m	\$m
Annual leave	1,947	1,786
Long service leave	3,009	2,893
Other	1,389	1,204
Total	6,345	5,882

Assessments indicate that actual settlement of the annual leave liabilities is expected to occur as follow s.

	2026	2025
	\$m	\$m
Within 12 months of reporting date	1,352	1,228
More than 12 months after reporting date	595	557
Total	1,947	1,786

Assessments indicate that actual settlement of the long service leave liabilities is expected to occur as follow s.

	2026	2025
	\$m	\$m
Within 12 months of reporting date	864	737
More than 12 months after reporting date	2,144	2,156
Total	3,009	2,893

Note: Columns may not add due to rounding.

NOTE 27: OTHER LIABILITIES

General Government

	2026	2025
	\$m	\$m
Deferred Revenue	121	129
Service Concession Liabilities - Grant of Right to Operate	1,252	1,291
Grant liabilities ^(a)	392	395
Interest payable	176	199
Contract liabilities ^(b)	215	128
Insurance claims	108	118
Other provisions	569	504
Other liabilities	221	229
Total Other Liabilities	3,055	2,994

Reconciliation of Other Provisions

30 June 2026

	Employment on-costs	Restoration costs	Other	Total
	\$m	\$m	\$m	\$m
<i>Carrying amount at beginning of year</i>	14	15	475	504
Additional provisions recognised	35	24	42	101
Amounts used	-6	-1	-	-8
Unused amounts reversed	-	-4	-24	-29
Unwinding of the discount	-	-	-	-
Other	-1	-	2	1
Carrying amount at end of year	42	34	493	569

30 June 2025

	Employment on-costs	Restoration costs	Other	Total
	\$m	\$m	\$m	\$m
<i>Carrying amount at beginning of year</i>	14	15	591	619
Additional provisions recognised	7	1	540	547
Amounts used	-5	-	-10	-15
Unused amounts reversed	-	-1	-153	-154
Unwinding of the discount	-	-	-	-
Other	-1	-	-493	-493
Carrying amount at end of year	14	15	475	504

2026
\$m

2025
\$m

(a) Grant liabilities

Reconciliation of changes in grant liabilities:

Opening balance	395	321
Additions	973	1,443
Income recognised in the reporting period	-975	-1,369
Balance at the end of period	392	395

Income recognition

- not later than one year	231	171
- later than one year and not later than five years	-	-
- later than five years	-	-
Total	231	171

(b) Contract Liabilities

Reconciliation of changes in contract liabilities

Opening balance	128	164
Additions	200	78
Revenue recognised in the reporting period	-113	-114
Balance at the end of period	215	128

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

NOTE 27: OTHER LIABILITIES (CONT.)

Total Public Sector

	2026	2025
	\$m	\$m
Insurance claims ^(a)	6,010	5,805
Deferred Revenue	707	698
Service Concession Liabilities - Grant of Right to Operate	1,381	1,424
Grant liabilities ^(b)	392	395
Interest payable	430	462
Contract liabilities ^(c)	870	564
Other provisions	2,721	2,537
Other liabilities	389	423
Total Other Liabilities	12,901	12,309

Reconciliation of Other Provisions

30 June 2026

	Employment on-costs	Decommissioning costs	Restoration costs	Other	Total
	\$m	\$m	\$m	\$m	\$m
Carrying amount at beginning of year	30	1,112	62	1,334	2,537
Additional provisions recognised	41	91	43	374	549
Amounts used	-11	-41	-11	-271	-335
Unused amounts reversed	-1	-	-4	-42	-47
Unwinding of the discount	-	41	-	27	68
Other	-	-34	-	-16	-51
Carrying amount at end of year	58	1,169	89	1,405	2,721

30 June 2025

	Employment on-costs	Decommissioning costs	Restoration costs	Other	Total
	\$m	\$m	\$m	\$m	\$m
Carrying amount at beginning of year	26	494	72	1,482	2,075
Additional provisions recognised	15	636	14	838	1,503
Amounts used	-10	-25	-5	-370	-411
Unused amounts reversed	-1	-	-20	-175	-196
Unwinding of the discount	-	23	-	48	71
Other	-	-16	1	-490	-505
Carrying amount at end of year	30	1,112	62	1,334	2,537

	2026	2025
	\$m	\$m
(a) Insurance claims		
The liabilities for outstanding insurance claims comprise:		
Third Party Insurance Fund	2,991	2,930
Government Insurance Fund	185	208
RiskCover	1,632	1,478
Motor Vehicle (Catastrophic Injuries) Fund	1,025	989
Other	177	201
Total	6,010	5,805
Liability for outstanding claims (undiscounted)	8,984	8,308
Discount to present value	-2,974	-2,503
Total Liability for outstanding claims (discounted)	6,010	5,805

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

NOTE 27: OTHER LIABILITIES (CONT.)

Total Public Sector

	2026	2025
	%	%
Claims expected to be paid:		
Not later than one year		
Inflation rate	3.30	3.49
Discount rate	4.60	3.30
Later than one year		
Inflation rate	3.29	3.00
Discount rate	4.20	3.10
	2026	2025
	\$m	\$m
(b) Grant liabilities		
<i>Reconciliation of changes in grant liabilities:</i>		
Opening balance	395	321
Additions	973	1,443
Income recognised in the reporting period	-975	-1,369
Balance at the end of period	392	395
Income recognition:		
- not later than one year	231	171
- later than one year and not later than five years	-	-
- later than five years	-	-
Total	231	171
(c) Contract Liabilities		
<i>Reconciliation of changes in contract liabilities:</i>		
Opening balance	564	562
Additions	760	382
Revenue recognised in the reporting period	-454	-380
Balance at the end of period	870	564

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

NOTE 28: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO OPERATING SURPLUS FOR THE PERIOD

General Government		
	2026 \$m	2025 \$m
<i>Surplus /-deficit for period</i>	<i>4,191</i>	<i>3,652</i>
Non-cash movements		
Depreciation	2,559	2,320
Increase/-decrease in accrual in employees benefits	136	254
-Increase/decrease in inventories	12	3
-Increase/decrease in receivables	-1,489	446
-Increase/decrease in prepayments and other assets	-105	-19
Increase/-decrease in payables	388	61
Increase/-decrease in other liabilities and accruals	120	113
Net GST receipts/-payments	-9	19
Other non-cash net asset transfers	-266	-129
Adjustment for other non-cash items	-32	79
Net cash flows from operating activities as shown in the Cash Flow Statement	5,505	6,799
Total Public Sector		
	2026 \$m	2025 \$m
<i>Surplus /-deficit for period</i>	<i>2,836</i>	<i>3,621</i>
Non-cash movements		
Depreciation	6,626	6,025
Premium discount amortisation	189	45
Increase/-decrease in accrual in employees benefits	159	271
-Increase/decrease in inventories	-2,316	-2,180
-Increase/decrease in receivables	-1,203	585
-Increase/decrease in prepayments and other assets	-257	4
Increase/-decrease in payables	2,701	2,507
Increase/-decrease in other liabilities and accruals	452	441
Net GST receipts/-payments	70	-65
Other non-cash net asset transfers	-687	-405
Adjustment for other non-cash items	-114	-80
Net cash flows from operating activities as shown in the Cash Flow Statement	8,456	10,769
Note: Columns may not add due to rounding.		

NOTE 29: CLOSING CASH BALANCES

For the purposes of the Cash Flow Statement, cash includes cash on hand, cash at bank and investments in highly liquid money market instruments, net of outstanding bank overdrafts.

Cash for the purposes of the Cash Flow Statement is defined differently to 'Cash' for the purposes of the consolidated Balance Sheet (which only includes cash holdings at the balance date and not other liquid assets included in the Cash Flow Statement). As a result, the Cash reported on the Cash Flow Statement does not equal 'Cash' in the Balance Sheet.

General Government		
	2026	2025
	\$m	\$m
Cash assets reported on the Balance Sheet	3,250	3,571
Investments included as cash on the Cash Flow Statement	3,824	2,935
Total closing cash balance	7,074	6,506
Total Public Sector		
	2026	2025
	\$m	\$m
Cash assets reported on the Balance Sheet	4,990	6,056
Investments included as cash on the Cash Flow Statement	6,835	7,734
Total closing cash balance	11,825	13,790

Note: Columns may not add due to rounding.

NOTE 30: RESTRICTED FINANCIAL ASSETS

There are restrictions on the uses of specific purpose Commonwealth grants. At 30 June 2026, funding received and not yet spent totals \$391 million (2025: \$412 million).

NOTE 31: MONEYS HELD IN TRUST

Moneys held in a trustee capacity are not controlled by the State and are excluded from assets and liabilities. An amount of \$774 million was held in trust at 30 June 2026, compared with \$690 million at 30 June 2025. This balance mainly reflects rental tenancy bonds.

NOTE 32: CAPITAL EXPENDITURE COMMITMENTS

General Government

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are expected to require payment as follows.

	2026	2025
	\$m	\$m
Capital expenditure commitments ^(a)	6,775	6,330

(a) Capital commitments include the following material amounts:

- major health infrastructure totalling \$2.4 billion (30 June 2025: \$3 billion), including for the New Women and Babies Hospital (\$1.5 billion), the Bunbury Regional Hospital redevelopment project (\$345 million), contract management (\$195 million), Sir Charles Gairdner Hospital upgrades and equipment (\$66 million), Geraldton Health Campus Redevelopment (\$42 million), step up/step down projects (\$42 million) and the Byford Health Hub (\$26 million);
- road infrastructure spending of \$1.8 billion (30 June 2025: \$1.5 billion), including for the Tonkin Highway Extension and Thomas Road Upgrade (\$535 million); construction of Perth Park (\$202 million); design and construction of Tonkin Highway grade separations at Hale Road and Welshpool Road East (\$187 million); design and construction of Reid Highway grade separations at Altone Road and Drumpellier Drive/Daviot Road (\$124 million); reconstruction and realignment of Toodyay Road (\$77 million); and construction of the Murdoch Health and Knowledge Precinct car park (\$73 million); and
- school infrastructure of \$1.6 billion (30 June 2025: \$797 million), including building of new schools, additions and improvements to primary and high schools (\$1,571 million) and additional funding as part of the COVID-19 response (\$5 million).

Total Public Sector

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are expected to require payment as follows.

	2026	2025
	\$m	\$m
Capital expenditure commitments ^(b)	15,795	14,864

(b) In addition to the major commitments for the general government sector disclosed above, the following material commitments are included for the total public sector:

- rail and bus infrastructure of \$4.3 billion (30 June 2025: \$3.6 billion), including for the METRONET High Capacity Signalling Project (\$1.6 billion), the supply and delivery of buses (\$1.4 billion), METRONET Railcar Procurement (\$507 million), Radio Systems Replacement design (\$132 million), the Byford Rail Extension (\$78 million), and new passenger vessels (\$73 million);
- waste and wastewater projects of \$1.4 billion (30 June 2025: \$1.8 billion), including for the Alkimos Seawater Desalination Plant (ASDP) Stage 1 (\$513 million), the Stage 1 upgrade of the Goldfields and Agricultural Water Supply Scheme (\$156 million), the Woodman Point Wastewater Treatment Plant Sludge upgrade (\$144 million), the ASDP trunk main from Wanneroo Road to Wanneroo Reservoir (\$112 million), the Jandakot Clementine Boulevard wastewater pump station upgrade (\$41 million), and the Nicholson Road pump station upgrade (\$25 million);
- transmission and distribution capital expenditure of \$946 million (30 June 2025: \$895 million), associated with clean energy projects, externally funded non-State Underground Power Program projects, non-network and hybrid projects like Distributed Energy Resources and Stand-alone Power Systems, capacity expansion and asset replacement; and
- renewable projects of \$639 million (30 June 2025: \$783 million), including for battery energy storage system contracts, coal major maintenance and sustaining works, and King Rocks Wind Farm.

NOTE 33: CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities represent potential benefits and costs that could materialise in the future under certain conditions. Given their uncertain nature, the consolidated financial statements do not contain any provision in respect of the material quantifiable or unquantifiable contingent assets and liabilities noted below.

More information on the majority of the contingencies identified in this section can be found in the annual reports of the associated agencies.

Quantifiable Contingent Assets and Liabilities at 30 June

The following material contingent assets and liabilities have been identified across the public sector.

QUANTIFIABLE CONTINGENT ASSETS AND LIABILITIES AT 30 JUNE		
	2026 \$m	2025 \$m
<i>(a) Contingent Assets</i>		
General government	33	27
Public non-financial corporations	2	21
Total	35	48
<i>Contingent Liabilities</i>		
(b) Contingent liabilities under guarantees, warranties, indemnities and sureties	671	544
(c) Contingent liabilities for superannuation entitlements of public universities	43	48
(d) Other quantified contingent liabilities	698	712
Total	1,412	1,304

Note: Columns may not add due to rounding.

(a) Contingent Assets

WA Health

WA Health has contingent assets totalling \$24 million (30 June 2025: \$19 million), mainly for cross-border receipts for residents from other Australian jurisdictions treated in hospitals in Western Australia.

All Other

A number of smaller contingent assets held across the sector make up the residual \$11 million (30 June 2025: \$29 million).

(b) Contingent Liabilities Under Guarantees, Warranties, Indemnities and Sureties

Public Trustee Common Fund

Deposits in the Public Trustee's Common Fund include balances held on behalf of third parties at 30 June each year. Guarantees for balances held in the Common Fund at 30 June 2026 totalled \$656 million (30 June 2025: \$530 million).

Water Corporation

The Water Corporation issues bank guarantees in the normal course of business to guarantee the Corporation's performance under contracts. At 30 June 2026, the value of these guarantees was \$15 million (30 June 2025: \$14 million).

(c) Contingent Liabilities for Superannuation Entitlements of Public Universities

The *State Superannuation Act 2000* (SSA) repealed the *Government Employees Superannuation Act 1987* and the *Superannuation and Family Benefits Act 1938*. The schemes operating under the repealed Acts continue under the SSA. The State guarantees the benefits payable under those schemes. Entitlements for State government employees under this guarantee are recognised as part of unfunded superannuation liabilities on the face of the balance sheet. However, public university employees are not employees of the State for the purposes of this *Annual Report on State Finances* (in recognition of the national control of higher education institutions exercised by the Commonwealth).

Based on the actuarially assessed value of these entitlements at 30 June 2026, the guarantee for superannuation entitlements of public universities is \$43 million (30 June 2025: \$48 million).

(d) Other Quantified Contingent Liabilities

Asbestos Injuries Compensation Fund

On 16 October 2015, the Commonwealth Treasurer and all State and Territory Treasurers agreed on an approach for sharing the default risk of the Asbestos Injuries Compensation Fund (AICF). Each State's and Territory's share of the total default risk reflects the proportion of claims paid in each jurisdiction since the inception of the Fund (after the Commonwealth takes responsibility for one-third of the default risk as it has agreed to do). From 2007-08 to 2025-26, approximately 14.7% of all filed claims have been in Western Australia, which equates to an estimated contingent liability of \$31 million. The arrangement for sharing the default risk is only triggered if James Hardie Pty Ltd, which is directly responsible for the AICF, were to go into receivership and was no longer able to contribute to the Fund to pay for compensation claims.

Commissioner of Main Roads

A contingent liability of \$301 million at 30 June 2026 (30 June 2025: \$281 million) mainly relates to claims lodged by owners of property acquired for road construction purposes. The contingent liability reflects the difference between the owners' claims and estimated prices determined by Main Roads in accordance with independent valuations.

Western Australian Planning Commission

Under the operation of the Metropolitan, Peel and Greater Bunbury Region Schemes, reservations exist on properties that may result in compensation being paid to the landholder or the property being acquired for the Western Australian Planning Commission's (WAPC) land assets portfolio. The Commission sets such compensation and acquisition priorities on an annual basis. In some cases, the landholder may dispute the compensation offered by the WAPC, either through arbitration or through Court action. Resolving such disputes forms part of the ordinary business of the WAPC and any additional payments that arise are managed within the resources of the Metropolitan Region Improvement Fund and the Regional Land Acquisition appropriation. The current estimate of this contingent liability is around \$87 million (30 June 2025: \$78 million).

Native Title¹

South West Native Title Settlement

Under the Indigenous Agreements for this settlement, and subject to meeting certain conditions, a State-managed Noongar Land Fund of up to a maximum of \$47 million will be used over 10 years to meet the Settlement's land, joint management and heritage objectives through the development of effective partnerships between the Noongar Regional Corporations and the State's key land/heritage agencies. A portion of this amount (\$7.2 million at 30 June 2026) is recognised as a payable obligation on the State's balance sheet, while the remainder of the Fund is recorded on an emerging cost basis.

Yamatji Nation Indigenous Land Use Agreement

Under the Yamatji Nation Indigenous Land Use Agreement, the State has agreed to provide the Trustee of the Charitable Trust on behalf of the Yamatji Nation, with an annual payment calculated as a percentage of rent received from mining tenements within the Agreement Area, to meet the Settlement's economic development objectives. These payments commenced in 2023-24 and will be made annually over the 10 years to 2032-33, with residual annual payments forecast to total approximately \$8.6 million.

Home Indemnity Insurance

The contingent liability for Home Indemnity Insurance (HII) is administered by the Department of Local Government, Industry Regulation and Safety. Future claims liability (FCL) of the HII has been actuarially assessed as at 30 June 2026. The FCL is an estimation of the future claims costs which may arise as a result of events which may occur in the future for currently in-force HII policies. The FCL has been assessed at an approximate value of \$108 million (30 June 2025: \$100 million). An unquantified contingent liability for HII is also disclosed later in this note.

¹ An unquantified contingent liability for other Native Title claims is also disclosed later in this note.

Electricity Systems Security Supply Measures

Energy Policy WA has a potential obligation to provide financial assistance under a commercial arrangement to maintain power system security and reliability in the South West Interconnected System. Payments under the arrangement are contingent on specified future events or conditions and the maximum financial exposure is capped at \$20 million in 2027-28. The Department may incur additional payments of up to \$17.3 million from 2031-32. These potential obligations have not been recognised in the financial statements due to the uncertainty as to whether those events or conditions will occur.

WA Health

WA Health has contingent liabilities of \$52 million (30 June 2025: \$51 million) which are mainly associated with cross-border charges for Western Australian residents treated in hospitals in other Australian jurisdictions (\$29 million), and facilities management matters under negotiation for South Metropolitan Health Service (\$19 million, which are an ongoing part of contract management processes involving formal contractual dispute mechanisms).

Communities

The Department is a party to a number of pending legal cases for which the outcomes are not certain. The State Solicitor's Office has estimated that depending on outcomes for these cases, a total amount of \$10 million (30 June 2025: \$14 million) in potential compensation to claimants may be payable.

Various Agencies

Other quantifiable contingent liabilities include various legal and contractual claims against various individual agencies and total an estimated \$23 million (30 June 2025: \$31 million).

Non-quantifiable Contingent Assets and Liabilities at 30 June

1. Non-quantifiable Contingent Assets

Building Cladding Class Action

The State was a party to a class action heard in 2024 against specific building cladding manufacturers. In May 2026, the claim was dismissed, and in June 2026 an appeal was lodged. A hearing date for the appeal has not yet been set.

Synergy

Insurance Claim

During June 2026, an incident occurred resulting in the failure of a Synergy generating asset. An insurance claim has been lodged in respect of the matter. The assessment of the claim remains ongoing and the amount of any recovery cannot be reliably determined. Accordingly, no asset or liability has been recognised in respect of the claim.

Asset Purchase Dispute

Synergy is in discussions with a supplier regarding the recovery of costs associated with replacement equipment for a generating asset that did not meet contractual requirements. Settlement discussions are well progressed. However, as no binding settlement agreement had been executed as at 30 June 2026, the inflow of economic benefits is not considered certain. Consequently, an unquantified contingent asset is disclosed.

Other Litigation in Progress

A number of government agencies are currently involved with different legal proceedings, which are at varying stages. Due to the wide variety and nature of the claims and the uncertainty around the likely outcomes of these cases, it is not possible to reliably quantify the potential benefits that may flow to agencies should favourable outcomes emerge.

2. Non-quantifiable Guarantees, Warranties, Indemnities and Sureties

Physical and Sexual Abuse Insurance Coverage for Non-Government Providers of Out-of-Home Care (OOHC) and Youth Accommodation Services

Since 2021, Non-Government Organisations (NGOs) delivering OOHC and youth homelessness accommodation services on behalf of the State have reported difficulties in renewing and obtaining insurance against Physical and Sexual Abuse (PSA) claims. This has adversely impacted the OOHC and youth homelessness sectors, where several NGOs have indicated the inability to obtain PSA coverage might result in the cessation of services.

To ensure continued service delivery, the Government implemented an interim solution between November 2021 and 31 December 2025 through the provision of temporary indemnities to NGO providers of State funded OOHC and youth accommodation services against PSA claims.

The State Government has now established the permanent long-term PSA Indemnity Scheme for OOHC, youth homelessness accommodation, youth bail services and youth transitional accommodation program providers unable to obtain insurance for PSA claims, to support continued service delivery, while managing the risk of incidences of abuse and future claims.

Under this Scheme, the service contracting agency provides indemnity to eligible NGOs, creating a liability that is insured by the RiskCover Fund. This cost quantified by the Insurance Commission of Western Australia charges NGOs an indemnity fee which will partially offset the cost of potential future claims.

Gold Corporation

Under the *Gold Corporation Act 1987*, the Treasurer guarantees the payment of all financial obligations including cash equivalent of precious metal due, payable and deliverable by the Gold Corporation (including metal held on behalf of third parties). The probability of any payment associated with this guarantee has been assessed to be low.

Home Indemnity Insurance

Since 1 November 2013, the State has wholly underwritten the provision of new Home Indemnity Insurance (HII) policies to provide cover on an emerging cost basis for financial loss resulting from the death, insolvency or disappearance of a builder or building group. This arrangement extends until 31 December 2027. From 1 July 2015, premiums for HII policies, net of insurer commissions, have been paid into the HII Account administered by the Department of Local Government, Industry Regulation and Safety, with any claims and associated costs arising from these policies being met from the Account. A related quantified contingent liability for the item is disclosed earlier in this note.

3. Non-quantifiable Contingent Liabilities

Litigation

A number of government agencies are currently involved with different legal proceedings, all at varying stages. Due to the wide variety and nature of the claims and uncertainty around the likely outcomes of these cases, it is not possible to reliably quantify the potential impact should the State be found liable.

Aboriginal Residential Tenancy Class Action

The Western Australian Government and government agencies are party to several class actions lodged in State and Federal Courts. These include matters relating to claims of breach of the *Residential Tenancies Act 1987*, various local laws of the Shire of Derby and the Australian Consumer Law in the provision of housing for Aboriginal communities, and allegations of unlawful racial discrimination against Aboriginal and Torres Strait Islander children in care and their families. The value of any potential asset/liability for these claims has yet to be determined.

Barrow Island Royalty Variation

The *Barrow Island Royalty Variation Agreement Act 1985* requires royalties (equal to approximately 40% of the value of production, less eligible rehabilitation and well abandonment costs, in the final calendar year of operations and the subsequent three calendar years) to be refunded. The cost of the refund will be split between the Commonwealth (75%) and Western Australian (25%) Governments in line with royalty income shares.

Chevron has lodged its first claim for the refund, having ceased production in May 2025. While royalties will need to be refunded, the amount of the refund cannot be accurately calculated until the value of production and eligible costs are verified and audited.

Casual Employee Entitlement to Long Service Leave (LSL)

Under the *Long Service Leave Act 1958*, casual employees who have been employed for more than 10 years and meet continuous service requirements may be entitled to LSL. The Western Australian Industrial Relations Commission has issued declarations in recent years that impact LSL entitlements for casual public sector employees in Western Australia.

Where agencies have been able to reliably measure obligations for LSL for casual employees, these liabilities have been recognised in the *Annual Report on State Finances*. However, agencies continue to identify current and former casual employees who may have LSL entitlements and verify outstanding claims. The total quantum, timing and financial implications of these entitlements are not yet able to be reliably determined.

Contaminated Sites

Under the *Contaminated Sites Act 2003*, agencies are required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of risk to human health, the environment and environmental issues. Where sites are classified as 'contaminated – remediation required', or 'possibly contaminated – investigation required', the agency may have a liability in respect of investigation or remediation expenses. DWER is yet to finalise the classification of sites that have been reported by agencies. As agencies are unable to assess the likely outcome of the classification process, it is not possible to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows. Agencies are required to have ongoing management plans to remediate contaminated sites as they are identified.

Gold Corporation

In prior years, ground water contamination occurred at the Newburn site of the AGR Matthey refinery. The AGR Joint Venture partners (the Western Australian Mint and Australian Gold Alliance Pty Ltd) were responsible for any remediation and restoration of the site. Pursuant to the dissolution of the AGR Matthey Partnership on 29 March 2010, the Western Australian Mint has assumed full responsibility for any future liabilities. Expenses incurred to date have been expensed in the financial statements. The Corporation is still assessing the estimated potential financial effects, if any, of any ongoing remediation.

Planning, Lands and Heritage

In February 2026, the Banjima Native Title Aboriginal Corporation Registered Native Title Body Corporate commenced a class action in the Federal Court of Australia against the State of Western Australia relating to alleged asbestos contamination in Wittenoom, including the former township, mine and tailings areas. The State has filed a defence and the matter is expected to proceed through staged mediation and other court-directed processes. Due to the early stage of proceedings and the inherent uncertainties associated with the litigation, the State is currently unable to reliably estimate any potential financial impact arising from the claim. Accordingly, no provision has been recognised in respect of this matter as at the reporting date.

Critical Minerals Advanced Processing (CMAP)

In February 2025, the State and Commonwealth Governments announced a joint \$3 million investment to progress a feasibility study into a CMAP common-user facility. The study is now underway. The State Government remains committed to providing a contribution of up to \$100 million, conditional on co-funding on a 50:50 basis with the Commonwealth.

Forestry Contracts

The Forest Products Commission (FPC) has identified a potential shortfall of current pine resources that would be available to meet future contracted supply commitments. At 30 June 2026, there is a high degree of uncertainty regarding the likelihood, timing and amount of any potential shortfall, and the FPC is therefore unable to determine a reliable estimate of the magnitude of any potential obligation that may arise in the future.

The Government's \$350 million investment in expanding the softwood estate (announced as part of the 2021-22 Budget) will help mitigate the risk of long-term pine supply constraints. The FPC is undertaking further analysis to develop and implement any necessary mitigation strategies and will continue to monitor the need for further disclosure, or a provision, at future reporting dates.

Housing Authority

Keystart and the Housing Authority are reviewing historical contributions the Housing Authority made for its share of council rates and Water Corporation expenses under shared-equity arrangements entered into in the late 1990s and early 2000s. The extent of the potential liability is not presently quantifiable as further investigation and analysis is being undertaken.

Native Title Settlements

The Commonwealth's *Native Title Act 1993* creates a potential liability for all jurisdictions for compensation for the loss or impairment of Native Title rights and interests that occurred after 31 October 1975.

The State is continuing to negotiate agreements with Native Title holders that better support their economic and social development aspirations, and to provide full and final settlement of any compensation liability for the State. Negotiation is preferred to Court-determined settlements, which can be costly and time consuming for all parties. There is currently one active Native Title compensation claim in the Federal Court.

An estimate of the financial impact of these contingent liabilities, the uncertainties relating to the amount or timing of any outflow, and the possibility of any reimbursement has not been disclosed as doing so would prejudice the position of the State in relation to Native Title compensation matters.

In addition to the quantified Native Title contingent liabilities disclosed earlier in this Note, some commitments under existing Native Title agreements (such as land and building transfers) also represent an unquantified contingent liability.

Public Transport Authority

Litigations in Progress

Two separate claims have been lodged by third parties with the Supreme Court in relation to taking orders for the acquisition of land for the construction of public transport infrastructure. One claim has also been lodged in the Federal Circuit and Family Court of Australia alleging unlawful discrimination under section 46PO of the *Australian Human Rights Commission Act 1986*. These claims are scheduled to be heard at later dates. The size of the claims are subject to settlement negotiations and/or Court determinations.

Perth Airport Pty Ltd

In April 2022, the Public Transport Authority (PTA) granted an indemnity to Perth Airport Pty Ltd for any loss or damage it suffers or incurs resulting from or caused by PTA breaching its obligations under the Airport Line Operating Agreement. The Authority has put in place insurance to reduce the State's exposure to claims under the indemnity.

Asbestos Related Risks

Horizon Power

A number of properties, including power stations and residential accommodation, owned by Horizon Power, contain asbestos. Horizon Power has a management and monitoring process in place for the ongoing identification and risk assessment of asbestos hazards and implements safe systems of works during any repair, maintenance and demolition works at these sites. Horizon Power complies with the relevant regulations, including the Code of Practice for the Management and Control of Asbestos in Workplaces and commissions compliance surveys on a regular basis, and has a long-term objective to remove asbestos materials from all of its sites.

There are currently no claims against Horizon Power from current or past employees and contractors for illnesses arising from exposure to asbestos that is not covered by RiskCover. Should any claim arise in the future, Horizon Power is likely to be appropriately covered by its workers' compensation and public liability insurance, or RiskCover.

Synergy (Electricity Generation and Retail Corporation)

Synergy operates a portfolio of thermal power stations of varying ages. Many of these power stations utilised asbestos for its insulation and fire-resistant qualities prior to the market becoming aware of the dangers of asbestos. Synergy has a current asbestos management process in place and addresses these risks on an ongoing basis. However, diseases which emanate from asbestos, such as asbestosis, may take many years to develop. As such, Synergy may have a liability to those workers and other contractors who came in contact with asbestos at one of its power stations in the past. Synergy has a contingent liability for undiagnosed illnesses which may arise from exposure to asbestos at one of Synergy's sites. The magnitude of this liability is uncertain and cannot be quantified with any accuracy.

Removal of Statutory Limitation Periods for Civil Litigation by Victims of Child Sexual Abuse – the Civil Liability Legislation Amendment (Child Sexual Abuse Actions) Act 2018

The *Civil Liability Legislation Amendment (Child Sexual Abuse Actions) Act 2018* to remove statutory limitation periods for victims of historical child sexual abuse came into operation on 1 July 2018. The removal of statutory limitation periods potentially exposes organisations in which abuse occurred (including State-based institutions) to claims for damages and compensation. The implementation of this reform represents an unquantified liability to the State.

Further claims as a result of the Act may arise that are not insurable and which will be assessed and funded on an emerging basis, in line with the settlement of resulting claims. The State Government also maintains an account to hold funds for any future claims under the National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse (see Appendix 5 of this ARSF).

National Redress Scheme

Under the initial design of the Scheme, where an institution named on an application is defunct, but a government institution is jointly responsible for the abuse with the defunct institution, the government institution may agree to act as a funder of last resort (FoLR) and pay the defunct institution's share of redress. As a result of recommendations from the Second Anniversary Review commissioned by the Commonwealth Government, an expanded FoLR arrangement was implemented in December 2021, whereby government institutions with no shared responsibility with a defunct institution may agree to take on the defunct institution's redress payments.

The provision for National Redress Scheme costs recognised by the Department of Justice (\$348 million at 30 June 2026 – reported as part of the Department's Administered Liabilities) excludes the expanded FoLR provisions that could involve the Western Australian Government paying redress for:

- community sporting groups and other community organisations; and
- workers aged under 18 who were sexually abused while working (this could arise from small business and business franchise licences).

At present, there is insufficient data and information to reliably estimate the impact from the expanded provisions which gives rise to a contingent liability.

State-wide Building Cladding Audit

In September 2017, the then Department of Energy, Mines, Industry Regulation and Safety contacted all government departments and agencies regarding the risk presented by combustible building cladding and requested that they undertake audits of their respective portfolios. Recent results to June 2026 note that of the buildings within scope that were reviewed, 52 buildings have been cleared after detailed risk assessment, 27 buildings were found to require remedial action and remedial action has been completed for 11 of those buildings. The Government has set aside funds in the Budget to address the emerging costs of any required remediation.

Water Corporation

The Corporation is a market customer in the Western Australian Wholesale Electricity Market (WEM), which is administered by the Australian Energy Market Operator (AEMO). The Corporation's participation and subsequent electricity purchases in the WEM are subject to meeting the prudential support requirements. The level of credit support required fluctuates and represents an unquantified contingent liability. The required credit support is equivalent to the maximum net amount the Corporation is expected to owe the AEMO over any 70-day period, based on actual electricity purchases.

Griffin Coal

Payments to secure generation capacity from coal fired electricity generation facilities in the South West Interconnected System are expected to continue to June 2031. Under the Process Agreement, future payments are at the discretion of the State and are not quantifiable at this time.

Aboriginal Land Trust Building Insurance

Building and land that is owned or under the Aboriginal Land Trust's responsibility covers approximately 8% of the State. The Aboriginal Affairs Planning Authority assesses insured values for known property conditions. These properties are insured based on either their depreciated replacement value or the estimated cost of demolition. The Authority reviews its insurance requirements on an annual basis.

Future Decommissioning of Remote Aboriginal Community Infrastructure

An Essential Services Transfer Deed reallocated responsibility and funding for the delivery of power services in 117 remote Aboriginal communities from the Department of Communities to Horizon Power from 1 July 2023. Horizon Power may be required at a point in the future to decommission some existing infrastructure within these communities.

Department of Communities – Racial Discrimination Complaint

During the 2024-25 financial year, the Australian Human Rights Commission (AHRC) notified the Department, through the State Solicitor's Office (SSO), that a complaint has been brought against the State of Western Australia (through the Department and its officers) by seven complainants, on behalf of themselves and on behalf of the class members. The complainants claim that the Department and its officers have unlawfully discriminated against the complainants and the class members based on their race, breaching the Commonwealth's *Racial Discrimination Act 1975*. The AHRC must consider whether to inquire into the complaints or terminate the complaints without inquiry.

The SSO is managing this issue on behalf of the Department and has confirmed that the position remains largely unchanged due to the complainants' repleading of the statement of claim. Where there is any possible financial liability, an appropriate disclosure will be recorded in a future ARSF.

Redress Scheme for Stolen Generations

In May 2025, the Government announced the WA Stolen Generations Redress Scheme. The Scheme will provide an individual payment of \$85,000 to each Aboriginal person who as a child was removed from their families in Western Australia before 1 July 1972. The financial statements in this report include the recognition in 2025-26 of a provision for future payment obligations under the Scheme (of which \$44 million in redress payments were paid to eligible claimants during the year to 30 June 2026). Experience to date suggests a larger number of claimants are likely to emerge over the life of the Scheme.

Taxation Matters

As part of its normal business, the Department of Treasury and Finance has taxation matters undergoing review, appeal or recovery processes. The timing or likely outcome of these taxation matters remains uncertain as is the quantification of any possible financial claim against or benefit to the State of Western Australia.

Fisheries Adjustment Scheme

Under the *Fisheries Adjustment Schemes Act 1987*, a Voluntary Fisheries Adjustment Scheme (VFAS) was established for eligible commercial fishers operating in fisheries that may be affected by the implementation of marine parks in the Kimberley and South Coast regions. Eligible fishers may receive compensation for the voluntary surrender of fishing authorisations or entitlements.

Applications received under the VFAS have been assessed by the VFAS Committee of Management. The amount of any future compensation payable is dependent on the outcome of the offer and acceptance process relating to the voluntary surrender of fishing authorisations and entitlements. As this process remains ongoing, compensation amounts have not yet been finalised, and no binding compensation arrangements have been entered into at a reporting date. Accordingly, no present obligation existed at 30 June 2026, and no liability has been recognised in the financial statements. The amount of any future compensation claims cannot yet be reliably estimated by the Department of Primary industries and Regional Development.

In addition, the final compensation payable under the Compulsory Fisheries Adjustment Scheme may differ from the amount recognised as a provision. Compensation amounts remain subject to negotiation and, where agreement cannot be reached, may be determined through review by the State Administrative Tribunal. Any additional obligation arising from the final determination of compensation cannot be reliably estimated at the reporting date.

Other Contingent Liabilities

There may be claims that arise in relation to works or activities associated with infrastructure projects that have reached or are reaching completion. Claims will generally be subject to a period of negotiation and may either be withdrawn, subsequently settled (at a value agreed between the two parties), or proceed to some alternative process for resolution such as through legal action. Where costs are negotiated and claims settled, these are reflected in the financial statements.

Other contingent liabilities may arise from time to time under certain conditions under various statutes. The circumstances for such potential future liabilities are varied and may be subject to quantification and further detail if, and when, provisions under an Act give rise to a potential obligation.

NOTE 34: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

Exposure to credit risk, liquidity risk, interest rate risk and other financial risks arise in the normal course of public sector activity. Public sector agencies adopt various techniques for managing market risk, which include derivative financial instruments. The two main sources of market risk are fluctuations in interest and foreign exchange rates. Derivatives in use include interest rate swaps, interest rate futures, cross-currency swaps and forward foreign exchange contracts. Whenever derivative positions are created, cash or an underlying physical security is held to cover any potential liability.

Credit risk

Credit risk in relation to financial assets is the risk that a third party will not meet its obligation in accordance with agreed terms. The maximum exposure to credit risk at the balance date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet. Credit risk in relation to cash assets and fixed interest securities is mitigated by investing in counter-parties that have acceptable credit ratings. Credit risk concentration is minimised in relation to financial assets and hedging instruments, and public sector agencies do not have significant exposures to any concentrations of credit risk. Generally, agencies exposures are to a large number of customers or highly rated counter-parties and their credit risks are very low. There is a high degree of geographically-based concentrations of recognised financial assets in Australia. Provision for impairment of financial assets is calculated based on past experience, and current and expected changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 11: *Receivables*.

Liquidity risk

Liquidity management is undertaken by the Western Australian Treasury Corporation (WATC) on behalf of public sector agencies. WATC maintains a minimum prudent level of highly liquid quality assets at all times to ensure that commitments are met. The risk is minimised through the diversification of its funding activity across domestic and offshore markets and across the maturity spectrum.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency exposures are managed through the use of foreign exchange contracts and derivatives.

Market risk

Exposure to market risk for changes in interest rates primarily relates to long-term debt obligations. The risk is managed by WATC through portfolio diversification and maturity spread.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The interest rate risk by class of recognised financial asset and financial liability at 30 June 2026 is shown in the tables below. The interest rate shown is the effective interest rate or weighted average effective interest rate in respect of a class of assets or liabilities. For 'floating' instruments, the rate is the current market rate. The bands reflect the earlier of the next contractual repricing date or the maturity date of the asset or liability.

(b) Fair Value of Financial Assets and Liabilities

The carrying amount of financial assets and financial liabilities recorded in the consolidated Balance Sheet are not materially different from the fair value of these items.

(c) Derivative Financial Instruments

The public sector limits dealings in derivatives to only those counter-parties that are recognised financial intermediaries and possess a credit rating of 'A' or better. The public sector does not have a material exposure to any individual counter-party. The following table provides details of outstanding derivatives used for hedging purposes at 30 June 2026.

FINANCIAL INSTRUMENTS		
General Government		
The carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows.		
	2026 \$m	2025 \$m
Financial Assets at amortised cost		
Cash and deposits	3,250	3,571
Receivables	5,754	4,691
Investments, loans and placements	4,313	3,478
Advances paid	906	737
Shares and other equity	105,261	94,285
Other financial assets	-	10
Financial Liabilities at amortised cost		
Deposits held	3,332	3,316
Advances received	429	288
Borrowings		
Lease liabilities	2,792	2,878
Other borrowings	28,162	24,197
Payables	3,436	3,010
Other employee benefits	736	626
Other financial liabilities	426	474
Note: Columns may not add due to rounding.		

NOTE 34: FINANCIAL INSTRUMENTS (CONT.)

Total Public Sector

	2026	2025
	\$m	\$m
Financial assets at amortised cost		
Cash and deposits	4,990	6,056
Receivables	7,213	6,147
Investments, loans and placements	1,719	2,783
Advances paid	2,132	2,034
Shares and other equity	290	136
Other financial assets	9	11
Financial assets at fair value through profit or loss		
Receivables	699	617
Investments, loans and placements	16,402	15,372
Shares and other equity	2,728	2,697
Financial Liabilities at amortised cost		
Deposits held	45	34
Advances received	429	288
Borrow ings		
Lease liabilities	3,508	3,608
Service concession liabilities	262	278
Other borrow ings	11,319	41,604
Payables	5,339	10,560
Guarantees	671	544
Other employee benefits	823	700
Other financial liabilities	6,486	6,296
Financial liabilities at fair value through profit or loss		
Borrow ings	43,092	49,460
Payables	12,888	10,597

Note: Columns may not add due to rounding.

NOTE 34: FINANCIAL INSTRUMENTS (CONT.)

Total Public Sector

The following derivatives are all held by public corporations. There are no equivalent holdings by the general government sector.

<i>Fair Values at 30 June 2026</i>	Notional face Value \$m	Net fair Value \$m	Credit Exposure \$m
Interest rate contracts	12,379	-319	-324
Forward exchange contracts	-4,714	-4	-
Equity Contracts	-	-	-
Other contracts	2,639	-1	-
Total	10,304	-325	-324

<i>Fair Values at 30 June 2025</i>	Notional face Value \$m	Net fair Value \$m	Credit Exposure \$m
Interest rate contracts	12,795	-213	-218
Forward exchange contracts	-3,840	130	220
Equity Contracts	-	-8	-
Other contracts	-287	7	-
Total	8,669	-84	2

Note: Columns may not add due to rounding.

NOTE 34: FINANCIAL INSTRUMENTS (CONT.)

General Government

Interest rate risk exposure

The general government sector's exposure to interest rate risk and the effective interest rate by class of recognised financial asset and financial liability are shown below.

30 June 2026									
	Fixed Interest Maturing in					Total Fixed interest rate \$m	Non-interest bearing \$m	Total carrying amount \$m	Weighted average effective interest rate %
	Floating interest rate \$m	up to 3 months \$m	3 to 12 months \$m	1 year to 5 years \$m	Over 5 years \$m				
Financial assets									
Cash and deposits	557	2,594	9	-	-	2,603	90	3,250	3.9
Receivables ^(a)	-	-	1	-	-	1	5,753	5,754	4.7
Investments, loans and placements	21	218	989	2,539	485	4,232	60	4,313	4.4
Advances paid:	-	-	-	-	-	-	-	-	-
Non-government schools	-	11	36	184	138	369	-	369	4.5
Other advances	-	-	4	7	4	15	522	537	-
Shares and other equity	-	-	-	-	-	-	105,261	105,261	-
Other financial assets	-	-	-	-	-	-	-	-	-
Total financial assets ^(b)	578	2,824	1,039	2,730	627	7,219	111,687	119,484	
Financial liabilities									
Deposits held	1	970	483	1,539	294	3,287	44	3,332	4.1
Advances received	-	-	-	-	-	-	429	429	-
Borrowings:	-	-	-	-	-	-	-	-	-
Lease Liabilities	-	127	342	1,221	1,102	2,792	-	2,792	4.6
Service concession liabilities	-	-	-	-	-	-	-	-	-
Other borrowings	327	547	2,063	6,232	18,982	27,824	11	28,162	3.8
Payables ^(c)	-	-	-	-	6	6	3,430	3,436	-
Other employee benefits	-	-	-	-	-	-	736	736	-
Other financial liabilities	-	-	-	-	-	-	426	426	-
Total financial liabilities ^(b)	328	1,644	2,889	8,992	20,384	33,909	5,075	39,313	

(a) The amount of receivables excludes GST recoverable from the Australian Taxation Office (statutory receivable) and from the National Tax Equivalent Regime.

(b) Excludes non-financial assets and liabilities that are reported on the face of the balance sheet.

(c) The amount of payables excludes GST payable to the Australian Taxation Office (statutory payable).

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

NOTE 34: FINANCIAL INSTRUMENTS (CONT.)

General Government

30 June 2025

	Fixed Interest Maturing in						Non-interest bearing	Total carrying amount	Weighted average effective interest rate
	Floating interest rate	up to 3 months	3 to 12 months	1 year to 5 years	Over 5 years	Total Fixed interest rate			
	\$m	\$m	\$m	\$m	\$m	\$m			%
Financial assets									
Cash and deposits	601	2,851	10	-	-	2,861	110	3,571	4.3
Receivables ^(a)	-	-	1	-	-	1	4,689	4,691	4.6
Investments, loans and placements	23	306	934	1,782	388	3,409	46	3,478	3.9
Advances paid:									
Non-government schools	-	11	34	178	150	373	-	373	4.4
Other advances	-	-	-	-	-	-	364	364	-
Shares and other equity	-	-	-	-	-	-	94,285	94,285	-
Other financial assets	-	-	-	-	-	-	10	10	-
Total financial assets ^(b)	624	3,168	978	1,960	538	6,644	99,504	106,772	
Financial liabilities									
Deposits held	3	1,320	527	1,178	257	3,282	31	3,316	4.5
Advances received	-	-	-	-	-	-	288	288	-
Borrowings:									
Lease Liabilities	-	121	305	1,172	1,281	2,878	-	2,878	4.7
Service concession liabilities	-	-	-	-	-	-	-	-	-
Other borrowings	862	2,017	4,154	16,921	206	23,297	38	24,197	3.6
Payables ^(c)	-	-	-	10	-	10	3,000	3,010	-
Other employee benefits	-	-	-	-	-	-	626	626	-
Other financial liabilities	-	-	-	-	-	-	474	474	-
Total financial liabilities ^(b)	865	3,457	4,985	19,281	1,744	29,467	4,457	34,789	

(a) The amount of receivables excludes GST recoverable from the Australian Taxation Office (statutory receivable) and from the National Tax Equivalent Regime.

(b) Excludes non-financial assets and liabilities that are reported on the face of the balance sheet.

(c) The amount of payables excludes GST payable to the Australian Taxation Office (statutory payable).

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

NOTE 34: FINANCIAL INSTRUMENTS (CONT.)

Total Public Sector

Interest rate risk exposure

The total public sector's exposure to interest rate risk and the effective interest rate by class of recognised financial asset and financial liability are shown below.

30 June 2026

	Fixed Interest Maturing in						Non-interest bearing	Total carrying amount	Weighted average effective interest rate
	Floating interest rate	up to 3 months	3 to 12 months	1 year to 5 years	Over 5 years	Total Fixed interest rate			
	\$m	\$m	\$m	\$m	\$m	\$m			%
Financial assets									
Cash and deposits	2,309	2,672	9	-	-	2,681	0	4,990	4.0
Receivables ^(a)	-	-	1	-	-	1	7,911	7,913	4.7
Investments, loans and placements	760	1,846	4,128	4,659	2,407	13,040	4,321	18,121	4.0
Advances paid:	-	-	-	-	-	-	-	-	-
Homebuyers	1,655	-	-	-	-	-	-	1,655	7.2
Non-government schools	-	11	36	184	138	369	-	369	4.5
Other	-	-	4	7	4	15	93	108	-
Shares and other equity	-	-	-	-	-	-	3,018	3,018	-
Other financial assets	-	-	-	-	-	-	9	9	4.5
Total financial assets ^(b)	4,724	4,529	4,177	4,850	2,549	16,106	15,352	36,182	
Financial liabilities									
Deposits held	1	-	-	-	-	-	44	45	2.3
Advances received	160	-	19	84	166	269	-	429	5.0
Borrowings:	-	-	-	-	-	-	-	-	-
Lease liabilities	-	130	484	1,622	1,271	3,508	-	3,508	5.1
Service concession liabilities	-	4	11	58	189	262	-	262	2.8
Other borrowings	369	1,231	9,280	23,670	18,842	53,023	1,019	54,411	3.7
Payables ^(c)	-	-	-	-	6	6	18,222	18,228	1.5
Guarantees ^(d)	-	-	-	-	-	-	671	671	-
Other employee benefits	-	-	-	-	-	-	823	823	-
Other financial liabilities	-	-	-	-	-	-	6,486	6,486	-
Total financial liabilities ^(b)	531	1,365	9,795	25,433	20,473	57,067	27,264	84,861	

(a) The amount of receivables excludes GST recoverable from the Australian Taxation Office (statutory receivable).

(b) Excludes non-financial assets and liabilities that are reported on the face of the balance sheet.

(c) The amount of payables excludes GST payable to the Australian Taxation Office (statutory payable).

(d) Includes guarantees, warranties, indemnities and sureties. See Note 33: *Contingent Assets and Liabilities*.

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

NOTE 34: FINANCIAL INSTRUMENTS (CONT.)

Total Public Sector

30 June 2025									
	Fixed Interest Maturing in					Total Fixed interest rate \$m	Non-interest bearing \$m	Total carrying amount \$m	Weighted average effective interest rate %
	Floating interest rate \$m	up to 3 months \$m	3 to 12 months \$m	1 year to 5 years \$m	Over 5 years \$m				
Financial assets									
Cash and deposits	2,854	3,038	13	-	-	3,052	150	6,056	4.0
Receivables(a)	-	1	1	-	-	2	6,761	6,763	4.7
Investments, loans and placements	682	5,617	1,478	4,038	2,447	13,580	3,894	18,155	3.7
Advances paid:									
Homebuyers	1,584	-	-	-	-	-	-	1,584	7.4
Non-government schools	-	11	34	178	150	373	-	373	4.4
Other	-	-	-	-	-	-	77	77	-
Shares and other equity	-	-	-	-	-	-	2,833	2,833	-
Other financial assets	-	-	-	-	-	-	11	11	-
Total financial assets(b)	5,120	8,667	1,527	4,216	2,597	17,007	13,726	35,852	
Financial liabilities									
Deposits held	3	-	-	-	-	-	31	34	2.2
Advances received	50	-	19	76	143	238	-	288	4.2
Borrowings:									
Lease liabilities	-	125	439	1,570	1,474	3,608	-	3,608	5.0
Service concession liabilities	-	4	11	61	201	278	-	278	3.5
Other borrowings	380	6,551	3,352	23,964	15,939	49,806	2,014	52,200	3.6
Payables(c)	-	-	-	10	-	10	15,496	15,506	1.7
Guarantees(d)	-	-	-	-	-	-	544	544	-
Other employee benefits	-	-	-	-	-	-	700	700	-
Other financial liabilities	-	-	-	-	-	-	6,296	6,296	-
Total financial liabilities(b)	434	6,681	3,821	25,681	17,757	53,939	25,080	79,453	

(a) The amount of receivables excludes GST recoverable from the Australian Taxation Office (statutory receivable).

(b) Excludes non-financial assets and liabilities that are reported on the face of the balance sheet.

(c) The amount of payables excludes GST payable to the Australian Taxation Office (statutory payable).

(d) Includes guarantees, warranties, indemnities and sureties. See Note 33: *Contingent Assets and Liabilities*.

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

NOTE 34: FINANCIAL INSTRUMENTS (CONT.)

General Government

	30 June 2026					30 June 2025				
	Carrying amount	-1% change		+1% change		Carrying amount	-1% change		+1% change	
		Profit	Equity	Profit	Equity		Profit	Equity	Profit	Equity
<i>Interest rate sensitivity analysis</i>	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Financial Assets										
Cash and deposits	3,151	-32	-32	32	32	3,452	-35	-35	35	35
Receivables	-	-	-	-	-	-	-	-	-	-
Investments, loans and placements	239	-2	-2	2	2	329	-3	-3	3	3
Advances paid	11	-	-	-	-	11	-	-	-	-
Financial Liabilities										
Deposits held	971	10	10	-10	-10	1,323	13	13	-13	-13
Borrowings	1,001	9	9	-9	-9	2,999	29	29	-29	-29
Total Increase/-Decrease		-15	-15	15	15		4	4	-4	-4

Total Public Sector

	30 June 2026					30 June 2025				
	Carrying amount	-1% change		+1% change		Carrying amount	-1% change		+1% change	
		Profit	Equity	Profit	Equity		Profit	Equity	Profit	Equity
<i>Interest rate sensitivity analysis</i>	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Financial Assets										
Cash and deposits	4,981	-50	-50	50	50	5,892	-59	-59	59	59
Receivables	-	-	-	-	-	1	-	-	-	-
Investments, loans and placements	2,606	-26	-26	26	26	6,298	-63	-63	63	63
Advances paid	1,667	-17	-17	17	17	1,595	-16	-16	16	16
Financial Liabilities										
Borrowings	1,735	17	17	-17	-17	7,061	69	69	-69	-69
Advances received	160	2	2	-2	-2	50	1	1	-1	-1
Payables	-	-	-	-	-	-	-	-	-	-
Total Increase/-Decrease		-73	-73	73	73		-68	-68	68	68

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

NOTE 34: FINANCIAL INSTRUMENTS (CONT.)

General Government

	Carrying amount as at 30 June 2026 \$m	Fair value measurement at end of reporting period using:		
		Level 1 ^(a) \$m	Level 2 ^(b) \$m	Level 3 ^(c) \$m
Financial Assets				
Investments, loans and placements	4,249	197	4,052	-
Shares and other equity	105,291	104	-	105,187
Financial Liabilities				
Borrowings	62	-	-	61
	Carrying amount as at 30 June 2025 \$m	Fair value measurement at end of reporting period using:		
		Level 1 ^(a) \$m	Level 2 ^(b) \$m	Level 3 ^(c) \$m
Financial Assets				
Investments, loans and placements	3,435	173	3,262	-
Shares and other equity	94,312	96	-	94,216
Other financial assets	10	-	-	10
Financial Liabilities				
Borrowings	61	-	-	61

Total Public Sector

	Carrying amount as at 30 June 2026 \$m	Fair value measurement at end of reporting period using:		
		Level 1 ^(a) \$m	Level 2 ^(b) \$m	Level 3 ^(c) \$m
Financial Assets				
Investments, loans and placements	17,756	4,787	11,173	1,796
Shares and other equity	3,018	2,825	180	13
Financial Liabilities				
Borrowings	53,335	44,647	8,686	2
Payables	12,888	12,888	-	-
	Carrying amount as at 30 June 2025 \$m	Fair value measurement at end of reporting period using:		
		Level 1 ^(a) \$m	Level 2 ^(b) \$m	Level 3 ^(c) \$m
Financial Assets				
Investments, loans and placements	16,267	3,184	11,526	1,557
Shares and other equity	2,834	2,777	55	2
Other financial assets	10	-	-	10
Financial Liabilities				
Borrowings	49,987	41,512	8,475	-
Payables	10,597	10,597	-	-

(a) Assets/liabilities valued using quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Assets/liabilities valued using inputs based on observable market data (either directly using prices or indirectly derived from prices).

(c) Assets/liabilities valued using inputs not based on observable market data.

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

NOTE 35: OTHER DISAGGREGATED INFORMATION

The total public sector (or whole-of-government) includes agencies classified into general government, public non-financial corporation and public financial corporation sectors in accordance with the Australian Bureau of Statistics' (ABS') coverage for Government Finance Statistics purposes. Details of the classification of State agencies are provided in Note 38: *Composition of Sectors*.

Revenue, expenses, assets and liabilities that are reliably attributable to each of the above sectors are set out in the following tables. For the purpose of this disclosure, effects of transactions and balances between sectors have not been eliminated, but those between agencies within each sector have been eliminated.

NOTE 35: OTHER DISAGGREGATED INFORMATION (CONT.)

Operating Statement for the year ended 30 June

	General Government		Public Non-Financial Corporations		Public Financial Corporations		Inter-sector Eliminations		Total Public Sector	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
RESULTS FROM TRANSACTIONS										
REVENUE										
Taxation	16,867	14,849	-	-	-	-	-670	-630	16,198	14,219
Current grants and subsidies	15,107	15,226	4,249	4,496	-	-	-4,249	-4,496	15,107	15,226
Capital grants	1,740	3,447	384	388	-	-	-384	-388	1,740	3,447
Sales of goods and services	4,051	3,704	57,327	45,774	1,975	1,840	-1,914	-1,728	61,439	49,590
Interest Income	294	314	228	356	1,994	2,034	-1,584	-1,848	932	857
Revenue from public corporations										
Dividends	1,570	518	-	-	-	-	-1,570	-518	-	-
Tax equivalent income	1,445	910	-	-	-	-	-1,445	-910	-	-
Royalty income	10,582	9,806	-	-	-	-	-	-	10,582	9,806
Other	1,102	915	813	731	149	182	-62	-78	2,003	1,750
Total	52,759	49,689	63,001	51,746	4,119	4,055	-11,878	-10,596	108,001	94,895
EXPENSES										
Salaries	19,697	18,370	1,883	1,690	99	87	-	-	21,680	20,147
Superannuation										
Concurrent costs	2,329	2,069	226	195	12	10	-	-	2,567	2,274
Superannuation interest cost	141	157	-	-	-	-	-	-	141	157
Other employee costs	480	431	68	70	533	457	-121	-120	960	838
Depreciation and amortisation	2,559	2,320	4,058	3,694	13	14	-3	-3	6,626	6,025
Services and contracts	3,803	3,562	1,102	1,090	6	7	-	-	4,911	4,659
Other gross operating expenses	8,513	7,985	51,949	40,673	1,118	1,335	-2,094	-1,917	59,486	48,076
Interest										
Interest on leases	182	190	76	74	3	3	-11	-9	249	258
Other interest	1,095	1,017	623	845	1,781	1,753	-1,573	-1,839	1,926	1,777
Tax equivalents	-	-	985	805	461	105	-1,445	-910	-	-
Current transfers	9,070	9,159	1,869	2,360	14	6	-4,677	-4,882	6,276	6,642
Capital transfers	698	776	31	33	-	0	-385	-388	343	422
Total	48,568	46,037	62,869	51,527	4,039	3,777	-10,311	-10,068	105,165	91,274
NET OPERATING BALANCE	4,191	3,652	132	219	80	278	-1,567	-528	2,836	3,621

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

NOTE 35: OTHER DISAGGREGATED INFORMATION (CONT.)

Operating Statement for the year ended 30 June (cont.)

	General Government		Public Non-Financial Corporations		Public Financial Corporations		Inter-sector Eliminations		Total Public Sector	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<i>Other economic flows - included in the operating result</i>										
Net gains on assets/liabilities	-74	8	38	-90	571	434	-	-	536	352
Provision for doubtful debts	-90	-51	-19	-10	-	-	-	-	-109	-62
Changes in accounting policy/adjustment of prior periods	-54	4	51	-48	-	-	-	-	-3	-44
<i>Total other economic flows</i>	-218	-39	71	-148	571	434	-	-	424	247
OPERATING RESULT	3,972	3,613	203	71	651	712	-1,567	-528	3,260	3,868
<i>All other movements in equity</i>										
<i>Items that will not be reclassified to operating result</i>										
Revaluations	17,021	11,629	7,658	6,349	1	2	-	-	24,681	17,981
Net actuarial gains - superannuation	599	-85	-39	-41	1	-	-	-	562	-126
Gains recognised directly in equity	-2	-	-	-	-2	-2	-3	-3	-7	-5
Change in net worth of the public corporations sectors	6,905	6,560	-	-	-	-	-6,905	-6,560	-	-
All other	-	-	-	-	-	-	-	-	-	-
<i>Total all other movements in equity</i>	<i>24,524</i>	<i>18,104</i>	<i>7,620</i>	<i>6,308</i>	<i>1</i>	<i>1</i>	<i>-6,908</i>	<i>-6,563</i>	<i>25,236</i>	<i>17,849</i>
<i>Movements in owner equity</i>										
Dividends	-	-	-1,480	-436	-90	-96	1,570	532	-	-
Capital injections	-	-	4,054	5,285	-	-0	-4,054	-5,284	-	-
<i>Total movements in owner equity</i>	<i>-</i>	<i>-</i>	<i>2,573</i>	<i>4,849</i>	<i>-90</i>	<i>-96</i>	<i>-2,484</i>	<i>-4,753</i>	<i>-</i>	<i>-</i>
TOTAL CHANGE IN NET WORTH	28,496	21,717	10,396	11,228	562	617	-10,959	-11,845	28,496	21,717
KEY FISCAL AGGREGATES										
NET OPERATING BALANCE	4,191	3,652	132	219	80	278	-1,567	-528	2,836	3,621
<i>Less Net acquisition of non-financial assets</i>										
Purchase of non-financial assets	4,457	4,211	7,890	9,005	2	13	-81	-97	12,269	13,132
Changes in inventories	20	-21	2,328	2,183	-	-	-	-	2,349	2,161
Other movement in non-financial assets	138	-10	312	233	-	-	-	-	449	222
<i>less:</i>										
Sales of non-financial assets	145	73	904	669	-	-	-80	-97	969	646
Depreciation	2,559	2,320	4,058	3,694	13	14	-3	-3	6,626	6,025
<i>Total net acquisition of non-financial assets</i>	<i>1,910</i>	<i>1,786</i>	<i>5,569</i>	<i>7,057</i>	<i>-11</i>	<i>-1</i>	<i>3</i>	<i>3</i>	<i>7,472</i>	<i>8,846</i>
NET LENDING/-BORROWING	2,280	1,866	-5,436	-6,839	91	280	-1,570	-532	-4,636	-5,225

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

NOTE 35: OTHER DISAGGREGATED INFORMATION (CONT.)

Balance Sheet as at 30 June

	General Government		Public Non-Financial Corporations		Public Financial Corporations		Inter-sector Eliminations		Total Public Sector	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ASSETS										
<i>Financial assets</i>										
Cash and deposits	3,250	3,571	4,396	4,803	627	954	-3,283	-3,274	4,990	6,056
Advances paid	906	737	-	-	1,655	1,584	-429	-288	2,132	2,034
Investments, loans and placements	4,313	3,478	1,124	2,968	59,010	57,639	-46,326	-45,938	18,121	18,147
Receivables	6,559	5,102	2,023	1,947	1,152	1,080	-1,470	-995	8,265	7,135
Shares and other equity										
Investments in other public sector entities - equity method	76,569	69,664	-	-	-	-	-76,569	-69,664	-	-
Investments in other public sector entities - direct injections	28,605	24,552	-	-	-	-	-28,605	-24,552	-	-
Investments in other entities	87	69	23	17	2,908	2,748	-	-	3,018	2,833
Other financial assets	0	10	142	156	9	2	-142	-156	9	11
Total financial assets	120,289	107,183	7,708	9,892	65,362	64,006	-156,824	-144,866	36,535	36,216
<i>Non-financial assets</i>										
Land	64,157	53,693	13,875	11,976	-	-	-	-	78,033	65,669
Property, plant and equipment	80,763	72,089	99,314	90,740	6	8	-	-	180,083	162,837
Right-of-use assets	2,453	2,525	471	454	32	36	-	-	2,956	3,014
Service concession assets	1,275	1,180	3,750	2,994	-	-	-	-	5,024	4,174
Biological assets	10	9	148	201	-	-	-	-	159	210
Inventories										
Land inventories	-	-	1,548	1,409	-	-	-	-	1,548	1,409
Other inventories	241	221	12,970	10,641	-	-	-	-	13,211	10,863
Intangibles	921	795	367	335	18	23	-	-	1,307	1,153
Assets held for sale	62	24	149	6	-	-	-	-	211	31
Investment property	-	2	24	28	-	-	-	-	24	30
Other	542	428	445	354	7	5	-0	-2	994	785
Total non-financial assets	150,425	130,967	133,061	119,136	63	72	-0	-2	283,549	250,174
TOTAL ASSETS	270,714	238,151	140,769	129,028	65,425	64,079	-156,824	-144,868	320,084	286,389

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

NOTE 35: OTHER DISAGGREGATED INFORMATION (CONT.)

Balance Sheet as at 30 June (cont.)

	General Government		Public Non-Financial Corporations		Public Financial Corporations		Inter-sector Eliminations		Total Public Sector	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
LIABILITIES										
Deposits held	3,332	3,316	-	-	-	-	-3,287	-3,282	45	34
Advances received	429	288	429	288	-	-	-429	-288	429	288
Borrowings										
Lease Liabilities	2,792	2,879	914	886	44	47	-243	-203	3,508	3,609
Service concession liabilities	-	-	262	278	-	-	-	-	262	278
Other borrowings	28,162	24,197	18,367	20,105	53,960	53,624	-46,078	-45,726	54,411	52,199
Superannuation	3,206	4,023	61	66	2	3	-	-	3,270	4,092
Other employee benefits	5,636	5,255	687	607	22	20	-	-	6,345	5,882
Payables	3,416	3,010	15,468	12,911	460	187	-1,114	-597	18,230	15,511
Other liabilities	3,055	2,994	3,581	3,285	6,763	6,587	-498	-556	12,901	12,309
TOTAL LIABILITIES	50,029	45,962	39,768	38,423	61,251	60,468	-51,650	-50,653	99,399	94,201
NET ASSETS	220,684	192,188	101,001	90,605	4,174	3,611	-105,174	-94,216	220,684	192,188
<i>Of which:</i>										
Contributed equity	-	-	28,860	24,807	-255	-255	-28,605	-24,552	-	-
Accumulated surplus	37,979	33,378	16,148	17,509	4,398	3,837	7	7	58,533	54,731
Other reserves	182,705	158,811	55,993	48,289	30	29	-76,576	-69,671	162,152	137,457
NET WORTH	220,684	192,188	101,001	90,605	4,174	3,611	-105,174	-94,216	220,684	192,188

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

NOTE 35: OTHER DISAGGREGATED INFORMATION (CONT.)

Statement of Changes in Equity for the year ended 30 June

	Equity at 1 July 2025 \$m	Change in net worth \$m	Contributed capital \$m	Dividends \$m	Other \$m	Equity at 30 June 2026 \$m
General Government						
Accumulated surplus/(deficit)	33,378	4,570	-	-	32	37,979
Reserves	89,147	17,021	-	-	-32	106,136
Accumulated net gain on equity investments in other sector entities	69,664	6,905	-	-	-	76,569
Total	192,188	28,496	-	-	-	220,684
Public Non Financial Corporations						
Accumulated surplus/(deficit)	17,509	165	-	-1,480	-45	16,148
Contributed equity	24,807	-	4,054	-	-	28,860
Reserves	48,289	7,658	-	-	45	55,993
Total	90,605	7,823	4,054	-1,480	-	101,001
Public Financial Corporations						
Accumulated surplus/(deficit)	3,837	651	-	-90	-	4,398
Contributed Equity	-255	-	-	-	-	-255
Reserves	29	1	-	-	-	30
Total	3,611	652	-	-90	-	4,174
Inter-sector eliminations						
Accumulated surplus/(deficit)	7	-1,570	-	1,570	-	7
Contributed Equity	-24,552	-	-4,054	-	-	-28,605
Reserves	-7	-	-	-	-	-7
Accumulated net gain on equity investments in other sector entities	-69,664	-6,905	-	-	-	-76,569
Total	-94,216	-8,475	-4,054	1,570	-	-105,174
Total Public Sector						
Accumulated surplus/(deficit)	54,731	3,815	-	-	-14	58,533
Contributed Equity	-	-	-	-	-	-
Reserves	137,457	24,681	-	-	14	162,152
Total	192,188	28,496	-	-	-	220,684

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

NOTE 35: OTHER DISAGGREGATED INFORMATION (CONT.)

Cash Flow Statement for the year ended 30 June

	General Government		Public Non-Financial Corporations		Public Financial Corporations		Inter-sector Eliminations		Total Public Sector	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES										
<i>Cash received</i>										
Taxes received	16,111	14,796	-	-	-	-	-683	-632	15,428	14,164
Grants and subsidies received	20,028	21,556	4,669	4,922	-	-	-4,669	-4,922	20,028	21,556
Receipts from sales of goods and services	3,964	3,868	21,857	34,912	2,027	1,965	-1,909	-1,847	25,939	38,899
Interest receipts	270	341	221	346	1,977	2,041	-1,725	-1,852	743	876
Dividends and tax equivalents	2,647	1,393	13	35	-	-	-2,661	-1,428	-	-
Other	13,730	12,901	2,391	2,257	255	241	-516	-506	15,860	14,893
Total cash received	56,751	54,855	29,151	42,472	4,259	4,248	-12,163	-11,188	77,999	90,387
<i>Cash Paid</i>										
Wages, salaries and supplements, and superannuation	-22,045	-20,398	-2,090	-1,871	-107	-93	-	-	-24,243	-22,363
Payments for goods and services	-12,921	-12,059	-15,147	-28,369	-1,448	-1,368	2,237	2,203	-27,279	-39,593
Interest paid	-1,256	-1,150	-795	-896	-1,616	-1,712	1,725	1,852	-1,942	-1,905
Grants and subsidies paid	-12,134	-11,486	-1,188	-1,008	-	-	4,711	4,956	-8,611	-7,538
Dividends and tax equivalents	-	-	-908	-729	-168	-146	1,076	875	-	-
Other payments	-2,890	-2,963	-4,994	-5,648	-270	-244	686	636	-7,468	-8,219
Total cash paid	-51,245	-48,057	-25,122	-38,520	-3,609	-3,563	10,434	10,522	-69,543	-79,619
NET CASH FLOWS FROM OPERATING ACTIVITIES	5,505	6,799	4,029	3,952	650	684	-1,729	-666	8,456	10,769
CASH FLOWS FROM INVESTING ACTIVITIES										
<i>Cash flows from investments in non-financial assets</i>										
Purchase of non-financial assets	-4,457	-4,211	-7,890	-9,005	-2	-13	81	97	-12,269	-13,132
Sales of non-financial assets	145	73	904	669	-	-	-80	-97	969	646
Total cash flows from investments in non-financial assets	-4,312	-4,138	-6,986	-8,336	-2	-13	-	-	-11,300	-12,487
<i>Cash flows from investments in financial assets</i>										
<i>Cash received</i>										
For policy purposes	25	27	-	-	-	-	-	-	25	27
For liquidity purposes	80	83	84	-	11,410	10,286	-	-	11,575	10,369
<i>Cash paid</i>										
For policy purposes	-4,098	-5,210	-	-	-	-	4,071	5,184	-27	-25
For liquidity purposes	-84	-93	-229	-67	-13,632	-9,314	-	-	-13,944	-9,474
Total cash flows from investments in financial assets	-4,077	-5,192	-144	-67	-2,222	971	4,071	5,185	-2,372	897
NET CASH FLOWS FROM INVESTING ACTIVITIES	-8,389	-9,330	-7,130	-8,403	-2,224	958	4,071	5,185	-13,672	-11,590

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

NOTE 35: OTHER DISAGGREGATED INFORMATION (CONT.)

Cash Flow Statement for the year ended 30 June (cont.)

	General Government		Public Non-Financial Corporations		Public Financial Corporations		Inter-sector Eliminations		Total Public Sector	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
CASH FLOWS FROM FINANCING ACTIVITIES										
<i>Cash received</i>										
Advances received	19	18	160	50	-	-	-19	-18	160	50
Borrowings	4,049	65	4,194	4,638	40,400	26,449	-12,361	-9,390	36,282	21,762
Deposits received	15	574	-	-	-	-	-15	-574	-	-
Other financing receipts	878	483	4,105	5,228	-	-	-4,085	-5,210	898	502
<i>Total cash receipts from financing activities</i>	<i>4,961</i>	<i>1,140</i>	<i>8,459</i>	<i>9,916</i>	<i>40,400</i>	<i>26,449</i>	<i>-16,479</i>	<i>-15,192</i>	<i>37,340</i>	<i>22,314</i>
<i>Cash paid</i>										
Advances paid	-19	-18	-19	-18	-	-	19	18	-19	-18
Borrowings repaid	-72	-292	-4,046	-4,400	-40,733	-26,109	12,361	9,390	-32,490	-21,411
Deposits paid	-	-	-	-	-	-	-	-	-	-
Other financing payments	-1,419	-988	-331	-804	-3	-6	173	712	-1,580	-1,086
Dividends paid	-	-	-1,482	-436	-103	-117	1,585	553	-	-
<i>Total payments for financing activities</i>	<i>-1,510</i>	<i>-1,298</i>	<i>-5,877</i>	<i>-5,657</i>	<i>-40,839</i>	<i>-26,233</i>	<i>14,137</i>	<i>10,673</i>	<i>-34,089</i>	<i>-22,515</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	3,451	-158	2,582	4,259	-440	216	-2,342	-4,518	3,251	-201
Net increase in cash and cash equivalents	567	-2,690	-519	-192	-2,013	1,859	-	-	-1,965	-1,023
Cash and cash equivalents at the beginning of the year	6,506	9,196	3,409	3,601	3,877	2,018	-2	-2	13,790	14,813
Cash and cash equivalents at the end of the year	7,074	6,506	2,889	3,409	1,864	3,877	-2	-2	11,825	13,790
Net cash flow s from operating activities	5,505	6,799	4,029	3,952	650	684	-1,729	-666	8,456	10,769
Net cash flow s from investing in non-financial assets	-4,312	-4,138	-6,986	-8,336	-2	-13	-	-	-11,300	-12,487
Dividends paid	-	-	-1,482	-436	-103	-117	1,585	553	-	-
Cash surplus/-deficit	1,194	2,661	-4,439	-4,820	545	554	-144	-113	-2,844	-1,718

Note: Columns/rows may not add due to rou

NOTE 36: RELATED PARTY DISCLOSURES

General Government

Parent and controlling entity

The general government sector comprises public sector agencies that are wholly-owned and controlled by the Government of Western Australia and which are largely funded by centrally-collected revenue such as taxes, royalties and Commonwealth grants. Agencies in the general government sector are principally engaged in the provision of services outside the normal market mechanism, or provide for the transfer of income for public policy purposes. Related parties of the general government sector include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all public non-financial and public financial corporations, included in Note 38: *Composition of Sectors*;
- all associates and joint ventures; and
- the Government Employees Superannuation Board (GESB)¹.

Key Management Personnel (KMP)

KMP are those people having authority and responsibility for planning, directing and controlling the activities of the State. As the Western Australian Cabinet is the decision-making body for the State, all State Cabinet Ministers are considered to be KMP of the State.

Compensation of all Ministers is disclosed later in this note.

Significant transactions with government-related entities

Transactions between general government agencies are eliminated on consolidation and are not included in this disclosure. The transactions below represent those between the general government sector and public corporations.

Significant transactions and balances associated with related parties for the year ending 30 June 2026 include:

- taxation revenue:
 - a) loan guarantee fees (\$138 million, 2024-25: \$128 million);

¹ For statutory purposes, GESB is a public sector entity but reflecting Australian Bureau of Statistics concepts, sources and methods related to Government Finance Statistics is not included in the definition of the public sector used in this report, making it a related party for the purposes of this Note. The public sector also makes superannuation contributions to private sector scheme providers which are not related parties as they are outside government. For more details on the sectoral classification of agencies, refer to Note 38: *Composition of Sectors*.

- b) payroll tax (\$156 million, 2024-25: \$135 million);
 - c) land tax (\$85 million, 2024-25: \$84 million); and
 - d) betting tax (\$52 million, 2024-25: \$52 million);
- sales of goods and services:
 - a) services rendered (\$174 million, 2024-25: \$165 million);
 - b) service delivery agreement (\$339 million, 2024-25: \$288 million); and
 - c) other revenue (\$11 million, 2024-25: \$15 million);
- dividend revenue (\$1,571 million, 2024-25: \$518 million);
- Tax Equivalent Regime revenue (\$1,442 million, 2024-25: \$910 million);
- grants and subsidies revenue (\$30 million, 2024-25: \$33 million);
- current transfer expenses:
 - a) operating subsidies (\$3,143 million, 2024-25: \$3,391 million);
 - b) Royalties for Regions grants (\$246 million, 2024-25: \$258 million); and
 - c) other recurrent transfers (\$251 million, 2024-25: \$205 million);
- capital appropriations (\$2,501 million, 2024-25: \$2,371 million);
- Government Regional Officers' Housing expenses (\$121 million, 2024-25: \$120 million);
- Public Bank Account interest expense (\$113 million, 2024-25: \$101 million);
- capital transfer expenses (\$356 million, 2024-25: \$382 million);
- insurance premiums (\$638 million, 2024-25: \$547 million);
- water and electricity expenses (\$317 million, 2024-25: \$301 million);
- lease liabilities (\$243 million, 30 June 2025: \$203 million); and
- borrowings (\$27.8 billion, 30 June 2025: \$23.8 billion).

Material transactions with other related parties

General government agencies make superannuation contributions for some staff to GESB. In 2025-26, these payments totalled \$1.7 billion (2024-25: \$1.5 billion). The Consolidated Account reimburses GESB for the majority of the State's emerging cost defined benefit superannuation payments (\$489 million, 2024-25: \$485 million).

There were no other related party transactions (including general citizen-type transactions²) with Ministers or their close family members or their controlled (or jointly controlled) entities that are material for disclosure.

Total Public Sector

Parent and controlling entity

The total public sector (or whole-of-government) includes agencies across the general government, public non-financial and financial corporations sectors. These agencies are wholly-owned or controlled by the Government of Western Australia and are consolidated to form the total public sector financial statements contained in this report. Details of agencies controlled by the Government and consolidated in the total public sector are shown in Note 38: *Composition of Sectors*.

Related parties of the total public sector include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all associates and joint ventures; and
- GESB.

Significant transactions with government-related entities

Transactions between public sector agencies are eliminated on consolidation and are not included in this disclosure. Intersector transactions are summarised in Note 35: *Other Disaggregated Information*. The significant transactions below represent transactions between public sector agencies and their associates and joint ventures.

Material transactions with other related parties

During the financial year, Synergy purchased goods and services from its related parties to the value of \$271 million (2024-25: \$337 million) and sold goods and services to related parties to the value of \$3 million (2024-25: \$2 million).

During the financial year, Horizon Power made capital and non-capital purchases from its related parties to the value of \$8 million (2024-25: \$4 million).

Government Employees Superannuation Board

Public sector agencies make superannuation contributions for some staff to GESB. In 2025-26, these payments totalled \$1.8 billion (2024-25: \$1.6 billion).

² General citizen-type transactions are transactions where Ministers or their close family members interact with a public sector entity under the same terms and conditions as a public citizen, such as paying taxes, levies or other statutory fees/charges and using public services such as hospitals, schools or public transport.

There were no other related party transactions (including general citizen-type transactions) with Ministers or their close family members or their controlled (or jointly controlled) entities that are material for disclosure.

Key Management Personnel Compensation

Total public sector KMP include all Ministers. Total compensation for the State's KMP for the reporting period is presented in the following bands^(a)

Remuneration (\$)	2025-26 (number)	2024-25 (number)
100,000-150,000	-	3
150,000-200,000	-	-
200,000-250,000	-	-
250,000-300,000	-	-
300,000-350,000	-	1
350,000-400,000	-	1
400,000-450,000	-	2
450,000-500,000	12	9
500,000-550,000	3	3
550,000-600,000	1	1
600,000-650,000	1	-
	2025-26	2024-25
	\$m	\$m
Short-term employee benefits(b)	7.9	7.6
Post-employment benefits	0.8	0.8
Termination benefits	-	-
Total compensation of Ministers	8.7	8.4

(a) Includes part year remuneration of both new and old Ministers.

(b) Short-term employee benefits include salaries, electorate allowances, motor vehicle allowances and accommodation allowances paid to Ministers.

NOTE 37: EVENTS OCCURRING AFTER THE REPORTING PERIOD

The following events occurred after 30 June 2026 and may have a material financial effect on the statements in this report. An update to the financial outlook for 2026-27 to 2029-30 and incorporating any other new Government decisions will be available in the 2026-27 *Government Mid-year Financial Projection Statement* to be released by 31 December 2026.

New Health Service Provider

After the reporting date, the Government announced the establishment of a new Health Service Provider for women, newborn and children's services, expected to commence in July 2027. Under the announced arrangements, King Edward Memorial Hospital, currently part of North Metropolitan Health Service, is expected to transfer to the new Health Service Provider.

This is a non-adjusting event after the reporting period. The financial impact, if any, has not yet been determined.

Private Hospital Acquisitions

The Government acquired Mount Lawley Hospital from St John of God Health Care and fully transitioned it as a public hospital within the East Metropolitan Health Service on 31 August 2026.

Effective 26 August 2026, the 60-bed private hospital co-located within the St John of God Midland Public Hospital site, transitioned into public hospital beds. This makes the Midland Public Hospital campus, a fully public hospital. The facility will continue to be operated by St John of God Health Care under the Public Private Partnership between the State and St John of God Health Care until 2035.

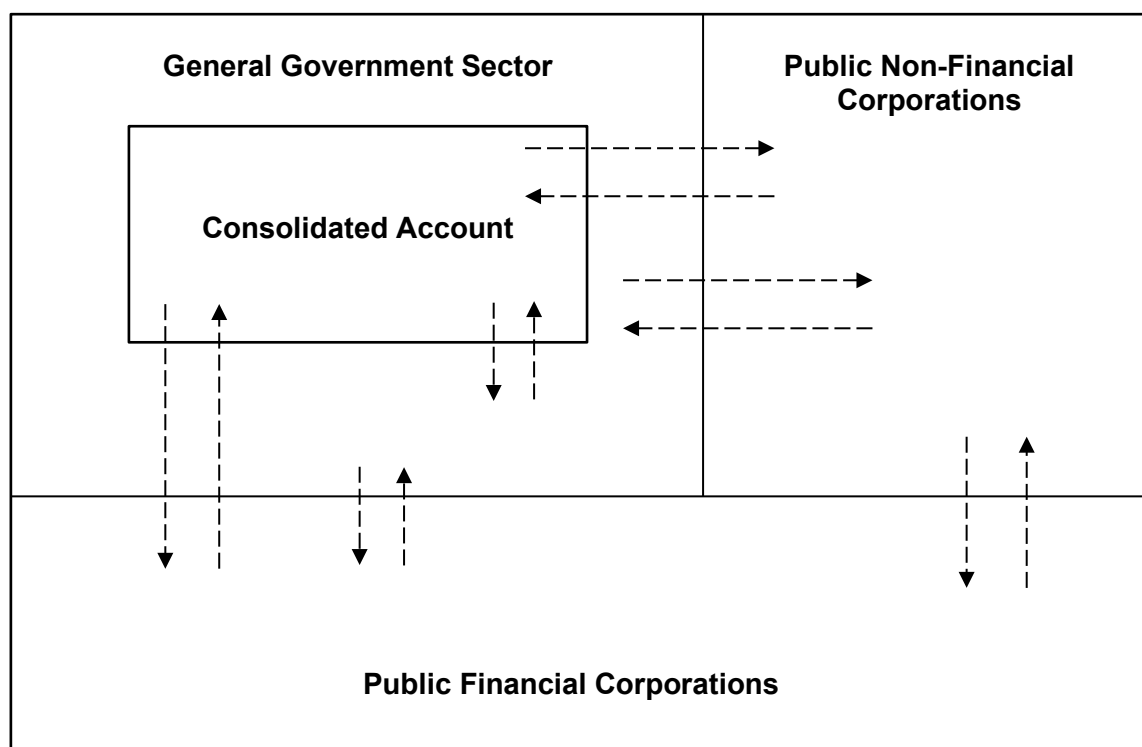
Dampier Seawater Desalination Plant

On 27 July 2026, the Government announced a non-binding agreement with Yindjibarndi WaterCo for a proposed sale of the Dampier Seawater Desalination Plant, involving the acquisition of the Water Corporation's interest in the unincorporated joint venture with Hamersley Iron Pty Ltd. At the time of signing, no binding agreement has been reached, and an estimate of the financial effect cannot be made.

NOTE 38: COMPOSITION OF SECTORS

The following diagram shows the financial relationship between sectors within which agencies are classified using the Australian Bureau of Statistics' Government Finance Statistics manual, which are included in the consolidated financial statements and described in Note 3 to these financial statements.

TOTAL PUBLIC SECTOR



Each agency produces its own annual report. All agencies controlled by the Government, regardless of funding source or sector classification, have been included in these consolidated financial statements.

The agencies included within each sector (including their subsidiaries) are listed below and are wholly-owned or controlled by the Government of Western Australia.

NOTE 38: COMPOSITION OF SECTORS (CONT.)

General Government

Agricultural Produce Commission	North Metropolitan TAFE
Arts and Culture Trust	North Metropolitan Health Service
Building and Construction Industry Training Board	North Regional TAFE
Botanical Gardens and Parks Authority	Office of the Auditor General
Central Regional TAFE	Office of the Director of Public Prosecutions
Chemistry Centre (WA)	Office of the Information Commissioner
Child and Adolescent Health Service	Office of the Inspector of Custodial Services
Combat Sports Commission	Office of the Parliamentary Inspector of the Corruption and Crime Commission
Commissioner for Children and Young People	Parliamentary Commissioner for Administrative Investigations
Commissioner of Main Roads	Parliamentary Services Department
Corruption and Crime Commission	PathWest Laboratory Medicine WA
Department of Biodiversity, Conservation and Attractions	Peel Development Commission
Department of Communities (including the Disability Services Commission) ^(a)	Pilbara Development Commission
Department of Creative Industries, Tourism and Sport ^(a)	Professional Standards Council
Department of Education	Public Sector Commission
Department of Energy and Economic Diversification ^(a)	Quadruplegic Centre Board
Department of Fire and Emergency Services	Racing Penalties Appeal Tribunal of Western Australia
Department of Health	Rural Business Development Corporation
Department of Housing and Works ^(a)	Salaries and Allowances Tribunal
Department of Justice	School Curriculum and Standards Authority
Department of Local Government, Industry Regulation and Safety ^(a)	Screenwest Inc.
Department of Mines, Petroleum and Exploration ^(a)	Small Business Development Corporation
Department of Planning, Lands and Heritage	South Metropolitan TAFE
Department of Primary Industries and Regional Development	South Metropolitan Health Service
Department of Training and Workforce Development	South Regional TAFE
Department of Transport and Major Infrastructure ^(a)	South West Development Commission
Department of Treasury and Finance ^(a)	State Solicitor's Office
Department of the Legislative Assembly	Swan Bells Foundation Incorporated
Department of the Legislative Council	The Aboriginal Affairs Planning Authority
Department of the Premier and Cabinet ^(a)	The ANZAC Day Trust
Department of the Registrar, Western Australian Industrial Relations Commission	The Board of the Art Gallery of Western Australia
Department of Water and Environmental Regulation	The Burswood Park Board
East Metropolitan Health Service	The Coal Miners' Welfare Board of Western Australia
Economic Regulation Authority	The Library Board of Western Australia
Gascoyne Development Commission	The National Trust of Australia (W.A.)
Gaming and Wagering Commission of Western Australia	The Queen Elizabeth II Medical Centre Trust
Goldfields Development Commission	The Western Australian Museum
Governor's Establishment	Trustees of the Public Education Endowment
Great Southern Development Commission	Western Australia Police Force
Health and Disability Services Complaints Office	Western Australian Country Health Service
Health Support Services	Western Australian Building Management Authority
Heritage Council of Western Australia	Western Australian Electoral Commission
Infrastructure WA	Western Australian Energy Disputes Arbitrator
Keep Australia Beautiful Council (W.A.)	Western Australian Greyhound Racing Association
Kimberley Development Commission	Western Australian Health Promotion Foundation
Law Reform Commission of Western Australia	Western Australian Institute of Sport
Legal Aid Commission of Western Australia	Western Australian Land Information Authority
Legal Costs Committee	Western Australian Meat Industry Authority
Local Health Authorities Analytical Committee	Western Australian Planning Commission
Mental Health Commission	Western Australian Sports Centre Trust
Mid West Development Commission	Western Australian Tourism Commission
Minerals Research Institute of Western Australia	WorkCover Western Australia
	Wheatbelt Development Commission
	Zoological Parks Authority

(a) Agency created or affected by Public Sector Reform changes which took effect from 1 July 2025.

NOTE 38: COMPOSITION OF SECTORS (CONT.)

Public Non-Financial Corporations

Bunbury Water Corporation (Aqwest)	Lotteries Commission
Busselton Water Corporation	Metropolitan Cemeteries Board
DevelopmentWA ³	Mid West Ports Authority
Electricity Networks Corporation (Western Power)	Pilbara Ports Authority
Electricity Generation and Retail Corporation (Synergy)	Public Transport Authority of Western Australia
Forest Products Commission	Racing and Wagering Western Australia
Fremantle Port Authority	Regional Power Corporation (Horizon Power)
Gold Corporation and its subsidiaries	Rottnest Island Authority
Department of Housing and Works (Housing Authority) ^(a)	Southern Ports Authority
Kimberley Ports Authority	Water Corporation
	Western Australian Coastal Shipping Commission

Public Financial Corporations

Country Housing Authority ^(b)	RiskCover Fund
Insurance Commission of Western Australia	Western Australian Treasury Corporation
Keystart	

(a) Agency created or affected by Public Sector Reform changes which took effect from 1 July 2025.

(b) This entity was abolished on 19 March 2026.

Agencies outside the State Public Sector

Some State agencies are not covered by the whole-of-government reporting framework as defined under Australian Accounting Standards and/or the GFS framework. The entities listed below (including their subsidiaries), which administer superannuation and like funds and/or hold private funds in trust or fidelity type funds, are examples of such agencies not included in the definition of the public sector used in this report. This is because the assets are not available for the benefit of, and/or are not controlled by, the State.

Construction Industry Long Service Leave Payments Board	Legal Contribution Trust
Curtin University	Murdoch University
Edith Cowan University	Public Trustee
Fire and Emergency Services Superannuation Board	Parliamentary Superannuation Board
Government Employees Superannuation Board	The University of Western Australia

³ DevelopmentWA includes the Metropolitan Redevelopment Authority and the Western Australian Land Authority.

NOTE 39: BUDGETARY INFORMATION - COMPARISON OF FINAL OUTCOMES TO ORIGINAL BUDGET

Explanations of significant variances between actual results for 2025-26 and the original Budget (presented to the Legislative Assembly on 19 June 2025) for the general government sector and the total public sector are included in Appendix 4 of this report. For the purposes of these financial statements, and the associated notes to the financial statements, the discussion in Appendix 4 meets the requirements of paragraphs 59(f) and 61 of AASB 1049: *Whole of Government and General Government Financial Reporting*.

The *Financial Results* Chapter of this report details variations from the estimated outturn contained in the 2026-27 Budget, released on 7 May 2026.

Operating Revenue

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

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

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

Table 2.1

OPERATING REVENUE

General Government

	2024-25	2025-26				Variation on EA \$(2) - (1)
	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	5,836	6,154	6,144	6,227	6,221	-6
Property taxes						
<i>Land tax</i>	903	988	988	988	981	-7
Transfer Duty	3,101	2,994	3,648	4,302	4,221	-81
Foreign Buyers Surcharge	29	14	22	27	47	20
Landholder Duty	262	194	362	549	453	-96
<i>Total duty on transfers</i>	3,392	3,202	4,032	4,878	4,721	-157
Other stamp duties	— (a)	— (a)	— (a)	— (a)	— (a)	— (a)
Metropolitan Region Improvement Tax	101	110	110	110	115	4
Perth Parking Levy	59	64	64	64	60	-4
Emergency Services Levy	424	456	456	456	460	3
Loan guarantee fees	134	157	151	150	145	-5
Building and Construction Industry Training Fund Levy	77	63	70	92	84	-8
<i>Total other property taxes</i>	795	851	852	873	863	-10
Taxes on provision of goods and services						
Lotteries Commission	229	212	212	212	232	21
Video lottery terminals	— (a)	— (a)	— (a)	— (a)	— (a)	— (a)
Casino Tax	72	62	62	62	67	5
Betting Tax	132	129	138	138	142	4
<i>Total taxes on gambling</i>	433	403	412	412	442	30
Insurance Duty	1,073	1,127	1,129	1,105	1,106	— (a)
Other	18	17	17	17	17	— (a)
<i>Total taxes on insurance</i>	1,091	1,145	1,147	1,123	1,123	— (a)
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	793	678	805	805	815	10
Permits - Oversize Vehicles and Loads	11	8	8	8	13	5
Motor Vehicle registrations	1,407	1,520	1,520	1,520	1,504	-17
Other vehicle taxes	43	42	45	45	46	1
<i>Total motor vehicle taxes</i>	2,254	2,248	2,378	2,378	2,377	— (a)
Mining Rehabilitation Levy	48	44	44	48	50	2
Landfill Levy	98	80	98	98	90	-8
Total Taxation	14,849	15,113	16,093	17,024	16,867	-156

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

Table 2.1 (cont.)

OPERATING REVENUE

General Government

	2024-25	2025-26				
	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	Variation on EA \$m (2) - (1)
CURRENT GRANTS AND SUBSIDIES						
General Purpose Grants						
GST grants	7,362	7,840	7,969	8,094	8,155	61
North West Shelf grants	612	365	363	402	430	28
Commonwealth compensation for changed crude oil excise arrangements	30	20	20	22	19	-3
National Agreements						
Skills	250	259	271	269	260	-9
Social Housing and Homelessness	190	195	195	195	195	- (a)
Mental Health and Suicide Prevention	3	3	3	3	3	-
Access to Justice	-	98	98	98	98	- (a)
Schools Reform - Quality Schools	649	-	-	-	-	-
Better and Fairer Schools	693	1,461	1,454	1,483	1,487	4
Health Reform	3,265	3,622	3,622	3,626	3,467	-159
National Partnerships/Other Grants						
Health	267	152	240	275	424	149
Transport	160	339	339	310	120	-190
Disability Services	1,010	1,011	5	4	3	-1
Other	735	409	467	479	446	-33
Total Current Grants and Subsidies	15,226	15,776	15,045	15,260	15,107	-153
CAPITAL GRANTS						
National Partnerships/Other Grants						
Transport	3,273	2,526	2,296	1,781	1,508	-273
Other	174	505	486	368	233	-135
Total Capital Grants	3,447	3,031	2,781	2,148	1,740	-408
SALES OF GOOD AND SERVICES						
WA Health	1,010	1,050	1,069	1,071	1,097	26
Department of Transport and Major Infrastructure	317	349	350	350	349	-1
Department of Education	229	235	235	235	240	5
State Training Providers/TAFE Colleges	117	88	88	99	113	14
Department of Training and Workforce Development	28	33	34	33	33	- (a)
Western Australian Land Information Authority	95	109	109	110	115	5
Department of Biodiversity, Conservation and Attractions	86	74	74	76	84	8
Department of Justice	166	173	173	172	181	9
Department of Mines, Industry Regulation and Safety ^(b)	251	-	-	-	-	-
Department of Local Government, Industry Regulation and Safety ^(b)	-	293	293	298	418	119
All Other	1,405	973	1,227	1,267	1,422	155
Total Sales of Goods and Services	3,704	3,377	3,652	3,711	4,051	340
INTEREST INCOME	314	280	260	266	294	28
REVENUE FROM PUBLIC CORPORATIONS						
Dividends	518	2,788	1,854	1,494	1,570	76
Tax Equivalent Regime	910	898	913	936	1,445	510
Total Revenue from Public Corporations	1,428	3,686	2,767	2,429	3,015	586
ROYALTY INCOME						
Iron ore	8,481	6,618	8,203	8,819	8,719	-100
Other	1,325	1,628	1,765	2,003	1,863	-140
Total Royalty Income	9,806	8,245	9,968	10,822	10,582	-240
OTHER						
Mining Tenement Rentals	197	185	204	204	209	6
Fines	237	253	285	287	314	27
Revenue not elsewhere counted	480	311	351	496	580	84
Total Other	915	749	839	986	1,102	116
GRAND TOTAL	49,689	50,257	51,406	52,646	52,759	113

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

(b) Agency that was impacted by Public Sector Reform changes implemented from 1 July 2025

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

Table 2.2

OPERATING REVENUE

Total Public Sector

	2024-25	2025-26				Variation on EA \$(2) - (1)
	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	
TAXATION						
Taxes on employers' payroll and labour force						
<i>Payroll tax</i>	5,701	6,016	6,016	6,099	6,066	-34
Property taxes						
<i>Land tax</i>	819	896	889	898	895	-3
Transfer Duty	3,101	2,994	3,648	4,302	4,221	-81
Foreign Buyers Surcharge	29	14	22	27	47	20
Landholder Duty	262	194	362	549	453	-96
<i>Total duty on transfers</i>	3,392	3,202	4,032	4,878	4,721	-157
Other stamp duties	— (a)	— (a)	— (a)	— (a)	— (a)	— (a)
Metropolitan Region Improvement Tax	101	110	110	110	115	4
Perth Parking Levy	59	64	64	64	60	-4
Emergency Services Levy	420	450	450	450	456	6
Loan guarantee fees	7	7	7	7	6	— (a)
Building and Construction Industry Training Fund Levy	77	63	70	92	84	-8
<i>Total other property taxes</i>	663	694	701	723	721	-3
Taxes on provision of goods and services						
Video lottery terminals	— (a)	— (a)	— (a)	— (a)	— (a)	— (a)
Casino Tax	72	62	62	62	67	5
Betting Tax	81	78	86	86	88	2
<i>Total taxes on gambling</i>	153	140	148	148	156	7
Insurance Duty	1,073	1,127	1,129	1,105	1,106	— (a)
Other	18	17	17	17	17	—
<i>Total taxes on insurance</i>	1,091	1,145	1,147	1,123	1,123	— (a)
Taxes on use of goods and performance of activities						
Vehicle Licence Duty	793	678	805	805	815	10
Permits - Oversize Vehicles and Loads	11	8	8	8	13	5
Motor Vehicle registrations	1,407	1,520	1,520	1,520	1,504	-17
Other vehicle taxes	43	42	45	45	46	1
<i>Total motor vehicle taxes</i>	2,254	2,248	2,378	2,378	2,377	— (a)
<i>Mining Rehabilitation Levy</i>	48	44	44	48	50	2
<i>Landfill Levy</i>	98	80	98	98	90	-8
Total Taxation	14,219	14,464	15,453	16,393	16,198	-195

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

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

Table 2.2 (cont.)

OPERATING REVENUE
Total Public Sector

	2024-25	2025-26				Variation on EA \$m (2) - (1)
	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	
CURRENT GRANTS AND SUBSIDIES						
<i>General Purpose Grants</i>						
GST grants	7,362	7,840	7,969	8,094	8,155	61
North West Shelf grants	612	365	363	402	430	28
Commonwealth compensation for changed crude oil excise arrangements	30	20	20	22	19	-3
National Agreements						
Skills	250	259	271	269	260	-9
Social Housing and Homelessness	190	195	195	195	195	- (a)
Mental Health and Suicide Prevention	3	3	3	3	3	-
Access to Justice	-	98	98	98	98	- (a)
Schools Reform - Quality Schools	649	-	-	-	-	-
Better and Fairer Schools	693	1,461	1,454	1,483	1,487	4
Health Reform	3,265	3,622	3,622	3,626	3,467	-159
National Partnerships/Other Grants						
Health	267	152	240	275	424	149
Transport	160	339	339	310	120	-190
Disability Services	1,010	1,011	5	4	3	-1
Other	735	409	467	479	446	-33
Total Current Grants and Subsidies	15,226	15,776	15,045	15,260	15,107	-153
CAPITAL GRANTS						
National Partnerships/Other Grants						
Transport	3,273	2,526	2,296	1,781	1,508	-273
Other	174	505	486	368	233	-135
Total Capital Grants	3,447	3,031	2,781	2,148	1,740	-408
SALES OF GOOD AND SERVICES	49,590	48,439	60,721	65,526	61,439	-4,087
INTEREST INCOME	857	1,031	954	1,101	932	-169
ROYALTY INCOME						
Iron ore	8,481	6,618	8,203	8,819	8,719	-100
Other	1,325	1,628	1,765	2,003	1,863	-140
Total Royalty Income	9,806	8,245	9,968	10,822	10,582	-240
OTHER						
Mining Tenement Rentals	197	185	204	204	209	6
Fines	237	253	285	287	314	27
Revenue not elsew here counted	1,316	1,022	1,059	1,234	1,480	246
Total Other	1,750	1,460	1,547	1,724	2,003	279
GRAND TOTAL	94,895	92,446	106,470	112,974	108,001	-4,973

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

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

Spending by Classification of the Functions of Government

Under an intergovernmental agreement between the States, Territories and the Commonwealth in the early 1990s, all jurisdictions release whole-of-government and other public sector financial information in a consistent format. This Uniform Presentation Framework (UPF) supports transparency and interjurisdictional comparisons.

Western Australia's whole-of-government financial disclosures, found in its annual Budget Papers, Mid-year Review and quarterly and annual outturn reporting, including this *Annual Report on State Finances* (ARSF), are consistent with the UPF disclosure requirements.

In particular, UPF information in this ARSF includes:

- financial statements by sector of government and for the consolidated total public sector (see Appendix 1: *Financial Statements*);
- information on grants and transfer payments which are available in the notes to the financial statements (see Notes to the Financial Statements, Appendix 1);
- detailed general government sector operating revenue information (disclosed in Appendix 2: *Operating Revenue*); and
- detailed general government expenses and purchases of non-financial assets by function (detailed in this Appendix).

Table 3.1

CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT

General Government

	2024-25	2025-26				Variation on EA \$m (2) - (1)
	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	
EXPENSES						
<i>General public services</i>	1,803	1,952	2,261	2,353	2,206	-146
Executive and legislative organs, financial and fiscal affairs, external affairs	343				724	
General services	34				37	
Public debt transactions	1,364				1,418	
Transfers of a general character between different levels of government	-				-	
General public services n.e.c.	61				27	
<i>Public order and safety</i>	5,364	5,291	5,500	5,744	5,742	-1
Police services	1,758				1,879	
Civil and fire protection services	704				755	
Law courts	1,465				1,513	
Prisons	1,364				1,518	
Research and development — public order and safety	37				41	
Public order and safety n.e.c.	36				36	
<i>Economic Affairs</i>	3,096	2,936	2,973	2,850	2,593	-257
General economic, commercial and labour affairs	666				663	
General economic and commercial affairs	454				482	
General labour affairs	212				181	
Agriculture, forestry, fishing and hunting	326				331	
Agriculture	183				176	
Forestry	58				64	
Fishing and hunting	85				91	
Fuel and energy	1,437				964	
Petroleum and natural gas	9				8	
Electricity	1,264				810	
Fuel and energy n.e.c.	164				146	
Mining, manufacturing and construction	278				254	
Mining of mineral resources and other than mineral fuels	214				197	
Construction	64				57	
Other industries	190				198	
Distributive trades, storage and warehousing	6				7	
Hotel and restaurants	29				28	
Tourism	155				163	
Research and development — agriculture, forestry, fishing and hunting	107				95	
Research and development — mining, manufacturing and construction	92				88	
<i>Environmental protection</i>	694	730	749	727	714	-14
Pollution abatement	2				2	
Protection of biodiversity and landscape	519				523	
Environmental protection n.e.c.	174				188	
<i>Housing and community amenities</i>	1,817	2,098	2,116	1,801	1,973	172
Housing development	39				16	
Community development	1,045				1,079	
Indigenous community development	130				112	
Community development n.e.c.	915				967	
Water supply	734				879	

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

Table 3.1 (cont.)

CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT
General Government

	2024-25	2025-26			Variation on EA	
	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	(2) - (1)
Health	14,471	14,663	14,986	15,710	15,566	-143
Medical products, appliances and equipment	997				1,078	
Pharmaceutical products	568				619	
Other medical products	269				290	
Therapeutic appliances and equipment	160				168	
Outpatient services	3,505				3,904	
General medical services	45				55	
Specialised medical services	2,681				2,963	
Dental services	7				8	
Paramedical services	771				878	
Hospital services	6,115				6,665	
General hospital services	5,315				5,790	
Specialised hospital services	551				615	
Nursing and convalescent home services	249				260	
Mental health institutions	603				511	
Community health services	2,060				2,182	
Community mental health services	852				921	
Patient transport	490				562	
Community health services n.e.c.	718				700	
Public health services	441				462	
Research and development — health	96				85	
Health n.e.c.	654				679	
Recreation, culture and religion	1,179	1,357	1,524	1,462	1,329	-134
Recreational and sporting services	815				900	
Cultural services	364				428	
Film production services	13				27	
Cultural services n.e.c.	351				401	
Education	8,887	9,428	9,495	9,562	9,498	-64
Pre-primary and primary education	4,053				4,312	
Government pre-primary education	320				343	
Non-government pre-primary education	19				20	
Government primary education	3,511				3,739	
Non-government primary education	203				210	
Secondary education	2,981				3,195	
Government secondary education	2,667				2,874	
Non-government secondary education	314				321	
Tertiary education	1,093				1,167	
University education	32				32	
Vocational education and training (excl apprenticeships and traineeships)	1,061				1,134	
Education not definable by level	57				57	
Apprenticeships and traineeships	57				57	
Education not definable by level n.e.c.	-				-	
Subsidiary services to education	202				222	
Transportation of non-urban school students	119				131	
Transportation of other students	57				62	
Subsidiary services to education n.e.c.	27				29	
Special education	501				545	

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

Table 3.1 (cont.)

CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT
General Government

	2024-25	2025-26			Actual \$m (2)	Variation on EA \$m (2) - (1)
	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)		
<i>Social protection</i>	4,405	4,252	4,308	4,311	4,364	53
Sickness and disability	1,564				1,468	
Old age	224				246	
Family and children	1,446				1,346	
Housing	786				591	
Social exclusion n.e.c.	123				138	
Research and development — social protection	4				4	
Social protection n.e.c.	260				571	
Natural disaster relief	-				-	
Social protection n.e.c.	260				570	
<i>Transport</i>	4,320	4,667	4,750	4,566	4,582	16
Road transport	2,805				2,972	
Road maintenance	1,679				1,715	
Road rehabilitation	203				176	
Road construction	336				432	
Road transport n.e.c.	587				648	
Bus transport	572				647	
Urban bus transport	528				596	
Non-urban bus transport	44				51	
Water transport	124				143	
Urban water transport passenger services	3				2	
Urban water transport freight services	-				-	
Non-urban water transport services	121				141	
Railway transport	771				743	
Urban railway transport services	721				715	
Non-urban railway transport freight services	29				4	
Non-urban railway transport passenger services	21				24	
Air transport	48				78	
<i>Other ^(a)</i>	-	469	240	54	-	-54
TOTAL EXPENSES	46,037	47,844	48,903	49,140	48,568	-571
PURCHASES OF NON-FINANCIAL ASSETS						
General public services	149	137	162	188	146	-42
Public order and safety	269	362	469	416	317	-100
Economic affairs	44	259	239	106	61	-46
Environmental protection	105	203	212	178	68	-110
Housing and community amenities	107	123	155	132	45	-87
Health	511	1,119	1,372	1,512	1,113	-399
Recreation, culture and religion	220	136	162	168	155	-13
Education	605	746	719	727	647	-80
Social protection	12	12	14	10	23	12
Transport	2,189	2,053	2,249	2,215	1,884	-331
Other ^(a)	-	-1,190	-1,423	-1,440	-	1,440
TOTAL PURCHASE OF NON-FINANCIAL ASSETS	4,211	3,961	4,329	4,213	4,457	244

(a) Budget / Mid-year Review provisions.

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

Comparison of Final Outcomes to Original Budget for the Year Ending 30 June 2026

This appendix contains explanations for material variations in general government and total public sector financial aggregates compared to the original 2025-26 Budget presented to the Legislative Assembly on 19 June 2025, in line with the requirements of AASB 1055: *Budgetary Reporting*¹.

For the general government operating statement, explanations are provided in this appendix for the three largest revenue sources (taxation, Commonwealth grants and royalties, which account for around 84% of general government revenue in 2025-26) and the three largest categories of expense (salaries, transfers and 'other gross operating expenses', which represent approximately 78% of general government expenses in 2025-26). Based on materiality, explanations are also provided for other revenue and expense items where the variance since the 2025-26 Budget is greater than or equal to \$10 million and 10%, and for key line items that appear on the face of the operating statement.

High-level explanations are also provided for the other financial statements (the general government balance sheet and cash flow statement, and the three financial statements for the total public sector).

¹ Paragraph 6(f) of this standard requires explanations of major variances between the original Budget estimates and outcomes in the financial statements. Paragraph 9 of the standard indicates that the original Budget is the first Budget presented to Parliament in respect of the reporting period.

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Detailed explanations of key variations to the estimates for 2025-26 can also be reviewed in:

- the 2025-26 *Government Mid-year Financial Projections Statement* (or Mid-year Review, released in December 2025), describing changes between the cut-off dates for the original 2025-26 Budget (19 May 2025) and the Mid-year Review (1 December 2025);
- the 2026-27 Budget Paper No. 3: *Economic and Fiscal Outlook* (presented to the Legislative Assembly on 7 May 2026), which updated the estimated actual for 2025-26 for financial revisions since the Mid-year Review cut-off date; and
- the *Financial Results* chapter in this report, which describes variations in final outcomes relative to the estimated actual included in the 2026-27 Budget estimates.

The most recent whole-of-government financial forecasts are available in the 2026-27 Budget Papers, which can be accessed online at www.ourstatebudget.wa.gov.au.

Table 4.1

GENERAL GOVERNMENT **Operating Statement**

				2025-26	
	Notes	Budget Year \$m	Actual \$m	Variation on Budget \$m	Variation on Budget %
RESULTS FROM TRANSACTIONS					
REVENUE					
Taxation	a	15,113	16,867	1,754	11.6
Current grants and subsidies	b	15,776	15,107	-669	-4.2
Capital grants	b	3,031	1,740	-1,290	-42.6
Sales of goods and services	c	3,377	4,051	673	19.9
Interest Income		280	294	14	5.1
Revenue from public corporations					
Dividends from other sectors	d	2,788	1,570	-1,218	-43.7
Tax equivalent income	d	898	1,445	548	61.0
Royalty income	e	8,245	10,582	2,336	28.3
Other	f	749	1,102	353	47.1
Total		50,257	52,759	2,502	5.0
EXPENSES					
Salaries	g	19,041	19,697	656	3.4
Superannuation					
Concurrent costs		2,280	2,329	48	2.1
Superannuation interest cost	h	206	141	-65	-31.6
Other employee costs		452	480	28	6.2
Depreciation and amortisation		2,406	2,559	153	6.4
Services and contracts	i	4,755	3,803	-952	-20.0
Other gross operating expenses	j	7,144	8,513	1,370	19.2
Interest					
Interest on leases	k	152	182	30	19.6
Other interest	k	1,023	1,095	72	7.0
Current transfers	l	9,713	9,070	-643	-6.6
Capital transfers	l	670	698	28	4.2
Total		47,844	48,568	725	1.5
NET OPERATING BALANCE	m	2,414	4,191	1,777	73.6
Other economic flows - included in the operating result					
Net gains on assets/liabilities		-133	-74	59	-44.6
Provision for doubtful debts		-15	-90	-76	514.1
Changes in accounting policy/adjustment of prior periods		-	-54	-54	NA
Total other economic flows	n	-147	-218	-71	48.0
OPERATING RESULT		2,266	3,972	1,706	75.3
All other movements in equity					
Items that will not be reclassified to operating result					
Revaluations		4,421	17,021	12,601	285.0
Net actuarial gains/-loss - superannuation		173	599	426	245.3
Gains recognised directly in equity		-1	-2	-	20.2
Change in net worth of the public corporations sectors		-504	6,905	7,409	-1,471.0
All other		-	-	-	-
Total all other movements in equity	o	4,089	24,524	20,434	499.7
TOTAL CHANGE IN NET WORTH	p	6,355	28,496	22,141	348.4
KEY FISCAL AGGREGATES					
NET OPERATING BALANCE		2,414	4,191	1,777	73.6
Less Net acquisition of non-financial assets					
Purchase of non-financial assets		3,961	4,457	496	12.5
Changes in inventories		- (a)	20	20	96,142.9
Other movement in non-financial assets		-	138	138	NA
less:					
Sales of non-financial assets		83	145	63	75.6
Depreciation		2,406	2,559	153	6.4
Total net acquisition of non-financial assets		1,472	1,910	438	29.8
NET LENDING/-BORROWING	q	941	2,280	1,339	142.2

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

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

General Government Sector Operating Statement

Revenue

(a) Taxation revenue was \$1.8 billion (or 11.6%) higher than budgeted, including the combined impact of higher collections from:

- total duty on transfers (which includes transfer duty, foreign buyer duty surcharge and landholder duty), up \$1.5 billion (or 47.4%), primarily reflecting larger than expected house price growth and issuance of several high value assessments for commercial transactions, resulting in record levels of transfer and landholder duty;
- vehicle licence duty, up \$137 million (or 20.1%), largely reflecting continued demand and rising prices for vehicles; and
- a net increase of \$98 million (or 0.9%) across all other taxes, including payroll tax, taxes on gambling, insurance, and various other taxes and levies.

(b) Current and capital grants from the Commonwealth were \$2 billion (or 10.4%) lower than budgeted. Key movements include:

- lower transport grants (down \$1.2 billion or 43.2%), largely reflecting delays in the receipt of funding for a number of road and rail projects, including Bunbury Outer Ring Road, Stephenson Avenue Extension, Fremantle Traffic Bridge, Stirling Bus Interchange, and the High Capacity Signalling Program;
- the earlier than expected receipt of \$1 billion in 2024-25 from the DisabilityCare Australia Fund (as outlined in the 2024-25 *Annual Report on State Finances*), resulting in a lower outcome in 2025-26;
- the re-timing of \$219 million of funding for the Pilbara Ports Common User Facility out of 2025-26 and into the outyears, to align with revisions to the expected timing of project milestones;
- higher GST grants, up \$315 million (or 4%), reflecting a larger national GST pool relative to the estimate at the time of the 2025-26 Budget, and an increase to the estimate of Western Australia's share of the national population;
- higher North West Shelf and Condensate compensation grants (up \$65 million or 17.8%), largely reflecting higher oil prices (which averaged \$US76.2 per barrel compared to the 2025-26 Budget assumption of \$US63.0 per barrel);
- higher health-related grants (up \$73 million or 1.9%), primarily for public health and aged care services under the Multi-purpose Services Program, Aged Care Assessment Program and Commonwealth Home Support Program, partially offset by a reduction in funding for the Bentley Hospital Surgicentre Project and the Community Health and Hospital Program; and
- a net increase of \$53 million (or 2%) across all other Commonwealth grants, mainly in funding for the education and training sectors.

- (c) Sales of goods and services were \$673 million (or 19.9%) higher than budgeted, mainly driven by:
- the Department of Housing and Works (up \$214 million), reflecting service delivery agreement revenue for employee arrangements for Housing Authority staff (a public non-financial corporation) following implementation of Public Sector Reforms²;
 - Main Roads (up \$135 million), primarily due to higher revenue for additional Stirling Bus Interchange works;
 - the Department of Local Government, Industry Regulation and Safety (up \$125 million), mainly reflecting higher than expected activity and demand for services which resulted in higher revenue from the Building Services Levy, the Real Estate Agents Trust Account, the Racing Bets Levy, and the Mines Safety Levy; and
 - a \$200 million increase across all other agencies, including the Western Australian Sports Centre Trust (up \$58 million) and WA Health (up \$47 million).
- (d) Revenue from public corporations (comprising dividends and tax equivalent revenue) was \$670 million (or 18.2%) lower than budgeted, primarily reflecting the deferral of interim dividends for the Water Corporation and Western Power to 2026-27. In addition, the 2026-27 Budget incorporated a decision to defer a \$400 million special dividend from Pilbara Ports Authority to 2026-27. Partly offsetting these reductions were higher tax equivalents income from the Insurance Commission of Western Australia (up \$412 million), reflecting higher profit (as discussed elsewhere in this report).
- (e) Royalty income was \$2.3 billion (or 28.3%) higher than forecast in the 2025-26 Budget. This was primarily due to higher iron ore royalties (up \$2.1 billion or 31.8%), largely reflecting higher iron ore prices (which averaged \$US104.3 per tonne through the year compared to the 2025-26 Budget assumption of \$US77.6 per tonne). Other royalties were up a net \$235 million (or 14.5%), mainly due to higher gold and lithium royalties (reflecting stronger than forecast commodity prices, partly offset by a higher \$A/\$US exchange rate).

² The 2025-26 Budget assumed that the Housing Authority would be an Employing Authority in its own right and that this public corporation would directly incur salary, superannuation and other employee costs. However, in finalising administrative requirements following implementation of the Government's Public Sector Reforms (which took effect from 1 July 2025) the arrangements now reflect the general government part of the Department of Housing and Works as responsible for the Housing Authority's employees. As a result, the general government sector now receives Service Delivery revenue from the Housing Authority and incurs salary and related costs on the Authority's behalf.

- (f) 'Other' revenue was \$353 million (or 47.1%) higher than budgeted, mainly due to unbudgeted (non-cash) revenue such as land transferred to the State from the local government and private sectors, along with higher than budgeted fines and infringements, and minor increase in collections from mining tenement rentals. An additional \$31 million in contributions under the Resources Community Investment Initiative was also received by the Department of the Premier and Cabinet to support spending through the Remote Communities Fund and on Perth Zoo Pilbara Encounter and Roebourne District High School projects.

Expenses

- (g) Salaries expenses were \$656 million (or 3.4%) higher than budgeted. Material movements were recorded for:

- WA Health (up \$593 million), primarily due to increased staffing costs in response to expanding service demand, and higher than budgeted accrued leave expenses;
- the Department of Housing and Works (up \$141 million), largely reflecting the newly formed department becoming the Employing Authority for Housing Authority employees following Public Sector Reforms implemented from 1 July 2025 (see earlier footnote);
- the Department of Education (down \$108 million), due to lower than expected average employee costs translating into lower salaries expenditure, which primarily reflects changes in the Department's workforce composition; and
- the Department of Justice (up \$60 million), mainly driven by an increase in corrective services staffing costs, reflecting the impact of faster than expected growth in the offender population and higher than budgeted accrued leave expenses.

The Budget included \$135 million wages provision which was subsequently allocated to agencies through 2025-26.

- (h) Superannuation interest costs were \$65 million (or 31.6%) lower than budgeted, mainly reflecting a lower actuarial estimate of carrying costs on unfunded superannuation obligations in the 2025-26 year-end valuation, partially offset by lower than assumed interest revenue on superannuation investments.
- (i) Services and contracts expenses were \$952 million (or 20%) lower than budgeted, largely reflecting reclassifications across the sector to other categories, most notably 'other gross operating expenses' discussed below.
- (j) 'Other gross operating expenses' (largely made up of the day-to-day non-salaries operating costs of agencies, such as office accommodation costs, building and maintenance costs, electricity and water costs, administration costs, and services purchased from non-government organisations) were \$1.4 billion (or 19.2%) higher than budgeted. This large upward variation is affected by a reclassifications from other categories, most notably 'services and contracts' expenses noted above. Agencies with higher than budgeted spending include:

- WA Health (up \$526 million), primarily due to patient support services and the reclassification of spending from other expenditure categories;
- the Department of Justice (up \$80 million), mainly for higher prison supplies and services expenses (such as food, medical, education and security) associated with higher than forecast growth in the offender population, and building maintenance costs; and
- the Western Australia Police Force (up \$73 million), mainly related to increased ICT expenditure resulting from critical maintenance to the Emergency Services Radio Network, the transition to new contracted ICT support services and increased mobile and satellite communications. Other increases in this expenditure item relate to the implementation of legislated firearms reforms, road safety advertising campaigns and the provision of regional court security and custodial services;
- the Department of Education (up \$43 million), primarily reflecting higher insurance premiums, increased expenditure on repairs and maintenance of school infrastructure and a higher proportion of schools' budgets being spent on goods and services, partly offset by lower spending across a range of day-to-day spending;
- Main Roads (up \$42 million), largely reflecting higher than anticipated spending on road maintenance and ICT-related contracts and services; and
- the inclusion in the original Budget of a \$148 million Royalties for Regions (RfR) recurrent underspend provision in anticipation of lower spending that would emerge across the general government sector through the RfR program by 30 June 2026.

- (k) Interest expenses were \$102 million (or 8.7%) higher than budgeted, with interest on leases accounting for \$30 million of the increase, and interest on other borrowings representing \$72 million. Higher non-lease interest costs were primarily driven by higher interest payments to the public non-financial corporations sector for cash held in the Public Bank Account (up \$41 million).

The Budget also included a \$28 million allowance for lower interest costs related to a \$1.2 billion provision for lower general government infrastructure spending expected to emerge over 2025-26 (but which could not be reliably allocated to individual projects or agencies). The actual outturn for savings on unspent infrastructure investment is reflected as a combination of movements in individual agency interest expenses (where an agency would have borrowed to spend on capital investment), or higher interest revenue (where unspent funds are held by the agency at 30 June 2026 or in the Public Bank Account if appropriation funding was not drawn from the Consolidated Account). Lower than expected infrastructure spending is discussed in the cash flow section later in this Appendix.

- (l) Transfer expenses (mainly comprising recurrent and capital grants and subsidies) were a total \$615 million (or 5.9%) lower than budgeted, with lower than forecast outcomes for current transfers (down \$643 million) and higher capital transfers (up \$28 million). Key changes since the Budget include:

- higher than budgeted grants that are administered by the Department of the Premier and Cabinet (up \$243 million), largely due to the upfront recognition of payments under the Stolen Generations Redress Scheme and the Stolen Wages Class Action, partly offset by the retiming of payments for financial assistance to Griffin Coal and lower expenditure on the Strategic Solutions Program and Native Title settlement obligations;
- lower than anticipated grants by the Department of Energy and Economic Diversification (down \$111 million), largely due to the deferral of grant expenditure to align with revised project milestones and delays in grant milestone achievement, delivery schedules and spending expectations across the Investment Attraction Fund, Collie Industrial Transition Fund and Lower Carbon and Green Tech Hub;
- lower than expected grants by the Minerals Research Institute of Western Australia (down \$96 million) following the redirection of \$94 million for the establishment of the Critical Minerals Advanced Processing Common-User Facility towards the Lithium and Nickel Industry Support Program and NeoSmelt Pilot Project, and retiming of \$2 million in other minor research grant programs;
- lower than budgeted grants by the Department of Creative Industries, Tourism and Sport (down \$94 million), reflecting the revised timing of grant expenditure, with the spending realigned with grant application milestones. The lower outcome also included a change in the accounting of future payment obligations for the National Rugby League – Perth Bears and Grass-Roots Development (now recognised on an emerging cost basis);

- higher than anticipated grants by the Department of Justice (up \$75 million), largely reflecting higher than budgeted criminal injuries compensation payments;
 - lower than budgeted grants by the Department of Primary Industries and Regional Development (down \$64 million), mainly driven by the retiming of expenditure across a range of projects such as Telecommunications Infrastructure projects, Small Commitments, Myalup-Wellington Project and Pringle Village Stage 2 - Seniors Independent Living facility, partially offset by savings returned from completed initiatives, such as the Pilbara Cities Initiative and the Premium Food Centre Manjimup, and Act of Grace payments;
 - lower than anticipated State contributions made by the Department of Communities to the National Disability Insurance Scheme (NDIS), down \$62 million, resulting from offsets for in-kind services (that the State delivers on behalf of the NDIS);
 - the inclusion in the original Budget of \$378 million of spending provisions that were subsequently allocated to agencies and/or retimed to future years or spent in 2024-25; and
 - net reductions across the remainder of the sector (down \$128 million or 1.7%).
- (m) The \$4.2 billion net operating balance for 2025-26 was \$1.8 billion higher than forecast in the original Budget. Revenue was \$2.5 billion (or 5%) higher than budgeted while expenses were \$725 million (or 1.5%) higher than forecast, as detailed above.

Other Economic Flows and Movements in Equity

- (n) Unbudgeted changes to 'Other economic flows'³ resulted in a \$218 million decrease in net worth (\$71 million lower than forecast in the Budget), reflecting the combination of movements in doubtful debts provisions, net gains on assets/liabilities and changes in accounting policies/adjustment of prior periods⁴ (which are not forecast in the Budget and which reflect amendments to accumulated operating results from prior period reporting that are brought to book in year-end outcomes for 2025-26).

³ Changes in the value of assets or liabilities that do not result from transactions are referred to as 'other economic flows'. They include net gains on assets/liabilities, changes in accounting policy/adjustment of prior periods (which are not forecast in the Budget) and provisions for doubtful debts.

⁴ Movements in the value of the public sector balance sheet that result from a revaluation or restatement of assets and liabilities are included in equity as reserves. These reserves are used to account for any unrealised gains or losses that would otherwise be recognised in the operating statement. These adjustments typically arise as a result of movements in annual reports for the previous year that may not be finalised until after last year's *Annual Report on State Finances* was published, or for other valuation changes brought to book this year but which would impact a prior year outcome.

- (o) All other movements in equity included an aggregate increase in net worth of \$24.5 billion, a \$20.4 billion increase on 2025-26 Budget expectations. This item accounts for all changes in the net worth of the public sector balance sheet that are not accounted for on the general government sector operating statement, including the operations and valuation changes of public corporations, valuation changes across the sector's other assets and liabilities (including land, property, plant and equipment, superannuation and other valuation changes), and the impact of investing and financing activities. These other sources of variance are discussed throughout the following sections of this Appendix.
- (p) Net worth at 30 June 2026 increased by \$28.5 billion on the final outcome for 30 June 2025, representing a \$22.1 billion increase relative to the forecast in the original Budget (of which \$12.9 billion was reflected in the final outcome for the year ending 30 June 2025, reported in the *2024-25 Annual Report on State Finances*). This increase in the net value of the general government sector balance sheet largely reflects the impact of the higher than expected net operating balance, 'other economic flows' and 'all other movements in equity' variances noted above.
- (q) A \$2.3 billion net lending surplus outcome (which includes the net operating balance from transactions, less non-cash depreciation costs, plus the net cost of infrastructure investment activities) compares with a projected \$941 million surplus projection at the time of the 2025-26 Budget. This \$1.3 billion stronger net position primarily reflects the \$1.8 billion improvement in the net operating balance, and a \$438 million movement in non-financial assets, mainly due to higher purchases of non-financial assets (discussed later in this Appendix).

Table 4.2

GENERAL GOVERNMENT
Balance Sheet

	Notes	2025-26			
		Budget Year \$m	Actual \$m	Variation on Budget \$m	Variation on Budget %
ASSETS					
<i>Financial assets</i>					
Cash and deposits		1,740	3,250	1,510	86.8
Advances paid		955	906	-50	-5.2
Investments, loans and placements		2,326	4,313	1,987	85.5
Receivables		5,004	6,559	1,556	31.1
Shares and other equity					
Investments in other public sector entities - equity method		66,028	76,569	10,541	16.0
Investments in other public sector entities - direct injections		28,757	28,605	-152	-0.5
Investments in other entities		89	87	-3	-3.0
Other financial assets		- (a)	- (a)	- (a)	-67.3
Total financial assets	a	104,900	120,289	15,390	14.7
<i>Non-financial assets</i>					
Land		53,122	64,157	11,035	20.8
Property, plant and equipment		71,207	80,763	9,556	13.4
Right-of-use assets		2,480	2,453	-27	-1.1
Service concession assets		986	1,275	289	29.3
Biological assets		6	10	5	89.5
Inventories					
Land inventories		-	-	-	-
Other inventories		243	241	-1	-0.5
Intangibles		826	921	94	11.4
Assets classified as held for sale		17	62	45	267.7
Investment property		-	-	-	-
Other		511	542	31	6.1
Total non-financial assets	b	129,396	150,425	21,028	16.3
TOTAL ASSETS	c	234,296	270,714	36,418	15.5
LIABILITIES					
Deposits held		3,189	3,332	143	4.5
Advances received		414	429	15	3.5
Borrowings					
Lease liabilities		2,888	2,792	-95	-3.3
Service concession liabilities		-	-	-	-
Other borrowings		27,730	28,162	433	1.6
Superannuation		3,516	3,206	-309	-8.8
Other employee benefits		4,872	5,636	764	15.7
Payables		2,872	3,416	544	19.0
Other liabilities		3,161	3,055	-107	-3.4
TOTAL LIABILITIES	d	48,642	50,029	1,387	2.9
NET ASSETS		185,654	220,684	35,031	18.9
<i>Of which:</i>					
Contributed equity		-	-	-	-
Accumulated surplus		35,058	37,979	2,922	8.3
Other reserves		150,596	182,705	32,109	21.3
NET WORTH	e	185,654	220,684	35,031	18.9
MEMORANDUM ITEMS					
<i>Net financial worth</i>		56,257	70,260	14,002	24.9
<i>Net financial liabilities</i>		38,528	34,915	-3,613	-9.4
<i>Net debt</i>					
Gross debt liabilities		34,221	34,716	495	1.4
less: liquid financial assets		5,021	8,468	3,447	68.7
Net debt	f	29,200	26,247	-2,953	-10.1

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

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

General Government Sector Balance Sheet⁵

- (a) General government sector financial assets totalled \$120.3 billion at 30 June 2026, up \$15.4 billion (or 14.7%) from the original Budget. This reflected an increase in the value of investments in other public sector entities (up \$10.4 billion), higher than budgeted holdings of cash and other liquid investments (up \$3.4 billion), mainly due to higher Public Bank Account (PBA) investment holdings⁶, and a higher than expected outturn for receivables⁷ (up \$1.6 billion, mainly for yet-to-be received tax and mining revenue collections due to the timing of cash receipts).
- (b) Non-financial assets (such as land, infrastructure holdings and leased assets) totalled \$150.4 billion at 30 June 2026, up \$21 billion (or 16.3%) from Budget, largely reflecting higher year-end values for the sector's land holdings (up \$11 billion) and higher than budgeted holdings of property, plant and equipment (up \$9.6 billion).
- (c) Total assets were \$270.7 billion at 30 June 2026, up \$36.4 billion (or 15.5%) compared to the original Budget, reflecting the movements outlined above.
- (d) Total liabilities were \$50 billion at 30 June 2026, up \$1.4 billion (or 2.9%) from the original Budget forecast. Key movements included:
- debt liabilities, which includes deposits held on behalf of public corporations and other parties, advances from the Commonwealth, and borrowings (inclusive of lease liabilities, service concession liabilities, and other borrowings), were up a net \$495 million, largely due to higher borrowings reflecting \$449 million of short-term debt acquired by Main Roads to deliver road projects (following delays with receipt of Commonwealth road funding); and
 - non-debt liabilities (up a net \$893 million), reflecting higher than budgeted outcomes for employee benefits such as accruing leave and salary entitlements (up \$764 million, mainly due to higher employee numbers and valuation changes), along with payables⁸ (up \$544 million, which are subject to the timing of cash payments by the sector). These increases were partly offset by lower than budgeted unfunded superannuation liabilities (down \$309 million, mainly reflecting an increase from 4.7% to 4.8% in the value of the discount rate used by the actuary for year-end valuation of these obligations), and 'other' liabilities (down \$107 million).

⁵ Movements in balance sheet aggregates since the original 2025-26 Budget incorporate changes from the estimated actual for 2024-25 (contained in the 2025-26 Budget) and the final outcome for that year which were described in the *Financial Results* Chapter of the 2024-25 *Annual Report on State Finances*.

⁶ The PBA is the central bank account of the Western Australian public sector. Divisions of the PBA include the Consolidated Account, agency and Treasurer's Special Purpose Accounts and other centrally managed bank accounts. The PBA is administered by the Department of Treasury and Finance with funds management provided by the Western Australian Treasury Corporation. Key components of the PBA are discussed further in Appendix 7: *Public Ledger*.

⁷ Accounts for revenue that have been invoiced but for which cash is still to be received.

⁸ Payables include short and long-term trade creditors, and accounts payable.

- (e) Net worth (the difference between total assets and total liabilities) was \$220.7 billion at 30 June 2026. This outcome is \$35 billion (or 18.9%) higher than the forecast \$185.7 billion in the 2025-26 Budget, reflecting the net impact of the outcomes noted above.
- (f) General government sector net debt was \$26.2 billion at 30 June 2026, \$3 billion (or 10.1%) lower than the \$29.2 billion estimate in the original Budget. This was mainly due to the net impact of:
- the better than expected net debt outcome at 30 June 2025 (down \$2.1 billion on the estimated actual for 2024-25 contained in the 2025-26 Budget, and detailed in the *2024-25 Annual Report on State Finances*); and
 - lower capital and equity contributions to public corporations (down \$930 million), mainly for lower Consolidated Account contributions for the Public Transport Authority and the Pilbara Ports Authority reflecting timing changes to a range of project works since the original Budget was delivered⁹.

⁹ Consolidated Account appropriations for capital works and other equity contributions to public corporations are funded by general government net debt while the investment of these funds is carried out by agencies in the public corporations sectors.

Table 4.3

GENERAL GOVERNMENT
Cash Flow Statement

		2025-26			
	Notes	Budget Year \$m	Actual \$m	Variation on Budget \$m	Variation on Budget %
CASH FLOWS FROM OPERATING ACTIVITES					
Cash received					
Taxes received		15,143	16,111	968	6.4
Grants and subsidies received		21,429	20,028	-1,400	-6.5
Receipts from sales of goods and services		3,293	3,964	672	20.4
Interest receipts		280	270	-10	-3.6
Dividends and tax equivalents		3,696	2,647	-1,049	-28.4
Other		11,168	13,730	2,562	22.9
Total cash received		55,009	56,751	1,742	3.2
Cash Paid					
Wages, salaries and supplements, and superannuation		-21,563	-22,045	-482	2.2
Payments for goods and services		-12,449	-12,921	-472	3.8
Interest paid		-1,124	-1,256	-132	11.7
Grants and subsidies paid		-12,933	-12,134	799	-6.2
Dividends and tax equivalents		-	-	-	-
Other payments		-1,828	-2,890	-1,062	58.1
Total cash paid		-49,897	-51,245	-1,348	2.7
NET CASH FLOWS FROM OPERATING ACTIVITIES	a	5,112	5,505	394	7.7
CASH FLOWS FROM INVESTING ACTIVITES					
Cash flows from investments in non-financial assets					
Purchase of non-financial assets	b	-3,961	-4,457	-496	12.5
Sales of non-financial assets	c	83	145	63	75.6
Total cash flows from investments in non-financial assets	d	-3,878	-4,312	-433	11.2
Cash flows from investments in financial assets					
Cash received					
For policy purposes		10	25	15	147.5
For liquidity purposes		46	80	34	72.8
Cash paid					
For policy purposes		-5,028	-4,098	930	-18.5
For liquidity purposes		-108	-84	24	-22.0
Total cash flows from investments in financial assets		-5,080	-4,077	1,002	-19.7
NET CASH FLOWS FROM INVESTING ACTIVITIES		-8,958	-8,389	569	-6.4
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received					
Advances received		32	19	-13	-41.6
Borrow ings		4,117	4,049	-67	-1.6
Deposits received		-	15	15	NA
Other financing receipts		15	878	863	5,635.0
Total cash receipts from financing activities		4,164	4,961	797	19.1
Cash paid					
Advances paid		-32	-19	13	-41.6
Borrow ings repaid		-822	-72	750	-91.3
Deposits paid		-249	-	249	NA
Other financing payments		-430	-1,419	-989	230.0
Total payments for financing activities		-1,533	-1,510	23	-1.5
NET CASH FLOWS FROM FINANCING ACTIVITIES		2,631	3,451	820	31.2
Net increase in cash and cash equivalents		-1,215	567	1,782	-146.7
Cash and cash equivalents at the beginning of the year		4,707	6,506	1,800	38.2
Cash and cash equivalents at the end of the year		3,492	7,074	3,582	102.6
KEY FISCAL AGGREGATES					
Net cash flow s from operating activities		5,112	5,505	394	7.7
Net cash flow s from investing in non-financial assets		-3,878	-4,312	-433	11.2
Cash surplus/-deficit	e	1,233	1,194	-40	-3.2

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

General Government Sector Cash Flow Statement

- (a) Net cash flows from operating activities (i.e. the receipts and payments of day-to-day operating activities of general government agencies) were in a net \$5.5 billion cash surplus position in 2025-26, \$394 million stronger than the \$5.1 billion cash operating surplus forecast in the 2025-26 Budget¹⁰. Operating cash receipts totalled \$56.8 billion in 2025-26, \$1.7 billion (or 3.2%) higher than Budget. Total cash paid in 2025-26 was \$51.2 billion, \$1.3 billion (or 2.7%) higher than Budget.

The \$394 million stronger net cash operating result reflects similar factors to the improvement for the accrual operating balance on the operating statement (discussed earlier in this Appendix). In particular, improvements in revenue, (particularly for taxation and royalty income), were broadly matched by similar increases in operating receipts, while lower Commonwealth grants and dividend revenue were matched by their cash equivalents. At the same time, the higher than budgeted accrual expenses (discussed earlier) were also broadly matched by their cash flow equivalents.

- (b) Purchases of non-financial assets (i.e. largely land and infrastructure investment) totalled \$4.5 billion in 2025-26, \$496 million (or 12.5%) higher than the forecast in the 2025-26 Budget. The 2025-26 Budget included a global infrastructure underspend provision for the general government sector of \$1.2 billion, resulting in a budgeted general government sector infrastructure spend of \$3.9 billion. Relative to the 2025-26 Budget, the actual underspend by general government sector agencies totalled \$704 million, reflecting lower net asset investment spending by the Department of Primary Industries and Regional Development (down \$175 million), the Department of Transport and Major Infrastructure (down \$86 million), Main Roads (down \$82 million), the Department of Biodiversity, Conservation and Attractions (down \$70 million), the Department of Education (down \$58 million), and an aggregate \$233 million lower than forecast spend across all other general government agencies. Details of underspending largely emerge in the last quarter of the financial year and are discussed in more detail in the *Financial Results* Chapter of this report.
- (c) Receipts from the sale of surplus non-financial assets totalled \$145 million in 2025-26, \$63 million higher than Budget, largely due to higher land sales by the Western Australian Planning Commission.
- (d) Net cash flows from investments in non-financial assets totalled \$4.3 billion in 2025-26, \$433 million higher than Budget, reflecting the combined effect of changes in purchases and sales outlined above.

¹⁰ The net cash flow from operating activities is the cash equivalent of the operating balance on the operating statement discussed earlier in this Appendix and in the *Financial Results* Chapter of this report. This cash flow aggregate is only based on cash information while the accrual operating balance includes non-cash transactions such as depreciation charges, and recognises costs (expenses) and benefits (revenue) as they occur rather than only when cash is paid or received.

- (e) The general government sector recorded a \$1.2 billion cash surplus in 2025-26, \$40 million lower than the cash surplus forecast in the original Budget. This reflects the combination of net cash receipts from operations and net investment in non-financial assets described above. The cash surplus/deficit is the key driver of movements in net debt (discussed in the *Balance Sheet* section above and in the *Financial Results* chapter of this report).

TOTAL PUBLIC SECTOR **Operating Statement**

Table 4.4

		2025-26			
	Notes	Budget Year \$m	Actual \$m	Variation on Budget \$m	Variation on Budget %
RESULTS FROM TRANSACTIONS					
REVENUE					
Taxation		14,464	16,198	1,734	12.0
Current grants and subsidies		15,776	15,107	-669	-4.2
Capital grants		3,031	1,740	-1,290	-42.6
Sales of goods and services		48,439	61,439	13,001	26.8
Interest income		1,031	932	-99	-9.6
Royalty income		8,245	10,582	2,336	28.3
Other		1,460	2,003	543	37.2
Total	a	92,446	108,001	15,555	16.8
EXPENSES					
Salaries		21,019	21,680	661	3.1
Superannuation					
Concurrent costs		2,531	2,567	36	1.4
Superannuation interest cost		206	141	-65	-31.6
Other employee costs		781	960	178	22.8
Depreciation and amortisation		6,285	6,626	341	5.4
Services and contracts		5,833	4,911	-922	-15.8
Other gross operating expenses		46,550	59,486	12,935	27.8
Interest					
Interest on leases		216	249	32	14.9
Other interest		2,106	1,926	-181	-8.6
Current transfers		6,824	6,276	-548	-8.0
Capital transfers		378	343	-34	-9.1
Total	b	92,731	105,165	12,434	13.4
NET OPERATING BALANCE	c	-285	2,836	3,121	-1,094.4
Other economic flows - included in the operating result					
Net gains on assets/liabilities		44	536	492	1,110.3
Provision for doubtful debts		-60	-109	-49	81.0
Changes in accounting policy/adjustment of prior periods		-	-3	-3	NA
Total other economic flows	d	-16	424	440	-2,763.2
OPERATING RESULT		-301	3,260	3,561	-1,182.7
All other movements in equity					
Items that will not be reclassified to operating result					
Revaluations		6,486	24,681	18,195	280.5
Net actuarial gains/-loss - superannuation		176	562	386	219.8
Gains recognised directly in equity		-5	-7	-1	28.0
All other		-	-	-	-
Total all other movements in equity	e	6,656	25,236	18,579	279.1
TOTAL CHANGE IN NET WORTH	f	6,355	28,496	22,141	348.4
KEY FISCAL AGGREGATES					
NET OPERATING BALANCE		-285	2,836	3,121	-1,094.4
Less Net acquisition of non-financial assets					
Purchase of non-financial assets		12,061	12,269	208	1.7
Changes in inventories		359	2,349	1,989	553.8
Other movement in non-financial assets		195	449	254	130.2
less:					
Sales of non-financial assets		646	969	323	50.0
Depreciation		6,285	6,626	341	5.4
Total net acquisition of non-financial assets		5,684	7,472	1,788	31.5
NET LENDING/-BORROWING	g	-5,969	-4,636	1,334	-22.3

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

Total Public Sector¹¹ Operating Statement

- (a) Operating revenue in 2025-26 was \$108 billion, \$15.6 billion (or 16.8%) higher than budgeted. This higher outcome includes movements for taxation (\$1.7 billion), and royalties (\$2.3 billion), partially offset by lower Commonwealth grants (\$2 billion), which also appear on the general government operating statement with most of this income received by that sector, as outlined earlier in this Appendix¹².

In addition to the general government revenue movements noted above, total public sector revenue from sales of goods and services was higher than expected (up \$13 billion or 26.8% relative to Budget). This significant upward revision primarily reflects higher Gold Corporation revenue (up \$12.5 billion), driven by higher than anticipated gold and silver prices. Higher gold revenue is broadly matched by an equivalent increase in related expenses (see (b) later in this section).

Other material movements in goods and services revenue included:

- the Lotteries Commission (up \$125 million), primarily reflecting increased sales, largely driven by higher prize moneys and player participation rates, combined with increases to ticket prices for Powerball and Saturday Lotto;
- Racing and Wagering Western Australia (down \$144 million), due to lower than budgeted betting turnover, (with an associated decrease in betting dividend payouts); and
- Synergy (down \$131 million), due to lower sales volumes in the contestable market, as well as lower unit prices.

¹¹ The total public sector (also known as the whole-of-government) reflects the consolidation of the general government sector (discussed earlier), the public non-financial corporations sector (which includes entities delivering non-financial services on a predominantly cost recovery basis, like the State's ports, and the electricity and water utilities), and the public financial corporations sector (which includes agencies mainly engaged in financial activities such as the Western Australian Treasury Corporation and the Insurance Commission of Western Australia).

¹² Internal transfers between the general government sector and agencies in the public corporations sectors are eliminated in the whole-of-government consolidation process. Accordingly, some total public sector financial aggregates may be smaller than the general government equivalent. For example, the general government sector collects payroll tax from some public corporations. These internal collections are not shown in the total public sector taxation revenue data which is thus smaller in magnitude than the equivalent general government taxation revenue aggregate.

- (b) Operating expenses in 2025-26 were \$105.2 billion, \$12.4 billion (or 13.4%) higher than Budget, mainly due to higher outcomes for 'other' gross operating expenses (up \$13 billion or 27.8%) – discussed below. Other upward movements were recorded for salaries, superannuation, other employee costs and depreciation and amortisation. These increases were partly offset by lower spending on services and contracts, interest expenses, and recurrent and capital transfer expenses (mainly grants).

The major contributor to the higher outcome for 'Other' gross operating expenses was the Gold Corporation (up \$12.4 billion), mirroring the impact of higher gold and silver prices outlined above in (a). In addition, higher than budgeted outcomes were recorded by the Lotteries Commission (up \$58 million), while lower than budgeted outcomes were recorded by Synergy (down \$305 million), reflecting lower than expected market expenditure and renewable energy certificate costs, and Racing and Wagering Western Australia (down \$157 million), due largely to the impact on expenses of the revenue issues outlined above.

Claims expenses for the Insurance Commission of Western Australia (ICWA) were \$455 million lower than budgeted, mainly due to favourable year-end actuarial valuation movements across the motor injury insurance funds, particularly in the Catastrophic Injuries Fund. RiskCover claims expenses were \$38 million lower than estimated, reflecting lower than expected number of large claims in the 'Liability (general and medical treatment) Insurance' class.

Salaries were \$661 million higher than forecast in the 2025-26 Budget. This largely reflects higher general government salaries costs (up \$656 million) detailed earlier in this Appendix, while salaries outcomes for the State's public corporations were broadly unchanged (up \$5 million).

'Other employee costs' were \$178 million (or 22.8%) higher than Budget, largely driven by higher workers' compensation claims expenses for the RiskCover Fund (\$130 million), due to higher claims volumes and average claim size.

Current and capital transfers were a net \$582 million (or 8.1%) lower than Budget, with movements in the general government sector discussed earlier. Public non-financial corporations sector transfers were \$102 million (or 5.7%) higher than Budget, largely reflecting higher grants by the Public Transport Authority due to fuel and contract cost escalation and an increase the number of supporting public transport services introduced with the commissioning of new rail lines.

- (c) The total public sector recorded a \$2.8 billion operating surplus in 2025-26, a \$3.1 billion turnaround on the \$285 million deficit projected at the time of the 2025-26 Budget, reflecting the revenue and expense movements detailed above at (a) and (b) respectively.

- (d) 'Other' economic flows (net gains and losses on assets, doubtful debt provisions and accounting adjustments) resulted in an aggregate \$424 million increase in net worth, \$440 million higher than forecast in the 2025-26 Budget. This was predominantly due to a \$492 million change in net gains on assets/liabilities.
- (e) All other movements in equity total to an aggregate increase in net worth of \$25.2 billion in 2025-26, up \$18.6 billion from expectations at the time of the Budget. This was primarily driven by higher than expected valuations (particularly land and property, plant and equipment valuations) in 2025-26 (up \$18.2 billion).
- (f) Relative to 30 June 2025, net worth at 30 June 2026 increased by \$28.5 billion, a \$22.1 billion stronger outcome than the 2025-26 Budget forecast. This change is comprised of the changes in the net operating balance, other economic flows and all other movements in equity variances outlined above and in the equivalent general government sector discussion earlier in this Appendix, and the final outcome for 30 June 2025 reported in the *2024-25 Annual Report on State Finances*.
- (g) Net lending/borrowing was in a \$4.6 billion deficit position in 2025-26, \$1.3 billion smaller than the \$6 billion net lending deficit projected in the 2025-26 Budget.

This reflects:

- the stronger total public sector operating surplus discussed earlier in this section (up \$3.1 billion), less the impact of depreciation movements which are removed in the calculation of net lending/borrowing (\$341 million);
- changes in total public sector purchases (up \$208 million) and sales of non-financial assets (up \$323 million) detailed later in this Appendix (see Total Public Sector Cash Flow Statement); and
- a \$2 billion increase on expected inventory levels, primarily due to higher gold and other precious metal prices impacting Gold Corporation inventory values.

TOTAL PUBLIC SECTOR
Balance Sheet

Table 4.5

		2025-26			
	Notes	Budget Year \$m	Actual \$m	Variation on Budget \$m	Variation on Budget %
ASSETS					
Financial assets					
Cash and deposits		3,204	4,990	1,786	55.7
Advances paid		1,894	2,132	238	12.5
Investments, loans and placements		16,309	18,121	1,812	11.1
Receivables		6,789	8,265	1,476	21.7
Equity - Investments in other entities		3,506	3,018	-488	-13.9
Other financial assets		8	9	1	17.1
Total financial assets		31,710	36,535	4,825	15.2
Non-financial assets					
Land		64,949	78,033	13,083	20.1
Property, plant and equipment		163,980	180,083	16,103	9.8
Right-of-use assets		2,934	2,956	22	0.7
Service concession assets		3,496	5,024	1,528	43.7
Biological assets		256	159	-97	-38.0
Inventories					
Land inventories		1,884	1,548	-336	-17.8
Other inventories		9,652	13,211	3,559	36.9
Intangibles		1,317	1,307	-10	-0.8
Assets classified as held for sale		25	211	186	738.0
Investment property		23	24	1	5.3
Other		880	994	114	12.9
Total non-financial assets		249,397	283,549	34,152	13.7
TOTAL ASSETS		281,107	320,084	38,977	13.9
LIABILITIES					
Deposits held		20	45	25	119.6
Advances received		414	429	15	3.5
Borrowings					
Lease liabilities		3,533	3,508	-25	-0.7
Service concession liabilities		283	262	-21	-7.4
Other borrowings		56,124	54,411	-1,713	-3.1
Superannuation		3,574	3,270	-304	-8.5
Other employee benefits		5,464	6,345	881	16.1
Payables		13,780	18,230	4,449	32.3
Other liabilities		12,260	12,901	641	5.2
TOTAL LIABILITIES		95,453	99,399	3,946	4.1
NET ASSETS		185,654	220,684	35,031	18.9
Of which:					
Contributed equity		-	-	-	-
Accumulated surplus		55,096	58,533	3,437	6.2
Other reserves		130,558	162,152	31,594	24.2
NET WORTH	a	185,654	220,684	35,031	18.9
MEMORANDUM ITEMS					
Net financial worth					
Net financial liabilities		-63,743	-62,865	879	-1.4
Net debt		63,743	62,865	-879	-1.4
Net debt					
Gross debt liabilities		60,375	58,654	-1,721	-2.8
less: liquid financial assets		21,407	25,243	3,836	17.9
Net debt	b	38,968	33,412	-5,556	-14.3

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

Total Public Sector Balance Sheet¹³

- (a) Net worth of the total public sector was \$220.7 billion at 30 June 2026 (up \$35 billion, or 18.9% on the Budget-time forecast).

Movements since the original Budget for these balance sheet items largely reflect changes due to operating and investing operations through 2025-26 (discussed in cash flow terms below), movements in the valuation of assets (particularly land and other physical assets) and the impact of the final outturn for 30 June 2025 reported in the *2024-25 Annual Report on State Finances*.

- Assets were \$39 billion (or 13.9%) higher than Budget, reflecting an increase in the value of non-financial assets (up \$34.2 billion), and higher financial asset holdings (up \$4.8 billion).
 - Higher than budgeted non-financial asset outcomes largely reflects the impact of increases in property, plant and equipment (up \$16.1 billion), upward valuations on land holdings (up \$13.1 billion), and an increase in inventories (up a net \$3.2 billion across land and other inventories).
 - For financial assets, holdings of liquid assets were a net \$3.8 billion higher than forecast, largely reflecting higher cash and investment holdings for the Public Bank Account. Receivables were \$1.5 billion higher than Budget, mainly reflecting an increase in tax and mining revenue receivables noted earlier in this Appendix.
 - Liabilities were \$3.9 billion (or 4.1%) higher than Budget, with lower gross debt liabilities (down \$1.7 billion) largely reflecting lower than expected forward borrowing activity by the Western Australian Treasury Corporation. Higher than forecast liabilities were also recorded for payables (up \$4.4 billion), other employee benefits (up \$881 million), and 'other' liabilities (up \$641 million), partly offset by the downward valuation of unfunded superannuation liabilities mainly held in the general government sector (down \$304 million) noted earlier in this Appendix.
- (b) Total public sector net debt was \$33.4 billion at 30 June 2026, \$5.6 billion (or 14.3%) lower than the \$39 billion estimate at the time of the 2025-26 Budget. Gross debt liabilities were a net \$1.7 billion lower while holdings of liquid financial assets were up \$3.8 billion. This outcome is largely due to the impact on cash of the stronger than expected operating surplus for 2025-26 (noted in the previous section), and the final outcome for 30 June 2025, reported in the *2024-25 Annual Report on State Finances*.

¹³ Net worth of the total public sector is equivalent to general government sector net worth discussed earlier in this appendix. This is because the net worth of the public corporations is recorded as an asset on the general government sector balance sheet. Accordingly, the variance from original Budget is also the same as for the general government sector. However, total public sector assets and liabilities are different to the general government sector disclosure as the assets and liabilities of the public corporations are disclosed in more detail than the net asset holding in public corporations recorded on the general government sector balance sheet. Movements in balance sheet aggregates since the original 2025-26 Budget incorporate changes from the estimated actual for 2024-25 (contained in the 2025-26 Budget) and the final outcome for that year which were described in the *Financial Results* Chapter of the *2024-25 Annual Report on State Finances*.

Table 4.6

TOTAL PUBLIC SECTOR Cash Flow Statement

		2025-26			
Notes	Budget Year \$m	Actual \$m	Variation on Budget \$m	Variation on Budget %	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received					
Taxes received	14,492	15,428	936	6.5	
Grants and subsidies received	21,429	20,028	-1,400	-6.5	
Receipts from sales of goods and services	33,517	25,939	-7,578	-22.6	
Interest receipts	1,071	743	-328	-30.6	
Dividends and tax equivalents	-	-	-	-	
Other	12,867	15,860	2,993	23.3	
Total cash received	83,375	77,999	-5,376	-6.4	
Cash paid					
Wages, salaries and supplements, and superannuation	-23,756	-24,243	-487	2.1	
Payments for goods and services	-35,255	-27,279	7,977	-22.6	
Interest paid	-2,267	-1,942	326	-14.4	
Grants and subsidies paid	-9,391	-8,611	780	-8.3	
Dividends and tax equivalents	-	-	-	-	
Other payments	-6,128	-7,468	-1,340	21.9	
Total cash paid	-76,797	-69,543	7,255	-9.4	
NET CASH FLOWS FROM OPERATING ACTIVITIES	a	6,578	8,456	1,878	28.6
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash flows from investments in non-financial assets					
Purchase of non-financial assets	b	-12,061	-12,269	-208	1.7
Sales of non-financial assets	c	646	969	323	50.0
Total cash flows from investments in non-financial assets	d	-11,415	-11,300	115	-1.0
Cash flows from investments in financial assets					
Cash received					
For policy purposes	10	25	15	147.5	
For liquidity purposes	9,519	11,575	2,055	21.6	
Cash paid					
For policy purposes	-10	-27	-17	173.8	
For liquidity purposes	-9,876	-13,944	-4,069	41.2	
Total cash flows from investments in financial assets	-356	-2,372	-2,016	566.1	
NET CASH FLOWS FROM INVESTING ACTIVITIES		-11,771	-13,672	-1,901	16.2
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received					
Advances received	143	160	17	11.6	
Borrowings	24,861	36,282	11,421	45.9	
Deposits received	-	-	-	-	
Other financing receipts	9	898	889	9,545.0	
Total cash received	25,014	37,340	12,326	49.3	
Cash paid					
Advances paid	-32	-19	13	-41.6	
Borrowings repaid	-21,008	-32,490	-11,482	54.7	
Deposits paid	-	-	-	-	
Other financing payments	-525	-1,580	-1,056	201.2	
Total cash paid	-21,564	-34,089	-12,524	58.1	
NET CASH FLOWS FROM FINANCING ACTIVITIES		3,449	3,251	-198	-5.7
Net increase in cash and cash equivalents		-1,743	-1,965	-221	12.7
Cash and cash equivalents at the beginning of the period		9,839	13,790	3,951	40.2
Cash and cash equivalents at the end of the period		8,095	11,825	3,730	46.1
KEY FISCAL AGGREGATES					
Net cash flows from operating activities		6,578	8,456	1,878	28.6
Net cash flows from investing in non-financial assets		-11,415	-11,300	115	-1.0
Cash surplus/-deficit	e	-4,837	-2,844	1,993	-41.2
Note: Columns/rows may not add due to rounding.					

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

Total Public Sector Cash Flow Statement

- (a) Net cash flows from operating activities were in a surplus position of \$8.5 billion in 2025-26, \$1.9 billion higher than the \$6.6 billion cash operating surplus forecast in the 2025-26 Budget. Cash operating receipts in 2025-26 totalled \$78 billion, \$5.4 billion (or 6.4%) lower than forecast. Cash operating payments in 2025-26 were \$69.5 billion, \$7.3 billion (or 9.4%) lower than Budget. Movements for key cash aggregates including taxes, royalties, Commonwealth grants, and wages and salaries are largely driven by general government outcomes, discussed earlier in this Appendix. The significant downward revision to both sales of goods and services (down \$7.6 billion), and payments for goods and services (down \$8 billion) are driven by the impact of cash transactions for precious metals and related products of the Gold Corporation (down \$8.2 billion and \$8.3 billion respectively)¹⁴.
- (b) Purchases of non-financial assets, also known as the State's Asset Investment Program (AIP), totalled \$12.3 billion in 2025-26, \$208 million (or 1.7%) higher than forecast in the 2025-26 Budget. The 2025-26 Budget included a global AIP underspend provision of \$2.4 billion (in anticipation of slippage in the State's infrastructure program that typically emerges during the year), resulting in a budgeted AIP of \$12.1 billion. Relative to the 2025-26 Budget forecasts, the actual AIP underspend by agencies totalled \$2.2 billion. Material movements in agency programs since the original Budget have been discussed in prior publications and the *Financial Results* Chapter of this report.
- (c) Sales of non-financial assets were \$969 million in 2025-26, \$323 million higher than Budget, largely reflecting higher than budgeted land sales by DevelopmentWA, the Housing Authority and the Western Australian Planning Commission.
- (d) Net cash flows from investments in non-financial assets were \$11.3 billion in 2025-26, \$115 million (or 1%) higher than Budget, with movements in purchases and sales outlined above.
- (e) The total public sector recorded a \$2.8 billion cash deficit in 2025-26, \$2 billion lower than the \$4.8 billion deficit forecast in the 2025-26 Budget, which reflects the stronger than expected net cash surplus on operations (up \$1.9 billion), and the net cash spend on non-financial assets (down \$115 million) outlined above.

¹⁴ Precious metal sales forecasts by the Gold Corporation (in both the 2025-26 and 2026-27 Budgets, and the 2025-26 Mid-year Review), increased substantially through the last year, broadly in line with movements in international gold prices and the \$A/\$US exchange rate. The 2025-26 actual, for operating cash receipts and payments, is \$8.2 billion lower than the original Budget forecast (and is also lower than the Mid-year Review and 2026-27 Budget projections for 2025-26) as the Corporation had included broadly equivalent non-cash revenue and expense movements in its cash receipt/payments forecasts.

Special Purpose Accounts

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

This Appendix details balances at 30 June 2026 for a number of key SPAs established to deliver specific Government policy outcomes and that were in existence during 2025-26. Details on other SPAs can be found in agencies' annual reports. The focus of these disclosures is on major/material SPAs and is not intended to be an exhaustive list of all SPAs, most of which are established for administrative purposes. The SPA balances and transactions in and out of the accounts listed in this Appendix form part of the overall consolidated outcomes outlined elsewhere in this report.

Asset Maintenance Fund

This Fund was established as part of the 2023-24 Budget to progress high priority maintenance works, and ensure risks to service delivery, public safety, and asset condition are addressed.

A total of \$66.3 million was drawn down from the Fund during 2025-26 to progress various upgrades, maintenance and repair works. Agencies accessing funding include the Department of Education (\$25.5 million), the Department of Transport and Major Infrastructure (\$6.1 million), the Western Australian Sports Centre Trust (\$5.2 million), the Western Australia Police Force (\$5.2 million), and a range of other agencies with smaller drawdowns (totalling \$24.2 million).

Table 5.1

ASSET MAINTENANCE FUND		
	2025-26 \$m	2024-25 \$m
Balance at 1 July	138	241
Receipts	-	- (a)
Payments	66	103
Closing Balance	71	138

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

Building Hospitals Fund

This Fund was approved as part of the 2025-26 Mid-year Review to support investment in priority health infrastructure projects, with an allocation of \$1.5 billion to be paid over 2025-26 (\$49 million) and 2026-27 (\$1.45 billion).

During 2025-26, \$5 million of 2026-27 receipts were brought forward to fund immediate Albany Health Campus Expansion project costs. A further \$1.475 billion was transferred into the Fund from the New Women and Babies Hospital Account¹, following the Government’s 2026-27 Budget decision to consolidate funding for the State’s major health infrastructure projects through a single dedicated Fund.

Payments from the Fund in 2025-26 of \$50.4 million were approved to support spending on the New Mandurah Hospital, the Royal Perth Hospital Emergency Department Expansion, the Geraldton Health Campus Radiation Oncology Unit and the Albany Health Campus Expansion.

¹ This Account was subsequently closed in June 2026.

BUILDING HOSPITALS FUND

Table 5.2

	2025-26 \$m	2024-25 \$m
<i>Balance at 1 July</i>	-	-
Receipts	1,529	-
Payments	50	-
Closing Balance	1,479	-

Note: Columns may not add due to rounding.

Climate Action Fund

This Fund was established in 2021-22 to hold funds for future climate action and renewable energy initiatives.

A total of \$173.3 million was drawn from the Fund during 2025-26, reflecting funding for:

- Synergy (\$97.2 million), supporting payments towards King Rocks Wind Farm and for Warradarge Wind Farm Stage 2;
- the Department of Energy and Economic Diversification, for the economic transition of Collie, the costs associated with the transition away from native forestry, and various hydrogen and other climate-related initiatives (\$29.6 million);
- the Department of Water and Environmental Regulation, to progress various climate action and adaptation initiatives, including the Green Energy Approvals project, the Climate Science Initiative and First Nations climate resilience (\$17.4 million);
- the Department of Training and Workforce Development, to support the local workforce to transition into new industries, including provision of training facilities and services delivered locally in the Collie region as part of the Collie Transition Package (\$7.1 million); and
- a number of smaller emissions reduction and climate adaptation initiatives (\$21.9 million).

CLIMATE ACTION FUND

Table 5.3

	2025-26 \$m	2024-25 \$m
<i>Balance at 1 July</i>	453	679
Receipts	-	-
Payments	173	226
Closing Balance	280	453

Note: Columns may not add due to rounding.

Debt Reduction Account

The Debt Reduction Account was established in 2017-18 to apply funds to reduce Consolidated Account borrowings. No funds flowed through this Account during 2025-26, with the Government directing available surplus cash to provide a non-debt source of infrastructure spending.

Digital Capability Fund

This Fund was established in 2021-22 to support public sector entities with the upgrade of ICT systems to improve government service delivery, enhance cyber security and mitigate operational risks. During 2025-26, receipts of \$16 million were paid into the Fund, including the return of \$485,000 in unspent funding.

A total of \$243.5 million was drawn down from the Fund over the year to 30 June 2026 to progress a range of projects delivered by WA Health (\$104.1 million), the Land Information Authority (\$21 million), the Department of the Premier and Cabinet (\$19.9 million), the Department of Transport and Major Infrastructure (\$18 million), the Western Australia Police Force (\$14.9 million), the Department of Local Government, Industry Regulation and Safety (\$14.6 million), the Department of Water and Environmental Regulation (\$10.5 million) and a number of smaller contributions to support projects delivered by various other agencies (totalling \$40.6 million).

DIGITAL CAPABILITY FUND			Table 5.4
	2025-26 \$m	2024-25 \$m	
Balance at 1 July	593	434	
Receipts	16	458	
Payments	244	298	
Closing Balance	366	593	

Note: Columns may not add due to rounding.

Ecological Thinning Program Account

This Account was established in 2023-24 to support ecological thinning works under the 2024-33 Forest Management Plan to reduce moisture stress and promote forest health.

Receipts of \$11.9 million in 2025-26 reflect timber sales revenue generated from ecological thinning activities. Drawdowns totalling \$34.3 million were made from the Account to support contractor payments and administrative costs during 2025-26.

ECOLOGICAL THINNING PROGRAM ACCOUNT

Table 5.5

	2025-26 \$m	2024-25 \$m
<i>Balance at 1 July</i>	119	12
Receipts	12	135
Payments	34	28
Closing Balance	97	119

Note: Columns may not add due to rounding.

METRONET Account

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

Receipts for the year to 30 June 2026 reflect Commonwealth funding of \$748 million, State appropriation of \$595.7 million, funding from other government agencies of \$292.8 million, and borrowings of \$16.3 million (reflecting the timing of Commonwealth funding for completed works).

Payments of \$1.2 billion were made to repay short-term borrowings raised by the State pending late Commonwealth contributions (\$725.8 million), and for transport infrastructure planning and delivery, including the Byford Rail Extension (\$211.8 million), Midland Station Delivery (\$124.9 million), Victoria Park-Canning Level Crossing Removal (\$65.7 million), the Thornlie-Cockburn Link (\$50.2 million), acquisition of rolling stock (\$47.5 million), various other projects (\$534,000), and METRONET Office operating expenses (\$94,000).

METRONET ACCOUNT

Table 5.6

	2025-26 \$m	2024-25 \$m
<i>Balance at 1 July</i>	203	197
Receipts	1,653	3,025
Payments	1,225	3,019
Closing Balance	630	203

Note: Columns may not add due to rounding.

METRONET and Westport Roads Account

This Account was established in December 2018 and holds funds for road works associated with METRONET, including related projects under development, and for the delivery of future Westport road-related transport infrastructure works and associated costs.

Receipts from motor vehicle licence fees totalling \$377 million were received during 2025-26. Over the same period, funds totalling \$361.2 million were drawn for the Thornlie-Cockburn Link (\$109.1 million), the Yanchep Rail Extension (\$98.3 million), Byford Rail Extension (\$51.5 million), the Victoria Park-Canning Level Crossing Removal (\$42 million) and a range of smaller projects (totalling \$60.3 million).

METRONET AND WESTPORT ROADS ACCOUNT

Table 5.7

	2025-26 \$m	2024-25 \$m
<i>Balance at 1 July</i>	9	38
Receipts	377	340
Payments	361	368
Closing Balance	25	9

Note: Columns may not add due to rounding.

Metropolitan Region Improvement Account

This Account operates under the *Planning and Development Act 2005* to hold funds for the management of the Metropolitan Region Scheme, including receipts from the Metropolitan Region Improvement Tax (MRIT) imposed under the *Metropolitan Region Improvement Tax Act 1959*.

Receipts in 2025-26 totalling \$228.2 million mainly reflect MRIT collections (\$115.5 million), proceeds from the sale of land and buildings (\$76.5 million), interest revenue (\$23 million), and rental revenue (\$10.4 million).

Drawdowns totalling \$50.9 million were used for service delivery costs associated with the Account (\$30.6 million), acquisition of land and buildings (\$9.6 million), compensation to landowners for compulsory property acquisitions (\$5.6 million), payment of GST on State transactions to the Australian Taxation Office (\$3.2 million), and funding for a range of metropolitan region infrastructure projects (\$1.2 million).

METROPOLITAN REGION IMPROVEMENT ACCOUNT

Table 5.8

	2025-26 \$m	2024-25 \$m
<i>Balance at 1 July</i>	492	452
Receipts	228	146
Payments	51	106
Closing Balance	669	492

Note: Columns may not add due to rounding.

Mining Rehabilitation Fund

This Fund was established in July 2013 to hold levy collections authorised by the *Mining Rehabilitation Fund Act 2012*.

Receipts for the period ending 30 June 2026 of \$66.8 million reflect levy contributions from mining operators (\$50.2 million) and interest earnings (\$16.6 million). Drawdowns of \$36.5 million over the same period included \$31.2 million to rehabilitate abandoned mine sites and \$5.3 million to support administration and legacy site rehabilitation costs.

MINING REHABILITATION FUND			Table 5.9
	2025-26 \$m	2024-25 \$m	
<i>Balance at 1 July</i>	356	321	
Receipts	67	63	
Payments	36	27	
Closing Balance	387	356	

Note: Columns may not add due to rounding.

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

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

Appropriation funding of \$82 million was received in 2025-26. Drawdowns totalling \$39.4 million were made during 2025-26 to meet National Redress Scheme participation costs, civil litigation claims by victims of historical child sexual abuse, and associated administration costs.

NATIONAL REDRESS SCHEME AND CIVIL LITIGATION FOR SURVIVORS OF INSTITUTIONAL CHILD SEXUAL ABUSE ACCOUNT			Table 5.10
	2025-26 \$m	2024-25 \$m	
<i>Balance at 1 July</i>	54	87	
Receipts	82	10	
Payments	39	43	
Closing Balance	96	54	

Note: Columns may not add due to rounding.

New Women and Babies Hospital Account

This Account was established in 2021 with an allocation of almost \$1.8 billion to support the construction of a New Women and Babies Hospital. An amount of \$279.3 million was drawn from the Account during 2025-26, with the remaining balance of \$1.475 billion transferred to the Building Hospitals Fund following the Government's 2026-27 Budget decision to consolidate funding for the State's major health infrastructure projects in one Fund (see earlier in this Appendix). The New Women and Babies Hospital Account has now been closed.

Table 5.11

NEW WOMEN AND BABIES HOSPITAL ACCOUNT

	2025-26 \$m	2024-25 \$m
<i>Balance at 1 July</i>	1,755	1,764
Receipts	-	-
Payments	1,755	9
Closing Balance	-	1,755

Note: Columns may not add due to rounding.

Perth Parking Licensing Account

This Account was established in 1999 to hold funds used to support a balanced transport system, improve the amenity of the Perth city area and carry out parking licensing and planning functions. Money credited to the Account reflects licence fees, penalties and funding appropriated by the Parliament.

Funds drawn from the Account are spent on transport services and infrastructure, as well as other initiatives to improve economic activity or urban amenity, as provided for by the *Perth Parking Management Act 1999*. This includes for activities such as the Central Area Transit (CAT) bus system, reimbursed fares allowing free travel on bus and train services within the Free Transit Zone, improvements to public transport and bicycle access, enhancements to the pedestrian environment, active traffic management, tunnel monitoring and administration costs.

Funds totalling \$26.2 million were drawn during the 12 months to 30 June 2026, including to support new spending on projects approved as part of the 2026-27 State Budget, such as replacement of the Sutherland Street rail bridge and Barrack Street Jetty One.

Table 5.12

PERTH PARKING LICENSING ACCOUNT

	2025-26 \$m	2024-25 \$m
<i>Balance at 1 July</i>	163	183
Receipts	60	59
Payments	26	79
Closing Balance	197	163

Note: Columns may not add due to rounding.

Remote Communities Fund

This Fund was established as part of the 2022-23 Budget to support investment to upgrade and regularise water and power infrastructure, provide new and refurbished housing, and improve municipal services and economic participation in remote communities.

A total of \$86.2 million was drawn from the Fund in 2025-26. This comprised \$49.8 million for the Water Corporation's Remote Essential Services Program (\$39.2 million for capital works and \$10.6 million for recurrent costs supporting these operations), \$23 million for maintenance and regulatory compliance works undertaken by Horizon Power to improve the standard of power services in remote communities, and \$13.4 million to fund Department of Housing and Works' investment on new housing, refurbishments and municipal upgrades in various remote communities.

REMOTE COMMUNITIES FUND			Table 5.13
	2025-26 \$m	2024-25 \$m	
<i>Balance at 1 July</i>	215	295	
Receipts	-	-	
Payments	86	80	
Closing Balance	129	215	

Note: Columns may not add due to rounding.

Resources Community Investment Initiative Project Account

The Resources Community Investment Initiative was established in November 2022 to facilitate contributions from the resources industry to support the delivery of State infrastructure projects and community initiatives across Western Australia.

In 2025-26, contributions totalling \$33.3 million were received, comprising of \$15 million from BHP Iron Ore Pty Ltd for initiatives delivered through the Remote Communities Fund, a further \$10 million from BHP for the Perth Zoo Pilbara Encounter Program, \$6.5 million from Woodside Energy Ltd for the Roebourne District High School project, and \$1.8 million from Fortescue Metals Group Ltd for Pilbara Safe Spaces. Associated drawdowns are expected to be incurred in 2026-27.

RESOURCES COMMUNITY INVESTMENT INITIATIVE PROJECT ACCOUNT			Table 5.14
	2025-26 \$m	2024-25 \$m	
<i>Balance at 1 July</i>	13	-	
Receipts	33	13	
Payments	-	-	
Closing Balance	46	13	

Note: Columns may not add due to rounding.

Road Trauma Trust Account

This Account was established to provide for road safety initiatives on Western Australian roads. Receipts in 2025-26 reflect collections from prescribed penalties (\$134.2 million), and interest earned on the Account balance (\$4.6 million).

Road Safety initiatives funded from the Account during the year included:

- enforcement of the Impaired Driving Detection (Alcohol and Drug) Program, camera operations, Regional Road Safety Program, and administration of the mandatory Alcohol Interlocks Scheme (\$57.5 million);
- community engagement and education campaigns, policy, data and research, and innovation and technology (\$38.6 million);
- administration of demerit point and infringement processing, and Safe Driver Training (\$29.4 million);
- application of infrastructure treatments on roads, such as shoulder sealing, audible edge lines and installing safety barriers, RoadWise and electronic school zone signs (\$21 million); and
- support for the Road Trauma Support Services to reduce ongoing psychological and social distress for people impacted by road trauma (\$2 million), the School Drug Education and Road Aware program to minimise the harm associated with road trauma (\$1.8 million), for important data linkage activities and collection of comprehensive trauma data for road safety-related research and evaluation (\$1.3 million), and for a data subscription to undertake surveys of pedestrian and cyclist counts to inform AusRAP star ratings for vulnerable road users (\$1.8 million).

ROAD TRAUMA TRUST ACCOUNT			Table 5.15
	2025-26 \$m	2024-25 \$m	
Balance at 1 July	88	120	
Receipts	139	97	
Payments	153	128	
Closing Balance	74	88	

Note: Columns may not add due to rounding.

Royalties for Regions Fund

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

Receipts during 2025-26 reflect the drawdown of moneys appropriated by the Parliament (\$1.1 billion), interest revenue earned on the account balance (\$23.9 million), and unused cash returned to the Fund by agencies (\$23.4 million). A total of \$1.1 billion was disbursed from the Fund to support infrastructure, business and economic development and other regional initiatives (detailed in Chapter 7 of the 2026-27 Budget Paper No. 3).

Table 5.16

ROYALTIES FOR REGIONS FUND

	2025-26 \$m	2024-25 \$m
<i>Balance at 1 July</i>	1,000	1,000
Receipts	1,135	1,179
Payments	1,135	1,179
Closing Balance	1,000	1,000

Note: Columns may not add due to rounding.

Royalties for Regions Regional Reform Fund

This Fund was established in June 2015 to fund strategic reform initiatives in regional Western Australia. An additional \$3.8 million was paid into the Fund in 2025-26 to support drawdowns for the Marlamanu On-Country Youth Program (\$2 million), Robe River Kuruma Aboriginal Corporation's Housing Pathways Support Program (\$705,000) and the Pilbara Safe Spaces program (\$110,000), with a residual \$1 million to be incurred in 2026-27.

Table 5.17

ROYALTIES FOR REGIONS REGIONAL REFORM FUND

	2025-26 \$m	2024-25 \$m
<i>Balance at 1 July</i>	– (a)	6
Receipts	4	12
Payments	3	17
Closing Balance	1	– (a)

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

Note: Columns may not add due to rounding.

Social and Affordable Housing Investment Fund

The Social and Affordable Housing Investment Fund was established as part of the 2021-22 Budget with \$750 million set aside to fund future dwelling construction projects and other initiatives to increase social and affordable housing supply. A further \$929.5 million has since been paid into the Fund, including \$79.5 million in 2025-26 as part of the Government's election commitment to increase social housing.

Funds totalling \$423.9 million were drawn in 2025-26, supporting investment in new social housing and a range of other housing initiatives.

SOCIAL AND AFFORDABLE HOUSING INVESTMENT FUND			Table 5.18
	2025-26 \$m	2024-25 \$m	
<i>Balance at 1 July</i>	672	693	
Receipts	80	400	
Payments	424	421	
Closing Balance	328	672	

Note: Columns may not add due to rounding.

Softwood Plantation Expansion Fund

This Fund was established as part of the 2021-22 Budget to support expansion of the State's softwood plantation estate, support the Western Australian timber and construction industries into the future, provide a funding source for initiatives to offset carbon emissions, and support associated regional development.

A total of \$45.9 million was drawn down over 2025-26 for land purchases and establishment costs for softwood plantations.

SOFTWOOD PLANTATION EXPANSION FUND			Table 5.19
	2025-26 \$m	2024-25 \$m	
<i>Balance at 1 July</i>	220	254	
Receipts	-	-	
Payments	46	34	
Closing Balance	175	220	

Note: Columns may not add due to rounding.

Strategic Industries Fund

This Fund was established as part of the 2024-25 Budget to support the development of Western Australia's Strategic Industrial Areas, with an initial appropriation of \$500 million in 2024-25. In 2025-26, the Government approved a further funding contribution of \$500 million over three years, with \$455 million appropriated in 2025-26 as part of the 2025-26 Budget.

Drawdowns of \$76.3 million were made in 2025-26 to support the acquisition and development of industrial land within Strategic Industrial Areas, including for land assembly in the Latitude 32 Strategic Industrial Area, development of industrial land in Karratha and Peel, road-related infrastructure works, and other initiatives supporting the planning and development of strategic industrial precincts.

STRATEGIC INDUSTRIES FUND

Table 5.20

	2025-26 \$m	2024-25 \$m
<i>Balance at 1 July</i>	498	-
Receipts	455	500
Payments	76	2
Closing Balance	877	498

Note: Columns may not add due to rounding.

Waste Avoidance and Resource Recovery Account

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

Receipts totalling \$27.9 million were paid into the Account over the year to 30 June 2026. This included \$24.5 million in waste (landfill) levy collections allocated to the Account by Ministerial determination under the Act, together with interest and other miscellaneous receipts (\$2.4 million) and the return of unused grant funds (\$965,000).

Drawdowns totalling \$22.1 million were made for waste programs and payment of administration costs incurred by the Department of Water and Environmental Regulation (\$19.1 million), implementing the Waste Export Ban (\$1.6 million), delivering the Recovered Materials and Waste Reform program (\$676,000), and for Container Deposit Scheme costs (\$674,000).

WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT

Table 5.21

	2025-26 \$m	2024-25 \$m
<i>Balance at 1 July</i>	45	41
Receipts	28	26
Payments	22	23
Closing Balance	51	45

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 was established by 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 and applies forecast annual investment income from the Fund to an Account that provides long-term support for medical and health research, innovation, and commercialisation activities.

Receipts totalling \$134.6 million in 2025-26 included the Consolidated Account's annual contribution equivalent to 1% of the 2025-26 Budget forecast of the year's royalty revenue (\$82.5 million) and interest receipts (\$52.1 million). In line with the Act, transfer of \$49.3 million to the Western Australian Future Health Research and Innovation Account reflects projected interest earnings at the time of the 2025-26 Budget.

Table 5.22

WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH AND INNOVATION FUND (a)

	2025-26 \$m	2024-25 \$m
<i>Balance at 1 July (b)</i>	1,846	1,764
Receipts	135	135
Payments	49	52
Closing Balance	1,932	1,846

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

Note: Columns may not add due to rounding.

In addition to the transfer from the Fund noted above, the Western Australian Future Health Research and Innovation Account received a further \$2.9 million in interest income and \$577,000 in unused funding returned to the Account. Funds totalling \$62.6 million were drawn down to support grant payments through 2025-26.

Table 5.23

WESTERN AUSTRALIAN FUTURE HEALTH RESEARCH AND INNOVATION ACCOUNT (a)

	2025-26 \$m	2024-25 \$m
<i>Balance at 1 July</i>	40	43
Receipts	53	56
Payments	63	60
Closing Balance	30	40

(a) This Account is an agency Special Purpose Account administered by the Minister for Medical Research.

Note: Columns may not add due to rounding.

Western Australian Student Assistance Payment Fund

This Fund was established as part of the 2024-25 Budget to support Western Australian families with a one-off payment in 2023-24 to meet out-of-pocket school expenses for families with an active student enrolment at a Western Australian public or non-government school, or who are registered for home education. A second round of assistance payments for eligible Western Australian families was opened in late 2024-25. These payments provide \$150 for each kindergarten and primary student, and \$250 for each secondary student.

Appropriation of \$200,000 was paid into the Fund in the September 2025 quarter to support remaining eligible claim payments relating to the second round. Drawdowns of \$6.1 million supported the payment of all remaining claims in 2025-26, and residual funds of \$880,800 were returned to the Consolidated Account.

In line with the 2026-27 Budget, the Account has been retained to facilitate a third round of assistance payments to commence from Term 3 of the 2026 school year.

WESTERN AUSTRALIAN STUDENT ASSISTANCE PAYMENT FUND			Table 5.24
	2025-26 \$m	2024-25 \$m	
<i>Balance at 1 July</i>	7	22	
Receipts	– (a)	82	
Payments	7	97	
Closing Balance	–	7	

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

Westport Account

This Account was established to support land acquisitions and feasibility studies for the Westport project. Receipts in 2025-26 reflect approved appropriation, Commonwealth funding and rental income (\$89.1 million).

Drawdowns for the year to 30 June 2026 totalled \$234.5 million, including support to progress detailed project definition planning for the port, rail and road components of the project, Westport Office costs, strategic land acquisitions, and environmental offsets.

WESTPORT ACCOUNT			Table 5.25
	2025-26 \$m	2024-25 \$m	
<i>Balance at 1 July</i>	266	322	
Receipts	89	11	
Payments	235	67	
Closing Balance	121	266	

Note: Columns may not add due to rounding.

Quarterly Financial Results - June 2026

This appendix completes the quarterly data series for the 2025-26 year. Consolidated financial outcomes for the general government sector and for the whole-of-government are published in *Quarterly Financial Results Reports* for the September, December and March quarters in accordance with the requirements of the *Government Financial Responsibility Act 2000*¹.

Information on the full-year outcomes for the general government and total public sectors are available in the *Financial Results* chapter and Appendix 4: *Comparison of Final Outcomes to Original Budget for the Year Ending 30 June 2026* of this report.

¹ These publications can be accessed on the Department of Treasury and Finance website at www.wa.gov.au/organisation/departments-and-agencies/departments/departments-of-treasury-and-finance. June quarterly data presented in this appendix are subject to year-end finalisation of audited accounts by agencies submitting source data. They may contain final year-end accruals that differ from estimated accruals submitted by agencies through the year, and reclassification of some aggregates in previously reported, unaudited data. Accordingly, quarterly outcomes for June 2026 may include one-off movements in items relative to previous reports, to move the quarterly results into line with final audited outcomes.

Table 6.1

GENERAL GOVERNMENT

Operating Statement

	2025-26		2024-25	
	Three Months to 30 June \$m	Actual \$m	Three Months to 30 June \$m	Actual \$m
RESULTS FROM TRANSACTIONS				
REVENUE				
Taxation	4,167	16,867	3,463	14,849
Current grants and subsidies	3,780	15,107	3,737	15,226
Capital grants	1,159	1,740	1,749	3,447
Sales of goods and services	1,110	4,051	1,010	3,704
Interest Income	92	294	76	314
Revenue from public corporations				
Dividends from other sector entities	332	1,570	286	518
Tax equivalent income	678	1,445	314	910
Royalty income	2,905	10,582	2,507	9,806
Other	448	1,102	309	915
Total	14,672	52,759	13,451	49,689
EXPENSES				
Salaries	5,014	19,697	4,872	18,370
Superannuation				
Concurrent costs	565	2,329	512	2,069
Superannuation interest cost	-9	141	20	157
Other employee costs	161	480	126	431
Depreciation and amortisation	650	2,559	614	2,320
Services and contracts	1,121	3,803	1,068	3,562
Other gross operating expenses	2,270	8,513	2,112	7,985
Interest				
Interest on leases	45	182	50	190
Other interest	321	1,095	271	1,017
Current transfers	2,794	9,070	2,459	9,159
Capital transfers	195	698	512	776
Total	13,127	48,568	12,615	46,037
NET OPERATING BALANCE	1,545	4,191	836	3,652
<i>Other economic flows - included in the operating result</i>				
Net gains on assets/liabilities	-59	-74	64	8
Provision for doubtful debts	-88	-90	-56	-51
Changes in accounting policy/adjustment of prior periods	-305	-54	-415	4
Total other economic flows	-452	-218	-408	-39
OPERATING RESULT	1,093	3,972	428	3,613
<i>All other movements in equity</i>				
<i>Items that will not be reclassified to operating result</i>				
Revaluations	15,967	17,021	10,429	11,629
Net actuarial gains - superannuation	310	599	-41	-85
Gains recognised directly in equity	-1	-2	-	-
Change in net worth of the public corporations sectors	4,383	6,905	3,984	6,560
All other	-	-	-	-
Total all other movements in equity	20,659	24,524	14,371	18,104
TOTAL CHANGE IN NET WORTH	21,752	28,496	14,799	21,717
KEY FISCAL AGGREGATES				
NET OPERATING BALANCE	1,545	4,191	836	3,652
Less <i>Net acquisition of non-financial assets</i>				
Purchase of non-financial assets	1,403	4,457	1,205	4,211
Changes in inventories	6	20	-10	-21
Other movement in non-financial assets	138	138	-9	-10
<i>less:</i>				
Sales of non-financial assets	74	145	17	73
Depreciation	650	2,559	614	2,320
Total net acquisition of non-financial assets	823	1,910	555	1,786
NET LENDING/-BORROWING	722	2,280	281	1,866

Note: Columns may not add due to rounding.

Table 6.2

GENERAL GOVERNMENT
Operating Revenue

	2025-26		2024-25	
	Three Months to 30 June \$m	Actual \$m	Three Months to 30 June \$m	Actual \$m
Taxation				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	1,531	6,221	1,427	5,836
Property taxes				
<i>Land tax</i>	8	981	10	903
Transfer duty	1,336	4,221	788	3,101
Foreign Buyers Surcharge	24	47	6	29
Landholder duty	167	453	142	262
<i>Total duty on transfers</i>	1,527	4,721	937	3,392
Other stamp duties	– (a)	– (a)	– (a)	– (a)
Metropolitan Region Improvement Tax	– (a)	115	– (a)	101
Perth Parking Levy	2	60	2	59
Emergency Services Levy	47	460	43	424
Loan guarantee fees	37	145	34	134
Building and Construction Industry Training Fund Levy	2	84	15	77
<i>Total other property taxes</i>	89	863	95	795
Taxes on provision of goods and services				
Lotteries Commission	73	232	80	229
Video lottery terminals	– (a)	– (a)	– (a)	– (a)
Casino tax	12	67	25	72
Betting Tax	39	142	34	132
<i>Total taxes on gambling</i>	125	442	139	433
Insurance duty	245	1,106	247	1,073
Other	2	17	2	18
<i>Total taxes on insurance</i>	247	1,123	249	1,091
Taxes on use of goods and performance of activities				
Vehicle licence duty	209	815	203	793
Permits - Oversize Vehicles and Loads	5	13	4	11
Motor vehicle registrations	392	1,504	368	1,407
Other Vehicle taxes	11	46	11	43
<i>Total motor vehicle taxes</i>	617	2,377	586	2,254
<i>Mining Rehabilitation Levy</i>	– (a)	50	1	48
<i>Landfill Levy</i>	23	90	19	98
Total Taxation	4,167	16,867	3,463	14,849

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

Note: Columns may not add due to rounding.

Table 6.2 (cont.)

GENERAL GOVERNMENT

Operating Revenue

	2025-26		2024-25	
	Three Months to 30 June \$m	Actual \$m	Three Months to 30 June \$m	Actual \$m
Current Grants and Subsidies				
General Purpose Grants				
GST grants	2,090	8,155	1,870	7,362
North West Shelf grants	130	430	113	612
Commonwealth compensation for changed crude oil excise arrangements	5	19	6	30
National Agreements				
Skills	65	260	63	250
Social Housing and Homelessness	49	195	48	190
Mental Health and Suicide Prevention	-	3	3	3
Access to Justice	-1	98	-	-
Schools Reform - Quality Schools	-	-	-	649
Better and Fairer Schools	385	1,487	346	693
Health Reform	867	3,467	816	3,265
National Partnerships/Other Grants				
Health	130	424	103	267
Transport	-7	120	-739	160
Disability Services	1	3	1,008	1,010
Other	67	446	101	735
Total Current Grants and Subsidies	3,780	15,107	3,737	15,226
Capital Grants				
National Partnerships/Other Grants				
Transport	986	1,508	1,697	3,273
Other	174	233	52	174
Total Capital Grants	1,159	1,740	1,749	3,447
Sales of Goods and Services	1,110	4,051	1,010	3,704
Interest Income	92	294	76	314
Revenue from Public Corporations				
Dividends	332	1,570	286	518
Tax Equivalent Regime	678	1,445	314	910
Total Revenue from Public Corporations	1,010	3,015	600	1,428
Royalty Income				
Iron ore	2,209	8,719	2,162	8,481
Other	697	1,863	345	1,325
Total Royalty Income	2,905	10,582	2,507	9,806
Other				
Lease Rentals	41	209	34	197
Fines	74	314	72	237
Revenue not elsewhere counted	333	580	202	480
Total Other	448	1,102	309	915
TOTAL REVENUE	14,672	52,759	13,451	49,689

Note: Columns may not add due to rounding.

Table 6.3

GENERAL GOVERNMENT

Cash Flow Statement

	2025-2026		2024-25	
	Three Months to 30 June \$m	Actual \$m	Three Months to 30 June \$m	Actual \$m
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Cash received</i>				
Taxes received	4,002	16,111	3,776	14,796
Grants and subsidies received	5,754	20,028	6,095	21,556
Receipts from sales and goods and services	1,090	3,964	1,089	3,868
Interest receipts	86	270	83	341
Dividends and tax equivalents	623	2,647	518	1,393
Other receipts	3,291	13,730	3,195	12,901
<i>Total cash received</i>	<i>14,846</i>	<i>56,751</i>	<i>14,756</i>	<i>54,855</i>
<i>Cash paid</i>				
Wages, salaries and supplements, and superannuation	-5,175	-22,045	-4,967	-20,398
Payments for goods and services	-3,442	-12,921	-3,017	-12,059
Interest paid	-383	-1,256	-296	-1,150
Grants and subsidies paid	-3,220	-12,134	-2,977	-11,486
Dividends and tax equivalents	-	-	-	-
Other payments	-700	-2,890	-805	-2,963
<i>Total cash paid</i>	<i>-12,919</i>	<i>-51,245</i>	<i>-12,061</i>	<i>-48,057</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,927	5,505	2,695	6,799
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Cash flow from investment in non-financial assets</i>				
Purchase of non-financial assets	-1,403	-4,457	-1,205	-4,211
Sales of non-financial assets	74	145	17	73
<i>Total cash flows from investments in financial assets</i>	<i>-1,329</i>	<i>-4,312</i>	<i>-1,188</i>	<i>-4,138</i>
<i>Cash flows from investments in financial assets</i>				
<i>Cash received</i>				
For policy purposes	3	25	15	27
For liquidity purposes	29	80	32	83
<i>Cash paid</i>				
For policy purposes	-1,830	-4,098	-980	-5,210
For liquidity purposes	-23	-84	-41	-93
<i>Total cash flows from investments in financial assets</i>	<i>-1,822</i>	<i>-4,077</i>	<i>-974</i>	<i>-5,192</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-3,151	-8,389	-2,162	-9,330
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Cash received</i>				
Advances received	19	19	18	18
Borrowings	1,306	4,049	21	65
Deposit received	1,175	15	711	574
Other financing receipts	111	878	157	483
<i>Total cash received</i>	<i>2,611</i>	<i>4,961</i>	<i>906</i>	<i>1,140</i>
<i>Cash paid</i>				
Advances paid	-19	-19	-18	-18
Borrowings repaid	59	-72	8	-292
Deposits paid	-	-	-	-
Other financing payments	-285	-1,419	-364	-988
<i>Total cash paid</i>	<i>-245</i>	<i>-1,510</i>	<i>-374</i>	<i>-1,298</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	2,365	3,451	532	-158
Net increase in cash and cash equivalents	1,141	567	1,065	-2,690
Cash and cash equivalents at beginning of the period	5,933	6,506	5,441	9,196
Cash and cash equivalents at end of the period	7,074	7,074	6,506	6,506
KEY FISCAL AGGREGATES				
Net cash flows from operating activities	1,927	5,505	2,695	6,799
Net cash flows from investing in non-financial assets	-1,329	-4,312	-1,188	-4,138
Cash surplus/-deficit	597	1,194	1,507	2,661

Note: Columns may not add due to rounding.

Table 6.4

TOTAL PUBLIC SECTOR
Operating Statement

	2025-26		2024-25	
	Three Months to 30 June \$m	Actual \$m	Three Months to 30 June \$m	Actual \$m
RESULTS FROM TRANSACTIONS				
REVENUE				
Taxation	3,984	16,198	3,279	14,219
Current grants and subsidies	3,780	15,107	3,737	15,226
Capital grants	1,159	1,740	1,749	3,447
Sales of goods and services	14,301	61,439	11,712	49,590
Interest income	375	932	218	857
Royalty income	2,905	10,582	2,507	9,806
Other	703	2,003	518	1,750
Total revenue	27,208	108,001	23,721	94,895
EXPENSES				
Salaries	5,578	21,680	5,339	20,147
Superannuation				
Concurrent costs	633	2,567	565	2,274
Superannuation interest cost	-9	141	20	157
Other employee costs	319	960	276	838
Depreciation and amortisation	1,805	6,626	1,530	6,025
Services and contracts	1,468	4,911	1,436	4,659
Other gross operating expenses	14,362	59,486	11,591	48,076
Interest				
Interest on leases	64	249	64	258
Other interest	555	1,926	482	1,777
Current transfers	1,902	6,276	1,778	6,642
Capital transfers	158	343	220	422
Total expenses	26,837	105,165	23,301	91,274
NET OPERATING BALANCE	371	2,836	421	3,621
<i>Other economic flows - included in the operating result</i>				
Net gains on assets/liabilities	327	536	276	352
Provision for doubtful debts	-100	-109	-62	-62
Changes in accounting policy/adjustment of prior periods	-270	-3	-389	-44
Total other economic flows	-43	424	-175	247
OPERATING RESULT	328	3,260	246	3,868
<i>All other movements in equity</i>				
<i>Items that will not be reclassified to operating result</i>				
Revaluations	21,191	24,681	14,680	17,981
Net actuarial gains - superannuation	265	562	-82	-126
Gains recognised directly in equity	-32	-7	-44	-5
All other	-	-	-	-
Total all other movements in equity	21,424	25,236	14,553	17,849
TOTAL CHANGE IN NET WORTH	21,752	28,496	14,799	21,717
KEY FISCAL AGGREGATES				
NET OPERATING BALANCE	371	2,836	421	3,621
<i>Less Net acquisition of non-financial assets</i>				
Purchase of non-financial assets	3,740	12,269	3,424	13,132
Changes in inventories	-1,025	2,349	1,177	2,161
Other movement in non-financial assets	216	449	78	222
<i>less:</i>				
Sales of non-financial assets	293	969	200	646
Depreciation	1,805	6,626	1,530	6,025
Total net acquisition of non-financial assets	833	7,472	2,949	8,846
NET LENDING/-BORROWING	-462	-4,636	-2,528	-5,225

Note: Columns may not add due to rounding.

Table 6.5

TOTAL PUBLIC SECTOR
Operating Revenue

	2025-26		2024-25	
	Three Months to 30 June \$m	Actual \$m	Three Months to 30 June \$m	Actual \$m
Taxation				
Taxes on employers' payroll and labour force				
<i>Payroll tax</i>	1,493	6,066	1,394	5,701
Property taxes				
<i>Land tax</i>	-10	895	-11	819
Transfer Duty	1,336	4,221	788	3,101
Foreign Buyers surcharge	24	47	6	29
Landholder Duty	167	453	142	262
<i>Total duty on transfers</i>	1,527	4,721	937	3,392
Other stamp duties	– (a)	– (a)	– (a)	– (a)
Metropolitan Region Improvement Tax	– (a)	115	– (a)	101
Perth Parking Levy	2	60	2	59
Emergency Services Levy	43	456	39	420
Loan guarantee fees	3	6	3	7
Building and Construction Industry Training Fund Levy	2	84	15	77
<i>Total other property taxes</i>	50	721	59	663
Taxes on provision of goods and services				
Video lottery terminals	– (a)	– (a)	– (a)	– (a)
Casino Tax	12	67	25	72
Betting Tax	24	88	21	81
<i>Total taxes on gambling</i>	36	156	46	153
Insurance Duty	245	1,106	247	1,073
Other	2	17	2	18
<i>Total taxes on insurance</i>	247	1,123	249	1,091
Taxes on use of goods and performance of activities				
Vehicle Licence Duty	209	815	203	793
Permits - Oversize Vehicles and Loads	5	13	4	11
Motor Vehicle registrations	392	1,504	368	1,407
Other Vehicle taxes	11	46	11	43
<i>Total motor vehicle taxes</i>	617	2,377	586	2,254
<i>Mining Rehabilitation Levy</i>	– (a)	50	1	48
<i>Landfill Levy</i>	23	90	19	98
Total Taxation	3,984	16,198	3,279	14,219

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

Note: Columns may not add due to rounding.

Table 6.5 (cont.)

TOTAL PUBLIC SECTOR
Operating Revenue

	2025-26		2024-25	
	Three Months to 30 June \$m	Actual \$m	Three Months to 30 June \$m	Actual \$m
Current Grants and Subsidies				
General Purpose Grants				
GST grants	2,090	8,155	1,870	7,362
North West Shelf grants	130	430	113	612
Commonwealth compensation for changed crude oil excise arrangements	5	19	6	30
National Agreements				
Skills	65	260	63	250
Social Housing and Homelessness	49	195	48	190
Mental Health and Suicide Prevention	-	3	3	3
Access to Justice	-1	98	-	-
Schools Reform - Quality Schools	-	-	-	649
Better and Fairer Schools	385	1,487	346	693
Health Reform	867	3,467	816	3,265
National Partnerships/Other Grants				
Health	130	424	103	267
Transport	-7	120	-739	160
Disability Services	1	3	1,008	1,010
Other	67	446	101	735
Total Current Grants and Subsidies	3,780	15,107	3,737	15,226
Capital Grants				
National Partnerships/Other Grants				
Transport	986	1,508	1,697	3,273
Other	174	233	52	174
Total Capital Grants	1,159	1,740	1,749	3,447
Sales of Goods and Services	14,301	61,439	11,712	49,590
Interest Income	375	932	218	857
Royalty Income				
Iron ore	2,209	8,719	2,162	8,481
Other	697	1,863	345	1,325
Total Royalty Income	2,905	10,582	2,507	9,806
Other				
Lease Rentals	41	209	34	197
Fines	70	314	69	237
Revenue not elsewhere counted	591	1,480	415	1,316
Total Other	703	2,003	518	1,750
TOTAL REVENUE	27,208	108,001	23,721	94,895

Note: Columns may not add due to rounding.

Table 6.6

TOTAL PUBLIC SECTOR Cash Flow Statement

	2025-26		2024-25	
	Three Months to 30 June \$m	Actual \$m	Three Months to 30 June \$m	Actual \$m
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Cash received</i>				
Taxes received	3,659	15,428	3,435	14,164
Grants and subsidies received	5,754	20,028	6,095	21,556
Receipts from sales and goods and services	-7,265	25,939	10,809	38,899
Interest receipts	191	743	191	876
Dividends and tax equivalents	-	-	-	-
Other receipts	3,902	15,860	3,664	14,893
<i>Total cash received</i>	<i>6,242</i>	<i>77,999</i>	<i>24,194</i>	<i>90,387</i>
<i>Cash paid</i>				
Wages, salaries and supplements, and superannuation	-5,758	-24,243	-5,448	-22,363
Payments for goods and services	7,044	-27,279	-10,798	-39,593
Interest paid	-520	-1,942	-417	-1,905
Grants and subsidies paid	-2,027	-8,611	-1,714	-7,538
Dividends and tax equivalents	-	-	-	-
Other payments	-1,830	-7,468	-1,996	-8,219
<i>Total cash paid</i>	<i>-3,092</i>	<i>-69,543</i>	<i>-20,372</i>	<i>-79,619</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,150	8,456	3,821	10,769
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Cash flow from investment in non-financial assets</i>				
Purchase of non-financial assets	-3,740	-12,269	-3,424	-13,132
Sales of non-financial assets	293	969	200	646
<i>Total cash flows from investments in financial assets</i>	<i>-3,447</i>	<i>-11,300</i>	<i>-3,224</i>	<i>-12,487</i>
<i>Cash flows from investments in financial assets</i>				
<i>Cash received</i>				
For policy purposes	3	25	15	27
For liquidity purposes	2,530	11,575	1,864	10,369
<i>Cash paid</i>				
For policy purposes	-4	-27	-4	-25
For liquidity purposes	-4,944	-13,944	-1,693	-9,474
<i>Total cash flows from investments in financial assets</i>	<i>-2,414</i>	<i>-2,372</i>	<i>182</i>	<i>897</i>
NET CASH FLOWS FROM INVESTING ACTIVITIES	-5,861	-13,672	-3,042	-11,590
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Cash received</i>				
Advances received	50	160	50	50
Borrowings	18,541	36,282	7,378	21,762
Deposit received	-	-	-	-
Other financing receipts	118	898	173	502
<i>Total cash received</i>	<i>18,709</i>	<i>37,340</i>	<i>7,601</i>	<i>22,314</i>
<i>Cash paid</i>				
Advances paid	-19	-19	-18	-18
Borrowings repaid	-13,695	-32,490	-4,607	-21,411
Deposits paid	-	-	-	-
Other financing payments	-359	-1,580	-396	-1,086
<i>Total cash paid</i>	<i>-14,072</i>	<i>-34,089</i>	<i>-5,021</i>	<i>-22,515</i>
NET CASH FLOWS FROM FINANCING ACTIVITIES	4,637	3,251	2,580	-201
Net increase in cash and cash equivalents	1,926	-1,965	3,359	-1,023
Cash and cash equivalents at beginning of the period	9,899	13,790	10,431	14,813
Cash and cash equivalents at end of the period	11,825	11,825	13,790	13,790
KEY FISCAL AGGREGATES				
Net cash flows from operating activities	3,150	8,456	3,821	10,769
Net cash flows from investing in non-financial assets	-3,447	-11,300	-3,224	-12,487
Cash surplus/-deficit	-297	-2,844	597	-1,718

Note: Columns may not add due to rounding.

APPENDIX 7

Public Ledger

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

PUBLIC LEDGER BALANCES AT 30 JUNE

Table 7.1

	2026 \$m	2025 \$m	Variance \$m
THE PUBLIC LEDGER			
Consolidated Account ^(a)	-36,181	-34,449	-1,733
Treasurer's Special Purpose Accounts	31,409	30,196	1,213
Treasurer's Advance Account – Net Recoverable Advances	-26	-24	-1
TOTAL	-4,798	-4,277	-521
Agency Special Purpose Accounts	12,212	11,349	863
TOTAL PUBLIC BANK ACCOUNT	7,415	7,072	342

(a) The balance of the Consolidated Account at 30 June 2026 includes non-cash appropriations of \$23.8 billion (30 June 2025: \$21.9 billion), representing the non-cash cost of agency services. These appropriations are credited to agency Holding Accounts that are included in the TSPAs balance. In cash terms, the Consolidated Account was in a \$12.4 billion deficit position at 30 June 2026 (compared with a deficit position of \$12.6 billion at 30 June 2025).

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

Consolidated Account

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

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

The Consolidated Account accumulated accrual deficit position increased by \$1.7 billion during 2025-26, to be \$36.2 billion at 30 June 2026 (see following table). This included \$23.8 billion associated with non-cash appropriations for depreciation and leave entitlements that are matched by equivalent non-cash TSPA balances in agency Holding Accounts (see table later in this Appendix).

In cash terms, the Consolidated Account recorded an accumulated deficit of \$12.4 billion at 30 June 2026, \$206 million smaller than the \$12.6 billion cash deficit balance at 30 June 2025.

Receipts totalled \$42.7 billion in 2025-26, up \$5.2 billion on 2024-25, mainly due to receipts from borrowings budgeted to be drawn down in 2025-26, higher revenue from government enterprises, and higher tax collections (mainly receipts from payroll tax and transfer duty), partially offset by lower grants from the Commonwealth.

Consolidated Account spending (including accrual service and other cash appropriations) totalled \$44.5 billion in 2025-26, \$0.3 billion higher than in 2024-25.

This was mainly due to higher recurrent funding (up \$2.3 billion) approved under *Appropriation Act (No. 1)*, partly offset by lower capital funding (down \$1.3 billion) approved under *Appropriation Act (No. 2)* and reduced supplementary funding charged to the Treasurer's Advance (down \$907 million).

State borrowings held by the Consolidated Account increased by \$4 billion in 2025-26 to total \$26.9 billion at 30 June 2026. This remains below the \$34.5 billion cumulative limit approved by the *Loan Act 2017* and preceding Loan Acts¹.

Further detail on the broader impact of revenue and spending issues on the whole-of-government is available in the *Financial Results* Chapter and Appendix 4 of this report.

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

Table 7.2

CONSOLIDATED ACCOUNT TRANSACTIONS

	2025-26 \$m	2024-25 \$m	Variance \$m
REVENUE			
<i>Operating Activities</i>			
Taxation	13,424	12,223	1,201
Commonwealth grants	9,730	11,583	-1,853
Government enterprises	2,648	1,392	1,256
Royalty receipts	10,420	9,937	483
Other receipts from agencies	1,953	1,847	106
Other receipts	572	546	27
<i>Total Operating Activities</i>	38,748	37,528	1,219
<i>Financing Activities</i>			
Borrowings	4,000	-	4,000
Other receipts	- (a)	13	-12
<i>Total Financing Activities</i>	4,000	13	3,988
TOTAL REVENUE	42,748	37,541	5,207
EXPENDITURE			
<i>Recurrent</i>			
Authorised by other statutes	3,391	3,147	243
Appropriation Act (No. 1)	32,377	30,042	2,335
Recurrent expenditure under the Treasurer's Advance	1,392	2,339	-946
<i>Total Recurrent Expenditure</i>	37,160	35,528	1,632
<i>Investing Activities</i>			
Authorised by other statutes	376	404	-28
Appropriation Act (No. 2)	6,703	8,042	-1,339
Investing expenditure under the Treasurer's Advance	241	202	39
<i>Total Investing Activities</i>	7,320	8,647	-1,327
<i>Financing Activities</i>			
Appropriation Act (No. 2)	-	-	-
Other financing	-	12	-12
<i>Total Financing Activities</i>	-	12	-12
TOTAL EXPENDITURE	44,480	44,187	293
NET MOVEMENT (REVENUE LESS EXPENDITURE)	-1,733	-6,646	4,914
Consolidated Account Balance			
Opening balance at 1 July	-34,449	-27,803	-6,646
Closing balance at 30 June	-36,181	-34,449	-1,733
Of which:			
Appropriations payable	-23,807	-21,869	-1,939
Cash balance at 30 June	-12,374	-12,580	206
Memorandum item: Consolidated Account Borrowings at 30 June	26,887	22,887	4,000

(a) Amount less than \$500,000

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

Treasurer's Special Purpose Accounts

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

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

TSPA balances at 30 June 2026 were \$1.2 billion higher than at the same time last year. This reflects:

- higher non-cash Holding Account balances for agency depreciation costs and accrued leave entitlements (up \$1.9 billion);
- the closure of the New Women and Babies Hospital Account occurred in late 2025-26. Drawdowns of \$279.3 million were made to progress work on the new Hospital while the remaining balance of \$1.48 billion was transferred to the new Building Hospitals Fund which will support ongoing investment in hospital and other priority health projects going forward;
- the establishment of the new Building Hospitals Fund during 2025-26, with receipts of \$1.53 billion, comprising a \$1.48 billion transfer from the now closed New Women and Babies Hospital Account and appropriation of \$54.2 million for health infrastructure priorities. Payments to WA Health for project costs realised throughout the year totalled \$50.4 million;
- a \$379 million increase to the Strategic Industries Fund following additional funding allocated as part of the 2025-26 Budget (\$455 million), partially offset by drawdowns supporting strategic industrial area land acquisitions, infrastructure works and related development activities (\$76.3 million);
- a \$344 million decrease in the balance held in the Social and Affordable Housing Investment Fund, including drawdowns of \$423.9 million to support various social housing initiatives, partly offset by \$80 million in additional appropriation funding in 2025-26;
- a \$227 million decrease in the Digital Capability Fund balance reflecting receipts and payments approved as part of previous Budgets and Mid-year Reviews;

- a \$173 million decrease in the Climate Action Fund, reflecting drawdowns to support emissions reduction spending and other climate-related initiatives;
- an \$108 million increase in the balance of the Accrued Salaries Account that holds cash for the cost of an extra pay period which falls due every 11 years;
- a \$99 million decrease in the Public Bank Account Interest Earned Account, reflecting a greater amount of interest paid out over the 12 months period;
- an \$86 million decrease in the balance of the Remote Communities Fund, reflecting drawdowns for the maintenance and upgrade of electricity services, and to deliver refurbishments, new builds and municipal upgrades in remote Aboriginal communities;
- an \$85 million increase in the balance of the Western Australian Future Health Research and Innovation Fund, reflecting appropriation of 1% of forecast annual royalty receipts (\$82.5 million) and interest earnings on the balance of the Fund over the last 12 months (\$52.1 million), partly offset by the transfer of \$49.3 million to the Western Australian Future Health Research and Innovation Account;
- a \$66 million drawdown from the Asset Maintenance Fund, with funds used to progress a range of general government agency maintenance projects;
- a \$46 million decrease in the Softwood Plantation Expansion Account relating to land purchases and plantation establishment costs under the Softwood Plantation Investment Program;
- a \$43 million increase in the National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account, reflecting payments to cover Scheme expenditure, civil litigation claims, and administration costs (\$39 million), which was more than offset by an \$82 million top-up approved as part of the 2024-25 Mid-year Review and 2025-26 Budget to meet projected future drawdowns from the Account;
- a \$22 million decrease in the Ecological Thinning Program Account, reflecting timber sales revenue from ecological thinning activities (\$12 million) offset by drawdowns supporting associated administration costs and contractor payments (\$34 million); and
- a net decrease of \$0.2 million across all other TSPAs.

A number of movements in these TSPAs and other agency Special Purpose Accounts are discussed in more detail in Appendix 5: *Special Purpose Accounts* and in agency annual reports.

The following table summarises the position of TSPAs at 30 June 2026 and 2025.

Table 7.3

TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 30 JUNE			
	2026	2025	Variance
	\$m	\$m	\$m
Agency Holding Accounts	23,807	21,869	1,939
New Women and Babies Hospital Account	-	1,755	-1,755
Building Hospitals Fund	1,479	-	1,479
Strategic Industries Fund	877	498	379
Social and Affordable Housing Investment Fund	328	672	-344
Digital Capability Fund	366	593	-227
Climate Action Fund	280	453	-173
Accrued Salaries Account	635	527	108
Public Bank Account Interest Earned Account	75	174	-99
Remote Communities Fund	129	215	-86
Western Australian Future Health Research and Innovation Fund	1,932	1,846	85
Asset Maintenance Fund	71	138	-66
Softwood Plantation Expansion Fund	175	220	-46
Ecological Thinning Program Account	97	119	-22
National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account	96	54	43
Royalties for Regions Fund	1,000	1,000	-(a)
Other Treasurer's Special Purpose Accounts	62	62	-(a)
TREASURER'S SPECIAL PURPOSE ACCOUNTS AT 30 June	31,409	30,196	1,213

(a) Amount less than \$500,000

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

Treasurer's Advance

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

A total limit of \$2.4 billion was authorised for the year ended 30 June 2026. The original \$1,204.9 million authority (established by section 29 of the FMA) increased by \$1.2 billion with the passage of the *Treasurer's Advance Authorisation Bill 2026*, which provided for additional appropriation funding expected to emerge during 2025-26.

Of the \$2.4 billion authorised limit, \$1,658.8 million was drawn by 30 June 2026. This included \$1,633.2 million for excesses and new items (which are included in the Consolidated Account outcome detailed earlier in this Appendix and in detailed agency information later in this section). The remaining \$25.6 million was drawn against net recoverable advances as shown in the following table.

TREASURER'S ADVANCE AT 30 JUNE				Table 7.4
	2026 \$m	2025 \$m	Variance \$m	
AUTHORISED LIMIT	2,404.9	3,007.1	-602.2	
<i>Total Drawn Against Treasurer's Advance Account</i>	<i>1,658.8</i>	<i>2,564.5</i>	<i>-905.7</i>	
Comprising:				
<i>Net recoverable advances</i>	<i>25.6</i>	<i>24.4</i>	<i>1.2</i>	
Biosecurity Incident and Emergency Management Responses	19.0	19.4	-0.4	
Building Management and Works	0.5	-	0.5	
Sundry Debtors	3.1	0.5	2.6	
Suitors Fund	2.5	2.5	-	
Petroleum and Geothermal Energy Safety	-	2.0	-2.0	
West Australian Energy Disputes Arbitrator	0.4	-	0.4	
<i>Excesses and new items</i>				
- recurrent	1,392.2	2,338.5	-946.3	
- capital	241.1	201.6	39.5	

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

Transfers, Excesses and New Items

The following table summarises transfers of appropriations between agencies (which have no impact on the Treasurer's Advance), and excesses and/or new items approved by the Treasurer under the authority of section 27 of the FMA.

Table 7.5

TRANSFERS, EXCESSES AND NEW ITEMS

For the Twelve Months to 30 June 2026

	Treasurer's Advance					Draw n against Treasurer's Advance to 30 June 2026 \$m
	Budget	Transfers ^(a)	New Items	Approved Excesses	Revised Appropriation	
	\$m	\$m	\$m	\$m	\$m	
Recurrent Appropriations						
Legislative Council						
Item 1: Delivery of Services	6.4	-	-	_(b)	6.4	-
Legislative Assembly						
Item 2: Delivery of Services	6.4	-	-	_(b)	6.4	_(b)
Parliamentary Services Department						
Item 3: Delivery of Services	24.7	-	-	0.5	25.3	0.5
Parliamentary Commissioner for Administrative Investigations						
Item 4: Delivery of Services	12.9	-	-	0.4	13.3	0.4
Premier and Cabinet						
Item 5: Delivery of Services	224.5	0.7	-	35.3	260.5	35.3
Item 6: Administered Grants, Subsidies and Other Transfer Payments	192.6	19.0	-	119.8	331.4	119.8
Western Australian Electoral Commission						
Item 9: Delivery of Services	8.6	-	-	5.3	13.9	5.3
Salaries and Allow ances Tribunal						
Item 10: Delivery of Services	1.1	-	-	_(b)	1.1	-
Office of the Information Commissioner						
Item 12: Delivery of Services	5.3	-	-	_(b)	5.3	-
Treasury and Finance						
Item 14: Delivery of Services	123.1	7.2	-	10.0	140.3	10.0
Item 15: Bunbury Water Corporation	9.2	-	-	0.6	9.8	0.6
Item 16: Busselton Water Corporation	4.4	-	-	0.1	4.4	0.1
Item 21: Public Transport Authority of Western Australia	1,412.8	7.1	-	71.9	1,491.8	71.9
Item 22: Regional Pow er Corporation (Horizon Pow er)	25.7	-	-	2.6	28.3	2.6
Item 24: Western Australian Land Authority (DevelopmentWA)	217.1	-	-	-	217.1	-
Item 26: Department of Creative Industries, Tourism and Sport	50.3	-31.1	-	-	19.1	-
Item 27: Department of Energy and Economic Diversification	10.1	-4.0	-	-	6.1	-
Item 28: Department of Housing and Works	86.3	-59.5	-	-	26.8	-
Item 29: Department of the Premier and Cabinet	19.0	-19.0	-	-	-	-
Item 31: Goods and Services Tax (GST) Administration Costs	76.2	-	-	3.6	79.8	3.6
Item 34: Provision for Government Wages Policy	149.9	-15.8	-	-	134.1	-
Item 38: WA Health	12.3	-11.1	-	58.0	59.1	-
Item 39: Western Australian Land Authority (DevelopmentWA) - Provision for Housing	61.6	-	-	-	61.6	-
Item 40: All Other Grants, Subsidies and Transfer Payments	262.2	-	-	1.1	263.3	-
Office of the Auditor General						
Item 41: Delivery of Services	16.0	-	-	_(b)	16.0	-

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

Table 7.5 (cont.)

TRANSFERS, EXCESSES AND NEW ITEMS
For the Twelve Months to 30 June 2026

	Treasurer's Advance					Draw n against Treasurer's Advance to 30 June 2026 \$m
	Budget	Transfers ^(a)	New Items	Approved Excesses	Revised Appropriation	
	\$m	\$m	\$m	\$m	\$m	
Recurrent Appropriations						
Energy and Economic Diversification						
Item 42: Delivery of Services	331.8	3.3	-	-	335.1	-
Item 43: Administered Grants, Subsidies and Other Transfer Payments	128.8	-	-	45.7	174.5	45.7
Creative Industries, Tourism and Sport						
Item 44: Delivery of Services	452.9	31.2	-	4.6	488.8	-
Item 46: Art Gallery of Western Australia	10.8	-	-	0.1	10.8	-
Item 47: Arts and Culture Trust	15.0	-	-	4.3	19.3	4.1
Item 49: Library Board of Western Australia	30.3	-	-	_(b)	30.4	-
Item 50: Western Australian Museum	38.9	-	-	1.5	40.4	-
Primary Industries and Regional Development						
Item 51: Delivery of Services	290.6	-	-	51.5	342.1	51.3
Mines, Petroleum and Exploration						
Item 53: Delivery of Services	114.6	-	-	3.1	117.7	3.1
WA Health						
Item 58: Delivery of Services	7,971.8	12.9	-	531.8	8,516.5	531.8
Mental Health Commission						
Item 60: Mental Health Advocacy Service	7.8	-	-	_(b)	7.8	-
Item 61: Mental Health Tribunal	4.4	-	-	_(b)	4.4	-
Item 62: Office of the Chief Psychiatrist	5.6	-	-	_(b)	5.6	-
Health and Disability Services Complaints Office						
Item 63: Delivery of Services	3.9	-	-	_(b)	3.9	-
Education						
Item 64: Delivery of Services	5,921.2	0.1	-	40.1	5,961.5	35.8
Item 65: Administered Grants, Subsidies and Other Transfer Payments	529.0	-	-	0.8	529.7	0.8
Training and Workforce Development						
Item 66: Delivery of Services	652.2	-	-	3.5	655.7	3.5
Western Australia Police Force						
Item 67: Delivery of Services	1,928.7	2.1	-	100.5	2,031.3	95.7
Justice						
Item 69: Delivery of Services	1,842.0	1.4	-	146.3	1,989.7	144.9
State Solicitor's Office						
Item 70: Delivery of Services	54.1	-	-	5.1	59.1	5.1
Fire and Emergency Services						
Item 71: Delivery of Services	137.9	-	-	46.0	183.9	46.0
Office of the Director of Public Prosecutions						
Item 73: Delivery of Services	65.2	-	-	1.3	66.5	1.2
Corruption and Crime Commission						
Item 74: Delivery of Services	33.6	-	-	_(b)	33.6	-
Chemistry Centre (WA)						
Item 75: Delivery of Services	11.7	-	-	0.2	12.0	0.2
Office of the Inspector of Custodial Services						
Item 76: Delivery of Services	3.8	-	-	_(b)	3.8	_(b)

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

Table 7.5 (cont.)

TRANSFERS, EXCESSES AND NEW ITEMS For the Twelve Months to 30 June 2026

	Treasurer's Advance					Drawn against Treasurer's Advance to 30 June 2026
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	\$m
Recurrent Appropriations						
Parliamentary Inspector of the Corruption and Crime Commission						
Item 77: Delivery of Services	0.5	-	-	_(b)	0.5	-
Communities						
Item 78: Delivery of Services	1,699.4	-0.1	-	29.7	1,729.0	28.0
Local Government, Industry Regulation and Safety						
Item 80: Delivery of Services	109.7	-	-	1.3	111.0	1.1
Item 81: Administered Grants, Subsidies and Other Transfer Payments	49.7	-	-	45.7	95.4	25.7
Transport and Major Infrastructure						
Item 83: Delivery of Services	156.6	-	-	24.4	180.9	23.3
Commissioner of Main Roads						
Item 85: Delivery of Services	715.9	0.4	-	8.9	725.2	8.9
Housing and Works						
Item 86: Delivery of Services	307.3	52.2	-	71.1	430.7	71.1
Infrastructure WA						
Item 87: Delivery of Services	5.9	-	-	1.6	7.5	1.6
Biodiversity, Conservation and Attractions						
Item 89: Delivery of Services	413.7	3.1	-	12.5	429.3	12.5
Western Australian Land Information Authority						
Item 92: Delivery of Services	48.1	-	-	0.5	48.6	0.5
National Trust of Australia (WA)						
Item 94: Delivery of Services	4.1	-	-	0.1	4.2	0.1
Total Recurrent		-	-	1,491.7		1,392.2
Capital Appropriations						
Legislative Assembly						
Item 96: Capital Appropriation	_(b)	-	-	_(b)	_(b)	_(b)
Parliamentary Commissioner for Administrative Investigations						
Item 98: Capital Appropriation	_(b)	-	-	_(b)	_(b)	_(b)
Premier and Cabinet						
Item 99: Capital Appropriation	1.5	-	-	10.9	12.4	10.9
Western Australian Electoral Commission						
Item 102: Capital Appropriation	_(b)	-	-	_(b)	_(b)	-
Office of the Information Commissioner						
Item 104: Capital Appropriation	0.1	-	-	_(b)	0.1	-
Treasury and Finance						
Item 106: Capital Appropriation	1.1	-	-	0.7	1.8	0.7
Item 110: Department of Creative Industries, Tourism and Sport	20.0	-20.0	-	-	-	-
Item 111: Department of Housing and Works	11.0	-11.0	-	-	-	-
Item 113: Electricity Generation and Retail Corporation (Synergy)	419.5	-	-	66.7	486.2	-
Item 114: Electricity Networks Corporation (Western Power)	599.0	-	-	48.0	647.0	43.5
Item 119: Provision for Aluminium Composite Panel Cladding	10.4	-10.4	-	-	-	-
Item 122: WA Health	144.3	-99.9	-	-	44.4	-
Item 124: Western Australian Meat Industry Authority	2.7	-	-	0.5	3.2	0.5
Item 125: Western Australia Police Force	13.1	-13.1	-	-	-	-

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

Table 7.5 (cont.)

TRANSFERS, EXCESSES AND NEW ITEMS
For the Twelve Months to 30 June 2026

	Treasurer's Advance					Draw n against Treasurer's Advance to 30 June 2026
	Budget \$m	Transfers ^(a) \$m	New Items \$m	Approved Excesses \$m	Revised Appropriation \$m	\$m
Capital Appropriations						
New Item: Building Hospitals Fund	-	-	54.2	-	54.2	54.2
Creative Industries, Tourism and Sport Item 131: Capital Appropriation	144.1	20.0	-	5.5	169.6	-
Mines, Petroleum and Exploration Item 134: Capital Appropriation	3.1	-	-	_(b)	3.2	_(b)
WA Health Item 135: Capital Appropriation	553.7	110.3	-	76.3	740.3	66.0
Western Australia Police Force Item 140: Capital Appropriation	153.2	13.1	-	24.5	190.8	24.5
State Solicitor's Office Item 142: Capital Appropriation	0.1	-	-	_(b)	0.1	_(b)
Fire and Emergency Services Item 143: Capital Appropriation	2.2	-	-	0.7	2.9	0.7
Office of the Director of Public Prosecutions Item 144: Capital Appropriation	1.7	-	-	0.1	1.8	0.1
Communities Item 147: Capital Appropriation	22.6	-	-	2.0	24.7	2.0
Local Government, Industry Regulation and Safety Item 148: Capital Appropriation	3.1	-	-	16.4	19.5	16.4
Transport and Major Infrastructure Item 150: Capital Appropriation	114.7	-	-	21.4	136.1	21.4
Housing and Works Item 153: Capital Appropriation	294.1	11.0	-	-	305.1	-
Water and Environmental Regulation Item 154: Capital Appropriation	15.4	-	-	0.3	15.7	-
Planning, Lands and Heritage Item 156: Capital Appropriation	6.5	-	-	_(b)	6.5	-
Total Capital			54.2	274.3		241.1
TOTAL			54.2	1,766.0		1,633.2

(a) Authorised under section 25 of the FMA.

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

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

Transfers

Transfers of appropriation funds are for the provision of an approved service which is now delivered by an alternative agency. These transfers are authorised under section 25 of the FMA or by specific enabling legislation, and do not impact the Treasurer's Advance.

In 2025-26, appropriation transfers included:

- \$110.3 million from the capital appropriation administered by the Department of Treasury and Finance (DTF) for WA Health, released to the agency to deliver various capital projects including the Bunbury Hospital Redevelopment and New Mandurah Hospital projects, cladding works at both the Queen Elizabeth II Medical Centre precinct and Fiona Stanley Hospital, and the Perth Health Innovation Hub;
- \$59.5 million from the recurrent appropriation administered by DTF to the Department of Housing and Works (DHW), to support social housing operations undertaken across the State, and a \$7.2 million transfer from DHW to DTF's service appropriation for functions transferred as part of the 2025 Public Sector Reforms;
- \$31.1 million from the appropriation administered by DTF to the Department of Creative Industries, Tourism and Sport (DCITS), released to the agency to support bids to secure potential major events and grow and develop the State's aviation network;
- \$20 million from the appropriation administered by DTF to DCITS, to support spending on the Perth Cultural Centre Rejuvenation Project;
- \$19 million from the appropriation administered by DTF to the Department of the Premier and Cabinet, to provide financial assistance to Griffin Coal to support its continued operations;
- \$15.8 million from the provision administered by DTF for Government Wages Policy to various agencies to meet the costs of industrial agreements finalised since the 2025-26 Budget, including the Public Transport Authority Salaried Officers and Trades Agreements, Australian Workers' Union Public Sector General Agreement, Western Australia Police Force Auxiliary Officers Agreement, WA Health System Building and Engineering Services, Dental Technicians and Clinical Academics Agreements, and the Department of Justice Nurses Agreement (see following table);

Table 7.6

2025-26 PROVISION FOR WAGES POLICY OUTCOMES NOT YET FINALISED

		Transfer from Appropriation Item 34
Item	Agency	\$m
21	Public Transport Authority of Western Australia (through administered subsidy Item 21)	7.1
58	WA Health	1.9
67	Western Australia Police Force	2.1
69	Justice	1.4
85	Commissioner of Main Roads	0.4
89	Biodiversity, Conservation and Attractions	3.1
TOTAL		15.8

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

Note: Columns may not add due to rounding.

- \$13.1 million from the appropriation administered by DTF for the Western Australia Police Force, to support construction of the Kimberley District Support Facility;
- \$11.1 million from the appropriation administered by DTF for WA Health, released to the agency to address recurrent funding pressures including WACHS operating cost pressures across regional health services and palliative care expenditure under the Silverchain Community Palliative Care Services contract;
- \$11 million capital appropriation administered by DTF to DHW for the delivery of Mandurah Common Ground;
- \$3.3 million to the Department of Energy and Economic Diversification, comprising \$4 million from the provisions administered by DTF relating to the National Collaborative Research Infrastructure Strategy (\$2.8 million) and the Future Energy Exports Co-operative Research Centre (\$1.2 million), partly offset by the transfer of \$719,000 to the Department of the Premier and Cabinet to support the expansion of the Office of the Coordinator General (\$473,000) and Defence West resourcing (\$246,000);
- a net transfer of \$210,000 from the Department of Communities to the Department of Education for the reallocation of six projects under the Government's Small Scale Election Commitments program;
- \$91,000 transferred to the Department of Communities from WA Health for service agreement costs for the WA Seniors Peak Body and Advocacy Organisation, Advocare and the delivery of two Small Scale Election Commitments; and
- \$75,000 was transferred from the Department of Education to DCITS reflecting the net impact of reallocating 13 projects under the Government's Small Scale Election Commitments program.

Excess and New Items

Funds drawn against the Treasurer's Advance for excesses and new items were for the purposes outlined below. Unless otherwise stated, the approved funding was drawn in full by 30 June 2026. Additional detail on these funding increases are available in each agencies' annual report.

Legislative Council

Item 1: **Delivery of Services** (\$11,000), reflecting updated insurance premiums (\$16,000), partially offset by reduced motor vehicle lease costs (\$5,000). No drawdown was required by 30 June 2026 due to other revisions to operating costs.

Legislative Assembly

Item 2: **Delivery of Services** (\$10,000), reflecting updated insurance premiums (\$14,000), partially offset by reduced motor vehicle lease costs (\$4,000).

Item 96: **Capital Appropriation** (\$2,000), for revised motor vehicle lease costs.

Parliamentary Services Department

Item 3: **Delivery of Services** (\$543,000), for the Department to undertake planning activities associated with the delivery of ICT support functions for Members of Parliament and Electorate Officers previously provided by the Department of the Premier and Cabinet (\$450,000), and to meet revised insurance premiums (\$93,000).

Parliamentary Commissioner for Administrative Investigations

Item 4: **Delivery of Services** (\$408,000), to develop a new oversight scheme for Child Safe Organisations and Out-of-Home Care Providers (\$368,000) and for revised insurance premiums (\$38,000) and motor vehicle lease costs (\$2,000).

Item 98: **Capital Appropriation** (\$3,000), for revised motor vehicle lease costs.

Premier and Cabinet

Item 5: **Delivery of Services** (\$35.3 million), mainly due to an increase in the State's Telethon Donation (\$8 million), an increase in resourcing for the Executive Government Services function (\$7.8 million), costs to administer the Stolen Generations Redress Scheme (\$6.7 million), spending to progress the negotiation of various Native Title matters (\$3.2 million), expansion of the Office of the Coordinator General (\$3 million), and support for planning and delivery of the 2029 State Bicentenary (\$1.3 million).

Item 6: **Administered Grants, Subsidies and Other Transfer Payments** (\$119.8 million), primarily for payments to eligible applicants under the Stolen Generations Redress Scheme.

Item 99: **Capital Appropriation** (\$10.9 million), largely for accommodation requirements for Parliamentary electorate offices.

Western Australian Electoral Commission

Item 9: **Delivery of Services** (\$5.3 million), to assist with the implementation of recommendations from the Special Inquiry into the Planning and Delivery of the 2025 Western Australian State General Election (\$2.7 million), support for the delivery of local government elections in October 2025 (\$1.9 million), Western Australia's contribution towards the Commonwealth Joint Enrolment Arrangements, insurance premiums (\$613,000), and the Strategic Accommodation Plan (\$100,000).

Item 102: **Capital Appropriation** (\$3,000), for a minor increase in motor vehicle lease costs, with no drawdown required by 30 June 2026.

Salaries and Allowances Tribunal

Item 10: **Delivery of Services** (\$5,000), for revised insurance premiums. This amount was not required to be drawn down in 2025-26 as the additional costs were met from within existing parameters.

Office of the Information Commissioner

Item 12: **Delivery of Services** (\$11,000), for revised motor vehicle lease costs. This amount was not required to be drawn down in 2025-26 as the additional costs were met from within the Office's appropriation.

Item 104: **Capital Appropriation** (\$10,000), for revised motor vehicle lease costs. This amount was not required to be drawn down in 2025-26 as the additional costs were met from within the Office's appropriation.

Treasury and Finance

Item 14: **Delivery of Services** (\$10 million), mainly for continuing delivery of Government priorities such as the Land Tax Inquiry Fee project, Network Infrastructure consultancies and Aboriginal Business Capability Program (\$2.7 million), salary spending retimed from 2024-25 reflecting movement in resource requirements (\$2.5 million), the provision of advice on complex commercial and contractual issues (\$2.3 million), lower than forecast external revenue reflecting income that was incorrectly allocated to the Department as part of the Public Sector Reform changes incorporated in the 2025-26 Budget (\$1.6 million), with an equivalent increase in external revenue and lower appropriation reflected in the Department of Housing and Works), revised insurance premiums (\$617,000), and costs associated with the Racing and Wagering Western Australia Financial Sustainability and Governance Review (\$227,000).

Item 15: **Bunbury Water Corporation** (\$619,000), due to higher subsidies required for residential and non-residential customers who pay below-cost tariffs (\$580,000), an increase in concessional claims for higher than expected water volumes sold to pensioner and senior customers (\$16,000), and support for unreported water supply to fire services in 2022-23 and 2023-24 (\$23,000).

Item 16: **Busselton Water Corporation** (\$64,000), due to higher than expected numbers of eligible concessions for pensioner and senior customers.

Item 21: **Public Transport Authority of Western Australia** (\$71.9 million) largely due to increased operating costs associated with delivering public transport services (including for bus contracts, fuel and higher insurance premiums).

Item 22: **Regional Power Corporation (Horizon Power)** (\$2.6 million), for operating costs associated with servicing remote Aboriginal communities (\$2.2 million) and to provide resourcing to extend the Energy Ahead program (\$389,000).

Item 31: **Goods and Services Tax (GST) Administration Costs** (\$3.6 million), to reimburse the Australian Taxation Office for Western Australia's share of additional administration costs for the national GST system.

Item 38: **WA Health** (\$58 million), for hospital activity under the 2026 Winter Strategy and pre-transition activity at Mountt Lawley Hospital (\$19.5 million). The higher funding was not required following revised timing of payments for non-hospital contracts and hospital activity (\$77.5 million).

Item 40: **All Other Grants, Subsidies and Transfer Payments** (\$1.1 million), for the payment of additional interest due on monies held in trusts on behalf of various agencies (\$2.5 million) and a net increase across a range of other grants, subsidies and transfer payments administered the Department (\$760,000), partly offset by lower payments for eligible pensioner concessions for local government rates (down \$2.1 million). Lower than expected payments supported by this item, particularly for pensioner concessions and tax refunds, more than offset the approved increase which was not required to be drawn.

Item 106: **Capital Appropriation** (\$730,000), for system changes required to implement the 2026-27 Housing Taxation Package (\$672,000), and for revised motor vehicle lease costs (\$58,000).

Item 113: **Electricity Generation and Retail Corporation (Synergy)** (\$66.7 million), to fund retimed investment in the Collie Battery (\$51.3 million), Kwinana Battery 2 project (\$10.2 million) and King Rocks Wind Farm (\$5.2 million) which had been expected to occur in 2024-25. No drawdown was required by 30 June 2026 due to timing changes.

Item 114: **Electricity Networks Corporation (Western Power)** (\$48 million), reflecting costs for the relocation and upgrading of network assets across the Perth metropolitan area (\$48.7 million), and planning for the relocation of transmission lines affected by the Anketell Road upgrade (\$5.7 million), partly offset by a reduction for changes in the timing of customer-driven works and the Targeted Underground Power Program (\$5.9 million). Of the approved increase, \$43.5 million was drawn by 30 June 2026, reflecting the timing of customer-driven works and network asset upgrades.

Item 124: **Western Australian Meat Industry Authority** (\$486,000), to undertake carpark and western embankment remediation works at the Muchea Livestock Centre.

New Item: **Building Hospitals Fund** (\$54.2 million), reflecting funding allocated to the Building Hospitals Fund to progress the planning and development of the expansion of the Emergency Department at Royal Perth Hospital and the New Mandurah Hospital, construction costs for the oncology service at Geraldton Health Campus and the Albany Health Campus Expansion Project.

Office of the Auditor General

Item 41: **Delivery of Services** (\$8,000), for increases in insurance premiums. This amount was not required to be drawn down in 2025-26 as the additional costs were met from within the Office's existing appropriation.

Energy and Economic Diversification

Item 43: **Administered Grants, Subsidies and Other Transfer Payments** (\$45.7 million) reflecting increased expenditure for the purchase of fuel supplies for the State's Strategic Fuel Stockpile (\$47.7 million), Residential Battery Scheme payments (\$26.4 million) and the rebates under the Lithium Industry Support Program (\$2.5 million). These funding increases were partially offset by reductions in loan funding for the Lithium Industry Support Program (\$20 million), Mackay Potash Mining Lease (\$6.4 million) and Builders Support Facility (\$4.1 million), and the retiming of the Burrup Port Infrastructure Subsidy (\$0.4 million).

Creative Industries, Tourism and Sport

Item 44: **Delivery of Services** (\$4.6 million), largely related to the recashflow of grants primarily for community and sporting organisations (\$16.6 million), the bring forward of and additional funding for event tourism and destination development activities (\$12.5 million), and further works at the WACA Ground (\$8.6 million). These increases were expected to be largely offset by the reprofiling of grants associated with the delivery of sporting infrastructure projects (\$32.4 million) and new tourism experience developments and business supports to the outyears (\$5.8 million) reflecting delays in planning and completion.

The approved increase was not drawn down by 30 June 2026 following the retiming of these expenses.

Item 46: **Art Gallery** (\$61,000), for increased insurance premiums. This excess was not drawn by 30 June 2026 due to timing changes for other costs.

Item 47: **Arts and Culture Trust** (\$4.3 million) to meet cost pressures associated with the management of metropolitan and regional venues and spaces, including His Majesty's Theatre, Albany Entertainment Centre, the State Theatre of Western Australia, and the Perth Cultural Centre (\$4 million), increased wage costs under the Venue Management Agreement (\$127,000), and for higher insurance premiums (\$136,000). Only \$4.1 million of this increase was drawn down by 30 June 2026 with \$136,000 deferred due to timing changes.

Item 49: **Library Board of Western Australia** (\$46,000) for higher insurance premiums. This excess was not drawn by 30 June 2026 due to timing changes for other costs.

Item 50: **Western Australian Museum** (\$1.5 million), to meet a shortfall in admission fee revenue in 2025-26 for the Western Australian Museum Boola Bardip, due to lower than expected visitor numbers (\$1 million), higher insurance premiums (\$354,000), and increases in annual remuneration of the WA Museum Board of Trustees (\$148,000). No drawdown was required by 30 June 2026 due to timing changes for other costs.

Item 131: **Capital Appropriation** (\$5.5 million) primarily to provide an equity injection to the Art Gallery of Western Australia to meet higher than expected operating costs (\$4 million), and to bring forward funding for the Perth Film Studios project to better reflect the current expenditure profile (\$1.5 million). This excess was not drawn by 30 June 2026 due to the retiming of project expenditure.

Primary Industries and Regional Development

Item 51: **Delivery of Services** (\$51.5 million, of which \$51.3 million was drawn), primarily for:

- meeting the Department's service priorities, including salaries, information and communication technology, consumables, building maintenance, travel, accommodation and utilities (\$41.8 million);
- a Fisheries Support Package to implement management changes required to assist in the recovery of West Coast demersal scalefish populations (\$12.7 million);

- the establishment of a Voluntary Fisheries Adjustment Scheme to enable fishers to voluntarily surrender licenses prior to the establishment of the South Coast Marine Park (\$4 million);
- the provision of funding to the Royal Agricultural Society of Western Australia to support the 2025 Perth Royal Show (\$2.8 million);
- the delivery of Phase Two of the Regional Drought Resilience Planning Program (\$491,000); and
- a range of active biosecurity responses, including Polyphagous Shot-Hole Borer and Red Dwarf Honey Bee, and to meet the Department's commitments to other jurisdictions under national cost sharing arrangements (\$1.5 million).

These increases are partially offset by timing and other changes for a range of initiatives (\$12.7 million), including a change in reporting of the State Biosecurity Response Centre between the Department's controlled and administered functions (\$8.3 million), timing updates to the Busselton Jetty Marine Discovery Centre and emergency animal disease preparedness activities (\$2.4 million), and the reallocation of funding for Stage 2 of the Fisheries Digital Transformation Program to the Digital Capability Fund (\$2 million).

Mines, Petroleum and Exploration

Item 53: **Delivery of Services** (\$3.1 million), to address safety and compliance risks at Mineral House and the Carlisle Core Library (\$1.6 million), reflect Public Sector Reform movements originally expected to be delivered by the Department of Local Government, Industry Regulation and Safety (\$954,000), higher than expected insurance premiums (\$585,000), Government Regional Officer Housing (GROH) (\$468,000) and additional corporate services support for the new Department's operations (\$375,000). These increases are partially offset by higher-than-expected receipt of regulatory fees (\$870,000).

Item 134: **Capital Appropriation** (\$37,000), for increased GROH costs.

WA Health

Item 58: **Delivery of Services** (\$531.8 million), primarily to support higher activity in public hospitals including from additional workforce requirements (\$381.7 million), delivery of the Government's 2026 Winter Strategy (\$26.7 million), the impact of increased demand for imported blood products under the National Blood Arrangement (\$20.7 million), commissioning the Mount Lawley Hospital and the Geraldton Health Campus (\$19.5 million), costs associated with renal dialysis contracts (\$15.1 million), cost movements applying to the delivery of several Government Election Commitments (\$13.7 million), additional costs of Western Australian residents receiving public health care in other States and Territories under Cross-Border Arrangements (\$10.1 million), expansion of the Wirraka Maya Aboriginal Health Service (\$10 million), higher supply chain costs (\$8.2 million) and priority maintenance expenditure through the Health Asset Maintenance Fund (\$6.7 million).

Item 135: **Capital Appropriation** (\$76.3 million), reflecting updated cash flows across projects managed by the Office of Major Infrastructure Delivery (\$50.6 million), the delivery of priority capital maintenance works through the Health Asset Maintenance Fund (\$30.8 million), increased construction costs for the Fremantle Hospital 40-Bed Mental Health Project (\$16 million), Mullewa Community Hospital Redevelopment costs (\$13.3 million), and for the refurbishment of two cardiac catheterisation laboratories at Fiona Stanley Hospital (\$7.6 million), partially offset by recashflows of project expenditure to 2026-27 and the forward estimates period. A total of \$66 million was drawn following timing changes across the agency's projects.

Mental Health Commission

Item 60: **Mental Health Advocacy Service** (\$2,000), for revised motor vehicle lease costs. This amount was not required to be drawn down in 2025-26 as the additional costs were met from within the Commission's existing appropriation.

Item 61: **Mental Health Tribunal** (\$3,000), for revised motor vehicle lease costs. This amount was not required to be drawn down in 2025-26 as the additional costs were met from within the Commission's existing appropriation.

Item 62: **Office of the Chief Psychiatrist** (\$3,000), for revised motor vehicle lease costs. This amount was not required to be drawn down in 2025-26 as the additional costs were met from within the Commission's existing appropriation.

Health and Disability Services Complaints Office

Item 63: **Delivery of Services** (\$4,000), for revised insurance premiums.

Education

Item 64: **Delivery of Services** (\$40.1 million), mainly driven by upward revisions in student enrolments (\$42.5 million), additional funding for maintenance (\$26 million), increases in insurance premiums (\$12.8 million), higher GROH related expenditure (\$6.7 million), and higher ICT contract costs (\$3.4 million). These increases are partly offset by a reclassification of previously forecast recurrent spending primarily on Small Scale Election Commitments that are capital in nature (\$32.9 million), and alignment of the State funding to revisions in Commonwealth funding projections (\$19.8 million). By 30 June 2026, \$35.8 million was drawn down by the Department of Education, primarily due to lower appropriation provided for non-cash costs.

Item 65: **Administered Grants, Subsidies and Other Transfer Payments** (\$758,000), reflecting an increase in grants to non-government schools due to updated State funding obligations under the Commonwealth Better and Fairer Schools Agreement.

Training and Workforce Development

Item 66: **Delivery of Services** (\$3.5 million), primarily reflecting the extension of the Construction Visa Subsidy Program and Build a Life in WA incentive (\$5 million), an increase in insurance premiums (\$1.7 million) and a recashflow of the Adult Apprentice Incentive (\$1 million) for eligible employees who employ mature-aged apprentices. These increases were partially offset by a recashflow of the AUKUS Defence Industry Incentive Scheme (\$3.4 million) and updates to GROH rent revenue forecasts (\$882,000).

Western Australia Police Force

Item 67: **Delivery of Services** (\$100.5 million), to address unavoidable cost and demand pressures relating to:

- operational service priorities across the Western Australia Police Force (\$32.9 million);
- police compensation payments (\$24.1 million);
- renewal of several ICT contracts for core services (\$17.8 million);
- continuation of Operation Heat Shield in 2025-26 (\$5.1 million);
- increased resourcing for court security and custodial services in regional Western Australia (\$5 million);
- additional investment in firearms reform (\$4.1 million);
- increased funding to support implementation of the *Community Protection (Offender Reporting) Amendment Act 2024* (\$3.5 million);
- increased vehicle leasing and fuel costs (\$3 million);
- higher office accommodation and GROH costs (\$2.7 million);
- continuation of Police and Community Youth Centres' safeSPACE programs in Kalgoorlie, Kununurra and Roebourne in 2025-26 (\$1.4 million); and
- a range of other smaller cost movements.

Only \$95.7 million of the approved excess was drawn, reflecting lower non-cash depreciation costs.

Item 140: **Capital Appropriation** (\$24.5 million), primarily reflecting a carry-forward for construction of the Fremantle District Police Complex (\$27.5 million), increased GROH costs (\$3 million), funding for the delivery of security operations for the Land Forces Expo 2026 (\$2.1 million), and increased vehicle leasing costs (\$1.2 million). These increases were partly offset by the net impact of timing changes to align with updated project schedules across the agency's Asset Investment Program and other small cost movements impacting appropriation (\$9.3 million).

Justice

Item 69: **Delivery of Services** (\$146.3 million), mainly for cost and demand pressures and associated policy responses related to growth in the prisoner population (\$107.2 million), cost increases for contracted court and custodial services (\$16.9 million), payments and legal costs incurred on behalf of the State (\$8.8 million), increased demand for legal assistance grants (\$5.5 million), additional funding to offset lower than expected revenue from court fees and fines (\$3.7 million), continuation of youth justice programs and additional youth custodial resources (\$2.5 million), and reclassification of capital spending for maintenance of court audiovisual equipment (\$1 million). A total of \$144.9 million of the approved excess was drawn by 30 June 2026, reflecting lower non-cash costs.

State Solicitor's Office

Item 70: **Delivery of Services** (\$5.1 million), mainly reflecting payments and legal costs incurred on behalf of the State, comprising mesothelioma settlement payments, ex-gratia and act of grace payments, and indemnities for Ministers and Officers involved in legal proceedings (\$4 million), higher than budgeted office accommodation leasing costs (\$897,000), insurance premiums (\$100,000) and motor vehicle lease expenses (\$32,000).

Item 142: **Capital Appropriation** (\$26,000), reflecting revised motor vehicle lease costs.

Fire and Emergency Services

Item 71: **Delivery of Services** (\$46 million), primarily for significant bushfire incident suppression and State Emergency Services response and recovery costs (\$29.3 million), overtime (\$9.2 million), property, fleet and equipment maintenance (\$5.9 million), payment of the Premier's relief grants to eligible residents following Severe Tropical Cyclone Narelle (\$956,000), costs for the Trainee Firefighter School (\$704,000) and other minor operational cost pressures (\$379,000). These increases were partially offset by minor spending reductions across various other activities (\$501,000).

Item 143: **Capital Appropriation** (\$720,000), for cost increases associated with replacing the firefighting fleet.

Office of the Director of Public Prosecutions

Item 73: **Delivery of Services** (\$1.3 million), reflecting higher than expected legal brief-out costs (\$700,000), ICT-related expenses (\$380,000), legal expenses for confiscations matters (\$135,000) and motor vehicle lease expenses (\$94,000). A total of \$1.2 million of the approved excess was drawn by 30 June 2026, reflecting the timing of expenses.

Item 144: **Capital Appropriation** (\$73,000), reflecting revised motor vehicle lease costs.

Corruption and Crime Commission

Item 74: **Delivery of Services** (\$49,000), for increases in insurance premiums (\$57,000), partly offset by lower motor vehicle lease costs (\$8,000). This amount was not required to be drawn in 2025-26 as the additional costs were met from within the Commission's existing appropriation.

Chemistry Centre (WA)

Item 75: **Delivery of Services** (\$239,000), to support accelerated testing of delithiated beta spodumene, a lithium processing co-product, for potential use in construction materials (\$188,000), and higher insurance premiums (\$51,000).

Office of the Inspector of Custodial Services

Item 76: **Delivery of Services** (\$4,000), reflecting higher insurance premiums.

Parliamentary Inspector of the Corruption and Crime Commission

Item 77: **Delivery of Services** (\$5,000), for increases in insurance premiums. This amount was not required to be drawn in 2025-26 as the additional costs were met from within the Commission's existing appropriation.

Communities

Item 78: **Delivery of Services** (\$29.7 million), largely to support community services initiatives for vulnerable community members, including people experiencing homelessness, victim survivors of family and domestic violence, victim survivors of child abuse, and people with disability (\$16.3 million), address unavoidable key service demand and cost pressures, particularly for out of home care reforms (\$13 million), and other operational requirements across the Department (\$5.9 million). These funding increases were partially offset by changes in delivery timelines for existing projects, resulting in decreased expenditure in 2025-26 (\$5.5 million). A total of \$28 million of the approved excess was drawn by 30 June 2026, reflecting lower non-cash appropriation needs.

Item 147: **Capital Appropriation** (\$2 million), mainly related to revised vehicle lease expenses and GROH costs (\$1.7 million), and to deliver the Government's Election Commitment to expand the Albany Women's refuge by six units (\$370,000).

Local Government, Industry Regulation and Safety

Item 80: **Delivery of Services** (\$1.3 million), due to higher insurance premiums (\$616,000), the transfer of the Gambling Harm Reduction Support Services Fund to the Department's controlled ledger (\$500,000), progressing gambling legislative reform work by the Gaming and Wagering Commission (\$476,000), the retiming of grant payments to Guide Dogs WA (\$450,000), progressing the Racing and Wagering Western Australia financial sustainability and governance review (\$380,000), the implementation of retirement village reforms under the *Retirement Villages Amendment Act 2024* (\$136,000) and a \$100,000 grant for the 2025 Telethon Family Festival. These increases were partly offset by lower funding for services delivered by the Department of Mines, Petroleum and Exploration (\$954,000) and minor spending reductions across various other activities including motor vehicle lease and GROH costs (\$371,000). A total of \$1.1 million of the approved excess was drawn by 30 June 2026, reflecting lower non-cash appropriation needs.

Item 81: **Administered Grants, Subsidies and Other Transfer Payments** (\$45.7 million), to support an increase in Home Indemnity Insurance (HII) claims (\$20 million), higher GST gambling rebates provided to the Lotteries Commission (\$19.7 million), and the extension of the Western Australia Rent Relief Program to 30 June 2026 (\$6.5 million). These increases were partly offset by the responsibility for the Gambling Harm Reduction Support Services Fund being assumed by the Department's controlled function (\$500,000). Of the approved excess a total of \$25.7 million was drawn down by 30 June 2026, due to the timing of settlement of HII claims.

Item 148: **Capital Appropriation** (\$16.4 million), for an equity injection for Cloud ICT costs (\$10 million), outstanding interagency transfers post Public Sector Reform (\$6.3 million) and additional resources to support increased demand for delivery of services associated with the FuelWatch scheme (\$275,000). These increases were partly offset by lower funding for motor vehicle lease and GROH costs (\$112,000).

Transport and Major Infrastructure

Item 83: **Delivery of Services** (\$24.4 million), primarily reflecting an increase in funding for the Passenger Transport Subsidy Scheme (\$11.1 million), Regional Airfare Zone Cap (\$6 million), leave liability expenses (\$1.1 million), and implementation and administration costs associated with the \$100 Fuel Support Payment to drivers (\$1 million). A total of \$23.3 million of the approved excess was drawn by 30 June 2026, with lower non-cash appropriation needs.

Item 150: **Capital Appropriation** (\$21.4 million), mainly reflecting the bring forward of funding (to offset corresponding deferrals in the timing of Commonwealth revenue) for the jointly funded Westport program of works, partially offset by a recashflow of funding (to later years) for the Ocean Reef Marina, Woodman Point Jetty redevelopment, and ICT infrastructure projects in line with updated delivery schedules.

Commissioner of Main Roads

Item 85: **Amounts Provided to Fund Services** (\$8.9 million), largely for interest payments on borrowings from the Western Australian Treasury Corporation and ICT services, partly offset by lower depreciation costs.

Housing and Works

Item 86: **Delivery of Services** (\$71.1 million), largely reflecting increased maintenance requirements across the Department's residential assets due to portfolio growth and higher market costs (\$66.2 million), housing and municipal service programs in remote Aboriginal communities (\$13.1 million), lease extensions, variations and fit-outs associated with the provision of Government Office Accommodation (\$2.5 million), and property and tenancy management costs associated with Mandurah Common Ground (\$0.7 million). These funding increases were partially offset by reflows across other services (\$11.9 million).

Infrastructure WA

Item 87: **Delivery of Services** (\$1.6 million), primarily to progress major infrastructure priorities (\$1 million) and to undertake the second phase of the Western Trade Coast – Construction Market Capacity Constraints analysis (\$560,000).

Biodiversity, Conservation and Attractions

Item 89: **Delivery of Services** (\$12.5 million), mainly to meet unforeseen expenditure relating to bushfire suppression activities (\$29.7 million), partly offset by funding deferred from 2025-26 to 2026-27 (and beyond) for projects related to the Plan for Our Parks program (\$16 million).

Western Australian Land Information Authority

Item 92: **Delivery of Services** (\$532,000), comprising higher accommodation lease costs at the Authority's Midland office (\$531,000), and an increase in insurance premiums (\$1,000).

National Trust of Australia (WA)

Item 94: **Delivery of Services** (\$124,000), for increases in insurance premiums.

Water and Environmental Regulation

Item 154: **Capital Appropriation** (\$334,000), primarily reflecting retiming of expenditure for the State Groundwater Investigation Program (\$1.4 million), and accelerated delivery of Compliance Resourcing (\$956,000), Water Modelling (\$587,000), the Southern Forests Irrigation Scheme (\$403,000), and Carnarvon Metering Telemetry (\$250,000). These increases were largely offset by conversion and reallocation of land acquisition spending to other projects (\$3.1 million), and the reflow of expenditure for Accelerating Water Planning to Support Economic Development to align with delivery timelines (\$200,000). No drawdown was required by 30 June 2026 due to timing changes.

Planning, Lands and Heritage

Item 156: **Capital Appropriation** (\$43,000), for higher than forecast motor vehicle lease and GROH costs. This amount was not drawn down with costs subsequently accommodated within the Department's existing appropriations.

APPENDIX 8

General Government Sector Salaries

Salaries represent the single largest component of general government sector expenses (40.6% in 2025-26, or 45.4% if concurrent superannuation costs are also included).

At \$19.7 billion, general government salaries spending increased by \$1.3 billion or 7% in 2025-26. This increase was primarily driven by higher staff numbers and the impact of wage increases in industrial agreements in the health and education sectors.

The following table summarises 2025-26 salaries outcomes for general government agencies.

Table 8.1

SALARIES COSTS

General Government Sector

	2024-25	2025-26				Variation on EA \$m (2) - (1)	Annual Growth %
	Actual \$m	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)		
WA Health	7,419	7,383	7,462	7,858	7,976	118	7.5
Education	4,826	5,240	5,268	5,297	5,132	-164	6.3
Western Australia Police Force	1,226	1,298	1,318	1,326	1,317	-9	7.4
Justice	959	989	995	1,026	1,049	23	9.3
Communities - post-PSR ^(a)	-	619	622	621	590	-31	-
Biodiversity, Conservation and Attractions ^(b)	245	257	260	260	279	19	13.6
Fire and Emergency Services	256	252	255	264	265	1	3.4
Housing and Works ^(a)	-	115	266	259	257	-2	-
Primary Industries and Regional Development	245	234	240	259	249	-10	1.8
Transport and Major Infrastructure ^(a)	-	236	251	253	216	-38	-
Local Government, Industry Regulation and Safety ^(a)	-	198	203	204	200	-4	-
Commissioner of Main Roads	155	178	179	179	179	- ^(c)	15.5
North Metropolitan TAFE	164	160	160	167	173	6	5.7
South Metropolitan TAFE	155	147	147	155	168	13	8.6
Water and Environmental Regulation	138	142	145	145	148	3	7.1
Creative Industries, Tourism and Sport ^(a)	-	135	141	141	146	4	-
Planning, Lands and Heritage	131	121	121	132	143	12	9.8
Premier and Cabinet	122	129	141	142	132	-10	7.9
Treasury and Finance ^(a)	-	96	99	103	97	-6	-
WA Sports Centre Trust (VenuesWest)	80	69	74	74	85	11	6.2
Energy and Economic Diversification ^(a)	-	76	77	77	67	-10	-
Mines, Petroleum and Exploration ^(a)	-	64	63	63	66	3	-
Training and Workforce Development	62	69	70	69	66	-3	6.4
Legal Aid Commission of Western Australia	58	62	65	65	64	-1	10.3
South Regional TAFE	54	56	56	57	59	2	8.6
Office of the Director of Public Prosecutions	51	58	58	58	57	-2	10.7
Land Information Authority (Landgate)	56	62	62	62	56	-5	1.2
Central Regional TAFE	51	51	51	55	55	- ^(c)	8.2
State Solicitor's Office	46	50	50	50	49	-1	7.8
Mental Health Commission	49	44	44	44	48	4	-3.5
North Regional TAFE	41	44	44	43	42	-1	2.1
Office of the Auditor General	29	30	30	30	29	-1	-0.8
Legislative Assembly	25	27	27	27	26	-1	2.7
Public Sector Commission	20	22	22	22	22	- ^(c)	6.3
Corruption and Crime Commission	19	22	22	22	20	-2	7.1
Chemistry Centre (WA)	18	18	18	19	19	- ^(c)	7.6
Legislative Council	16	19	19	19	18	-1	13.1
WorkCover WA	17	19	19	18	17	-1	3.3
Economic Regulation Authority	13	16	16	16	15	-1	18.0
Parliamentary Commissioner for Administrative Investigations	10	11	11	11	13	1	22.6
Parliamentary Services Department	13	13	13	13	12	-1	-2.5
All other agencies (with salaries costs below \$10 million)	75	73	76	75	77	2	2.7
Provisions	-	135	150	3	-	-3	-
Communities - pre-PSR ^(d)	695	-	-	-	-	-	-
Energy, Mines, Industry Regulation and Safety ^(d)	235	-	-	-	-	-	-
Transport ^(d)	194	-	-	-	-	-	-
Finance ^(d)	150	-	-	-	-	-	-
Local Government, Sport and Cultural Industries ^(d)	142	-	-	-	-	-	-
Jobs, Tourism, Science and Innovation ^(d)	67	-	-	-	-	-	-
Treasury ^(d)	42	-	-	-	-	-	-
Total salaries	18,370	19,041	19,407	19,782	19,697	-84	7.2

(a) New agency commencing on 1 July 2025 following implementation of the Government's 2025 Public Sector Reforms (PSRs).

(b) Budget and Estimates for the Department of Biodiversity, Conservation and Attractions exclude amounts for the Rottnest Island Authority (a public non-financial corporation).

(c) Amount is less than \$0.5 million.

(d) Agency which ceased at 30 June 2025 following implementation of the Government's PSR program.

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

Expense Limit Outcomes

General government expenses totalled \$48.6 billion in 2025-26. The recurrent spending outcome of 2025-26 was \$571 million lower than the estimated outturn contained in the 2026-27 Budget.

The Government's spending management is supported by decision-making processes through the Expenditure Review Committee and Cabinet approval of spending changes, and cost control through Wages Policy settings and approved expense limits that are included in annual Resource Agreements for appropriation-funded agencies (see discussion of Financial Targets in *Financial Results* chapter of this report). The following table summarises expense limit outcomes for all agencies with Resource Agreements for the 2025-26 year.

Table 9.1

TOTAL COST OF SERVICES Agency Resource Agreements

	2025-26				Variation on EA
	Budget Year \$m	MYR Revision \$m	Estimated Actual (EA) \$m (1)	Actual \$m (2)	
WA Health	14,224	14,548	15,222	15,175	-46
Education	7,687	7,749	7,819	7,700	-119
Housing and Works ^(b)	3,518	3,591	3,300	3,351	51
Public Transport Authority	2,552	2,537	2,504	2,651	147
Justice	2,330	2,360	2,530	2,575	46
Commissioner of Main Roads	2,433	2,441	2,313	2,460	147
Western Australia Police Force	2,207	2,300	2,370	2,343	-27
Communities	2,015	2,053	2,043	1,993	-50
Mental Health Commission	1,601	1,608	1,643	1,646	3
Transport and Major Infrastructure ^(b)	1,012	1,100	1,528	1,203	-325
Training and Workforce Development	1,060	1,078	1,040	1,040	— ^(a)
Creative Industries, Tourism and Sport	870	927	916	758	-158
Fire and Emergency Services	640	662	698	706	9
Biodiversity, Conservation and Attractions	652	681	670	703	33
Primary Industries and Regional Development	751	801	834	673	-161
WA Sports Centre Trust (VenuesWest)	335	378	389	388	-1
Local Government, Industry Regulation and Safety	465	367	370	362	-7
Planning, Lands and Heritage	374	368	364	332	-32
Energy and Economic Diversification	502	534	413	318	-95
Water and Environmental Regulation	331	329	318	294	-24
Premier and Cabinet	268	322	323	267	-56
Mines, Petroleum and Exploration	192	195	197	182	-15
Treasury and Finance	177	186	192	177	-16
Office of the Director of Public Prosecutions	86	87	86	87	2
State Solicitor's Office	72	75	76	77	1
WA Planning Commission	73	75	77	69	-8
Public Sector Commission	40	39	37	35	-2
Corruption and Crime Commission	35	36	36	33	-3
Western Australian Electoral Commission	18	22	23	27	4
Economic Regulation Authority	25	25	25	23	-2
Parliamentary Commissioner for Administrative Investigations	17	17	18	18	— ^(a)
Small Business Development Corporation	21	21	21	18	-3
Registrar, WA Industrial Relations Commission	14	14	14	13	-1
National Trust of Australia (W.A.)	9	11	11	11	-1
Governor's Establishment	9	9	9	9	— ^(a)
Infrastructure WA	7	8	8	7	-1
Heritage Council of Western Australia	7	9	9	6	-2
Office of the Information Commissioner	7	7	7	5	-2
Health and Disability Services Complaints Office	5	5	5	4	— ^(a)
Commissioner for Children and Young People	4	4	4	4	— ^(a)
Office of the Inspector of Custodial Services	4	4	4	4	— ^(a)
Rural Business Development Corporation	16	6	6	2	-4
Salaries and Allowances Tribunal	1	1	1	1	— ^(a)
Parliamentary Inspector, Corruption and Crime Commission	1	1	1	1	— ^(a)

(a) Amounts are less than \$0.5 million.

(b) The 2025-26 Total Cost of Services estimates for these agencies vary from those disclosed in the 2025-26 and/or 2026-27 Budget Paper No. 2: *Budget Statements*. Budget Paper No. 2 disclosures for 2025-26 in these Budgets included adjustments to reflect the full-year impact of Public Sector Reforms from 1 July 2025 for comparative purposes. For expense limit purposes, responsibility for the Office of Major Infrastructure Delivery function was transferred from the Department of Housing and Works to the Department of Transport and Major Infrastructure during 2025-26.

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

Key Terms Used in the Financial Report

Accrual Accounting

An accounting method that records revenue and expenses when they are incurred, regardless of when cash is exchanged. The term 'accrual' refers to any individual entry recording revenue or expense regardless of a cash transaction.

Advances Paid

Loans acquired for policy rather than liquidity management purposes. These include long and short-term loans, non-marketable debentures and long and short-term promissory agreements (bonds and bills) issued by public sector entities to achieve government policy objectives.

Advances Received

Loans/borrowings received from other levels of government or from government entities.

Asset Investment Program

Total public sector purchases of non-financial physical assets (i.e. Western Australia's public sector infrastructure program).

Australian Bureau of Statistics - Government Finance Statistics Manual

The Australian Bureau of Statistics' publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2015* contains a comprehensive and definitive guide to the classification of financial aggregates for National Accounts and Government Finance Statistics purposes. Except where a conflict with a current accounting standard arises, the same classifications are applied to the whole-of-government financial data prepared under AASB 1049: *Whole of Government and General Government Sector Financial Reporting*.

Balance Sheet

A financial statement that presents the financial position of a sector by detailing the stock of assets, liabilities and equity at the end of a reporting period.

Biological Assets

Biological assets may include commercial forests and any living animal, plant or agricultural produce that is the harvested product of biological assets.

Borrowings

Borrowings refer to interest bearing liabilities mainly raised from public borrowings raised through the Western Australian Treasury Corporation, leases and other interest-bearing arrangements. Borrowings exclude liabilities raised from other government entities (which are recorded as Advances Received).

Capital Grants (transfers)

Transactions in which the ownership of an asset (other than cash and inventories) is transferred from one entity to another, to enable the recipient to acquire another asset or in which cash is transferred to enable the recipient to acquire an asset other than inventories, for which no economic benefits of equal value are receivable in return.

Cash Flow Statement

A financial statement that presents a summary of all cash receipts and payments for a sector in a reporting period.

Cash Flow From Operating Activities

Receipts and payments of cash relating to a reporting entity's operating activities.

Cash Flow From Investing Activities

Relates to the purchase or sale of assets, such as land, buildings and equipment.

Cash Flow From Financing Activities

Shows the cash receipts and payments related to transactions with the providers of finance.

Cash Surplus/Deficit

Reported in the cash flow statement, the cash surplus/deficit measures the net impact of cash flows (excluding financing activities) during the period. It equals net cash flows from operating activities (things that agencies do on a daily basis as part of their operations) plus net cash flows from the acquisition and disposal of non-financial assets (i.e. infrastructure activities), less distributions paid (i.e. dividends). The Commonwealth Government refers to this aggregate as the 'underlying cash balance' in its publications and is the headline Budget measure for that tier of government. A cash surplus is generally consistent with declining levels of net debt while a cash deficit indicates a need for more borrowing and/or to draw on cash reserves.

Change in Net Worth

Change in net worth (also known as the 'comprehensive result') is revenue from transactions, less expenses from transactions, plus other economic flows, and measures the variation in the public sector's accumulated assets and liabilities.

Classification of the Functions of Government

The Classification of the Functions of Government classifies expenses and acquisitions of non-financial assets of the public sector and general government sector in terms of the purposes for which the transactions are made. AASB 1049 requires that total assets of the State and the general government sector are also to be allocated to this functional classification where possible to do so (see Notes to the Financial Statements in Appendix 1 of this report). The major groups reflect the broad objectives of government and the groups and sub-groups details the means by which these broad objectives are met.

Consolidated Account

The *Constitution Act 1889* creates the Consolidated Account. Under section 64 of the *Constitution Act 1889*, all moneys due to the State from taxes, charges, imposts, and other sources, and that are not hypothecated by separate legislation, must be credited to the Consolidated Account and can only be expended if authorised by an Appropriation Act or other statute authorising appropriation. The legislation does not impose any restrictions on the purposes for which the Consolidated Account may be appropriated. See also Public Bank Account below.

Consolidated Financial Statements

The aggregate financial statements for the whole-of-government (and its sub-sectors), including the financial outcomes of public sector agencies. Transactions, assets and obligations between agencies are eliminated on consolidation.

Consumer Price Index

The Consumer Price Index (CPI) measures changes in the price of a 'basket' of goods and services purchased by households. Growth in the CPI is often used as a benchmark estimate of inflation.

Contingent Asset

A possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised on the balance sheet. For example, the State may expect to receive a cash benefit as a result of a legal claim that is yet to be settled.

Contingent Liability

A potential financial obligation arising out of a condition, situation, guarantee or indemnity, the ultimate effect of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events. Contingent liabilities are not recorded on the balance sheet. Examples include the potential outcomes of pending legal proceedings against the State (or a State agency) and items covered by government guarantees, sureties and indemnities.

Convergence Difference

The difference between the amounts recognised in the financial statements (prepared under Australian Accounting Standards) compared with the amounts determined for Government Finance Statistics purposes as a result of differences in definition, recognition, measurement, classification and consolidation principles and rules.

Current Grants (Transfers)

The provision of something of value for no specific return or consideration (e.g. grants, subsidies and donations).

Defined Contribution Superannuation Plans

Post-employment superannuation benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Defined Benefit Superannuation Plans

Post-employment superannuation benefit plans other than defined contribution plans.

Derivatives

Financial instruments that are held for trading and valued at fair value at the balance sheet date, in accordance with AASB 9: *Financial Instruments*.

Employee Expenses

These expenses include all costs related to employment including wages and salaries, Fringe Benefits Tax, leave entitlements, separation payments, defined benefit superannuation plans and defined contribution superannuation plans.

Expenses

Expenses are defined as transactions that reduce net worth. They represent the cost of day-to-day operations. Purchases of services (other than those that are capitalised as infrastructure) are expenses because the services are consumed when provided and net worth is reduced by the cost of the services. For example, the purchase of labour services (commonly known as 'salaries') is an expense.

Fair Value

The price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair Value Through Other Comprehensive Income

Financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Fair Value Through Profit and Loss

Financial assets are classified and measured at fair value through profit unless they are measured at amortised cost or at fair value through other comprehensive income.

Financial Asset

Any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments.

Some highly liquid assets (such as cash or very short-term investments that convert to cash very easily) are treated as an offset to borrowings and other financial instruments, to derive net debt.

Financial Liability

Financial obligations to a third party. Includes deposits held on behalf of third parties, advances (loans) received from the Commonwealth, borrowings (including leases), employee entitlements (such as unfunded superannuation liabilities), accounts payable, etc.

Financial Management Act 2006

The Act that sets out the framework for most public sector financial management in Western Australia.

Fiscal Aggregates

Analytical balances that are useful for macroeconomic analysis purposes, including assessing the impact of a government and its sectors on the economy. Key fiscal aggregates defined under ABS Government Finance Statistics manual are required to be disclosed under AASB 1049: *Whole of Government and General Government Sector Financial Reporting*. They are net operating balance, net lending-borrowings, net worth, change in net worth due to revaluations, change in net worth due to other changes in the volume of assets, total change in net worth, and the cash surplus/-deficit.

Forward Estimates

Estimates of financial aggregates for future years. These assume that there will be no significant change in government policy and are designed to provide a longer-term perspective to the budget process.

Full-time Equivalent

One full-time equivalent staff member is the same as one person working full time for one financial year.

General Government Sector

Defined in Government Finance Statistics as an entity or group of entities which are mainly engaged in the production of goods and/or services outside the normal market mechanism. Government departments are usually recognised as general government sector agencies.

Government Financial Responsibility Act 2000

Western Australian legislation that establishes a framework for government financial planning with a view to improving government financial outcomes and facilitates public scrutiny of government financial policy and performance.

Government Finance Statistics

Refers to financial statistics that measure the financial transactions of governments and reflect the impact of those transactions on other sectors of the economy. Government Finance Statistics in Australia are developed by the ABS, are maintained in conjunction with all governments, and are based on international statistical standards developed by the International Monetary Fund in consultation with member countries.

Grants and Subsidies

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be of a current or capital nature (see current grants and capital grants).

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive benefits directly of approximately equal value. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers.

Grants can be paid as general purpose grants which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Gross Borrowing

Loans and debt obligations liabilities, other than advances, created through direct agreements with lenders, the sale of securities and acquisition of leases. Gross borrowing is the largest component of gross debt, used to calculate the State's net debt.

Gross Debt

A component of net debt. Gross debt includes borrowings, deposits held on behalf of third parties, and advances (loans) from the Commonwealth. Net debt is derived from gross debt less liquid financial assets.

Gross State Product

Gross State Product (GSP) measures the value of all final goods and services produced within a State. GSP is a common measure of economic activity.

Key Fiscal Aggregates

Financial aggregates that are important for analysis purposes, including assessing the impact of a government and its sectors on the economy. For example, the net operating balance and net debt which are a focus of the discussion in Western Australia's Budget, Mid-year Review and in this *Annual Report on State Finances*.

Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For example, public sector agencies often lease buildings and vehicles, and record such leased assets on the balance sheets. All related costs and the total remaining lease liability is also recorded in the financial statements.

National Partnership Payment

A Commonwealth government grant to a State and/or Territory to support the delivery of specified outputs or projects, to facilitate reforms or to reward the delivery of nationally significant reforms. Each national partnership payment is supported by a National Partnership Agreement which defines mutually agreed objectives, outputs and performance benchmarks.

Net Acquisition (Disposal) of Non-financial Assets From Transactions

Includes purchases (or acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Purchases and sales (or net acquisitions) of non-financial assets generally include accrued expenses and payables for capital items. Purchases exclude non-produced assets and valuables which are included in other movements in non-financial assets.

Net Cash Flows From Investments in Financial Assets (Liquidity Management Purposes)

Includes cash receipts from liquidation or repayment of investments in financial assets for liquidity management purposes less cash payments for such investments. Investment for liquidity management purposes means making funds available to others with no policy intent and with the aim of earning a commercial rate of return.

Net Cash Flows From Investments in Financial Assets (Policy Purposes)

Includes cash receipts from the repayment and liquidation of investments in financial assets for policy purposes less cash payments for acquiring financial assets for policy purposes. Acquisition of financial assets for policy purposes is distinguished from investments in financial assets (liquidity management purposes) by the underlying motivation for acquiring the assets. Acquisition of financial assets for policy purposes is motivated by Government policies such as encouraging the development of certain industries or assisting citizens affected by natural disaster.

Net Debt

Net debt measures the public sector's net stock of selected gross financial liabilities less liquid financial assets. Net debt is derived from the balance sheet as the sum of deposits held, advances received, government securities, loans and borrowings (including lease liabilities), less the sum of cash and deposits, advances paid and investments, loans and placements.

Net Financial Liabilities

Equals total liabilities less financial assets (other than equity in public corporations and other entities). This measure is broader than net debt as it includes significant liabilities, other than borrowings (for example, accrued employee liabilities such as superannuation and long service leave entitlements).

Net Financial Worth

Measures the public sector's net holdings of financial assets. It is calculated from the Uniform Presentation Framework balance sheet as financial assets less liabilities. Net financial worth is a broader measure than net debt, as it incorporates provisions (such as superannuation, but excludes depreciation and doubtful debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities.

Net Gains on Equity Investments in Other Sector Entities

Net gains on equity investments in other sector entities measured at proportional share of the carrying amount of net assets/liabilities represents the net gains relating to the equity held by the general government sector in other sector entities. It arises from a change in the carrying amount of net assets of the subsidiaries. Net gains are measured based on the proportional share of the subsidiary's carrying amount of net assets/liabilities before elimination of inter-sector balances.

Net Lending/Borrowing

An operating statement measure which includes the net operating balance and spending on capital items. The net lending/borrowing measure more accurately reflects the cash requirements of the public sector in any given year. A net lending (or fiscal surplus) balance indicates that the public sector is saving more than enough to finance all its investment spending. A net borrowing (or fiscal deficit) position indicates that the public sector's level of investment is greater than its level of savings.

Net Operating Balance

This key financial aggregate is calculated as income from transactions (or revenue) less expenses from transactions. It is a summary measure of the ongoing sustainability of operations and excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to revenue and expense transactions.

Net Worth

Net worth is an economic measure of wealth and provides a relatively comprehensive picture of the public sector's overall financial position. It is calculated as total assets less total liabilities less shares and other contributed capital. For the general government sector, net worth is assets less liabilities, since no shares or ownership contribution of capital from a third party exist for the central government.

Operating Statement

A financial statement that presents the operating performance of a reporting entity by detailing all items of revenue and expense recognised as they accrue during a reporting period. Also known as the income statement. Cash flows for these accruing operating activities may occur in the same or subsequent reporting period.

Operating Result

A measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'.

Other Economic Flows

The change in the volume or value of assets and liabilities that does not result from operating transactions.

Other Revenue

Revenue not elsewhere classified or disclosed.

Public Bank Account

The Public Bank Account (PBA) is administered by the Department of Treasury and Finance and forms the central bank account of the Government of Western Australia. The PBA is created by the *Financial Management Act 2006*, and is divided into component parts and includes the Consolidated Account, Treasurer's Advance and Treasurer's Special Purpose Accounts (collectively referred to as the Public Ledger and detailed in Appendix 7 of this report), and agency Special Purpose Accounts.

Public Corporations

Those agencies that are primarily operating in a market and seek to recover a substantial portion of their costs through user charges. They comprise public financial corporations and public non-financial corporations (see below).

Public Financial Corporations Sector

The sector comprises government controlled entities mainly engaged in financial activities, such as providing banking and insurance services. They are able to incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services).

Public Non-financial Corporations Sector

The public non-financial corporations sector comprises those non-financial public sector agencies engaged mainly in the production of non-financial goods and services for sale in the market, with an objective to recover at least a significant proportion of operating costs through charges for goods and services.

Public-Private Partnerships

A term used to describe a method of procuring government infrastructure and associated services through private sector involvement. Public-private partnership (PPPs) create opportunities with the private sector for increasing investment in social and economic infrastructure. The accounting rules for PPPs are complex and are based on case-by-case circumstances. However, PPPs often result in recognition of a lease or other form of borrowing for the public sector balance sheet (which contribute to the calculation of gross and net debt).

Revenue

Revenue is defined as operating transactions that increase net worth or are associated with the acquisition of an economic benefit. Examples include tax collections, Commonwealth grants, royalty income, and fees for goods and services.

Right-of-Use Asset

Represents a lessee's right to use an asset over the life of a lease. The asset is calculated as the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct costs incurred, less any lease incentives received.

Royalty Income

A type of rent revenue relating to the use of non-produced sub-soil assets such as mineral deposits.

Sales of Goods and Services

Refers to revenue from the direct provision of goods and services, and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land.

Securities Other Than Shares

Negotiable financial instruments serving as evidence of the obligations to settle by means of providing cash, a financial instrument, or some other item of economic value. The security normally specifies a schedule for interest payments and principal repayments. Examples include bills, bonds and debentures, commercial paper, and securitised mortgage loans.

Service Concession Arrangement

A service concession arrangement arises where a government or other public sector body contracts with a private operator to develop (or upgrade), operate and maintain infrastructure assets such as prisons or hospitals.

Superannuation Concurrent Cost

The annual current service cost of accruing employee superannuation entitlements.

Superannuation Interest Cost

Represents the carrying cost of unfunded superannuation liabilities. Unfunded superannuation is essentially a debt owing to employees which attracts a carrying (or interest) cost. The State of Western Australia has concurrently funded the superannuation costs of almost all of its employees since 1998-99. As a result, superannuation interest costs are anticipated to decline over the next decade as the majority of unfunded entitlements are gradually paid out.

Taxation Revenue

Taxation revenue represents revenue received from the State's taxpayers and includes payroll tax, land tax, duties levied principally on conveyances and land transfers, gambling taxes levied mainly on private lotteries and racing, insurance duty relating to compulsory third party policies, motor vehicle taxes, including registration fees and duty on registrations and transfers, levies on statutory corporations in other sectors of government and other taxes, including landfill levies, licence and concession fees.

Tax Equivalents Regime

The mechanism to ensure that public corporations incur similar tax liabilities as privately owned organisations that are exposed to the tax system. Under these arrangements, greater parity exists between the cost structures of public sector trading entities and the private sector, aiding in the achievement of competitive neutrality.

Total Change in Net Worth

The net result of all items of income and expense recognised for the period. This is sometimes also referred to as the 'Comprehensive Result'. It is the aggregate of operating result and other movements in equity, other than transactions with owners as owners. It is equivalent to the change in the total value of assets less the total value of liabilities on the balance sheet.

Total Non-financial Assets

Assets that are not 'financial assets', predominantly land and other fixed assets.

Total Non-financial Public Sector

The total non-financial public sector represents the consolidated transactions and assets and liabilities of the general government and public non-financial corporations sectors. In compiling statistics for the total non-financial public sector, transactions and debtor/creditor relationships between sub-sectors are eliminated.

Transactions

Transactions are those economic flows that are considered to arise from an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Taxation is regarded as mutually agreed interactions between the public sector and tax payers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is in cash.

Uniform Presentation Framework

The Uniform Presentation Framework (UPF) was first agreed by the Australian Loan Council in 1993. The current UPF incorporates the use of accounting standard AASB 1049: *Whole of Government and General Government Sector Financial Reporting* and specifies that Commonwealth, State and Territory governments will present a minimum set of budget and financial outcome information on AASB 1049 and Government Finance Statistics bases according to an agreed format specified by Australian Loan Council reporting arrangements.

Whole-of-Government Financial Report

A financial report prepared by a government that is prepared in accordance with Australian Accounting Standards and thereby separately recognises assets, liabilities, income, expenses and cash flows of all entities under the control of the government on a line-by-line basis.

